

# Credico Finance 3 S.r.l.

## BALANCE SHEET

at June 30, 2011

(amounts stated in €)

	30/06/2011	31/12/2010	30/06/2010
<b><u>BALANCE SHEET</u></b>			
<b>ASSETS</b>			
<b>60</b> Amounts receivable	7.421	7.421	7.535
<b>120</b> Tax assets	-	-	61
(a) current	-	-	61
(b) prepaid	-	-	
<b>140</b> Other assets	18.524	21.845	11.331
<b>TOTAL ASSETS</b>	<b>25.945</b>	<b>25.945</b>	<b>18.927</b>

	30/06/2011	31/12/2010	30/06/2010
<b>LIABILITIES AND CAPITAL AND RESERVES</b>			
<b>70</b> Tax liabilities	1.675	48	0
(a) current	1.675	48	
(b) deferred	-		
<b>90</b> Other liabilities	13.564	18.512	8.221
<b>120</b> Share capital	10.000	10.000	10.000
<b>160</b> Reserves	706	706	706
<b>180</b> Profit (Loss) for the period	0	(0)	
<b>TOTAL LIABILITIES AND CAPITAL AND RESERVES</b>	<b>25.945</b>	<b>29.266</b>	<b>18.927</b>

# Credico Finance 3 S.r.l.

## PROFIT AND LOSS ACCOUNT

at June 30, 2011

(amounts stated in €)

	30/06/2011	31/12/2010	30/06/2010
<b>10</b> Interest receivable and similar income		27	
<b>Interest margin</b>		<b>27</b>	-
<b>Intermediation margin</b>	-	<b>27</b>	-
<b>110</b> Administrative expenses:			
a) for staff	(4.368)	(8.866)	(4.498)
b) other administrative expenses	(54.641)	(104.084)	(51.436)
<b>160</b> Other operating income and charges	60.684	113.238	55.956
<b>Result of operations</b>	<b>1.675</b>	<b>315</b>	<b>22</b>
<b>Profit (Loss) from current operations before taxes</b>	<b>1.675</b>	<b>315</b>	<b>22</b>
<b>190</b> Income tax on the income from current operations	(1.675)	(315)	(22)
<b>Profit (Loss) from current operations after taxes</b>	-	-	-
<b>Profit (Loss) for the period</b>	-	-	-

# **Credico Finance 3 S.r.l.**

## **EXPLANATORY NOTES TO THE SEMI-ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2011**

### **CORPORATE BUSINESS**

The Company was incorporated on March 9, 2004 with the sole business purpose of performing receivable securitization transactions under Law No. 130 of April 30, 1999.

### **FORM AND CONTENT OF THE EXPLANATORY NOTES**

These notes are broken down into the following parts:

Part A – Accounting Policies

Part B – Balance Sheet Data

Part C – Profit and Loss Account Data

Part D – Other information

Each part of the Explanatory Notes is broken down into sections that illustrate every aspect of corporate operations. The above sections include both qualitative and quantitative data.

## **2. PART A – ACCOUNTING POLICIES**

### **A.1 General Part**

#### **Section 1 – Statement of compliance with international accounting standards**

The semi-annual financial statements as at 30/6/2011 are drawn up in compliance with International Financial Reporting Standards and International Accounting Standards (hereinafter referred to as "Ifrs", "Ias", or international accounting standards).

The IAS/IFRS international accounting standards, issued by the IASB (International Accounting Standards Board), are a whole series of standard criteria for preparing financial statements of companies in order to make them easily comparable within a context characterised by growing competition and globalisation.

On a European level, the application of the IAS/IFRS standards was made a requirement for consolidated financial statements of listed companies by EC Regulation No. 1606 of July 19, 2002.

The European Community completed the standardization process of the IAS/IFRS standards, necessary for their application, in December 2004, with the approval of IAS standard 39 relating to financial instruments.

On a national level, Legislative Decree No. 38 of February 28, 2005 widened the application of the IAS/IFRS standards, as part of the options allowed by the EC Regulation, including to individual financial statements (optional for 2005 and mandatory as from 2006) of listed companies, banks, financial institutions under surveillance and non-listed insurance companies.

As part of the regulatory powers vested in it by Legislative Decree No. 38 of February 28, 2005 and for the purpose of completing the framework of applicable rules and regulations, the Bank of Italy issued with its Ordinance of February 14, 2006 a first version, which was subsequently replaced and supplemented by its Ordinance of December 16, 2009, of the “Instructions for preparation of financial statements of financial brokers registered with the special roll, of Imels, Sgrs and Sims (Electronic Money Institutions, Collectively Managed Investments Institutions and stock market intermediaries)”, according with which the financial statements for the period have been drawn up.

On the basis of what is set out by Legislative Decree 38/2005, the choice relating to the application of the IAS/IFRS standards may not be reversed.

In compliance with the provisions of the above Legislative Decree 38/2005, Credico Finance 3 S.r.l. adopted the IAS/IFRS standards in preparing its individual financial statements from the 2006 period onwards.

