
Credico Finance S.p.A.

(incorporated as a company limited by shares under the laws of the Republic of Italy)

€ 281,500,000 Class A Asset Backed Floating Rate Notes due September 2021 (Issue Price: 100%)

€ 15,000,000 Class B Asset Backed Floating Rate Notes due September 2021 (Issue Price: 100%)

Application has been made to the Luxembourg Stock Exchange to list the € 281,500,000 Class A Asset Backed Floating Rate Notes due September 2021 (the “**Class A Notes**” and the applicable terms and conditions the “**Class A Conditions**”) and the € 15,000,000 Class B Asset Backed Floating Rate Notes due September 2021 (the “**Class B Notes**” and the applicable terms and conditions, the “**Class B Conditions**”; the Class A Notes and the Class B Notes collectively, the “**Notes**” and the Class A Conditions together with the Class B Conditions the “**Conditions of the Notes**”) of Credico Finance S.p.A., a limited liability company organised under the laws of the Republic of Italy (the “**Issuer**”).

In connection with the issue of the Class A Notes and the Class B Notes the Issuer will issue € 860,339 Class C1 Asset Backed Floating Rate Notes due September 2021 (the “**Class C1 Notes**”); € 1,641,007 Class C2 Asset Backed Floating Rate Notes due September 2021 (the “**Class C2 Notes**”); € 1,221,865 Class C3 Asset Backed Floating Rate Notes due September 2021 (the “**Class C3 Notes**”); € 2,229,311 Class C4 Asset Backed Floating Rate Notes due September 2021 (the “**Class C4 Notes**”); € 654,455 Class C5 Asset Backed Floating Rate Notes due September 2021 (the “**Class C5 Notes**”) (the Class C1 Notes, the Class C2 Notes, the Class C3 Notes, the Class C4 Notes and the Class C5 Notes collectively, the “**Class C Notes**”). No application has been made to list the Class C Notes on any stock exchange; the Class C Notes are not being offered pursuant to this Offering Circular.

Calculations as to the expected average life of the Class A Notes and the Class B Notes can be made based on certain assumptions as set out in the section “**Weighted Average Life of the Notes**”. However, there is no certainty that the Class A Notes and the Class B 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 and the Class B Notes could be reduced as a result of losses incurred in respect of the Portfolios (as defined hereunder).

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**” or the “**Claims**”) arising under mortgage loan agreements executed by Banca di Credito Cooperativo dell’Agro Bresciano S.c.a.r.l. (“**BCC Agro Bresciano**”), Banca di Credito Cooperativo di Alba, Langhe e Roero S.c.a.r.l. (“**BCC Alba**”), Banca di Credito Cooperativo di Orsago S.c.a.r.l. (“**BCC Orsago**”), Banca di Credito Cooperativo di Roma S.c.a.r.l., Gruppo Cassa Rurale ed Artigiana di Roma (“**BCC Roma**”) and Romagna Est Banca di Credito Cooperativo S.c.a.r.l. (“**BCC Romagna Est**”) (BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est collectively the “**Originators**”). The Portfolios have been purchased by the Issuer under the terms of a transfer agreement (the “**Transfer Agreement**”) executed between BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma, BCC Romagna Est and the Issuer pursuant to Legge No. 130 of 30 April 1999 (“**Law 130**”). The principal source of payment of interest and repayment of principal on the Notes will be collections made from or in respect of the Portfolios.

Unless previously redeemed in accordance with the Class A Conditions and the Class B Conditions respectively, the Class A Notes will be redeemed on the Interest Payment Date which shall fall in September 2021 and the Class B Notes on the Interest Payment Date which shall fall in September 2021 (in each case, the “**Final Maturity Date**” of such Notes).

The Notes will be subject to mandatory redemption as specified in “**Transaction Summary Information - Principal Features of the Notes - Mandatory Redemption**”. In certain other circumstances 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 (see “**Transaction Summary Information - Principal Features of the Notes and the Class C Notes - Optional Redemption**”).

Interest on the Notes will accrue from 27 September 2001 (the “**Issue Date**”) and will be payable semi-annually in arrears on 30 March and 30 September in each year subject to adjustment for non business days, commencing in March 2002. The Class A Notes will bear interest at an annual rate equal to the Euro Interbank Rate (“**EURIBOR**”) for six month deposits in Euro plus a margin of 0,33% per annum. The Class B Notes will bear interest at an annual rate equal to EURIBOR plus a margin of 0,95% per annum.

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 *Decreto Legislativo* No. 239 of 1 April 1996, unless the Issuer is required by 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 being obliged to pay any additional amounts as a consequence.

The Class A Notes are expected, on issue, to be rated Aaa by Moody’s Investors Service (“**Moody’s**”) and AAA by Standard & Poor’s Rating Services (“**Standard & Poor’s**”). The Class B Notes are expected, on issue, to be rated A2 by Moody’s and A by Standard & Poor’s. No rating will be assigned to the Class C 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 Notes and the Class C Notes will be held in dematerialised form on behalf of the ultimate owners, from the Issue Date until redemption or cancellation thereof, by Monte Titoli S.p.A. (“**Monte Titoli**”) for the account of the relevant Monte Titoli Accountholders (as defined below). The expression “**Monte Titoli Accountholders**” means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depository banks appointed by Clearstream Banking Luxembourg (“**Clearstream**”) and Morgan Guaranty Trust Company of New York, Brussels office as operator of the Euroclear System Bank S.A./N.V. (“**Euroclear**”).

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

Lead Manager and Arranger

CREDIT AGRICOLE INDOSUEZ

Senior Co-lead Manager

TOKYO – MITSUBISHI INTERNATIONAL PLC

Co-lead Managers

BANKINTER SA

COÖPERATIEVE CENTRALE

RAIFFEISEN-BOERENLEENBANK B.A.

DZ BANK AG DEUTSCHE ZENTRAL –

GENOSSENSCHAFTSBANK

FRANKFURT AM MAIN

Dated 27 September 2001

The Issuer accepts responsibility for the information contained in this Offering Circular, other than that information for which BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma, BCC Romagna Est accept responsibility as described in the following paragraph. To the best of the knowledge and belief of the Issuer (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.

Each of BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est accepts responsibility for the information included in this Offering Circular in the relevant parts of the sections headed “The Portfolios” and “The Originators” and any other information contained in this Offering Circular relating to itself and its Portfolio. To the best of the knowledge and belief of each BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est (which have 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.

None of the Lead Manager, the Senior Co-lead Manager, the Co-lead Managers (collectively the “**Managers**”), the Issuer, or the Arranger has undertaken or will undertake any investigations, searches or other actions to verify the details of the Portfolios sold by BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est to the Issuer, nor has the Issuer, the Managers or the Arranger or any other party to the securitisation transaction undertaken, nor will they undertake, any investigations, searches or other actions to establish the existence of any of the monetary claims in the Portfolios. In the Transfer Agreement and in the Warranty and Indemnity Agreement (as defined herein), each of BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est has agreed, subject to certain conditions, to indemnify the Issuer for the non-existence or the non-conformity of the monetary claims in the Portfolio it has sold to the Issuer.

No person has been authorised to give any information or to make any representation not contained in this Offering Circular 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, BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma, BCC Romagna Est (in any capacity), the Managers, the Arranger or any other party to the securitisation transaction. Neither the delivery of this Offering Circular 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 BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma, BCC Romagna Est or the information contained herein since the date of this Offering Circular or that the information contained herein is correct as at any time subsequent to the date of this Offering Circular.

The Notes are limited recourse obligations of the Issuer. By operation of Italian law, the Issuer's right, title and interest in and to the Portfolios and to all amounts deriving therefrom (the “**Issuer's Rights**”) will be segregated from all other assets of the Issuer. The Notes and the Class C Notes will not be obligations or responsibilities of, and will not be guaranteed by BCC Agro

Bresciano, BCC Alba, BCC Orsago, BCC Roma, BCC Romagna Est (in any capacity), the Agents, the Lead Manager, the Senior Co-lead Manager, the Co-lead Managers, the Arranger, the Swap Counterparty or the Representative of the Noteholders (each as defined herein). No person, other than the Issuer, will accept any liability to Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes and the Class C 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 Issuer's Creditors. The "**Issuer's Creditors**" are (i) the Noteholders and the Class C Noteholders; (ii) the Liquidity Providers and the Swap Counterparty; (iii) the Originators as sellers of the Claims (iv) the Servicers; (v) the Issuer's other creditors under the Transaction Documents; and (vi) 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 the creditors of the Issuer other than the Issuer's Creditors, until full redemption or cancellation of the Notes and the Class C Notes and full discharge by the Issuer of its obligations vis-à-vis the other Issuer's Creditors.

The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular (or any part of it) comes are required by the Issuer and the Managers to inform themselves about, and to observe, any such restrictions. Neither this Offering Circular 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.

The Notes may not be offered or sold directly or indirectly, and neither this Offering Circular nor any other offering circular or any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. No action has or will be taken which would allow an offering (nor 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 Offering Circular 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 Offering Circular see "Subscription and Sale".

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**") or any 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.

Certain monetary amounts included in this Offering Circular 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.

In this Offering Circular, references to “**ITL**”, “**Lire**” and “**Italian Lire**” are to the lawful currency of the Republic of Italy and references to “**Euro**” or “**€**” 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 Roma 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 European Council of Madrid of 16 December 1995.

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 or the Managers that any recipient of this Offering Circular, 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.

TABLE OF CONTENTS

THE PRINCIPAL PARTIES	6	
TRANSACTION SUMMARY INFORMATION.....	9	Deleted: 133
THE PORTFOLIO.....	54	Deleted: 132
WEIGHTED AVERAGE LIFE OF THE NOTES.....	93	Inserted: 133
USE OF PROCEEDS.....	95	Deleted: 138
THE ISSUER	96	Inserted: 138
SUMMARY DESCRIPTION OF CREDIT AGRICOLE INDOSUEZ	100	Deleted: 137
THE ORIGINATORS.....	101	Deleted: 144
DESCRIPTION OF THE TRANSFER AGREEMENT.....	133	Inserted: 144
DESCRIPTION OF THE WARRANTY AND INDEMNITY AGREEMENT	138	Deleted: 143
DESCRIPTION OF THE SERVICING AGREEMENT.....	144	Deleted: 148
DESCRIPTION OF THE CORPORATE SERVICES AGREEMENT, THE INTERCREDITOR AGREEMENT, THE DEED OF PLEDGE, THE CASH ADMINISTRATION AND AGENCY AGREEMENT, THE SUBSCRIPTION AGREEMENTS, THE HEDGING AGREEMENTS, THE LIQUIDITY AGREEMENT AND THE PLEDGE AGREEMENTS	148	Inserted: 148
SELECTED ASPECTS OF ITALIAN LAW.....	153	Deleted: 147
TERMS AND CONDITIONS OF THE CLASS A NOTES	156	Deleted: 153
TERMS AND CONDITIONS OF THE CLASS B NOTES	198	Deleted: 152
TAXATION	240	Deleted: 156
SUBSCRIPTION AND SALE.....	247	Inserted: 156
GENERAL INFORMATION.....	250	Deleted: 155
GLOSSARY	252	Deleted: 199
THE ISSUER	270	Inserted: 199
		Deleted: 198
		Inserted: 198
		Deleted: 197
		Deleted: 242
		Inserted: 242
		Deleted: 239
		Deleted: 249
		Inserted: 249
		Deleted: 246
		Deleted: 252
		Deleted: 249
		Inserted: 252
		Deleted: 254
		Inserted: 254
		Deleted: 251
		Deleted: 272
		Inserted: 272
		Deleted: 269

THE PRINCIPAL PARTIES

Issuer	Credico Finance S.p.A., a company incorporated under Article 3 of Law 130, enrolled in the general register of financial intermediaries held by Ufficio Italiano Cambi pursuant to Article 106 of <i>Decreto Legislativo</i> No. 385 of 1 September 1993 (the “ Banking Law ”) with No. 31849 and in the process of being enrolled in the special register of financial intermediaries held by Banca d’Italia pursuant to Article 107 of the Banking Law, whose registered office is at Via Massimo D’Azeglio 33, Rome, Italy.
Originators	<p>Banca di Credito Cooperativo dell’Agro Bresciano S.c.a.r.l. (“BCC Agro Bresciano”), a bank enrolled in the register of banks held by Banca d’Italia pursuant to Article 13 of the Banking Law with No. 2181.6.0, whose registered office is at Piazza Roma 17, Ghedi, Brescia, Italy.</p> <p>Banca di Credito Cooperativo di Alba, Langhe e Roero S.c.a.r.l. (“BCC Alba”), a bank enrolled in the register of banks held by Banca d’Italia pursuant to Article 13 of the Banking Law with No. 205.50, whose registered office is at Corso Italia 4/6, Alba, Cuneo, Italy.</p> <p>Banca di Credito Cooperativo di Orsago S.c.a.r.l. (“BCC Orsago”), a bank enrolled in the register of banks held by Banca d’Italia pursuant to Article 13 of of the Banking Law with No. 4386, whose registered office is at Via Vittorio Veneto 38, Orsago, Treviso, Italy.</p> <p>Banca di Credito Cooperativo di Roma S.c.a.r.l. Gruppo Cassa Rurale ed Artigiana di Roma (“BCC Roma”), a bank enrolled in the register of banks held by Banca d’Italia pursuant to Article 13 of the Banking Law with No. 4516.10, whose registered office is at Viale Oceano Indiano 137/c, Rome, Italy.</p> <p>Romagna Est Banca di Credito Cooperativo S.c.a.r.l. (“BCC Romagna Est”), a bank enrolled in the register of banks held by Banca d’Italia pursuant to Article 13 of of the Banking Law with No. 5285.2, whose registered office is at Corso Perticari 25/27, Savignano sul Rubicone, Forli/Cesena, Italy.</p>
Arranger	Crédit Agricole Indosuez S.A. (“ Crédit Agricole Indosuez ”)

Agent Bank	Crédit Agricole Indosuez, Milan Branch (“ Crédit Agricole Indosuez, Milan Branch ”) or any other person from time to time acting as Agent Bank pursuant to the Cash Administration and Agency Agreement.
Transaction Bank	ICCREA Banca S.p.A. or any other person from time to time acting as Transaction Bank pursuant to the Cash Administration and Agency Agreement.
Depository	Crédit Agricole Indosuez, Milan Branch or any other person from time to time acting as Principal Paying Agent pursuant to the Cash Administration and Agency Agreement.
Principal Paying Agent	Crédit Agricole Indosuez, Milan Branch or any other person from time to time acting as Principal Paying Agent pursuant to the Cash Administration and Agency Agreement.
Representative of the Noteholders	Crédit Agricole Indosuez Luxembourg S.A. (“ Crédit Agricole Indosuez Luxembourg ”) or any other person from time to time acting as Representative of the Noteholders.
Lead Manager	Crédit Agricole Indosuez.
Senior Co-lead Manager	Tokyo – Mitsubishi International plc
Co-lead Managers	Bankinter SA, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and DZ BANK AG Deutsche Zentral-Genossenschaftsbank Frankfurt am Main.
Managers	Collectively the Lead Manager, the Senior Co-lead Manager and the Co-lead Managers.
Swap Counterparty	Crédit Agricole Indosuez or any other person from time to time acting as Swap Counterparty.
Liquidity Providers	BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est or any other persons from time to time acting as Liquidity Providers pursuant to the Liquidity Agreement.
Servicers	BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma, BCC Romagna Est or any other persons from time to time acting as Servicers pursuant to the Servicing Agreement
Back-up Servicer	ICCREA Banca S.p.A..
Corporate Administrator	FIS - Fiduciaria Generale S.p.A.

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Cash Manager	Crédit Agricole Indosuez, Milan Branch or any other person from time to time acting as Cash Manager pursuant to the Cash Administration and Agency Agreement.
Computation Agent	Crédit Agricole Indosuez, Milan Branch or any other person from time to time acting as Computation Agent pursuant to the Cash Administration and Agency Agreement.
Luxembourg Paying Agent	Crédit Agricole Indosuez Luxembourg or any other person from time to time acting as paying agent of the Issuer in Luxembourg and as intermediary between the Issuer and the Noteholders pursuant to the Cash Administration and Agency Agreement. The Principal Paying Agent and the Luxembourg Paying Agent are collectively referred to as the “Paying Agents”.
Listing Agent	Crédit Agricole Indosuez Luxembourg or any other person from time to time acting as Listing Agent.

TRANSACTION SUMMARY INFORMATION

The following information is a summary of certain aspects of the Transaction. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Offering Circular.

Principal Features of the Notes and the Class C Notes

TITLE The Notes will be issued by the Issuer on the Issue Date in the following classes (each a “**Class**”):

€ 281,500,000 Class A Asset Backed Floating Rate Notes due September 2021;

€ 15,000,000 Class B Asset Backed Floating Rate Notes due September 2021;

The Class C Notes will be issued by the Issuer on the Issue Date in the following series (each a “**Series**”):

€ 860,339 Class C1 Asset Backed Floating Rate Notes due September 2021;

€ 1,641,007 Class C2 Asset Backed Floating Rate Notes due September 2021;

€ 1,221,865 Class C3 Asset Backed Floating Rate Notes due September 2021;

€ 2,229,311 Class C4 Asset Backed Floating Rate Notes due September 2021;

€ 654,455 Class C5 Asset Backed Floating Rate Notes due September 2021.

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

<i>Class</i>	<i>Issue Price</i>
Class A	100%
Class B	100%
Class C1	100%

Class C2	100%
Class C3	100%
Class C4	100%
Class C5	100%

INTEREST

The Class A Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at a rate of interest equal to 0,33% per annum added to EURIBOR for six month deposits in Euro (the “**Class A Interest Rate**”).

The Class B Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at a rate of interest equal to 0,95% per annum added to EURIBOR for six month deposits in Euro (the “**Class B Interest Rate**”).

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

Single Series Class C Notes Interest Payment Amount

means with respect to each Interest Payment Date and to each series of Class C Notes an amount, calculated as at the Reference Date immediately preceding such Interest Payment Date, equal to:

- (i) the aggregate of all Interest Instalments accrued on the Claims of the relevant Portfolio in the immediately preceding Reference Period (excluding Interest Accruals);

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plus

- (ii) the aggregate of all fees for prepayment paid on the Claims of the relevant Portfolio in the immediately preceding Reference 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 Reference

Period;

plus

- (iv) all amounts to be received by the Issuer under the relevant Hedging Agreements on the next following Interest Payment Date;

Plus

- (v) all amounts received or recovered by the Issuer in the immediately preceding Reference Period with respect to Claims of the relevant Portfolio which are or have been Defaulted Claims;

plus

- (vi) (a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Payments Account and the Expenses Account and paid into the same; (b) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the relevant Collections and Recoveries Account, Single Portfolio Reserve Account and Principal Amortisation Reserve Account and paid into the same during the immediately preceding Reference Period; and (c) all amounts of interest (if any) accrued 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 Reference Period;

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Plus

- (vii) the relevant Outstanding Notes Ratio of all payments (if any) received under the Eligible Investments during the immediately preceding Reference Period;

minus

- (viii) the aggregate of all amounts due to be paid by the

Issuer on the next following Interest Payment Date out of the relevant Single Portfolio Available Funds under heads *First* and *Third* through to *Seventh*, plus *Ninth*, *Tenth*, *Thirteenth* and *Fourteenth* of the Order of Priority of Payments, or the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Interest Payment Date under heads *First* and *Third* through to *Seventh*, plus *Ninth*, *Tenth*, *Thirteenth* and *Fourteenth* of the Acceleration Order of Priority of Payments;

minus

- (ix) the Outstanding Balance of all the Claims of the relevant Portfolio which have become Defaulted Claims during the immediately preceding Reference Period calculated as at the immediately preceding Reference Date.

INTEREST PAYMENT DATE

Interest is payable in respect of the Class A Notes, the Class B Notes and the Class C Notes semi-annually in arrears in Euro on 30 March and 30 September in each year or, if such date is not a Business Day, on the next following Business Day (each such date a “**Interest Payment Date**”). The first payment of interest under the Class A Notes, the Class B Notes and the Class C Notes will be due and payable on the Interest Payment Date falling on 30 March 2002 and will relate to the period from (and including) the Issue Date to (but excluding) such Interest Payment Date.

INTEREST SHORTFALL

To the extent that the Issuer’s Available Funds are insufficient to pay interest accrued on the Class A Notes and/or the Class B Notes and/or the Class C Notes on any Interest Payment Date, the shortfall then occurring will become payable on each subsequent Interest Payment Date if and to the extent that the Issuer’s Available Funds may be used for this purpose in accordance with the order of priority of payments, as set out in the Intercreditor Agreement.

FORM AND DENOMINATION

The Notes and the Class C Notes will be held in dematerialised form on behalf of the beneficial owners until redemption or cancellation thereof by Monte Titoli for the account of the relevant Monte Titoli Accountholders. The expression “**Monte Titoli Accountholders**” means any

authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli (as *intermediari aderenti*). The Notes and the Class C Notes will at all times be in book entry form and title to the Notes and the Class C Notes will be evidenced by book entry in accordance with the provisions of Article 28 of *Decreto Legislativo* No. 213 of 24 June 1998 and *Deliberazione* No. 11768 of 23 December 1998 of Commissione Nazionale per le Società e la Borsa – CONSOB as amended by *Deliberazione* No. 12497 of 20 April 2000. No physical document of title will be issued in respect of the Notes and the Class C Notes.

The Class A Notes will be issued in the denomination of €1,000.

The Class B Notes will be issued in the denomination of €1,000.

The Class C1 Notes will be issued in the denomination of €1,000.

The Class C2 Notes will be issued in the denomination of €1,000.

The Class C3 Notes will be issued in the denomination of €1,000.

The Class C4 Notes will be issued in the denomination of €1,000.

The Class C5 Notes will be issued in the denomination of €1,000.

STATUS

With respect to the obligation of the Issuer (i) to repay principal on the Notes and the Class C Notes and (ii) to pay interest on the Notes and the Class C Notes, the relevant Conditions of the Notes and Class C Conditions provide that the Class A Notes will rank *pari passu* and without any preference or priority among themselves. The Class B Notes will rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A Notes. The Class C Notes of each Series will rank *pari passu* and without any preference or priority among themselves. Principal on each Series of Class C 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 in case of acceleration of the reimbursement of the Notes and the Class C Notes, principal on all Series of Class C 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 C Notes shall at all times be subordinated to the Class A Notes and the Class B Notes.

The obligations of the Issuer to each holder of the Notes and to each holder of the Class C Notes as well as to each of the other Issuer's Creditors will be limited recourse obligations of the Issuer. Each Noteholder and Class C Noteholders, as well as each other Issuer's Creditor, will have a claim against the Issuer only to the extent of the Issuer's Available Funds. The Intercreditor Agreement sets out the order of priority of application of the Issuer's Available Funds. See for further details "Order of Priority" and "Description of the Transaction Documents – The Intercreditor Agreement".

Issuer's Available Funds

Means, in respect of each Interest Payment Date, the aggregate of:

- (i) all the Collections received by the Issuer through the Servicers, during the immediately preceding Reference Period;
- (ii) all other amounts paid during the immediately preceding Reference Period in the Collections and Recoveries Accounts (excluding, in respect of the Interest Payment Date falling in September 2002, any Available Class A Notes Redemption Funds, Available Class B Notes Redemption Funds and Single Series Available Class C Notes Redemption Funds paid into the Collections and Recoveries Accounts on the immediately preceding Interest Payment Date), including interest accrued thereon and payments received under the Eligible Investments carried out during the immediately preceding Reference Period by the Cash Manager on the amounts standing to the credit of the Collections and

Recoveries Accounts;

- (iii) all amounts standing to the credit of the Principal Amortisation Reserve Accounts at the end of the immediately preceding Reference Period;
- (iv) all interest accrued on the amount standing from time to time to the credit of the Expenses Account during the immediately preceding Reference Period and paid into the same;
- (v) all amounts due and payable to the Issuer on such Interest Payment Date under the terms of the Hedging Agreements;
- (vi) all amounts received from the Originators, if any, pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreement during the immediately preceding Reference Period; and
- (vii) all the amounts standing to the credit of the Payments Account at the end of the immediately preceding Reference Period;
- (viii) exclusively in respect of the earlier of (i) the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.1 applies following full redemption of the Class A Notes and the Class B Notes, and (ii) the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.5 applies, all amounts standing to the credit of the Reserve Account at the end of the immediately preceding Reference Period; and
- (ix) (I) exclusively in respect of the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.5 applies, all amounts standing to the credit of the Single Portfolio Reserve Accounts at the end of the immediately preceding Reference Period;
- (II) save as provided under (I) immediately above, with respect to each Interest Payment Date on which a Single Portfolio Detrimental

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Event does not occur and with respect to each of the Single Portfolio Reserve Accounts, the difference, if positive, between (a) the amounts standing to the credit of such Single Portfolio Reserve Account at the end of the immediately preceding Reference Period and (b) the amount calculated as follows: (I) the amounts standing to the credit of such Single Portfolio Reserve Account at the end of the preceding Reference Period, multiplied by (II) the ratio between (x) the Advances to be made available to the Issuer under the Liquidity Agreement on such Interest Payment Date by the Liquidity Providers together with the Advances made available by the Liquidity Providers on previous Interest Payment Dates and not yet fully reimbursed, and (y) the aggregate of all amounts standing to the credit of all Single Portfolio Reserve Accounts at the end of the preceding Reference Period;

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and, only in respect of payments ranking as *First, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth and Fourteenth* of the Acceleration Order of Priority of Payments, shall include any Advances to be made to the Issuer with respect to such Interest Payment Date in relation to any Negative Balance.

Single Portfolio Available Funds

Means, in respect of each Interest Payment Date and of each Portfolio, the aggregate of:

- (i) all the Collections received by the Issuer, through the relevant Servicer of such Portfolio, during the immediately preceding Reference Period on the Claims of such Portfolio;
- (ii) all other amounts paid during the immediately preceding Reference Period into the relevant Collections and Recoveries Account (excluding, in respect of the Interest Payment Date falling in September 2002, any relevant Single Portfolio Class A Notes Principal Payment Amount, Single Portfolio

Class B Notes Principal Payment Amount and Single Series Available Class C Notes Redemption Funds paid into such Collections and Recoveries Account on the immediately preceding Interest Payment Date), including interest accrued thereon and payments received under the Eligible Investments carried out during the immediately preceding Reference Period by the Cash Manager on the amounts standing to the credit of such Collections and Recoveries Account;

- (iii) all amounts standing to the credit of the relevant Principal Amortisation Reserve Account at the end of the immediately preceding Reference Period;
- (iv) the relevant Outstanding Notes Ratio of all interest accrued on the amounts standing from time to time to the credit of the Expenses Account ~~during the immediately preceding Reference Period;~~
- (v) all amounts due and payable to the Issuer on such Interest Payment Date under the terms of the Hedging Agreements entered into to hedge the interest rate risks with respect to such Portfolio;
- (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 such Portfolio during the immediately preceding Reference Period; and
- (vii) the relevant Outstanding Notes Ratio of all the amounts standing to the credit of the Payments Account at the end of the immediately preceding Reference Period;
- (viii) with respect to each Interest Payment Date on which a Single Portfolio Detrimental Event has not occurred, the difference, if positive, between (a) the amounts standing to the credit of such Single Portfolio Reserve Account at the end of the immediately preceding Reference Period and (b) the amount calculated as follows: (I) the amounts

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standing to the credit of such Single Portfolio Reserve Account at the end of the preceding Reference Period, multiplied by (II) the ratio between (x) the Advances to be made available to the Issuer under the Liquidity Agreement on such Interest Payment Date by the Liquidity Providers together with the Advances made available by the Liquidity Providers on previous Interest Payment Dates and not yet fully reimbursed, and (y) the aggregate of all amounts standing to the credit of all Single Portfolio Reserve Accounts at the end of the preceding Reference Period;

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- (ix) with respect to the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.1 applies following full redemption of the Class A Notes and the Class B Notes, the amounts standing to the credit of the Reserve Account, which were paid into out of the relevant Single Portfolio Available Funds;

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and, only in respect of payments ranking as *First, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth* and *Fourteenth* of the Order of Priority of Payments, shall include any Advances which are made to the Issuer with respect to such Interest Payment Date in relation to any Single Portfolio Negative Balance of such Portfolio.

Outstanding Notes Ratio

Means with respect to any Interest Payment Date and to each Portfolio, the ratio, calculated as at the immediately preceding Reference Date, between:

- (x) the relevant Single Portfolio Notes Principal Amount Outstanding, and
- (y) the Principal Amount Outstanding of the Notes and of the Class C Notes.

Single Portfolio Notes Principal Amount Outstanding

Means with respect to each Interest Payment Date:

- (i) with respect to Portfolio No.1, the aggregate of the relevant Single Portfolio Class A Notes Principal

Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C1 Notes,

- (ii) with respect to Portfolio No.2, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C2 Notes,
- (iii) with respect to Portfolio No.3, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C3 Notes,
- (iv) with respect to Portfolio No.4 the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C4 Notes, and
- (v) with respect to Portfolio No.5, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C5 Notes,

in each case as at the immediately preceding Reference Date.

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

Means with respect to each Interest 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 Interest 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 13.02% of the Class A Notes, equal to € 36,656,020; (ii) with respect to Portfolio No.2 the Principal Amount Outstanding as at the Issue Date of 24.84% of the Class A Notes, equal to € 69,917,538; (iii) with respect to Portfolio No.3 the Principal Amount Outstanding as at the Issue Date of 18.49% of the Class A Notes, equal to € 52,059,343; (iv) with respect to Portfolio No.4 the Principal Amount Outstanding as at the Issue Date of 33.74% of the Class A Notes, equal to € 94,983,083; and (v) with respect to Portfolio No.5 the Principal Amount Outstanding as at the Issue Date of 9.91% of the Class A Notes, equal to € 27,884,016.

***Single Portfolio Class B Notes
Principal Amount
Outstanding***

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

- (i) the relevant Single Portfolio Initial Class B Notes Principal Amount Outstanding;
- (ii) and the aggregate of all the Single Portfolio Class B Notes Principal Payment Amounts paid to the Class B Noteholders on the preceding Interest Payment Dates.

***Single Portfolio Initial Class B
Notes Principal Amount
Outstanding***

Means (i) with respect to Portfolio No.1 the Principal Amount Outstanding as at the Issue Date of 13.02% of the Class B Notes, equal to € 1,953,251; (ii) with respect to Portfolio No.2 the Principal Amount Outstanding as at the Issue Date of 24.84% of the Class B Notes, equal to € 3,725,624; (iii) with respect to Portfolio No.3 the Principal Amount Outstanding as at the Issue Date of 18.49% of the Class B Notes, equal to € 2,774,032; (iv) with respect to Portfolio No.4 the Principal Amount Outstanding as at the Issue Date of 33.74% of the Class B Notes, equal to € 5,061,266; and (v) with respect to Portfolio No.5 the Principal Amount Outstanding as at the Issue Date of 9.91% of the Class B Notes, equal to € 1,485,827.

***Single Series Available Class
C Notes Redemption Funds***

Means with respect to each Interest Payment Date and to each series of Class C Notes, an amount, calculated as at the Reference Date immediately preceding such Interest 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 C Notes according to the order of priority of payments set out in Condition 4.1 or Condition 4.5 as applicable; and
- (ii) the Principal Amount Outstanding of such series of Class C Notes.

FINAL REDEMPTION

To the extent not otherwise redeemed, the Notes will be redeemed at their Principal Amount Outstanding on the Payment Date falling in the month indicated below in respect of each Class of Notes (in each case, the “**Final Maturity Date**” of such Notes):

Class A 30 September 2021

Class B 30 September 2021

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

- A. on the Interest Payment Date falling in March 2003 and on each Interest Payment Date falling thereafter, in a maximum amount equal to their Principal Payment Amount with respect to such Interest Payment Date,
- B. on any Interest Payment Date (i) following the delivery of a Trigger Notice pursuant to Condition 9.1, (ii) in case of Redemption for Taxation pursuant to Condition 6.2, or (iii) in case of Optional Redemption pursuant to Condition 6.4, at their Principal Amount Outstanding,

if, on each Calculation Date preceding such Interest Payment Date, it is determined that there will be sufficient Issuer's

Available Funds which may be applied for this purpose in accordance with the order of priority of payments set out in Condition 4.1 or in Condition 4.5 as applicable.

OPTIONAL REDEMPTION

The Issuer may redeem the Notes in whole (but not in part) at their respective Principal Amount Outstanding, together with interest accrued and unpaid up to the date fixed for redemption, on any Interest Payment Date on or after the Interest Payment Date in March 2003, if the Principal Amount Outstanding of the Notes at the preceding Calculation Date is equal to or less than 10% of the aggregate Principal Amount Outstanding of the Notes on the Issue Date.

REDEMPTION FOR TAXATION

The Issuer may redeem the Notes, in whole (but not in part) on any Interest Payment Date in the event of certain tax changes in Italy affecting the Notes or the Class C Notes or payments in respect of the Claims or the Issuer.

Class A Notes Principal Payment Amount

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

Single Portfolio Class A Notes Principal Payment Amount

Means with respect to each Interest Payment Date and to each Portfolio the lesser of:

- (i) the relevant Single Portfolio Amortised Principal, and
- (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding;

each as at the immediately preceding Reference Date.

Class B Notes Principal Payment Amount

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

Single Portfolio Class B Notes Principal Payment Amount

Means with respect to each Interest Payment Date and to each Portfolio the lesser of:

- (i) the relevant Single Portfolio Amortised Principal, and
- (ii) the Single Portfolio Class B Notes Principal Amount Outstanding;

each as at the immediately preceding Reference Date.

***Single Portfolio Amortised
Principal***

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

- (i) the aggregate amount of the Principal Instalments of the Claims of such Portfolio scheduled to be paid during the immediately preceding Reference Period (excluding, (a) with respect to the Claims that have become Pre-paid Claims during such Reference Period, all Principal Instalments prepaid during such Reference Period and (b) with respect to the Claims that have become Defaulted Claims during such Reference Period, all Principal Instalments scheduled to be paid after the date on which such Claims became Defaulted Claims);
- (ii) the aggregate amount of the Principal Instalments of the Pre-paid Claims that have been prepaid during the immediately preceding Reference Period;
- (iii) the Outstanding Principal of the Claims of such Portfolio that have become Defaulted Claims during the immediately preceding Reference Period, as of the date when such Claims became Defaulted Claims; and
- (iv) any amount received by the Issuer during the immediately preceding Reference Period from the Originator of such Portfolio pursuant to the Transfer Agreement and/or the Warranty and Indemnity Agreement (including the principal component of the price paid by the Originators to the Issuer upon exercise of the Call Option).

SALE OF THE PORTFOLIOS

In the following circumstances: (i) in case of Redemption for Taxation pursuant to Condition 6.2, (ii) in case of Optional Redemption pursuant to Condition 6.4, (iii) after a Trigger Notice has been given to the Issuer and the Servicers pursuant to Condition 9, if a number of Class A Noteholders representing at least 75% of the Principal Amount

Outstanding of the Class A Notes or, after full redemption of the Class A Notes, a number of Class B Noteholders representing at least 75% of the Principal Amount Outstanding of the Class B Notes, resolve to request to the Issuer that it sells all but not part of the Portfolios to third parties, the Issuer is authorised, with the assistance of the Computation Agent and the Representative of the Noteholders, to search for potential purchasers of all but not only part of the Portfolios. Should a sale of the Portfolios take place, the proceeds of such sale shall be treated by the Issuer as Issuer's Available Funds and as from the immediately subsequent Interest Payment Date shall be applied for payments due to be made by the Issuer according to the Acceleration Order of Priority of Payments.

CALL OPTION

The Issuer has granted to the Originators (or to the third parties who might be designated by the latter) an option to purchase all but not part of the Portfolios (the “**Call Option**”) at a price equal to the aggregate of (i) the Outstanding Principal of the Claims, (ii) the aggregate amount of any Instalments due and payable but unpaid and (iii) interest accrued and unpaid and which shall accrue on the Notes up to the next following Interest Payment Date including all the costs as per the Transaction Documents, in each case as at the date of exercise of the Call Option. The Call Option may be exercised by all but not only some of the Originators, by each of them on the existing Claims of the Portfolio sold by it to the Issuer under the Transfer Agreement (see under “Main Agreements Overview – The Transfer Agreement”), at any time from the moment when the Principal Amount Outstanding of the Notes becomes equal to or lower than 10% of the aggregate principal amount of the Notes at the Issue Date, provided that the Representative of Noteholders has not issued a Trigger Notice pursuant to the Conditions of the Notes. The Call Option will become effective upon receipt of said exercise notice by the Issuer; the transfer of the Claims to the Originators will take place upon payment of the purchase price thereof by the Originators, which shall be not later than ten days from the date of exercise of the Call Option.

RIGHT OF FIRST REFUSAL

In the following circumstances: (i) in case of redemption of taxation pursuant to Condition 6.2; (ii) in case of optional

redemption pursuant to Condition 6.4; (iii) in case of request of sale by the Noteholders pursuant to Condition 6.5, the Issuer may search for potential purchasers of all, but not only part, of the Claims. An offer to purchase the Claims can also be made by the Originators (by each of them on the existing Claims of the Portfolio sold by it to the Issuer) or by a third party (on all but not part of the Claims) to be designated by a number of Originators representing at least 75% of the Outstanding Principal of the Claims (a “**Designated Offeror**”). Any offer to purchase the Portfolios, either made by the Originators or the Designated Offeror or by a third party offeror, shall be subject to the approval of the Representative of the Noteholders.

If the offer made by the third party offeror is the one approved by the Representative of the Noteholders, such offer can be accepted by the Issuer only after it has granted each of the Originators, or the Designated Offeror, a right of first refusal respectively over the existing Claims of the Portfolio sold by it to the Issuer and over all but not only part of the Claims, to be exercised at the same conditions of the third party offeror, (the “**Right of First Refusal**”), and the Right of First Refusal has not been exercised.

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:

Portfolio No.1, the portfolio of Claims which are sold to the Issuer by BCC Agro Bresciano pursuant to the Transfer Agreement;

Portfolio No.2, the portfolio of Claims which are sold to the Issuer by BCC Alba pursuant to the Transfer Agreement;

Portfolio No.3, the portfolio of Claims which are sold to the Issuer by BCC Orsago pursuant to the Transfer Agreement;

Portfolio No.4, the portfolio of Claims which are sold to the Issuer by BCC Roma pursuant to the Transfer Agreement;

Portfolio No.5, the portfolio of Claims which are sold to the

Issuer by BCC Romagna Est pursuant to the Transfer Agreement;

(collectively the “**Portfolios**”).

The claims in the Portfolios are claims arising under loan agreements which on 31 August 2001 were all performing claims (the “**Claims**”, which term, for the purposes of this Offering Circular will be deemed to include any Claim which, after the Valuation Date, has become or will become non performing, a “**Defaulted Claim**”, as better specified below). The Portfolios were sold by the Originators to the Issuer pursuant to the terms of the Transfer Agreement and the Warranty and Indemnity Agreement.

SEGREGATION OF THE ISSUER’S RIGHTS

The Notes and the Class C Notes have the benefit of the provisions of Article 3 of Law 130, pursuant to which the Issuer's Rights are segregated by operation of law from the Issuer's other assets. Both before and after a winding-up of the Issuer, amounts deriving from the Issuer's Rights will be exclusively available for the purpose of satisfying the Issuer's obligations to the Issuer's Creditors.

The Issuer's Rights may not be seized or attached in any form by creditors of the Issuer other than the Issuer's Creditors, until full redemption or cancellation of the Notes and the Class C Notes and full discharge by the Issuer of its obligations vis-à-vis the other Issuer's Creditors.

Pursuant to the terms of the Intercreditor Agreement, the Issuer has granted irrevocable instructions to the Representative of the Noteholders, upon the Notes and the Class C Notes becoming due and payable following the delivering of a Trigger Notice, to exercise 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, the Class C Noteholders and the other Issuer's Creditors in respect of the Issuer's Rights. Such instructions are governed by Italian law. See for further details “Description of the Transaction Documents – The Intercreditor Agreement”.

**COLLECTIONS AND
RECOVERIES ACCOUNTS**

All amounts received or recovered by the Issuer under the Claims of each Portfolio will be paid into an account (each a “**Collections and Recoveries Account**”) (*Conto Incassi e Recupero*) established by the Issuer with the Transaction Bank and denominated with a reference to the relevant Portfolio. All of the Collections and Recoveries Accounts will be maintained with the Transaction Bank so long as the Transaction Bank's short term unsecured and unsubordinated debt obligations are rated at least P-1 by Moody's and A-1 by Standard & Poor's and its long term unsecured and unsubordinated debt obligations are rated at least A3 by Moody's and A- by Standard & Poor's (hereinafter the “**Minimum Rating**”).

PAYMENTS ACCOUNT

All payments to Noteholders and the Class C Noteholders will be made out of an account (the “**Payments Account**”) (*Conto Pagamenti dell'Emittente*) established in the name of the Issuer with the Transaction Bank. The Payments Account will be maintained with the Transaction Bank so long as its long-term and short term unsecured and unsubordinated debt obligations are rated at least at the Minimum Rating level. Two Business Days prior to each Interest Payment Date all the sums available in the Collections and Recoveries Accounts and the Principal Amortisation Reserve Accounts shall be transferred into the Payments Account to be applied by the Issuer to make all the payments pursuant to the Order of Priority. Prior to the Notes and the Class C Notes becoming due and payable following the delivering of a Trigger Notice, payments due to the Noteholders and the Class C Noteholders by the Issuer will be paid out of the Payments Account in accordance with the terms of the Cash Administration and Agency Agreement.

**PRINCIPAL AMORTISATION
RESERVE ACCOUNTS**

On the Interest Payment Date after the occurrence of a Disequilibrium Event with respect to one or more Portfolios, the relevant Principal Amortisation Reserve Amount shall be paid into the account or accounts (each a “**Principal Amortisation Reserve Account**”) (*Conto di Riserva Ammortamento Capitale*) established in the name of the Issuer with the Transaction Bank and denominated with reference to such Portfolio or Portfolios.

EXPENSES ACCOUNT

On the Issue Date an amount equal to the Retention Amount

(as defined below) will be paid in an account opened by the Issuer with the Transaction Bank (the “**Expenses Account**”). The amounts from time to time standing to the credit of the Expenses Account will be used in order to pay certain fees, costs and expenses required to be paid in order to ensure the corporate existence of the Issuer, maintain it in good standing and comply with applicable legislation and regulations. On each Interest Payment Date an amount shall be paid into the Expenses Account such that the balance standing to the credit of the Expenses Account on such Interest Payment Date equals the Retention Amount.

RESERVE ACCOUNT

On the Interest Payment Date after the occurrence of a Detrimental Event, the Reserve Amount shall be paid into an account (the “**Reserve Account**”) (*Conto di Riserva*) to be established in the name of the Issuer with the Transaction Bank.

SINGLE PORTFOLIO RESERVE ACCOUNTS

On the Interest Payment Date after the occurrence of a Single Portfolio Detrimental Event with respect to one or more Portfolios, the Single Portfolio Reserve Amount with respect to each of the Portfolios shall be paid into accounts (each a “**Single Portfolio Reserve Account**”) (*Conto di Riserva Singolo Portafoglio*) to be established in the name of the Issuer with the Transaction Bank and denominated with reference to such Portfolio.

TRIGGER EVENT

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

(a) *Non-payment:*

- (i) having enough Single Portfolio Available Funds [available to it](#) to make such payment in accordance with the order of priority of payments set out in Condition 4.1, the Issuer defaults in the payment of the amount of principal then due and payable on the Notes for a period of five Business Days from the due date thereof;
- (ii) irrespective of whether there are Single Portfolio Available Funds [available to it](#) sufficient to make such payment in

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accordance with the order of priority of payments set out in Condition 4.1, the Issuer defaults in the payment of the amount of interest then due and payable on the Class A Notes for a period of three Business Days from the due date thereof; or

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(b) *Breach of other obligations:*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Notes) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable 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 opinion of the Representative of the Noteholders, materially detrimental to the interests of the Noteholders and requiring the same to be remedied; or

(c) *Insolvency etc.:*

- (i) an administrator, administrative receiver or liquidator of the Issuer or of the whole or any substantial part of the undertakings, assets and/or revenues of the Issuer is appointed or the Issuer becomes subject to any bankruptcy, liquidation, administration, insolvency, composition, reorganisation or similar proceedings or application is made for the commencement of any such proceedings or an encumbrancer takes possession of the whole or any substantial part of the undertakings or assets of the Issuer;
- (ii) proceedings are initiated against the Issuer under any applicable bankruptcy, liquidation, administration, insolvency, composition, reorganisation or similar laws and proceedings are not, in the opinion of the Representative of the Noteholders, being

disputed in good faith;

- (iii) the Issuer 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 is granted by a competent court a moratorium in respect of its indebtedness or any guarantee of its indebtedness given by it or applies for bankruptcy or suspension of payments; or

- (d) *Winding up etc.:*

An order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer; or

- (e) *Unlawfulness:*

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

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(f) *Default Ratio*

The Default Ratio, as at any Reference Date, is higher than the ratio of 0.0475:

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(g) *Disequilibrium Event*

With respect to two immediately succeeding Interest Payment Dates, a Disequilibrium Event occurs;

(h) *Liquidity Agreement*

On any Interest Payment Date, (i) the aggregate of the Single Portfolio Negative Balances of all the Portfolios or (ii) the Negative Balance (as applicable) with respect to such Interest Payment Date is equal to or exceeds the maximum amount available to the Issuer on such Interest Payment Date for liquidity support under the terms of the Liquidity Agreement;

then the Representative of the Noteholders may, at its sole discretion or shall, if so requested by the holders of at least 25% of the aggregate Principal Amount Outstanding of the Notes, 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 of Payments, as set out in the Conditions of the Notes, shall apply;

Following the delivery of a Trigger Notice, without any further action or formality, on the immediately following Interest Payment Date, and thereafter on each Interest Payment Date, all payments of principal, interest and other amounts due with respect to the Notes and the Class C Notes shall be made in accordance with the Acceleration Order of Priority of Payments, as set out in the Conditions of the Notes.

**ORDER OF PRIORITY OF
PAYMENTS**

The Single Portfolio Available Funds relating to each of the Portfolios shall be applied on each Interest 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, (in no order or priority *inter se*, but *pro rata* to the extent of the respective amounts thereof) to pay the relevant Outstanding Notes Ratio of (i) all costs and taxes 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 (including fees payable to the Corporate Administrator), (ii) all costs and taxes required to be paid to maintain the rating of the Notes and (iii) all costs and taxes required to be paid in connection with the registration and deposit of the Notes and the Class C Notes, or any notice to be given to the Noteholders and the Class C Noteholders or the other parties to the Transaction Documents;

Second, to repay the Advances (if any) under the Liquidity Agreement made to the Issuer by the Liquidity Provider which is primarily responsible to provide liquidity support to such Portfolio;

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Third, to pay the amounts due and payable on such Interest Payment Date to the Swap Counterparty under the Hedging Agreements entered into to hedge the interest rate risk arising with respect to such Portfolio (excluding unwinding costs);

Fourth, 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 Interest Payment Date equals the Retention Amount;

Fifth, (in no order of priority *inter se*, but *pro rata* to the extent of the respective amounts thereof) to pay the relevant Outstanding Notes Ratio of the fees and reimbursements due to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the Principal Paying Agent, the Luxembourg Paying Agent, the Depository and the Representative of Noteholders;

Sixth, to pay the fees and reimbursements due to the Servicer

of such Portfolio pursuant to the Servicing Agreement;

Seventh, to pay the commitment fee due to the Liquidity Provider which is primarily responsible to provide liquidity support to such Portfolio under the Liquidity Agreement;

Eighth, to pay to the relevant Originator any amount due by the Issuer as restitution of indemnities paid by such Originator to the Issuer under the terms of the Warranty and Indemnity Agreement;

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

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

Eleventh, to pay the relevant Single Portfolio Class A Notes Principal Payment Amount with respect to such Interest Payment Date and the relevant Single Portfolio Class A Notes Principal Payment Amount due with respect to previous Interest Payment Dates but unpaid; provided that on the Interest Payment Dates falling in March 2002 and September 2002 the amount which would be payable to the Class A Noteholders according to the foregoing will be paid into the relevant Collections and Recoveries Account and will become payable to the Class A Noteholders on the Interest Payment Date falling in March 2003 (*pro rata* according to the amounts then due);

Twelfth, after the Class A Notes have been redeemed in full, to pay the Single Portfolio Class B Notes Principal Payment Amount with respect to such Interest Payment Date and the Single Portfolio Class B Notes Principal Payment Amount due with respect to previous Interest Payment Dates but unpaid; provided that on the Interest Payment Dates falling in March 2002 and September 2002 the amount which would be payable to the Class B Noteholders according to the

foregoing will be paid into the relevant Collections and Recoveries Account and will become payable to the Class B Noteholders on the Interest Payment Date falling in March 2003 (*pro rata* according to the amounts then due);

Thirteenth, to pay all amounts of interest due and payable on the Advances made to the Issuer by the Liquidity Provider which is primarily responsible to provide liquidity support to such Portfolio under the Liquidity Agreement;

Deleted: in respect of any Single Portfolio Negative Balance of such Portfolio

Fourteenth, to pay the amounts due and payable on such Interest Payment Date to the Swap Counterparty as unwinding costs under the Hedging Agreements entered into to hedge the interest rate risk arising with respect to such Portfolio;

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

Sixteenth, to pay to the Originator of such Portfolio, the Interest Accruals with respect to such Portfolio;

Deleted: .

Seventeenth, to pay to the Originator of such Portfolio any amount due and payable in respect of purchase price adjustments due to 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 Originator of such Portfolio);

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

Nineteenth, following full redemption of the Class A Notes and the Class B Notes, to redeem the Principal Amount Outstanding on the relevant series of Class C Notes in the maximum amount of the relevant Single Series Available

Class C Notes Redemption Funds provided that on the Interest Payment Dates falling in March 2002 and in September 2002 the amount which would be payable in redemption of each series of Class C Notes according to the foregoing shall be paid into the relevant Collections and Recoveries Account and shall become payable to the Class C Noteholders of such Series of Class C Notes on the Interest Payment Date falling in March 2003 (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof);

Twentieth, to pay any surplus into the relevant Collections and Recoveries Account or, after full and final settlement of all the payments due under this order of priority and full redemption of the Class A Notes, the Class B Notes and the Class C Notes, to pay any surplus remaining on the balance of the relevant 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, Reserve Account and Expenses Account (i) as to the Single Portfolio Available Funds relating to Portfolio No.1, to the Class C1 Noteholders, (ii) as to the Single Portfolio Available Funds relating to Portfolio No.2, to the Class C2 Noteholders, (iii) as to the Single Portfolio Available Funds relating to Portfolio No.3, to the Class C3 Noteholders, (iv) as to the Single Portfolio Available Funds relating to Portfolio No.4, to the Class C4 Noteholders, (v) as to the Single Portfolio Available Funds relating to Portfolio No.5, to the Class C5 Noteholders.

DISEQUILIBRIUM EVENT

Upon the occurrence of a Disequilibrium Event with respect to one or more Portfolios, the Issuer shall be obliged to pay into each Principal Amortisation Reserve Account the relevant Principal Amortisation Reserve Amount.

A Disequilibrium Event shall occur with respect to a Portfolio when the Single Portfolio Available Funds relating to such Portfolio, available for the payments to be made according to the order of priority of payments set out in condition 4.1, are not sufficient to pay in full the amounts due under item *Eleventh* or *Twelfth* or while the Single Portfolio Available

Funds relating to all or some of the other Portfolios available for the payment of the amounts under the same item according to the order of priority of payments set out in Condition 4.1, are sufficient to pay in full the amounts due under such item and to pay all or part of the amounts under the following item or items.

DETRIMENTAL EVENT

Upon the occurrence of a Detrimental Event, the Issuer shall be obliged to pay into the Reserve Account the Reserve Amount.

A Detrimental Event shall occur with respect to an Interest Payment Date when the Advances to be drawn under the Liquidity Agreement to provide liquidity support [with respect to the Portfolios](#) on such Interest Payment Date together with all Advances drawn thereunder on previous Interest Payment Date and not yet fully reimbursed to the Liquidity Providers is an amount equal to or higher than 20% of the aggregate Maximum Commitment Amount of the Liquidity Providers.

**SINGLE PORTFOLIO
DETRIMENTAL EVENT**

Upon the occurrence of a Single Portfolio Detrimental Event with respect to one or more Portfolios, the Issuer shall be obliged to credit the Single Portfolio Reserve Amount with respect to each of the Portfolios into the relevant Single Portfolio Reserve Account.

A Single Portfolio Detrimental Event shall occur with respect to an Interest Payment Date and to a Portfolio, when the Advance to be made available to the Issuer under the Liquidity Agreement on such Interest Payment Date by the Liquidity Provider which, under the terms of the Liquidity Agreement, is primarily responsible to give liquidity support to the Issuer in respect of such Portfolio (i.e. the Liquidity Provider which is the originator of such Portfolio or any authorised successors thereof) together with any Advance made available by such Liquidity Provider on previous Interest Payment Dates and not yet fully reimbursed, is an amount equal to or higher than 50% of the Single Provider Maximum Commitment Amount with respect to such Liquidity Provider.

ACCELERATION ORDER OF

In each of the following cases: (i) following the delivery of a

PRIORITY OF PAYMENTS

Trigger Notice, (ii) in case of Redemption for Taxation, or (iii) in case of Optional Redemption, the Issuer's Available Funds shall be applied on each Interest 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, (in no order or priority *inter se*, but *pro rata* to the extent of the respective amounts thereof) to pay (i) all costs and taxes 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 (including fees payable to the Corporate Administrator), (ii) all costs and taxes required to be paid to maintain the rating of the Notes and (iii) all costs and taxes required to be paid in connection with the registration and deposit of the Notes and the Class C Notes, or any notice to be given to the Noteholders and the Class C Noteholders or the other parties to the Transaction Documents;

Second, to repay the Advances (if any) under the Liquidity Agreement made by the Liquidity Providers to the Issuer (*pro rata* according to the amounts then due);

Third, to pay all the amounts due and payable on such Interest Payment Date to the Swap Counterparty under the Hedging Agreements (excluding unwinding costs);

Fourth, 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 Interest Payment Date equals the Retention Amount;

Fifth, (in no order of priority *inter se*, but *pro rata* to the extent of the respective amounts thereof) to pay the fees and reimbursements due to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the Principal Paying Agent, the Luxembourg Paying Agent and the Representative of Noteholders;

Sixth, to pay all the fees and reimbursements due to the Servicers pursuant to the Servicing Agreement (*pro rata*

according to the amounts then due);

Seventh, to pay the commitment fee due to the Liquidity Providers under the Liquidity Agreement (*pro rata* according to the amounts then due);

Eighth, to pay to the Originators any amount due by the Issuer as restitution of indemnities paid by any of the Originators to the Issuer under the terms of the Warranty and Indemnity Agreement;

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

Tenth, to pay all amounts of interest due and payable on the Class B Notes on such Interest Payment Date (*pro rata* according to the amounts then due);

Eleventh, to pay the Principal Amount Outstanding on the Class A Notes on such Interest Payment Date (*pro rata* according to the amounts then due) provided that the Available Class A Notes Redemption Funds with respect to the Interest Payment Dates falling in March 2002 and September 2002 shall be paid into the Collections and Recoveries Account and will become payable to the Class A Noteholders on the Interest Payment Date falling in March 2003 (*pro rata* according to the amounts then due);

Twelfth, after the Class A Notes have been redeemed in full, to pay the Principal Amount Outstanding on the Class B Notes on such Interest Payment Date (*pro rata* according to the amounts then due) provided that the Available Class B Notes Redemption Funds with respect to the Interest Payment Dates falling in March 2002 and September 2002 shall be paid into the Collections and Recoveries Account and will become payable to the Class B Noteholders on the Interest Payment Date falling in March 2003 (*pro rata* according to the amounts then due);

Thirteenth, to pay interest due and payable on the Advances made by the Liquidity Providers to the Issuer under the

Liquidity Agreement (*pro rata* according to the amounts then due);

Fourteenth, to pay the amounts due and payable on such Interest Payment Date to the Swap Counterparty as unwinding costs under the Hedging Agreements;

Fifteenth, to pay to each of the Originators the Interest Accruals with respect to the relevant Portfolio (*pro rata* according to the amounts then due);

Sixteenth, to pay to the Originators any amount due and payable in respect of purchase price adjustments due to 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);

Seventeenth, to pay the Single Series Class C Notes Payment Interest Amount due and payable on each series of Class C Notes (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof);

Eighteenth, following full redemption of the Class A Notes and the Class B Notes, to redeem the Principal Amount Outstanding on each series of Class C Notes in the maximum amount of the relevant Single Series Available Class C Notes Redemption Funds (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof) provided that the Single Series Available Class C Notes Redemption Funds with respect to the Interest Payment Dates falling in March 2002 and September 2002 and to each series of Class C Notes shall be paid into the relevant Collections and Recoveries Account and shall become payable to the Class C Noteholders on the Interest Payment Date falling in March 2003 (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof);

Nineteenth, to pay any surplus to the Class C Noteholders,

Deleted: (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof)

RATINGS The Class A Notes are expected, on issue, to be rated Aaa by Moody's and AAA by Standard & Poor's. The Class B Notes are expected, on issue, to be rated A2 by Moody's and A by Standard & Poor's. No rating will be assigned to the Class C 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 All payments of principal and interest on the Notes and the Class C Notes will be made free and clear of any withholding or deduction for Italian withholding taxes, subject to the requirements of *Decreto Legislativo* No. 239 of 1 April 1996, unless the Issuer is required by applicable law to make such a withholding or deduction.