Amounts in the semi-annual financial statements are stated in €, which is the company’s functional currency. Accounting statements and explanatory notes, unless otherwise indicated, are stated in € units.

## **Section 2 - General preparation criteria**

The semi-annual financial statements consist of balance sheet, profit and loss account, statement of comprehensive income, statement of variations taking place in capital and reserves, cash flow statements and these notes, and are supplemented by the management report prepared by the sole director. The balance sheet and profit and loss account consist of items, sub-items and additional detailed information (namely, the “of which” of items and sub-items).

The semi-annual financial statements are drawn up according to the general principles referred to by the framework for preparation and presentation of financial statements, and special attention has been paid to the basic principles of prevalence of substance over form, on the assumption of business operation and on a going concern basis, and on the basis of the relevance and significance of information.

The semi-annual financial statements are drawn up on an accrual and going concern basis.

Items with no amounts in either the financial statements for the six-month period or those for the previous period or six months are not stated.

The explanatory notes include the information required by the Ordinance of the Bank of Italy dated December 16, 2009 “Instructions for preparation of financial statements of financial brokers registered with the special roll, of Imels, Sgrs and Sims (Electronic Money Institutions, Collectively Managed Investments Institutions and stock market intermediaries)” and the additional data required under international accounting standards.

Financial assets and liabilities are reported in the explanatory notes in compliance with the administrative directives issued by the Bank of Italy pursuant to Art. 9 of Legislative Decree 38/2005, in accordance with international accounting standards, highlighting the status of segregation of the assets of the securitization transaction with the company's assets. This approach is also in line with the provisions of Law No. 130/99, according to which receivables relating to each transaction represent assets segregated in all respects from those of the Company and those relating to other transactions

For the purpose of providing thorough information, it should be noted that the accounting treatment of investments and/or groups of financial assets and liabilities originating from securitization transactions, in accordance with IAS 39 of the international accounting standards, is still being studied by the authorities in charge of interpreting the established accounting principles.

## Securitization transactions

From an accounting standpoint, the securitization transaction has been reported in compliance with the “Instructions for preparation of financial statements of financial brokers registered with the special roll, of Imels, Sgrs and Sims (Electronic Money Institutions, Collectively Managed Investments Institutions and stock market intermediaries)” issued by the Bank of Italy with its Ordinance of December 16, 2009.

The provisions included in the Instructions appear to be in line with the content of the previous Ordinance of April 2000 and the provision of Law 130/99 (the “Securitization Act”), which state that “receivables relating to each transaction represent assets segregated in all respects from those of the Company and those relating to other transactions”.

Information relating to the securitization transaction is reported in the respective section of the Explanatory Notes and does not form part of financial statements. Therefore, amounts relating to the securitization transaction have not been impacted by the application of IAS/IFRS standards.

As regards the transactions in question, the Bank of Italy has expressly provided that:

- a) Accounting information relating to each securitization transaction is separately stated in the Explanatory Notes;
- b) Information should include all qualitative and quantitative data necessary for a clear and thorough representation of each transaction.

In particular, the Bank of Italy demands that the minimum quantity of data indicated below is reported in the Explanatory Notes.

Part D, “Other information”, should include a Section where at least the following information must be summarised: amount of receivables purchased (nominal and transfer value); amount of securities issued, with separate indication of the class of securities with respective degree of subordination. Disclosure is based on the provision which requires that all information should be given that may be useful to provide a complete picture of the situation, even though not expressly required; on the contrary information that due to its nature or excessive content might make information included in the document less clear and immediate should be omitted.

For each transaction performed, the respective Section (“F”) should be drawn up, where at least the following information is to be included:

Qualitative data:

- description and progress of transaction;
- involved parties;
- description of issues;
- additional financial transactions;
- operating authority of the transferee company and of the issuer, if other than the transferee.

Quantitative data:

- balance of receivables at the time of transfer; increases and decreases taking place up to the closing date of accounts; balance of receivables at the end of the period;
- variations taking place in overdue receivables;
- cash flows in the period;
- status of guarantees and liquidity facilities;
- breakdown of securitized assets and liabilities by residual life;
- breakdown of securitized assets by geographic area;
- indications on the level of portfolio breakdown.

More information on the securitization transaction can be found under Letter “F” of Part D “Other Information” of these notes.

### **Section 3 - Events taking place after the closing date of accounts**

During the period between the close of accounts and the approval date of these annual financial statements, no events took place such as to impact operations and business results.  
The securitization transaction has been progressing in line with expectations.

#### **A.2: PART RELATING TO THE MAIN BALANCE SHEET AGGREGATES**

##### **RECEIVABLES**

###### **Recording criteria**

Receivables comprise investments with clients and banks, which involve fixed or determinable payments, which are not listed on an active market. The value of the item corresponds to the total of deposits and current accounts in credit held at banks.

###### **Classification criteria**

Receivables have not been classified at the start under investments held for disposal.

###### **Valuation criteria**

Receivables are valued at amortised cost. This principle is not applied to less than short-term receivables, in which the corresponding valuation has been carried out at their original value. At each closing date, receivables are assessed to check that there is objective proof of impairment.

###### **Derecognition criteria**

Receivables are derecognised when the asset in question is transferred, substantially shifting all connected risks and benefits, when contractual rights come into effect or when the receivable is considered to be definitely unrecoverable.

###### **Criteria for recording income components**

The income component corresponds to revenues originating from interest receivable on bank current accounts.

##### **DEFERRED AND CURRENT TAXES**

###### **Recording criteria**

The recognition of current tax assets and liabilities derives from obligations related to corporate income tax regulations in force.

The recognition of deferred tax assets and liabilities derives from temporary differences taxable or deductible in future periods.

On the basis of IAS 12, current assets and liabilities are subject to offsetting.

###### **Classification criteria**

This item consists of current and deferred tax assets and liabilities.

###### **Valuation criteria**

Amounts are set aside for income taxes on the basis of the estimation of the current and deferred tax burden, calculated according to applicable rates.

As a rule, deferred tax liabilities are always calculated. Deferred tax assets are calculated in relation to whether or not they can be reasonably expected to be recovered.

###### **Derecognition criteria**

Current tax assets and liabilities are derecognised when they are paid in accordance with current tax law. Deferred taxes are derecognised when the temporary differences identified became taxable or deductible.

##### **OTHER ASSETS**

## **Recording, classification, valuation, derecognition and recognition criteria for income components**

Recording of receivables arising from charge back of costs incurred in favour of segregated assets takes place at the time when the service has been fully provided or costs have been incurred, i.e. at the time when the company is entitled to receive payment.

### **OTHER LIABILITIES**

## **Recording, classification, valuation, derecognition and recognition criteria for income components**

These are recorded at their nominal value with settlement forecast within the Company's normal operating cycle with no deferrals foreseen. Liabilities are initially recorded at fair value generally corresponding to the amount paid including any additional income and/or charges.

### **SHARE CAPITAL**

Share capital is reported net of subscribed capital unpaid.

### **COSTS AND REVENUES**

## **Recording, classification, valuation and derecognition criteria**

Costs and revenues are shown in the semi-annual financial statements depending on their nature and on an accrual basis.

Costs are recorded in the profit and loss account when there is a decrease in future economic benefits, which involves a reduction in assets or an increase in liabilities whose value is reliably determined. Revenues are recorded in the profit and loss account when there is an increase in future economic benefits, involving an increase in assets or a decrease in liabilities that can be reliably determined. Costs and revenues are matched by directly matching the costs incurred with the specific items of revenue obtained.

Considering the exclusive management activity performed by the company, the operating charges, interest receivable and taxes incurred are charged back to the segregated assets, as far as it is necessary to ensure the financial stability of the company, as provided for by contract. This amount is classified in "other operating income".

### **A.3: INFORMATION ON FAIR VALUE**

This part has not been completed since the Company does not own any financial instruments valued at fair value.

## **PART B - BALANCE SHEET DATA**

Amounts in balance sheet are stated in €.

### **ASSETS**

#### **Section 6 – Amounts receivable (Item 60)**

##### 6.1 "Amounts receivable from banks"

30/06/2011	31/12/2010	30/06/2010
7,421	7,421	7,535

This item consists of the credit balance of bank current accounts.

	30/06/2011	31/12/2010	30/06/2010
1. Bank deposits and current accounts	7,421	7,421	7,535
2. Financing			
2.1			
2.2			
2.3			
2.4			
3. Debt securities			
- structured securities			
- other debt securities			
4. Other assets			
Total book value	<b>7,421</b>	<b>7,421</b>	<b>7,535</b>

This item consists of the credit balance of current account No. 29112 held at Iccrea Banca.

## Section 12 - Tax assets and tax liabilities (Item 120 under assets and Item 70 under liabilities)

This item includes tax assets and liabilities (current and prepaid).

### 12.1 Breakdown of Item 120 "Tax assets: current and prepaid"

	30/06/2011	31/12/2010	30/06/2010
Tax assets			
1. Current	0	0	61
2. Prepaid			
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 12.2 Breakdown of Item 70 "Tax liabilities: current and deferred"

	30/06/2011	31/12/2010	30/06/2010
Tax liabilities			
1. Current	1,675	48	0



## 2. Prepaid

<b>Total</b>	<b>1,675</b>	<b>48</b>	<b>0</b>
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The balance of tax liabilities is broken down as follows:

	30/06/2011	31/12/2010	30/06/2010
Withholding tax paid	0	7	67
Regional tax on production (IRAP) advances	0	193	0
Corporate income tax (IRES) receivables	0	51	0
Corporate income tax (IRES) payable	1,662	(87)	(6)
Regional tax on production (IRAP) payable	13	(212)	0
<b>Total current tax liabilities</b>	<b>1,675</b>	<b>48</b>	<b>61</b>

### Section 14 - Other assets (Item 140)

#### 14.1 Breakdown of Item 140 "Other assets"

Other assets consist of the following:

	30/06/2011	31/12/2010	30/06/2010
Organizational costs' adjunct account	18,524	21,845	11,331
Advances to suppliers	0	0	0
<b>Total other assets</b>	<b>18,524</b>	<b>21,845</b>	<b>11,331</b>

Organisational costs' adjunct account substantially consists of the receivable resulting from charge-back of costs and income from corporate to segregated assets as provided for by the agreement. At the end of the half-year, it was considered appropriate that the asset and liability items be offset to segregated assets. In fact, "amounts owed to SPV" mainly resulted from payment of costs which, at the end of the period, have been charged back.