None of the Issuer or BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma, BCC Romagna Est will be obliged to make any additional payments to the Noteholders and the Class C Noteholders in respect of any withholding or deduction applicable to payments of principal or interest on the Notes and the Class C Notes. See "Taxation".

LISTING Application has been made to list the Class A Notes and the Class B Notes on the Luxembourg Stock Exchange.

GOVERNING LAW The terms and conditions of the Notes and the Class C Notes will be governed by Italian law.

Main Agreements Overview

THE TRANSFER AGREEMENT Under a transfer agreement ("*Contratto di Cessione*") between the Issuer and the Originators the "**Transfer Agreement**") entered into on or prior to the Issue Date, the Originators sell to the Issuer without recourse (*pro soluto*) pursuant to Articles 1 and 4 of Law 130 all monetary claims and connected rights arising under mortgage loan contracts originated by the Originators, which meet certain objective criteria. See for further details "Description of the Transfer Agreement".

THE WARRANTY AND INDEMNITY AGREEMENT Under a warranty and indemnity agreement ("*Contratto di Garanzia ed Indennizzo*") between the Issuer, the Representative of Noteholders and the Originators (the "**Warranty and Indemnity Agreement**") entered into on or prior to the Issue

Date, each of the Originators gives to the Issuer certain representations and warranties with regard to, *inter alia*, the monetary claims and connected rights which the same is selling to the Issuer, its full title over them, its corporate existence and operations, its collection and recovery policy, the mortgages granted in connection with the loans and the real estates securing the same. Each Originator furthermore agrees 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 misrepresentations by the Issuer in the Warranty and Indemnity Agreement or defaults in its covenants and obligations under the terms of the Warranty and Indemnity Agreement and/or the Transfer Agreement and/or the Servicing Agreement. See for further details “Description of the Warranty and Indemnity Agreement”.

**THE SERVICING
AGREEMENT**

Under a servicing agreement (“*Contratto di Servicing*”) between the Issuer, the Representative of Noteholders and the Originators (the “**Servicing Agreement**”) entered into on or prior to the Issue Date, the Issuer has appointed each Originator as servicer (in such capacity a “**Servicer**” and collectively with all other servicers, the “**Servicers**”) to provide the Issuer with administration, collection and recovery services in respect of the relevant Portfolio and to verify that the payment services to be provided under the Cash Administration and Agency Agreement comply with Italian law. Under a back-up servicing agreement between the Issuer, ICCREA Banca Sp.A. and the Servicers (the “**Back-up Servicing Agreement**”) entered into on or prior to the Issue Date, ICCREA Banca S.p.A. 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. See for further details “Description of the Servicing Agreement”.

**THE CASH
ADMINISTRATION AND
AGENCY AGREEMENT**

Under a cash administration and agency agreement between the Issuer, the Servicers, the Representative of the Noteholder, the Luxembourg Paying Agent, ICCREA Banca S.p.A. and Crédit Agricole Indosuez, Milan Branch (the “**Cash Administration and Agency Agreement**”) entered into on or prior to the Issue Date, the Issuer has appointed Crédit Agricole Indosuez, Milan Branch as computation agent, cash manager, principal paying agent and agent bank (in such capacity the “**Computation Agent**”, the

“Cash Manager”, the “Principal Paying Agent” and the “Agent Bank” respectively) and has appointed ICCREA Banca S.p.A. as transaction bank (in such capacity the “Transaction Bank”). Under the Cash Administration and Agency Agreement: (i) the Principal Paying Agent agrees to perform certain services in relation to the Notes and the Class C Notes, including arranging for the payment of principal and interest to the Monte Titoli Accountholders; (ii) the Agent Bank agrees to calculate the amount of interest payable on the Notes; (iii) the Computation Agent agrees to provide the Issuer with other calculations in respect of the Notes and the Class C Notes and to set out, in a payment report, the payments due to be made, *inter alia*, under the Notes and the Class C Notes on each Interest Payment Date; and (iv) the Transaction Bank and the Cash Manager agree to provide respectively certain cash administration and investment services, in respect of the amounts standing, from time to time, to the credit of the Collections and Recoveries Accounts, the Expenses Account, the Payments Account, the Reserve Account, the Single Portfolio Reserve Accounts and the Principal Amortisation Reserve Accounts. See for further details “Description of the Cash Administration and Agency Agreement”.

THE LIQUIDITY AGREEMENT

Under the terms of a Liquidity Agreement expected to be dated on or prior to the Issue Date, between the Issuer, the Representative of the Noteholders and the Originators as Liquidity Providers, each of the Liquidity Providers agrees to make available to the Issuer a revolving facility in a maximum amount of:

with respect to BCC Agro Bresciano	€ 1,085,142;
with respect to BCC Alba	€ 2,634,284;
with respect to BCC Orsago	€ 2,227,636;
with respect to BCC Roma	€ 3,834,299;
with respect to BCC Romagna Est	€ 825,461.

Under the terms of the Liquidity Agreement, each of the Originators, as Liquidity Provider, will provide liquidity support with respect to the Portfolios, in the event of a shortfall of the relevant Single Portfolio Available Funds (calculated before an advance is drawn under the Liquidity Agreement) available on any Interest Payment Date for application in or towards payment of all amounts due to be paid by the Issuer on such Interest

Payment Date out of such Single Portfolio Available Funds under heads *First* through to *Fourteenth* of the Order of Priority of Payments (see “Transaction Summary Information – Order of Priority of Payments”). Each Liquidity Provider might be called to provide liquidity support also in respect of any of the other Portfolios (i) in the event of a shortfall of the relevant Single Portfolio Available Funds which exceeds the outstanding maximum commitment amount of the Liquidity Provider which is primarily responsible to give liquidity support to the Issuer in respect of such Portfolio or (ii) in the event that such latter Liquidity Provider defaults under its obligations to give liquidity support to the Issuer in respect of such Portfolio. In the event that the Acceleration Order of Priority of Payments becomes applicable, the Liquidity Providers will provide liquidity support with respect to the aggregate of all the Portfolios in case of a shortfall of the Issuer’s Available Funds (calculated before any advance is drawn under the Liquidity Agreement) available on any Interest Payment Date for application in or towards payment of all amounts due to be paid by the Issuer on such Interest Payment Date out of the Issuer’s Available Funds under heads *First* through to *Fourteenth* of the Acceleration Order of Priority of Payments (see “Transaction Summary Information – Acceleration Order of Priority of Payments”). The obligation of the Issuer to pay interest and reimburse the principal amounts outstanding under the Liquidity Agreement to each of the Liquidity Providers will be limited recourse to the relevant Single Portfolio Available Funds, or in the event the Acceleration Order of Priority of Payments becomes applicable, to the Issuer’s Available Funds (together with the obligation to pay interest and reimburse the principal amounts outstanding under the other Liquidity Agreement). See for further details “Description of the Liquidity Agreement”.

**THE PLEDGE
AGREEMENTS RELATED
TO THE LIQUIDITY
AGREEMENT**

Under the terms of five Pledge Agreements expected to be dated on or prior to the Issue Date, each between the Issuer, the Representative of the Noteholders and one of the Liquidity Providers as Pledgor, each of the Pledgors irrevocably pledges as security for the obligations undertaken by the same under the Liquidity Agreement, bonds issued by Eligible Institutions in a principal amount at least equal to 125% of its maximum commitment thereunder. The Pledgors will be entitled to substitute the collateral from time to time with other bonds issued by Eligible Institutions with same market value. See for further

details “Description of the Pledge Agreements”.

**THE INTERCREDITOR
AGREEMENT**

Under an intercreditor agreement entered into on or prior to the Issue Date (the “**Intercreditor Agreement**”) between the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Corporate Administrator, the Agent Bank, the Transaction Bank, the Computation Agent, the Servicers, the Swap Counterparty, the Luxembourg Paying Agent, the Liquidity Providers, the Principal Paying Agent, the Cash Manager and the Originators, provisions have been set forth for the application of the Issuer’s Available Funds. The Representative of the Noteholders is appointed to exercise certain rights in relation to the Portfolios and in particular is 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 which constitute the Portfolios in the name and on behalf of the Issuer. See for further details “Description of the Intecreditor Agreement”.

THE DEED OF PLEDGE

Pursuant to a deed of pledge (the “**Deed of Pledge**”) expected to be dated on or before the Issue Date between the Issuer and the Issuer’s Creditors (the “**Pledgees**), the Issuer has granted to the Pledgees:

- (i) a pledge over all the monetary contractual claims arising from the Transaction Documents (excluding the Deed of Pledge), other than the Claims, the notice of which has been served on the debtors of the Issuer under the Transaction Documents (excluding the Pledge Agreement); and
- (ii) a pledge over the positive balance of the Collection and Recoveries Accounts, the Principal Amortisation Reserve Accounts and the Payments Account.

See for further details “Description of the Deed of Pledge”.

**THE HEDGING
AGREEMENTS**

Pursuant to interest rate swap agreements entered into on or prior to the Issue Date between the Issuer and Crédit Agricole Indosuez, the latter (in such capacity the “**Swap Counterparty**”) shall pay to the Issuer the Euribor payable under the Notes and the Issuer shall pay to the Swap Counterparty, (i) a fixed interest rate or (ii) a floating interest rate as defined in each hedging agreement. See

for further details “Description of the Hedging Agreements”.

GOVERNING LAW

The Transfer Agreement, the Servicing Agreement, the Liquidity Agreement, the Pledge Agreements, the Cash Administration and Agency Agreement and the Intercreditor Agreement are governed by Italian Law. The Hedging Agreements and the Warranty and Indemnity Agreement are governed by English Law.

SPECIAL FACTORS

The following is a summary of certain aspects of the issue of the Notes and the Class C Notes of which prospective Noteholders should be aware. However, it is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this Offering Circular.

LIABILITY UNDER THE NOTES

The Notes and the Class C 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 of the Notes and to the Shareholders' Agreement, the Noteholders and the Class C Noteholders will not have any recourse to the assets securing such notes.

The Notes and the Class C Notes will be obligations solely of the Issuer. In particular, the Notes and the Class C Notes will not be obligations or responsibilities of BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est (in any capacity), the Agent Bank, the Cash Manager, the Representative of the Noteholders, the Transaction Bank, the Servicers, the Computation Agent, the Swap Counterparty, the Paying Agents, the parents of the Issuer, the Arranger or the Managers. None of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on the Notes or on the Class C Notes.

SUBORDINATION

With respect to the obligation of the Issuer (i) to repay principal on the Notes and the Class C Notes and (ii) to pay interest on the Notes and the Class C Notes, the relevant Conditions of the Notes and Class C Conditions provide that the Class A Notes will rank *pari passu* and without any preference or priority among themselves. The Class B Notes will rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A Notes. The Class C Notes of each series will rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A Notes and the Class B Notes. Principal on each series of Class C 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, in case of acceleration of the reimbursement of the Notes and the Class C Notes, principal on each series of Class C 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 of the Notes.

If a Trigger Event occurs, 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 and the Class C 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 and the Class C Noteholders.

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 and the Class C Notes will be dependent on the extent of (i) collections and recoveries from the Portfolios, and (ii) 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 and the Class C Notes or at the redemption date of the Class A Notes or of the Class B Notes or of the Class C Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the occurrence of a Trigger Event, or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Notes and the Class C Notes, or to repay the Notes and the Class C 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 and the Class C Notes, then the Noteholders and the Class C Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. After the Notes and the Class C Notes have become due and payable following the occurrence of a Trigger Event, the only remedy available to the Noteholders, the Class C Noteholders and the other Issuer's Creditors is the exercise by the Representative of Noteholders of the Issuer's Rights under the Transaction Documents.

The Issuer is subject to the risk of failure by the Servicers to collect or to recover sufficient funds in respect of the Portfolios in order to enable to discharge all amounts payable under the Notes and the Class C Notes when due. This risk is mitigated by the commitment undertaken by ICCREA Banca S.p.A. to act as back-up servicer of the Portfolios under the terms of the Back-up Servicing Agreement. ICCREA Banca S.p.A.'s short-term unsecured and unsubordinated debt obligations are rated A-1 by Standard & Poor's and its long-term unsecured and unsubordinated debt obligations are rated A- by Standard & Poor's.

The Issuer is subject to the risk of delay arising between the receipt of payments due from a debtor under a loan agreement and the scheduled instalment dates. The risk is addressed in respect of the Notes by the liquidity support provided to the Issuer in respect of interest payments of the Notes by the Liquidity Providers pursuant to the Liquidity Agreement.

The Issuer is also subject to the risk of default in payment by a debtor and the failure to realise or to recover sufficient funds in respect of such Defaulted Claim to fully discharge it. This risk is mitigated with respect to the Class A Notes by the credit support provided by the Class B Notes and by the Class C Notes and with respect to the Class B Notes by the credit support provided by the Class C Notes. This risk is further mitigated with respect to the Notes by the credit support provided by the Advances under the Liquidity Agreement.

PROJECTIONS, FORECASTS AND ESTIMATES

Estimates of the weighted average lives of the Notes included herein, together with any other projections, forecasts and estimates in this Offering Circular, 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.

WITHHOLDING TAX UNDER THE NOTES AND THE CLASS C NOTES

Any beneficial owner of an interest payment relating to the Notes or to the Class C Notes who is not resident, for tax purposes, in a country with which the Republic of Italy has a double taxation treaty which recognises the Italian fiscal authorities' right to the exchange of information or who is resident in such a country but cannot benefit from the provisions of the relevant double taxation treaty or who has failed to comply with the requirements and procedures set forth in *Decreto Legislativo* No. 239 of 1 April 1996, as subsequently amended, will receive amounts of interest payable on the Notes and the Class C Notes net of Italian substitute tax. As at the date of this Offering Circular, such substitute tax is levied at the rate of 12.5% or such lower rate as may be applicable under the relevant double taxation treaty.

The Issuer will not be obliged to gross-up or otherwise compensate such Noteholders or Class C Noteholder for the lesser amounts the Noteholders or Class C Noteholder will receive as a result of the imposition of the Italian substitute tax.

In May 1998, the European Commission submitted to the Council of Ministers of the European Union a proposal to oblige member states to adopt either a “withholding tax system” or an “information reporting system” in relation to interest, discounts and premiums. It is not certain whether this proposal will be adopted, and if it is adopted, whether it will be adopted in its current form. The “withholding tax system” would require a paying agent established in a member state to withhold tax at a minimum rate of 20% from any interest, discount or premium paid to a person resident in another member state unless such person presents a certificate obtained from the tax authorities of the member state in which he is resident confirming that those authorities are aware of the payment due to that person. The “information reporting system” would require a member state to supply, to other member states, details of any payment of interest, discount or premium made by paying agents within its jurisdiction to a person resident in another member state. For these purposes, the term “paying agent” is widely defined and includes an agent who

collects interest, discounts or premiums on behalf of a person beneficially entitled thereto. The proposal is currently under the examination of the Council

In the event that withholding taxes are imposed in respect of payments to Noteholders and Class C Noteholders of amounts due pursuant to the Notes and the Class C Notes, the Issuer will not be obliged to gross-up or otherwise compensate Noteholders or Class C Noteholders for the lesser amounts the Noteholders or Class C Noteholders will receive as a result of the imposition of withholding taxes.

TAX AND ACCOUNTING TREATMENT OF THE ISSUER

Pursuant to the guidelines issued by Bank of Italy on 31st March 2000 (*Schemi di bilancio delle società per la cartolarizzazione dei crediti*), companies incorporated under Law 130 (as in the case of the Issuer) would record the accounting items of each securitisation transaction (including the relevant portfolios) in dedicated annexes to the explanatory report of the financial statements (*nota integrativa*). Such annexes to the *nota integrativa* must contain a complete and clear description of all the features concerning each securitisation transaction carried out by the relevant company. Apart from the above guidelines, as of the date of this Offering Circular, no interpretation of the application of Law 130 with regards to the tax treatment of companies incorporated under Law 130 has been issued by any regulatory or governmental authority. The impact of any future regulation or interpretation concerning Law 130 and the aforesaid guidelines cannot be predicted by the Issuer as at the date of this Offering Circular.

INTEREST RATE RISK

The Claims have interest payments calculated on a fixed rate basis or a floating rate basis (which may be different from the EURIBOR applicable to pay interest under the Notes and may have different dates of fixing), whilst the Notes will bear interest at a rate based on EURIBOR for six month Euro deposits determined on each Interest Determination Date, subject to and in accordance with the Conditions of the relevant Class of Notes. As a result, there could be a rate mismatch between the Notes, and the Portfolios. As a result of such mismatch, an increase in the level of EURIBOR for six month Euro deposits could adversely impact the ability of the Issuer to make payments on the Notes. To reduce the impact of the interest rate mismatch, the Issuer has entered into the Hedging Agreements. The benefits of the Hedging Agreements may not be achieved in the event of the early termination of the Hedging Agreements, including termination upon the failure of the Swap Counterparty to perform its obligations thereunder. In the event of the insolvency of the Swap Counterparty, the Issuer will be treated as a general and unsecured creditor of the Swap Counterparty. Consequently, the Issuer will be subject to the credit risk of the Swap Counterparty in addition to the risk of the debtors of the Claims of the Portfolios.

WARRANTY AS TO THE EXISTENCE OF THE CLAIMS

Under the Transfer Agreement and the Warranty and Indemnity Agreement, BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est have warranted, *inter alia*, that the Claims are all existing claims and have undertaken to indemnify the Issuer for any

breach of the warranties expressed under such agreements (see “Description of the Warranty and Indemnity Agreement”).

CREDIT RISK OF BCC AGRO BRESCIANO, BCC ALBA, BCC ORSAGO, BCC ROMA, BCC ROMAGNA EST AND OTHER PARTIES

The ability of the Issuer to make payments in respect of the Notes and the Class C Notes will depend to a significant extent upon the due performance by BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est and the other parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are a party. In particular, without limiting the generality of the foregoing, the timely payment of amounts due on the Notes and the Class C Notes, will depend on the ability of the Servicers to service the Portfolios and to recover the amounts relating to Defaulted Claims, if any, the availability of liquidity support under the Liquidity Agreement and the continued availability of hedging under the Hedging Agreements. In each case the performance by the Issuer of its obligations thereunder is dependent on the solvency of the Servicers, the Liquidity Providers and the Swap Counterparty (or any permitted successors or assignees appointed under the Servicing Agreement, the Liquidity Agreement and the Hedging Agreements).

In some circumstances, 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 and the Class C Noteholders.

YIELD AND PAYMENT CONSIDERATIONS

The yield to maturity of the Notes and the Class C 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 and the Class C 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. Therefore, no assurance can be given as to the level of prepayments that the Portfolios will experience.

FURTHER SECURITISATIONS

The Issuer may purchase and securitise further portfolios of monetary claims in addition to the Portfolios. It is a requirement for any such securitisation that (i) the Rating Agencies confirm that the then current ratings of the Notes will not be adversely affected and a rating alert will not be triggered by such securitisation; (ii) the intercreditor agreement executed in the context of such new securitisation and/or the terms and conditions of the notes issued in relation thereto provide for a covenant by the creditors of the Issuer in the context of such securitisation not to take any steps for the purpose of procuring the declaration of insolvency, the commencement of any Bankruptcy Proceeding or the winding up of the Issuer so long as any amount in respect of the

Notes or of the Class C Notes remains outstanding; (iii) the Issuer's Creditors and the creditors of the Issuer in the context of such securitisation enter into the necessary agreements to ensure that (a) costs, expenses and taxes incurred in relation to the Transaction and such new securitisation are borne by the Issuer's Rights or respectively by the rights of the Issuer in the context of such new securitisation, and (b) costs, expenses and taxes 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 (including fees payable to the Corporate Administrator) are borne in equal parts by the Issuer's Rights and by the rights of the Issuer in the context of such new securitisation; and (iv) the Representative of the Noteholders receives a legal opinion acceptable to the same, which confirms that (a) the segregation between the Issuer's Rights and the rights of the Issuer in the context of the new securitisation is fully realised and (b) that such new securitisation respects Law 130 and all implementing regulations.

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 BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma, BCC Romagna Est to the relevant assigned Borrower. After publication on the Official Gazette of the notice of transfer of the Portfolios to the Issuer pursuant to the Transfer Agreement, the Borrowers shall not be entitled to exercise any set-off right against their claims vis-à-vis BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma or BCC Romagna Est arisen after the date of such publication. Under the terms of the Warranty and Indemnity Agreement, BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est have 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.

SERVICING OF THE PORTFOLIOS AND POTENTIAL CONFLICTS OF INTEREST

Portfolio No. 1 will be serviced by BCC Agro Bresciano, Portfolio No. 2 will be serviced by BCC Alba, Portfolio No. 3 will be serviced by BCC Orsago, Portfolio No. 4 will be serviced by BCC Roma and Portfolio No. 5 will be serviced by BCC Romagna Est starting from the date of execution of the Servicing Agreement under the terms of the same. 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 relevant Servicer (or any permitted successors or assignees appointed under the Servicing Agreement). There can be no assurance that the future experience and performance of BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est as Servicers of the Portfolios will be similar to the performance shown under "Historical Performance of the Mortgage Loans Originated by BCC Agro Bresciano", "Historical Performance of the Mortgage Loans Originated by BCC Alba", "Historical Performance of the Mortgage Loans Originated by BCC Orsago", "Historical Performance of the Mortgage Loans Originated by BCC Roma" and "Historical Performance of the Mortgage Loans Originated by BCC Romagna Est".

ANATOCISMO (COMPOUNDING OF INTEREST)

Pursuant to Article 1283 of the Italian Civil Code interest accrued on a monetary claim may be capitalised after a period of not less than six months or from the date when any legal proceedings are commenced in respect of that monetary claim. Article 1283 of the Italian Civil Code allows derogation from this provision in the event that there are recognised customary practices ("*usi*") to the contrary. Banks in the Republic of Italy have traditionally capitalised accrued interest on a three monthly basis on the grounds that such practice could be characterised as a customary practice ("*uso normativo*"). However, a number of recent judgements from Italian courts (including the judgement from the Court of Cassation No. 2374/99) have held that such practices are not customary practices ("*uso normativo*"). Consequently if customers of the Originators were to challenge this practice and such interpretation of the Italian Civil Code were to be upheld before other courts in the Republic of Italy there could be a negative effect on the returns generated from such Mortgage Loans.

The Originators have in the Warranty and Indemnity Agreement represented that the Claims are valid and existing and that the relevant debtors have no ground to raise any counter-claim or defence in respect of the Claims or to challenge the validity, in whole or in part, of the Claims.

Pursuant to Article 25, second paragraph, of Legislative Decree n. 342 of 4 August 1999 ("**Law No. 342**") enacted by the Italian Government under a delegation granted pursuant to law n.142 of 19 February 1992 (the "**Legge Delega**") capitalisation of accrued interest is possible upon terms to be established by a resolution of Comitato Interministeriale per il Credito e il Risparmio - C.I.C.R. (a interdepartmental committee on credit and deposits); such a resolution has been passed by C.I.C.R. on 22 February, 2000.

Pursuant to Article 25, third paragraph, of Law No. 342, clauses concerning capitalisation of accrued interest (*anatocismo*) contained in loan agreements executed prior to the date on which the above C.I.C.R. resolution came into force (i.e. 22 April 2000) are valid and enforceable.

A judgement rendered by the Italian Constitutional Court on 17 April 2000, however, has declared Article 25, third paragraph, of Law No. 342 in contrast with principles of the Italian Constitution and therefore illegitimate.

THE REPRESENTATIVE OF THE NOTEHOLDERS

The Conditions of each Class of Notes and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders to have regard to the interests of the holders of each Class of Notes as regards all powers, authorities, duties and discretion of the Representative of the Noteholders as if they formed a single Class (except where expressly provided otherwise) but requiring the Representative of the Noteholders, in the event of a conflict between the interests of the holders of different Classes of Notes, to have regard only to the interests of the holders of the Class of Notes ranking highest in the order of priority of the Notes then outstanding.

The Issuer believes that the risks described above are the principal risks inherent in the Transaction for the Noteholders and the Class C Noteholders, but the inability of the Issuer to pay interest or repay principal on each Class of Notes may occur for other reasons and the Issuer does not represent that the above statements of the risks of holding the Notes and the Class C Notes are exhaustive. While the various structural elements described in this Offering Circular are intended to lessen some of these risks for the Noteholders and the Class C Noteholders, there can be no assurance that these measures will be sufficient or effective to ensure payment to the noteholders of any Class of Notes of interest or principal on such Class of Notes on a timely basis or at all.

THE PORTFOLIOS

The Portfolios to be purchased by the Issuer comprise debt obligations arising out of residential and commercial mortgage loans classified as performing by the relevant Originator.

Selection Criteria of the Claims

The Claims included in the Portfolios have been selected on the basis of the following common objective criteria:

1. *Currency*
The Loans are expressed in Italian Lire or Euro.
2. *Security*
The Loans are secured by a first economic ranking mortgage (*ipoteca di primo grado economico*) in favour of such Originator.
3. *Initial Amount*
The principal amount of the Loans at the date of drawdown was lower than Lire 1,500,000,000 (EUR 774,685).
4. *Year of disbursement*
The Loans have been fully disbursed by the Originator before 31 December 2000.
5. *Instalment maturity*
No Loan has a maturity date falling beyond 31 August 2015.
6. *Borrowers*
Each Borrower is an individual or a company running a small or medium sized business (*piccola o media impresa*).
7. *Overdue instalments*
As at the date of execution of the Transfer Agreement, no Instalment which has become due and payable before the Valuation Date has remained unpaid for more than 15 days.

The Borrowers have never received a statutory demand of immediate repayment in full of any borrowings under an automatic termination clause or an early amortisation clause and no legal proceedings or out of court actions have been commenced against the Borrower or its assets for the recovery of any claims against the Borrower under such borrowings.

No debt by the Borrowers to the Originator is classified as a “*posizione incagliata*” (delinquent claim) (as appears from information available to the Borrower at any office of the relevant Originator).

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8. *Financial Subsidy*

No Loan benefits from any form of financial subsidy.

The Claims in Portfolio No.1 (originated by BCC Agro Bresciano) have been selected also on the basis of the following supplemental objective criteria:

- the Loans provide for interest accruing at one of the following floating interest rates: (i) Euribor plus a minimum spread of 1%, (ii) prime rate A.B.I. plus a minimum rate of -1%;
- in the ten years preceding the Valuation Date, no debt by the Borrowers to BCC Agro Bresciano has ever been classified as “*posizione incagliata*” (as appears from information available to the Borrowers at any office of BCC Agro Bresciano);
- the Debtor has given a standing order of direct debit of a bank account opened with BCC Agro Bresciano.

The Claims in Portfolio No.2 (originated by BCC Alba) have been selected also on the basis of the following supplemental objective criterium:

- the Loans provide for interest accruing: (a) at a fixed interest rate not lower than 5% or (b) at one of the following floating interest rates: (i) Euribor plus a minimum spread of 0.75%, (ii) prime rate A.B.I. plus a minimum spread of -1%, or (iii) official discount rate plus minimum rate of 0.75%.
- the Loans have not been granted to employees of BCC Alba;
- the Loans granted to companies running small or medium sized businesses (*piccole o medie imprese*) have not been granted following or in connection with a request of immediate repayment of any form of loan or financing previously granted by BCC Alba or in the context of a re-scheduling of the amortisation plan of a loan previously granted by BCC Alba;
- the Debtor has given a standing order of direct debit of a bank account opened with BCC Alba.

The Claims in Portfolio No.3 (originated by BCC Orsago) have been selected also on the basis of the following supplemental objective criteria:

- the Loans have not been granted to shareholders or employees of BCC Orsago;

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- the Loans provide for interest accruing: (a) at a fixed interest rate not lower than 5% or (b) at one of the following floating interest rates: (i) Euribor plus a minimum spread of 0.75%, (ii) prime rate A.B.I. plus a minimum spread of -1%, or (iii) official discount rate plus minimum rate of 0.75%;
- the Debtor has given a standing order of direct debit of a bank account opened with BCC Orsago.

The Claims in Portfolio No.4 (originated by BCC Roma) have been selected also on the basis of the following supplemental objective criterium:

- the Loans provide for interest accruing: (a) at a fixed interest rate not lower than 5% or (b) at one of the following floating interest rates: (i) Euribor plus a minimum spread of 0.75%, (ii) prime rate A.B.I. plus a minimum spread of -1%, or (iii) official discount rate plus minimum rate of 0.75%.
- the Loans have not been granted to shareholders or employees of BCC Roma; no shareholder of BCC Roma has issued a guarantee or has created a security interest over his assets, to secure the Loan;
- the Loans have been disbursed in the first semester of the years from 1994 to 2000 and between 1 and 15 July 2000;
- the Loans have been granted by BCC Roma and not by any bank which was later incorporated by the same;
- no Loan has a maturity date falling beyond 30 June 2015;
- the Debtor has given a standing order of direct debit of a bank account opened with the Originator or is authorised to pay in cash.

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The Claims in Portfolio No.5 (originated by BCC Romagna Est) have been selected also on the basis of the following supplemental objective criteria:

- the Loans have not been granted to shareholders or employees of BCC Romagna Est; no shareholder or employee of BCC Romagna Est has issued a guarantee or has created a security interest over his assets to secure the Loans;

- the Loans provide for interest accruing: (a) at a fixed interest rate not lower than 5,15% or (b) at one of the following floating interest rates: (i) Euribor plus a minimum spread of 1%, (ii) prime rate A.B.I. plus a minimum rate of -1%;
- in the five years preceding the Valuation Date, no debt by the Borrowers to BCC Romagna Est has ever been classified as “*posizione incagliata*” (as appears from information available to the Borrowers at any office of BCC Romagna Est).

The following tables describe the characteristics of the Portfolios as an aggregate and of the single Portfolios compiled from information provided by the Originators in connection with the acquisition of the Mortgage Loans by the Issuer on 20 September 2001. The information in the following tables reflects the position as at 30 June 2001. The characteristics of the Portfolios as at the Issue Date may vary from those set out in the tables as a result, *inter alia*, of repayment or repurchase of Mortgage Loans prior to the Issue Date.

A. THE PORTFOLIOS AS AN AGGREGATE

Portfolio Summary

Current Balance of Portfolio	EUR	314,014,007
Original Balance of Portfolio	EUR	396,054,680
Average Current Balance by Borrower	EUR	53,187
Average Original Balance by Borrower	EUR	67,082
Average Current Loan Amount	EUR	52,067
Average Original Loan Amount	EUR	65,670
Maximum Current Loan Amount	EUR	742,643
Maximum Original Loan Amount	EUR	774,685
Mortgage Loans	Number	6,031
Weighted Average Seasoning	Years	2.63
Weighted Average Remaining Maturity	Years	9.53
Weighted Average Current LTV*	%	62.83
WAC (as per last instalment)	%	6.55
Residential Mortgage Loans	%	79.53
Commercial Mortgage Loans	%	20.47
Fixed Rate Mortgage Loans	%	25.70
Floating Rate Mortgage Loans	%	74.30

* The Weighted Average Current LTV is calculated as the lower of the valuation or the amount of the "Ipoteca" – a registered charge.

Portfolio Stratification (as of 30/06/2001)

The table below shows that the majority of the Mortgage Loans (56.5%) are residential and at floating interest rate.

The Commercial Loans represent only a percentage equal to 20.5% of the total Loans.

1. Breakdown by Type of Loan

<i>Type of Mortgage Loan</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Residential, fixed interest rate.....	1,560	72,247	82,649	23.0%
Residential, floating interest rate.....	3,788	177,503	229,250	56.5%
Commercial, fixed interest rate.....	151	8,465	10,489	2.7%
Commercial, floating interest rate...	532	55,799	73,667	17.8%
Total.....	6,031	314,014	396,055	100.0%

As shown in the two following tables, a percentage equal to 64.9% of the total Mortgage Loans has an original balance comprised between EUR 15,000 and 100,000.

A percentage equal to 71.9% of the total Mortgage Loans has a current balance comprised between EUR 15,000 and 100,000.

2. Breakdown by Original Balance

<i>Original Balance (EUR thousands)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
15 <=.....	22	159	252	0.1%
15 – 25.....	351	4,557	6,890	1.5%
25 – 50.....	2,149	54,525	75,946	17.4%
50 – 75.....	1,912	89,551	110,812	28.3%
75 – 100.....	795	55,484	65,368	17.7%
100 – 250.....	688	73,380	91,362	23.4%
250 – 500.....	83	21,041	26,066	6.7%
500 – 750.....	26	12,019	15,486	3.8%
750 >.....	5	3,300	3,873	1.1%
Total.....	6,031	314,014	396,055	100.0%

3. Breakdown by Current Balance

<i>Current Balance (EUR thousands)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
15 <=.....	626	5,955	19,041	1.9%
15 – 25.....	901	18,290	29,164	5.8%
25 – 50.....	2,273	85,262	108,678	27.1%
50 – 75.....	1,287	79,994	93,654	25.5%
75 – 100.....	487	42,355	48,596	13.5%
100 – 250.....	393	55,956	66,576	17.8%
250 – 500.....	50	17,516	20,480	5.6%
500 – 750.....	14	8,686	9,864	2.8%
750 >.....	-	-	-	-
Total.....	6,031	314,014	396,055	100.0%

As shown in the two following tables, a high percentage of the Mortgage Loans (45.6%) has a remaining term greater than 120 months.

Almost all the Mortgage Loans (94.3%) have an original term which is comprised between 5 and 15 years.

4. Breakdown by Remaining Term

<i>Remaining Term (months)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
18 <=.....	230	2,166	10,407	0.7%
18 – 36.....	400	7,867	19,584	2.5%
36 – 60.....	691	21,699	36,967	6.9%
60 – 96.....	1,618	77,752	102,381	24.7%
96 – 120.....	1,077	61,437	68,889	19.6%
120 – 180.....	2,015	143,092	157,827	45.6%
Total.....	6,031	314,014	396,055	100.0%

5. Breakdown by Original Term

<i>Original Term (years)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
5 <=.....	239	5,888	10,921	1.9%
5 – 10.....	3,254	143,506	194,791	45.7%
10 – 15.....	2,366	152,758	176,760	48.6%
15 – 20.....	172	11,863	13,583	3.8%
Others.....	-	-	-	-
Total.....	6,031	314,014	396,055	100.0%

A percentage equal to 74.3% of the Mortgage Loans bear a floating interest rate.

6. Breakdown by Rate Type

<i>Rate Type</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Fixed.....	1,711	80,712	93,138	25.7%
Floating.....	4,320	233,302	302,917	74.3%
Total.....	6,031	314,014	396,055	100.0%

7. Breakdown by Fixed Interest Rate

<i>Fixed Interest Rate (%)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
5.00 =	143	5,562	6,639	6.9%
5.00 – 5.50.....	309	16,458	18,618	20.4%
5.50 – 6.00.....	125	5,341	6,207	6.6%
6.00 – 6.50.....	225	11,024	12,429	13.7%
6.50 – 7.00.....	508	25,728	28,241	31.9%
7.00 – 8.00.....	267	13,267	15,414	16.4%
8.00 >.....	134	3,332	5,589	4.1%
Total.....	1,711	80,712	93,138	100.0%

As shown in the following table a great percentage of the Mortgage Loans (99.7%) have been granted to individuals resident in the Regions which represent the geographic business areas of the Originators (Abruzzi, Emilia Romagna, Friuli Venezia Giulia, Lazio, Lombardia, Piemonte and Veneto).

8. Breakdown by Region

<i>Regions</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Abruzzi.....	92	4,152	4,683	1.3%
Emilia Romagna.....	613	31,397	42,509	10.0%
Friuli Venezia Giulia.....	264	12,908	16,164	4.1%
Lazio.....	2,096	105,059	123,472	33.5%
Lombardia.....	715	38,340	50,431	12.2%
Piemonte.....	1,424	76,997	104,547	24.5%
Veneto.....	808	44,367	53,350	14.1%
Other Regions*.....	19	794	898	0.3%
Total.....	6,031	314,014	396,055	100.0%

*The other Regions include all the remaining Italian Regions.

In term of payment frequency, the majority of the Claims (64.5%) have a payment frequency equal to 1 month.

9. Breakdown by Payment Frequency

<i>Payment Frequency</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Each months.....	3,964	202,418	245,917	64.5%
Each 2 months.....	6	778	917	0.2%
Each 3 months.....	174	10,944	16,205	3.5%
Each 4 months.....	3	69	103	0.0%
Each 6 months.....	1,882	99,622	132,711	31.7%
Each year.....	1	17	21	0.0%
Others.....	1	165	181	0.1%
Total.....	6,031	314,014	396,055	100.0%

10. Breakdown by Current Loan To Value

<i>Current Loan To Value (%)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
30 <=.....	571	8,445	28,330	2.7%
30 – 40.....	464	13,937	25,643	4.4%
40 – 50.....	584	27,343	37,870	8.7%
50 – 60.....	940	47,995	61,985	15.3%
60 – 70.....	1,583	95,824	112,269	30.5%
70 – 80.....	1,884	120,157	129,597	38.3%
80 >.....	5	313	362	0.1%
Total.....	6,031	314,014	396,055	100.0%

The following table presents the distribution of the aggregate Portfolio by Originators, showing a quite good diversification of the total Mortgage Loans.

11. Breakdown by Originators

<i>Originators</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
BCC Agro Bresciano.....	706	37,901	49,899	12.1%
BCC Alba.....	1,432	77,468	105,090	24.7%
BCC Orsago.....	1,074	57,406	69,679	18.3%
BCC Roma.....	2,205	109,877	128,883	34.9%
BCC Romagna Est.....	614	31,362	42,504	10.0%
Total.....	6,031	314,014	396,055	100.0%

B. PORTFOLIO NO. 1**(ORIGINATOR: BCC AGRO BRESCIANO)****Portfolio Summary**

Current Balance of Portfolio	EUR	37,901,488
Original Balance of Portfolio	EUR	49,899,404
Average Current Balance by Borrower	EUR	56,739
Average Original Balance by Borrower	EUR	74,700
Average Current Loan Amount	EUR	53,685
Average Original Loan Amount	EUR	70,679
Maximum Current Loan Amount	EUR	450,098
Maximum Original Loan Amount	EUR	516,457
Mortgage Loans	Number	706
Weighted Average Seasoning	Years	3.35
Weighted Average Remaining Maturity	Years	8.59
Weighted Average Current LTV*	%	48.05
WAC (as per last instalment)	%	7.11
Residential Mortgage Loans	%	68.70
Commercial Mortgage Loans	%	31.30
Fixed Rate Mortgage Loans	%	-
Floating Rate Mortgage Loans	%	100.00

* The Weighted Average Current LTV is calculated as the lower of the valuation or the amount of the "Ipoteca" – a registered charge.

Portfolio Stratification (as of 30/06/2001)

With reference to the BCC' Agro Bresciano's type of Mortgage Loans, we can observe that the Portfolio is composed only by Mortgage Loans bearing a floating interest rate.

1. Breakdown by Type of Loan

<i>Type of Mortgage Loan</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Residential, fixed interest rate.....	-	-	-	-
Residential, floating interest rate.....	580	26,056	34,382	68.7%
Commercial, fixed interest rate.....	-	-	-	-
Commercial, floating interest rate...	126	11,845	15,518	31.3%
Total.....	706	37,901	49,899	100.0%

2. Breakdown by Original Balance

<i>Original Balance (EUR thousands)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
15 <=.....	4	28	46	0.1%
15 – 25.....	37	383	727	1.0%
25 – 50.....	254	6,122	8,885	16.2%
50 – 75.....	219	9,840	12,574	26.0%
75 – 100.....	70	4,541	5,697	12.0%
100 – 250.....	95	10,049	13,118	26.4%
250 – 500.....	25	6,053	7,819	16.0%
500 – 750.....	2	886	1,033	2.3%
750 >.....	-	-	-	-
Total.....	706	37,901	49,899	100.0%

3. Breakdown by Current Balance

<i>Current Balance (EUR thousands)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
15 <=.....	84	823	2,574	2.2%
15 – 25.....	122	2,491	4,015	6.6%
25 – 50.....	259	9,800	13,171	25.8%
50 – 75.....	119	7,245	8,928	19.1%
75 – 100.....	47	4,093	4,977	10.8%
100 – 250.....	63	9,423	11,616	24.9%
250 – 500.....	12	4,026	4,617	10.6%
500 – 750.....	-	-	-	-
750 >.....	-	-	-	-
Total.....	706	37,901	49,899	100.0%

As shown in the following table, a great percentage of the Portfolio (38.7%) has a remaining term comprised between 120 and 180 months.

4. Breakdown by Remaining Term

<i>Remaining Term (months)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
18 <=.....	29	346	1,460	0.9%
18 – 36.....	58	1,363	3,034	3.6%
36 – 60.....	140	4,556	7,740	12.0%
60 – 96.....	206	11,922	15,515	31.5%
96 – 120.....	78	5,055	5,660	13.3%
120 – 180.....	195	14,660	16,491	38.7%
Total.....	706	37,901	49,899	100.0%

Almost the BCC Agro Bresciano’s entire Portfolio (97.0%) presents an original term comprised between 5 and 15 years.

5. Breakdown by Original Term

<i>Original Term (years)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
5 <=.....	27	664	1,335	1.8%
5 – 10.....	453	20,978	29,864	55.3%
10 – 15.....	219	15,816	18,143	41.7%
15 – 20.....	7	443	558	1.2%
Others.....	-	-	-	-
Total.....	706	37,901	49,899	100.0%

The BCC Agro Bresciano's entire Portfolio bears a floating interest rate.

6. Breakdown by Rate Type

<i>Rate Type</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Fixed.....	-	-	-	-
Floating.....	706	37,901	49,899	100.0%
Total.....	706	37,901	49,899	100.0%

7. Breakdown by Region

<i>Regions</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Abruzzi.....	-	-	-	-
Emilia Romagna.....	-	-	-	-
Friuli Venezia Giulia.....	-	-	-	-
Lazio.....	-	-	-	-
Lombardia.....	705	37,864	49,858	99.9%
Piemonte.....	-	-	-	-
Puglia.....	1	37	41	0.1%
Veneto.....	-	-	-	-
Other Regions.....	-	-	-	-
Total.....	706	37,901	49,899	100.0%

The table below shows the distribution of the Portfolio by payment frequency.
A percentage of 84.0% of the Portfolio has a payment frequency equals to one month.

8. Breakdown by Payment Frequency

<i>Payment Frequency</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Each months.....	636	31,804	41,415	84.0%
Each 2 months.....	1	14	31	0.0%
Each 3 months.....	22	2,126	3,171	5.6%
Each 4 months.....	-	-	-	-
Each 6 months.....	47	3,958	5,282	10.4%
Each year.....	-	-	-	-
Others.....	-	-	-	-
Total.....	706	37,901	49,899	100.0%

The following table shows that a percentage equal to the 68.4% of the Portfolio has a current Loan To Value comprised between 30 and 60 per cent.

9. Breakdown by Current Loan To Value

<i>Current Loan To Value (%)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
30 <=.....	140	2,865	7,382	7.6%
30 – 40.....	183	7,276	10,673	19.2%
40 – 50.....	213	13,692	16,128	36.1%
50 – 60.....	69	4,978	5,721	13.1%
60 – 70.....	73	6,805	7,536	18.0%
70 – 80.....	26	2,171	2,330	5.7%
80 >.....	2	114	129	0.3%
Total.....	706	37,901	49,899	100.0%

C. PORTFOLIO NO. 2

(ORIGINATOR: BCC ALBA)

Portfolio Summary

Current Balance of Portfolio	EUR	77,468,035
Original Balance of Portfolio	EUR	105,089,681
Average Current Balance by Borrower	EUR	55,813
Average Original Balance by Borrower	EUR	75,713
Average Current Loan Amount	EUR	54,098
Average Original Loan Amount	EUR	73,387
Maximum Current Loan Amount	EUR	742,643
Maximum Original Loan Amount	EUR	774,685
Mortgage Loans	Number	1,432
Weighted Average Seasoning	Years	3.07
Weighted Average Remaining Maturity	Years	8.71
Weighted Average Current LTV*	%	60.07
WAC (as per last instalment)	%	6.57
Residential Mortgage Loans	%	76.40
Commercial Mortgage Loans	%	23.60
Fixed Rate Mortgage Loans	%	1.97
Floating Rate Mortgage Loans	%	98.03

* The Weighted Average Current LTV is calculated as the lower of the valuation or the amount of the "Ipoteca" – a registered charge.

Portfolio Stratification (as of 30/06/2001)

As shown in the following table, a percentage equal to the 74.6% of the entire Portfolio are Residential Mortgage Loans bearing a floating interest rate.

1. Breakdown by Type of Loan

<i>Type of Mortgage Loan</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Residential, fixed interest rate.....	24	1,387	1,583	1.8%
Residential, floating interest rate.....	1,275	57,800	77,702	74.6%
Commercial, fixed interest rate.....	2	138	155	0.2%
Commercial, floating interest rate...	131	18,143	25,650	23.4%
Total.....	1,432	77,468	105,090	100.0%

2. Breakdown by Original Balance

<i>Original Balance (EUR thousands)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
15 <=.....	4	12	48	0.0%
15 – 25.....	83	887	1,627	1.1%
25 – 50.....	521	11,363	18,225	14.7%
50 – 75.....	387	16,556	21,946	21.4%
75 – 100.....	182	11,840	14,705	15.3%
100 – 250.....	210	20,932	28,237	26.9%
250 – 500.....	26	6,399	8,217	8.3%
500 – 750.....	14	6,180	8,212	8.0%
750 >.....	5	3,300	3,873	4.3%
Total.....	1,432	77,468	105,090	100.0%

3. Breakdown by Current Balance

<i>Current Balance (EUR thousands)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
15 <=.....	230	2,129	7,153	2.7%
15 – 25.....	223	4,502	8,272	5.8%
25 – 50.....	488	17,895	24,805	23.2%
50 – 75.....	244	15,210	18,946	19.6%
75 – 100.....	107	9,455	11,133	12.2%
100 – 250.....	113	16,122	20,366	20.8%
250 – 500.....	18	6,472	7,752	8.4%
500 – 750.....	9	5,683	6,662	7.3%
750 >.....	-	-	-	-
Total.....	1,432	77,468	105,090	100.0%

A high percentage of the Mortgage Loans belonging to BCC Alba's Portfolio (86.1%) have a remaining term greater than 60 months.

4. Breakdown by Remaining Term

<i>Remaining Term (months)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
18 <=.....	101	793	4,762	1.0%
18 – 36.....	163	3,475	9,268	4.5%
36 – 60.....	208	6,503	11,600	8.4%
60 – 96.....	405	23,549	31,259	30.4%
96 – 120.....	221	15,763	17,849	20.3%
120 – 180.....	334	27,384	30,353	35.4%
Total.....	1,432	77,468	105,090	100.0%

The table below shows that a percentage equal to the 60.5% of the Mortgage Loans has an original term comprised between 5 and 10 years.

5. Breakdown by Original Term

<i>Original Term (years)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
5 <=.....	29	569	1,314	0.7%
5 – 10.....	1,022	46,802	69,598	60.5%
10 – 15.....	380	29,863	33,894	38.5%
15 – 20.....	1	235	284	0.3%
Others.....	-	-	-	-
Total.....	1,432	77,468	105,090	100.0%

Almost all the Mortgage Loans (98.0%) bear a floating interest rate.

6. Breakdown by Rate Type

<i>Rate Type</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Fixed.....	26	1,525	1,738	2.0%
Floating.....	1,406	75,943	103,352	98.0%
Total.....	1,432	77,468	105,090	100.0%

7. Breakdown by Fixed Interest Rate

<i>Fixed Interest Rate (%)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
5.00 =	7	481	558	31.6%
5.00 – 5.50.....	8	558	635	36.5%
5.50 – 6.00.....	9	432	485	28.3%
6.00 – 6.50.....	1	30	34	2.0%
6.50 – 7.00.....	1	24	26	1.6%
7.00 – 8.00.....	-	-	-	-
8.00 >.....	-	-	-	-
Total.....	26	1,525	1,738	100.0%

8. Breakdown by Region

<i>Regions</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Abruzzi.....	-	-	-	-
Emilia Romagna.....	1	119	129	0.2%
Friuli Venezia Giulia.....	-	-	-	-
Lazio.....	-	-	-	-
Liguria.....	1	36	52	0.0%
Lombardia.....	5	269	310	0.3%
Piemonte.....	1,424	76,997	104,547	99.4%
Sicilia.....	1	47	52	0.1%
Veneto.....	-	-	-	-
Other Regions.....	-	-	-	-
Total.....	1,432	77,468	105,090	100.0%

The following table shows that a percentage equal to 93.0% of the entire Portfolio presents a payment frequency each months (48.5%) and each 6 months (44.5%).

9. Breakdown by Payment Frequency

<i>Payment Frequency</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Each months.....	636	37,526	45,417	48.5%
Each 2 months.....	-	-	-	-
Each 3 months.....	86	5,460	7,638	7.0%
Each 4 months.....	-	-	-	-
Each 6 months.....	710	34,482	52,035	44.5%
Each year.....	-	-	-	-
Others.....	-	-	-	-
Total.....	1,432	77,468	105,090	100.0%

10. Breakdown by Current Loan To Value

<i>Current Loan To Value (%)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
30 <=.....	201	2,957	11,410	3.8%
30 – 40.....	141	3,496	7,598	4.5%
40 – 50.....	152	5,177	8,454	6.7%
50 – 60.....	274	15,866	21,477	20.5%
60 – 70.....	528	37,698	43,295	48.7%
70 – 80.....	136	12,274	12,856	15.8%
80 >.....	-	-	-	-
Total.....	1,432	77,468	105,090	100.0%

D. PORTFOLIO NO. 3

(ORIGINATOR: BCC ORSAGO)

Portfolio Summary

Current Balance of Portfolio	EUR	57,405,595
Original Balance of Portfolio	EUR	69,678,799
Average Current Balance by Borrower	EUR	53,953
Average Original Balance by Borrower	EUR	65,488
Average Current Loan Amount	EUR	53,450
Average Original Loan Amount	EUR	64,878
Maximum Current Loan Amount	EUR	280,485
Maximum Original Loan Amount	EUR	309,874
Mortgage Loans	Number	1,074
Weighted Average Seasoning	Years	2.46
Weighted Average Remaining Maturity	Years	10.32
Weighted Average Current LTV*	%	67.94
WAC (as per last instalment)	%	6.59
Residential Mortgage Loans	%	89.64
Commercial Mortgage Loans	%	10.36
Fixed Rate Mortgage Loans	%	3.27
Floating Rate Mortgage Loans	%	96.73

* The Weighted Average Current LTV is calculated as the lower of the valuation or the amount of the "Ipoteca" – a registered charge.

Portfolio Stratification (as of 30/06/2001)

With reference to the BCC Orsago's Portfolio, we can make the following observations:

- a percentage equal to 89.7% of the entire Portfolio is composed by residential Mortgage Loans;
- a percentage equal to 96.8% of the entire Portfolio is composed by Mortgage Loans bearing a floating interest rate.

1. Breakdown by Type of Loan

<i>Type of Mortgage Loan</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Residential, fixed interest rate.....	26	1,446	1,698	2.5%
Residential, floating interest rate.....	975	50,013	60,888	87.2%
Commercial, fixed interest rate.....	3	428	496	0.7%
Commercial, floating interest rate...	70	5,518	6,597	9.6%
Total.....	1,074	57,406	69,679	100.0%

2. Breakdown by Original Balance

<i>Original Balance (EUR thousands)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
15 <=.....	2	13	22	0.0%
15 – 25.....	16	223	332	0.4%
25 – 50.....	307	8,195	11,341	14.3%
50 – 75.....	414	19,664	24,135	34.2%
75 – 100.....	197	14,328	16,455	25.0%
100 – 250.....	134	14,031	16,309	24.4%
250 – 500.....	4	952	1,085	1.7%
500 – 750.....	-	-	-	-
750 >.....	-	-	-	-
Total.....	1,074	57,406	69,679	100.0%

As shown in the following table, a percentage equal to 80.1% of the Portfolio has a current balance comprised between EUR 25,000 and 100,000.

3. Breakdown by Current Balance

<i>Current Balance (EUR thousands)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
15 <=.....	59	625	1,868	1.1%
15 – 25.....	95	1,906	3,282	3.3%
25 – 50.....	418	15,873	19,936	27.7%
50 – 75.....	296	18,277	21,287	31.8%
75 – 100.....	138	11,844	13,372	20.6%
100 – 250.....	67	8,599	9,624	15.0%
250 – 500.....	1	280	310	0.5%
500 – 750.....	-	-	-	-
750 >.....	-	-	-	-
Total.....	1,074	57,406	69,679	100.0%

As shown in the following table, the majority of the Mortgage Loans (57.5%) have a remaining term comprised between 120 and 180 months.

4. Breakdown by Remaining Term

<i>Remaining Term (months)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
18 <=.....	10	151	516	0.3%
18 – 36.....	51	861	2,081	1.5%
36 – 60.....	90	2,578	4,360	4.5%
60 – 96.....	246	10,214	13,477	17.8%
96 – 120.....	185	10,554	12,185	18.4%
120 – 180.....	492	33,048	37,060	57.5%
Total.....	1,074	57,406	69,679	100.0%

Moreover almost all the Mortgage Loans (98.6%) have an original term comprised between 5 and 15 years.