## LIABILITIES

### Section 9 – Other liabilities (Item 90)

#### 9.1 Breakdown of Item 90 "Other liabilities"

Other liabilities consist of:

	30/06/2011	31/12/2010	30/06/2010
- Amounts owed to suppliers	13,234	17,892	7,190
- Invoices to be received	330	620	310
- Tax withholdings for self-employed workers	0	0	721
<b>GRAND TOTAL</b>	<b>13,564</b>	<b>18,512</b>	<b>7,221</b>

Detail of amounts owed to suppliers is reported below:

- FIS S.p.a.	6,342
- Reconta Ernst & Young	1,800
- Omniservizi	720
- Sole Director	4,372
<b>Total</b>	<b>13,234</b>

Below is the detail of invoices to be received:

- Wilmington Trust	330
<b>Total</b>	<b>330</b>

Invoices to be received relate to expenses for services carried out by the Corporate Servicer and for the management of the two Stichtings which hold the shares in the Company.

## Section 12 – Capital and reserves (Items 120, 130, 140 and 150)

### 12.1 Breakdown of Item 120 “Share Capital”

Type		30/06/2011	31/12/2010	30/06/2010
1.	Share capital	10,000	10,000	10,000
	1.1 Ordinary shares	No. 0	No. 0	No. 0
	1.2 Other shares	No. 0	No. 0	No. 0

The Share Capital is fully subscribed and paid up, and is broken down as follows:

Shareholders	Percentage of Equity Investment	Nominal Value of Equity Investment
Stichting Melograno 3	50%	5,000
Stichting Melograno 4	50%	5,000

### 12.5 Other information

Type/value	Reserves of profits		Other:		Total
	Legal	Extraordinary	Restatement reserves	Other reserves	
<b>A. Opening balance</b>	<b>90</b>	<b>616</b>		<b>0</b>	<b>706</b>
B. Increase					
B.1 Allocations					
B.2 Other variations					
C. Decrease					
C.1 Utilisation coverage of losses distribution capital transfer					
C.2 Other variations					
<b>D. Closing balance</b>	<b>90</b>	<b>616</b>	<b>0</b>		<b>706</b>

With regards to the distributability of the reserves, reference is made to the following table.

Description	Amount	Possibility of use	Available share	Summary of utilisation carried out in the prior three periods	
				for coverage of losses	for other reasons
<b>Reserves of profits:</b>					
Legal reserve	90	B	-		
Extraordinary reserve	616	A,B,C	616		
<b>Other:</b>					
Restatement reserve					

Profits brought forward		B		
<b>Non-distributable portion</b>	<b>90</b>			
<b>Distributable portion</b>			<b>616</b>	

Legend

A for capital increase

B for coverage of losses

C for distribution to shareholders

## PART C - PROFIT AND LOSS ACCOUNT DATA

### Section 1 - Interest (Items 10 and 20)

#### 1.1 Breakdown of item 10 "Interest receivable and similar income"

The item interest receivable includes interest on amounts receivable from credit institutions.

Items/Types	Debt securities	Financing	Other transactions	Total 30/06/2011	Total 31/12/2010	Total 30/06/2010
1. Investments held for trading						
2. Investments at fair value						
3. Investments available for sale						
4. Investments held to maturity						
5. Amounts receivable						
5.1 Loans to banks						
5.2 Amounts receivable from financial institutions				0	27	0
5.3 Customer loans						
6. Other assets						
7. Hedging derivatives						
<b>Total</b>				<b>0</b>	<b>27</b>	<b>0</b>

### Section 9 – Administrative expenses (Item 110)

#### 9.1 Breakdown of Item 110.a "For staff costs"

Item/Sector	30/06/2011	31/12/2010	30/06/2010
<b>1. Employees</b>			
a) wages and salaries			
b) social security costs			
c) employee severance indemnity			
d) pension costs			
e) provision for severance indemnity			
f) provisions for retirement benefits and similar commitments:			
- defined contribution plans			
- defined benefit plans			
g) payments to external supplementary national insurance funds:			
- defined contribution plans			
- defined benefit plans			
f) other expenses			

<b>2. Other staff in service</b>			
<b>3. Directors and Statutory Auditors</b>	4,368	8,866	4,498
<b>4. Staff laid off</b>			
<b>5. Recoveries of expenses for employees seconded at other companies</b>			
<b>6. Reimbursements of expenses for employees seconded at the Company</b>			
<b>Total</b>	<b>4,368</b>	<b>8,866</b>	<b>4,498</b>

The item relates solely to fees of the Sole Director for the first six months of 2011. The Company has no Board of Statutory Auditors.

### 9.3 Breakdown of Item 110.b “Other administrative expenses”

	<b>30/06/2011</b>	<b>31/12/2010</b>	<b>30/06/2010</b>
- notary and legal advisory services	927	2,423	1,960
- tax and administrative consulting services	38,424	76,179	36,961
- financial statements’ auditing	12,425	19,281	9,201
- Stichting management charges	1,446	2,910	1,376
- expenses for filing of documents	130	0	1,296
- expenses for translations and publications	720	2,452	0
- bank expenses	0	60	0
- other expenses	41	0	0
- administrative charge for corporate books	310	310	310
- Annual fee for registration at the Chamber of Commerce for Industry, Agriculture and Handicrafts	200	200	200
- expenses for filing of documents and certificates of incorporation with the Chamber of Commerce for Industry, Agriculture and Handicrafts	0	193	130
- administrative penalties	0	0	0
- stamp duty	18	76	2
<b>Total</b>	<b>54,641</b>	<b>104,084</b>	<b>51,436</b>

In order to provide a better accounting presentation, indirect taxes and dues have been reclassified from the item "Other operating income/charges" to the item "Other administrative expenses", as was already done for the 2010 financial statements and for the first half of 2010 and 2011.

## Section 14 – Other operating income and charges (Item 160)

### 14.1 Breakdown of Item 160 “Other operating income and charges”

Items	<b>30/06/2011</b>	<b>31/12/2010</b>	<b>30/06/2010</b>
<b>1. Income</b>			
1.1 Revaluations			
1.2 Gains from transfer			
1.3 Recoveries in value			
1.4 Other income	60,684	113,238	55,956
<b>2. Charges</b>			
2.1 Write downs			
2.2 Losses from transfer			
2.3 Value adjustments due to impairment			
2.4 Other charges		0	0
<b>Net profit</b>	<b>60,684</b>	<b>113,238</b>	<b>55,956</b>

The item other income relates to the organizational costs' adjunct account which is broken down as follows:

	<b>30/06/2011</b>
- Sole Director's fee	4,368
- notary and legal advisory services	927
- tax and administrative consulting services	38,424
- financial statements' auditing	12,425
- Stichting management charges	1,446
- expenses for filing of documents	130
- expenses for translations and publications	720
- bank expenses	0
- other expenses	41
- administrative charge for corporate books	310
- annual fee for registration at the Chamber of Commerce for Industry, Agriculture and Handicrafts	200
- expenses for filing of documents and certificates of incorporation with the Chamber of Commerce for Industry, Agriculture and Handicrafts	0
- administrative penalties	0
- stamp duty	18
- Corporate income tax (IRES)	1,662
- Regional tax on production (IRAP)	13
<b>Total</b>	<b>60,684</b>

#### **Section 17 – Income tax on the income from current operations (Item 190)**

This item includes the tax burden, as the difference between current and deferred taxation, relating to the income for the period.

##### 17.1 Breakdown of Item 190 “Income tax on the income from current operations”

	<b>30/06/2011</b>	<b>31/12/2010</b>	<b>30/06/2010</b>
1. Current taxes – Corporate income tax (IRES)/regional tax on production (IRAP)	1,675	299	0
2. Variation in current taxation for previous periods	0	16	0
3. Reduction in current taxation for the period	0	0	0
4. Variation in prepaid taxes	0	0	0
5. Variation in deferred taxes	0	0	0
<b>Taxes pertaining to the period</b>	<b>1,675</b>	<b>315</b>	<b>0</b>

The value of taxes in the first half of 2011 originates from the calculation made in accordance with current rules and regulations.

##### 17.2 Reconciliation between the theoretical tax charge and the actual tax charge in the financial statements

	<b>Taxable basis</b>	<b>Rate</b>	<b>Tax</b>

Theoretical corporate income tax (IRES)	0	27.50%	0
Positive addbacks	4,368	27.50%	1,202
Non-deductible costs	1,674	27.50%	460
Negative addbacks	0	27.50%	0
<b>Actual corporate income tax (IRES)</b>	<b>6,044</b>	<b>27.50%</b>	<b>1,662</b>
Theoretical corporate income tax (IRES)	7,576	5.57%	422
Positive addbacks	0	5.57%	0
10% of other administrative expenses	0	5.57%	0
Negative addbacks	0	5.57%	0
Flat-rate deduction	(7,350)	5.57%	(409)
<b>Actual regional tax on production (IRAP)</b>	<b>226</b>	<b>5.57%</b>	<b>13</b>

## **PART D - OTHER INFORMATION**

### **D - GUARANTEES ISSUED AND COMMITMENTS**

#### **D.1 – Value of guarantees issued and commitments**

The Company has not issued any guarantees to third parties, nor are there any commitments other than those reported in section F.