5. Breakdown by Original Term

<i>Original Term (years)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
5 <=.....	19	713	1,190	1.2%
5 – 10.....	491	20,635	27,396	35.9%
10 – 15.....	562	35,953	40,974	62.7%
15 – 20.....	2	105	119	0.2%
Others.....	-	-	-	-
Total.....	1,074	57,406	69,679	100.0%

As shown in the following table, a percentage equal to the 96.7% of BCC Orsago's entire Portfolio bear a floating interest rate.

6. Breakdown by Rate Type

<i>Rate Type</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Fixed.....	29	1,875	2,194	3.3%
Floating.....	1,045	55,531	67,484	96.7%
Total.....	1,074	57,406	69,679	100.0%

7. Breakdown by Fixed Interest Rate

<i>Fixed Interest Rate (%)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
5.00 =	7	383	460	20.5%
5.00 – 5.50.....	6	490	568	26.1%
5.50 – 6.00.....	7	412	460	22.0%
6.00 – 6.50.....	4	324	360	17.3%
6.50 – 7.00.....	2	128	134	6.8%
7.00 – 8.00.....	1	23	26	1.2%
8.00 >.....	2	114	187	6.1%
Total.....	29	1,875	2,194	100.0%

8. Breakdown by Region

<i>Regions</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Abruzzi.....	-	-	-	-
Calabria.....	1	76	83	0.1%
Emilia Romagna.....	-	-	-	-
Friuli Venezia Giulia.....	263	12,884	16,138	22.4%
Lazio.....	1	37	52	0.1%
Lombardia.....	1	42	52	0.1%
Piemonte.....	-	-	-	-
Sicilia.....	1	44	52	0.1%
Veneto.....	807	44,323	53,303	77.2%
Other Regions.....	-	-	-	-
Total.....	1,074	57,406	69,679	100.0%

As shown in the following table, a percentage equal to the 97.6% of the entire Portfolio has a payment frequency each month.

9. Breakdown by Payment Frequency

<i>Payment Frequency</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Each month.....	1,052	56,007	68,040	97.6%
Each 2 months.....	-	-	-	-
Each 3 months.....	4	281	353	0.5%
Each 4 months.....	1	49	52	0.1%
Each 6 months.....	16	1,052	1,214	1.8%
Each year.....	1	17	21	0.0%
Others.....	-	-	-	-
Total.....	1,074	57,406	69,679	100.0%

10. Breakdown by Current Loan To Value

<i>Current Loan To Value (%)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
30 <=.....	44	493	1,763	0.9%
30 – 40.....	37	789	1,752	1.4%
40 – 50.....	62	1,828	3,222	3.2%
50 – 60.....	126	4,583	6,554	8.0%
60 – 70.....	350	18,325	22,143	31.9%
70 – 80.....	455	31,388	34,245	54.6%
80 >.....	-	-	-	-
Total.....	1,074	57,406	69,679	100.0%

E. PORTFOLIO NO. 4

(ORIGINATOR: BCC ROMA)

Portfolio Summary

All data and calculations referring to Portfolio No. 4 are based on information extracted as of 31 December 2000.

Current Balance of Portfolio	EUR	109,876,819
Original Balance of Portfolio	EUR	128,882,602
Average Current Balance by Borrower	EUR	49,967
Average Original Balance by Borrower	EUR	58,610
Average Current Loan Amount	EUR	49,831
Average Original Loan Amount	EUR	58,450
Maximum Current Loan Amount	EUR	690,758
Maximum Original Loan Amount	EUR	723,040
Mortgage Loans	Number	2,205
Weighted Average Seasoning	Years	2.16
Weighted Average Remaining Maturity	Years	10.05
Weighted Average Current LTV*	%	69.84
WAC (as per last instalment)	%	6.40
Residential Mortgage Loans	%	81.90
Commercial Mortgage Loans	%	18.10
Fixed Rate Mortgage Loans	%	69.69
Floating Rate Mortgage Loans	%	30.31

* The Weighted Average Current LTV is calculated as the lower of the valuation or the amount of the "Ipoteca" – a registered charge.

Portfolio Stratification (as of 30/06/2001)

The table below shows that the 62.8% of the Portfolio is composed by residential Mortgage Loans bearing a fixed interest rate.

1. Breakdown by Type of Loan

<i>Type of Mortgage Loan</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Residential, fixed interest rate.....	1,504	68,964	78,874	62.8%
Residential, floating interest rate.....	424	21,055	25,653	19.2%
Commercial, fixed interest rate.....	145	7,610	9,528	6.9%
Commercial, floating interest rate...	132	12,248	14,828	11.1%
Total.....	2,205	109,877	128,883	100.0%

2. Breakdown by Original Balance

<i>Original Balance (EUR thousands)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
15 <=.....	12	106	136	0.1%
15 – 25.....	181	2,743	3,513	2.5%
25 – 50.....	843	23,981	29,596	21.8%
50 – 75.....	694	35,081	40,610	31.9%
75 – 100.....	269	19,512	22,091	17.8%
100 – 250.....	184	21,337	24,858	19.4%
250 – 500.....	18	4,813	5,598	4.4%
500 – 750.....	4	2,305	2,479	2.1%
750 >.....	-	-	-	-
Total.....	2,205	109,877	128,883	100.0%

The majority of BCC Roma's Mortgage Loans (71.9%) has a current balance comprised between EUR 25,000 and 100,000.

3. Breakdown by Current Balance

<i>Current Balance (EUR thousands)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
15 <=.....	133	1,423	2,901	1.3%
15 – 25.....	382	7,824	10,657	7.1%
25 – 50.....	904	34,128	40,567	31.1%
50 – 75.....	512	32,018	36,022	29.1%
75 – 100.....	147	12,886	14,344	11.7%
100 – 250.....	115	16,705	19,036	15.2%
250 – 500.....	10	3,580	3,961	3.3%
500 – 750.....	2	1,311	1,394	1.2%
750 >.....	-	-	-	-
Total.....	2,205	109,877	128,883	100.0%

The following table shows that a percentage equals to 93.2% has a remaining term comprised between 60 and 180 months.

4. Breakdown by Remaining Term

<i>Remaining Term (months)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
18 <=.....	49	603	1,964	0.5%
18 – 36.....	69	1,460	3,034	1.3%
36 – 60.....	174	5,533	8,191	5.0%
60 – 96.....	594	24,971	31,898	22.7%
96 – 120.....	510	23,535	25,822	21.4%
120 – 180.....	809	53,775	57,973	49.1%
Total.....	2,205	109,877	128,883	100.0%

A percentage equal to 47.1% of the entire Portfolio has an original term comprised between 5 and 10 years.

5. Breakdown by Original Term

<i>Original Term (years)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
5 <=.....	151	3,564	6,257	3.2%
5 – 10.....	1,232	51,748	63,693	47.1%
10 – 15.....	822	54,565	58,933	49.7%
15 – 20.....	-	-	-	-
Others.....	-	-	-	-
Total.....	2,205	109,877	128,883	100.0%

As shown in the following table, a percentage equal to 69.7% of the entire Portfolio bear a fixed interest rate.

6. Breakdown by Rate Type

<i>Rate Type</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Fixed.....	1,649	76,574	88,402	69.7%
Floating.....	556	33,303	40,480	30.3%
Total.....	2,205	109,877	128,883	100.0%

7. Breakdown by Fixed Interest Rate

<i>Fixed Interest Rate (%)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
5.00 =	129	4,697	5,622	6.1%
5.00 – 5.50.....	291	14,962	16,922	19.5%
5.50 – 6.00.....	107	4,351	5,107	5.7%
6.00 – 6.50.....	220	10,670	12,035	13.9%
6.50 – 7.00.....	504	25,432	27,926	33.3%
7.00 – 8.00.....	266	13,244	15,389	17.3%
8.00 >.....	132	3,218	5,402	4.2%
Total.....	1,649	76,574	88,402	100.0%

8. Breakdown by Region

<i>Regions</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Abruzzi.....	92	4,152	4,683	3.8%
Campania.....	2	102	108	0.1%
Emilia Romagna.....	1	48	54	0.0%
Friuli Venezia Giulia.....	1	25	26	0.0%
Lazio.....	2,095	105,021	123,421	95.7%
Lombardia.....	2	115	121	0.1%
Marche.....	3	114	124	0.1%
Molise.....	1	26	31	0.0%
Piemonte.....	-	-	-	-
Puglia.....	1	17	21	0.0%
Sardegna.....	1	14	21	0.0%
Sicilia.....	1	63	66	0.1%
Toscana.....	3	131	139	0.1%
Umbria.....	1	4	21	0.0%
Veneto.....	1	44	46	0.0%
Other Regions.....	-	-	-	-
Total.....	2,205	109,877	128,883	100.0%

The following table shows a strong distribution of BCC Roma Portfolio towards payment frequencies corresponding to one month (52.3%) and six months (47.2%).

9. Breakdown by Payment Frequency

<i>Payment Frequency</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Each months.....	1,194	57,571	65,331	52.3%
Each 2 months.....	-	-	-	-
Each 3 months.....	13	495	620	0.5%
Each 4 months.....	-	-	-	-
Each 6 months.....	998	51,811	62,932	47.2%
Each year.....	-	-	-	-
Others.....	-	-	-	-
Total.....	2,205	109,877	128,883	100.0%

10. Breakdown by Current Loan To Value

<i>Current Loan To Value (%)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
30 <=.....	45	405	1,647	0.4%
30 – 40.....	55	1,045	2,417	1.0%
40 – 50.....	59	1,920	3,337	1.7%
50 – 60.....	237	8,029	11,450	7.3%
60 – 70.....	540	24,022	29,711	21.9%
70 – 80.....	1,267	74,323	80,166	67.6%
80 >.....	2	134	155	0.1%
Total.....	2,205	109,877	128,883	100.0%

F. PORTFOLIO NO. 5**(ORIGINATOR: BCC ROMAGNA EST)****Portfolio Summary**

Current Balance of Portfolio	EUR	31,362,069
Original Balance of Portfolio	EUR	42,504,193
Average Current Balance by Borrower	EUR	51,582
Average Original Balance by Borrower	EUR	69,908
Average Current Loan Amount	EUR	51,078
Average Original Loan Amount	EUR	69,225
Maximum Current Loan Amount	EUR	602,687
Maximum Original Loan Amount	EUR	715,043
Mortgage Loans	Number	614
Weighted Average Seasoning	Years	3.30
Weighted Average Remaining Maturity	Years	9.45
Weighted Average Current LTV*	%	53.60
WAC (as per last instalment)	%	6.31
Residential Mortgage Loans	%	73.40
Commercial Mortgage Loans	%	26.60
Fixed Rate Mortgage Loans	%	2.35
Floating Rate Mortgage Loans	%	97.65

* The Weighted Average Current LTV is calculated as the lower of the valuation or the amount of the "Ipoteca" – a registered charge.

Portfolio Stratification (as of 30/06/2001)

With reference to BCC Romagna Est's Portfolio, we can make the following observations:

- almost the entire Portfolio (97.7%) is composed by Mortgage Loans bearing a floating interest rate;
- a percentage equal to the 73.4% of the entire Portfolio is composed by residential Mortgage Loans.

1. Breakdown by Type of Loan

<i>Type of Mortgage Loan</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Residential, fixed interest rate.....	6	450	493	1.4%
Residential, floating interest rate.....	534	22,579	30,626	72.0%
Commercial, fixed interest rate.....	1	288	310	0.9%
Commercial, floating interest rate...	73	8,045	11,075	25.7%
Total.....	614	31,362	42,504	100.0%

2. Breakdown by Original Balance

<i>Original Balance (EUR thousands)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
15 <=.....	-	-	-	-
15 – 25.....	34	321	691	1.0%
25 – 50.....	224	4,864	7,899	15.5%
50 – 75.....	198	8,411	11,547	26.9%
75 – 100.....	77	5,264	6,420	16.8%
100 – 250.....	65	7,031	8,839	22.4%
250 – 500.....	10	2,824	3,347	9.0%
500 – 750.....	6	2,647	3,762	8.4%
750 >.....	-	-	-	-
Total.....	614	31,362	42,504	100.0%

As shown in the following table, a percentage equal to 65.2% have a current balance comprised between EUR 15,000 and 100,000.

3. Breakdown by Current Balance

<i>Current Balance (EUR thousands)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
15 <=.....	120	954	4,545	3.0%
15 – 25.....	79	1,567	2,939	5.0%
25 – 50.....	204	7,566	10,198	24.1%
50 – 75.....	116	7,244	8,471	23.1%
75 – 100.....	48	4,077	4,769	13.0%
100 – 250.....	35	5,107	5,934	16.3%
250 – 500.....	9	3,156	3,840	10.1%
500 – 750.....	3	1,691	1,808	5.4%
750 >.....	-	-	-	-
Total.....	614	31,362	42,504	100.0%

As shown in the following table, a percentage equal to 88.7% present a remaining term comprised between 60 and 180 months.

4. Breakdown by Remaining Term

<i>Remaining Term (months)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
18 <=.....	41	272	1,705	0.9%
18 – 36.....	59	708	2,167	2.3%
36 – 60.....	79	2,529	5,075	8.1%
60 – 96.....	167	7,096	10,234	22.6%
96 – 120.....	83	6,532	7,373	20.8%
120 – 180.....	185	14,225	15,950	45.3%
Total.....	614	31,362	42,504	100.0%

A percentage equals to 52.8% of the Portfolio has an original term comprised between 10 and 15 years.

5. Breakdown by Original Term

<i>Original Term (years)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
5 <=.....	13	378	825	1.2%
5 – 10.....	56	3,342	4,240	10.7%
10 – 15.....	383	16,561	24,817	52.8%
15 – 20.....	162	11,080	12,622	35.3%
Others.....	-	-	-	-
Total.....	614	31,362	42,504	100.0%

Almost all the Mortgage Loans belonging to the BCC Romagna Est Portfolio (97.6%) bear a floating interest rate.

6. Breakdown by Rate Type

<i>Rate Type</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Fixed.....	7	738	803	2.4%
Floating.....	607	30,624	41,701	97.6%
Total.....	614	31,362	42,504	100.0%

7. Breakdown by Fixed Interest Rate

<i>Fixed Interest Rate (%)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
5.00 =	-	-	-	-
5.00 – 5.50.....	4	448	493	60.7%
5.50 – 6.00.....	2	146	155	19.8%
6.00 – 6.50.....	-	-	-	-
6.50 – 7.00.....	1	144	155	19.5%
7.00 – 8.00.....	-	-	-	-
8.00 >.....	-	-	-	-
Total.....	7	738	803	100.0%

8. Breakdown by Region

<i>Regions</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Abruzzi.....	-	-	-	-
Emilia Romagna.....	611	31,230	42,326	99.5%
Friuli Venezia Giulia.....	-	-	-	-
Lazio.....	-	-	-	-
Lombardia.....	2	50	90	0.2%
Marche.....	1	81	88	0.3%
Piemonte.....	-	-	-	-
Veneto.....	-	-	-	-
Other Regions.....	-	-	-	-
Total.....	614	31,362	42,504	100.0%

The following table shows the distribution of the Romagna Est Portfolio by payment frequency. A percentage equal to 62.3% of the total Portfolio is composed by Mortgage Loans with a payment frequency of one month.

9. Breakdown by Payment Frequency

<i>Payment Frequency</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
Each months.....	446	19,509	25,715	62.3%
Each 2 months.....	5	764	886	2.4%
Each 3 months.....	49	2,582	4,422	8.2%
Each 4 months.....	2	20	52	0.1%
Each 6 months.....	111	8,320	11,249	26.5%
Each year.....	-	-	-	-
Others.....	1	165	181	0.5%
Total.....	614	31,362	42,504	100.0%

10. Breakdown by Current Loan To Value

<i>Current Loan To Value (%)</i>	<i>No. of Loans</i>	<i>Current Balance</i>	<i>Original Balance</i>	<i>Current Balance Distribution</i>
30 <=.....	141	1,725	6,128	5.5%
30 – 40.....	48	1,331	3,202	4.2%
40 – 50.....	98	4,726	6,729	15.1%
50 – 60.....	234	14,540	16,784	46.4%
60 – 70.....	92	8,974	9,584	28.6%
70 – 80.....	-	-	-	-
80 >.....	1	66	77	0.2%
Total.....	614	31,362	42,504	100.0%

WEIGHTED AVERAGE LIFE OF THE NOTES

Under the Terms and Conditions of the Class A Notes the Final Maturity Date is September 2021. Under Clause 6.3 of the Terms and Conditions of the Class A Notes, the Class A Notes will be subject to mandatory redemption in full or in part on the Interest Payment Date falling in March 2003 and on each Interest Payment Date thereafter to the extent that on such Interest Payment Date there are Issuer's Available Funds which may be applied for this purpose in accordance with the priority of payments described in "Transaction Summary Information – Order of Priority of Payments". The Class A Notes may also be subject to optional redemption in full under certain circumstances.

Under the Terms and Conditions of the Class B Notes the Final Maturity Date is September 2021. Under Clause 6.3 of the Terms and Conditions of the Class B Notes, the Class B Notes will be subject to mandatory redemption in full or in part on the Interest Payment Date falling in March 2003 and on each Interest Payment Date thereafter to the extent that on such Interest Payment Date there are Issuer's Available Funds which may be applied for this purpose in accordance with the priority of payments described in "Transaction Summary Information – Order of Priority of Payments". The Class B Notes may also be subject to optional redemption in full under certain circumstances.

The tables below show the expected average life of the Class A Notes and the Class B Notes on the basis of various assumptions of prepayment rates and assuming that the Issuer will exercise its option to redeem the Notes under Clause 6.4 of the Conditions of the Notes. The assumptions used to calculate the expected average life of the Notes in the base case hereunder are based on the historical performance of the loans originated by BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est having the same characteristics as those of the Claims sold to the Issuer.

Constant Prepayment Rate (% per annum)	Class A Notes		Class B Notes	
	Expected Average Life (years)	Expected Maturity Date (date)	Expected Average Life (years)	Expected Maturity Date (date)
Base Case	4.48	30/03/2012	10.46	30/03/2012
Base Case x 3	3.50	30/03/2010	8.48	30/03/2010
Base Case x 5	2.86	30/09/2008	6.99	30/09/2008

The base case assumption above reflects the current expectations of the Issuer but no assurance can be given that the redemption of the Class A Notes and of the Class B Notes will occur as described above. The prepayment rates are stated as an average annualised prepayment rate but the prepayment rate for one Interest Period may substantially differ from one period to another. The constant prepayment rates shown above are purely illustrative and do not represent the full range of possibilities for constant prepayment rates.

The average life of the Class A Notes and the average life of the Class B Notes are 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.

USE OF PROCEEDS

The estimated net proceeds from the issue of the Notes and the Class C Notes, being approximately € 303,106,977 of which € 281,500,000 of the Class A Notes and € 15,000,000 of the Class B Notes and € 6,606,977 of the Class C Notes, will be applied by the Issuer on the Issue Date to finance the Purchase Price of the Portfolios to pay the Retention Amount into the Expenses Account and to pay the up-front fees due to the Back-up Servicer under the terms of the Back-up Servicing Agreement.

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy pursuant to Article 3 of Law 130, as a *società per azioni* on 15 June 2000 under the name of Credico Finance S.p.A., enrolled in the Registro delle Imprese of the Tribunale di Roma and registered at No. 31849 in the register held by Ufficio Italiano Cambi pursuant to Article 106 of Decreto Legislativo No. 385 of 1 September 1993. Since the date of its incorporation, the Issuer has not engaged in any business not related with the purchase of the Portfolios, no financial statements have been prepared, no dividends have been declared or paid. The Issuer has no employees.

The authorised and issued capital of the Issuer is Euro 154,935 fully divided into 300 shares of Euro 516.54 each and paid up. The shareholders of the Issuer are as follows:

ICCREA HOLDING S.p.A.	No. 276 shares
Federazione delle BCC dell'Emilia Romagna Soc. Coop. a responsabilità limitata	No. 3 shares
Federazione Lombarda delle BCC Soc. Coop. a responsabilità limitata	No. 3 shares
Federazione Siciliana delle BCC Soc. Coop. a responsabilità limitata	No. 3 shares
Federazione Toscana BCC Soc. Coop. a responsabilità limitata	No. 3 shares
Federazione Veneta delle BCC Soc. Coop. a responsabilità limitata	No. 3 shares
Associazione delle BCC di Puglia e Basilicata	No. 3 shares
Banca di Credito Cooperativo di Roma S.c.a.r.l. Gruppo Cassa Rurale ed Artigiana di Roma	No. 3 shares
Federazione delle BCC del Friuli Venezia Giulia Soc. Coop. a responsabilità limitata	No. 3 shares

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.

So long as any of the Notes and the Class C Notes remains outstanding, the Issuer shall not, without the consent of the Representative of the Noteholders and as provided for in the relevant Conditions of the Notes, 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 of the Notes) or increase its capital.

The Issuer will covenant to observe, *inter alia*, those restrictions which are detailed in the Conditions of the Notes.

Under the Shareholders Agreement to be entered into on or about the Issue Date between the Issuer, the shareholders of the Issuer and the Representative of the Noteholders, the parties thereto have undertaken, *inter alia*, not to sell or otherwise transfer or convey to any of the Originators or to any originator in the context of future securitisation transactions, or to any member of their group, a number of shares in the Issuer which would cause such Originator or originator in the context of future securitisation transaction to hold directly or indirectly more than 4% of the share capital of the Issuer.

Directors and Registered Office

The member of the Board of Directors of the Issuer are Mr. Giuseppe Mazzarello (chairman of the Board), Mr. Roberto Gandolfo, Mr. Luciano Giorgio Gornati, Mr. Giuseppe Carelli and M. Lamberto Cioci. The statutory auditors of the Issuer are: Mr. Luigi Gaspari (chairman of the Board), Mr. Valerio Bolelli and Mr. Antonio Rigoldi; as the alternate auditors are Mr. Giuseppe Ricciarelli and Ms. Carla Guerini. All the aforesaid directors are domiciled at the registered office of the Issuer. The directors were appointed until resignation or revocation.

The Issuer's registered office is at Via Massimo D'Azeglio No. 33, Rome, Italy.

Capitalisation and Indebtedness Statement

The capitalisation of the Issuer as at the date of this Offering Circular, adjusted for the issue of the Notes and the Class C Notes now being issued on the Issue Date, is as follows:

Capital

Issued

Fully paid up	€	154,935.00
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Indebtedness

Class A Asset Backed Floating Rate Notes due September 2021	€	281,500,000
Class B Asset Backed Floating Rate Notes due September 2021	€	15,000,000
Class C1 Asset Backed Floating Rate Notes due September 2021	€	860,339
Class C2 Asset Backed Floating Rate Notes due September 2021	€	1,641,007
Class C3 Asset Backed Floating Rate Notes due September 2021	€	1,221,865
Class C4 Asset Backed Floating Rate Notes due September 2021	€	2,229,311

Class C5 Asset Backed Floating Rate Notes due September 2021	€	654,455
Total indebtedness.....	€	303,106,977

Following the Issue of the Notes and the Class C 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.

Accountants' Report with reference to interim financial statements

To the Board of Directors of

Credico Finance S.p.A.

1. We have audited the interim financial statements of Credico Finance S.p.A. as of and for the eight month period ended August 31, 2001. These interim financial statements are the responsibility of the Credico Finance S.p.A.'s management. Our responsibility is to express an opinion on these interim financial statements based on our audit.
2. Our audit was made in accordance with auditing standards generally accepted in Italy. In accordance with such standards we planned and performed our audit to obtain the information necessary in order to determine whether the interim financial statements are materially misstated and if such interim 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 interim financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion, the interim financial statements referred to above give a true and fair view of the financial position of Credico Finance S.p.A. as at and for the period ended August 31, 2001, and the results of its operations for the eight month period then ended in accordance with Italian regulations governing financial statements as stated in the notes to the interim financial statements.

Rome, September 14, 2001

RECONTA ERNST & YOUNG S.P.A.
Signed by: Alberto M. Pisani, (partner)

Interim Financial Statements

Assets

Cash	1.2
Bank	294.4
Intangible assets	4.3
Other assets	2.6

Liabilities

Other liabilities	13.3
Share Capital	300.0
Loss carry forward	-5.9
Loss for the period	-4.9

Total 302.5

Total 302.5

The figures set out above on this page 99 are included by way of summary only and have been derived from the interim audited financial statements of the Issuer as of and for the eight month period ended 31 August 2001. Such figures are qualified in their entirety by the financial information contained therein. The aforementioned audited interim financial statements are incorporated by reference in this Offering Circular. Copies of such documents in English are available at the registered office of the Representative of the Noteholders and at the Specified Offices of the Paying Agents.

SUMMARY DESCRIPTION OF CREDIT AGRICOLE INDOSUEZ

Crédit Agricole Indosuez is a French banking institution incorporated under French law as a *société anonyme à Directoire et Conseil de Surveillance* with a share capital of € 868,626,693. The registered office of Crédit Agricole Indosuez S.A. is located at 9, Quai du Président Paul Doumer, 92920 Paris La Défense Cedex, France. Crédit Agricole Indosuez s.a. is an international bank and is mainly active in commercial and investment banking. In 2000, Crédit Agricole Indosuez S.A. reported a consolidated net result of € 341 million. Copies of the latest annual report and accounts of Crédit Agricole Indosuez s.a. will be available during usual business hours at the Specified Offices of the Principal Paying Agents.

Crédit Agricole Indosuez S.A. is a fully owned subsidiary of Caisse Nationale de Crédit Agricole S.A. (“CNCA”) which is also a French banking institution. As of 31 December 2000, CNCA consolidated regulatory capital amounted to €35.5 billion and net income for 2000 totalled €2.76 billion.

THE ORIGINATORS

A. CREDITO COOPERATIVO (“CO-OPERATIVE CREDIT SYSTEM”)

The origin of the Co-operative Credit System

“Co-operative credit” (*credito cooperativo*) was invented in Germany by *Friedrich Wilhelm Raiffeisen* towards the second half of the nineteenth century. Italy immediately followed suit and by the end of the century about 1,000 Rural Banks for Co-operative Credit (*Casse Rurali*) had already been established throughout the whole country. The incorporation of the “Italian Federation of Rural Banks for Co-operative Credit” (*Federazione Italiana delle Casse Rurali*) (1905), which pooled them together, can be considered the turning point for the growth of local Co-operative Credit, which reached its peak with the establishment of the “Local Federations” (*Federazioni Locali*).

The aim of the Articles of Association of the “Rural Banks for Co-operative Credit” was not only to grant credit to local farmers, storeowners and small craftsmen but also to improve shareholders’ financial, professional, moral and intellectual conditions.

Given the deep impact the Rural Banks for Co-operative Credit (*Casse Rurali*) had on local businesses, their social role became clear during the post-war period when their support turned out to be vital for the birth and development of small and medium sized enterprises.

The shareholders

The special characteristic of the BCC juridical form is the importance of its shareholders.

In the beginning a BCC’s shareholder (*“il socio”*) had to be a member of a defined profession (i.e. farmer, small entrepreneur and craftsman). Nowadays the main prerequisite to become a BCC’s shareholder is to live or to do business within the Bank’s geographical operating region, thus expanding and facilitating access to BCC membership.

In fact the Articles of Association state that shareholders cannot number less than 200 and must represent at least 50% of the Bank’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 40,000.

The BCCs

BCCs’ main features are the following:

- they are local Banks supporting families and companies inside a defined area;
- they are mutual-purpose, non profit-oriented Banks which are supposed to use part of their net income for charitable purposes;
- they are part of the “Co-operative Credit System” and can offer their customers a wide range of financial products and services with scale economies.

The Co-operative Credit System , which includes more than 500 Banks and 2,900 branches (11% of the Italian Banking system), involves a high number of human resources as shown in the following data:

- 584,000 shareholders;
- 6,000 managers;
- 4,000,000 customers;
- 22,000 employees.

The BCCs' network covers 4,000 towns (60% of the Italian Banking system).

As of 30 June 2000, the BCCs recorded:

- a total funding of EUR 83 billions;
- a total lending of EUR 41 billions;
- a shareholders' equity of EUR 9 billions.

The Federations

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

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

The *Federations* are divided into nine regional federations (*Lombardy*, *Veneto*, *Friuli-Venezia Giulia*, *Emilia Romagna*, *Tuscany*, *The Marches*, *Campania*, *Calabria* and *Sicily*), four inter-regional federations (*Piedmont-Valle d'Aosta-Liguria*, *Latium-Umbria-Sardinia*, *Abruzzo-Molise*, *Puglia* and *Basilicata*) and two provincial federations (*Trento* and *Bolzano*).

To co-ordinate and to promote BCC products as well as to provide technical assistance and advice are the two main roles of the *Federations*.

The Local Federations have instituted external IT Centres whose network covers all the Italian geographical regions.

The ICCREA Group

The Co-operative Credit System is led by the *ICCREA Group*, 98.20% owned by *ICCREA Holding S.p.A.*

The *ICCREA Group* is organised into three Business Divisions:

- Retail customers:
 - Credit cards;

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- Mortgage and consumer loans;
- Asset management;
- Private banking.
- Small and medium sized companies:
 - Corporate banking, leasing and factoring;
 - Cash management;
 - Advisory services.
- Investment services:
 - Merchant banking;
 - Brokerage.

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The *ICCREA* Group includes:

- *ICCREA Banca* (Banking);
- *Banca Agrileasing* (Leasing);
- *Aureo Gestioni* (Asset Management);
- *Simcasse* (Finance);
- *Assimoco* (Insurance).

The following table shows the current distribution of the *ICCREA Holding* equity:

Subjects	Number	Shares	Percentage
BCCs	484	6,968,865	89.10%
<i>Casse Centrali di Trento e Bolzano</i>	2	576,488	7.37%
<i>Federcasse and Fondo Sviluppo</i>	2	90,601	1.16%
<i>Federazioni and Fondo Comune</i>	15	82,795	1.06%
Other financial institutions	24	74,448	0.95%
<i>ICCREA Holding</i> (own shares)	1	28,200	0.36%
Total	528	7,821,397	100.00%

B. BCC AGRO BRESCIANO

Historical background

Banca di Credito Cooperativo dell'Agro Bresciano, "BCC Agro Bresciano", is based in Ghedi (province of Brescia, Lombardia). It was founded in February 1897 as the Cassa Depositi e Prestiti di Ghedi by Don Andrea Maggini.

In 1938, after the Banking Law of 1936 came into effect, the Bank changed its name to *Cassa Rurale ed Artigiana di Ghedi*. In 1995 the Bank changed to its current name.

During the last three years, the number of the Bank's shareholders has increased significantly at a growth rate of 66%. At 31 December 2000, *BCC Agro Bresciano* had 2,222 shareholders.

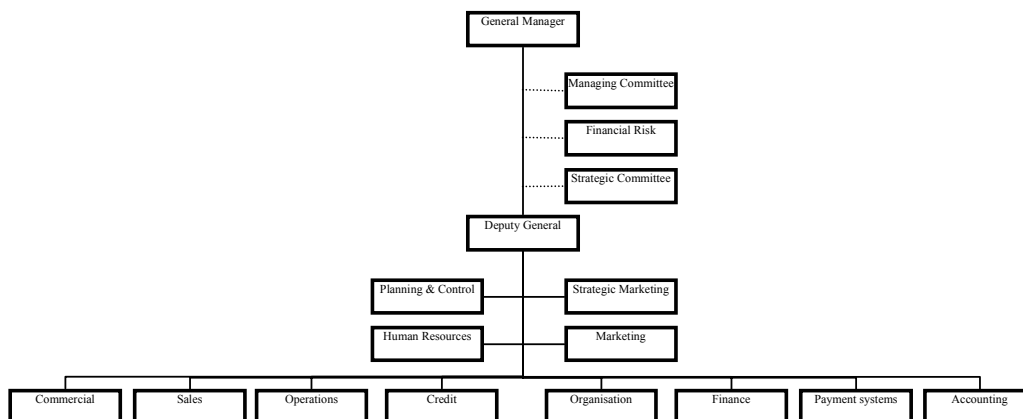
Organisation

The General Manager is responsible for pursuing the financial balance and the Bank's profitability without contrasting with the principles of mutualism, which are the basis of the Co-operative Credit System.

The Bank's organisational structure is based on the separation between in-line Units (Commercial Network, Sales, Operations, Credit, Organisation, Finance, Payment systems and Accounting) and staff Units (Planning & Control, Human Resources, Strategic Marketing and Marketing). While the in-line Units are responsible for the achievement of the quantitative and qualitative objectives established by the General Management, the staff Units have an advice-giving role.

BCC Agro Bresciano's structure includes three Committees (Management Committee, Financial Risk Committee and Strategy Committee) pursuing commercial opportunities and the solution of the Bank's critical issues.

BCC Agro Bresciano has 146 employees.



<i>Board of Directors</i>	
Carlo Ruggeri	Chairman
Floriano Zappettino	Deputy Chairman
Carlo Bettini	Director
Matteo Calati	Director
Antonio Ferrari	Director
Candida Gottardello	Director
Alfredo Grassi	Director
Silvano Guarisco	Director
Luciano Margotti	Director
Ivano Migliorati	Director
Guido Moscardi	Director
Roberto Remondi	Director
Mauro Sabbio	Director

<i>Board of Statutory Auditors</i>	
Santo Ferri	Chairman
Pierdomenico Casnigo	Auditor
Tullio Paterno	Auditor
Alessandro Falsina	Deputy Auditor

Main activities and future strategies

BCC Agro Bresciano offers a complete range of financial services and products.

The Bank has recently formed alliances with companies belonging to the *ICCREA Group (Aureo Gestioni, Assimoco)* as well as with other financial institutions (*Azimut, Mediocredito Lombardo, Interbanca, Banca Woolwich* and *Skandia Vita*) in order to provide asset management services.

The Bank is currently engaged in the creation of alternative marketing channels such as home banking, phone banking and trading on line.

The Bank also offers services in the insurance advisory and brokerage fields through its stake in *Assiab Broker S.r.l.*

BCC Agro Bresciano's Board of Directors, aided by top management has developed a strategic planning programme; whose dynamic guidelines are summarised below:

- support of local businesses through the opening of new branches;
- commercial development, pursued by combining traditional and innovative channels as well as by new agreements with first-rate financial institutions.

Financial highlights

Summary of data in Euro thousands

BALANCE SHEET	31 Dec. 2000	31 Dec. 1999	31 Dec. 1998
Assets			
Cash	2,142	2,053	1,871
Due from banks	24,654	17,671	36,659
Loans	157,153	147,817	121,563
Bonds and other securities	47,766	42,844	36,439
Total Assets	476,277	457,861	442,525
Liabilities			
Due to banks	25,962	34,836	20,585
Securities issued	144,591	126,700	128,004
Capital	53,745	56,110	50,798
Total Liabilities	476,277	457,861	442,525
PROFIT AND LOSS ACCOUNT			
	31 Dec. 2000	31 Dec. 1999	31 Dec. 1998
Interest margin	17,347	13,860	14,433
Financial margin	24,868	19,876	20,232
Administrative costs	13,611	12,700	12,086
Extraordinary income	132	717	468
Net income for the year	7,344	5,239	4,969

MAIN FINANCIAL RATIOS

	31/12/2000	31/12/1999	31/12/1998
Return on equity	11.85%	9.60%	10.20%
Net profit / Financial margin	29.50%	26.40%	24.50%
Interest margin / Financial margin	70.23%	70.30%	71.60%
Regulatory capital / Weighted assets	16.40%	15.90%	17.50%
Non performing loans / Total disbursed loans	1.74%	1.90%	1.80%

C. BCC ALBA

Historical background

Banca di Credito Cooperativo di Alba, Langhe e Roero, "BCC Alba", is the result of the merger in 1998 of three BCCs: *BCC di Diano d'Alba*, *BCC di Gallo Grinzane* and *BCC di Vezza d'Alba*.

The Bank is located in Alba (province of *Cuneo, Piedmont*).

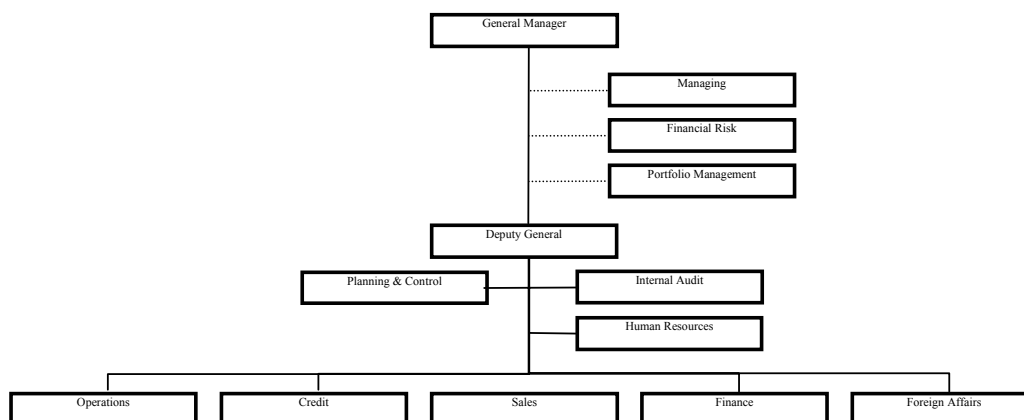
During the last five years the Bank has seen a significant increase in the number of shareholders. At 31 December 2000, *BCC Alba* had 11,134 shareholders, topping the BCC league table in terms of number of shareholders.

Organisation

BCC Alba is organised through a flat structure; General Manager and Deputy General Manager are in charge both of Business Units and of the three Committees (Financial Risk Committee, Managing Committee and Portfolio Management Committee), which are permanent structures and fulfil an advice-giving role.

As shown in the following chart, *BCC Alba* is organised into five Business Units: Operations, Credit, Sales, Finance and Foreign Affairs.

As at 31.12.2000 *BCC Alba* had 241 employees.



Board of Directors	
Felice Cerreti	Chairman
Pierfranco Stirano	Deputy Chairman
Gino Sobrino	Vice Chairman
Angelo Abrigo	Director
Antonio Battaglio	Director
Guido Battaglio	Director
Matteo Bosco	Director
Emilio Cravanzola	Director
Franco Ferrero	Director
Gian Franco Marengo	Director
Nazzareno Oberto	Director
Piero Pittatore	Director
Aldo Prandi	Director
Gian Carlo Rista	Director
Giancarlo Rista	Director
Marco Sandri	Director
Emilio Vaschetto	Director

Board of Statutory Auditors	
Michelangelo Bonardi	Chairman
Giovanni Battista Marchisio	Auditor
Carlo Rocca	Auditor
Marco Lanzetti	Deputy Auditor
Giuseppe Pezzuto	Deputy Auditor

Main activities and future strategies

The Bank has an active role both in traditional banking and innovative fields (an Internet banking service will be available shortly).

As far as credit is concerned, the Bank offers a wide range of short, medium and long-term lending products.

The Bank plays an active role on the leasing market through *Banca Agrileasing*, a company belonging to the *ICCREA* Group.

BCC Alba provides financing to certain classes of shareholders such as farmers, new entrepreneurs, young people.

With reference to financial markets the Bank executes domestic and overseas transactions in equity, bonds and derivatives for its customers.

BCC Alba aims to strengthen its position in its geographical region. In particular, the Bank wants to take advantage of the major opportunities offered by the new Bank Act ("*T.U. del 1994*") in order to become a player in all banking environments, while maintaining its status as a local and mutual-purpose Bank.

Financial highlights

Summary of data in Euro thousands

BALANCE SHEET	31 Dec. 2000	31 Dec. 1999	31 Dec. 1998
Assets			
Cash	6,304	4,026	4,070
Due from banks	28,124	28,789	66,429
Loans	268,286	216,106	155,439
Bonds and other securities	74,578	104,197	63,153
Total Assets	803,536	735,864	682,653
Liabilities			
Due to banks	44,905	51,994	48,032
Securities issued	243,763	193,285	184,017
Capital	62,574	59,844	57,869
Total Liabilities	803,536	735,864	682,653
PROFIT AND LOSS ACCOUNT	31 Dec. 2000	31 Dec. 1999	31 Dec. 1998
Interest margin	23,281	19,884	21,988
Financial margin	36,223	28,139	30,497
Administrative costs	22,632	19,717	19,744
Extraordinary income	266	683	452
Net income for the year	6,309	3,636	5,857

MAIN FINANCIAL RATIOS

	31/12/2000	31/12/1999	31/12/1998
Return on equity	10.0%	6.0%	10.1%
Net profit / Financial margin	17.4%	12.9%	19.2%
Interest margin / Financial margin	60.3%	71.1%	72.4%
Regulatory capital / Weighted assets	10.7%	12.6%	15.1%
Non performing loans / Total disbursed loans	0.5%	0.7%	0.9%

D. BCC ORSAGO

Historical background

Banca di Credito Cooperativo di Orsago, "BCC Orsago", was set up in Orsago (province of Treviso, Veneto) by the parish priest at that time, Don Antonio Possamai in 1895.

In 1976 the Bank was transformed from an unlimited liability company into a limited liability company, with a subsequent change of its corporate name from *Cassa Rurale ed Artigiana di Orsago* to its current name.

At the moment, *BCC Orsago* has 15 branches and represents the third BCC in the *Veneto region* in terms of financial volumes.

In the last few years the Bank has chosen to expand the number of shareholders, especially in those areas in which it started to operate during the last years. As at 31 December 2000 the Bank has 1,324 shareholders.

Organisation

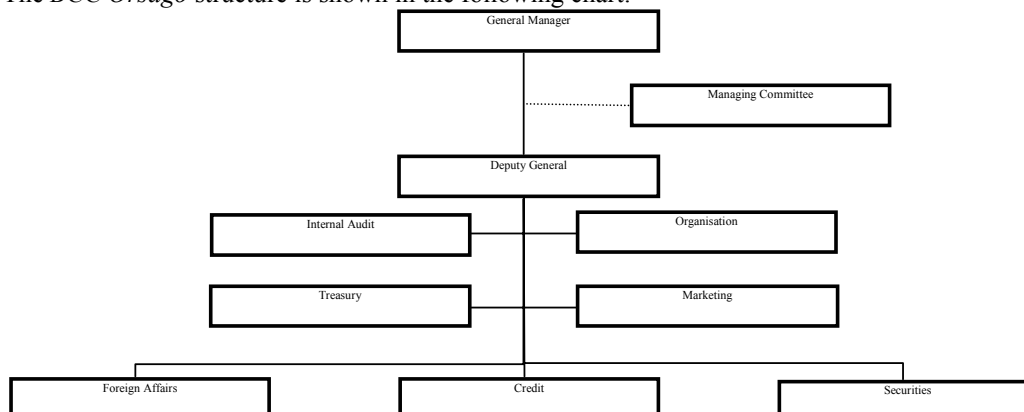
BCC Orsago has three Business Units: Foreign Affairs, Credit and Securities.

The General Manager, supported by the Internal Audit Officer and by the Deputy General Manager, is in charge of strategic planning and company profitability.

The Bank's organisational structure also includes a Management Committee, which advises the General Manager on the Bank's critical issues and four staff Units (Internal Audit, Treasury, Organisation and Marketing).

As of 31.12.2000, *BCC Orsago* has 141 employees.

The *BCC Orsago* structure is shown in the following chart:



<i>Board of Directors</i>	
Gian Piero Michielin	Chairman
Claudio Bortolotto	Deputy Chairman
Francesco Bet	Director
Fulvio Brunetta	Director
Tito Foltran	Director
Anfelo Piccinin	Director
Emo Ros	Director
Aldo Spadoni	Director
Remo Salatin	Director

<i>Board of Statutory Auditors</i>	
Pier Luigi Rui	Chairman
Pier Matteo Dalla Vedova	Auditor
Gianni Vendramelli	Auditor
Pietro Basciano	Deputy Auditor
Renzo Carniel	Deputy Auditor

Main activities and future strategies

The type of financial services and products offered by the Bank reflects the *BCC Orsago*'s strategy to operate upon the geographical region as a local Bank.

BCC Orsago acts as long-term partner of families and small, medium-sized companies providing them with funds collected on the financial market in order to support and develop local businesses. The ratio between defaults and total lending (about 1% at 31.12.2000) is one of the lowest in the region and shows how the corporate strategy pursued by the Bank in the last years has been successful.

BCC Orsago also offers financial services, such as leasing, factoring, asset management, insurance services, in collaboration with external, primary standing providers (*Crédit Agricole Indosuez, Skandia Vita, Schroders, BNP Paribas, Aureo Gestioni, Banca Agrileasing*, etc.).

The Bank's shareholders can benefit from lower fees compared with those available on the market.

The Bank aims at reinforcing its presence in the geographical region through an increase in its traditional branch network and through a development of virtual channels in order to offer its customers innovative financial services.

Given the on-going development in the *BCC Orsago*'s geographical region, the funding collected in the local market has been considered insufficient and this has consequently forced the Bank to consider the securitisation of its assets as an alternative source of funding.

Financial highlights

Summary of data in Euro thousands

BALANCE SHEET	31 Dec. 2000	31 Dec. 1999	31 Dec. 1998
Assets			
Cash	2,372	1,885	3,977
Due from banks	16,461	10,619	14,750
Loans	193,524	160,457	107,398
Bonds and other securities	63,135	51,972	36,335
Total Assets	490,538	413,711	352,583
Liabilities			
Due to banks	47,455	40,147	18,922
Securities issued	149,205	97,434	96,835
Capital	38,758	33,321	28,519
Total Liabilities	490,538	413,711	352,583
PROFIT AND LOSS ACCOUNT			
	31 Dec. 2000	31 Dec. 1999	31 Dec. 1998
Interest margin	17,984	13,330	12,032
Financial margin	27,577	18,632	16,434
Administrative costs	11,470	9,914	8,537
Extraordinary income	276	73	99
Net income for the year	9,569	5,634	4,999

MAIN FINANCIAL RATIOS

	31/12/2000	31/12/1999	31/12/1998
Return on equity	24.69%	16.91%	17.53%
Net profit / Financial margin	38.01%	30.24%	30.42%
Interest margin / Financial margin	71.57%	71.67%	73.31%
Regulatory capital / Weighted assets	12.25%	11.91%	12.46%
Non performing loans / Total disbursed loans	1.01%	0.84%	1.14%

E. BCC ROMA

Historical Background

BCC Roma was founded as *Cassa Rurale ed Artigiana dell'Agro Romano* on 17 October 1954.

During the last few years the Bank has shown marked growth dominated by:

- new branches in areas with a business environment very similar to the one in which the Bank was already active;
- incorporation of 13 small BCCs, located in *Latium* and in *Abruzzi* (both regions in central Italy).

The above-mentioned programme has produced two different consequences:

- the extension of *BCC Roma's* model from rural and upland areas to a big urban area such as Rome;
- an increase in the number of shareholders from 2,000 to 10,500.

BCC Roma is the biggest BCC in Italy and is ranked among the first seventy Italian Banks.

Organisation

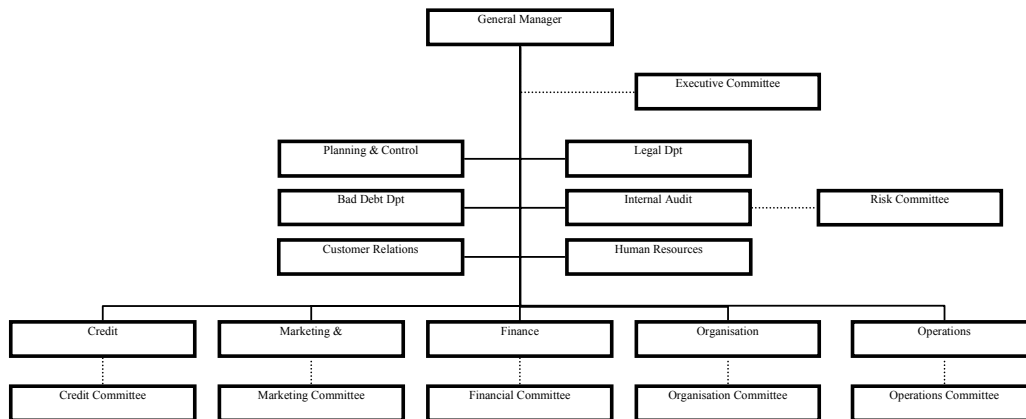
The *BCC Roma* structure follows the separation between operations and the business areas while other departments, such as Internal Audit and Planning & Control report to the General Management.

The Board of Directors is responsible for strategic and business planning and budgeting and also establishes amendments to the Articles of Association and risk management policies.

The Executive Committee is in charge of passing the resolutions regarding lending and unbudgeted expenditures: it also decides upon recruitment, advancement, disciplinary actions and dismissal of the Bank's human resources.

In addition to the Executive Committee, the Bank has six other Committees, which are permanent bodies and support the Management in making critical decisions.

BCC Roma has 859 employees.



<i>Board of Directors</i>	
Francesco Liberati	Chairman
Massimo Manara	Deputy Chairman
Giovanni Aversa	Deputy Chairman
Gianni Del Castello	Director
Ernesto Andreoli	Director
Giancarlo Cecchetti	Director
Guido Di Capua	Director
Enrico Gori Francesco	Director
Corrado Marchionni	Director
Mauro Pastore	Director
Maria Amalia Bonifazi	Director
Antonio Pompei	Director
Antonio Pugliese	Director

<i>Board of Statutory Auditors</i>	
Martino Politi	Chairman
Fabrizio Murri	Auditor
Elio Di Odoardo	Auditor
Felice Marini	Deputy Auditor
Bruno Piperno	Deputy Auditor

Main Activities and Future Strategies

BCC Roma offers companies and families a complete range of products and services, which can be classified as follows:

- Short term financing;
- Medium-term financing;
- Leasing;

- Corporate banking;
- Asset management.

The Bank strategy is to persist in its commercial development by means of territorial expansion and by widening its range of products and services..

The three-year plan for 2000-2002 identifies securitisation as a strategic tool that could increase the Bank's funding, thus allowing the achievement of such objectives.

Financial Highlights

Summary of data in Euro thousands

BALANCE SHEET	31 Dec. 2000	31 Dec. 1999	31 Dec. 1998
Assets			
Cash	19,333	22,276	16,757
Due from banks	220,177	157,185	166,202
Loans	867,464	702,391	462,724
Bonds and other securities	546,103	381,381	287,254
Total Assets	2,833,840	2,609,726	2,187,603

Liabilities

Due to banks	63,000	50,281	55,744
Securities issued	407,563	455,897	427,490
Capital	307,952	245,658	214,810
Total Liabilities	2,833,840	2,609,726	2,187,603

PROFIT AND LOSS ACCOUNT	31 Dec. 2000	31 Dec. 1999	31 Dec. 1998
Interest margin	89,872	79,030	69,920
Financial margin	116,155	117,961	117,818
Administrative costs	87,042	83,478	74,115
Extraordinary income	1,476	2,758	(2,203)
Net income for the year	13,374	20,236	20,741

MAIN FINANCIAL RATIOS

	31/12/2000	31/12/1999	31/12/1998
Return on equity	5,03%	7,60%	8,80%
Net profit / Financial margin	11,52%	17,20%	17,60%
Interest margin / Financial margin	77,77%	67,30%	59,70%
Regulatory capital / Weighted assets	17,6%	21,8%	17,6%
Non performing loans / Total disbursed loans	6,1%	6,7%	7,6%

F. BCC ROMAGNA EST

Historical background

Banca di Credito Cooperativo Romagna Est, “BCC Romagna Est” is the result of the merger in November 1995 between BCC Savignano sul Rubicone and BCC Bellaria Igea Marina (Rimini, Emilia Romagna).

The two Banks were two complementary financial institutions: *BCC Bellaria Igea Marina* was a very dynamic Bank, mostly active in financing the tourism sector; while *BCC Savignano sul Rubicone* was focused on a more diversified customer base (farmers, craftsmen, small entrepreneurs).

As at 31 December 2000, *BCC Romagna Est* had 1,609 shareholders.

In order to reinforce the entrepreneurial composition of the capital, the Bank plans to encourage the entry of small and medium economic players.

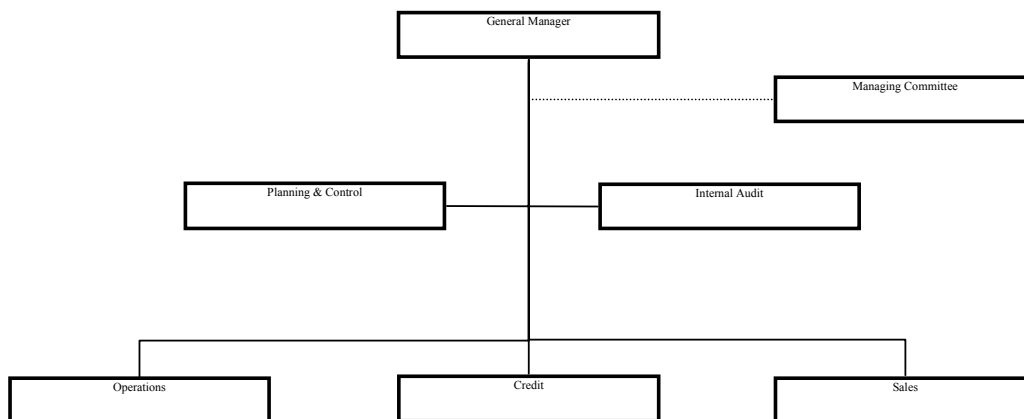
Organisation

BCC Romagna Est is organised into three Business Units: Operations, Credit and Sales. The supervision of the Business Units is assigned to the General Manager.

The other departments, such as Internal Audit and Planning & Control , report to the General Manager.

BCC Romagna Est's organisational structure also includes also a Management Committee, which supports the Management in making the Bank's strategic decisions.

BCC Romagna Est has 130 employees.



<i>Board of Directors</i>	
Corrado Monti	Chairman
Pierino Buda	Deputy Chairman
Massimo Bulbi	Director
Colombo Calderoni	Director
Enzo Ceccarelli	Director
Paolino Ceccarelli	Director
Liliano Ferri	Director
Gilberto Montemaggi	Director
Vitaliano Rinaldi	Director
Fabio Vasini	Director

<i>Board of Statutory Auditors</i>	
Giorgio Gamberoni	Chairman
Fausto Bertozzi	Auditor
Maurizio Urbini	Auditor
Domenico Mauro	Deputy Auditor
Roberto Zavatta	Deputy Auditor

Main activities and future strategies

To raise funds, *BCC Romagna Est* offers its customers the following products:

- Savings Deposits;
- Certificates of Deposit;
- Corporate Bonds.

The Bank offers its customers the possibility to invest in local and overseas markets through a trading on-line service, supported by a call centre.

The Bank's lending activity could be classified as follows:

- Mortgage loans;
- Consumer loans.

The mission of *BCC Romagna Est* is to develop local business, providing small and medium-sized companies with a complete financial programme: loans, advisory services and asset management.