#### **D.3 – Other information**

The Company does not have any off-balance-sheet transactions under way at June 30, 2011 other than those indicated in section F.

### **F - RECEIVABLE SECURITIZATION**

#### **Layout, Form and Valuation Criteria used in preparing the summary schedule of securitized assets and securities issued.**

The layout and form of the summary schedule are in line with those set out by the Ordinance of the Bank of Italy of March 29, 2000, "Financial Statements of receivable securitization companies", as updated by the "Instructions for preparation of financial statements of financial brokers registered with the special roll, of Imels, Sgrs and Sims (Electronic Money Institutions, Collectively Managed Investments Institutions and stock market intermediaries)" issued by the Bank of Italy, as part of the regulatory powers vested in it under Legislative Decree No. 38 of February 28, 2005 with its Ordinance of December 16, 2009.

Since the securitization transaction was carried out during the 2004 period, data relating to the previous year and half-year have been shown for reasons of comparison.

As in the previous section of the Explanatory Notes, amounts are stated in € units, unless otherwise indicated. Below the valuation criteria adopted for the most significant items are shown which, in accordance with the above Instructions of the Bank of Italy, are in line with the criteria provided for by Legislative Decree 87/92.

### **Securitized assets**

Securitized assets are recorded at nominal value, which is the presumed realisable value, net of write downs.

### **Employment of available funds and Amounts receivable from banks**

Receivables, which represent credit balances of current accounts held with credit institutions, are shown at the nominal value corresponding to the presumed realisable value.

### **Securities issued**

Securities issued are recorded at their respective nominal values. C-series securities are part of the limited recourse “asset-backed” category of securities and are repaid using the amounts originating from collection of the receivables being transferred only.

### **Other Liabilities, Accruals and Deferrals**

Liabilities are recorded at nominal value.

Accruals and deferrals have been determined on an accrual basis, applying the principle of matching costs with revenues concerning the period.

### **Interest, Commissions, Other Income and Charges**

Costs and revenues relating to securitized assets and securities issued, interest, commissions, proceeds, other charges and income have been recorded on an accrual basis.

### **Derivative contracts**

The differential on the Interest Rate Swap contracts, entered into in order to hedge the risk of interest rate fluctuation, is recorded under charges on an accrual basis.

**F.1 SUMMARY SCHEDULE OF SECURITIZED ASSETS AND SECURITIES ISSUED**

	<b>Balance at June 30, 2011</b>	<b>Balance at December 31, 2010</b>	<b>Balance at June 30, 2010</b>
	<b>(Euro units)</b>	<b>(Euro units)</b>	<b>(Euro units)</b>
<b>A. Securitized assets</b>	<b>78,048,900</b>	<b>91,565,405</b>	<b>107,322,731</b>
A1 Receivables	77,283,154	90,674,492	106,343,486
Nominal Value	77,283,154	90,674,492	106,343,486
A2 Securities			
A3 Other	765,746	890,913	979,245
A3 a) Interest accrued on loans existing	765,746	890,913	979,245
<b>B. Employment of funds from credit management</b>	<b>5,810,945</b>	<b>5,965,032</b>	<b>6,034,761</b>
B1 Debt securities			
B2 Equity instruments			
B3 Cash at bank and in hand	<b>5,810,945</b>	<b>5,965,032</b>	<b>6,034,761</b>
B3 a) Cash at bank c/a	2,103,295	902,864	2,309,839
B3 b) Amounts receivable from Deutsche London for investments	3,504,459	4,873,561	3,704,941
B3 c) Other	203,191	188,607	19,981
<b>C. Securities issued (nominal value)</b>	<b>78,116,632</b>	<b>91,203,857</b>	<b>107,087,748</b>
C1 Class A securities (series 1)	50,565,753	63,652,978	79,536,869
C2 Class B securities (series 2)	19,700,000	19,700,000	19,700,000
C3 Class C securities (series 3)	7,850,879	7,850,879	7,850,879
<b>D. Financing received</b>	<b>335,887</b>	<b>448,392</b>	<b>407,812</b>
<b>E. Other liabilities</b>	<b>5,407,326</b>	<b>5,878,188</b>	<b>5,861,932</b>
E1 Amounts owed to corporate management	18,524	21,845	11,331
E2 Suppliers	184,683	123,582	163,555
E3 Amounts owed to transferors for accrued interest	0	0	0
E4 Accrued expenses on securities A and B issued	141,168	123,667	112,368
E5 Excess spread on securities C issued	5,062,826	5,594,552	5,574,553
E6 Differential on Swap	0	13,849	0
E7 Other	125	693	125
<b>F. Interest payable on securities issued</b>	<b>927,690</b>	<b>2,307,129</b>	<b>1,224,362</b>
F1 Interest on A and B securities	557,879	1,056,953	519,643
F2 Excess spread on C securities issued	369,811	1,250,176	704,719
<b>G. Commissions and fees payable for the transaction</b>	<b>317,136</b>	<b>645,491</b>	<b>323,501</b>
G1 for servicing	169,645	420,382	225,632
G2 for other services	147,491	225,109	97,869
<b>H. Other charges</b>	<b>190,543</b>	<b>479,777</b>	<b>163,879</b>
H1 Negative swap differential	83,657	215,745	81,229
H2 Other	106,886	264,032	82,650
<b>I. Interest generated by securitized assets</b>	<b>1,419,681</b>	<b>3,226,288</b>	<b>1,700,999</b>
<b>L. Other income</b>	<b>15,688</b>	<b>206,109</b>	<b>10,743</b>
L1 Interest receivable from current accounts and investments	15,688	27,584	10,741
L2 Other	0	178,525	2