Financial highlights

Summar ofy data in Euro thousands

BALANCE SHEET	31 Dec. 2000	31 Dec. 1999	31 Dec. 1998
Assets			
Cash	2,660	1,948	2,172
Due from banks	5,250	13,530	16,408
Loans	114,851	99,949	75,407
Bonds and other securities	32,978	30,345	31,464
Total Assets	331,486	314,515	296,604
Liabilities			
Due to banks	20,362	25,548	17,853
Securities issued	64,786	50,031	49,292
Capital	47,485	45,049	41,094
Total Liabilities	331,486	314,515	296,604
PROFIT AND LOSS ACCOUNT	31 Dec. 2000	31 Dec. 1999	31 Dec. 1998
Interest margin	12,551	10,656	11,772
Financial margin	18,707	15,523	18,144
Administrative costs	11,267	11,318	11,418
Extraordinary income	(49)	394	229
Net income for the year	4,119	2,600	4,130

MAIN FINANCIAL RATIOS

	31/12/2000	31/12/1999	31/12/1998
Return on equity	7.31%	5.04%	8.42%
Net profit / Financial margin	22.21%	16.75%	22.80%
Interest margin / Financial margin	68.20%	69.08%	65.36%
Regulatory capital / Weighted assets	20.23%	21.76%	22.62%
Non performing loans / Total disbursed loans	1.63%	1.69%	1.78%

LOAN SERVICING AND COLLECTION PROCEDURES

A. COMMON ASPECTS

Credit Policy

Although every BCC has its own characteristics and procedures for the administration of banking activity, it is possible to make a general analysis of the Credit Policy - origination and risk management - based on the factors common to the five Banks. The following paragraphs will take into account each Originator's Credit Policy.

The common credit policy concerning the origination of the loans can be divided into:

- a preliminary phase (very general);
- an origination phase (very specific);
- an administrative phase;
- a decisional phase.

The preliminary phase includes all the activities necessary for learning and examining customers' needs. This activity of origination is carried out, with different procedures, by each BCC.

The origination of the loans is strictly tied to constant contact with the customer. An initial interview with the applicant is necessary to identify his / her particular financial needs and to propose the best financial support (form, amount, type of loan).

Then the applicant is asked to submit all the documents necessary for the loan (in particular pay packet or latest tax return according to the various policies).

On the basis of the information available, an evaluation is made to verify the applicant's earning capacity, his / her financial stability, his / her financial capacity to reimburse the loan in order to decide whether the applicant is creditworthy.

Other interviews with the applicant will follow during the origination phase, leading to the registration of his / her data on the customer database, the opening of current accounts in his / her name and the acquisition of his / her signature on the loan request.

Written procedures describe all the preliminary requirements action step by step and all the documents submitted by applicants are registered in lists readily available to branch staff.

A dossier is then prepared and delivered to Head Office. This activity is part of the administration phase.

The lending activity is in fact assigned to the Risk Management Committee, as each BCC has limited decisional powers (see the description of each BCC's Credit Policy). The lending decision is ultimately based on the analysis of the applicant's credit worthiness.

All five BCCs implement a subdivision of responsibility between the bodies in charge of the credit origination and proposal (the branches) and the bodies that authorise the disbursement (Head Office). The centralisation of lending decisions is intended to build up particularly homogeneous assessment and evaluation methods.

Risk Management

With regard to the Risk Management Policy, the paragraphs concerning the characteristics of the five BCCs provide a complete description of the different Credit Policies. The following is a general overview of the common structures and procedures of the Banks.

In every BCC two levels of control 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 made by the organisational structures known as “in-line offices” (branches, credit department, and so on) while the extraordinary controls are made by central structures known as “staff offices” such as the legal department, the risk controller, the risk management committee and so on. All the Risk Management activities are entirely electronically supported and fully automatic through EDP systems.

EDP transmissions with codified information between branches and Head Office are continuous and telephone contacts are assured.

In regard to the management of Delinquent and Defaulted Loans, the following table shows the level of credit risk as well as a comparison of the different risky positions within the BCC.

Number of overdue instalments of risk positions:

Level of credit risk		<i>Watch List</i>			<i>Delinquent</i>			<i>Default</i>		
<i>Bank</i>	<i>Instalment maturity</i> ⁽¹⁾	M	Q	S	M	Q	S	M	Q	S
<i>BCC Agro Bresciano</i>	≤ 36 months	See <i>Legenda</i> ⁽²⁾								
	> 36 months									
<i>BCC Alba</i>	≤ 36 months	4	2	2	7	5 ⁽³⁾	3 ⁽³⁾	12	5	3
	> 36 months				5	3	2			
<i>BCC Orsago</i>	≤ 36 months	See <i>Legenda</i> ⁽²⁾			7	3	2	See <i>Legenda</i> ⁽²⁾		
	> 36 months									
<i>BCC Roma</i>	≤ 36 months	3	1	1	7	5	3	See <i>Legenda</i> ⁽²⁾		
	> 36 months				5	3	2			
<i>BCC Romagna Est</i>	≤ 36 months	6	4	2	7	5	3	See <i>Legenda</i> ⁽²⁾		
	> 36 months									

Legenda:

(1) The table takes into account the loans of every BCC on the basis of their initial maturity: M = monthly, Q = quarterly, S = semi-annual.

(2) There are no quantitative criteria, the BCC makes reference to the *Supervisory Regulations* of the Bank of Italy.

(3) The number of overdue instalments is equal to the number of Defaulted Loans due to a special credit policy of the BCC.

All the BCCs base their activity on a regular system of written reports, thus allowing immediate and real communication to the Management on the relevance of watch-list and delinquent loans.

The Management or eventually the Board of Directors decides whether the loan should be registered either as Delinquent or as Defaulted Loans.

The BCCs issue a series of verbal and written reminders before involving the legal department. The first contact after the first overdue instalment is supposed to be made by the branch in a personal, friendly way. If no answer is received and according to the importance of the risk position, a second reminder is made either by the branch or by Head Office. The last reminder is always sent by Head Office before forwarding the dossier to the legal department.

Credit Recovery Policy

This chapter intends to give a general overview of the common factors, which characterise the Recovery Policy of all BCCs. A detailed description of the Recovery Policy of every BCC is available in the following paragraphs.

The Credit Recovery activities of all BCC's are assigned to an external Legal Advisor who is in constant contact with the Bank's legal department staff. Both the legal advisor and the legal department are directly involved in the legal actions.

The departments involved submit periodic reports to the Management and /or the Board of Directors on the status of credit recovery activities.

The close, special relationship between the branches and the external advisors results in promptness and persistence in following-up on this activity.

B. BCC AGRO BRESCIANO

The credit process is described in the following four phases:

- Operations planning

In this phase the activity of the Bank aims to analyse the macro-economic scenarios in the geographical region in order to detect potential clients and to acquire some preliminary and general information about them.

- Credit lending

The credit lending phase is a combination of administrative, supervisory and analytical tasks, which are carried out, as a general rule, by the single branches.

Within the standard operations generated by direct requests from customers, the submission of the loan request traditionally takes place at the branch.

The credit application is submitted by an Officer, who is always different (also in the smallest branches) from the body in charge of the lending decision.. Each application is usually supported by personal and financial information regarding the customer.

The evaluation of the applicant implies a certain number of inquiries that vary according to the type of the customer and the amount of the loan.

For residential loans:

- an enquiry takes place on the *Cerved* data bank (which includes information from all the Italian Chambers of Commerce) in order to verify that the applicant is not under protest or that other prejudicial issues do not exist in his / her name;
- a copy of the applicant's latest income tax returns is requested in order to verify his / her earning capacity;
- information is generally requested from other branches of the Bank;
- a n analysis of reimbursement capacity is made;
- a technical and legal examination of the real estate offered as guarantee is carried out. Should the applicant already be a customer of the Bank, special attention is paid to the debit and credit entries on all his / her accounts.

Where commercial loans are concerned the inclusion of the company in a certain industrial sector, its market share, analysis of its financial statements is taken into consideration and an internal rating system is used..

The proposal is reviewed by the decision-making body, which, within the limits of the lending limits shown in the following table, may accept, refuse, and sometimes amend the original proposal.

<i>Data in Euro thousands</i>						
Type of loan	Executive Committee	Chairman	General Manager	Head of Risk Management Area	Branch Officer	Branch Clerk
Loans unsecured	516	155	129	26	21	10
Mortgage loans	1,033	181	155	52	31	15
Fully guaranteed mortgage loans	1,549	336	284	77	52	26

All loan contracts provide for compulsory fire insurance and it is required that the beneficiary of the policy shall be the Bank.

The premium is usually paid entirely by the client on signing the loan agreement, therefore eliminating the risk of non-payment of the premium. In other cases the Bank is authorised to debit the premium directly to the customer's account, which limits the risk of non-payment of the premium and consequently the risk of the property not being covered by the insurance policy.

In addition to insurance on property, some loans are also covered by a life insurance policy taken out by the applicant.

Monitoring

A specific Unit (Risk Controller) is in charge of monitoring the levels of risk in the Bank by analysing each category of loan.

In its ordinary course of business, the Risk Controller Unit has to:

- verify regularity in the payment of the instalments;
 - identify the loans for which some unpaid instalments have been registered;
 - identify the loans which must be classified as delinquent (“*Incaglio*”) or defaulted (“*Sofferenza*”);
 - propose rescheduling plans to the General Manager for loans with one or more overdue instalments.
- Overdue instalments management
 - The Special Credits Department furnishes the Branches and the Risk Controller with a monthly report listing loans with overdue instalments.

The branch in charge of the relationship must act as follows:

- 20 days after the maturity of the first overdue instalment the branch must contact the client by phone;
- 30 days after the maturity of the first overdue instalment, the branch must send the customer a written reminder;
- 20 days after the maturity of the second overdue instalment the branch must send a second written reminder;
- on the maturity date of the third overdue instalment (or 30 days after the maturity of the second overdue instalment for the loans with a quarterly or a semi-annual repayment schedule) an external company is appointed to furnish information which could be useful for the recovery process.

In the event no positive answer is received from the client, the Board of Directors, according to the Regulations issued by the Bank of Italy, resolves to classify the loan as defaulted.

At this stage, the Legal Department appoints an external legal counsel to execute the foreclosure proceedings. The Legal Department will operate in close cooperation with the external counsel for planning the best recovery strategy.

In addition to the legal proceedings, in certain cases the Bank also appoints an external recovery company.

C. BCC ALBA

The credit process comprises different stages, some of which are common to all kinds of loans, while others are specific according to the loan types.

The application for a loan is always filed at the branch. An interview is conducted to determine customer requirements and to obtain personal and financial data necessary for the evaluation process.

During the evaluation process the following inquiries are carried out:

- analysis of the past relationship with the customer;
- an analysis of reimbursement capacity;
- an analysis of the industrial sector (for commercial mortgages only);
- a technical and legal analysis of the real estate offered as guarantee.

The decision to finance the client is made in accordance with the lending limits shown in the following table.

<i>Data in thousands of Euros</i>	Executive Committee	Chairman	General Manager	Vice General Manager	Head of Credit Department	Branch Manager	Vice Branch Manager
Type of loan							
Loans unsecured	2,066	516	387	387	258	26*	26*
Mortgage loans	2,066	516	387	387	258	103	103

* Reduced to Euros 15,000 in case of small branches

All the loan contracts provide for a compulsory fire insurance policy.: this insurance requires that the Bank named as beneficiary of the policy.. Some loans are also covered by a life insurance policy taken out by the applicant.

The only way reimbursement of instalments may take place is by direct debit to the debtor's current account. On the scheduled maturity date, the collection takes place automatically by direct debit to said account. In the event there are insufficient funds in the account, it is not possible to make a partial debit but in the next few days the system automatically tries to match the payment.

A daily list of all loans with one or more overdue instalments is furnished to all branches. On the basis of this list, the branch in charge of the relationship must contact the client (by phone) and, 20 days after the maturity of the instalment, a written reminder must be sent to him / her.

The Risk Department verifies the status of all past due loans, keeping in touch with all the branches in order to acquire information about every each loan risk position.

When the number of overdue instalments related to a loan reaches the level shown in the table below, the loan is classified as delinquent ("*Incaglio*").

<i>Loans with a global life exceeding 36 months</i>	<i>Loans with a global life of less than 36 months</i>
2 half-yearly instalments	3 half-yearly instalments
3 quarterly instalments	5 quarterly instalments
5 monthly instalments	7 monthly instalments

After a loan is classified as delinquent , the Bank:

- checks the real estate properties of the Borrower in order to evaluate his / her ability to pay;
- cancels all the credit cards of the Borrower;
- verifies the legal documentation supporting the loan;
- reduces the balance sheet value of the loan in order to take into account the current value on the basis of the possible recovery.

Once the loan shows 12 monthly overdue instalments (or 5 quarterly instalments or 3 semi-annual instalments), or in the case of default by the Borrower, the loan is classified as defaulted (“*Sofferenza*”) and it is transferred to the Legal Department, which, co-operates with the external lawyer in initiating the foreclosure proceedings.

D. BCC ORSAGO

The phases of the credit process are:

- signing of the loan request by the applicant;
- acquisition of the necessary documentation;
- analysis of the documentation (internal and external inquiries on the client, his / her financial situation, his / her reimbursement capacity , guarantees);
- preparation of the dossier, including the credit proposal (“technical report”);
- submission of the dossier to the Risk Management Unit (Head Office).

All these steps are taken within the branch, while the approval to lend and the credit lending are left to the Risk Management Unit.

However, the decisional power concerning credit lending varies according to:

- the role of the body / person who is supposed to take the decision;
- the type of loan.

<i>Data in thousands of Euros</i>				
Type of loan	Executive Committee	Chairman	General Manager	Branch Officer
Loans unsecured	155	52	26	13
Mortgage loans	258	103	77	39

BCC Orsago requires moreover insurance coverage on current accounts, mortgage loans, other lending, thus obtaining additional guarantees covering their relationship between the Bank and the customer.

The payment system used for the reimbursement for almost every loan is direct debit to the applicant's current account, what requires an account to be opened at the Bank.

Credit monitoring takes place by means of close, efficient contacts between branches and Head Office. This enables the Bank to monitor the number of loans that should be registered in a watch list as well as the number delinquent loans. This control is followed by a phase of evaluation of the risk connected to the riskiest loans and the proposal for remedial action. Risk classification criteria are imposed by the Bank of Italy.

Watch-list loans are supposed to be anomalies rather than serious delinquent loans.

The branches will be periodically reminded to contact customers in order to remedy the problems related to the position.

Delinquent loans correspond to loans granted applicants, who are experiencing financial difficulties and record 20% of the total amount of overdue instalments, that is 7 monthly instalments or 3 quarterly instalments or 2 semi-annual instalments.

A directory prepared by *BCC Orsago* contains all the "warning indexes" that could be applied to the evaluation of a delinquent loan, and a possible rescheduling of the repayment plan is proposed.

A loan is classified as defaulted, generally by the Board of Directors, for serious reasons such as, termination of activity, civil or jurisdictional action, incapacity to repay the loan.

Once a loan is classified as defaulted, it is immediately delivered to an external legal advisor for remedial action. The activity of the legal advisor, supported by enquiries and documentation, is in close cooperation with the staff of the BCC, so the position can be followed in the most efficient way.

E. BCC ROMA

The credit process includes the following phases:

- an evaluation phase

The preliminary phase is a combination of administrative, analytical and controlling tasks and can be carried out by the branch or jointly by the branch and the Credit Department depending on the amount and characteristics of the loan.

During the evaluation process the Bank considers the following objective criteria:

- the customer's past performance;
- the customer's financial situation;
- reimbursement capacity;

- adequacy of the guarantees offered.

In complex situations, the evaluation is integrated by a business plan analysis in order to consider the client's expected earning capacity.

All real estate offered as security for the loan must be covered by a fire insurance and a full total indemnity policy.

It is compulsory that the Bank be named as beneficiary of the policy.

- an approval phase

The approval phase is the final step of the preliminary phase.

The decision is taken by different bodies, which have different decisional powers depending on the amount and the type of the loan requested (see the following table):

<i>Data in Euro thousands</i>							
Type of loan	Executive Committee	Chairman	General Manager	Central Direction Credit	Head of Credit Department	Co-ordination Branches Manager	Branch Manager
Loans unsecured	5,165	1,033	413	207	52	36/52	26/52
Mortgage loans	5,165	1,033	826	413	155	155	103

- a stipulation phase

This is an administrative phase and consists in the finalisation and signing of the agreement in the presence of a notary.

- financing

This phase includes administrative tasks and consists in the disbursement of the funds to the customer. The Bank adopts automatic control procedures, which protects it from the risks of an irregular loan disbursement.

- monitoring

This phase is co-ordinated by the Risk Controller jointly with the Credit Administration Office.

All the Supervisory Centres of the branches report to the Risk Controller.

In 1995 the Bank started to utilise a monitoring procedure called *CROMA*, which allows the Bank to classify each loan according to its "level of anomaly".

In addition to the *CROMA* procedure, every month both the Risk Controller and the branches receive a table containing all the loans that have more than one overdue instalment.

- loan management

BCC Roma offers three ways in which loan instalment can be reimbursed:

- cash payments at one of the Bank's branches;
- bank transfer from another branch or Bank;
- automatic debit to applicant's current account.
- overdue instalments management

The Risk Controller has set up a telephone reminder service for customers showing the first default signals, which cannot yet be classified as delinquent ("*Incaglio*").

The following table shows the type of actions pursued by the *BCC Roma* to manage the loans that have one or more overdue instalments.

Type of action	<i>Instalment frequency</i>		
	<i>Monthly</i>	<i>Quarterly</i>	<i>Half-yearly</i>
Telephone reminder	15/20 days after the maturity of the instalment	15/20 days after the maturity of the instalment	15/20 days after the maturity of the instalment
1st Written reminder	After at least 2 unpaid instalments	60 days after the maturity of the instalment	60 days after the maturity of the instalment

The Risk Controller is also responsible for the management of delinquent positions ("*Incaglio*").

The loans that present the number of overdue instalments indicated in the following table are automatically classified as delinquent:

<i>Loans with a global life exceeding 36 months</i>	<i>Loans with global life of less than 36 months</i>
2 half-yearly instalments	3 half-yearly instalments
3 quarterly instalments	5 quarterly instalments
5 monthly instalments	7 monthly instalments

Once all attempts have been made to remedy the loan, a member of the Board of Directors, in accordance with the Regulations issued by the Bank of Italy, resolves on the classification of a loan as defaulted ("*Sofferenza*").

Thereafter the Risk Controller sends the file to the Delinquent Debts Unit (*Servizio Contenzioso*) which starts remedial action to recover the credit.

The Delinquent Debts Unit is staffed by 11 people and is assisted by external legal counsels in undertaking remedial action and foreclosure proceedings.

F. BCC ROMAGNA EST

The credit process includes the following phases:

- a preliminary phase

The presentation of the loan request always takes place at the branch.

The applicant is evaluated through a process that includes the following steps:

- loan request with the indication of the amount, maturity, technical structure, terms of payments, the financing reasons;
- description of the guarantee;
- list of all real estate with an indication of any liens;
- debts with other Banks;
- security given to other Banks;
- company relations, if any.

All the loans are covered by two insurance policies:

- full life or permanent disability insurance;
- fire insurance.

- Acquisition of documentation

In order to evaluate the applicant's creditworthiness, the Bank considers the acquisition of the following documents to be fundamental:

- a copy of the applicant's latest income tax returns;
- a copy of the his / her latest pay packet;
- the latest financial statements, if the applicant is a company;
- the existence of links with other companies.
- filling in of the credit application

This phase consists in the filling in of the credit application, to which the branch Officer's evaluation is attached.

- transmission of the file to the Central Credit Evaluation Department

At this stage, the branch Officer transmits the file to the decision-making body.

The decision regarding the financing is made by different bodies with different decision-making limits depending on the amount and type of the loan requested (see the following table).

<i>Data in Euro thousands</i>							
Type of loan	Executive Committee	Chairman	General Manager	Deputy General Manager	Headquarters Officer	Branches A Officer	Branches B Officer
Loans unsecured	258	103	52	26	21	13	8
Mortgage loans	516	155	77	36	31	18	10
Land credit (Credito Fondiario)	1,033	207	103	52	41	23	15

Head offices: Bellaria and Savignano

Branches A: Bordonchio, Cagnona, San Mauro Pascoli and Santarcangelo

Branches B: San Mauro Mare, Igea Marina, Cesare, Rubicone, Roncofreddo, Emilia

- Feedback on the credit application

The Central Credit Evaluation Department inputs the credit application result into the computer system and the branches are consequently able to learn the results by a simple inquiry, while the individual details regarding the application are transmitted by fax.

- Forwarding the loan agreement to the Central Credit Evaluation Department

This phase starts with notifying the results of his credit application to the customer, who has to sign the file.

Finally, the file is forwarded to the *Central Credit Evaluation Department*, which disburses the loan to the client.

For 99% of the loans loan instalment are reimbursed by direct debit to the Borrower's current account. If a Borrower prefers pay cash, he is required to explain the reason why he wants to do so and will be charged a higher fee.

The Delinquent Debts Unit, staffed by four people, carries out the monitoring process.

The main task of the unit consists in the evaluation of lending activity risks. In particular the Officers have to monitor:

- the observance of the lending limits ;
- Borrower's observance of instalment maturity;
- the flow of information regarding the Borrower's position with the Banking system.

The unite reports to the Head Office Credit Department the loans that show "warning indexes". The decision regarding the classification of such loans as delinquent ("*Incaglio*") or defaulted ("*Sofferenza*") is made by the Board of Directors or by the Executive Committee.

The following loans are classified as delinquent loans :

<i>Delinquent loans</i>
3 half-yearly instalments unpaid
5 quarterly instalments unpaid
7 monthly instalments unpaid

Positions previously classified as delinquent or defaulted are also managed by the Delinquent Debts Unit.

In particular, this unit tries to call the customer, in order to pursue all possible remedial action. If this phase fails to lead to a positive outcome, the file is transmitted to external legal counsel who will initiate foreclosure proceedings.

DESCRIPTION OF THE TRANSFER AGREEMENT

The description of the Transfer Agreement set out below is a summary of certain features of the Transfer Agreement and is qualified in its entirety by reference to the detailed provisions of the Transfer Agreement. Prospective Noteholders may inspect a copy of the Transfer Agreement upon request at the registered office of the Representative of the Noteholders and at the Specified Office of the Principal Paying Agent and the Luxembourg Paying Agent.

Capitalised terms used in the description below, to the extent not defined in this Offering Circular, shall have the meanings ascribed to them in the Transfer Agreement.

Pursuant to a transfer agreement (*Contratto di Cessione*) entered into on prior to the Issuer Date (the “**Transfer Agreement**”), each of the Originators has sold to the Issuer *pro soluto* (without recourse) and as a pool (*in blocco*) a portfolio of monetary claims and connected rights arising out of mortgage loans (the “**Loans**”) granted by the Originators to their customers (the “**Borrowers**”); the portfolio of monetary claims sold by BCC Agro Bresciano is referred to as Portfolio No. 1, the portfolio of monetary claims sold by BCC Alba is referred to as Portfolio No. 2, the portfolio of monetary claims sold by BCC Orsago is referred to as Portfolio No.3, the portfolio of monetary claims sold by BCC Roma is referred to as Portfolio No. 4 and the portfolio of monetary claims sold by BCC Romagna Est is referred to as Portfolio No. 5.

The Purchase Price

As consideration for the acquisition of the Claims pursuant to the Transfer Agreement, the Issuer has undertaken to pay to BCC Agro Bresciano a price equal to € 39,459,694; to BCC Alba a price equal to € 75,265,256; to BCC Orsago a price equal to € 56,041,158; to BCC Roma a price equal to € 102,247,965; and to BCC Romagna Est a price equal to € 30,016,754 (each a “**Purchase Price**” and collectively the “**Aggregate Purchase Price**”). Each Purchase Price is calculated as the aggregate of the Outstanding Principal of all the relevant Claims at the Valuation Date

The Claims

Pursuant to the Transfer Agreement, each of the Originators represents and warrants that the Claims in the Portfolios have been selected on the basis of the following common objective criteria (the “**Common Criteria**”):

- each Borrower is an individual or a company running a small or medium sized business (*piccola o media impresa*);
- the Loans are secured by a first economic ranking mortgage (*ipoteca di primo grado economico*) in favour of such Originator;
- no Loan has a maturity date falling beyond 31 August 2015;
- no Loan benefits from any form of financial subsidy;

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- the Loans are expressed in Italian Lire or Euro
- the Loans have been fully disbursed by the Originator before 31 December 2000;
- as at the Valuation Date, at least one Instalment has become due and payable and has been fully paid; no Instalment which has become due and payable before the Valuation Date has remained unpaid for more than 15 days;
- the Borrower has never received a statutory demand of immediate repayment in full of any borrowings under an automatic termination clause or an early amortisation clause and no legal proceedings or out of court actions have been commenced against the Borrower or its assets for the recovery of any claims against the Borrower under such borrowings;
- the principal amount of the Loans at the date of drawdown was lower than Lire 1,500,000,000;
- no debt by the Borrowers to the Originator is classified as a “*posizione incagliata*” (delinquent claim) (as appears from information available to the Borrower at any office of the Originator).

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BCC Agro Bresciano represents and warrants that the Claims of Porfolio No. 1 have been selected also on the basis of the following supplemental objective criteria:

- the Loans provide for interest accruing at one of the following floating interest rates: (i) Euribor plus a minimum spread of 1%, (ii) prime rate A.B.I. plus a minimum rate of -1%;
- in the ten years preceding the Valuation Date, no debt by the Borrowers to BCC Agro Bresciano has ever been classified as “*posizione incagliata*” (as appears from information available to the Borrowers at any office of BCC Agro Bresciano);
- the Debtor has given a standing order of direct debit of a bank account opened with BCC Agro Bresciano.

BCC Alba represents and warrants that the Claims of Porfolio No. 2 have been selected also on the basis of the following supplemental objective criteria:

- the Loans provide for interest accruing: (a) at a fixed interest rate not lower than 5% or (b) at one of the following floating interest rates: (i) Euribor plus a minimum spread of 0.75%, (ii) prime rate A.B.I. plus a minimum spread of -1%, or (iii) official discount rate plus minimum rate of 0.75%;
- the Loans have not been granted to employees of BCC Alba;

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- the Loans granted to companies running small or medium sized businesses (*piccole o medie imprese*) have not been granted following or in connection with a request of immediate repayment of any form of loan or financing previously granted by BCC Alba or in the context of a re-scheduling of the amortisation plan of a loan previously granted by BCC Alba;
- the Debtor has given a standing order of direct debit of a bank account opened with BCC Alba.

BCC Orsago represents and warrants that the Claims of Portfolio No. 3 have been selected also on the basis of the following supplemental objective criteria:

- the Loans have not been granted to shareholders or employees of BCC Orsago;
- the Loans provide for interest accruing: (a) at a fixed interest rate not lower than 5% or (b) at one of the following floating interest rates: (i) Euribor plus a minimum spread of 0.75%, (ii) prime rate A.B.I. plus a minimum spread of -1%, or (iii) official discount rate plus minimum rate of 0.75%;
- the Debtor has given a standing order of direct debit of a bank account opened with BCC Orsago.

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BCC Roma represents and warrants that the Claims of Portfolio No. 4 have been selected also on the basis of the following supplemental objective criteria:

- the Loans provide for interest accruing: (a) at a fixed interest rate not lower than 5% or (b) at one of the following floating interest rates: (i) Euribor plus a minimum spread of 0.75%, (ii) prime rate A.B.I. plus a minimum spread of -1%, or (iii) official discount rate plus minimum rate of 0.75%;
- the Loans have not been granted to shareholders or employees of BCC Roma; no shareholder of BCC Roma has issued a guarantee or has created a security interest over his assets to secure the Loans;
- the Loans have been disbursed in the first semester of the years from 1994 to 2000 and between 1 and 15 July 2000;
- the Loans have been granted by BCC Roma and not by any bank which was later incorporated by the same;
- the Mortgages have not been granted by shareholders of BCC Roma;
- no Loan has a maturity date falling beyond 30 June 2015;

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BCC Romagna Est represents and warrants that the Claims of Portfolio No. 5 have been selected also on the basis of the following supplemental objective criteria:

- the Loans have not been granted to shareholders or employees of BCC Romagna Est; no shareholder or employee of BCC Romagna Est has issued a guarantee or has created a security interest over his assets to secure the Loans;
- in the five years preceding the Valuation Date, no debt by the Borrowers to BCC Romagna Est has ever been classified as “*posizione incagliata*” (as appears from information available to the Borrowers at any office of BCC Romagna Est).
- the Loans provide for interest accruing: (a) at a fixed interest rate not lower than 5,15% or (b) at one of the following floating interest rates: (i) Euribor plus a minimum spread of 1%, (ii) prime rate A.B.I. plus a minimum rate of –1%;

All the preceding supplemental objective criteria the “**Supplemental Criteria**” and together with the Common Criteria, the “**Criteria**”.

Price Adjustment

The Transfer Agreement provides that if, after the Valuation Date, it transpires that 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 Agreement.

If, after the Valuation Date, it transpires that 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 BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est pursuant to the Transfer Agreement.

The Purchase Price shall be adjusted to take into account the additional payment or the reimbursement to be made for such Claims, 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) an amount equal to the interest accrued on the amount to be reimbursed from the Interest Payment Date immediately preceding the date of payment of the relevant sum until the immediately succeeding Interest Payment Date at a rate equal to the weighted average of the Interest Rates applicable to the Notes in relation to the Interest Period in which the date of payment of the amount to be reimbursed falls less (iii) the aggregate of all sums recovered and collected by the Issuer in respect of such Claim after the Date of Transfer.

In the case of a Claim which meets the Criteria but was not included in the Transfer Agreement the Purchase Price shall be increased by an amount equal to (i) purchase price which would have been payable for such Claim pursuant to the Transfer Agreement less (ii) the aggregate of all sums recovered and collected by the Originators in respect of such Claim after the Date of Transfer.

Call Option

The Issuer has granted to the Originators (or to the third parties who might be designated by the latter) an option to purchase (the “**Call Option**”) all but not part of the Portfolios at a price

equal to the aggregate of (i) the Outstanding Principal of the Claims, (ii) the aggregate amount of any Instalments due and payable but unpaid and (iii) interest accrued and unpaid and which shall accrue on the Notes up to the next following Interest Payment Date including all the costs as per the Transaction Document, in each case as at the date of exercise of the Call Option. The Call Option may be exercised by all but not only some of the Originators, by each of them on the existing Claims of the Portfolio sold by it to the Issuer under the Transfer Agreement at any time from the moment where the Principal Amount Outstanding of the Notes becomes equal to or lower than 10% of the aggregate principal amount of the Notes at the Issue Date, provided that the Representative of Noteholders has not issued a Trigger Notice pursuant to the Conditions of the Notes. The Call Option will become effective upon receipt by the Issuer of said sent exercise notices; the transfer of the Claims to the Originators will take place upon payment of the purchase price thereof by the Originators, which shall be not later than ten days from the date of exercise of the Call Option.

Right of First Refusal

In the following circumstances: (i) in case of redemption of taxation pursuant to Condition 6.2; (ii) in case of optional redemption pursuant to Condition 6.4; (iii) in case of request of sale by the Noteholders pursuant to Condition 6.5, the Issuer may search for potential purchasers of all, but not only part, of the Claims. An offer to purchase the Claims can also be made by the Originators (by each of them on the existing Claims of the Portfolio sold by it to the Issuer) or by a third party (on all but not part of the Claims) to be designated by a number of Originators representing at least 75% of the Outstanding Principal of the Claims (a “**Designated Offeror**”). Any offer to purchase the Claims, either made by the Originators or the Designated Offeror or by a third party offeror, shall be subject to the approval of the Representative of the Noteholders.

If the offer made by the third party offeror is the one approved by the Representative of the Noteholders, such offer can be accepted by the Issuer only after it has granted each of the Originators, or the Designated Offeror, a right of first refusal respectively over the existing Claims of the Portfolio sold by it to the Issuer and over all but not only part of the Claims, to be exercised at the same conditions of the third party offeror, (the “**Right of First Refusal**”), and the Right of First Refusal has not been exercised.

Applicable law and Jurisdiction

The Transfer Agreement is in Italian and governed by and construed in accordance with Italian law. The courts of Milan shall have exclusive jurisdiction to hear any disputes that arise in connection therewith.

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 described below upon request at the registered office of the Representative of the Noteholders and at the Specified Office of the Principal Paying Agent and the Luxembourg Paying Agent.

Capitalised terms used in the description below, to the extent not defined in this Offering Circular, shall have the meanings ascribed to them in the Warranty and Indemnity Agreement.

Under a warranty and indemnity agreement entered into on or prior to the Issue Date (the “**Warranty and Indemnity Agreement**”), the Originators have given certain representations and warranties as to, *inter alia*, the Claims (each with respect to the Portfolio which it has sold to the Issuer under the Transfer Agreement) and the Mortgage Loan Contracts under which such Claims arise, their full title over such the Claims, their corporate existence and operations, their collection and recovery policy, etc. 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 misrepresentations by them in the Warranty and Indemnity Agreement or defaults in their obligations under the terms of the Warranty and Indemnity Agreement and/or the Transfer Agreement and/or the Servicing Agreement.

Representations and Warranties of the Originators

Under the Warranty and Indemnity Agreement, each of the Originators has represented and warranted with respect to (i) itself, (ii) the Claims it has sold to the Issuer under the Transfer Agreement, and (iii) the Mortgage Loan Contracts under which such Claims arise and the Mortgages securing them, as to, *inter alia*, the following matters:

General

- (a) it is a corporate body which is duly incorporated, validly existing and in good standing 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 Transfer Agreement, the Servicing Agreement and the other Transaction Documents and it has taken all necessary corporate, shareholder and other action whatsoever required to authorise its entry into, delivery and performance of the Warranty and Indemnity Agreement, the 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 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, judgement, award, injunction or decree binding on or affecting it or its property, and do not and will not result in the creation of any adverse claim;
- (d) the Warranty and Indemnity Agreement constitutes for itself a legal, valid and binding obligation and is 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 save those whose claims are preferred solely by 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 2000, being the date of its most recent published full audited accounts (but for BCC Alba, the financial accounts of which have not been audited), 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 itselfs (including, without limitation, information with respect to its mortgage loan business), the Claims and the Mortgage Loan Contracts supplied to the Issuer is true and correct in all material respects;

The Claims and the Mortgage Loan Contracts

- (i) it holds sole and unencumbered legal title to the Claims, the Mortgage Loan Contracts 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 Loan Contracts and the Mortgages;
- (j) the Claims, the Mortgage Loan Contracts and the Mortgages are governed by Italian law and are legal, valid, binding and enforceable under the same and in particular the Mortgage Loan Contracts comply all rules and regulations on (i) anatocism, (ii) consumers protection, (iii) the prevention of usury, and (iv) data protection and privacy

protection; the Mortgage Loan Contracts have been executed as a public deed (*atto pubblico*) before a Notary Public (*Notaio*);

- (k) there are not facts or circumstances which may trigger the application of automatic termination clauses under any of the Mortgage Loan Contracts;
- (l) 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;
- (m) the sale of the Claims to the Issuer pursuant to the Transfer Agreement will not affect the obligation of the related Borrower under the relevant Mortgage Loan Contracts;
- (n) the Claims have been selected by it on the basis of objective common criteria such as to constitute portfolios of homogeneous rights with the meaning and for the purposes of the Securitisation Law;
- (o) 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 Loan Contracts 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 Loan Contracts or for the validity and enforceability of the Claims, the Mortgage Loan Contracts and/or the Mortgages have been duly paid;
- (p) the insurance policies covering the risks of fire and explosion of the Real Estate have been underwritten with a recognised and reputable insurance company and are in full force and effect until not earlier than the 90th day following the Date of Transfer; the Originator is named as financial recipient under such insurance policies;
- (q) it has maintained complete, proper and up-to-date books, records and documents for the the Claims, the Mortgage Loan Contracts 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;
- (r) each of the Real Estate Assets complies with applicable laws, rules and regulations concerning health and safety and environmental protection and no hazardous materials, as defined under applicable Italian environmental laws, are located in any of the Real Estate Assets;
- (s) each of the Real Estate Assets is free from damage and waste, in good condition and there are no proceedings, actual or threatened, for the partial or total condemnation thereof;
- (t) each of the Real Estate Assets (i) is duly registered with the competent land registries (*Nuovo Catasto Edilizio Urbano, Nuovo Catasto Terreni, Ufficio del Registro* and *Ufficio delle Entrate*), (ii) complies with all applicable Italian laws as to its use as residential or commercial property (*destinazione d'uso*), (iii) meets the legal requirements for habitation (*agibilità*), (iv) is marketable (*non soggetto a vizio di*

incommerciabilità), and (v) complies with all applicable planning and building laws and regulations;

Undertakings of the Originators

Under the Warranty and Indemnity Agreement, each of the Originator has undertaken, with respect to (i) itself, (ii) the Claims it has sold to the Issuer under the Transfer Agreement, and (iii) the Mortgage Loan Contracts under which such Claims arise and the Mortgages securing them, *inter alia*:

- (a)** without prejudice to the non-recourse nature (*natura pro soluto*) of the assignment effected pursuant to the 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:
 - (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 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

before the date of publication of the applicable notice of assignment of the Claims in the *Gazzetta Ufficiale della Repubblica Italiana* (official gazette of the Republic of Italy) as provided for in the Transfer Agreement;

- (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 Loan Contracts or to create or allow to be created or to arise or to exist any security interest, lien, pledge, privilege or encumbrance or other right in favour of third parties in respect of the Mortgage Loan Contracts;
- (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 Loan Contracts 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 or its 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 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 Loan Contracts 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 Loan Contracts, 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) timely to pay all costs, fees and taxes due in relation to the execution, filing, registration etc. of the Warranty and Indemnity Agreement, the 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 Loan Contracts 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; and

Indemnity

Under the Warranty and Indemnity Agreement, each of the Originator have 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 (all the foregoing collectively the “**Indemnified Amounts**”) awarded against or suffered or incurred by it or themes a consequence of or in relation to:

- (i) the reliance on any representation or warranty made by it to the Issuer under or in connection with the Warranty and Indemnity Agreement, the 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;
- (ii) its failure to comply with any term, provision or covenant contained in the Warranty and Indemnity Agreement, the 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 Loan Contracts and the Mortgages;

- (iii) the failure to vest in the Issuer all rights, title and interest in and the benefit of each Claim pursuant to the terms of the Transfer Agreement, free and clear of any adverse claim;
- (iv) any dispute, claim or defence (other than discharge in bankruptcy or winding up by reason of insolvency or analogous event) of the Borrowers or the Guarantors to the payment of any Claim;
- (vi) any judicial or out of court set-off of the assigned Borrower to the payment of any Claim arising before or after the execution date of the Warranty and Indemnity Agreement under the Mortgage Loan Contracts or under or pursuant to any contract, deed, document, action, event or circumstance.

Usury

Under the Warranty and Indemnity Agreement, each of the Originators has represented to the Issuer that the interest rates of the Mortgage Loan Contracts comply with the Usury Law.

Each of the Originators has agreed to indemnify the Issuer against any damages, losses, claims, liabilities and costs awarded against or suffered or incurred by it or otherwise arising to it 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.

Default Interest

Should any amount due by any of the Originators to the Issuer pursuant to the Warranty and Indemnity Agreement not be paid by the due date for payment provided for in the Warranty and Indemnity Agreement, default interest shall accrue on that amount at a rate equal to Euribor plus 2% per annum starting from and including the due date for payment to but excluding the date of receipt by the Issuer of the amount due.

Applicable law and Jurisdiction

The Warranty and Indemnity Agreement is in Italian and will be governed by and construed in accordance with English law. The courts of Milan shall have exclusive jurisdiction to hear any disputes that arise in connection therewith.

DESCRIPTION OF THE SERVICING AGREEMENT

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 described below upon request at the registered office of the Representative of the Noteholders and at the Specified Office of the Principal Paying Agent and the Luxembourg Paying Agent.

Capitalised terms used in the description below, to the extent not defined in this Offering Circular, shall have the meanings ascribed to them in the Servicing Agreement.

Under a servicing agreement entered into on or prior to the Issue Date (the “**Servicing Agreement**”), BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est (in such capacity, the “**Servicers**”) have 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 Servicer has undertaken to performe such services with respect to the Portfolio of Claims which it has sold to the Issuer under the Transfer Agreement and in particular BCC Agro Bresciano with respect to Portfolio No. 1, BCC Alba with respect to Portfolio No. 2, BCC Orsago with respect to Portfolio No.3, BCC Roma with respect to Portfolio No. 4 and BCC Romagna Est with respect to Portfolio No. 5.

Pursuant to the Servicing Agreement, the Servicers, in their activity of collections and recoveries on behalf of the Issuer, shall follow certain collections policies specified in the Servicing Agreement and shall provide the Issuer with monthly and semi-annual reports. The Servicers shall also control that all the Claims in the Portfolio do not provide for interest rates not in compliance with the anti-usury laws and regulations applicable from time to time.

Each of the Servicers shall pay all collections received by it in respect of the relevant Portfolio (the “**Collections**”) into the relevant Collections and Recoveries Account by the Businnes Day immediately following the date of receipt. The Servicer will convert any Collections received by it otherwise than in cash (the “**Recoveries**”) into equivalent amounts of cash and will credit such cash to the relevant Collections and Recoveries Account.

The Servicer will carry out its obligations under the Servicing Agreement in accordance with the Collection Policy. This policy may be amended from time to time in accordance with the Servicing Agreement.

Information Tecnology

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 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 and that such replacement will not adversely affect the ratings of the Notes.

Fees and Expenses

As consideration for the services provided by the Servicer, the Issuer will pay to each of the Servicer on each Interest Payment Date:

the Servicing Fee

- (a) as compensation for the Administration of the Portfolio a fee equal to 0.5% on an annual basis of the Outstanding Principal of the Claims as at the Determination Date immediately preceding such Interest Payment Date
- (b) as compensation for the Management of the Defaulted Claims a fee equal to 6% of the aggregate of the Collections and Recoveries of the immediately preceding Reference Period.

The Servicer has expressly waived its rights to compensation or reimbursement that may be provided for by law other than that set out above. 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.

Termination of Appointment

The Issuer may terminate the appointment of any of the Servicers in certain circumstances including, *inter alia* (i) the insolvency of such Servicers, (ii) a breach of the Servicing Agreement by such Servicer which remains uncured for a period longer than 10 days after a written demand of compliance sent by the Issuer and/or the Representative of the Noteholders, (iii) a failure by such Servicer to pay or transfer to the Issuer any amount due to the same which remains uncured for more than 3 days after the relevant statutory request of payment, (iv) the issue of a Trigger Notice as provided in the Conditions of the Notes. In addition, each of the Servicers may resign at any time after two years from the Issue Date on giving twelve months, prior written notice provided that such Servicer has found a suitable replacement servicer acceptable to the Issuer and the Representative of the Noteholders on substantially the same terms as will be contained in the Servicing Agreement and that such replacement will not adversely affect the ratings of the Notes.

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 and service of the Claims and to manage the relevant recovery procedures in accordance 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 where otherwise provided in the Collection Policy, 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 and the Representative of the Noteholders;
- (d) to ensure adequate identification and segregation of the collections and recoveries and other amounts related to the Claims from all other funds of or held by the Servicers;
- (e) to act under the terms of the Collection Policy and in accordance with the applicable laws and regulations and with diligence so as to ensure the performance of the obligations of the debtors and the payment of all amounts due under the Claims; and
- (f) to obtain and comply with all authorisations, approvals, licenses and consents required for the fulfilment of its obligations under the Servicing Agreement or to ensure the legality, validity and effectiveness of the Servicing Agreement and to ensure that its obligations under the Transfer Agreement and the Warranty and Indemnity Agreement are lawfully fulfilled.

Each of the Servicers has undertaken to monitor the insurance policies covering the risks of fire and explosion of the Real Estate and to act so as to maintain such insurance policies valid, effective and binding until the Claim guaranteed by the Real Estate has been fully paid up by the relevant Borrower.

In case of a material breach by the Servicers of their obligations under the Servicing Agreement with respect to the administration of the Portfolios and/or the management of the 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 them to be performed by third parties in the name and on behalf of the Servicers.

Indemnity

The Servicing Agreement provides that each of the Servicers will indemnify the Issuer from and against any and all damages, losses, claims, liabilities, costs, expenses and demands whatsoever which the Issuer may suffer or incur, even after the termination of the appointment of substitute servicers, as a consequence of the breach by such Servicer of any of the terms of the Servicing Agreement.

The Servicers will acknowledge and agree that they will not be entitled to any claim against the Issuer in relation to any damages, losses, liabilities, costs or expenses whatsoever that they may suffer or incur in the carrying out of the activities set out in the Servicing Agreement, save where such damages, losses, claims, liabilities, costs and expenses are suffered or incurred by reason of the gross negligence or wilful misconduct of the Issuer.

Default Interest

Should any amount due by the Servicers to the Issuer and/or the Representative of the Noteholders pursuant to the Servicing Agreement not be paid on the due date for payment provided for in the Servicing Agreement, default interest shall accrue on that amount at a rate equal to EURIBOR plus 2% per annum starting from and including the due date for payment to but excluding the date of receipt by the Issuer of the amount due.

Applicable law and Jurisdiction

The Servicing Agreement is in Italian and is governed by and construed in accordance with Italian law. The courts of Milan shall have exclusive jurisdiction to hear any disputes that arise in connection therewith.

Back-up Servicing Agreement

Under a back-up servicing agreement between the Issuer and ICCREA Banca Sp.A. (the “**Back-up Servicing Agreement**”) entered into on or prior to the Issue Date, ICCREA Banca S.p.A. 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.

**DESCRIPTION OF THE CORPORATE SERVICES AGREEMENT, THE
INTERCREDITOR AGREEMENT, THE DEED OF PLEDGE, THE CASH
ADMINISTRATION AND AGENCY AGREEMENT, THE SUBSCRIPTION
AGREEMENTS, THE HEDGING AGREEMENTS, THE LIQUIDITY AGREEMENT
AND THE PLEDGE AGREEMENTS**

The description of the above listed 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. Prospective Noteholders may inspect a copy of such Transaction Documents described below upon request at the registered office of the Representative of the Noteholders and at the respective Specified Offices of the Paying Agents.

THE CORPORATE SERVICES AGREEMENT

Under a corporate services agreement entered into on or prior to the Issue Date (the “**Corporate Services Agreement**”), the Corporate Administrator will agree to provide certain corporate administration and management services to the Issuer. These services will include the bookkeeping of the documentation in relation to the meetings of the Issuer’s shareholders, directors and auditors and the meetings of the Noteholders, maintaining the quotaholders’ register, preparing tax and accounting records, preparing the Issuer’s annual financial statements and liaising with the Representative of the Noteholders.

The Corporate Services Agreement will be governed by and construed in accordance with Italian law.

THE INTERCREDITOR AGREEMENT

Pursuant to an intercreditor agreement entered into on or prior to the Issue Date (the “**Intercreditor Agreement**”), provisions are made as to the application of the collections in respect of the Portfolios and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolios. The Intercreditor Agreement will also set out the order of priority for payments to be applied by the Issuer in connection with the payments under the Transaction.

The Intercreditor Agreement will be governed by and construed in accordance with Italian law.

THE DEED OF PLEDGE

Pursuant to a deed of pledge (the “**Deed of Pledge**”) expected to be dated on or before the Issue Date between the Issuer and the Issuer’s Creditors (the “**Pledgees**”), the Issuer has granted to the Pledgees:

- (i) a pledge over all the monetary contractual claims arising from the Transaction Documents (excluding the Deed of Pledge), other than the Claims, the notice of which has been served on the debtors of the Issuer under the Transaction Documents (excluding the Pledge Agreement); and

- (ii) a pledge over the positive balance of the Collection and Recoveries Accounts, the Principal Amortisation Reserve Accounts, the Single Portfolio Reserve Accounts, the Reserve Account and the Payments Account.

The Pledges have appointed the Representative of the Noteholders as their agent with respect to the rights and obligations arising from the Deed of Pledge. Both pledges secure the obligations of the Issuer under the Transaction Documents (excluding the Pledge Agreement).

The pledge referred to under (ii) is subject to the condition precedent (*condizione sospensiva*) of, and will become effective upon, the delivery of the Trigger Notice described in Condition 9.1 (c) (“*Insolvency etc.*”). Upon the such pledge becoming effective the Paying Agents, the Cash Manager and the Transaction Bank will thereupon be deemed to act as agents on behalf of the Issuer and the Pledges pursuant to the Cash Management and Agency Agreement and the Intercreditor Agreement.

The Deed of Pledge will be governed by and construed in accordance with Italian law.

THE CASH ADMINISTRATION AND AGENCY AGREEMENT

Under an agreement entered into on or prior to the Issue Date (the “**Cash Administration and Agency Agreement**”):

- (i) the Principal Paying Agent will agree to perform certain services in relation to the Notes and the Class C Notes, including arranging for the payment of principal and interest to the Monte Titoli Accountholders;
- (ii) the Agent Bank will agree to calculate the amount of interest payable on the Notes and the Class C Notes on each Interest Payment Date;
- (iii) the Computation Agent will agree to perform certain other calculations in respect of the Notes and the Class C Notes and to set out, in a payment report, the payments due to be made by the Issuer on each Interest Payment Date in the order of priority set out in “Transaction Summary Information – Principal Features of the Notes – Order of Priority of Payments” and in “Transaction Summary Information – Principal Features of the Notes – Acceleration Order of Priority of Payments”; furthermore, the Computation Agent will agree to prepare investors’ reports providing for information on the performance of the Portfolios;
- (iv) the Luxembourg Paying Agent will agree to act as paying agent for the Issuer in Luxembourg and to act as intermediary between the Issuer and the Noteholders in Luxembourg; and
- (v) the Transaction Bank and the Cash Manager will agree to provide the Issuer with certain cash administration and investment services respectively, in relation to the moneys standing, from time to time, to the credit of the Collections and Recoveries Accounts, the Payments Account, the Principal Amortisation Reserve Accounts, the Reserve Account, the Single Portfolio Reserve Accounts and the Expenses Account; if at any time during any Reference Period the aggregate of such amounts is higher than 20% of the Principal Amount Outstanding of the Notes, calculated as at the precedent Reference Date, the Transaction Bank shall immediately notify the Representative of the

Noteholders and transfer any such surplus moneys into an account which shall be opened by the Issuer (with the consent of the Representative of Noteholders) with an Eligible Institution (which might be the Cash Manager) and the Cash Manager shall continue to provide investment services in relation to such moneys.

The Cash Administration and Agency Agreement will be governed by and construed in accordance with Italian law.

THE SUBSCRIPTION AGREEMENTS

Pursuant to a subscription agreement entered into on or prior to the Issue Date (the “**Class A Subscription Agreement**”), the Managers have agreed to subscribe for the Class A Notes and pay to the Issuer the Issue Price for the Class A Notes on the Issue Date and has appointed the Representative of the Noteholders to act as the representative of the Class A Noteholders, subject to the conditions set out therein. Pursuant to a subscription agreement entered into on or prior to the Issue Date (the “**Class B Subscription Agreement**”) the Lead Manager has agreed to subscribe for the Class B Notes and pay to the Issuer the Issue Price for the Class B Notes on the Issue Date and has appointed the Representative of the Noteholders to act as the representative of the Class B Noteholders, subject to the conditions set out therein. Pursuant to subscription agreements entered into on or prior to the Issue Date (the “**Class C Subscription Agreements**”), BCC Agro Bresciano has agreed to subscribe and pay for the Class C1 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C1 Noteholders, BCC Alba has agreed to subscribe and pay for the Class C2 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C2 Noteholders, BCC Orsago has agreed to subscribe and pay for the Class C3 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C3 Noteholders, BCC Roma has agreed to subscribe and pay for the Class C4 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C4 Noteholders and BCC Romagna Est has agreed to subscribe and pay for the Class C5 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C5 Noteholders, in each case upon the terms and subject to the conditions of the relevant Class C Subscription Agreement. The Class A Subscription Agreement, the Class B Subscription Agreement and the Class C Subscription Agreements (collectively the “**Subscription Agreements**”) will be in English language and governed by and construed in accordance with Italian law.

THE HEDGING AGREEMENTS

The hedging agreements (the “**Hedging Agreements**”) are interest rate swap agreements which have been entered into by the Issuer in order to hedge its exposure to interest rate risk under the Transaction. The Hedging Agreements are governed by an ISDA Master Agreement (1992) between the Issuer and the Swap Counterparty.

Under each Hedging Agreements, which will be effective as of the Issue Date, on each Payment Date:

- (i) the Issuer shall pay to the Swap Counterparty an amount equal to the product of (a) the applicable fixed interest rate or floating interest rate, as the case may be, (b) the actual number of days elapsed in the relevant Interest Period or a number of days equal to 30

days times the number of months, as applicable, divided by 360 and (c) the applicable notional amount under such Hedging Agreement (the aggregate of the notional amounts under each Hedging Agreements being equal to the Outstanding Principal of the Claims hedged under the Hedging Agreements); and

- (ii) the Swap Counterparty shall pay to the Issuer an amount equal to the product of (a) the EURIBOR applicable to the Notes on such Payment Date, (b) the number of days elapsed in the relevant Interest Period divided by 360 and (c) the applicable notional amount under such Hedging Agreement.

Through the Hedging Agreements, all interest rates of the Claims will be exchanged against the EURIBOR applicable to the Notes.

Should the long term rating of the Swap Counterparty by Moody's fall below A1 or that by Standars & Poor's fall below A, the Swap Counterparty shall be obliged to find another suitable swap counterparty or, alternatively, to secure its obligations under the Hedging Agreements by providing a cash collateral in favour of the Issuer.

Should the short term rating of the Swap Counterparty by Moody's fall below P-1 or that by Standars & Poor's fall below A-1, the Swap Counterparty shall have to be replaced within 30 days.

The obligations of the Issuer under the Hedging Agreements will be with limited recourse to the Issuer's Available Funds.

THE LIQUIDITY AGREEMENT

Under the terms of a liquidity agreement (the "**Liquidity Agreement**") expected to be dated on or prior to the Issue Date, between the Issuer, the Representative of the Noteholders and the Originators as Liquidity Providers, each of the Liquidity Providers agrees to make available to the Issuer a revolving facility in a maximum amount of:

with respect to BCC Agro Bresciano € 1,085,142;

with respect to BCC Alba € 2,634,284;

with respect to BCC Orsago € 2,227,636;

with respect to BCC Roma € 3,834,299;

with respect to BCC Romagna Est € 825,461;

and a maximum aggregate amount of € 10,606,822.

Under the terms of the Liquidity Agreement, each of the Originators as Liquidity Provider will provide liquidity support with respect to the relevant Portfolio, in the event of a shortfall of the relevant Single Portfolio Available Funds (calculated before an advance is drawn under the Liquidity Agreement) available on any Interest Payment Date for application in or towards payment of all amounts due to be paid by the Issuer on such Interest Payment Date out of such Single Portfolio Available Funds under heads *First* through to *Fourteenth* of the Order of Priority of Payments (see "Transaction Summary Information – Order of Priority of

Payments”). Each Liquidity Provider might be called to provide liquidity support also in respect of any of the other Portfolios (i) in the event of a shortfall of the relevant Single Portfolio Available Funds which exceeds the outstanding maximum commitment amount of the Liquidity Provider which is primarily responsible to give liquidity support to the Issuer in respect of such Portfolio or (ii) in the event that such latter Liquidity Provider defaults under its obligations to give liquidity support to the Issuer in respect of such Portfolio.

In the event that the Acceleration Order of Priority of Payments becomes applicable, the Liquidity Providers will provide liquidity support with respect to the aggregate of all the Portfolios in case of a shortfall of the Issuer’s Available Funds (calculated before an advance is drawn under the Liquidity Agreement) available on any Interest Payment Date for application in or towards payment of all amounts due to be paid by the Issuer on such Interest Payment Date out of the Issuer’s Available Funds under heads *First* through to *Fhirteenth* of the Acceleration Order of Priority of Payments (see “Transaction Summary Information – Acceleration Order of Priority of Payments”).