## QUALITATIVE DATA

### F.2 DESCRIPTION AND PROGRESS OF TRANSACTION.

On June 14, 2004, the following entities:

- Banca di Credito Cooperativo di Alba Langhe e Roero S.c.a.r.l., with registered office in Alba (CN), Corso Italia 4/6;
- Credito Cooperativo Bolognese S.c.r.l., with registered office in Bologna, Via Calzoni 1/3, now merged into BCC Emilbanca;
- Banca di Credito Cooperativo di Carugate S.c.r.l., with registered office in Carugate (MI), Via de Gasperi 11;
- Banca di Credito Cooperativo di Castenaso S.c.r.l., with registered office in Villanova – *frazione* of Castenaso (BO), Via Tosarelli 207;
- Banca Centropadana Credito Cooperativo S.c.a.r.l. with registered office in Guardamiglio (LO), Piazza IV Novembre 11;
- Emilbanca Banca Credito Cooperativo Bologna S.c.r.l., with registered office in Bologna, Via Mazzini 152;
- Banca di Monastier e del Sile – Credito Cooperativo S.c.r.l., with registered office in Monastier di Treviso (TV), Via Roma no. 21/a;
- Banca di Credito Cooperativo Pordenonese S.c.r.l., with registered office in Azzano Decimo (PN), Via Trento 1;
- Banca San Giorgio e Valle Agno Credito Cooperativo di Fara Vicentino S.c.r.l., with registered office in Fara Vicentino (VI), Via Perlena 78;
- Cassa Rurale ed Artigiana S. Giuseppe Credito Cooperativo di Camerano S.c.r.l., with registered office in Camerano (AN), Via Monsignor Donzelli 34/36;
- Banca Valdarno Credito Cooperativo S.c.r.l., with registered office in San Giovanni Valdarno (AR), Piazza della Libertà 26;
- Credito Cooperativo Valdinievole, with registered office in Montecatini Terme (PT), Via Don minzioni 14.

have transferred, with no guarantee of solvency, to Credico Finance 3 S.r.l. a portfolio consisting of performing mortgage loans for a nominal value of 392,750,879 euros. For these receivables, Credico Finance 3 paid, as an initial consideration for the transfer, € 392,750,879 and undertook to pay to each transferor any interest accrued up to May 18, 2004 (date of assessment of portfolio transferred).

The individual BCCs have selected the portfolio being transferred based on general criteria common to all of them and based on certain specific criteria indicated in each individual transfer agreement.

The general criteria identified for selection of loans to be transferred are the following:

1. denominated in Euro;
2. considered as performing in compliance with the rules and regulations on supervision issued by the Bank of Italy;
3. secured by first mortgage;
4. payment takes place by payment order from an account held with the Transferor Banks or in cash at one of the branches of the Transferor Banks;
5. in relation to which the period before repayment of principal begins has fully elapsed, whenever established by the relevant loan contract;
6. the loan contract does not have instalments due after December 31, 2018;
7. the loan contract has not been executed making use of any kind of financial facilities;
8. not deriving from loan contracts granted to individuals who are employees of the Transferor Bank.
9. not deriving from loan contracts classified as "agricultural credit" as per Art. 43 of TUB (Consolidated Banking Act);
10. deriving from loan contracts that show no instalments due and unpaid on the Assessment Date;
11. loans that are fully disbursed;
12. not deriving from loans that, despite being performing, are classified as "in default" credits under the Instructions of the Bank of Italy.

The nominal value of receivables transferred by each BCC is shown below:

BCC Alba	54,645,614
BCC Carugate	30,030,067
BCC Castenaso	18,036,929
BCC Centropadana	28,205,361
BCC Emilbanca*	68,401,538
BCC Monastier del Sile	70,458,689
BCC Pordenonese	51,624,954
BCC S.Giorgio Valle Agno	31,238,419
BCC S.Giuseppe Camerano	10,894,144
BCC Valdarno	15,195,495
BCC Valdinievole	14,019,669
<b>Total</b>	<b>392,750,879</b>

\* this also includes Euro 42,944,291 originally transferred by Credito Cooperativo Bolognese, which is now merged into BCC Emilbanca

During the first half of 2011 no other positions in the portfolio have been transferred to default. The residual principal value of the debt of the current 68 positions, net of any recoveries at 30 June, is equal to € 3,842,555. During the year recoveries were made on these positions for a total of € 872,829 (principal sum).