Interest on the advances shall accrue at a rate equal to EURIBOR plus a margin of 0,10% per annum. The obligation of the Issuer to pay interest and reimburse the principal amounts outstanding under the Liquidity Agreement to each of the Liquidity Providers will be limited recourse to the relevant Single Portfolio Available Funds or in the event the Acceleration Order of Priority of Payments becomes applicable, (together with the obligation to pay interest and reimburse the principal amounts outstanding under the other Liquidity Agreement to the other Liquidity Providers) to the Issuer’s Available Funds.

The Liquidity Agreement will be governed by and construed in accordance with Italian law.

THE PLEDGE AGREEMENTS

Under the terms of five revolving pledge agreements (the “**Pledge Agreements**”) expected to be dated on or prior to the Issue Date, each between the Issuer, the Representative of the Noteholders and one of the Liquidity Providers as pledgor (each a “**Pledgor**”), each of the Pledgors deposits with the Depository and irrevocably pledges as security for the obligations undertaken by the same under the relevant Liquidity Agreement, bonds issued by Eligible Institutions with a market value at least equal to 125% of its maximum commitment thereunder. The Pledgors will be entitled to substitute the collateral from time to time with other bonds issued by Eligible Institutions with same market value.

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 Offering Circular 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 Offering Circular.

Law 130

Law 130 applies to securitisation transactions involving the “true” sale (by way of non-gratuitous assignment) of claims, where the sale is to a company created in accordance with Article 3 of Law 130, and all amounts paid by the assigned debtors are to be used by the relevant company exclusively to meet its obligations under the notes issued to fund the purchase of such claims and to pay all costs and expenses associated with the securitisation transaction.

The Assignment

The assignment of the monetary claims under Law 130 shall be governed by Article 58, paragraphs 2, 3 and 4 of *Decreto Legislativo* n. 385 of 1 September 1993, whereby, according to the prevailing interpretation, the assignment can be perfected against the originators, assigned debtors and third party creditors by way of publication of a notice of the assignment in the *Gazzetta Ufficiale della Repubblica Italiana* (the official gazette of the Italian Republic). As of the date of publication of such notice, the assignment becomes enforceable against:

- (a) the assigned debtors and any creditors of the originators who have not, prior to the date of publication of the notice, commenced enforcement proceedings in respect of the relevant claims;
- (b) the liquidator or other bankruptcy receiver 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 the Insolvency Law); and
- (c) other assignees of the originators who have not perfected their assignment prior to the date of publication.

The publication of the notice of transfer of the Portfolios from the Originators to the Issuer was published in the Official Gazette no. 43 of 21st February 2001.

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned claims is automatically transferred to and perfected with the same priority in favour of the assignor, without the need of any formality or annotation.

Assignments executed under Law 130 are subject to revocation on bankruptcy under Article 67 of Royal Decree 16th March 1942, no. 267 (the “**Insolvency Law**”) but only in the event that the securitisation transaction is entered into within three months of the adjudication in bankruptcy of the assignor or in cases where paragraph 1 of Article 67 applies (if the transaction is deemed to be at an undervalue), within six months of the adjudication in bankruptcy.

Claims of Creditors of the Issuer other than the Issuer's Creditors

By operation of Articles 3 of Law 130, the Issuer's right, title and interest in and to the Portfolios and the other ancillary rights will be segregated from all other assets of the Issuer. Both before and after a winding-up of the Issuer, amounts deriving from the Portfolios and the other Issuer's Rights will be available for the purposes of satisfying the Issuer's obligations to the Issuer's Creditors. The Portfolios and the other ancillary rights may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes and the Class C Notes or cancellation of the Notes and the Class C Notes.

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 debt due and unpaid. However, subject to Condition 3 of the Terms and Conditions of each Class of Notes, the Issuer will undertake with the Representative of the Noteholders not to incur any debt other than debts related to its obligations under the Transaction Documents, the Notes and the Class C Notes and to preserve the good standing and corporate existence of the Issuer.

Usury Law

Legge No. 108 of 7 March 1996 (the “**Usury Law**”) introduced legislation preventing lenders from applying interest rates higher than the thresholds set on a quarterly basis by a decree issued by the Italian Treasury (“**Usury Thresholds**”). To resolve some of the uncertainties connected with the interpretation of such law, in particular as to the moment in time with respect to which the usurious nature of interest is verified (i.e. the date of execution of the relevant loan agreement or the date in which such interest is due for payment), the Government issued *Decreto Legge* No. 394 of 29 December 2000 (“**Decree 394**”) which was later converted, with amendments, into law by the Parliament (*Legge* No. 24 of 28th February 2001, hereinafter the “**Usury Interpretation Law**”). Pursuant to sub-section 1 of article 1 of the Usury Interpretation Law, the moment in time with respect to which the usurious nature of interest must be ascertained by comparing it to the applicable Usury Threshold is the date when the interest rate has been agreed upon; the time when the interest component of the loan is due to be paid or is paid by the borrower is not relevant. The Usury Interpretation Law is deemed to be a “law of interpretation” and therefore applies retroactively to any loan even if entered into prior to its enactment.

Pursuant to sub-sections 2, 3 and 4 of article 1 of the Usury Interpretation Law:

- (i) interest accrues on principal instalments of fixed rate non subsidised loans falling due after 3 January 2001 at a rate of 9.96 % or at the lower rate agreed between lender and borrower; the applicable benchmark interest rate is reduced to 8 % in case of loans originally granted in a maximum principal amount lower than ITL 150,000,000 for with the purchase of non luxury “first residential houses”.
- (ii) the above provisions do not apply to loan contracts entered into under the special legislation on public debt referred to in article 104 of the European Union Treaty.

The above interest rates have been calculated taking into account the average gross yield of the Italian long term government bonds (*Buoni del Tesoro Poliennali*) with more than one year of life, for the period between January 1986 and October 2000.

The Court of Benevento with an order dated 2 January 2001, has raised a constitutional exception in relation to the above mentioned Decree 394 and has brought the matter before the *Corte Costituzionale*. Such plea focuses on the provisions of sub-section 1 of article 1, of Decree 394 which are now reflected in the above mentioned article 1, first sub-section, of the Usury Interpretation Law.

Under the Warranty and Indemnity Agreement, the Originators have given specific representations to the Issuer regarding compliance with the Usury Law, and have in particular represented that at the time of execution the Mortgage Loan Contracts, the relevant interest rate was below the Usury Threshold (see “Description of the Warranty and Indemnity Agreement – Usury”).

TERMS AND CONDITIONS OF THE CLASS A NOTES

The € 281,500,000 Class A Asset Backed Floating Rate Notes due September 2021 (the “**Class A Notes**”), the € 15,000,000 Class B Asset Backed Floating Rate Notes due September 2021 (the “**Class B Notes**”, and together with the Class A Notes, the “**Notes**”), the € 860,339 Class C1 Asset Backed Floating Rate Notes due September 2021 (the “**Class C1 Notes**”), the € 1,641,007 Class C2 Asset Backed Floating Rate Notes due September 2021 (the “**Class C2 Notes**”), the € 1,221,865 Class C3 Asset Backed Floating Rate Notes due September 2021 (the “**Class C3 Notes**”), the € 2,229,311 Class C4 Asset Backed Floating Rate Notes due September 2021 (the “**Class C4 Notes**”) and the € 654,455 Class C5 Asset Backed Floating Rate Notes due September 2021 (the “**Class C5 Notes**” and together with the Class C1 Notes, the Class C2 Notes, the Class C3 Notes and the Class C4 Notes, the “**Class C Notes**”) are issued by Credico Finance S.p.A. (the “**Issuer**”) on 27 September 2001 (the “**Issue Date**”) in the context of a securitisation transaction (the “**Transaction**”) to finance the purchase of portfolios of monetary claims and connected rights arising under mortgage loan agreements (collectively the “**Claims**” or the “**Portfolios**”) from Banca di Credito Cooperativo dell’Agro Bresciano, Banca di Credito Cooperativo di Alba, Langhe e Roero S.c.a.r.l., Banca di Credito Cooperativo di Orsago S.c.a.r.l., Banca di Credito Cooperativo di Roma S.c.a.r.l. Gruppo Cassa Rurale ed Artigiana di Roma e Romagna Est Banca di Credito Cooperativo S.c.a.r.l. (the “**Originators**”) pursuant to Article 1 of *Legge* No. 130 of 30 April 1999 (“*Disposizioni sulla cartolarizzazione dei crediti*”) (“**Law 130**”).

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The Portfolios have been purchased pursuant to the transfer agreement (*Contratto di Cessione*) entered into on 20 September 2001 between the Issuer and the Originators (the “**Transfer Agreement**”). 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 (*Contratto di Garanzia ed Indennizzo*) (the “**Warranty and Indemnity Agreement**”) entered into between the Originators, the Representative of the Noteholders and the Issuer on 20 September 2001.

The following is the text of the terms and conditions (the “**Conditions**”) of the Class A Notes which will be deposited by the Issuer with Monte Titoli S.p.A. (“**Monte Titoli**”) on the Issue Date. The Class A Notes will be issued in dematerialised form and evidenced in book entry form with Monte Titoli in accordance with the provisions of (i) Article 28 of *Decreto Legislativo* No. 213 of 24 June 1998 and (ii) *Deliberazione* No. 11768 of 23 December 1998 of Commissione Nazionale per le Società e la Borsa – CONSOB as amended by *Deliberazione* No. 12497 of 20 April 2000. In these Conditions, references to the “**Noteholders**” are to the beneficial owners of the Notes, references to the “**Class A Noteholders**” are to the beneficial owners of the Class A Notes, references to the “**Class B Noteholders**” are to the beneficial owners of the Class B Notes, references to the “**Class C1 Noteholders**”, the “**Class C2 Noteholders**”, the “**Class C3 Noteholders**”, the “**Class C4 Noteholders**” and the “**Class C5 Noteholders**” are to the beneficial owners of the Class C1 Notes, the Class C2 Notes, the Class C3 Notes, the Class C4 Notes and the Class C5 Notes respectively; references to the “**Class C Noteholders**” are to the beneficial owners of the Class C Notes collectively.

The principal source of payment of amounts due under the Class A Notes will be collections and recoveries made in respect of the Portfolios. 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 will be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Class C Noteholders and the other Issuer's Creditors (as defined below), in the order of priority [of payments](#) set out in [Condition 4.1](#) or [Condition 4.5](#). The “**Issuer's Creditors**” are: (i) the Noteholders and the Class C Noteholders; (ii) the Liquidity Providers and the Swap Counterparty; (iii) the Originators as sellers of the Claims; (iv) the Servicers; (v) the Issuer's other creditors under the Transaction Documents (as defined below); and (vi) 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. The Issuer's Rights may not be seized or attached in any form by the creditors of the Issuer other than the Issuer's Creditors, until full redemption or cancellation of the Notes and the Class C Notes and full discharge by the Issuer of its obligations vis-à-vis the other Issuer's Creditors.

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Under a subscription agreement entered into on or prior to the Issue Date between the Issuer, the Originators, Crédit Agricole Indosuez Luxembourg S.A., Crédit Agricole Indosuez S.A. as lead manager (the “**Lead Manager**”), Tokyo-Mitsubishi [International plc](#) as Senior co-lead manager (the “**Senior Co-lead Manager**”) and Bankinter SA, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and DZ BANK AG Deutsche Zentral-Genossenschaftsbank Frankfurt am Main as co-lead managers (the “**Co-lead Managers**”) and together with the Senior Co-lead Manager and the Lead Manager, the “**Managers**”) (the “**Class A Subscription Agreement**”), the Managers have agreed to subscribe and pay for the Class A Notes upon the terms and subject to the conditions thereof and have appointed Crédit Agricole Indosuez Luxembourg S.A. to act as the representative of the Class A Noteholders (the “**Representative of the Noteholders**”). Under a subscription agreement entered into on or prior to the Issue Date between the Issuer, the Representative of the Noteholders, the Originators and the Lead Manager (the “**Class B Subscription Agreement**”), the Lead Manager has agreed to subscribe and pay for the Class B Notes upon the terms and subject to the conditions thereof and has appointed the Representative of the Noteholders to act as the representative of the Class B Noteholders. Under a subscription agreement entered into on or prior to the Issue Date between the Issuer, the Representative of the Noteholders and the Originators (the “**Class C Subscription Agreement**”), Banca di Credito Cooperativo dell'Agro Bresciano S.c.a.r.l. has agreed to subscribe and pay for the Class C1 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C1 Noteholders, Banca di Credito Cooperativo di Alba, Langhe e Roero S.c.a.r.l. has agreed to subscribe and pay for the Class C2 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C2 Noteholders, Banca di Credito Cooperativo di Orsago S.c.a.r.l. has agreed to subscribe and pay for the Class C3 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C3 Noteholders, Banca di Credito Cooperativo di Roma S.c.a.r.l. Gruppo Cassa Rurale ed Artigiana di Roma has agreed to subscribe and pay for the Class C4 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C4 Noteholders and Romagna Est Banca di Credito Cooperativo S.c.a.r.l. has agreed to subscribe and pay for the Class C5 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C5 Noteholders, in

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each case upon the terms and subject to the conditions of the Class C Subscription Agreement (the Class A Subscription Agreement, the Class B Subscription Agreement and the Class C Subscription Agreement, the “**Subscription Agreements**”).

Under a cash administration and agency agreement 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 (as defined below), Crédit Agricole Indosuez S.A. as principal paying agent (the “**Principal Paying Agent**”), agent bank (the “**Agent Bank**”), computation agent (the “**Computation Agent**”) and cash manager (the “**Cash Manager**”), Crédit Agricole Indosuez Luxembourg S.A. as Luxembourg paying agent (the “**Luxembourg Paying Agent**”) and ICCREA Banca S.p.A. as transaction bank (the “**Transaction Bank**”): (i) the Principal Paying Agent has agreed to perform certain services in relation to the Notes and the Class C Notes, including arranging for the payment of principal and interest to the Monte Titoli Accountholders; (ii) the Agent Bank has agreed to calculate the amount of interest payable on the Notes; (iii) the Computation Agent has agreed to provide the Issuer with other calculations in respect of the Notes and the Class C Notes and to set out, in a payment report, the payments due to be made under the Notes and the Class C Notes on each Interest Payment Date; and (iv) the Transaction Bank and the Cash Manager have agreed to provide respectively certain cash administration and investment services in respect of the amounts standing, from time to time, to the credit of the Collections and Recoveries Accounts, the Principal Amortisation Reserve Accounts, the Expenses Account, the Reserve Account, the Single Portfolio Reserve Accounts and the Payments Account (each as defined below).

Under a servicing agreement entered into on or prior to the Issue Date (the “**Servicing Agreement**”) between the Issuer, the Representative of the Noteholders and each of the Originators as servicer of the Portfolio it has sold to the Issuer (collectively the “**Servicers**”), each of the Servicers has agreed to provide the Issuer with administration, collection and recovery services in respect of the relevant Portfolio and has undertaken to verify that the payment services to be provided in relation to the Transaction comply with Italian law.

The Issuer has established with the Transaction Bank the following accounts: (i) an account (the “**Payments Account**”) out of which all payments shall be made according to the order of priority of payments set out in Condition 4.1 or Condition 4.5, (ii) five accounts (the “**Collections and Recoveries Accounts**”) identified with respect to each Portfolio into which all amounts received by the Issuer on the Portfolios and under the Transaction Documents shall be paid, (iii) five accounts (the “**Principal Amortisation Reserve Accounts**”) identified with respect to each Portfolio into which the Principal Amortisation Reserve Amounts, if any, shall be paid, (iv) an account (the “**Expenses Account**”) into which the Retention Amount shall be paid and out of which certain payments with respect to the Issuer’s corporate expenses shall be made. The Issuer will establish with the Transaction Bank the following accounts: (i) an account (the “**Reserve Account**”) into which the Reserve Amount, if any, shall be paid; and (ii) five accounts (the “**Single Portfolio Reserve Accounts**”) identified with respect to each Portfolio into which the Single Portfolio Reserve Amounts, if any, shall be paid (collectively the Payments Account, the Collections and Recoveries Accounts, the Principal Amortisation Reserve Accounts, the Expenses Account, the Reserve Account and the Single Portfolio Reserve Accounts, the “**Transaction Accounts**”).

Under a corporate services agreement entered into on or prior to the Issue Date (the “**Corporate Services Agreement**”) between the Issuer, the Representative of the Noteholders and FIS Fiduciaria Generale S.p.A. as corporate administrator (the “**Corporate Administrator**”) the Corporate Administrator has agreed to provide the Issuer with certain corporate administration services.

Under a liquidity line agreement entered into on or prior to the Issue Date (the “**Liquidity Agreement**”), between the Issuer, the Representative of the Noteholders and the Originators as liquidity providers (each a “**Liquidity Provider**”), the Liquidity Providers have agreed to make available to the Issuer a revolving facility in a maximum aggregate amount determined from time to time in accordance with the provisions of the Liquidity Agreement.

The Issuer has entered into, on or prior to the Issue Date, interest rate swaps (the “**Hedging Agreements**”) with [Crédit Agricole Indosuez SA as swap counterparty](#) (the “**Swap Counterparty**”) to hedge the potential interest rate exposure of the Issuer in relation to its Euribor payment obligations under the Notes. The Hedging Agreements shall be governed by the ISDA Master Agreement (1992) between the Issuer and the Swap Counterparty, dated on or prior to the Issue Date.

These Conditions include summaries of, and are subject to, the detailed provisions of the Transfer Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement, the Liquidity Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Class A Subscription Agreement, the Class B Subscription Agreement and the Class C Subscription Agreement, the terms and conditions of the Class B Notes (the “**Class B Conditions**”), the terms and conditions of the Class C Notes (the “**Class C Conditions**”), the Hedging Agreements, the Cash Administration and Agency Agreement and the Offering Circular with respect to the Notes (all the foregoing together with these Conditions, the “**Transaction Documents**”). Copies of the Transaction Documents are available for inspection during normal business hours at the registered office of the Representative of the Noteholders, and at the respective Specified Offices of the Paying Agents.

The Class A 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 Class A 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.

In these Conditions:

“**Advance**” means any advance made by any of the Liquidity Providers to the Issuer pursuant to the Liquidity Agreement.

“**Available Class A Notes Redemption Funds**” means, with respect to any Interest Payment Date, the difference between:

- (i) the Issuer’s Available Funds in respect of such Interest Payment Date; and

- (ii) the aggregate of all payments under heads *First* through to *Tenth* of the order of priority of payments provided for in [Condition 4.1 or Condition 4.5 \(as applicable\)](#) which are required to be made by the Issuer on such Interest Payment Date.

“**Available Class B Notes Redemption Funds**” means, with respect to any Interest Payment Date, the difference between:

- (i) the Issuer’s Available Funds in respect of such Interest Payment Date; and
- (ii) the aggregate of all payments under heads *First* through to *Eleventh* of the order of priority of payments provided for in [Condition 4.1 or Condition 4.5 \(as applicable\)](#) which are required to be made by the Issuer on such Interest Payment Date.

“**BCC Agro Bresciano**” means Banca di Credito Cooperativo dell’Agro Bresciano S.c.a.r.l..

“**BCC Alba**” means Banca di Credito Cooperativo di Alba, Langhe e Roero S.c.a.r.l..

“**BCC Orsago**” means Banca di Credito Cooperativo di Orsago S.c.a.r.l..

“**BCC Roma**” means Banca di Credito Cooperativo di Roma S.c.a.r.l..

“**BCC Romagna Est**” means Romagna Est Banca di Credito Cooperativo S.c.a.r.l..

“**Borrower**” means the debtors under the Claims and their transferors, assignees and successors.

“**Business Day**” means any day on which banks are open for business in Milan and in Luxembourg and on which the Trans-European Automated Real Time Gross Transfer System (or any successor thereto) is open.

“**Calculation Date**” means the date falling five Business Days before any Interest Payment Date.

“**Call Option**” means the call option granted by the Issuer to the Originators to purchase all but not part of the Portfolios pursuant to the Transfer Agreement.

“**Class A Notes Principal Payment Amount**” means with respect to each Interest Payment Date, the aggregate of all Single Portfolio Class A Notes Principal Payment Amounts.

“**Class B Notes Principal Payment Amount**” means with respect to each Interest Payment Date, the aggregate of all Single Portfolio Class B Notes Principal Payment Amounts.

“**Clearstream**” means Clearstream Banking Luxembourg.

“**Co-lead Managers**” means collectively Bankinter SA, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and DZ BANK AG Deutsche Zentral-Genossenschaftsbank Frankfurt am Main.

“**Collection Policy**” means, with respect to each Servicer, the collection policy applied by such Servicer in connection with the Portfolio it sold to the Issuer.

“**Collections**” means all the amounts collected and/or recovered under the Claims on or after the Date of Transfer and any amount received by the Issuer from the Servicers pursuant to the Servicing Agreement.

“**Date of Transfer**” means 20 September 2001.

“**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 Istruzioni di Vigilanza of Banca d’Italia and in any case a claim which has at least, as the case may be: (i) 12 Unpaid Instalments in case of Claims with Instalments which are paid monthly; (ii) 6 Unpaid Instalments in case of Claims with Instalments which are paid every two months; (iii) 5 Unpaid Instalments in case of Claims with Instalments which are paid quarterly; (iv) 4 Unpaid Instalments in case of Claims with Instalments which are paid every four months; and (v) 3 Unpaid Instalments in case of Claims with Instalments which are paid semiannually.

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“**Default Ratio**” means with respect to any Interest Payment Date, the ratio calculated as at the immediately preceding Reference 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.

“**Detrimental Event**” has the meaning ascribed to it in Condition 4.3.

“**Disequilibrium Event**” has the meaning ascribed to it in Condition 4.2.

“**Eligible Institutions**” means any depository institution organised under the laws of any state which is a member of the European Union or of the United States, the short-term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least P-1 / A-1+ from Moody’s and Standard & Poor’s respectively, and the long-term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least Aa3 / AA- from Moody’s and Standard & Poor’s respectively.

“**Eligible Investments**” means any senior, unsubordinated debt security, buy/sell back agreement, repos, commercial paper, deposit or other debt instrument issued by, or fully and unconditionally guaranteed by, an Eligible Institution, which (i) shall be denominated in Euro, (ii) will have a maturity date falling not later than two business days prior to the next following Interest Payment Date and (iii) will not be repayable in an amount determined by reference to any formula or any index.

“**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 Interest Payment Date falling in September 2021.

“**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 and unpaid on the Claims as of the Valuation Date, which shall be payable on the Interest Payment Date falling in March 2002 by the Issuer as further consideration for the purchase of such Portfolio under the Transfer Agreement, equal to, with respect to Portfolio No. 1 € 180,105; with respect to Portfolio No. 2 € 764,725; with respect to Portfolio No. 3 € 165,133; with respect to Portfolio No. 4 € 730,796 and with respect to Portfolio No. 5 € 209,853.

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“**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 Interest 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 - *interesse di mora*).

“**Interest Payment Date**” means 30 March and 30 September of each year, or, if any of such dates does not fall on a Business Day, the next following Business Day, until the Final Maturity Date; the first Interest Payment Date shall be 30 March 2002.

“**Interest Period**” means each period from (and including) an Interest Payment Date to (but excluding) the next following Interest 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 Interest Payment Date.

“**Issuer’s Available Funds**” means, in respect of each Interest Payment Date, the aggregate of:

- (i) all the Collections received by the Issuer through the Servicers, during the immediately preceding Reference Period;
- (ii) all other amounts paid during the immediately preceding Reference Period in the Collections and Recoveries Accounts (excluding, in respect of the Interest Payment Date falling in September 2002, any Available Class A Notes Redemption Funds, Available Class B Notes Redemption Funds and Single Series Available Class C Notes Redemption Funds paid into the Collections and Recoveries Accounts on the immediately preceding Interest Payment Date), including interest accrued thereon and payments received under the Eligible Investments carried out during the immediately

preceding Reference Period by the Cash Manager on the amounts standing to the credit of the Collections and Recoveries Accounts;

- (iii) all amounts standing to the credit of the Principal Amortisation Reserve Accounts at the end of the immediately preceding Reference Period;
- (iv) all interest accrued on the amount from time to time standing to the credit of the Expenses Account during the immediately preceding Reference Period and paid into the same;
- (v) all amounts due and payable to the Issuer on such Interest Payment Date under the terms of the Hedging Agreements;
- (vi) all amounts received from the Originators, if any, pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreement during the immediately preceding Reference Period;
- (vii) all the amounts standing to the credit of the Payments Account at the end of the immediately preceding Reference Period;
- (viii) exclusively in respect of the earlier of (i) the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.1 applies following full redemption of the Class A Notes and the Class B Notes, and (ii) the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.5 applies, all amounts standing to the credit of the Reserve Account at the end of the immediately preceding Reference Period; and
- (ix) (I) exclusively in respect of the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.5 applies, all amounts standing to the credit of the Single Portfolio Reserve Accounts at the end of the immediately preceding Reference Period;
- (II) save as provided under (I) immediately above, with respect to each Interest Payment Date on which a Single Portfolio Detrimental Event does not occur and with respect to each of the Single Portfolio Reserve Accounts, the difference, if positive, between (a) the amounts standing to the credit of such Single Portfolio Reserve Account at the end of the immediately preceding Reference Period and (b) the amount calculated as follows: (I) the amounts standing to the credit of such Single Portfolio Reserve Account at the end of the preceding Reference Period, multiplied by (II) the ratio between (x) the Advances to be made available to the Issuer under the Liquidity Agreement on such Interest Payment Date by the Liquidity Providers together with the Advances made available by the Liquidity Providers on previous Interest Payment Dates and not yet fully reimbursed, and (y) the aggregate of all amounts standing to the credit of all Single Portfolio Reserve Accounts at the end of the preceding Reference Period;

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and, only in respect of payments ranking as *First, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth* and *Fourteenth* of the order of priority of payments provided for in Condition 4.5, shall include any Advances to be made to the Issuer with respect to such Interest Payment Date in relation to any Negative Balance.

“**Law 239 Deduction**” means any withholding or deduction for or on account of “*imposta sostitutiva*” under *Decreto Legislativo* No. 239 of 1 April 1996 as subsequently amended.

“**Lead Manager**” means Crédit Agricole Indosuez S.A..

“**Managers**” means collectively the Lead Manager, the Senior Co-lead Manager and the Co-lead Managers.

“**Maximum Commitment Amount**” means the maximum amount of the revolving facility which is made available to the Issuer by the Liquidity Providers under the Liquidity Agreement which is equal to € 10,606,822.

“**Monte Titoli**” means Monte Titoli S.p.A..

“**Monte Titoli Accountholders**” means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli (as *intermediari aderenti*) and includes Euroclear (as *organismo estero di gestione accentrata* - foreign clearing house) and IntesaBci S.p.A. as depositary bank appointed by Clearstream Luxembourg and is also expected to include Clearstream (as foreign clearing house) in the near future.

“**Moody’s**” means Moody’s Investors Service.

“**Negative Balance**” means with respect to any Interest Payment Date (i) following the delivery of a Trigger Notice, (ii) in case of Redemption for Taxation, or (iii) in case of Optional Redemption, the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Interest Payment Date under heads *First* through to *Fourteenth* (included) of the order of priority of payments provided for in Condition 4.5 and (b) the Issuer’s Available Funds with respect to such Interest Payment Date before any Advance to be granted to the Issuer by the Liquidity Providers under the Liquidity Agreement with respect to such Interest Payment Date.

“**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 Interest Payment Date and to each Portfolio, the ratio, calculated as at the immediately preceding Reference Date, between:

- (x) the relevant Single Portfolio Notes Principal Amount Outstanding, and
- (y) the Principal Amount Outstanding of the Notes and of the Class C Notes.

“Outstanding Principal” means, with respect to any Claim and to any date, the aggregate of all Principal Instalments owing by the relevant Borrower and scheduled to be paid on and/or after such date.

“Portfolio No.1” means the portfolio of Claims which are sold to the Issuer by BCC Agro Bresciano pursuant to the Transfer Agreement.

“Portfolio No.2” means the portfolio of Claims which are sold to the Issuer by BCC Alba pursuant to the Transfer Agreement.

“Portfolio No.3” means the portfolio of Claims which are sold to the Issuer by BCC Orsago pursuant to the Transfer Agreement.

“Portfolio No.4” means the portfolio of Claims which are sold to the Issuer by BCC Roma pursuant to the Transfer Agreement.

“Portfolio No.5” means the portfolio of Claims which are sold to the Issuer by BCC Romagna Est pursuant to the Transfer 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 an Interest Payment Date on which a Disequilibrium Event has occurred and to each Portfolio, 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 out of such Single Portfolio Available Funds under all the items of the order of priority of payments set out in Condition 4.1 for the full payment of which there are sufficient Single Portfolio Available Funds with respect to all Portfolios.

“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.

“Rating Agencies” means Moody’s and Standard & Poor’s and any successors thereof and any other rating agency which shall be appointed by the Issuer to give a rating to the Notes.

“Reference Date” means the last day of each Reference Period.

“**Reference Period**” means (i) each semi-annual period commencing on 1 March (included) and ending on 31 August (included) and (ii) each semi-annual period commencing on 1 September (included) and ending on the last day of February (included), and in the case of the first Reference Period, the period commencing on (and excluding) the Valuation Date and ending on (and including) 28 February 2002.

“**relevant**” when applied to the term “Portfolio” with respect to a series of Class C Notes, means the Portfolio sold by the Originator that subscribes such series of Class C Notes pursuant to the Class C Subscription Agreement and *vice versa* when applied to the term “series of Class C Notes” with respect to a Portfolio, means the series of Class C Notes subscribed by the Originator that sold such Portfolio; the same rule of interpretation shall apply to any other term which contains the words “Portfolio” or respectively “series of Class C Notes” or which is directly and univocally linked to any of them.

“**Reserve Amount**” means, with respect to each Interest Payment Date on which the order of priority of payments set out in Condition 4.1 applies, an amount equal to the difference, if a positive number, between:

- (i) € 1,500,000, and
- (ii) the amount standing to the credit of the Reserve Account as at the Reference Date immediately preceding such Interest Payment Date.

“**Reserve Amount Quota**” means with respect to each Interest Payment Date on which a Detrimental Event has occurred and 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 Interest Payment Date out of the relevant Single Portfolio Available Funds under items from *first* to *fourteenth* of the order of priority of payments set out in Condition 4.1;

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 Interest Payment Date out of the relevant Single Portfolio Available Funds under items from *first* to *fourteenth* of the order of priority of payments set out in Condition 4.1;

multiplied by

- (ii) the ratio between:
 - (x) the Reserve Amount as at such Interest Payment Date and

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- (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 Interest Payment Date out of the relevant Single Portfolio Available Funds under items from *first* to *fourteenth* of the order of priority of payments set out in Condition 4.1.

“**Retention Amount**” means an amount equal to € 40,000.

“**Security Interest**” means any mortgage, charge, pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

“**Senior Co-lead Manager**” means Tokyo-Mitsubishi [International plc](#) in its capacity as senior co-lead manager pursuant to the Class A Subscription Agreement.

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“**Single Portfolio Amortised Principal**” means, with respect to each Interest Payment Date and to each Portfolio, an amount equal to the aggregate of:

- (i) the aggregate amount of the Principal Instalments of the Claims of such Portfolio scheduled to be paid during the immediately preceding Reference Period (excluding, (a) with respect to the Claims that have become Pre-paid Claims during such Reference Period, all Principal Instalments prepaid during such Reference Period and (b) with respect to the Claims that have become Defaulted Claims during such Reference Period, all Principal Instalments scheduled to be paid after the date on which such Claims became Defaulted Claims);
- (ii) the aggregate amount of the Principal Instalments of the Pre-paid Claims that have been prepaid during the immediately preceding Reference Period;
- (iii) the Outstanding Principal of the Claims of such Portfolio that have become Defaulted Claims during the immediately preceding Reference Period, as of the date when such Claims became Defaulted Claims; and
- (iv) any amount received by the Issuer during the immediately preceding Reference Period from the Originator of such Portfolio pursuant to the Transfer Agreement and/or the Warranty and Indemnity Agreement (including the principal component of the price paid by the Originators to the Issuer upon exercise of the Call Option).

“**Single Portfolio Available Funds**” means, in respect of each Interest Payment Date and of each Portfolio, the aggregate of:

- (i) all the Collections received by the Issuer, through the relevant Servicer of such Portfolio, during the immediately preceding Reference Period on the Claims of such Portfolio;

- (ii) all other amounts paid during the immediately preceding Reference Period in the relevant Collections and Recoveries Account (excluding, in respect of the Interest Payment Date falling in September 2002, any relevant Single Portfolio Class A Notes Principal Payment Amount, Single Portfolio Class B Notes Principal Payment Amount and Single Series Available Class C Notes Redemption Funds paid into such Collections and Recoveries Account on the immediately preceding Interest Payment Date), including interest accrued thereon and payments received under the Eligible Investments carried out during the immediately preceding Reference Period by the Cash Manager on the amounts standing to the credit of such Collections and Recoveries Account;
- (iii) all amounts standing to the credit of the relevant Principal Amortisation Reserve Account at the end of the immediately preceding Reference Period;
- (iv) the relevant Outstanding Notes Ratio of all interest accrued on the amounts standing from time to time to the credit of the Expenses Account during the immediately preceding Reference Period;
- (v) all amounts due and payable to the Issuer on such Interest Payment Date under the terms of the relevant Hedging Agreements entered into to hedge the interest rate risks with respect to such Portfolio;
- (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 such Portfolio during the immediately preceding Reference Period; and
- (vii) the relevant Outstanding Notes Ratio of all the amounts standing to the credit of the Payments Account at the end of the immediately preceding Reference Period;
- (viii) with respect to each Interest Payment Date on which a Single Portfolio Detrimental Event has not occurred, the difference, if positive, between (a) the amounts standing to the credit of such Single Portfolio Reserve Account at the end of the immediately preceding Reference Period and (b) the amount calculated as follows: (I) the amounts standing to the credit of such Single Portfolio Reserve Account at the end of the preceding Reference Period, multiplied by (II) the ratio between (x) the Advances to be made available to the Issuer under the Liquidity Agreement on such Interest Payment Date by the Liquidity Providers together with the Advances made available by the Liquidity Providers on previous Interest Payment Dates and not yet fully reimbursed, and (y) the aggregate of all amounts standing to the credit of all Single Portfolio Reserve Accounts at the end of the preceding Reference Period;
- (ix) with respect to the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.1 applies following full redemption of the Class A Notes and the Class B Notes, the amounts standing to the credit of the Reserve Account, which were paid into out of the relevant Single Portfolio Available Funds;

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and, only in respect of payments ranking as *First, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth* and *Fourteenth* of the order of priority of payments provided for in Condition 4.1, shall include any Advances which are made to the Issuer with respect to such Interest Payment Date in relation to any Single Portfolio Negative Balance of such Portfolio.

“Single Portfolio Class A Notes Principal Amount Outstanding” means with respect to each Interest 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 Interest Payment Dates.

“Single Portfolio Class B Notes Principal Amount Outstanding” means with respect to each Interest Payment Date and to each Portfolio the difference between:

- (i) the relevant Single Portfolio Initial Class B Notes Principal Amount Outstanding; and
- (ii) the aggregate of all the Single Portfolio Class B Notes Principal Payment Amounts paid to the Class B Noteholders on the preceding Interest Payment Dates.

“Single Portfolio Class A Notes Principal Payment Amount” means with respect to each Interest Payment Date and to each Portfolio the lesser of:

- (i) the relevant Single Portfolio Amortised Principal, and
- (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding;

each as at the immediately preceding Reference Date.

“Single Portfolio Class B Notes Principal Payment Amount” means with respect to each Interest Payment Date and to each Portfolio the lesser of:

- (i) the relevant Single Portfolio Amortised Principal, and
- (ii) the Single Portfolio Class B Notes Principal Amount Outstanding;

each as at the immediately preceding Reference Date.

“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 13.02% of the Class A Notes, equal to € 36,656,020; (ii) with respect to Portfolio No.2 the Principal Amount Outstanding as at the Issue Date of 24.84% of the Class A Notes, equal to € 69,917,538; (iii) with respect to Portfolio No.3 the Principal Amount Outstanding as at the Issue

Date of 18.49% of the Class A Notes, equal to € 52,059,343; (iv) with respect to Portfolio No.4 the Principal Amount Outstanding as at the Issue Date of 33.74% of the Class A Notes, equal to € 94,983,083; and (v) with respect to Portfolio No.5 the Principal Amount Outstanding as at the Issue Date of 9.91% of the Class A Notes, equal to € 27,884,016.

“**Single Portfolio Initial Class B Notes Principal Amount Outstanding**” means (i) with respect to Portfolio No.1 the Principal Amount Outstanding as at the Issue Date of 13.02% of the Class B Notes, equal to € 1,953,251; (ii) with respect to Portfolio No.2 the Principal Amount Outstanding as at the Issue Date of 24.84% of the Class B Notes, equal to € 3,725,624; (iii) with respect to Portfolio No.3 the Principal Amount Outstanding as at the Issue Date of 18.49% of the Class B Notes, equal to € 2,774,032; (iv) with respect to Portfolio No.4 the Principal Amount Outstanding as at the Issue Date of 33.74% of the Class B Notes, equal to € 5,061,266; and (v) with respect to Portfolio No.5 the Principal Amount Outstanding as at the Issue Date of 9.91% of the Class B Notes, equal to € 1,485,827.

“**Single Portfolio Negative Balance**” means with respect to any Interest Payment Date and to each Portfolio the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Interest Payment Date under heads *First* through to *Fourteenth* (included) of the order of priority of payments provided for in Condition 4.1 and (b) the Single Portfolio Available Funds with respect to such Portfolio and to such Interest Payment Date before any Advance to be granted to the Issuer by the relevant Liquidity Provider under the relevant Liquidity Agreement with respect to such Interest Payment Date and excluding any amount under item (viii) of the definition of Single Portfolio Available Funds.

“**Single Portfolio Notes Principal Amount Outstanding**” means with respect to each Interest Payment Date:

- (i) with respect to Portfolio No.1, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C1 Notes,
- (ii) with respect to Portfolio No.2, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C2 Notes,
- (iii) with respect to Portfolio No.3, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C3 Notes,
- (iv) with respect to Portfolio No.4 the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C4 Notes, and

- (v) with respect to Portfolio No.5, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C5 Notes,

in each case as at the immediately preceding Reference Date.

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

- (i) the relevant Single Portfolio Available Funds, and
- (ii) the aggregate of all amounts to be paid by the Issuer out of such Single Portfolio Available Funds under items from *first* to *fifteenth* of the order of priority of payments set out in Condition 4.1.

“**Single Provider Maximum Commitment Amount**” means the maximum amount which each Liquidity Provider will make available to the Issuer under the terms of the Liquidity Agreement, which is equal to: (i) with respect to BCC Agro Bresciano € 1,085,142; (ii) with respect to BCC Alba € 2,634,284; (iii) with respect to BCC Orsago € 2,227,636; (iv) with respect to BCC Roma € 3,834,299; and (v) with respect to BCC Romagna Est € 825,461.

“**Single Series Available Class C Notes Redemption Funds**” means with respect to each Interest Payment Date and to each series of Class C Notes, an amount, calculated as at the Reference Date immediately preceding such Interest 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 C Notes according to the order of priority of payments set out in Condition 4.1 or Condition 4.5 as applicable; and
- (ii) the Principal Amount Outstanding of such series of Class C Notes.

“**Single Series Class C Notes Interest Payment Amount**” means with respect to each Interest Payment Date and to each series of Class C Notes an amount, calculated as at the Reference Date immediately preceding such Interest Payment Date, equal to:

- (i) the aggregate of all Interest Instalments accrued on the Claims of the relevant Portfolio in the immediately preceding Reference Period (excluding Interest Accruals);

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plus

- (ii) the aggregate of all fees for prepayment paid on the Claims of the relevant Portfolio in the immediately preceding Reference 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 Reference Period;

plus

- (iv) all amounts to be received by the Issuer under the relevant Hedging Agreements on the next following Interest Payment Date;

plus

- (v) all amounts received or recovered by the Issuer in the immediately preceding Reference Period with respect to Claims of the relevant Portfolio which are or have been Defaulted Claims;

plus

- (vi) (a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Payments Account and the Expenses Account and paid into the same; (b) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the relevant Collections and Recoveries Account, Single Portfolio Reserve Accounts and Principal Amortisation Reserve Account and paid into the same during the immediately preceding Reference Period; and (c) all amounts of interest (if any) accrued 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 Reference Period;

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plus

- (vii) the relevant Outstanding Notes Ratio of all payments (if any) received under the Eligible Investments during the immediately preceding Reference Period;

minus

- (viii) the aggregate of all amounts due to be paid by the Issuer on the next following Interest Payment Date out of the relevant Single Portfolio Available Funds under heads *First* and *Third* through to *Seventh*, plus *Ninth*, *Tenth*, *Thirteenth* and *Fourteenth* of the Order of Priority of Payments set out in Condition 4.1, or the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer under heads *First* and *Third* through to *Seventh*, plus *Ninth*, *Tenth*, *Thirteenth* and *Fourteenth* of the order of priority of payments set out in Condition 4.5;

minus

- (ix) the Outstanding Balance of all the Claims of the relevant Portfolio which have become Defaulted Claims during the immediately preceding Reference Period calculated as at the immediately preceding Reference Date.

“**Specified Office**” means with respect to the Principal Paying Agent: Crédit Agricole Indosuez S.A., Milan Branch at: Via Brera No. 21 20121, Milan (Italy) and with respect to the Luxembourg Paying Agent: Crédit Agricole Indosuez Luxembourg S.A., 39 Allée Scheffer, L2520 Luxembourg and such other office as will be notified to the Noteholders by the Representative of the Noteholders.

“**Standard & Poor’s**” means Standard & Poor’s Rating Services, a division of the McGraw Hill Companies.

“**Unpaid Instalment**” means any Instalment that is not duly paid by the relevant borrower on the scheduled date for payment thereof.

“**Valuation Date**” means 31 August 2001.

1. FORM, DENOMINATION AND TITLE

- 1.1** Subject to the provisions of Condition 1.3 below, the Class A Notes are issued in the denomination of € 1,000.
- 1.2** The Class A Notes are wholly and exclusively deposited with Monte Titoli’s system in accordance with Article 28 of Decreto Legislativo No. 213 of 24 June 1998.
- 1.3** The Class A Notes are issued in dematerialised form and are held on behalf of the beneficial owners until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Accountholders. The Class A Notes will at all times be in book entry form and title to the Class A Notes will be evidenced by book entry in accordance with the provisions of (i) Article 28 of Decreto Legislativo No. 213 of 24 June 1998; and (ii) *Deliberazione* No. 11768 of 23 December 1998 of Commissione Nazionale per le Società e la Borsa - CONSOB as amended by *Deliberazione* No. 12497 of 20 April 2000. No physical document of title will be issued carrying the rights of or representing the Class A Notes.

2. STATUS, PRIORITY AND SEGREGATION

- 2.1** The Class A Notes constitute limited recourse obligations of the Issuer and, accordingly, the extent of the obligation of the Issuer to make payments under the Class A Notes is limited to the amounts received or recovered by the Issuer in respect of the Portfolios and the other Issuer's Rights. The Class A Noteholders acknowledge that the limited recourse nature of the Class A Notes produces the effects of a “*contratto aleatorio*” and accept the consequences thereof.

2.2 The Class A Notes rank *pari passu* and rateably without preference or priority amongst themselves.

3. COVENANTS

So long as any amount in respect of the Notes remains outstanding, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders or as provided for in or envisaged by any of the Transaction Documents:

3.1 *Negative pledge*

create or permit to subsist any Security Interest whatsoever over any of the Portfolios or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Portfolios or any of its assets related to the Transaction;

3.2 *Restrictions on activities*

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;

have any *società controllata* (subsidiary) or *società collegata* (affiliate company) (as defined in Article 2359 of the *Codice Civile*) or any employees or premises;

at any time approve or agree or consent to any act or thing whatsoever which is materially prejudicial to the interests of the Class A Noteholders under the Transaction Documents or do, or permit to be done, any act or thing in relation thereto which is materially prejudicial to the interests of the Class A Noteholders under the Transaction Documents;

3.3 *Dividends, Distributions and Capital Increases*

pay any dividend or make any other distribution or return or repay any equity capital to its shareholders, or increase its capital;

3.4 *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of indebtedness or of any obligation of any person other than for the purposes of the Transaction;

3.5 *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;

3.6 *No variation or waiver*

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, or exercise any powers of consent or waiver pursuant to the terms of any of such Transaction Documents, or permit any party to any of such Transaction Documents to be released from the obligations thereunder;

3.7 *Bank Accounts*

establish any bank account other than the Transaction Accounts, without the prior approval of the Representative of the Noteholders;

3.8 *Statutory Documents*

amend, supplement or otherwise modify its *Statuto* or *Atto Costitutivo*, other than with the approval of the Representative of Noteholders and in compliance with the provisions of the Shareholders Agreement;

none of the above covenants shall prohibit the Issuer from carrying out the securitisation of one or more further portfolios of claims or to issue further notes or incur further indebtedness in relation thereto, provided that:

- (i) the Rating Agencies will confirm that the ratings of the then outstanding Notes shall not be adversely affected and a rating alert shall not be triggered by such securitisation and/or issue and/or indebtedness;
- (ii) the intercreditor agreement to be executed in the context of such new securitisation and/or the terms and conditions of the notes to be issued in relation thereto will provide for a covenant by the creditors of the Issuer in the context of such securitisation not to take any steps for the purpose of procuring the declaration of insolvency, the commencement of any bankruptcy proceeding or the winding up of the Issuer so long as any amount in respect of the Notes or of the Class C Notes remains outstanding;
- (iii) the Issuer's Creditors and the creditors of the Issuer in the context of such securitisation will enter into the necessary agreements to ensure that (i) costs, expenses and taxes incurred in relation to the Transaction and such new securitisation are borne by the Issuer's Rights and respectively by the rights of the Issuer in the context of such new securitisation, and (ii) costs, expenses and taxes 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 (including fees payable to the Corporate Administrator) are borne in equal parts by the Issuer's Rights and by the rights of the Issuer in the context of such new securitisation;
- (iv) the Representative of the Noteholders will receive a legal opinion acceptable to the same, which will confirm that (i) the segregation between the Issuer's Rights and the

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rights of the Issuer in the context of the new securitisation is fully realised and (ii) that such new securitisation respects Law 130 and all implementing regulations.

4. ORDER OF PRIORITY

- 4.1 Save for the provisions of Condition 4.5, the Single Portfolio Available Funds relating to each of the Portfolios shall be applied on each Interest 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, (in no order of priority *inter se*, but *pro rata* to the extent of the respective amounts thereof) to pay the relevant Outstanding Notes Ratio of (i) all costs and taxes 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 (including fees payable to the Corporate Administrator), (ii) all costs and taxes required to be paid to maintain the rating of the Notes and (iii) all costs and taxes required to be paid in connection with the registration and deposit of the Notes and the Class C Notes, or any notice to be given to the Noteholders and the Class C Noteholders or the other parties to the Transaction Documents;

Second, to repay the Advances (if any) under the Liquidity Agreement made to the Issuer by the Liquidity Provider which is primarily responsible to provide liquidity support to such Portfolio;

Deleted: , in respect of any Single Portfolio Negative Balance of such Portfolio

Third, to pay the amounts due and payable on such Interest Payment Date to the Swap Counterparty under the Hedging Agreements entered into to hedge the interest rate risk arising with respect to such Portfolio (excluding unwinding costs);

Fourth, 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 Interest Payment Date equals the Retention Amount;

Fifth, (in no order of priority *inter se*, but *pro rata* to the extent of the respective amounts thereof) to pay the relevant Outstanding Notes Ratio of the fees and reimbursements due to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the Principal Paying Agent, the Luxembourg Paying Agent and the Representative of Noteholders;

Sixth, to pay the fees and reimbursements due to the Servicer of such Portfolio pursuant to the Servicing Agreement;

Seventh, to pay the commitment fee due to the Liquidity Provider which is primarily responsible to provide liquidity support to such Portfolio under the Liquidity Agreement;

Eighth, to pay to the relevant Originator any amount due by the Issuer as restitution of indemnities paid by such Originator to the Issuer under the terms of the Warranty and Indemnity Agreement;

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

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

Eleventh, to pay the relevant Single Portfolio Class A Notes Principal Payment Amount with respect to such Interest Payment Date and the relevant Single Portfolio Class A Notes Principal Payment Amount due with respect to previous Interest Payment Dates but unpaid; provided that on the Interest Payment Dates falling in March 2002 and in September 2002 the amount which would be payable to the Class A Noteholders according to the foregoing, will be paid into the relevant Collections and Recoveries Account and will become payable to the Class A Noteholders on the Interest Payment Date falling in March 2003 (*pro rata* according to the amounts then due);

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Twelfth, after the Class A Notes have been redeemed in full, to pay the Single Portfolio Class B Notes Principal Payment Amount with respect to such Interest Payment Date and the Single Portfolio Class B Notes Principal Payment Amount due with respect to previous Interest Payment Dates but unpaid; provided that on the Interest Payment Dates falling in March 2002 and in September 2002 the amount which would be payable to the Class B Noteholders according to the foregoing will be paid into the relevant Collections and Recoveries Account and will become payable to the Class A Noteholders on the Interest Payment Date falling in March 2003 (*pro rata* according to the amounts then due);

Thirteenth, to pay all amounts of interest due and payable on the Advances made to the Issuer by the Liquidity Provider which is primarily responsible to provide liquidity support to such Portfolio under the Liquidity Agreement;

Deleted: in respect of any Single Portfolio Negative Balance of such Portfolio

Fourteenth, to pay the amounts due and payable on such Interest Payment Date to the Swap Counterparty as unwinding costs under the Hedging Agreements entered into to hedge the interest rate risks arising with respect to such Portfolio;

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

Sixteenth, to pay to the Originator of such Portfolio, the Interest Accruals with respect to such Portfolio;

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Seventeenth, to pay to the Originator of such Portfolio any amount due and payable in respect of purchase price adjustments due to 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 Originator of such Portfolio);

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

Nineteenth, following full redemption of the Class A Notes and the Class B Notes, to redeem the Principal Amount Outstanding on the relevant series of Class C Notes in the maximum amount of the relevant Single Series Available Class C Notes Redemption Funds provided that on the Interest Payment Dates falling in March 2002 and in September 2002 the amount which would be payable in redemption of each series of Class C Notes according to the foregoing shall be paid into the relevant Collections and Recoveries Account and shall become payable to the Class C Noteholders of such Series of Class C Notes on the Interest Payment Date falling in March 2003 (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof);

Twentieth, to pay any surplus into the relevant Collections and Recoveries Account or, after full and final settlement of all the payments due under this order of priority and full redemption of the Class A Notes, the Class B Notes and the Class C Notes, to pay any surplus remaining on the balance of the relevant 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, Reserve Account and Expenses Account (i) as to the Single Portfolio Available Funds relating to Portfolio No.1, to the Class C1 Noteholders, (ii) as to the Single Portfolio Available Funds relating to Portfolio No.2, to the Class C2 Noteholders, (iii) as to the Single Portfolio Available Funds relating to Portfolio No.3, to the Class C3 Noteholders, (iv) as to the Single Portfolio Available Funds relating to Portfolio No.4, to the Class C4 Noteholders, (v) as to the Single Portfolio Available Funds relating to Portfolio No.5, to the Class C5 Noteholders.

- 4.2** On each Interest Payment Date with respect to which the order of priority of payments provided for in Condition 4.1 applies, following a written notice from the Computation Agent to the Issuer, the Liquidity Providers and the Representative of the Noteholders that a Disequilibrium Event with respect to one or more Portfolios has occurred, the Issuer shall be obliged to pay into each of the Principal Amortisation Reserve Accounts the relevant Principal Amortisation Reserve Amount.

A Disequilibrium Event shall occur with respect to a Portfolio when the Single Portfolio Available Funds relating to such Portfolio, available for the payments to be made according to the order of priority of payments set out in condition 4.1, are not sufficient to pay in full the amounts due under item *Eleventh* or *Twelfth* while the Single Portfolio

Available Funds relating to all or some of the other Portfolios available for the payment of the amounts under the same item according to the order of priority of payments set out in Condition 4.1, are sufficient to pay in full the amounts due under such item and to pay all or part of the amounts under the following item or items.

- 4.3** On each Interest Payment Date with respect to which the order of priority of payments provided for in Condition 4.1 applies, but excluding any Interest Payment Date with respect to which a Disequilibrium Event has occurred, following a written notice from the Computation Agent to the Issuer, the Liquidity Providers 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.

A Detrimental Event shall occur with respect to an Interest Payment Date when the Advances to be drawn under the Liquidity Agreement to provide liquidity support [with respect to the Portfolios](#) on such Interest Payment Date together with all Advances drawn thereunder on previous Interest Payment Date and not yet fully reimbursed to the Liquidity Providers is an amount equal to or higher than 20% of the Maximum Commitment Amount.

- 4.4** On each Interest Payment Date with respect to which the order of priority of payments provided for in Condition 4.1 applies but excluding any Interest Payment Date with respect to which a Disequilibrium Event has occurred, following a written notice from the Computation Agent to the Issuer, the Liquidity Providers 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 each of the Portfolios into the relevant Single Portfolio Reserve Account.

A Single Portfolio Detrimental Event shall occur with respect to an Interest Payment Date and to a Portfolio, when the Advances to be made available to the Issuer under the Liquidity Agreement on such Interest Payment Date by the Liquidity Provider which, under the terms of the Liquidity Agreement, is primarily responsible to give liquidity support to the Issuer in respect of such Portfolio (i.e. the Liquidity Provider which is the originator of such Portfolio or any authorised successors thereof) together with any Advance made available by such Liquidity Provider on previous Interest Payment Dates and not yet fully reimbursed, is an amount equal to or higher than 50% of the Single Provider Maximum Commitment Amount with respect to such Liquidity Provider.

- 4.5** In each of the following cases: (i) following the delivery of a Trigger Notice pursuant to Condition 9.1, (ii) in case of Redemption for Taxation pursuant to Condition 6.2, or (iii) in case of Optional Redemption pursuant to Condition 6.4, the Issuer's Available Funds shall be applied on each Interest 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, (in no order or priority *inter se*, but *pro rata* to the extent of the respective amounts thereof) to pay (i) all costs and taxes 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 (including fees payable to the Corporate Administrator), (ii) all costs and taxes required to be paid to maintain the rating of the Notes and (iii) all costs and taxes required to be paid in connection with the registration and deposit of the Notes and the Class C Notes, or any notice to be given to the Noteholders and the Class C Noteholders or the other parties to the Transaction Documents;

Second, to repay the Advances (if any) under the Liquidity Agreement made by the Liquidity Providers to the Issuer (*pro rata* according to the amounts then due);

Third, to pay all the amounts due and payable on such Interest Payment Date to the Swap Counterparty under the Hedging Agreements (excluding unwinding costs);

Fourth, 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 Interest Payment Date equals the Retention Amount;

Fifth, (in no order of priority *inter se*, but *pro rata* to the extent of the respective amounts thereof) to pay all the fees and reimbursements due to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the Principal Paying Agent, the Luxembourg Paying Agent and the Representative of Noteholders;

Sixth, to pay all the fees and reimbursements due to the Servicers pursuant to the Servicing Agreement (*pro rata* according to the amounts then due);

Seventh, to pay the commitment fee due to the Liquidity Providers under the Liquidity Agreement (*pro rata* according to the amounts then due);

Eighth, to pay to the Originators any amount due by the Issuer as restitution of indemnities paid by any of the Originators to the Issuer under the terms of the Warranty and Indemnity Agreement;

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

Tenth, to pay all amounts of interest due and payable on the Class B Notes on such Interest Payment Date (*pro rata* according to the amounts then due);

Eleventh, to pay the Principal Amount Outstanding on the Class A Notes on such Interest Payment Date (*pro rata* according to the amounts then due) provided that the Available Class A Notes Redemption Funds with respect to the Interest Payment Dates falling in March 2002 and September 2002 shall be paid into the Collections and

Recoveries Account and will become payable to the Class A Noteholders on the Interest Payment Date falling in March 2003 (*pro rata* according to the amounts then due);

Twelfth, after the Class A Notes have been redeemed in full, to pay the Principal Amount Outstanding on the Class B Notes on such Interest Payment Date (*pro rata* according to the amounts then due) provided that the Available Class B Notes Redemption Funds with respect to the Interest Payment Dates falling in March 2002 and September 2002 shall be paid into the Collections and Recoveries Account and will become payable to the Class B Noteholders on the Interest Payment Date falling in March 2003 (*pro rata* according to the amounts then due);

Thirteenth, to pay interest due and payable on the Advances made by the Liquidity Providers to the Issuer under the Liquidity Agreement (*pro rata* according to the amounts then due);

Fourteenth, to pay the amounts due and payable on such Interest Payment Date to the Swap Counterparty as unwinding costs under the Hedging Agreement;

Fifteenth, to pay to each of the Originators the Interest Accruals with respect to the relevant Portfolio (*pro rata* to the amounts then due);

Sixteenth, to pay to the Originators any amount due and payable in respect of purchase price adjustments due to 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);

Seventeenth, to pay the Single Series Class C Notes Interest Payment Amount due and payable on each series of Class C Notes (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof);

Eighteenth, following full redemption of the Class A Notes and the Class B Notes, to redeem the Principal Amount Outstanding on each series of Class C Notes in the maximum amount of the relevant Single Series Available Class C Notes Redemption Funds (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof) provided that the Single Series Available Class C Notes Redemption Funds with respect to the Interest Payment Dates falling in March 2002 and September 2002 and to each series of Class C Notes shall be paid into the relevant Collections and Recoveries Account and shall become payable to the Class C Noteholders on the Interest Payment Date falling in March 2003 (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof);

Nineteenth, to pay any surplus to the Class C Noteholders,

Deleted: (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof)

5. **INTEREST**

5.1 *Interest Payment Dates and Interest Periods*

Each of the Class A Notes bears interest on its Principal Amount Outstanding from (and including) the Issue Date. Save as provided for in Condition 5.8 below, interest in respect of the Class A Notes is payable in Euro semi-annually in arrears on each Interest Payment Date.

Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.

Interest shall cease to accrue on any part of the Principal Amount Outstanding of the Class A Notes as from (and including) the due date for redemption of such part unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal (after as well as before judgement) at the rate from time to time applicable to the Class A Notes until the moneys in respect thereof have been received by the Principal Paying Agent on behalf of the relevant Class A Noteholders and notice to that effect is given by the Issuer in accordance with Condition 13 hereof.

5.2 *Interest Rate*

The rate of interest applicable from time to time to the Class A Notes (the “**Class A Interest Rate**”) will be determined by the Agent Bank on the relevant Interest Determination Date.

There shall be no maximum or minimum Class A Interest Rate and the Class A Interest Rate for each Interest Period shall be the aggregate of:

5.2.1 0,33% per annum; and

5.2.2 (A) Euribor for six 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 six month Euro deposits in the Euro-zone inter-bank market which appear on Page Euribor01 of Reuters Screen (or (i) such other page as may replace Page Euribor01 on that service for the purpose of displaying such information or, (ii) if that service ceases to display such information, such page displaying such information on such equivalent service (or, if more than one, that one 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 is unavailable at such time for six 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 six 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, two only 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, one only 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 so 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 5.2.2 shall have applied.

5.3 *Determination of the Interest Rate and Calculation of the Interest Payment Amount*

The Agent Bank shall, on each Interest Determination Date:

- 5.3.1** determine the Class A 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
- 5.3.2** calculate the Euro amount (the “**Class A Interest Payment Amount**”) payable on the Class A Notes in respect of such Interest Period. The Class A Interest Payment Amount payable in respect of any Interest Period shall be calculated by applying the relevant Class A Interest Rate to the Principal Amount Outstanding of the Class A Notes on the Interest Payment Date at the commencement of such Interest Period (after deducting therefrom any payment of principal due on that Interest 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 elapsed in the relevant Interest Period divided by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

5.4 *Publication of the Class A Interest Rate and the Class A Interest Payment Amount*

The Agent Bank will cause the Class A Interest Rate and the Class A Interest Payment Amount applicable to each Interest Period to be notified promptly after their determination to the Issuer, the Representative of the Noteholders, the Computation Agent, the Servicers, the Transaction Bank, Monte Titoli, Euroclear, Clearstream, the Principal Paying Agent, the Luxembourg Paying Agent and the Luxembourg Stock Exchange and will cause the same to be published in accordance with Condition 13 hereof as soon as possible after the 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 Class A Interest Rate and/or does not calculate the Class A Interest Payment Amount in accordance with Condition 5.3 above, the Representative of the Noteholders shall:

5.5.1 determine the Class A 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).

5.5.2 calculate the Class A Interest Payment Amount in the manner specified in Condition 5.3 above,

and any such determination and/or calculation shall be deemed to have been made by the Agent Bank.

5.6 *Notification to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5, whether by the Reference Banks (as defined in Condition 5.7 below) (or any of them), the Agent Bank, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default, gross negligence, bad faith or manifest error) be binding on the Reference Banks, the Agent Bank, the Computation Agent, the Issuer, the Representative of the Noteholders and all Class A Noteholders and (in such absence as aforesaid) no liability to the Class A 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 Class A 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 IntesaBci S.p.A., SANPAOLO Imi S.p.A. and Banca di Roma S.p.A.. In the event of any such bank being unable or unwilling to continue to act as a Reference Bank or any of them being merged or incorporated 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 Agent Bank may not resign until a successor approved in writing by the Representative of the Noteholders has been appointed. If a new Agent Bank is appointed, a notice will be published in accordance with Condition 13 below.

5.8 *Unpaid Interest*

In the event that the Issuer's Available Funds available to the Issuer on any Interest Payment Date (in accordance with the order of priority [of payments](#) set out in Condition [4.1 or Condition 4.5](#)) for the payment of interest due on the Class A Notes on such Interest Payment Date are not sufficient to satisfy in full the aggregate amount of such interest, the amount by which the aggregate amount of interest paid on such Interest Payment Date falls short of the aggregate amount of interest which would otherwise be due shall accrue interest with respect to each Interest Period during which it remains outstanding at the Class A Interest Rate and shall be aggregated with the amount of, and treated for the purposes of these Conditions as if it were, interest due on the Class A Notes on the next following Interest Payment Date.

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The Issuer shall arrange for notice to be given forthwith by the Agent Bank to the Luxembourg Stock Exchange, the Representative of the Noteholders, the Paying Agents and the Computation Agent and will cause notice to that effect to be given to the Class A Noteholders in accordance with Condition 13 hereof, no later than three Business Days prior to any Interest Payment Date, of any Interest Payment Date on which, pursuant to this Condition 5.8, interest on the Class A Notes will not be paid in full.

6. REDEMPTION, PURCHASE AND CANCELLATION

6.1 *Final Redemption*

Unless previously redeemed in full as provided for in this Condition 6, the Issuer shall redeem in whole the Class A Notes at their Principal Amount Outstanding on the Final Maturity Date.

The Issuer may not redeem the Class A Notes in whole or in part prior to that date except as provided for in Conditions 6.2, 6.3, 6.4 or 6.5 below, but without prejudice to Condition 9 hereof.

Save as provided for in Condition 9 below, if the Class A Notes cannot be redeemed in full on the Final Maturity Date, as a result of the Issuer having insufficient Available Class A Redemption Funds for application in or towards such redemption, any amount outstanding whether in respect of interest, principal or other amounts in relation to the Class A Notes shall be finally and definitely cancelled.

6.2 *Redemption for Taxation*

If the Issuer at any time satisfies the Representative of the Noteholders that:

- (i) (A) on the next Interest Payment Date the Issuer would be required to deduct or withhold (other than in respect of a Law 239 Deduction) from any payment of principal or interest on the 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 and/or the Hedging Agreements would be subject to withholding or deduction), or
- (B) the Issuer has become liable to *imposta sul reddito delle persone giuridiche (IRPEG)* or to *imposta regionale sulle attività produttive (IRAP)* with respect to income arising from any of the Portfolios or the Hedging Agreements, and
- (ii) that the Issuer 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 and any amounts required under the Intercreditor Agreement to be paid in priority to, or *pari passu* with, the Notes,

the Issuer may, on the first Interest Payment Date on which such necessary funds become available to it, redeem the Notes (in whole but not in part) at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to and including the relevant Interest Payment Date and on such Interest Payment Date the order of priority of payments set out in Condition 4.5 will become applicable, provided that prior to such Interest Payment Date (a) the Issuer shall have given prior written notice to the Representative of the Noteholders, to the Servicers and to the Noteholders in accordance with Condition 13 hereof, and (b) Class A Noteholders representing at least 75% of the Principal Amount Outstanding of the Class A Notes or, after full redemption of the Class A Notes, Class B Noteholders representing at least 75% of the Principal Amount Outstanding of the Class B Notes, shall have instructed the Issuer to redeem the Notes (in whole but not in part).

6.3 *Mandatory Redemption*

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

- A. on the Interest Payment Date falling in March 2003 and on each Interest Payment Date falling thereafter, in a maximum amount equal to the Class A Notes Principal Payment Amount with respect to such Interest Payment Date,
- B. on any Interest Payment Date (i) following the delivery of a Trigger Notice pursuant to Condition 9.1, (ii) in case of Redemption for Taxation pursuant to

Condition 6.2, or (iii) in case of Optional Redemption pursuant to Condition 6.4, at their Principal Amount Outstanding,

if, on each Calculation Date preceding such Interest Payment Date, it is determined that there will be sufficient Issuer's Available Funds which may be applied for this purpose in accordance with the order of priority of payments set out in Condition 4.1 or in Condition 4.5 as applicable.

6.4 *Optional Redemption*

Should, at any Calculation Date with respect to any Interest Payment Date falling on or after March 2003, the Principal Amount Outstanding of the Notes become equal to or lower than 10% of the aggregate Principal Amount Outstanding of the Notes on the Issue Date, the Issuer shall have the option but not the obligation, after having given prior written notice to the Representative of the Noteholders, to the Servicers and to the Class A Noteholders in accordance with Condition 13 hereof, on the first Interest Payment Date, following such Calculation Date, on which the necessary funds become available to it, to redeem in whole but not in part the Notes by repaying the Principal Amount Outstanding of the Notes together with interest accrued thereon and on such Interest Payment Date the order of priority of payments set out in Condition 4.5 will become applicable.

6.5 *Sale of the Portfolios*

In the following circumstances:

- (i) in case of Redemption for Taxation pursuant to Condition 6.2,
- (ii) in case of Optional Redemption pursuant to Condition 6.4,
- (iii) after a Trigger Notice has been given to the Issuer and the Servicers pursuant to Condition 9, if a number of Class A Noteholders representing at least 75% of the Principal Amount Outstanding of the Class A Notes or, after full redemption of the Class A Notes, a number of Class B Noteholders representing at least 75% of the Principal Amount Outstanding of the Class B Notes, resolve to request to the Issuer to sell all but not only part of the Claims to third parties,

the Issuer is authorised, with the assistance of the Computation Agent and the Representative of the Noteholders, to search for potential purchasers of all but not only part of the Portfolios.

Should a sale of the Portfolios take place, the proceeds of such sale shall be treated by the Issuer as Issuer's Available Funds and as from the immediately subsequent Interest Payment Date shall be applied for payments due to be made by the Issuer according to the order of priority of payments set out in Condition 4.5.

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 Class A Notes in accordance with Condition 6.2 or Condition 6.4 respectively.

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6.7 *Principal Payments and Principal Amount Outstanding*

On each Calculation Date the Issuer shall determine or procure that the Computation Agent determines (on the Issuer's behalf):

6.7.1 the amount of the Available Class A Notes Redemption Funds with respect to the following Interest Payment Date (if any);

6.7.2 the amount of any principal payment payable on the Class A Notes on the next following Interest Payment Date and, for the Interest Payment Dates prior to March 2003, the amounts of principal to be retained in each of the Collections and Recoveries Accounts; and

6.7.3 the Principal Amount Outstanding of the Class A Notes on the next following Interest Payment Date (after deducting any principal payment due to be made on the Class A Notes on that Interest Payment Date).

Each determination by or on behalf of the Issuer of Available Redemption Funds, any principal payment and the Principal Amount Outstanding of the Class A Notes shall in each case (in the absence of wilful default, gross negligence, bad faith or manifest error) be final and binding on all persons.

The Issuer shall, no later than four Business Days prior to each Interest Payment Date, cause each determination of a principal payment (if any) and Principal Amount Outstanding of the Class A Notes to be notified forthwith by the Computation Agent to the Representative of the Noteholders, the Servicers, the Transaction Bank, Euroclear, Clearstream, the Luxembourg Stock Exchange, the Paying Agents and Monte Titoli and shall cause notice of each determination of a principal payment and Principal Amount Outstanding of the Class A Notes to be given to the Class A Noteholders in accordance with Condition 13 hereof. As long as the Class A Notes are not redeemed in full, if no principal payment is due to be made on the Class A Notes on an Interest Payment Date, notice to this effect shall also be given by the Issuer to the Class A Noteholders in accordance with Condition 13 hereof.

If no principal payment or Principal Amount Outstanding of the Class A 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 Class A Notes shall be determined by the Representative of the Noteholders 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 Class A Notes.

6.9 *Cancellation*

All Class A Notes redeemed in full will be cancelled upon redemption and may not be re-sold or re-issued.

7. PAYMENTS

7.1 The Principal Paying Agent shall arrange for payment of principal and interest in respect of the Class A Notes to be made through the relevant operators of Monte Titoli, Clearstream and Euroclear to the accounts of the beneficial owners of the Class A 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 Class A 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 Class A Note could otherwise be presented for payment) is not a Business Day, the Class A Noteholders will not be entitled to payment of the relevant amount until the immediately following Business Day. Class A Noteholders will not be entitled to any interest or other payment in consequence of any delay in receiving the amount due as a result of the due date not being a Business Day.

7.4 The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other paying agents including the Principal Paying Agent provided that (as long as the Class A Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require) the Issuer will at all times maintain a paying agent having a specified office in Luxembourg.

The Issuer will cause at least 30-day prior notice to be given of any change in or addition to the Paying Agents or their Specified Offices in accordance with Condition 13 hereof.

8. TAXATION

All payments with respect to all Class A 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. The Issuer shall not be obliged to pay any additional amount to any Class A Noteholder as a consequence of any such withholding or deduction.

9. TRIGGER EVENTS

9.1 If any of the following events (each a “**Trigger Event**”) occurs:

(a) *Non-payment*

(i) having enough Single Portfolio Available Funds available to it to make such payment in accordance with the order of priority of payments set out in Condition 4.1, ~~the Issuer defaults in the payment of the amount of principal then due and payable on the Class A Notes for a period of five Business Days from the due date thereof;~~

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(ii) irrespective of whether there are Single Portfolio Available Funds available to it sufficient to make such payment in accordance with the order of priority of payments set out in Condition 4.1, ~~the Issuer defaults in the payment of the amount of interest then due and payable on the Class A Notes for a period of three Business Days from the due date thereof;~~

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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 Class A Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Class A Notes) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy (in which case no notice will be required)) such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in the opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Class A Noteholders and requiring the same to be remedied;

or

(c) *Insolvency etc.*

(a) an administrator, administrative receiver or liquidator of the Issuer or of the whole or any substantial part of the undertakings, assets and/or revenues of the Issuer is appointed or the Issuer becomes subject to any bankruptcy, liquidation, administration, insolvency, composition, reorganisation or similar proceedings or application is made for the commencement of any such proceedings or an encumbrancer takes possession of the whole or any substantial part of the undertakings, revenues and/or assets of the Issuer;

(b) proceedings are initiated against the Issuer under any applicable bankruptcy, liquidation, administration, insolvency, composition, reorganisation or similar laws and such proceedings are not, in the opinion of the Representative of the Noteholders, being disputed in good faith;

(c) the Issuer 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 is granted by a competent court a moratorium in respect of its indebtedness or any guarantee of its indebtedness given by it or applies for bankruptcy or suspension of payments;

or

(d) *Winding up etc.*

an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer;

or

(e) *Unlawfulness*

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

or

(f) *Default Ratio*

the Default Ratio of the Claims, as at any Reference Date, is higher than the ratio of

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0.0475;

or

(g) *Disequilibrium Event*

with respect to two immediately succeeding Interest Payment Dates, a Disequilibrium Event occurs;

or

(h) *Liquidity Agreement*

on any Interest Payment Date, (i) the aggregate of the Single Portfolio Negative Balances of all the Portfolios or (ii) the Negative Balance (as applicable) with respect to such Interest Payment Date is equal to or exceeds the maximum amount available to the Issuer on such Interest Payment Date for liquidity support under the terms of the Liquidity Agreement;

then the Representative of the Noteholders may, at its sole discretion (or, if so requested in writing by the holders of at least 25% of the aggregate Principal Amount Outstanding of the Class A Notes or if so directed by a resolution of the Class A Noteholders, shall) give a written notice (a “**Trigger Notice**”) to the Issuer (with copy to each of the Servicers) declaring that the Class A Notes have immediately become due and payable at their Principal Amount Outstanding, together with accrued interest, and that the order of priority of payments set forth in Condition 4.5 shall apply without further action or formality as from the immediately following Interest Payment Date.

9.2 Waiver

Save as provided for in Condition 9.1 above, the Representative of the Noteholders may reasonably determine, without requesting the consent of the Class A Noteholders, subject to condition 11, that any Trigger Event (with the exception of the Trigger Event referred to in Condition 9.1(e) above) shall not, or shall not subject to specified conditions, be treated as such. Any such waiver shall be binding on the Class A Noteholders and shall be notified to the Class A Noteholders in accordance with Condition 13 hereof as soon as practicable thereafter.

10. ENFORCEMENT

At any time after the delivery of a Trigger Notice, the Representative of the Noteholders may, at its discretion and without further notice, take such steps and/or institute such proceedings against the Issuer as it may think fit, to enforce repayment of the Class A 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:

- 10.1** it shall have been so requested in writing by the holders of at least 25% of the aggregate Principal Amount Outstanding of the Class A Notes or unless it shall have been so directed by a resolution of the Class A Noteholders; and
- 10.2** it shall have been reasonably indemnified as to costs, damages and expenses to its satisfaction.

No Class A 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.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 9 above or this Condition 10 by the Representative of the Noteholders shall (in the absence of wilful default, gross

negligence, bad faith or manifest error) be binding on the Issuer and all Class A Noteholders and (in such absence as aforesaid) the Representative of the Noteholders will have no liability to the Class A Noteholders or the Issuer in connection with the exercise or the non-exercise by it or any of them of their powers, duties and discretion hereunder.

11. VOTING CERTIFICATES; MEETINGS OF CLASS A NOTEHOLDERS; MODIFICATIONS; CONSENTS; WAIVER

11.1 The meeting of the Class A Noteholders (the “**Meeting**”) may consider and resolve upon any matter affecting the interests of the Class A Noteholders which is submitted to it by the Representative of the Noteholders and is on the agenda of any duly convened Meeting as indicated in the Call Notice (as defined in Condition 11.4 hereof) to be published as provided for in Condition 13 hereof.

11.2 The following matters can only be resolved upon by the Meeting:

- (I)** the revocation of the appointment of the Representative of the Noteholders and the appointment of a new representative of the Noteholders; the modification of the terms for the appointment of the Representative of the Noteholders or of a substitute representative of the Noteholders;
- (II)** the modification of the terms of the Class A Notes (including these Conditions) or any of the Transaction Documents where the consent of the Class A Noteholders is required; and
- (III)** the sale of all but not part of the Portfolios by the Issuer;

provided that the Representative of the Noteholders may agree, without the consent of the Class A Noteholders, (i) to any modification (except a Basic Terms Modification, as defined in Condition 11.6 below) of the terms of, or to the waiver or authorisation of any breach of the terms of, the Class A Notes or any of the Transaction Documents, which is not, in the opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Class A Noteholders; or (ii) to any modification of the terms of the Class A Notes or any of the Transaction Documents, which in the opinion of the Representative of the Noteholders is to correct a manifest error or is of a formal, minor or technical nature. Any such modification, waiver, authorisation or determination shall be binding on the Class A Noteholders and shall be notified to the Class A Noteholders in accordance with Condition 13 hereof as soon as practicable thereafter.

11.3 The Representative of the Noteholders may convene the Meeting whenever it deems it necessary or advisable, provided that it shall be obliged to convene it (i) if the Class A Noteholders must consider and resolve upon any of the matters set out in Condition 11.2 above; and (ii) if so requested in writing by the holders of at least 25% of the Principal Amount Outstanding of the Class A Notes.

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- 11.4** The Meeting shall be convened by the Representative of the Noteholders, giving fifteen day prior notice (the “**Call Notice**”) clearly indicating (i) the place (which shall be either in Luxembourg or in Milan), date and time of the Meeting; (ii) the agenda of the Meeting; (iii) the procedure whereby the Class A Noteholders may appoint nominees to attend the Meeting; and (iv) the place (which shall be either in Luxembourg or in Milan), date and time of any adjournment of the Meeting for want of quorum. The Call Notice shall be given in the form as set out in Condition 13 hereof and shall be forwarded to the Luxembourg Stock Exchange.
- 11.5** Upon request by any Class A Noteholder, Monte Titoli and/or the relevant Monte Titoli Accountholders and/or Clearstream and/or Euroclear and/or the relevant operators thereof shall (i) issue a voting certificate in which it shall confirm that said Class A Noteholder is and has been for at least five days preceding the date for which the Meeting has been called, the holder of a certain amount of Class A Notes; and (ii) suspend any dealing in the Class A Notes belonging to the said Class A Noteholder. Class A Noteholders in possession of a voting certificate shall be entitled to attend and vote at a Meeting.
- 11.6** The quorum at any Meeting shall be one or more persons holding or representing over 50% of the Principal Amount Outstanding of the Class A Notes or, at any adjourned meeting, one or more persons holding or representing over 25% of the Principal Amount Outstanding of the Class A Notes, except that, at any Meeting at which the agenda which includes the modification of the Maturity Date or a modification which would have the effect of postponing any day for payment of interest on any of the Class A Notes, reducing or cancelling the amount of principal payable in respect of any of the Class A Notes or the interest rate applicable with respect to any of the Class A Notes or altering the quorum required to pass a resolution or altering the currency of payment of any of the Class A Notes or any modification of the date or of the priority of payment of principal and interest of any of the Class A Notes or the request or the authorisation to the Issuer to sell the Portfolios (any such modification a “**Basic Terms Modification**”), the necessary quorum for passing such a resolution shall be one or more persons holding or representing over 75%, or, at any adjourned such meeting, over 50% of the Principal Amount Outstanding of the Class A Notes (except with respect to the resolution to request to or authorise the Issuer to sell the Portfolios which shall still require a quorum of one or more persons holding or representing over 75% of the Principal Amount Outstanding of the Class A Notes).
- 11.7** The Meeting shall be chaired by an individual (who may but need not be a Class A Noteholder) appointed in writing by the Issuer, but if such appointment is not made or if the individual appointed is not present within thirty minutes of the time fixed for the Meeting, the Class A Noteholders attending the Meeting shall elect one of themselves to take the chair, failing which the Issuer shall appoint a chairman (in all cases the individual chairing the Meeting, the “**Chairman**”). The Chairman of an adjourned Meeting may but need not be the same person as the Chairman of the original Meeting.

11.8 If within thirty minutes of the time fixed for any Meeting a quorum is not present, then (i) in the case of a Meeting requested by Class A Noteholders, it shall be dissolved; or (ii) in the case of any other Meeting, it shall be adjourned to the date and time indicated in the Call Notice.

11.9 The following may attend and speak at a Meeting:

- (a) the Representative of the Noteholders;
- (b) the Class A Noteholders;
- (c) the representatives and advisors of the Issuer and the Principal Paying Agent; and
- (d) any other person approved by the Meeting.

11.10 A resolution duly passed at any Meeting shall be binding on all Class A Noteholders whether or not present or represented at such Meeting and each of the Class A Noteholders shall be bound to give effect to it accordingly. The Chairman shall procure that notice of the voting results of any resolution is given to the Class A Noteholders in the form set out in Condition 13 and to the Issuer, the Computation Agent, the Representative of the Noteholders, the Servicers, the Paying Agents and the Corporate Administrator within fourteen days of the conclusion of the Meeting.

11.11 A resolution in writing executed by or on behalf of the holders of over 25% or, in the case of a Basic Terms Modification, of over 75% of the aggregate Principal Amount Outstanding of the Class A Notes (i) shall be as effective as a resolution passed at a Meeting duly convened and held, (ii) shall be binding on all Class A Noteholders (and each of the Class A Noteholders shall be bound to give effect to it accordingly), and (iii) may consist of several instruments in like form each executed by or on behalf of one or more of such Class A Noteholders. The Representative of the Noteholders shall procure that notice of any such resolution in writing being taken is given to all the Class A Noteholders in the form set out in Condition 13 and to the Issuer, the Computation Agent, the Representative of the Noteholders, the Servicers, the Paying Agents and the Corporate Administrator.

11.12 A resolution duly passed at any Meeting of the Class A Noteholders or a resolution in writing of the Class A Noteholders shall be binding on all Class B Noteholders and Class C Noteholders irrespective of the effect upon their interests, except that a resolution sanctioning any Basic Terms Modification in respect of the Class A Notes which in the opinion of the Representative of the Noteholders adversely affects the interests of the Class B Noteholders and/or Class C Noteholders shall not take effect unless and until it shall have been sanctioned by a resolution of the meeting of the Class B Noteholders and/or Class C Noteholders. Any resolution duly passed at any Meeting of the Class A Noteholders or a resolution in writing of the Class A Noteholders sanctioning the modification of the terms of appointment of the Representative of

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Noteholders, its revocation and the appointment of a substitute Representative of the Noteholders shall be deemed automatically to be approved and adopted also by the Class B Noteholders and the Class C Noteholders.

So long as any of the Class A Notes remains outstanding, a resolution passed at any meeting of the Class B Noteholders or a resolution in writing of the Class B Noteholders shall not be effective for any purpose unless either (i) the Representative of the Noteholders is of the opinion that such resolution would not be materially prejudicial to the interests of the Class A Noteholders, or (ii) such resolution is sanctioned by a resolution of the Class A Noteholders; except that any such resolution affecting the modification of the terms of the appointment of the Representative of the Noteholders, its revocation and the appointment of a substitute Representative of the Noteholders shall not be effective for any purpose unless such resolution or request is sanctioned by a resolution of the Class A Noteholders. Following full redemption of the Class A Notes, a resolution duly passed at any Meeting of the Class B Noteholders or a resolution in writing of the Class B Noteholders shall be binding on all Class C Noteholders irrespective of the effect upon their interests, except that a resolution sanctioning any Basic Terms Modification in respect of the Class B Notes which in the opinion of the Representative of the Noteholders adversely affects the interests of the Class C Noteholders shall not take effect unless and until it shall have been sanctioned by a resolution of the meeting of the Class C Noteholders. Any resolution duly passed at any Meeting of the Class B Noteholders or a resolution in writing of the Class B Noteholders sanctioning the modification of the terms of appointment of the Representative of Noteholders, its revocation and the appointment of a substitute Representative of the Noteholders shall be deemed automatically to be approved and adopted also by the Class C Noteholders.

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So long as any of the Class A Notes and/or the Class B Notes remains outstanding, a resolution duly passed at any meeting of the holders of any series of the Class C Note or a resolution in writing of such Class C Noteholders shall not be effective for any purpose unless either (i) the Representative of the Noteholders is of the opinion that such resolution or request would not be materially prejudicial to the interests of the Class A Noteholders, or the Class B Noteholders, or (ii) such resolution or request is sanctioned by a resolution of the Class A Noteholders and the Class B Noteholders; except that any such resolution or request affecting the modification of the terms of the appointment of the Representative of the Noteholders, its revocation and the appointment of a substitute Representative of the Noteholders shall not be effective for any purpose unless such resolution is sanctioned by a resolution of the Class A Noteholders and the Class B Noteholders.

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The provision of this Condition 11.12 shall apply to any resolution in writing to the Representative of the Noteholders by the holders of at least 25% of the Principal Amount Outstanding of the Class A Notes, the Class B Notes or the Class C Notes, as applicable, which may bind the Representative of the Noteholders pursuant to these Conditions, the Class B Conditions or the Class C Conditions, respectively.

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11.13 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 and the Meeting recorded therein. Unless and until the contrary is proved, every such Meeting in respect of which minutes have been made 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.

12. THE REPRESENTATIVE OF THE NOTEHOLDERS

12.1 Each of the Class A Noteholders accepts the appointment of the Representative of the Noteholders upon the terms of its appointment for the time being, subject to these Conditions.

12.2 The Class A Subscription Agreement includes provisions concerning the terms of the appointment of the Representative of the Noteholders, the responsibility (and relief from responsibility) of the Representative of the Noteholders and the termination of the appointment of the Representative of the Noteholders.

13. NOTICES

Any notice hereunder to the Class A Noteholders shall be deemed to have been duly given if published (so long as the Class A Notes are listed in the Luxembourg Stock Exchange) in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the Luxembourg Wort). 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 newspaper referred to above.

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to the Class A Noteholders 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 Class A Notes are listed and provided that notice of such other method is given to the Class A Noteholders in the manner expected at that time by the Class A Noteholders.

14. GOVERNING LAW AND JURISDICTION

14.1 These Conditions and the Class A Notes are governed by Italian law.

14.2 The Courts of Milan are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with these Conditions and the Class A Notes.

TERMS AND CONDITIONS OF THE CLASS B NOTES

The € 15,000,000 Class B Asset Backed Floating Rate Notes due September 2021 (the “**Class B Notes**”); the € 281,500,000 Class A Asset Backed Floating Rate Notes due September 2021 (the “**Class A Notes**” and together with the Class B Notes, the “**Notes**”), the € 860,339 Class C1 Asset Backed Floating Rate Notes due September 2021 (the “**Class C1 Notes**”), the € 1,641,007 Class C2 Asset Backed Floating Rate Notes due September 2021 (the “**Class C2 Notes**”), the € 1,221,865 Class C3 Asset Backed Floating Rate Notes due September 2021 (the “**Class C3 Notes**”), the € 2,229,311 Class C4 Asset Backed Floating Rate Notes due September 2021 (the “**Class C4 Notes**”) and the € 654,455 Class C5 Asset Backed Floating Rate Notes due September 2021 (the “**Class C5 Notes**” and together with the Class C1 Notes, the Class C2 Notes, the Class C3 Notes and the Class C4 Notes, the “**Class C Notes**”) are issued by Credico Finance S.p.A. (the “**Issuer**”) on 27 September 2001 (the “**Issue Date**”) in the context of a securitisation transaction (the “**Transaction**”) to finance the purchase of portfolios of monetary claims and connected rights arising under mortgage loan agreements (collectively the “**Claims**” or the “**Portfolios**”) from Banca di Credito Cooperativo dell’Agro Bresciano, Banca di Credito Cooperativo di Alba, Langhe e Roero S.c.a.r.l., Banca di Credito Cooperativo di Orsago S.c.a.r.l., Banca di Credito Cooperativo di Roma S.c.a.r.l. Gruppo Cassa Rurale ed Artigiana di Roma e Romagna Est Banca di Credito Cooperativo S.c.a.r.l. (the “**Originators**”) pursuant to Article 1 of *Legge* No. 130 of 30 April 1999 (“*Disposizioni sulla cartolarizzazione dei crediti*”) (“**Law 130**”).

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The Portfolios have been purchased pursuant to the transfer agreement (*Contratto di Cessione*) entered into on 20 September between the Issuer and the Originators (the “**Transfer Agreement**”). 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 (*Contratto di Garanzia ed Indennizzo*) (the “**Warranty and Indemnity Agreement**”) entered into between the Originators and the Issuer on 20 September.

The following is the text of the terms and conditions (the “**Conditions**”) of the Class B Notes which will be deposited by the Issuer with Monte Titoli S.p.A. (“**Monte Titoli**”) on the Issue Date. The Class B Notes will be issued in dematerialised form and evidenced in book entry form with Monte Titoli in accordance with the provisions of (i) Article 28 of *Decreto Legislativo* No. 213 of 24 June 1998 and (ii) *Deliberazione* No. 11768 of 23 December 1998 of Commissione Nazionale per le Società e la Borsa – CONSOB as amended by *Deliberazione* No. 12497 of 20 April 2000. In these Conditions, references to the “**Noteholders**” are to the beneficial owners of the Notes, references to the “**Class B Noteholders**” are to the beneficial owners of the Class B Notes, references to the “**Class A Noteholders**” are to the beneficial owners of the Class A Notes, references to the “**Class C1 Noteholders**”, the “**Class C2 Noteholders**”, the “**Class C3 Noteholders**”, the “**Class C4 Noteholders**” and the “**Class C5 Noteholders**” are to the beneficial owners of the Class C1 Notes, the Class C2 Notes, the Class C3 Notes, the Class C4 Notes and the Class C5 Notes respectively; references to the “**Class C Noteholders**” are to the beneficial owners of the Class C Notes collectively.

The principal source of payment of amounts due under the Class B Notes will be collections and recoveries made in respect of the Portfolios. 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 will be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Class C Noteholders and the other Issuer's Creditors (as defined below), in the order of priority [of payments](#) set out in [Condition 4.1 or Condition 4.5](#). The “**Issuer's Creditors**” are: (i) the Noteholders and the Class C Noteholders; (ii) the Liquidity Providers; (iii) the Swap Counterparty; (iv) the Originators as sellers of the Claims (v) the Servicers; (vi) the Issuer's other creditors under the Transaction Documents (as defined below); and (vii) 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. The Issuer's Rights may not be seized or attached in any form by the creditors of the Issuer other than the Issuer's Creditors, until full redemption or cancellation of the Notes and the Class C Notes and full discharge by the Issuer of its obligations vis-à-vis the other Issuer's Creditors..

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Under a subscription agreement entered into on or prior to the Issue Date between the Issuer, the Originators, Crédit Agricole Indosuez Luxembourg S.A., Crédit Agricole Indosuez S.A. as lead manager (the “**Lead Manager**”) (the “**Class B Subscription Agreement**”), the Lead Manager has agreed to subscribe and pay for the Class B Notes upon the terms and subject to the conditions thereof and have appointed Crédit Agricole Indosuez Luxembourg S.A. to act as the representative of the Class B Noteholders (the “**Representative of the Noteholders**”). Under a subscription agreement entered into on or prior to the Issue Date between the Issuer, the Representative of the Noteholders, the Originators, the Lead Manager, Tokyo-Mitsubishi [International plc](#) as Senior co-lead manager (the “**Senior Co-lead Manager**”) and Bankinter SA, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and DZ BANK AG Deutsche Zentral-Genossenschaftsbank as co-lead managers (the “**Co-lead Managers**”) and together with the Lead Manager and the Senior Co-lead Manager, the “**Managers**”) (the “**Class A Subscription Agreement**”), the Lead Manager has agreed to subscribe and pay for the Class A Notes upon the terms and subject to the conditions thereof and has appointed the Representative of the Noteholders to act as the representative of the Class A Noteholders. Under a subscription agreement entered into on or prior to the Issue Date between the Issuer, the Representative of the Noteholders and the Originators (the “**Class C Subscription Agreement**”), Banca di Credito Cooperativo dell'Agro Bresciano S.c.a.r.l. has agreed to subscribe and pay for the Class C1 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C1 Noteholders, Banca di Credito Cooperativo di Alba, Langhe e Roero S.c.a.r.l. has agreed to subscribe and pay for the Class C2 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C2 Noteholders, Banca di Credito Cooperativo di Orsago S.c.a.r.l. has agreed to subscribe and pay for the Class C3 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C3 Noteholders, Banca di Credito Cooperativo di Roma S.c.a.r.l. Gruppo Cassa Rurale ed Artigiana di Roma has agreed to subscribe and pay for the Class C4 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C4 Noteholders and Romagna Est Banca di Credito Cooperativo S.c.a.r.l. has agreed to subscribe and pay for the Class C5 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C5 Noteholders, in each case upon the terms and subject to the

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conditions of the Class C Subscription Agreement (the Class A Subscription Agreement, the Class B Subscription Agreement and the Class C Subscription Agreement, the “**Subscription Agreements**”).

Under a cash administration and agency agreement 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 (as defined below), Crédit Agricole Indosuez S.A. as principal paying agent (the “**Principal Paying Agent**”), agent bank (the “**Agent Bank**”), computation agent (the “**Computation Agent**”) and cash manager (the “**Cash Manager**”), Crédit Agricole Indosuez Luxembourg S.A. as Luxembourg paying agent (the “**Luxembourg Paying Agent**”) and ICCREA Banca S.p.A. as transaction bank (the “**Transaction Bank**”): (i) the Principal Paying Agent has agreed to perform certain services in relation to the Notes and the Class C Notes, including arranging for the payment of principal and interest to the Monte Titoli Accountholders; (ii) the Agent Bank has agreed to calculate the amount of interest payable on the Notes and the Class C Notes; (iii) the Computation Agent has agreed to provide the Issuer with other calculations in respect of the Notes and the Class C Notes and to set out, in a payment report, the payments due to be made under the Notes and the Class C Notes on each Interest Payment Date; and (iv) the Transaction Bank and the Cash Manager have agreed to provide respectively certain cash administration and investment services in respect of the amounts standing, from time to time, to the credit of the Collections and Recoveries Accounts, the Principal Amortisation Reserve Accounts, the Expenses Account, the Reserve Account, the Single Portfolio Reserve Accounts and the Payments Account (each as defined below).

Under a servicing agreement entered into on or prior to the Issue Date (the “**Servicing Agreement**”) between the Issuer, the Representative of the Noteholders and each of the Originators as servicer of the Portfolio it has sold to the Issuer (collectively the “**Servicers**”), each of the Servicers has agreed to provide the Issuer with administration, collection and recovery services in respect of the relevant Portfolio and has undertaken to verify that the payment services to be provided in relation to the Transaction comply with Italian law.

The Issuer has established with the Transaction Bank the following accounts: (i) an account (the “**Payments Account**”) out of which all payments shall be made according to the order of priority of payments set out in Condition 4.1 or Condition 4.5, (ii) five accounts (the “**Collections and Recoveries Accounts**”) identified with respect to each Portfolio into which all amounts received by the Issuer on the Portfolios and under the Transaction Documents shall be paid, (iii) five accounts (the “**Principal Amortisation Reserve Accounts**”) identified with respect to each Portfolio into which the Principal Amortisation Reserve Amounts, if any, shall be paid, (iv) an account (the “**Expenses Account**”) into which the Retention Amount shall be paid and out of which certain payments with respect to the Issuer’s corporate expenses shall be made. The Issuer will establish with the Transaction Bank the following accounts: (i) an account (the “**Reserve Account**”) into which the Reserve Amount, if any, shall be paid; and (ii) five accounts (the “**Single Portfolio Reserve Accounts**”) identified with respect to each Portfolio into which the Single Portfolio Reserve Amounts, if any, shall be paid (collectively the Payments Account, the Collections and Recoveries Accounts, the Principal Amortisation Reserve Accounts, the Expenses Account, the Reserve Account and the Single Portfolio Reserve Accounts, the “**Transaction Accounts**”).

Under a corporate services agreement entered into on or prior to the Issue Date (the “**Corporate Services Agreement**”) between the Issuer, the Representative of the Noteholders and FIS Fiduciaria Generale S.p.A. as corporate administrator (the “**Corporate Administrator**”) the Corporate Administrator has agreed to provide the Issuer with certain corporate administration services.

Under a liquidity line agreement entered into on or prior to the Issue Date (the “**Liquidity Agreement**”), between the Issuer, the Representative of the Noteholders and the Originators as liquidity providers (each a “**Liquidity Provider**”), the Liquidity Providers have agreed to make available to the Issuer a revolving facility in a maximum aggregate amount determined from time to time in accordance with the provisions of the Liquidity Agreement.

The Issuer has entered into, on or prior to the Issue Date, interest rate swaps (the “**Hedging Agreements**”) with [Crédit Agricole Indosuez SA as swap counterparty](#) (the “**Swap Counterparty**”) to hedge the potential interest rate exposure of the Issuer in relation to its Euribor payment obligations under the Notes. The Hedging Agreements shall be governed by the ISDA Master Agreement (1992) between the Issuer and the Swap Counterparty, dated on or prior to the Issue Date.

These Conditions include summaries of, and are subject to, the detailed provisions of the Transfer Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement, the Liquidity Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Class A Subscription Agreement, the Class B Subscription Agreement and the Class C Subscription Agreement, the terms and conditions of the Class A Notes (the “**Class A Conditions**”), the terms and conditions of the Class C Notes (the “**Class C Conditions**”), the Hedging Agreements, the Cash Administration and Agency Agreement and the Offering Circular with respect to the Notes (all the foregoing together with these Conditions, the “**Transaction Documents**”). Copies of the Transaction Documents are available for inspection during normal business hours at the registered office of the Representative of the Noteholders, and at the respective Specified Offices of the Paying Agents.

The Class B 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 Class B 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.

In these Conditions:

“**Advance**” means any advance made by any of the Liquidity Providers to the Issuer pursuant to the Liquidity Agreement.

“**Available Class A Notes Redemption Funds**” means, with respect to any Interest Payment Date, the difference between:

- (i) the Issuer’s Available Funds in respect of such Interest Payment Date; and

- (ii) the aggregate of all payments under heads *First* through to *Tenth* of the order of priority of payments provided for in [Condition 4.1 or Condition 4.5 \(as applicable\)](#) which are required to be made by the Issuer on such Interest Payment Date.

“**Available Class B Notes Redemption Funds**” means, with respect to any Interest Payment Date, the difference between:

- (i) the Issuer’s Available Funds in respect of such Interest Payment Date; and
- (ii) the aggregate of all payments under heads *First* through to *Eleventh* of the order of priority of payments provided for in [Condition 4.1 or Condition 4.5 \(as applicable\)](#) which are required to be made by the Issuer on such Interest Payment Date.

“**BCC Agro Bresciano**” means Banca di Credito Cooperativo dell’Agro Bresciano S.c.a.r.l..

“**BCC Alba**” means Banca di Credito Cooperativo di Alba, Langhe e Roero S.c.a.r.l..

“**BCC Orsago**” means Banca di Credito Cooperativo di Orsago S.c.a.r.l..

“**BCC Roma**” means Banca di Credito Cooperativo di Roma S.c.a.r.l..

“**BCC Romagna Est**” means Romagna Est Banca di Credito Cooperativo S.c.a.r.l..

“**Borrower**” means the debtors under the Claims and their transferors, assignees and successors.

“**Business Day**” means any day on which banks are open for business in Milan and in Luxembourg and on which the Trans-European Automated Real Time Gross Transfer System (or any successor thereto) is open.

“**Calculation Date**” means the date falling five Business Days before any Interest Payment Date.

“**Call Option**” means the call option granted by the Issuer to the Originators to purchase all but not part of the Portfolios pursuant to the Transfer Agreement.

“**Class A Notes Principal Payment Amount**” means with respect to each Interest Payment Date, the aggregate of all Single Portfolio Class A Notes Principal Payment Amounts.

“**Class B Notes Principal Payment Amount**” means with respect to each Interest Payment Date, the aggregate of all Single Portfolio Class B Notes Principal Payment Amounts.

“**Clearstream**” means Clearstream Banking Luxembourg.

“**Co-lead Managers**” means collectively Bankinter SA, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and DZ BANK AG Deutsche Zentral-Genossenschaftsbank.

“**Collection Policy**” means, with respect to each Servicer, the collection policy applied by such Servicer in connection with the Portfolio it sold to the Issuer.

“**Collections**” means all the amounts collected and/or recovered under the Claims on or after the Date of Transfer and any amount received by the Issuer from the Servicers pursuant to the Servicing Agreement.

“**Date of Transfer**” means 20 September 2001.

“**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 Istruzioni di Vigilanza of Banca d’Italia and in any case a claim which has at least, as the case may be: (i) 12 Unpaid Instalments in case of Claims with Instalments which are paid monthly; (ii) 6 Unpaid Instalments in case of Claims with Instalments which are paid every two months; (iii) 5 Unpaid Instalments in case of Claims with Instalments which are paid quarterly; (iv) 4 Unpaid Instalments in case of Claims with Instalments which are paid every four months; and (v) 3 Unpaid Instalments in case of Claims with Instalments which are paid semiannually.

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“**Default Ratio**” means with respect to any Interest Payment Date, the ratio calculated as at the immediately preceding Reference 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.

“**Detrimental Event**” has the meaning ascribed to it in Condition 4.3.

“**Disequilibrium Event**” has the meaning ascribed to it in Condition 4.2.

“**Eligible Institutions**” means any depository institution organised under the laws of any state which is a member of the European Union or of the United States, the short-term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least P-1 / A-1+ from Moody’s and Standard & Poor’s respectively, and the long-term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least Aa3 / AA- from Moody’s and Standard & Poor’s respectively.

“**Eligible Investments**” means any senior, unsubordinated debt security, buy/sell back agreement, repos, commercial paper, deposit or other debt instrument issued by, or fully and unconditionally guaranteed by, an Eligible Institution, which (i) shall be denominated in Euro, (ii) will have a maturity date falling not later than two business days prior to the next following Interest Payment Date and (iii) will not be repayable in an amount determined by reference to any formula or any index.

“**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 Interest Payment Date falling in September 2021.

“**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 and unpaid on the Claims as of the Valuation Date, which shall be payable on the Interest Payment Date falling in March 2002 by the Issuer as further consideration for the purchase of such Portfolio under the Transfer Agreement, equal to, with respect to Portfolio No. 1 € 180,105; with respect to Portfolio No. 2 € 764,725; with respect to Portfolio No. 3 € 165,133; with respect to Portfolio No. 4 € 730,796 and with respect to Portfolio No. 5 € 209,853.

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“**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 Interest 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 - *interesse di mora*).

“**Interest Payment Date**” means 30 March and 30 September of each year, or, if any of such dates does not fall on a Business Day, the next following Business Day, until the Final Maturity Date; the first Interest Payment Date shall be 30 March 2002.

“**Interest Period**” means each period from (and including) an Interest Payment Date to (but excluding) the next following Interest 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 Interest Payment Date.

“**Issuer’s Available Funds**” means, in respect of each Interest Payment Date, the aggregate of:

- (i) all the Collections received by the Issuer through the Servicers, during the immediately preceding Reference Period;
- (ii) all other amounts paid during the immediately preceding Reference Period in the Collections and Recoveries Accounts (excluding, in respect of the Interest Payment Date falling in September 2002, any Available Class A Notes Redemption Funds, Available Class B Notes Redemption Funds and Single Series Available Class C Notes Redemption Funds paid into the Collections and Recoveries Accounts on the immediately preceding Interest Payment Date), including interest accrued thereon and payments received under the Eligible Investments carried out during the immediately

preceding Reference Period by the Cash Manager on the amounts standing to the credit of the Collections and Recoveries Accounts;

- (iii) all amounts standing to the credit of the Principal Amortisation Reserve Accounts at the end of the immediately preceding Reference Period;
- (iv) all interest accrued on the amount from time to time standing to the credit of the Expenses Account during the immediately preceding Reference Period and paid into the same;
- (v) all amounts due and payable to the Issuer on such Interest Payment Date under the terms of the Hedging Agreements;
- (vi) all amounts received from the Originators, if any, pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreement during the immediately preceding Reference Period; and
- (vii) all the amounts standing to the credit of the Payments Account at the end of the immediately preceding Reference Period;
- (viii) exclusively in respect of the earlier of (i) the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.1 applies following full redemption of the Class A Notes and the Class B Notes, and (ii) the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.5 applies, all amounts standing to the credit of the Reserve Account at the end of the immediately preceding Reference Period; and
- (ix) (I) exclusively in respect of the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.5 applies, all amounts standing to the credit of the Single Portfolio Reserve Accounts at the end of the immediately preceding Reference Period;
- (II) save as provided under (I) immediately above, with respect to each Interest Payment Date on which a Single Portfolio Detrimental Event does not occur and with respect to each of the Single Portfolio Reserve Accounts, the difference, if positive, between (a) the amounts standing to the credit of such Single Portfolio Reserve Account at the end of the immediately preceding Reference Period and (b) the amount calculated as follows: (I) the amounts standing to the credit of such Single Portfolio Reserve Account at the end of the preceding Reference Period, multiplied by (II) the ratio between (x) the Advances to be made available to the Issuer under the Liquidity Agreement on such Interest Payment Date by the Liquidity Providers together with the Advances made available by the Liquidity Providers on previous Interest Payment Dates and not yet fully reimbursed, and (y) the aggregate of all amounts standing to the credit of all Single Portfolio Reserve Accounts at the end of the preceding Reference Period;

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and, only in respect of payments ranking as *First, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth* and *Fourteenth* of the order of priority of payments provided for in Condition 4.5, shall include any Advances to be made to the Issuer with respect to such Interest Payment Date in relation to any Negative Balance.

“**Law 239 Deduction**” means any withholding or deduction for or on account of “*imposta sostitutiva*” under *Decreto Legislativo* No. 239 of 1 April 1996 as subsequently amended.

“**Lead Manager**” means Crédit Agricole Indosuez S.A..

“**Managers**” means collectively the Lead Manager, the Senior Co-lead Manager and the Co-lead Managers.

“**Maximum Commitment Amount**” means the maximum amount of the revolving facility which is made available to the Issuer by the Liquidity Providers under the Liquidity Agreement Agreement which is equal to € 10,606,822.

“**Monte Titoli**” means Monte Titoli S.p.A..

“**Monte Titoli Accountholders**” means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli (as *intermediari aderenti*) and includes Euroclear (as *organismo estero di gestione accentrata* - foreign clearing house) and IntesaBci S.p.A. as depositary bank appointed by Clearstream Luxembourg and is also expected to include Clearstream (as foreign clearing house) in the near future.

“**Moody’s**” means Moody’s Investors Service Inc..

“**Negative Balance**” means with respect to any Interest Payment Date (i) following the delivery of a Trigger Notice, (ii) in case of Redemption for Taxation, or (iii) in case of Optional Redemption, the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Interest Payment Date under heads *First* through to *Fourteenth* (included) of the order of priority of payments provided for in Condition 4.5 and (b) the Issuer’s Available Funds with respect to such Interest Payment Date before any Advance to be granted to the Issuer by the Liquidity Providers under the Liquidity Agreement with respect to such Interest Payment Date.

“**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 Interest Payment Date and to each Portfolio, the ratio, calculated as at the immediately preceding Reference Date, between:

- (x) the relevant Single Portfolio Notes Principal Amount Outstanding, and
- (y) the Principal Amount Outstanding of the Notes and of the Class C Notes.

“Outstanding Principal” means, with respect to any Claim and to any date, the aggregate of all Principal Instalments owing by the relevant Borrower and scheduled to be paid on and/or after such date.

“Portfolio No.1” means the portfolio of Claims which are sold to the Issuer by BCC Agro Bresciano pursuant to the Transfer Agreement.

“Portfolio No.2” means the portfolio of Claims which are sold to the Issuer by BCC Alba pursuant to the Transfer Agreement.

“Portfolio No.3” means the portfolio of Claims which are sold to the Issuer by BCC Orsago pursuant to the Transfer Agreement.

“Portfolio No.4” means the portfolio of Claims which are sold to the Issuer by BCC Roma pursuant to the Transfer Agreement.

“Portfolio No.5” means the portfolio of Claims which are sold to the Issuer by BCC Romagna Est pursuant to the Transfer 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 an Interest Payment Date on which a Disequilibrium Event has occurred and to each Portfolio, 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 out of such Single Portfolio Available Funds under all the items of the order of priority of payments set out in Condition 4.1 for the full payment of which there are sufficient Single Portfolio Available Funds with respect to all Portfolios.

“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.

“Rating Agencies” means Moody’s and Standard & Poor’s and any successors thereof and any other rating agency which shall be appointed by the Issuer to give a rating to the Notes.

“Reference Date” means the last day of each Reference Period.

“**Reference Period**” means (i) each semi-annual period commencing on 1 March (included) and ending on 31 August (included) and (ii) each semi-annual period commencing on 1 September (included) and ending on the last day of February (included), and in the case of the first Reference Period, the period commencing on (and excluding) the Valuation Date and ending on (and including) 28 February 2002.

“**relevant**” when applied to the term “Portfolio” with respect to a series of Class C Notes, means the Portfolio sold by the Originator that subscribes such series of Class C Notes pursuant to the Class C Subscription Agreement and *vice versa* when applied to the term “series of Class C Notes” with respect to a Portfolio, means the series of Class C Notes subscribed by the Originator that sold such Portfolio; the same rule of interpretation shall apply to any other term which contains the words “Portfolio” or respectively “series of Class C Notes” or which is directly and univocally linked to any of them.

“**Reserve Amount**” means, with respect to each Interest Payment Date on which the order of priority of payments set out in Condition 4.1 applies, an amount equal to the difference, if a positive number, between:

- (i) € 1,500,000, and
- (ii) the amount standing to the credit of the Reserve Account as at the Reference Date immediately preceding such Interest Payment Date.

“**Reserve Amount Quota**” means with respect to each Interest Payment Date on which a Detrimental Event has occurred and 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 Interest Payment Date out of the relevant Single Portfolio Available Funds under items from *first* to *fourteenth* of the order of priority of payments set out in Condition 4.1;

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 Interest Payment Date out of the relevant Single Portfolio Available Funds under items from *first* to *fourteenth* of the order of priority of payments set out in Condition 4.1;

multiplied by

- (ii) the ratio between:
 - (x) the Reserve Amount as at such Interest Payment Date and

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- (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 Interest Payment Date out of the relevant Single Portfolio Available Funds under items from *first* to *fourteenth* of the order of priority of payments set out in Condition 4.1.

“**Retention Amount**” means an amount equal to € 40,000.

“**Security Interest**” means any mortgage, charge, pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

“**Senior Co-lead Manager**” means Tokyo-Mitsubishi [International plc](#) in its capacity as senior co-lead manager pursuant to the Class A Subscription Agreement.

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“**Single Portfolio Amortised Principal**” means, with respect to each Interest Payment Date and to each Portfolio, an amount equal to the aggregate of:

- (i) the aggregate amount of the Principal Instalments of the Claims of such Portfolio scheduled to be paid during the immediately preceding Reference Period (excluding, (a) with respect to the Claims that have become Pre-paid Claims during such Reference Period, all Principal Instalments due and prepaid during such Reference Period and (b) with respect to the Claims that have become Defaulted Claims during such Reference Period, all Principal Instalments scheduled to be paid after the date on which such Claims became Defaulted Claims);
- (ii) the aggregate amount of the Principal Instalments of the Pre-paid Claims that have been prepaid during the immediately preceding Reference Period;
- (iii) the Outstanding Principal of the Claims of such Portfolio that have become Defaulted Claims during the immediately preceding Reference Period, as of the date when such Claims became Defaulted Claims; and
- (iv) any amount received by the Issuer during the immediately preceding Reference Period from the Originator of such Portfolio pursuant to the Transfer Agreement and/or the Warranty and Indemnity Agreement (including the principal component of the price paid by the Originators to the Issuer upon exercise of the Call Option).

“**Single Portfolio Available Funds**” means, in respect of each Interest Payment Date and of each Portfolio, the aggregate of:

- (i) all the Collections received by the Issuer, through the relevant Servicer of such Portfolio, during the immediately preceding Reference Period on the Claims of such Portfolio;

- (ii) all other amounts paid during the immediately preceding Reference Period in the relevant Collections and Recoveries Account (excluding, in respect of the Interest Payment Date falling in September 2002, any relevant Single Portfolio Class A Notes Principal Payment Amount, Single Portfolio Class B Notes Principal Payment Amount and Single Series Available Class C Notes Redemption Funds paid into such Collections and Recoveries Account on the immediately preceding Interest Payment Date), including interest accrued thereon and payments received under the Eligible Investments carried out during the immediately preceding Reference Period by the Cash Manager on the amounts standing to the credit of such Collections and Recoveries Account;
- (iii) all amounts standing to the relevant Principal Amortisation Reserve Account at the end of the immediately preceding Reference Period;
- (iv) the relevant Outstanding Notes Ratio of all interest accrued on the amounts standing from time to time to the credit of the Expenses Account during the immediately preceding Reference Period;
- (v) all amounts due and payable to the Issuer on such Interest Payment Date under the terms of the relevant Hedging Agreements entered into to hedge the interest rate risks with respect to such Portfolio;
- (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 such Portfolio during the immediately preceding Reference Period; and
- (vii) the relevant Outstanding Notes Ratio of all the amounts standing to the credit of the Payments Account at the end of the immediately preceding Reference Period;
- (viii) with respect to each Interest Payment Date on which a Single Portfolio Detrimental Event has not occurred, the difference, if positive, between (a) the amounts standing to the credit of such Single Portfolio Reserve Account at the end of the immediately preceding Reference Period and (b) the amount calculated as follows: (I) the amounts standing to the credit of such Single Portfolio Reserve Account at the end of the preceding Reference Period, multiplied by (II) the ratio between (x) the Advances to be made available to the Issuer under the Liquidity Agreement on such Interest Payment Date by the Liquidity Providers together with the Advances made available by the Liquidity Providers on previous Interest Payment Dates and not yet fully reimbursed, and (y) the aggregate of all amounts standing to the credit of all Single Portfolio Reserve Accounts at the end of the preceding Reference Period;
- (ix) with respect to the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.1 applies following full redemption of the Class A Notes and the Class B Notes, the amounts standing to the credit of the Reserve Account which were paid into out of the relevant Single Portfolio Available Funds;

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and, only in respect of payments ranking as *First, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth* and *Fourteenth* of the order of priority of payments provided for in Condition 4.1, shall include any Advances which are made to the Issuer with respect to such Interest Payment Date in relation to any Single Portfolio Negative Balance of such Portfolio.

“Single Portfolio Class A Notes Principal Amount Outstanding” means with respect to each Interest 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 Interest Payment Dates.

“Single Portfolio Class B Notes Principal Amount Outstanding” means with respect to each Interest Payment Date and to each Portfolio the difference between:

- (i) the relevant Single Portfolio Initial Class B Notes Principal Amount Outstanding; and
- (ii) the aggregate of all the Single Portfolio Class B Notes Principal Payment Amounts paid to the Class B Noteholders on the preceding Interest Payment Dates.

“Single Portfolio Class A Notes Principal Payment Amount” means with respect to each Interest Payment Date and to each Portfolio the lesser of:

- (i) the relevant Single Portfolio Amortised Principal, and
- (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding;

each as at the immediately preceding Reference Date.

“Single Portfolio Class B Notes Principal Payment Amount” means with respect to each Interest Payment Date and to each Portfolio the lesser of:

- (i) the relevant Single Portfolio Amortised Principal, and
- (ii) the Single Portfolio Class B Notes Principal Amount Outstanding;

each as at the immediately preceding Reference Date.

“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 13.02% of the Class A Notes, equal to € 36,656,020; (ii) with respect to Portfolio No.2 the Principal Amount Outstanding as at the Issue Date of 24.84% of the Class A Notes, equal to €

69,917,538; (iii) with respect to Portfolio No.3 the Principal Amount Outstanding as at the Issue Date of 18.49% of the Class A Notes, equal to € 52,059,343; (iv) with respect to Portfolio No.4 the Principal Amount Outstanding as at the Issue Date of 33.74% of the Class A Notes, equal to € 94,983,083; and (v) with respect to Portfolio No.5 the Principal Amount Outstanding as at the Issue Date of 9.91% of the Class A Notes, equal to € 27,884,016.

“**Single Portfolio Initial Class B Notes Principal Amount Outstanding**” means (i) with respect to Portfolio No.1 the Principal Amount Outstanding as at the Issue Date of 13.02% of the Class B Notes, equal to € 1,953,251; (ii) with respect to Portfolio No.2 the Principal Amount Outstanding as at the Issue Date of 24.84% of the Class B Notes, equal to € 3,725,624; (iii) with respect to Portfolio No.3 the Principal Amount Outstanding as at the Issue Date of 18.49% of the Class B Notes, equal to € 2,774,032; (iv) with respect to Portfolio No.4 the Principal Amount Outstanding as at the Issue Date of 33.74% of the Class B Notes, equal to € 5,061,266; and (v) with respect to Portfolio No.5 the Principal Amount Outstanding as at the Issue Date of 9.91% of the Class B Notes, equal to € 1,485,827.

“**Single Portfolio Negative Balance**” means with respect to any Interest Payment Date and to each Portfolio the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Interest Payment Date under heads *First* through to *Fourteenth* (included) of the order of priority of payments provided for in Condition 4.1 and (b) the Single Portfolio Available Funds with respect to such Portfolio and to such Interest Payment Date before any Advance to be granted to the Issuer by the relevant Liquidity Provider under the relevant Liquidity Agreement with respect to such Interest Payment Date and excluding any amount under item (viii) of the definition of Single Portfolio Available Funds.

“**Single Portfolio Notes Principal Amount Outstanding**” means with respect to each Interest Payment Date:

- (i) with respect to Portfolio No.1, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C1 Notes,
- (ii) with respect to Portfolio No.2, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C2 Notes,
- (iii) with respect to Portfolio No.3, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C3 Notes,
- (iv) with respect to Portfolio No.4, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes

Principal Amount Outstanding and the Principal Amount Outstanding of the Class C4 Notes, and

- (v) with respect to Portfolio No.5, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C5 Notes,

in each case as at the immediately preceding Reference Date.

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

- (i) the relevant Single Portfolio Available Funds, and
- (ii) the aggregate of all amounts to be paid by the Issuer out of such Single Portfolio Available Funds under items from *first* to *fifteenth* of the order of priority of payments set out in Condition 4.1.

“**Single Provider Maximum Commitment Amount**” means the maximum amount which each Liquidity Provider will make available to the Issuer under the terms of the Liquidity Agreement, which is equal to: (i) with respect to BCC Agro Bresciano € 1,085,142; (ii) with respect to BCC Alba € 2,634,284; (iii) with respect to BCC Orsago € 2,227,636; (iv) with respect to BCC Roma € 3,834,299; and (v) with respect to BCC Romagna Est € 825,461.

“**Single Series Available Class C Notes Redemption Funds**” means with respect to each Interest Payment Date and to each series of Class C Notes, an amount, calculated as at the Reference Date immediately preceding such Interest 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 C Notes according to the order of priority of payments set out in Condition 4.1 or Condition 4.5 as applicable; and
- (ii) the Principal Amount Outstanding of such series of Class C Notes.

“**Single Series Class C Notes Interest Payment Amount**” means with respect to each Interest Payment Date and to each series of Class C Notes an amount, calculated as at the Reference Date immediately preceding such Interest Payment Date, equal to:

- (i) the aggregate of all Interest Instalments accrued on the Claims of the relevant Portfolio in the immediately preceding Reference Period (excluding Interest Accruals);

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plus

(ii) the aggregate of all fees for prepayment paid on the Claims of the relevant Portfolio in the immediately preceding Reference 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 Reference Period;

plus

(iv) all amounts to be received by the Issuer under the relevant Hedging Agreements on the next following Interest Payment Date;

plus

(v) all amounts received or recovered by the Issuer in the immediately preceding Reference Period with respect to Claims of the relevant Portfolio which are or have been Defaulted Claims;

plus

(vi) (a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Payments Account and the Expenses Account and paid into the same; (b) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the relevant Collections and Recoveries Account, Single Portfolio Reserve Account and Principal Amortisation Reserve Account and paid into the same during the immediately preceding Reference Period; and (c) all amounts of interest (if any) accrued 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 Reference Period;

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plus

(vii) the relevant Outstanding Notes Ratio of all amounts of interest accrued and paid (if any) from Eligible Investments during the immediately preceding Reference Period;

minus

(viii) the aggregate of all amounts due to be paid by the Issuer on the next following Interest Payment Date out of the relevant Single Portfolio Available Funds under heads *First* and *Third* through to *Seventh*, plus *Ninth*, *Tenth*, *Thirteenth* and *Fourteenth* of the order of priority of payments set out in Condition 4.1 or the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer under heads *First* and *Third* through to *Seventh*, plus *Ninth*, *Tenth*, *Thirteenth* and *Fourteenth* of the order of priority of payments set out in Condition 4.5;

minus

- (ix) the Outstanding Balance of all the Claims of the relevant Portfolio which have become Defaulted Claims during the immediately preceding Reference Period calculated as at the immediately preceding Reference Date.

“**Specified Office**” means with respect to the Principal Paying Agent: Crédit Agricole Indosuez S.A., Milan Branch at: Via Brera No. 21 20121, Milan (Italy) and with respect to the Luxembourg Paying Agent: Crédit Agricole Indosuez Luxembourg S.A., 39 Allée Scheffer, L2520 Luxembourg and such other office as will be notified to the Noteholders by the Representative of the Noteholders.

“**Standard & Poor’s**” means Standard & Poor’s Rating Services, a division of the McGraw Hill Companies.

“**Unpaid Instalment**” means any Instalment that is not duly paid by the relevant borrower on the scheduled date for payment thereof.

“**Valuation Date**” means 31 August 2001.

1. FORM, DENOMINATION AND TITLE

1.1 Subject to the provisions of Condition 1.3 below, the Class B Notes are issued in the denomination of € 1,000.

1.2 The Class B Notes are wholly and exclusively deposited with Monte Titoli’s system in accordance with Article 28 of Decreto Legislativo No. 213 of 24 June 1998.

1.3 The Class B Notes are issued in dematerialised form and are held on behalf of the beneficial owners until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Accountholders. The Class B Notes will at all times be in book entry form and title to the Class B Notes will be evidenced by book entry in accordance with the provisions of (i) Article 28 of Decreto Legislativo No. 213 of 24 June 1998; and (ii) *Deliberazione* No. 11768 of 23 December 1998 of Commissione Nazionale per le Società e la Borsa - CONSOB as amended by *Deliberazione* No. 12497 of 20 April 2000. No physical document of title will be issued carrying the rights of or representing the Class B Notes.

2. STATUS, PRIORITY AND SEGREGATION

2.1 The Class B Notes constitute limited recourse obligations of the Issuer and, accordingly, the extent of the obligation of the Issuer to make payments under the Class B Notes is limited to the amounts received or recovered by the Issuer in respect of the Portfolios and the other Issuer's Rights. The Class B Noteholders acknowledge that the limited recourse nature of the Class B Notes produces the effects of a “*contratto aleatorio*” and accept the consequences thereof.

2.2 The Class B Notes rank *pari passu* and rateably without preference or priority amongst themselves.

3. COVENANTS

So long as any amount in respect of the Notes remains outstanding, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders or as provided for in or envisaged by any of the Transaction Documents:

3.1 *Negative pledge*

create or permit to subsist any Security Interest whatsoever over any of the Portfolios or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Portfolios or any of its assets related to the Transaction;

3.2 *Restrictions on activities*

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;

have any *società controllata* (subsidiary) or *società collegata* (affiliate company) (as defined in Article 2359 of the *Codice Civile*) or any employees or premises;

at any time approve or agree or consent to any act or thing whatsoever which is materially prejudicial to the interests of the Class B Noteholders under the Transaction Documents or do, or permit to be done, any act or thing in relation thereto which is materially prejudicial to the interests of the Class B Noteholders under the Transaction Documents;

3.3 *Dividends, Distributions and Capital Increases*

pay any dividend or make any other distribution or return or repay any equity capital to its shareholders, or increase its capital;

3.4 *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of indebtedness or of any obligation of any person other than for the purposes of the Transaction;

3.5 *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;

3.6 *No variation or waiver*

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, or exercise any powers of consent or waiver pursuant to the terms of any of such Transaction Documents, or permit any party to any of such Transaction Documents to be released from the obligations thereunder;

3.7 *Bank Accounts*

establish any bank account other than the Transaction Accounts, without the prior approval of the Representative of the Noteholders;

3.8 *Statutory Documents*

amend, supplement or otherwise modify its *Statuto* or *Atto Costitutivo*, other than with the approval of the Representative of Noteholders and in compliance with the provisions of the Shareholders Agreement;

none of the above covenants shall prohibit the Issuer from carrying out the securitisation of one or more further portfolios of claims or to issue further notes or incur further indebtedness in relation thereto, provided that:

- (i) the Rating Agencies will confirm that the ratings of the then outstanding Notes shall not be adversely affected and a rating alert shall not be triggered by such securitisation and/or issue and/or indebtedness;
- (ii) the intercreditor agreement to be executed in the context of such new securitisation and/or the terms and conditions of the notes to be issued in relation thereto will provide for a covenant by the creditors of the Issuer in the context of such securitisation not to take any steps for the purpose of procuring the declaration of insolvency, the commencement of any bankruptcy proceeding or the winding up of the Issuer so long as any amount in respect of the Notes or of the Class C Notes remains outstanding;
- (iii) the Issuer's Creditors and the creditors of the Issuer in the context of such securitisation will enter into the necessary agreements to ensure that (i) costs, expenses and taxes incurred in relation to the Transaction and such new securitisation are borne by the Issuer's Rights and respectively by the rights of the Issuer in the context of such new securitisation, and (ii) costs, expenses and taxes 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 (including fees payable to the Corporate Administrator) are borne in equal parts by the Issuer's Rights and by the rights of the Issuer in the context of such new securitisation;
- (iv) the Representative of the Noteholders will receive a legal opinion acceptable to the same, which confirms that (i) the segregation between the Issuer's Rights and the rights

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of the Issuer in the context of the new securitisation is fully realised and (ii) that such new securitisation respects Law 130 and all implementing regulations.

4. ORDER OF PRIORITY

- 4.1 Save for the provisions of Condition 4.5, the Single Portfolio Available Funds relating to each of the Portfolios shall be applied on each Interest 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, (in no order of priority *inter se*, but *pro rata* to the extent of the respective amounts thereof) to pay the relevant Outstanding Notes Ratio of (i) all costs and taxes 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 (including fees payable to the Corporate Administrator), (ii) all costs and taxes required to be paid to maintain the rating of the Notes and (iii) all costs and taxes required to be paid in connection with the registration and deposit of the Notes and the Class C Notes, or any notice to be given to the Noteholders and the Class C Noteholders or the other parties to the Transaction Documents;

Second, to repay the Advances (if any) under the Liquidity Agreement made to the Issuer by the Liquidity Provider which is primarily responsible to provide liquidity support to such Portfolio;

Deleted: , in respect of any Single Portfolio Negative Balance of such Portfolio

Third, to pay the amounts due and payable on such Interest Payment Date to the Swap Counterparty under the Hedging Agreements entered into to hedge the interest rate risks arising with respect to such Portfolio (excluding unwinding costs);

Fourth, 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 Interest Payment Date equals the Retention Amount;

Fifth, (in no order of priority *inter se*, but *pro rata* to the extent of the respective amounts thereof) to pay the relevant Outstanding Notes Ratio of the fees and reimbursements due to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the Principal Paying Agent, the Luxembourg Paying Agent and the Representative of Noteholders;

Sixth, to pay the fees and reimbursements due to the Servicer of such Portfolio pursuant to the Servicing Agreement;

Seventh, to pay the commitment fee due to the Liquidity Provider which is primarily responsible to provide liquidity support to such Portfolio under the Liquidity Agreement;

Eighth, to pay to the relevant Originator any amount due by the Issuer as restitution of indemnities paid by such Originator to the Issuer under the terms of the Warranty and Indemnity Agreement;

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

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

Eleventh, to pay the relevant Single Portfolio Class A Notes Principal Payment Amount with respect to such Interest Payment Date and the relevant Single Portfolio Class A Notes Principal Payment Amount due with respect to previous Interest Payment Dates but unpaid; provided that on the Interest Payment Dates falling in March 2002 and in September 2002 the amount which would be payable to the Class A Noteholders according to the foregoing will be paid into the relevant Collections and Recoveries Account and will become payable to the Class A Noteholders on the Interest Payment Date falling in March 2003 (*pro rata* according to the amounts then due);

Twelfth, after the Class A Notes have been redeemed in full, to pay the Single Portfolio Class B Notes Principal Payment Amount with respect to such Interest Payment Date and the Single Portfolio Class B Notes Principal Payment Amount due with respect to previous Interest Payment Dates but unpaid; provided that on the Interest Payment Dates falling in March 2002 and in September 2002 the amount which would be payable to the Class B Noteholders according to the foregoing will be paid into the relevant Collections and Recoveries Account and will become payable to the Class A Noteholders on the Interest Payment Date falling in March 2003 (*pro rata* according to the amounts then due);

Thirteenth, to pay all amounts of interest due and payable on the Advances made to the Issuer by the Liquidity Provider which is primarily responsible to provide liquidity support to such Portfolio under the Liquidity Agreement;

Deleted: in respect of any Single Portfolio Negative Balance of such Portfolio

Fourteenth, to pay the amounts due and payable on such Interest Payment Date to the Swap Counterparty as unwinding costs under the Hedging Agreements entered into to hedge the interest rate risks arising with respect to such Portfolio;

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

Sixteenth, to pay to the Originator of such Portfolio the Interest Accruals with respect to such Portfolio;

Seventeenth, to pay to the Originator of such Portfolio any amount due and payable in respect of purchase price adjustments due to 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 Originator of such Portfolio);

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

Nineteenth, following full redemption of the Class A Notes and the Class B Notes, to redeem the Principal Amount Outstanding on the relevant series of Class C Notes in the maximum amount of the relevant Single Series Available Class C Notes Redemption Funds provided that on the Interest Payment Dates falling in March 2002 and in September 2002 the amount which would be payable in redemption of each series of Class C Notes according to the foregoing shall be paid into the relevant Collections and Recoveries Account and shall become payable to the Class C Noteholders of such Series of Class C Notes on the Interest Payment Date falling in March 2003 (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof);

Twentieth, to pay any surplus into the relevant Collections and Recoveries Account or, after full and final settlement of all the payments due under this order of priority and full redemption of the Class A Notes, the Class B Notes and the Class C Notes, to pay any surplus remaining on the balance of the relevant 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, Reserve Account and Expenses Account (i) as to the Single Portfolio Available Funds relating to Portfolio No.1, to the Class C1 Noteholders, (ii) as to the Single Portfolio Available Funds relating to Portfolio No.2, to the Class C2 Noteholders, (iii) as to the Single Portfolio Available Funds relating to Portfolio No.3, to the Class C3 Noteholders, (iv) as to the Single Portfolio Available Funds relating to Portfolio No.4, to the Class C4 Noteholders, (v) as to the Single Portfolio Available Funds relating to Portfolio No.5, to the Class C5 Noteholders.

- 4.2** On each Interest Payment Date with respect to which the order of priority of payments provided for in Condition 4.1 applies, following a written notice from the Computation Agent to the Issuer, the Liquidity Providers and the Representative of the Noteholders that a Disequilibrium Event with respect to one or more Portfolios has occurred, the Issuer shall be obliged to pay into each of the Principal Amortisation Reserve Accounts the relevant Principal Amortisation Reserve Amount.

A Disequilibrium Event shall occur with respect to a Portfolio when the Single Portfolio Available Funds relating to such Portfolio, available for the payments to be made according to the order of priority of payments set out in condition 4.1, are not sufficient to pay in full the amounts due under item *Eleventh* or *Twelfth* while the Single Portfolio

Available Funds relating to all or some of the other Portfolios available for the payment of the amounts under the same item according to the order of priority of payments set out in Condition 4.1, are sufficient to pay in full the amounts due under such item and to pay all or part of the amounts under the following item or items.

- 4.3** On each Interest Payment Date with respect to which the order of priority of payments provided for in Condition 4.1 applies, but excluding any Interest Payment Date with respect to which a Disequilibrium Event has occurred, following a written notice from the Computation Agent to the Issuer, the Liquidity Providers 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.

A Detrimental Event shall occur with respect to an Interest Payment Date when the Advance to be drawn under the Liquidity Agreement to provide liquidity support [with respect to the Portfolios](#) on such Interest Payment Date together with all Advances drawn thereunder on previous Interest Payment Date and not yet fully reimbursed to the Liquidity Providers is an amount equal to or higher than 20% of the Maximum Commitment Amount.

- 4.4** On each Interest Payment Date with respect to which the order of priority of payments provided for in Condition 4.1 applies but excluding any Interest Payment Date with respect to which a Disequilibrium Event has occurred, following a written notice from the Computation Agent to the Issuer, the Liquidity Providers 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 each of the Portfolios into the relevant Single Portfolio Reserve Account.

A Single Portfolio Detrimental Event shall occur with respect to an Interest Payment Date and to a Portfolio, when the Advances to be made available to the Issuer under the Liquidity Agreement on such Interest Payment Date by the Liquidity Provider which, under the terms of the Liquidity Agreement, is primarily responsible to give liquidity support to the Issuer in respect of such Portfolio (i.e. the Liquidity Provider which is the originator of such Portfolio or any authorised successors thereof) together with any Advance made available by such Liquidity Provider on previous Interest Payment Dates and not yet fully reimbursed, is an amount equal to or higher than 50% of the Single Provider Maximum Commitment Amount with respect to such Liquidity Provider.

- 4.5** In each of the following cases: (i) following the delivery of a Trigger Notice pursuant to Condition 9.1, (ii) in case of Redemption for Taxation pursuant to Condition 6.2, or (iii) in case of Optional Redemption pursuant to Condition 6.4, the Issuer's Available Funds shall be applied on each Interest 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, (in no order or priority *inter se*, but *pro rata* to the extent of the respective amounts thereof) to pay (i) all costs and taxes 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 (including fees payable to the Corporate Administrator), all costs and taxes required to be paid to maintain the rating of the Notes and (iii) all costs and taxes required to be paid in connection with the registration and deposit of the Notes and the Class C Notes, or any notice to be given to the Noteholders and the Class C Noteholders or the other parties to the Transaction Documents;

Second, to repay the Advances (if any) under the Liquidity Agreement made by the Liquidity Providers to the Issuer (*pro rata* according to the amounts then due);

Third, to pay all the amounts due and payable on such Interest Payment Date to the Swap Counterparty under the Hedging Agreements (excluding unwinding costs);

Fourth, to pay into the Expenses Account the the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Interest Payment Date equalsthe Retention Amount;

Fifth, (in no order of priority *inter se*, but *pro rata* to the extent of the respective amounts thereof) to pay all the fees and reimbursements due to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the Principal Paying Agent, the Luxembourg Paying Agent and the Representative of Noteholders;

Sixth, to pay all the fees and reimbursements due to the Servicers pursuant to the Servicing Agreement (*pro rata* according to the amounts then due);

Seventh, to pay the commitment fee due to the Liquidity Providers under the Liquidity Agreement (*pro rata* according to the amounts then due);

Eighth, to pay to the Originators any amount due by the Issuer as restitution of indemnities paid by any of the Originators to the Issuer under the terms of the Warranty and Indemnity Agreement;

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

Tenth, to pay all amounts of interest due and payable on the Class B Notes on such Interest Payment Date (*pro rata* according to the amounts then due);

Eleventh, to pay the Principal Amount Outstanding on the Class A Notes on such Interest Payment Date (*pro rata* according to the amounts then due) provided that the Available Class A Notes Redemption Funds with respect to the Interest Payment Dates falling in March 2002 and September 2002 shall be paid into the Collections and Recoveries Account and will become payable to the Class A Noteholders on the Interest Payment Date falling in March 2003 (*pro rata* according to the amounts then due);

Twelfth, after the Class A Notes have been redeemed in full, to pay the Principal Amount Outstanding on the Class B Notes on such Interest Payment Date (*pro rata* according to the amounts then due) provided that the Available Class B Redemption Funds with respect to the Interest Payment Dates falling in March 2002 and September 2002 shall be paid into the Collections and Recoveries Account and will become payable to the Class B Noteholders on the Interest Payment Date falling in March 2003 (*pro rata* according to the amounts then due);

Thirteenth, to pay interest due and payable on the Advances made by the Liquidity Providers to the Issuer under the Liquidity Agreement (*pro rata* according to the amounts then due);

Fourteenth, to pay the amounts due and payable on such Interest Payment Date to the Swap Counterparty as unwinding costs under the Hedging Agreement;

Fifteenth, to pay to each of the Originators the Interest Accruals with respect to the relevant Portfolio (*pro rata* according to the amounts then due);

Sixteenth, to pay to the Originators any amount due and payable in respect of purchase price adjustments due to 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);

Seventeenth, to pay the Single Series Class C Notes Interest Payment Amount due and payable on each series of Class C Notes (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof);

Eighteenth, following full redemption of the Class A Notes and the Class B Notes, to redeem the Principal Amount Outstanding on each series of Class C Notes in the maximum amount of the relevant Single Series Available Class C Notes Redemption Funds (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof) provided that the Single Series Available Class C Notes Redemption Funds with respect to the Interest Payment Dates falling in March 2002 and September 2002 and to each series of Class C Notes shall be paid into the relevant Collections and Recoveries Account and shall become payable to the Class C Noteholders on the Interest Payment Date falling in March 2003 (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof);

Nineteenth, to pay any surplus to the Class C Noteholders,

Deleted: (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof)

5. INTEREST

5.1 *Interest Payment Dates and Interest Periods*

Each of the Class B Notes bears interest on its Principal Amount Outstanding from (and including) the Issue Date. Save as provided for in Condition 5.8 below, interest in respect of the Class B Notes is payable in Euro semi-annually in arrears on each Interest Payment Date.

Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.

Interest shall cease to accrue on any part of the Principal Amount Outstanding of the Class B Notes as from (and including) the due date for redemption of such part unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal (after as well as before judgement) at the rate from time to time applicable to the Class B Notes until the moneys in respect thereof have been received by the Principal Paying Agent on behalf of the relevant Class B Noteholders and notice to that effect is given by the Issuer in accordance with Condition 13 hereof.

5.2 *Interest Rate*

The rate of interest applicable from time to time to the Class B Notes (the “**Class B Interest Rate**”) will be determined by the Agent Bank on the relevant Interest Determination Date.

There shall be no maximum or minimum Class B Interest Rate and the Class B Interest Rate for each Interest Period shall be the aggregate of:

5.2.1 0,95% per annum; and

5.2.2 (A) Euribor for six 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 six month Euro deposits in the Euro-zone inter-bank market which appear on Page Euribor01 of Reuters Screen (or (i) such other page as may replace Page Euribor01 on that service for the purpose of displaying such information or, (ii) if that service ceases to display such information, such page displaying such information on such equivalent service (or, if more than one, that one 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 is unavailable at such time for six 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 six 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, two only 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, one only 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 so 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 5.2.2 shall have applied.

5.3 *Determination of the Interest Rate and Calculation of the Interest Payment Amount*

The Agent Bank shall, on each Interest Determination Date:

- 5.3.1** determine the Class B 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
- 5.3.2** calculate the Euro amount (the “**Class B Interest Payment Amount**”) payable on the Class B Notes in respect of such Interest Period. The Class B Interest Payment Amount payable in respect of any Interest Period shall be calculated by applying the relevant Class B Interest Rate to the Principal Amount Outstanding of the Class B Notes on the Interest Payment Date at the commencement of such Interest Period (after deducting therefrom any payment of principal due on that Interest 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 elapsed in the relevant Interest Period divided by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

5.4 *Publication of the Class B Interest Rate and the Class B Interest Payment Amount*

The Agent Bank will cause the Class B Interest Rate and the Class B Interest Payment Amount applicable to each Interest Period to be notified promptly after their determination to the Issuer, the Representative of the Noteholders, the Computation Agent, the Servicers, the Transaction Bank, Monte Titoli, Euroclear, Clearstream, the Principal Paying Agent, the Luxembourg Paying Agent and the Luxembourg Stock Exchange and will cause the same to be published in accordance with Condition 13 hereof as soon as possible after the 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 Class B Interest Rate and/or does not calculate the Class B Interest Payment Amount in accordance with Condition 5.3 above, the Representative of the Noteholders shall:

5.5.1 determine the Class B 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).

5.5.2 calculate the Class B Interest Payment Amount in the manner specified in Condition 5.3 above,

and any such determination and/or calculation shall be deemed to have been made by the Agent Bank.

5.6 *Notification to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5, whether by the Reference Banks (as defined in Condition 5.7 below) (or any of them), the Agent Bank, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default, gross negligence, bad faith or manifest error) be binding on the Reference Banks, the Agent Bank, the Computation Agent, the Issuer, the Representative of the Noteholders and all Class B Noteholders and (in such absence as aforesaid) no liability to the Class B 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 Class B 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 IntesaBci S.p.A., SANPAOLO Imi S.p.A. and Banca di Roma S.p.A.. In the event of any such bank being unable or unwilling to continue to act as a Reference Bank or any of them being merged or incorporated 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 Agent Bank may not resign until a successor approved in writing by the Representative of the Noteholders has been appointed. If a new Agent Bank is appointed, a notice will be published in accordance with Condition 13 below.

5.8 *Unpaid Interest*

In the event that the Issuer's Available Funds available to the Issuer on any Interest Payment Date (in accordance with the order of priority [of payments](#) set out in Condition [4.1 or Condition 4.5](#)) for the payment of interest due on the Class B Notes on such Interest Payment Date are not sufficient to satisfy in full the aggregate amount of such interest, the amount by which the aggregate amount of interest paid on such Interest Payment Date falls short of the aggregate amount of interest which would otherwise be due shall accrue interest with respect to each Interest Period during which it remains outstanding at the Class B Interest Rate and shall be aggregated with the amount of, and treated for the purposes of these Conditions as if it were, interest due on the Class B Notes on the next following Interest Payment Date.

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The Issuer shall arrange for notice to be given forthwith by the Agent Bank to the Luxembourg Stock Exchange, the Representative of the Noteholders, the Paying Agents and the Computation Agent and will cause notice to that effect to be given to the Class B Noteholders in accordance with Condition 13 hereof, no later than three Business Days prior to any Interest Payment Date, of any Interest Payment Date on which, pursuant to this Condition 5.8, interest on the Class B 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 whole the Class B Notes at their Principal Amount Outstanding on the Final Maturity Date.

The Issuer may not redeem the Class B Notes in whole or in part prior to that date except as provided for in Conditions 6.2, 6.3, 6.4 or 6.5 below, but without prejudice to Condition 9 hereof.

Save as provided for in Condition 9 below, if the Class B Notes cannot be redeemed in full on the Final Maturity Date, as a result of the Issuer having insufficient Available Class B Redemption Funds for application in or towards such redemption, any amount outstanding whether in respect of interest, principal or other amounts in relation to the Class B Notes shall be finally and definitely cancelled.

6.2 *Redemption for Taxation*

If the Issuer at any time satisfies the Representative of the Noteholders that:

- (i) (A) on the next Interest Payment Date the Issuer would be required to deduct or withhold (other than in respect of a Law 239 Deduction) from any payment of principal or interest on the 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 and/or the Hedging Agreements would be subject to withholding or deduction), or
- (B) the Issuer has become liable to *imposta sul reddito delle persone giuridiche (IRPEG)* or to *imposta regionale sulle attività produttive (IRAP)* with respect to income arising from any of the Portfolios or the Hedging Agreements, and
- (ii) that the Issuer 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 and any amounts required under the Intercreditor Agreement to be paid in priority to, or *pari passu* with, the Notes,

the Issuer may, on the first Interest Payment Date on which such necessary funds become available to it, redeem the Notes (in whole but not in part) at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to and including the relevant Interest Payment Date And on such Interest Payment Date the order of priority of payments set out in Condition 4.5 will become applicable provided that prior to such Interest Payment Date (a) the Issuer shall have given prior written notice to the Representative of the Noteholders, to the Servicers and to the Noteholders in accordance with Condition 13 hereof, and (b) Class A Noteholders representing at least 75% of the Principal Amount Outstanding of the Class A Notes or, after full redemption of the Class A Notes, Class B Noteholders representing at least 75% of the Principal Amount Outstanding of the Class B Notes, shall have instructed the Issuer to redeem the Notes (in whole but not in part).

6.3 *Mandatory Redemption*

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

- A. on the Interest Payment Date falling in March 2003 and on each Interest Payment Date falling thereafter, in a maximum amount equal to the Class B Notes Principal Payment Amount with respect to such Interest Payment Date,
- B. on any Interest Payment Date (i) following the delivery of a Trigger Notice pursuant to Condition 9.1, (ii) in case of Redemption for Taxation pursuant to Condition 6.2, or (iii) in case of Optional Redemption pursuant to Condition 6.4, at their Principal Amount Outstanding,

if, on each Calculation Date preceding such Interest Payment Date, it is determined that there will be sufficient Issuer's Available Funds which may be applied for this purpose in accordance with the order of priority of payments set out in Condition 4.1 or in Condition 4.5 as applicable.

6.4 *Optional Redemption*

Should, at any Calculation Date with respect to any Interest Payment Date falling on or after March 2003, the Principal Amount Outstanding of the Notes become equal to or lower than 10% of the aggregate Principal Amount Outstanding of the Notes on the Issue Date, the Issuer shall have the option but not the obligation, after having given prior written notice to the Representative of the Noteholders, to the Servicers and to the Class B Noteholders in accordance with Condition 13 hereof, on the first Interest Payment Date, following such Calculation Date, on which the necessary funds become available to it, to redeem in whole but not in part the Notes by repaying the Principal Amount Outstanding of the Notes together with interest accrued thereon and on such Interest Payment Date the order of priority of payments set out in Condition 4.5 will become applicable.

6.5 *Sale of the Portfolios*

In the following circumstances:

- (i) in case of Redemption for Taxation pursuant to Condition 6.2,
- (ii) in case of Optional Redemption pursuant to Condition 6.4,
- (iii) after a Trigger Notice has been given to the Issuer and the Servicers pursuant to Condition 9 if a number of Class A Noteholders representing at least 75% of the Principal Amount Outstanding of the Class A Notes or, after full redemption of the Class A Notes a number of Class B Noteholders representing at least 75% of the Principal Amount Outstanding of the Class B Notes, resolve to request to the Issuer to sell all but not only part of the Claims to third parties,

The Issuer is authorised, with the assistance of the Computation Agent and the Representative of the Noteholders, to search for potential purchasers all but not only part of the Portfolios.

Should a sale of the Portfolios take place, the proceeds of such sale shall be treated by the Issuer as Issuer's Available Funds and shall as from the immediately subsequent Interest Payment Date be applied for payments due to be made by the Issuer according to the order of priority of payments set out in Condition 4.5.

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 Class B Notes in accordance with Condition 6.2 or Condition 6.4 respectively.

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6.7 *Principal Payments and Principal Amount Outstanding*

On each Calculation Date the Issuer shall determine or procure that the Computation Agent determines (on the Issuer's behalf):

6.7.1 the amount of the Available Class B Notes Redemption Funds with respect to the following Interest Payment Date (if any);

6.7.2 the amount of any principal payment payable on the Class B Notes on the next following Interest Payment Date and, for the Interest Payment Dates prior to March 2003, the amounts of principal to be retained in each of the Collections and Recoveries Accounts; and

6.7.3 the Principal Amount Outstanding of the Class B Notes on the next following Interest Payment Date (after deducting any principal payment due to be made on the Class B Notes on that Interest Payment Date).

Each determination by or on behalf of the Issuer of Available Redemption Funds, any principal payment and the Principal Amount Outstanding of the Class B Notes shall in each case (in the absence of wilful default, gross negligence, bad faith or manifest error) be final and binding on all persons.

The Issuer shall, no later than four Business Days prior to each Interest Payment Date, cause each determination of a principal payment (if any) and Principal Amount Outstanding of the Class B Notes to be notified forthwith by the Computation Agent to the Representative of the Noteholders, the Servicers, the Transaction Bank, Euroclear, Clearstream, the Luxembourg Stock Exchange, the Paying Agents and Monte Titoli and shall cause notice of each determination of a principal payment and Principal Amount Outstanding of the Class B Notes to be given to the Class B Noteholders in accordance with Condition 13 hereof. As long as the Class B Notes are not redeemed in full, if no principal payment is due to be made on the Class B Notes on an Interest Payment Date, notice to this effect shall also be given by the Issuer to the Class B Noteholders in accordance with Condition 13 hereof.

If no principal payment or Principal Amount Outstanding of the Class B 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 Class B Notes shall be determined by the Representative of the Noteholders 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 Class B Notes.

6.9 *Cancellation*

All Class B Notes redeemed in full will be cancelled upon redemption and may not be re-sold or re-issued.

7. PAYMENTS

7.1 The Principal Paying Agent shall arrange for payment of principal and interest in respect of the Class B Notes to be made through the relevant operators of Monte Titoli, Clearstream and Euroclear to the accounts of the beneficial owners of the Class B 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 Class B Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.

7.5 If the due date for any payment of principal and/or interest (or any later date on which any Class B Note could otherwise be presented for payment) is not a Business Day, the Class B Noteholders will not be entitled to payment of the relevant amount until the immediately following Business Day. Class B 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.

7.6 The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other paying agents including the Principal Paying Agent provided that (as long as the Class B Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require) the Issuer will at all times maintain a paying agent having a specified office in Luxembourg.

The Issuer will cause at least 30-day prior notice to be given of any change in or addition to the Paying Agents or their Specified Offices in accordance with Condition 13 hereof.

8. TAXATION

All payments with respect to all Class B 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. The Issuer shall not be obliged to pay any additional amount to any Class B Noteholder as a consequence of any such withholding or deduction.

9. TRIGGER EVENTS

9.1 If any of the following events (each a “Trigger Event”) occurs:

(a) *Non-payment*

(i) having enough Single Portfolio Available Funds available to it to make such payment in accordance with the order of priority of payments set out in Condition 4.1, ~~the Issuer defaults in the payment of the amount of principal then due and payable on the Class B Notes for a period of five Business Days from the due date thereof;~~

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(ii) irrespective of whether there are Single Portfolio Available Funds available to it sufficient to make such payment in accordance with the order of priority of payments set out in Condition 4.1, ~~the Issuer defaults in the payment of the amount of interest then due and payable on the Class B Notes for a period of three Business Days from the due date thereof;~~

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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 Class B Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Class B Notes) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy (in which case no notice will be required)) such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in the opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Class B Noteholders and requiring the same to be remedied;

or

(c) *Insolvency etc.*

(a) an administrator, administrative receiver or liquidator of the Issuer or of the whole or any substantial part of the undertakings, assets and/or revenues of the Issuer is appointed or the Issuer becomes subject to any bankruptcy, liquidation, administration, insolvency, composition, reorganisation or similar proceedings or application is made for the commencement of any such proceedings or an encumbrancer takes possession of the whole or any substantial part of the undertakings, revenues and/or assets of the Issuer;

(b) proceedings are initiated against the Issuer under any applicable bankruptcy, liquidation, administration, insolvency, composition,

reorganisation or similar laws and such proceedings are not, in the opinion of the Representative of the Noteholders, being disputed in good faith;

- (c) the Issuer 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 is granted by a competent court a moratorium in respect of its indebtedness or any guarantee of its indebtedness given by it or applies for bankruptcy or suspension of payment;

or

- (d) *Winding up etc.*

an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer;

or

- (e) *Unlawfulness*

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

or

- (f) *Default Ratio*

the Default Ratio of the Claims as at any Reference Date, as calculated as at any specified Reference Date, is higher than the ratio of 0.0475:

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or

- (g) *Disequilibrium Event*

with respect to two immediately succeeding Interest Payment Dates, a Disequilibrium Event occurs;

or

- (h) *Liquidity Agreement*

on any Interest Payment Date, (i) the aggregate of the Single Portfolio Negative Balances of all the Portfolios or (ii) the Negative Balance (as applicable) with respect to such Interest Payment Date is equal to or exceeds the maximum amount available to the Issuer on such Interest Payment Date for liquidity support under the terms of the Liquidity Agreement;

then the Representative of the Noteholders may, at its sole discretion (or, if so requested in writing by the holders of at least 25% of the aggregate Principal Amount Outstanding of the Class B Notes or if so directed by a resolution of the Class B Noteholders, shall) give a written notice (a “**Trigger Notice**”) to the Issuer (with copy to each of the Servicers) declaring that the Class B Notes have immediately become due and payable at their Principal Amount Outstanding, together with accrued interest, and that the order of priority of payments set forth in Condition 4.5 shall apply without further action or formality as from the immediately following Interest Payment Date.

9.2 Waiver

Save as provided for in Condition 9.1 above, the Representative of the Noteholders may reasonably determine, without requesting the consent of the Class B Noteholders, subject to condition 11, that any Trigger Event (with the exception of the Trigger Event referred to in Condition 9.1(e) above) shall not, or shall not subject to specified conditions, be treated as such. Any such waiver shall be binding on the Class B Noteholders and shall be notified to the Class B Noteholders in accordance with Condition 13 hereof as soon as practicable thereafter.

10. ENFORCEMENT

At any time after the delivery of a Trigger Notice, the Representative of the Noteholders may, at its discretion and without further notice, take such steps and/or institute such proceedings against the Issuer as it may think fit, to enforce repayment of the Class B 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:

- 10.1** it shall have been so requested in writing by the holders of at least 25% of the aggregate Principal Amount Outstanding of the Class B Notes or unless it shall have been so directed by a resolution of the Class B Noteholders; and
- 10.2** it shall have been reasonably indemnified as to costs, damages and expenses to its satisfaction.

No Class B 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.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 9 above or this Condition 10 by the Representative of the Noteholders shall (in the absence of wilful default, gross

negligence, bad faith or manifest error) be binding on the Issuer and all Class B Noteholders and (in such absence as aforesaid) the Representative of the Noteholders will have no liability to the Class B Noteholders or the Issuer in connection with the exercise or the non-exercise by it or any of them of their powers, duties and discretion hereunder.

11. VOTING CERTIFICATES; MEETINGS OF CLASS B NOTEHOLDERS; MODIFICATIONS; CONSENTS; WAIVER

11.1 The meeting of the Class B Noteholders (the “**Meeting**”) may consider and resolve upon any matter affecting the interests of the Class B Noteholders which is submitted to it by the Representative of the Noteholders and is on the agenda of any duly convened Meeting as indicated in the Call Notice (as defined in Condition 11.4 hereof) to be published as provided for in Condition 13 hereof.

11.2 The following matters can only be resolved upon by the Meeting:

- (I)** the revocation of the appointment of the Representative of the Noteholders and the appointment of a new representative of the Noteholders; the modification of the terms for the appointment of the Representative of the Noteholders or of a substitute representative of the Noteholders;
- (II)** the modification of the terms of the Class B Notes (including these Conditions) or any of the Transaction Documents where the consent of the Class B Noteholders is required; and
- (III)** the sale of all but not part of the Portfolios by the Issuer;

provided that the Representative of the Noteholders may agree, without the consent of the Class B Noteholders, (i) to any modification (except a Basic Terms Modification, as defined in Condition 11.6 below) of the terms of, or to the waiver or authorisation of any breach of the terms of, the Class B Notes or any of the Transaction Documents, which is not, in the opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Class B Noteholders; or (ii) to any modification of the terms of the Class B Notes or any of the Transaction Documents, which in the opinion of the Representative of the Noteholders is to correct a manifest error or is of a formal, minor or technical nature. Any such modification, waiver, authorisation or determination shall be binding on the Class B Noteholders and shall be notified to the Class B Noteholders in accordance with Condition 13 hereof as soon as practicable thereafter.

11.3 The Representative of the Noteholders may convene the Meeting whenever it deems it necessary or advisable, provided that it shall be obliged to convene it (i) if the Class B Noteholders must consider and resolve upon any of the matters set out in Condition 11.2 above; and (ii) if so requested in writing by the holders of at least 25% of the Principal Amount Outstanding of the Class B Notes.

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- 11.4** The Meeting shall be convened by the Representative of the Noteholders, giving fifteen day prior notice (the “**Call Notice**”) clearly indicating (i) the place (which shall be either in Luxembourg or in Milan), date and time of the Meeting; (ii) the agenda of the Meeting; (iii) the procedure whereby the Class B Noteholders may appoint nominees to attend the Meeting; and (iv) the place (which shall be either in Luxembourg or in Milan), date and time of any adjournment of the Meeting for want of quorum. The Call Notice shall be given in the form as set out in Condition 13 hereof and shall be forwarded to the Luxembourg Stock Exchange.
- 11.5** Upon request by any Class B Noteholder, Monte Titoli and/or the relevant Monte Titoli Accountholders and/or Clearstream and/or Euroclear and/or the relevant operators thereof shall (i) issue a voting certificate in which it shall confirm that said Class B Noteholder is and has been for at least five days preceding the date for which the Meeting has been called, the holder of a certain amount of Class B Notes; and (ii) suspend any dealing in the Class B Notes belonging to the said Class B Noteholder. Class B Noteholders in possession of a voting certificate shall be entitled to attend and vote at a Meeting.
- 11.6** The quorum at any Meeting shall be one or more persons holding or representing over 50% of the Principal Amount Outstanding of the Class B Notes or, at any adjourned meeting, one or more persons holding or representing over 25% of the Principal Amount Outstanding of the Class B Notes, except that, at any Meeting at which the agenda which includes the modification of the Maturity Date or a modification which would have the effect of postponing any day for payment of interest on any of the Class B Notes, reducing or cancelling the amount of principal payable in respect of any of the Class B Notes or the interest rate applicable with respect to any of the Class B Notes or altering the quorum required to pass a resolution or altering the currency of payment of any of the Class B Notes or any modification of the date or of the priority of payment of principal and interest of any of the Class B Notes or the request or the authorisation to the Issuer to sell the Portfolios (any such modification a “**Basic Terms Modification**”), the necessary quorum for passing such a resolution shall be one or more persons holding or representing over 75%, or, at any adjourned such meeting, over 50% of the Principal Amount Outstanding of the Class B Notes (except with respect to the resolution to request to or authorise the Issuer to sell the Portfolios which shall still require a quorum of one or more persons holding or representing over 75% of the Principal Amount Outstanding of the Class B Notes).
- 11.7** The Meeting shall be chaired by an individual (who may but need not be a Class B Noteholder) appointed in writing by the Issuer, but if such appointment is not made or if the individual appointed is not present within thirty minutes of the time fixed for the Meeting, the Class B Noteholders attending the Meeting shall elect one of themselves to take the chair, failing which the Issuer shall appoint a chairman (in all cases the individual chairing the Meeting, the “**Chairman**”). The Chairman of an adjourned Meeting may but need not be the same person as the Chairman of the original Meeting.

11.8 If within thirty minutes of the time fixed for any Meeting a quorum is not present, then (i) in the case of a Meeting requested by Class B Noteholders, it shall be dissolved; or (ii) in the case of any other Meeting, it shall be adjourned to the date and time indicated in the Call Notice.

11.9 The following may attend and speak at a Meeting:

- (a) the Representative of the Noteholders;
- (b) the Class B Noteholders;
- (c) the representatives and advisors of the Issuer and the Principal Paying Agent; and
- (d) any other person approved by the Meeting.

11.10 A resolution duly passed at any Meeting shall be binding on all Class B Noteholders whether or not present or represented at such Meeting and each of the Class B Noteholders shall be bound to give effect to it accordingly. The Chairman shall procure that notice of the voting results of any resolution is given to the Class B Noteholders in the form set out in Condition 13 and to the Issuer, the Computation Agent, the Representative of the Noteholders, the Servicers, the Paying Agents and the Corporate Administrator within fourteen days of the conclusion of the Meeting.

11.11 A resolution in writing executed by or on behalf of the holders of over 25% or, in the case of a Basic Terms Modification, of over 75% of the aggregate Principal Amount Outstanding of the Class B Notes (i) shall be as effective as a resolution passed at a Meeting duly convened and held, (ii) shall be binding on all Class A Noteholders (and each of the Class A Noteholders shall be bound to give effect to it accordingly), and (iii) may consist of several instruments in like form each executed by or on behalf of one or more of such Class B Noteholders. The Representative of the Noteholders shall procure that notice of any such resolution in writing being taken, is given to all the Class A Noteholders in the form set out in Condition 13 and to the Issuer, the Computation Agent, the Representative of the Noteholders, the Servicers, the Paying Agents and the Corporate Administrator.

11.12 A resolution duly passed at any Meeting of the Class A Noteholders or a resolution in writing of the Class A Noteholders shall be binding on all Class B Noteholders and Class C Noteholders irrespective of the effect upon their interests, except that a resolution sanctioning any Basic Terms Modification in respect of the Class A Notes which in the opinion of the Representative of the Noteholders adversely affects the interests of the Class B Noteholders and/or Class C Noteholders shall not take effect unless and until it shall have been sanctioned by a resolution of the meeting of the Class B Noteholders and/or Class C Noteholders. [Any resolution duly passed at any Meeting of the Class A Noteholders or a resolution in writing of the Class A Noteholders sanctioning the modification of the terms of appointment of the Representative of](#)

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Noteholders, its revocation and the appointment of a substitute Representative of the Noteholders shall be deemed automatically to be approved and adopted also by the Class B Noteholders and the Class C Noteholders.

So long as any of the Class A Notes remains outstanding, a resolution passed at any meeting of the Class B Noteholders or a resolution in writing of the Class B Noteholders shall not be effective for any purpose unless either (i) the Representative of the Noteholders is of the opinion that such resolution would not be materially prejudicial to the interests of the Class A Noteholders, or (ii) such resolution is sanctioned by a resolution of the Class A Noteholders; except that any such resolution affecting the modification of the terms of the appointment of the Representative of the Noteholders, its revocation and the appointment of a substitute Representative of the Noteholders shall not be effective for any purpose unless such resolution or request is sanctioned by a resolution of the Class A Noteholders. Following full redemption of the Class A Notes, a resolution duly passed at any Meeting of the Class B Noteholders or a resolution in writing of the Class B Noteholders shall be binding on all Class C Noteholders irrespective of the effect upon their interests, except that a resolution sanctioning any Basic Terms Modification in respect of the Class B Notes which in the opinion of the Representative of the Noteholders adversely affects the interests of the Class C Noteholders shall not take effect unless and until it shall have been sanctioned by a resolution of the meeting of the Class C Noteholders. Any resolution duly passed at any Meeting of the Class B Noteholders or a resolution in writing of the Class B Noteholders sanctioning the modification of the terms of appointment of the Representative of Noteholders, its revocation and the appointment of a substitute Representative of the Noteholders shall be deemed automatically to be approved and adopted also by the Class C Noteholders.

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So long as any of the Class A Notes and/or the Class B Notes remains outstanding, a resolution duly passed at any meeting of the holders of any series of the Class C Note or a resolution in writing of such Class C Noteholders shall not be effective for any purpose unless either (i) the Representative of the Noteholders is of the opinion that such resolution or request would not be materially prejudicial to the interests of the Class A Noteholders, or the Class B Noteholders, or (ii) such resolution or request is sanctioned by a resolution of the Class A Noteholders and the Class B Noteholders; except that any such resolution or request affecting the modification of the terms of the appointment of the Representative of the Noteholders, its revocation and the appointment of a substitute Representative of the Noteholders shall not be effective for any purpose unless such resolution is sanctioned by a resolution of the Class A Noteholders and the Class B Noteholders.

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The provision of this Condition 11.12 shall apply to any resolution in writing to the Representative of the Noteholders by the holders of at least 25% of the Principal Amount Outstanding of the Class A Notes, the Class B Notes or the Class C Notes, as applicable, which may bind the Representative of the Noteholders pursuant to these Conditions, the Class B Conditions or the Class C Conditions, respectively.

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11.13 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 and the Meeting recorded therein. Unless and until the contrary is proved, every such Meeting in respect of which minutes have been made 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.

12. THE REPRESENTATIVE OF THE NOTEHOLDERS

12.1 Each of the Class B Noteholders accepts the appointment of the Representative of the Noteholders upon the terms of its appointment for the time being, subject to these Conditions.

12.2 The Class B Subscription Agreement includes provisions concerning the terms of the appointment of the Representative of the Noteholders, the responsibility (and relief from responsibility) of the Representative of the Noteholders and the termination of the appointment of the Representative of the Noteholders.

13. NOTICES

Any notice hereunder to the Class B Noteholders shall be deemed to have been duly given if published (so long as the Class B Notes are listed in the Luxembourg Stock Exchange) in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the Luxembourg Wort). 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 newspaper referred to above.

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to the Class B Noteholders 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 Class B Notes are listed and provided that notice of such other method is given to the Class B Noteholders in the manner expected at that time by the Class B Noteholders.

14. GOVERNING LAW AND JURISDICTION

14.1 These Conditions and the Class B Notes are governed by Italian law.

14.2 The Courts of Milan are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with these Conditions and the Class B Notes.

TAXATION

The following is a general guide only, based upon the tax laws of the Republic of Italy as in effect on the date of this Offering Circular and should be treated with appropriate caution. The information below is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser of the Notes.

Prospective purchasers of the Notes who are in doubt as to their tax position on purchase, ownership or transfer of any Notes are strongly advised to consult their own tax advisers.

Income Tax

Under the provisions of *Decreto Legislativo* No. 239 of 1 April 1996 (“**Decree No. 239**”) payments of interest in respect of the Notes are subject to the following tax treatment:

(i) *Italian Resident Noteholders*

Where the Italian resident Noteholder is (i) an individual, (ii) a partnership, other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership, (iii) a non-commercial private or public institution, (iv) a real estate investment fund, or (v) an investor exempt from Italian corporate income tax, interest payments relating to the Notes are subject to a final tax, referred to as *imposta sostitutiva*, levied at the rate of 12.5% (either when the interest is paid by the Issuer, or when payment therefor is obtained by the Noteholder on a sale of the relevant Notes).

Where the Italian resident Noteholder is a corporation or a similar commercial entity or a permanent establishment in Italy of a foreign corporation and the Notes are deposited with an authorised intermediary, payments of interest will not be subject to *imposta sostitutiva*, but must be included on an accrual basis in the relevant Noteholder’s taxable income and are therefore subject to general Italian corporate taxation, according to the ordinary rules.

Moreover, interest on the Notes would concur to the business income of Italian resident partnerships to be attributed to the partners even if not distributed (tax transparency principle) and included in the personal taxable income. Italian resident collective investment schemes are subject to a 12.5% annual substitutive tax (referred to as the *collective investment scheme tax*) on the increase in value of the managed assets (which increase would include interest paid on the Notes) accrued at the end of the tax year. Italian resident pension funds are subject to a 11% annual substitutive tax determined on the net increase in value of the relevant funds (which increase would include interest paid on the Notes) accrued at the end of the tax year.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, securities investments firms (“SIMs”), fiduciary companies, *agenti di cambio* and other qualified entities resident in Italy or permanent establishments in Italy of banks or SIMs resident outside Italy or organisations or companies non-resident in Italy, which are directly connected with the Italian Ministry of Finance and with the Italian Ministry of Industry (the “**Intermediaries**”).

The Intermediaries must intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes.

In order to apply *imposta sostitutiva*, the Intermediaries open an account (the “single account”) to which they credit *imposta sostitutiva* in proportion to interest paid with credit balances on each interest payment date of the Notes being debited from the single account and paid to the Italian fiscal authorities by the sixteenth day of the following month. In the event that more than one Intermediary participates in an investment transaction, the *imposta sostitutiva* in respect of the transaction is credited to or debited from the single account of the Intermediary having the deposit or investment management relationship with the investor.

Where the Notes are not deposited with authorised Intermediaries, the *imposta sostitutiva* is applicable and withheld by any Intermediary or the Issuer paying Interest to a Noteholder.

The *imposta sostitutiva* regime described herein does not apply in cases where the Notes are held in a discretionary investment portfolio managed by an authorised intermediary and the investor elects to be taxed at a flat rate of 12.5% on the year-end appreciation of the investment portfolio accrued, even if not realised (which appreciation includes Interest accrued on the Notes), pursuant to the so-called discretionary investment portfolio regime (referred to as the *risparmio gestito* regime).

(ii) *Non-Italian resident Noteholders*

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are effectively connected, an exemptive regime has been introduced with respect to any beneficial owner of any interest payment relating to the Notes who is resident, for fiscal purposes, in a country with which Italy has entered into a double taxation treaty which, by its terms, recognises the Italian fiscal authorities’ right to an exchange of information in order to assess whether the investor is entitled to the exemption.

For the purpose of the application of the exemption, such countries are listed in the Decree of the Ministry of Finance of 4 September 1996 and include, *inter alia*, all members of the European Union, Australia, Austria, Brazil, Canada, Japan and the United States, but exclude, *inter alia*, Switzerland and Cyprus.

The 12.5% *imposta sostitutiva* will be applicable to interest payments received by beneficial owners resident, for fiscal purposes, in (i) countries with which Italy has not entered into a double taxation treaty, (ii) double taxation treaty countries which do not recognise the Italian fiscal authorities’ right to an exchange of information in order to assess the status of the investor and (iii) countries which benefit from a privileged fiscal regime (so called “tax havens”), pursuant to Italian tax law, as expressly listed in *Decreto Ministeriale* of 24 April 1992.

The exemption procedure for Noteholders who are non-resident in Italy and are resident in qualifying double taxation treaty countries identifies two categories of intermediaries:

- (i) an Italian or non-Italian resident bank or financial institution (there is no requirement for the bank to be EU resident) (the “**First Level Bank**”), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below);
- (ii) an Italian resident bank or SIM, or a permanent establishment in Italy of a non resident bank or SIM, acting as depository or sub-depository of the Notes appointed to maintain direct relationships, via telematic link, with the Italian Financial Administration (the “**Second Level Bank**”). Organisations and companies non resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which include Euroclear and Clearstream, Luxembourg) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident Bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM) for the purposes of application of Decree No. 239.

In the event that the non-Italian resident Noteholders deposit the Notes directly with the Second Level Bank, the latter shall be treated both as First Level and Second Level Bank.

The exemption from the *imposta sostitutiva* for non-Italian resident Noteholders is conditional upon:

- (i) the deposit of the Notes, either directly or indirectly, with an institution which qualifies as Second Level Bank; and
- (ii) the submission, either directly or indirectly to the Second Level Bank, on or prior to the date of the deposit of the Notes and on or prior to 31 March of each year thereafter, of Form 116-IMP as published by the *Decreto del Ministero delle Finanze* dated 11 December 1996, bearing, *inter alia*, a statement from the competent tax authority of the country of residence of the non-resident Noteholders.

If the Form 116-IMP is submitted by a non-Italian resident Noteholder to the First Level Bank and Form 116-IMP has been properly completed, the First Level Bank is obliged to send it to the Second Level Bank within 15 days from receipt, together with any necessary affidavit in the event that other intermediaries intervene between the Noteholder and the First Level Bank.

Second Level Banks file the data relating to the non-Italian resident Noteholders together with data relating to the First Level Bank and of the transactions carried out, via telematic link, with the Italian fiscal authorities.

Failure by the non-Italian resident Noteholders to comply with the above exemptive procedure will result in the application of *imposta sostitutiva* on proceeds payable to them (increased by 1.5% for each month or fraction of a month of delay after the month

in which payment should have been made) pursuant to the ordinary rules applicable for the payment of *imposta sostitutiva* by Italian resident investors.

For non-Italian resident Noteholders, the Second Level Bank acts as the Intermediary responsible for assessing the applicability of *imposta sostitutiva* and, consequently, for levying and paying it to the Italian fiscal authorities in accordance with the procedure described in paragraph B above.

The Notes are not subject to the provisions contained in Article 26, paragraph 1 of *Decreto Presidenziale* No. 600 of 29 September 1973 but are subject to the additional 20% tax, to be paid by the Issuer, on accrued interest on any repayment of principal made within eighteen months of the date of issue of the Notes, as provided therein.

Capital Gains

Italian resident individuals not engaged in entrepreneurial activities

A 12.5% *imposta sostitutiva* apply to capital gains realised by Italian resident individuals not engaged in entrepreneurial activities on any sale or transfer of the Notes for consideration or redemption thereof.

Under the “tax return regime” (which is the standard one as for the above noteholders), the capital gains realised in a tax year, net of any incurred capital losses, must be detailed in the yearly income tax return of the investors, and *imposta sostitutiva* must be paid with any income tax due for the relevant tax year. Capital losses exceeding the gains may be carried forward against capital gains realised in any of the following four fiscal years.

Alternatively to the tax return regime, the above investors may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Notes (referred to as the *risparmio amministrato* regime) provided that (i) the Notes are deposited with banks, SIMs or other specific intermediaries (determined by Ministerial Decree June 2, 1998) and (ii) an express election of separate taxation is timely made (the election lasts for the entire fiscal year and, unless revoked prior to the end of such year, will be deemed valid also for the subsequent one). The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, net of any incurred capital losses, and is required to pay the relevant amount to the Italian fiscal authorities by a specific deadline, deducting a corresponding amount from proceeds to be credited to the Noteholder. Where a particular sale or transfer or redemption of the Notes results in a capital loss, the above Noteholders are entitled to deduct such loss from any gains subsequently realised on financial assets held with the same intermediary in the same tax year and/or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder remains anonymous.

Under the tax return regime and the *risparmio amministrato* regimes, in the event that the period between the purchase of the Notes and their subsequent sale or redemption exceeds 12 months, the amount on which the *imposta sostitutiva* is to be charged will be determined by multiplying the capital gains realised by the adjustment factor (referred to as “*equalizzatore*” e.g. for tax period 2000, see *Decreto Ministeriale* of 4 August 2000).

Different rules apply if the above investors hold the Notes in a portfolio managed by a professional intermediary, in a *risparmio gestito* regime. Under such a regime each capital gains upon sale, transfer or redemption of the Notes will concur to the annual accrued (even if not realised) appreciation of the portfolio, which is subject to a substitutive tax at the rate of 12.50%, to be paid on behalf of the taxpayer by the managing professional intermediary. Under the *risparmio gestito* regime, any depreciation of the investment portfolio accrued at year-end may be carried forward against appreciation accrued in each of the following years up to the fourth. Under the *risparmio gestito* regime, the Noteholders remain anonymous.

Non-resident Noteholders

Subject to listing on a “regulated market” (both in Italy and abroad) and the filing of the required documentation, non-resident persons or entities (i) without permanent establishment in Italy (ii) with permanent establishment in Italy to which, however, the Notes are not pertaining, would not be subject to capital gains tax upon the sale of the Notes. As for notes non-listed on a “regulated market”, the above non-resident Noteholders or entities would not however be subject to capital gains tax provided that they are resident in a country entered into a double taxation treaty with Italy allowing Italian authorities to obtain appropriate information in respect of the beneficiary of the payments made from the Republic of Italy. Regardless both the listing and the country of residence, capital gains realised by specific non-resident international entities shall never be taxable in Italy.

As for any other non-resident Noteholder different to those ones above mentioned, the 12.50% capital gain tax is due on sale, transfer or redemption of the Notes. In this respect, nevertheless, the provisions of tax treaty entered into by Italy (if any) may however be applied to said capital gains, if more favourable.

Corporate Noteholders, Noteholders engaged in entrepreneurial activities

Any capital gains realised by Italian resident companies and other commercial entities as well as by Noteholders engaged in entrepreneurial activities or permanent establishments in Italy of non-resident corporations from any disposal of the Notes shall be treated as part of their business income subject to tax in Italy according to the relevant tax provisions.

Inheritance and gift tax

Italian inheritance and gift tax (*imposta sulle successioni e donazioni*) is due on the transfer of the Notes as a result of death or donation.

The tax is due regardless of the deceased (donor) is resident in Italy or non-resident, being the Issuer incorporated in Italy.

The tax is due by heirs, legatees and recipients of gifts and apply (i) at a rate variable from 4% to 8% as for inheritances, and from 3% to 7% as for gifts (ii) on a taxable basis constituted by the value of the Notes attributed to each beneficiary exceeding, both for inheritances and gifts, the amount of ITL 350.000.000 (to be deducted only once by each beneficiary with reference to all the possible gifts provided by the same donor).

The amount exempt from the tax is increased to ITL 1.000.000.000 for specific beneficiaries.

The tax rates concerning the transfers *mortis causa* may be reduced if the Noteholder opts to pay said tax during its life.

Transfer tax

General

Pursuant to *Decreto Legge* No. 435 of 21 November 1997, which amended the regime laid down by *Regio Decreto* No. 3278 of 30 December 1923, the transfer of the Notes or (either (a) by or to Italian residents or (b) by or to non-Italian residents) may be subject to the three levels of taxation described below (*tassa sui contratti di borsa*):

- a) contracts entered into directly between the parties or between the parties through entities other than authorised intermediaries (banks, SIMs or other professional intermediaries authorised to perform investment services, pursuant to the *Decreto Legislativo* No. 58 of 24 February 1998 or stockbrokers) are subject to a transfer tax of Lit. 16 for every Lit. 100,000, or part of Lit. 100,000, of the price of the Notes;
- b) contracts between private parties through banks, SIMs or other authorised professional intermediaries or stockbrokers, or between private parties and banks, SIMs or other authorised intermediaries or stockbrokers, are subject to a transfer tax of Lit. 9 for every Lit. 100,000, or part of Lit. 100,000, of the price of the Notes;
- c) contracts between banks, SIMs or other authorised professional intermediaries or stockbrokers are subject to a transfer tax of Lit. 9 for every Lit. 100,000, or part of Lit. 100,000, of the price of the Notes.

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In the cases listed above under b) and c), however, the amount of transfer tax cannot exceed Lit. 1,800,000 for each transaction.

Exemptions

In general, transfer tax is not levied, *inter alia*, in the following cases:

- 1) contracts entered into on the regulated markets;
- 2) contracts relating to securities which are admitted to listing in the regulated markets and finalised outside such markets and entered into:
 - (i) between banks or SIMs or other professional intermediaries or stockbrokers among themselves;
 - (ii) between authorised intermediaries as referred to in paragraph (i) above and non-Italian residents;

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- (iii) between authorised intermediaries as referred to in paragraph (i) above, also non-Italian resident, and collective investment savings vehicles;
- 3) contracts relating to public offers for the admission to listing in the regulated markets or relating to financial instruments already admitted to listing on said markets;
- 4) contracts for a consideration of less than Lit. 400,000;
- 5) contracts regarding securities not listed on a regulated market entered into between authorised intermediaries as referred to in 2) (i) above, on the one hand, and non-Italian residents, on the other hand.

SUBSCRIPTION AND SALE

Pursuant to the Class A Subscription Agreement, Crédit Agricole Indosuez as Lead Manager, Tokyo-Mitsubishi [International plc](#) as Senior Co-lead Manager, Bankinter SA, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and DZ BANK AG Deutsche Zentral-Genossenschaftsbank as Co-lead Managers have agreed to subscribe and pay the Issuer for the Class A Notes at the issue price of 100% of their principal amount. The Originators will pay to the Managers a management and underwriting commission as agreed between the Parties.

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Pursuant to the Class B Subscription Agreement, Crédit Agricole Indosuez as Lead Manager has agreed to subscribe and pay for the Class B Notes at the issue price of 100% of their principal amount. The Originators will pay to the Lead Manager a management and underwriting commission as agreed between the Parties.

Pursuant to the **Class C Subscription Agreements**, BCC Agro Bresciano has agreed to subscribe and pay for the Class C1 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C1 Noteholders, BCC Alba has agreed to subscribe and pay for the Class C2 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C2 Noteholders, BCC Orsago has agreed to subscribe and pay for the Class C3 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C3 Noteholders, BCC Roma has agreed to subscribe and pay for the Class C4 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C4 Noteholders and BCC Romagna Est has agreed to subscribe and pay for the Class C5 Notes and has appointed the Representative of the Noteholders to act as the representative of the Class C5 Noteholders, in each case upon the terms and subject to the conditions of the relevant Class C Subscription Agreement. The Class A Subscription Agreement, the Class B Subscription Agreement and the Class C Subscription Agreements (collectively the “**Subscription Agreements**”) will be in English language and governed by and construed in accordance with Italian law.

The Issuer and the Originators have agreed to indemnify the Managers against certain liabilities in connection with the issue of the Class A Notes and the Lead Manager against certain liabilities in connection with the issue of the Class B Notes.

The Notes and the Class C Notes have not been and will not be registered under the [United States Securities Act of 1933, as amended \(the “Securities Act”\)](#) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

The Notes and the Class C Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code and regulations thereunder.

The Managers have agreed that, except as permitted by the Subscription Agreements, they will not offer or sell the Notes or the Class C Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the date of commencement of the offering of the Notes or the Class C Notes and the Issue Date (the “restricted period”), within the United States or to, or for the account or benefit of, a U.S. person (except in accordance with Rule 903 of Regulation S), and, accordingly, that neither the Managers nor the Originators nor their respective affiliates nor any person acting on their behalf has engaged or will engage in any directed selling efforts with respect to the Notes and the Class C Notes and the Managers, the Originators and their affiliates and any person acting on their behalf has complied and will comply with the offering restriction requirements of Regulation S under the Securities Act to the extent applicable. The Managers and the Originators have also agreed that, at or prior to confirmation of sales of the Notes and the Class C Notes, they will have sent to each distributor, dealer or other person to which they sell the Notes and the Class C Notes during the restricted period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes or the Class C Notes within the United States or to, or for the account or benefit, of U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes or the Class C Notes within the United States by any dealer (whether or not participating in this offering) may violate the [registration](#) requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The Managers have acknowledged that no action has or will be taken by them which would allow an offering (nor a “*sollecitazione all’investimento*”) of the Notes or the Class C Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations.

The Managers have acknowledged that no application has been made by them to obtain an authorisation from CONSOB for the public offering of the Notes or the Class C Notes in the Republic of Italy.

Accordingly, the Managers have represented and agreed that they have not offered, sold or delivered, and will not offer, sell or deliver, and have not distributed and will not distribute and have not made and will not make available in the Republic of Italy any Notes, this Offering Circular nor any other offering material relating to the Notes or the Class C Notes other than to professional investors (“*operatori qualificati*”) as defined in Article 31, paragraph 2 of *Regolamento* CONSOB No. 11522 of 1 July, 1998 pursuant to Article 100, paragraph 1, lett. b) and Article 30, paragraph 2 of *Decreto Legislativo* No. 58 of 24 February 1998 and in accordance with applicable Italian laws and regulations. Any offer of the Notes or the Class C Notes to professional investors in the Republic of Italy shall be made only by banks, investment firms or financial companies enrolled in the special register provided for in Article 107 of *Decreto Legislativo* No. 385 of 1 September 1993, to the extent duly authorised to engage in the placement and/or underwriting of financial instruments in the Republic of Italy in accordance with the relevant provisions of *Decreto Legislativo* No. 58 of 24 February 1998 and in compliance with Article 129 of *Decreto Legislativo* No. 385 of 1 September 1993.

The Managers have represented and agreed with the Issuer that each of them:

- (i) has not offered or sold and, prior to the expiry of the period of six months from the Issue Date, will not offer or sell any Notes of the relevant Class to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);
- (ii) has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Notes and the Class C Notes in, from or otherwise involving the United Kingdom; and
- (iii) has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Notes and the Class C Notes to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended) or is a person to whom such document may otherwise lawfully be issued or passed on.

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In addition, the Managers have represented and agreed with the Issuer that no action has been or will be taken in any jurisdiction by it that would permit a public offering of the Notes and the Class C Notes, or possession or distribution of this Offering Circular or any other offering or publicity material relating to the Notes or the Class C Notes, in any country or jurisdiction where action for that purpose is required. The Managers and the Originators have represented and agreed that they will comply with, and obtain any consent, approval or permission required under all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers the Notes and the Class C Notes or have in their possession or distribute this Offering Circular or any such other material, in all cases at their own expenses. The Managers and the Originators have also agreed that they will ensure that no obligations are imposed on the Issuer or the Originators in any such jurisdiction as a result of any of the foregoing actions. The Managers and the Originators will have any permission required by them for the acquisition, offer, sale or delivery by them of the Notes and the Class C Notes under the laws and regulations in force in any jurisdiction to which they are subject or in or from which they make any acquisition, offer, sale or delivery.

GENERAL INFORMATION

1. The Issuer is not involved in any legal 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 are 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 to which it is a party is authorised and has been resolved by the Board of Directors on 13 September 2001.
3. Save as disclosed in this Offering Circular, 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 will produce proper accounts (*ordinata contabilità interna*) and financial statements in respect of each financial year and will not produce interim financial statements. The Issuer's financial statements will be audited. The Issuer's fiscal year shall run from 1 January to 31 December of each calendar year. The Issuer's financial statements [in English](#) shall be available at the registered office of the Representative of the Noteholders and at the Specified Offices of the Paying Agents starting from July [2002 and subsequently by the end of July](#) of each year.
5. The Notes have been accepted for clearance through MonteTitoli, Clearstream and Euroclear.
6. The Notes and the Class C Notes have been attributed the following ISIN numbers and the following Common Codes:

	ISIN No.	Common Codes
Class A	IT0003168934	CC013593671
Class B	IT0003168991	CC013593710
Class C1	IT0003169023	CC013593728
Class C2	IT0003169049	CC013593744
Class C3	IT0003169072	CC013593787
Class C4	IT0003169122	CC013593817
Class C5	IT0003169163	CC013593850

7. Copies of the following documents may be inspected (and, in the case of the documents listed in (a) below, may be obtained) during usual business hours at the Specified Offices

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of the Paying Agents and at the registered office of the Representative of the Noteholders at any time after the Issue Date:

- (a) the *Statuto* and *Atto Costitutivo* of the Issuer;
 - (b) the Transfer Agreement;
 - (c) the Warranty and Indemnity Agreement;
 - (d) the Liquidity Agreement and the Pledge Agreements related to the Liquidity Agreement;
 - (e) the Cash Administration and Agency Agreement;
 - (f) the Subscription Agreements;
 - (g) the Hedging Agreements;
 - (h) the Servicing Agreement;
 - (i) the Intercreditor Agreement;
 - (j) the Deed of Pledge;
 - (k) the Corporate Services Agreement; and
 - (l) the Shareholders' Agreement.
8. Application has been made to list the Notes on the Luxembourg Stock Exchange. In connection with the listing application, the constitutional documents of the Issuer and the legal notice in relation to the issue of the Notes have been deposited with the Registrar of the District Court in Luxembourg (*Greffier en Chef du Tribunal d'Arrondissement de et à Luxembourg*), where such documents are available for inspection and where copies of such documents may be obtained upon request. No application has been made to list the Class C Notes.
9. Under the terms of the Cash Administration and Agency Agreement, the Computation Agent has undertaken to submit to the Representative of the Noteholders, the Paying Agents, the Servicers and the Rating Agencies not later than 15 Business Days after each Interest Payment Date, an investors' report providing information on the performance of the Portfolios. This half yearly report will describe the trend of the Portfolios in terms of default, delinquency and prepayments and update the expected average life and expected maturity date of each Class of Notes. Each released investors' report shall be available for collection at the registered office of the Representative of the Noteholders and at the Specified Offices of the Paying Agents.
10. Save as disclosed in this document, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) or general affairs of the Issuer since the date of its incorporation that is material in the contest of the issue of the Notes.

GLOSSARY

The definitions of the terms used in this document are subject to, and in some cases are summaries of, the definitions of such terms set out in the Transaction Documents, as amended from time to time.

“**Advance**” means any advance made by any of the Liquidity Providers to the Issuer pursuant to the Liquidity Agreement.

“**Agents**” means the Principal Paying Agent, the Luxembourg Paying Agent, the Agent Bank, the Computation Agent, the Cash Manager and the Transaction Bank, collectively: and “Agent” means any of them.

“**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 fulfill 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.

“**Available Class A Notes Redemption Funds**” means, with respect to any Interest Payment Date, the difference between:

- (i) the Issuer’s Available Funds in respect of such Interest Payment Date; and
- (ii) the aggregate of all payments under heads *First* through *Tenth* of the order of priority of payments provided for in [Condition 4.1 or](#) Condition 4.5 [\(as applicable\)](#) which are required to be made by the Issuer on such Interest Payment Date.

“**Available Class B Notes Redemption Funds**” means, with respect to any Interest Payment Date, the difference between:

- (i) the Issuer’s Available Funds in respect of such Interest Payment Date; and
- (ii) the aggregate of all payments under heads *First* through to *Eleventh* of the order of priority of payments provided for in [Condition 4.1 or](#) Condition 4.5 [\(as applicable\)](#) which are required to be made by the Issuer on such Interest Payment Date.

“**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, amministrazione controllata, liquidazione coatta amministrativa, amministrazione straordinaria.*

“**BCC Agro Bresciano**” means Banca di Credito Cooperativo dell’Agro Bresciano S.c.a.r.l..

“**BCC Alba**” means Banca di Credito Cooperativo di Alba, Langhe e Roero S.c.a.r.l..

“**BCC Orsago**” means Banca di Credito Cooperativo di Orsago S.c.a.r.l..

“**BCC Roma**” means Banca di Credito Cooperativo di Roma S.c.a.r.l..

“**BCC Romagna Est**” means Romagna Est Banca di Credito Cooperativo S.c.a.r.l.

“**Borrower**” means the debtors under the Claims and their transferors, assignees and successors.

“**Business Day**” means any day on which banks are open for business in Milan and in Luxembourg and on which the Trans-European Automated Real Time Gross Transfer System (or any successor thereto) is open.

“**Calculation Date**” means the date falling five Business Days before any Interest Payment Date.

“**Call Option**” means the call option granted by the Issuer to the Originators to purchase all but not part of the Portfolios pursuant to the Transfer Agreement.

“**Cash Administration and Agency Agreement**” means the cash administration and agency agreement entered into on or prior to the Issue Date between the Issuer, the Originators, the Transaction Bank, the Representative of the Noteholders and the Agent Bank.

“**Class A Conditions**” means collectively the terms and conditions of the Class A Notes.

“**Class A Interest Rate**” has the meaning ascribed to it in the Conditions of the Class A Notes.

“**Class A Interest Payment Amount**” has the meaning ascribed to it in the Conditions of the Class A Notes.

“**Class A Notes**” means € 281,500,000 *Class A Asset Backed Floating Rate Notes* due September 2021 issued by the Issuer.

“**Class A Notes Principal Payment Amount**” means with respect to each Interest Payment Date, the aggregate of all Single Portfolio Class A Notes Principal Payment Amounts.

“**Class A Subscription Agreement**” means the subscription agreement entered into on or prior to the Issue Date between the Issuer, the Managers, the Originators and the Representative of the Noteholders, pursuant to which the Managers have agreed to subscribe for the Class A Notes and pay to the Issuer on the Issue Date the relevant Issue Price for the Class A Notes.

“**Class B Conditions**” means collectively the terms and conditions of the Class B Notes.

“**Class B Interest Rate**” has the meaning ascribed to it in the Conditions of the Class B Notes.

“**Class B Interest Payment Amount**” has the meaning ascribed to it in the Conditions of the Class B Notes.

“**Class B Notes**” means € 15,000,000 *Class B Asset Backed Floating Rate Notes* due September 2021 issued by the Issuer.

“**Class B Notes Principal Payment Amount**” means with respect to each Interest Payment Date, the aggregate of all Single Portfolio Class B Notes Principal Payment Amounts.

“**Class B Subscription Agreement**” means the subscription agreement entered into on or prior to the Issue Date between the Issuer, the Lead Manager, the Originators and the Representative

of the Noteholders, pursuant to which the Lead Manager has agreed to subscribe for the Class B Notes and pay to the Issuer on the Issue Date the relevant Issue Price for the Class B Notes.

“**Class C Conditions**” means collectively the terms and conditions of the Class C1 Notes, the terms and conditions of the Class C2 Notes, the terms and conditions of the Class C3 Notes, the terms and conditions of the Class C4 Notes and the terms and conditions of the Class C5 Notes and references to any specific “Condition” of the Class C Conditions are references to the such Condition in the specified terms and conditions if specified, or otherwise in any such terms and conditions.

“**Class C Interest**” has the meaning ascribed to it in the Conditions of the Class C Notes.

“**Class C Interest Payment Amount**” has the meaning ascribed to it in the Conditions of the Class C Notes.

“**Class C Notes**” means the € 860,339 Class C1 Asset Backed Floating Rate Notes due September 2021 (the “**Class C1 Notes**”), the € 1,641,007 Class C2 Asset Backed Floating Rate Notes due September 2021 (the “**Class C2 Notes**”), the € 1,221,865 Class C3 Asset Backed Floating Rate Notes due September 2021 (the “**Class C3 Notes**”), the € 2,229,311 Class C4 Asset Backed Floating Rate Notes due September 2021 (the “**Class C4 Notes**”) and the € 654,455 Class C5 Asset Backed Floating Rate Notes due September 2021 (the “**Class C5 Notes**” issued by the Issuer.

“**Class C Subscription Agreements**” means the subscription agreement entered into on or prior to the Issue Date between the Issuer, BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma, BCC Romagna Est and the Representative of the Noteholders, pursuant to which each of BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est has agreed to subscribe for a series of Class C Notes and pay to the Issuer on the Issue Date the relevant Issue Price for such series of Class C Notes.

“**Clearstream**” means Clearstream Banking Luxembourg.

“**Co-lead Managers**” means collectively Bankinter SA, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and DZ BANK AG Deutsche Zentral-Genossenschaftsbank.

“**Collection Policy**” means, with respect to each Servicer, the collection policy applied by such Servicer in connection with the Portfolio it sold to the Issuer.

“**Collections**” means all the amounts collected and/or recovered under the Claims on or after the Date of Transfer and any amount received by the Issuer from the Servicers pursuant to the Servicing Agreement.

“**Collection and Recoveries Accounts**” means the following accounts: (i) the account opened by the Issuer with the Transaction Bank with No. 00245857501 denominated “Portfolio No. 1 Collections and Recoveries”; (ii) the account opened by the Issuer with the Transaction Bank with No. 00245853001 denominated “Portfolio No. 2 Collections and Recoveries”; (iii) the account opened by the Issuer with the Transaction Bank with No. 00245870101 denominated “Portfolio No. 3 Collections and Recoveries”; (iv) the account opened by the Issuer with the Transaction Bank with No. 00245832701 denominated “Portfolio No. 4 Collections and Recoveries”; (v) the account opened by the Issuer with the Transaction Bank with No.

00245885201 denominated “Portfolio No. 5 Collections and Recoveries” 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 the purposes of this Agreement and the Intercreditor Agreement.

“**Computation Agent**” means Crédit Agricole Indosuez S.A., Milan Branch, or any assignee or other entity appointed as computation agent pursuant to the Cash Administration and Agency Agreement.

“**Conditions of the Notes**” means collectively the Class A Conditions and the Class B Conditions and references to any sopecific “Condition” of the Notes are references to such Condition in the specified terms and conditions if specified, or otherwise in each such terms and conditions.

“**Corporate Services Agreement**” means the corporate services agreement to be entered into on or prior to the Issue Date between the Issuer, the Corporate Administrator and the Representative of the Noteholders.

“**Date of Transfer**” means 20 September 2001.

“**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 Istruzioni di Vigilanza of Banca d’Italia and in any case a claim which has at least, as the case may be: (i) 12 Unpaid Instalments in case of Claims with Instalments which are paid monthly; (ii) 6 Unpaid Instalments in case of Claims with Instalments which are paid every two months; (iii) 5 Unpaid Instalments in case of Claims with Instalments which are paid quarterly; (iv) 4 Unpaid Instalments in case of Claims with Instalments which are paid every four months; and (v) 3 Unpaid Instalments in case of Claims with Instalments which are paid semiannually.

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“**Default Ratio**” means with respect to any Interest Payment Date, the ratio calculated as at the immediately preceding Reference 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.

“**Detrimental Event**” has the meaning ascribed to it in Condition 4.3.

“**Disequilibrium Event**” has the meaning ascribed to it in Condition 4.2 of the Notes.

“**Eligible Institutions**” means any depository institution organised under the laws of any state which is a member of the European Union or of the United States, the short-term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least P-1 / A-1+ from Moody’s and Standard & Poor’s respectively, and the long-term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least Aa3 / AA- from Moody’s and Standard & Poor’s respectively.

“**Eligible Investments**” means any senior, unsubordinated debt security, buy/sell back agreement, repos, commercial paper, deposit or other debt instrument issued by, or fully and unconditionally guaranteed by, an Eligible Institution, which (i) shall be denominated in Euro, (ii) will have a maturity date falling not later than two business days prior to the next following

Interest Payment Date and (iii) will not be repayable in an amount determined by reference to any formula or any index.

“**EURIBOR**” means EURIBOR for six months deposits calculated as provided for in Condition 5.2.2 of the Cash Administrator and Agency Agreement.

“**Euro**” and “**€**” denotes the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Roma 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.

“**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 Interest Payment Date falling in September 2021.

“**Hedging Agreements**” means the hedging agreements to be entered into on or prior to the Issue Date between the Issuer and the Swap Counterparty.

“**Information Technology Services Provider**” means with respect to BCC Agro Bresciano, ISIDE S.p.A., Milano; with respect to BCC Alba, S.B.A. Servizi Bancari Associati, Cuneo; with respect to BCC Orsago Ce.S.Ve. S.p.A., Padova; with respect to BCC Roma ISIDE S.p.A., Milano; and with respect to BCC Romagna Est CEDECRA S.c.a.r.l., Bologna.

“**Instalment**” means, with respect to each Claim, each monetary amount due from time to time by the relevant Borrower under the Claims.

“**Intercreditor Agreement**” means the intercreditor agreement entered into on or prior to the Issue Date between, *inter alia*, the Issuer, the Originators, the Transaction Bank, the Arranger and the Agent Bank.

“**Interest Accruals**” means, with respect to each Portfolio, the interest accrued and unpaid on the Claims as of the Valuation Date, which shall be payable on the Interest Payment Date falling in March 2002 by the Issuer as further consideration for the purchase of such Portfolio under the Transfer Agreement, equal to, with respect to Portfolio No. 1 € 180,105; with respect to Portfolio No. 2 € 764,725; with respect to Portfolio No. 3 € 165,133; with respect to Portfolio No. 4 € 730,796 and with respect to Portfolio No. 5 € 209,853.

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“**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 Interest 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 - *interesse di mora*).

“**Interest Payment Amount**” means the amount of interest from time to time payable to each Class of Notes.

“**Interest Payment Date**” means 30 March and 30 September of each year, or, if any of such dates does not fall on a Business Day, the next following Business Day, until the Final Maturity Date; the first Interest Payment Date shall be 30 March 2002.

“**Interest Period**” means each period from (and including) an Interest Payment Date to (but excluding) the next following Interest 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 Interest Payment Date.

“**Interest Rate**” means, with regard to each of the Class A Notes and of the Class B Notes, the relevant rate of interest applicable from time to time to the Class A Notes and to the Class B Notes respectively.

“**Issue Date**” means 27 September 2001.

“**Issue Price**” means the following percentages of the principal amount of the Notes and the Class C Notes at which the Notes and the Class C Notes will be issued:

<i>Class</i>	<i>Issue Price</i>
Class A	100 %
Class B	100 %
Class C1	100 %
Class C2	100 %
Class C3	100 %
Class C4	100 %
Class C5	100 %

“**Issuer**” means Credico Finance S.p.A..

“**Issuer’s Available Funds**” means, in respect of each Interest Payment Date, the aggregate of:

- (i) all the Collections received by the Issuer through the Servicers, during the immediately preceding Reference Period;
- (ii) all other amounts paid during the immediately preceding Reference Period in the Collections and Recoveries Accounts (excluding, in respect of the Interest Payment Date falling in September 2002, any Available Class A Notes Redemption Funds, Available Class B Notes Redemption Funds and Single Series Available Class C Notes Redemption Funds paid into the Collections and Recoveries Accounts on the immediately preceding Interest Payment Date), including interest accrued thereon and payments received under the Eligible Investments carried out during the immediately preceding Reference Period by the Cash Manager on the amounts standing to the credit of the Collections and Recoveries Accounts;

- (iii) all amounts standing to the credit of the Principal Amortisation Reserve Accounts at the end of the preceding Reference Period;
- (iv) all interest accrued on the amount from time to time standing to the credit of the Expenses Account, ~~during the preceding Reference Period and paid into the same;~~
- (v) all amounts due and payable to the Issuer on such Interest Payment Date under the terms of the Hedging Agreements;
- (vi) all amounts received from the Originators, if any, pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreement during the immediately preceding Reference Period;
- (vii) all the amounts standing to the credit of the Payments Account at the end of the immediately preceding Reference Period;
- (viii) exclusively in respect of the earlier of (i) the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.1 applies following full redemption of the Class A Notes and the Class B Notes, and (ii) the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.5 applies, all amounts standing to the credit of the Reserve Account at the end of the immediately preceding Reference Period; and
- (ix) (I) exclusively in respect of the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.5 applies, all amounts standing to the credit of the Single Portfolio Reserve Accounts at the end of the immediately preceding Reference Period;
- (II) save as provided under (I) immediately above, with respect to each Interest Payment Date on which a Single Portfolio Detrimental Event does not occur and with respect to each of the Single Portfolio Reserve Accounts, the difference, if positive, between (a) the amounts standing to the credit of such Single Portfolio Reserve Account at the end of the immediately preceding Reference Period and (b) the amount calculated as follows: (I) the amounts standing to the credit of such Single Portfolio Reserve Account at the end of the preceding Reference Period, multiplied by (II) the ratio between (x) the Advances to be made available to the Issuer under the Liquidity Agreement on such Interest Payment Date by the Liquidity Providers together with the Advances made available by the Liquidity Providers on previous Interest Payment Dates and not yet fully reimbursed, and (y) the aggregate of all amounts standing to the credit of all Single Portfolio Reserve Accounts at the end of the preceding Reference Period;

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and, only in respect of payments ranking as *First, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth* and *Fourteenth* of the order of priority of payments

provided for in Condition 4.5 of the Notes, shall include any Advances to be made to the Issuer with respect to such Interest Payment Date in relation to any Negative Balance.

“**ITL**” and “**Italian Lire**” means the lawful currency of the Republic of Italy.

“**Law 239 Deduction**” means any withholding or deduction for or on account of “*imposta sostitutiva*” under *Decreto Legislativo* No. 239 of 1 April 1996 as subsequently amended.

“**Lead Manager**” means Crédit Agricole Indosuez S.A..

“**Managers**” means collectively the Lead Manager, the Senior Co-lead Manager and the Co-lead Managers.

“**Maximum Commitment Amount**” means the maximum amount of the revolving facility which is made available to the Issuer by the Liquidity Providers under the Liquidity Agreement which is equal to € 10,606,822.

“**Monte Titoli**” means Monte Titoli S.p.A..

“**Monte Titoli Accountholders**” means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli (as *intermediari aderenti*) and includes Euroclear (as *organismo estero di gestione accentrata* - foreign clearing house) and IntesaBci S.p.A. as depositary bank appointed by Clearstream Luxembourg and is also expected to include Clearstream (as foreign clearing house) in the near future.

“**Monthly Servicing Report Date**” means the tenth 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.

“**Mortgage Loan Contracts**” are the mortgage loan contracts under which the Claims arise.

“**Negative Balance**” means with respect to any Interest Payment Date (i) following the delivery of a Trigger Notice, (ii) in case of Redemption for Taxation, or (iii) in case of Optional Redemption, the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Interest Payment Date under heads *First* through to *Fourteenth* (included) of the order of priority of payments provided for in Condition 4.5 and (b) the Issuer’s Available Funds with respect to such Interest Payment Date before any Advance to be granted to the Issuer by the Liquidity Providers under the Liquidity Agreement with respect to such Interest Payment Date.

“**Notes**” means collectively the Class A Notes and the Class B Notes.

“**Offering Circular**” means collectively the preliminary offering circular, dated 31 August 2001, and the final offering circular, dated 20 September 2001.

“**Outstanding Balance**” means with respect to a Claim the aggregate of the (i) Outstanding Principal and (ii) all due and unpaid Principal Instalments.

“**Outstanding Interest**” means, on any date the aggregate of all Interest Instalments owing by the relevant Borrower and scheduled to be paid after such date.

“**Outstanding Notes Ratio**” means with respect to any Interest Payment Date and to each Portfolio, the ratio, calculated as at the immediately preceding Reference Date, between:

- (x) the relevant Single Portfolio Notes Principal Amount Outstanding, and
- (y) the Principal Amount Outstanding of the Notes and of the Class C Notes.

“**Outstanding Principal**” means, with respect to any Claims and to any date, the aggregate of all Principal Instalments owing by the relevant Borrower and scheduled to be paid on and/or after such date.

“**Paying Agents**” means, collectively, the Principal Paying Agent and the Luxembourg Paying Agent.

“**Payments Account**” means the account opened by the Issuer with the Transaction Bank with No. 0024523694 denominated “Payments Account” 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 the purposes of this Agreement and the Intercreditor Agreement.

“**Portfolio No.1**” means the portfolio of Claims which are sold to the Issuer by BCC Agro Bresciano pursuant to the Transfer Agreement.

“**Portfolio No.2**” means the portfolio of Claims which are sold to the Issuer by BCC Alba pursuant to the Transfer Agreement.

“**Portfolio No.3**” means the portfolio of Claims which are sold to the Issuer by BCC Orsago pursuant to the Transfer Agreement.

“**Portfolio No.4**” means the portfolio of Claims which are sold to the Issuer by BCC Roma pursuant to the Transfer Agreement.

“**Portfolio No.5**” means the portfolio of Claims which are sold to the Issuer by BCC Romagna Est pursuant to the Transfer 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 an Interest Payment Date on which a Disequilibrium Event has occurred and to each Portfolio, 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 out of such Single Portfolio Available Funds under all the items of the order of priority of payments set out in Condition 4.1 for the full payment of which there are sufficient Single Portfolio Available Funds with respect to all Portfolios.

“**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 [to the Noteholders](#) paid prior to such date.

“**Principal Instalment**” means, in respect of each Claim, the principal component of each Instalment.

“**Principal Paying Agent**”, “**Luxembourg Paying Agent**”, “**Agent Bank**”, “**Computation Agent**”, “**Cash Manager**” and “**Transaction Bank**” include any Successors thereto appointed from time to time in accordance with clause 11 and any of their respective Successors.

“**Purchase Price**” means the price to be paid by the Issuer for the purchase of the Portfolios under the terms of the Transfer Agreement, calculated as the Outstanding Principal of the Claims as at the Valuation Date, which is equal to the aggregate of: (i) € 39,459,694 to be paid to BCC Agro Bresciano for the purchase of Portfolio No.1; (ii) € 75,265,256 to be paid to BCC Alba for the purchase of Portfolio No.2; (iii) € 56,041,158 to be paid to BCC Orsago for the purchase of Portfolio No.3; (iv) € 102,247,965 to be paid to BCC Roma for the purchase of Portfolio No.4; (v) € 30,016,754 to be paid to BCC Romagna Est for the purchase of Portfolio No.5.

“**Rating Agencies**” means Moody’s and Standard & Poor’s and any successors thereof and any other rating agency which shall be appointed by the Issuer to give a rating to the Notes.

“**Real Estate Assets**” means any real property which have been mortgaged in favour of the Originators to secure the Claims.

“**Reference Date**” means the last day of each Reference Period.

“**Reference Period**” means (i) each semi-annual period commencing on 1 March (included) and ending on 31 August (included) and (ii) each semi-annual period commencing on 1 September (included) and ending on the last day of February (included), and in the case of the first Reference Period, the period commencing on (and excluding) the Valuation Date and ending on (and including) 28 February 2002.

“**relevant**” when applied to the term “Portfolio” with respect to a series of Class C Notes, means the Portfolio sold by the Originator that subscribes such series of Class C Notes pursuant to the Class C Subscription Agreement and *vice versa* when applied to the term “series of Class C Notes” with respect to a Portfolio, means the series of Class C Notes subscribed by the Originator that sold such Portfolio; the same rule of interpretation shall apply to any other term which contains the words “Portfolio” or respectively “series of Class C Notes” or which is directly and univocally linked to any of them.

“**Reserve Amount**” means, with respect to each Interest Payment Date on which the order of priority of payments set out in Condition 4.1 applies, an amount equal to the difference, if a positive number, between:

- (i) € 1,500,000, and
- (ii) the amount standing to the credit of the Reserve Account as at the Reference Date immediately preceding such Interest Payment Date.

“**Reserve Amount Quota**” means with respect to each Interest Payment Date on which a Detrimental Event has occurred and 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 Interest Payment Date out of the relevant Single Portfolio Available Funds under items from *first* to *fourteenth* of the order of priority of payments set out in Condition 4.1;

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 Interest Payment Date out of the relevant Single Portfolio Available Funds under items from *first* to *fourteenth* of the order of priority of payments set out in Condition 4.1;

multiplied by

(ii) the ratio between:

(x) the Reserve Amount as at such Interest 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 Interest Payment Date out of the relevant Single Portfolio Available Funds under items from *first* to *fourteenth* of the order of priority of payments set out in Condition 4.1.

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“**Relevant Date**” means, in respect of each Class of Notes, the date on which a payment in respect thereof first becomes due and payable or (if the full amount of the moneys payable in respect of such Class of Notes due and payable on or before that date has not been duly received by the relevant Monte Titoli Accountholder on or prior to such date) the date on which notice that the full amount of such moneys has been received is duly given to the Representative of the Noteholders.

“**Retention Amount**” means an amount equal to € 40,000.

“**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.

“**Semiannual Servicing Report Date**” means the tenth calendar day of each March and September, or, if such day is not a Business Day, the next following Business Day, the first Servicing Report Date being the 10 March 2002.

“**Senior Co-lead Manager**” means Tokyo-Mitsubishi [International plc](#) in its capacity as senior co-lead manager pursuant to the Class A Subscription Agreement.

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“**Servicers**” means BCC Agro Bresciano, BCC Alba, BCC Orsago, BCC Roma and BCC Romagna Est in their capacity as *Servicers* pursuant to the *Servicing Agreement* and any substitutive servicers or Successor thereunder.

“**Servicing Agreement**” means the servicing agreement (as subsequently amended and integrated) entered into between the Servicers and the Issuer .

“**Single Portfolio Amortised Principal**” means, with respect to each Interest Payment Date and to each Portfolio, an amount equal to the aggregate of:

- (i) the aggregate amount of the Principal Instalments of the Claims of such Portfolio scheduled to be paid during the immediately preceding Reference Period (excluding, (a) with respect to the Claims that have become Pre-paid Claims during such Reference Period, all Principal Instalments prepaid during such Reference Period and (b) with respect to the Claims that have become Defaulted Claims during such Reference Period, all Principal Instalments scheduled to be paid after the date on which such Claims became Defaulted Claims);
- (ii) the aggregate amount of the Principal Instalments of the Pre-paid Claims that have been prepaid during the immediately preceding Reference Period;
- (iii) the Outstanding Principal of the Claims of such Portfolio that have become Defaulted Claims during the immediately preceding Reference Period, as of the date when such Claims became Defaulted Claims; and
- (iv) any amount received by the Issuer during the immediately preceding Reference Period from the Originator of such Portfolio pursuant to the Transfer Agreement and/or the Warranty and Indemnity Agreement (including the principal component of the price paid by the Originators to the Issuer upon exercise of the Call Option).

“**Single Portfolio Available Funds**” means in respect of each Interest Payment Date and of each Portfolio, the aggregate of:

- (i) all the Collections received by the Issuer, through the relevant Servicer of such Portfolio, during the immediately preceding Reference Period on the Claims of such Portfolio;
- (ii) all other amounts paid during the immediately preceding Reference Period in the relevant Collections and Recoveries Account (excluding, in respect of the Interest Payment Date falling in September 2002, any relevant Single Portfolio Class A Principal Payment Amount, Single Portfolio Class B Notes Principal Payment Amount and Single Series Available Class C Notes Redemption Funds paid into such Collections and Recoveries Account on the immediately preceding Interest Payment Date), including interest accrued thereon and payments received under the Eligible Investments carried out during the immediately preceding Reference Period by the Cash Manager on the amounts standing to the credit of such Collections and Recoveries Account;
- (iii) all amounts standing to the credit of the relevant Principal Amortisation Reserve Account at the end of the immediately preceding Reference Period;

(iv) the relevant Outstanding Notes Ratio of all interest accrued on the amounts standing from time to time to the credit of the Expenses Account during the immediately preceding Reference Period;

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(v) all amounts due and payable to the Issuer on such Interest Payment Date under the terms of the relevant Hedging Agreements entered into to hedge the interest rate risks with respect to such Portfolio;

(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 such Portfolio during the immediately preceding Reference Period; and

(vii) the relevant Outstanding Notes Ratio of all the amounts standing to the credit of the Payments Account at the end of the immediately preceding Reference Period;

(viii) with respect to each Interest Payment Date on which a Single Portfolio Detrimental Event has not occurred, the difference, if positive, between (a) the amounts standing to the credit of such Single Portfolio Reserve Account at the end of the immediately preceding Reference Period and (b) the amount calculated as follows: (I) the amounts standing to the credit of such Single Portfolio Reserve Account at the end of the preceding Reference Period, multiplied by (II) the ratio between (x) the Advances to be made available to the Issuer under the Liquidity Agreement on such Interest Payment Date by the Liquidity Providers together with the Advances made available by the Liquidity Providers on previous Interest Payment Dates and not yet fully reimbursed, and (y) the aggregate of all amounts standing to the credit of all Single Portfolio Reserve Accounts at the end of the preceding Reference Period;

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(ix) with respect to the first Interest Payment Date on which the order of priority of payments provided for in Condition 4.1 applies following full redemption of the Class A Notes and the Class B Notes, the amounts standing to the credit of the Reserve Account which were paid into it out of the relevant Single Portfolio Available Funds;

and, only in respect of payments ranking as *First, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth* and *Fourteenth* of the order of priority of payments provided for in Condition 4.1 of the Notes, shall include any Advances which are made to the Issuer with respect to such Interest Payment Date in relation to any Single Portfolio Negative Balance of such Portfolio.

“**Single Portfolio Class A Notes Principal Amount Outstanding**” means with respect to each Interest 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 Interest Payment Dates.

“**Single Portfolio Class B Notes Principal Amount Outstanding**” means with respect to each Interest Payment Date and to each Portfolio the difference between:

- (i) the relevant Single Portfolio Initial Class B Notes Principal Amount Outstanding; and

- (ii) the aggregate of all the Single Portfolio Class B Notes Principal Payment Amounts paid to the Class B Noteholders on the preceding Interest Payment Dates.

“**Single Portfolio Class A Notes Principal Payment Amount**” means with respect to each Interest Payment Date and to each Portfolio the lesser of:

- (i) the relevant Single Portfolio Amortised Principal, and
- (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding;

each as at the immediately preceding Reference Date.

“**Single Portfolio Class B Notes Principal Payment Amount**” means with respect to each Interest Payment Date and to each Portfolio the lesser of:

- (i) the relevant Single Portfolio Amortised Principal, and
- (ii) the Single Portfolio Class B Notes Principal Amount Outstanding;

each as at the immediately preceding Reference Date.

“**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 13.02% of the Class A Notes, equal to € 36,656,020; (ii) with respect to Portfolio No.2 the Principal Amount Outstanding as at the Issue Date of 24.84% of the Class A Notes, equal to € 69,917,538; (iii) with respect to Portfolio No.3 the Principal Amount Outstanding as at the Issue Date of 18.49% of the Class A Notes, equal to € 52,059,343; (iv) with respect to Portfolio No.4 the Principal Amount Outstanding as at the Issue Date of 33.74% of the Class A Notes, equal to € 94,983,083; and (v) with respect to Portfolio No.5 the Principal Amount Outstanding as at the Issue Date of 9.91% of the Class A Notes, equal to € 27,884,016.

“**Single Portfolio Initial Class B Notes Principal Amount Outstanding**” means (i) with respect to Portfolio No.1 the Principal Amount Outstanding as at the Issue Date of 13.02% of the Class B Notes, equal to € 1,953,251; (ii) with respect to Portfolio No.2 the Principal Amount Outstanding as at the Issue Date of 24.84% of the Class B Notes, equal to € 3,725,624; (iii) with respect to Portfolio No.3 the Principal Amount Outstanding as at the Issue Date of 18.49% of the Class B Notes, equal to € 2,774,032; (iv) with respect to Portfolio No.4 the Principal Amount Outstanding as at the Issue Date of 33.74% of the Class B Notes, equal to € 5,061,266; and (v) with respect to Portfolio No.5 the Principal Amount Outstanding as at the Issue Date of 9.91% of the Class B Notes, equal to € 1,485,827.

“**Single Portfolio Negative Balance**” means with respect to any Interest Payment Date and to each Portfolio the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Interest Payment Date under heads *First* through to *Fourteenth* (included) of the order of priority of payments provided for in Condition 4.1 and (b) the Single Portfolio Available Funds with respect to such Portfolio and to such Interest Payment Date before any Advance to be granted to the Issuer by the relevant Liquidity Provider under the relevant Liquidity Agreement

with respect to such Interest Payment Date and excluding any amount under item (viii) of the definition of Single Portfolio Available Funds.

“**Single Portfolio Notes Principal Amount Outstanding**” means with respect to each Interest Payment Date:

- (i) with respect to Portfolio No.1, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C1 Notes,
- (ii) with respect to Portfolio No.2, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C2 Notes,
- (iii) with respect to Portfolio No.3, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C3 Notes,
- (iv) with respect to Portfolio No.4, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C4 Notes, and
- (v) with respect to Portfolio No.5, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, the relevant Single Portfolio Class B Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class C5 Notes,

in each case as at the immediately preceding Reference Date.

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

- (i) the relevant Single Portfolio Available Funds, and
- (ii) the aggregate of all amounts to be paid by the Issuer out of such Single Portfolio Available Funds under items from *first* to *fifteenth* of the order of priority of payments set out in Condition 4.1.

“**Single Provider Maximum Commitment Amount**” means the maximum amount which each Liquidity Provider will make available to the Issuer under the terms of the Liquidity Agreement, which is equal to: (i) with respect to BCC Agro Bresciano € 1,085,142; (ii) with respect to BCC Alba € 2,634,284; (iii) with respect to BCC Orsago € 2,227,636; (iv) with respect to BCC Roma € 3,834,299; and (v) with respect to BCC Romagna Est € 825,461.

“**Single Series Available Class C Notes Redemption Funds**” means with respect to each Interest Payment Date and to each series of Class C Notes, an amount, calculated as at the Reference Date immediately preceding such Interest 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 C Notes according to the order of priority of payments set out in Condition 4.1 or Condition 4.5 as applicable; and
- (ii) the Principal Amount Outstanding of such series of Class C Notes.

“**Single Series Class C Notes Interest Payment Amount**” means with respect to each Interest Payment Date and to each series of Class C Notes an amount, calculated as at the Reference Date immediately preceding such Interest Payment Date, equal to:

- (i) the aggregate of all Interest Instalments accrued on the Claims of the relevant Portfolio in the immediately preceding Reference Period (excluding Interest Accruals);

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plus

- (ii) the aggregate of all fees for prepayment paid on the Claims of the relevant Portfolio in the immediately preceding Reference 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 Reference Period;

plus

- (iv) all amounts to be received by the Issuer under the relevant Hedging Agreements on the next following Interest Payment Date;

plus

- (v) all amounts received or recovered by the Issuer in the immediately preceding Reference Period with respect to Claims of the relevant Portfolio which are or have been Defaulted Claims;

plus

- (vi) (a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Payments Account and the Expenses Account and paid into the same; (b) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the relevant Collections and Recoveries Account, Single Portfolio Reserve Account and Principal Amortisation Reserve Account and paid into the same during the immediately preceding Reference Period; and (c) all amounts of interest (if any) accrued 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 Reference Period;

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plus

- (vii) the relevant Outstanding Notes Ratio of all payments (if any) received under the Eligible Investments during the immediately preceding Reference Period;

minus

- (viii) the aggregate of all amounts due to be paid by the Issuer on the next following Interest Payment Date out of the relevant Single Portfolio Available Funds under *First* and *Third* through to *Seventh*, plus *Ninth*, *Tenth*, *Thirteenth* and *Fourteenth* of the Order of Priority of Payments set out in Condition 4.1 or the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer under heads *First* and *Third* through to *Seventh*, plus *Ninth*, *Tenth*, *Thirteenth* and *Fourteenth* of the order of priority of payments set out in Condition 4.5;

minus

- (ix) the Outstanding Balance of all the Claims of the relevant Portfolio which have become Defaulted Claims during the immediately preceding Reference Period calculated as at the immediately preceding Reference Date.

“**Six Monthly Servicing Report**” means the six monthly report, containing information as to the collections and recoveries made in respect of the Portfolio during the immediately preceding Collection Period, which the Servicers undertake to prepare and submit on the 10th of March 2002 and thereafter on the 10th of September and the 10th of March of each year (or if not a Business Day, the next following Business Day), under the terms of the Servicing Agreement.

“**Specified Office**” means with respect to the Principal Paying Agent: Crédit Agricole Indosuez S.A., Milan Branch at: Via Brera No. 21 20121, Milan (Italy) and with respect to the Luxembourg Paying Agent: Crédit Agricole Indosuez Luxembourg S.A., 39 Allée Scheffer, L2520 Luxembourg and such other office as will be notified to the Noteholders by the Representative of the Noteholders.

“**Standard & Poor’s**” means Standard & Poor’s Rating Services, a division of the McGraw Hill Companies.

“**Subscription Agreements**” means collectively the Class A Notes Subscription Agreement, the Class B Subscription Agreement and the Class C Subscription Agreement.

“**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.

“**Transaction**” means the securitisation of the Portfolios carried out by the Issuer.

“**Transaction Documents**” means collectively the Transfer Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Cash Administration and Agency Agreement, the Hedging Agreements, the Pledge Agreements, the Classe A Subscription Agreement, the Class B Subscription Agreement and the Class C Subscription Agreements, the Offering Circular.

“**Transfer Agreement**” means the transfer agreement (*contratto di cessione*)(as subsequently amended and integrated) entered into on the Transfer Date between the Issuer and the Originators in connection with the purchase of the Portfolios.

“**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.

“**Valuation Date**” means 31 August 2001.

“**Warranty and Indemnity Agreement**” means the warranty and indemnity agreement (*Contratto di Garanzia ed Indennizzo*) (as subsequently amended and integrated) entered into between the Issuer and the Originators.

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