Transaction is progressing in line with expectations.

### F.3 DISCLOSURE OF INVOLVED PARTIES

**Transferor entities:** BCC Alba, BCC Bolognese (now merged into BCC Emilbanca), BCC Carugate, BCC Castenaso, BCC Centropadana, BCC Emilbanca, BCC Monastier e del Sile, BCC Pordenonese, BCC S.Giorgio Valle Agno, BCC San Giuseppe Camerano, BCC Valdarno, BCC Valdinievole

The BCCs, in their capacity as servicers, are liable for the existence of transferred receivables and watch over their existence or non-existence. In particular, they are in charge of managing receivables, any default status and maintaining guarantees, taking care of the necessary documentation.

**Agent bank:** Deutsche Bank AG London/Deutsche Bank S.p.A. of Milan/Société Générale Bank and Trust S.A.

The three institutions carry out the functions of transaction bank, principal and Italian paying agent, cash manager and computation agent. In particular, Société Générale S.A. took care of the placement of securities at the time of their issue.

**Counterparts in charge of hedging:** Société Générale S.A.

Société Générale S.A. is the party with which Credico Finance 3 has entered into three hedging agreements (consisting of two Interest Rate Swaps and one CAP), for the purpose of hedging the interest-rate risk relating to the structure.

**Lead manager and Arranger:** Société Générale S.A. London Branch

The above entity has been in charge of placing securities on the market, in compliance with law and contractual provisions.

**Representative of the Security Bearers:** Deutsche Trustee Company Limited

**Administrative Services:** FIS Full Integrated Solutions S.p.A.

FIS S.p.A. is in charge of providing accounting-administrative services to Credico Finance 3.

#### F.4 Characteristics of issues

These consist of three series of “Asset Backed” securities, issued at par on June 21, 2004, for an aggregate nominal value of €....., broken down as follows:

Class A Issue	365,200,000
Class B Issue	19,700,000
Class C1 Issue	851,511
Class C2 Issue	319,411
Class C3 Issue	613,065
Class C4 Issue	368,224
Class C5 Issue	1,043,870
Class C6 Issue	1,476,185
Class C7 Issue	604,379
Class C8 Issue	233,243
Class C9 Issue	673,410
Class C10 Issue	876,709
Class C11 Issue	271,162
Class C12 Issue	519,710
<b>Total</b>	<b>392,750,879</b>

The amounts indicated in the table relate to the tranching of securities. Since 18 months have passed between their issue and the balance sheet date, the first reimbursements of the principal amount of series A took place which, at June 30, 2011, amounts to Euro 50,565,753.

Interest accruing on securities is equivalent to Euribor rate at 3 months with the following spreads:

Class A:	+0.23%
Class B:	+0.50%

Class C securities produce a yield which is calculated on a yearly basis depending on income resulting from collection of the interest portion of transferred receivables, net of operating costs incurred by the SPV.

During the first six months of 2011 the four quarterly payments were duly made on the "interest payment date" established (February 22 – May 20). Interest accrued on Classes A and B has been paid, as well as any residual amount relating to Class C securities, according to respective contractual provisions. The payments were made in accordance with what is laid out by the Payment Priority Order.

Securities are listed at the Luxembourg Stock Exchange and the rating companies are Standard & Poor's, Moody's and Fitch IBCA which rated them as follows:

Securities	Standard & Poor's Rating	Moody's Rating	Percentage	Amount in €/million
Class A	AAA	Aaa	93%	365.2
Class B	A	A1	5%	19.7
Class C	Not rated	Not rated	2%	7.8

#### F.5 Additional financial transactions

For the purpose of hedging the interest rate risk on the series of securities two Interest Rate Swap contracts were entered into, broken down into 3 classes corresponding to the types of variable rate applied to the individual portfolios transferred, as well as a CAP corresponding to the types of fixed rate applied to the individual portfolios transferred.

According to what has been agreed with the rating agencies, each BCC has provided the SPV with a liquidity line, as an additional guarantee on any mismatch in incoming financial flows deriving from loans

and outgoing financial flows resulting from payment of coupons. The aggregate amount is 13,696 thousand euros (or 3.5% of the aggregate transferred portfolio).

As an additional guarantee, the BCCs issued limited-recourse loans in the form of government bonds. These are deposited at Deutsche Bank of Milan on behalf of the holders of senior securities. These securities have changed legal ownership to Credico Finance 3 while on an accounting basis they continue to figure among the assets of the individual BCCs, along with the interest produced by them.

## F.6 Operating authority of transferee

Credico Finance 3 S.r.l. (in its capacity as transferee and issuer) is empowered with operating authority to the extent permitted by the Articles of Association. In particular, Art. 2 states that: "The Company's sole business purpose is the performance of one or more receivable securitization transactions pursuant to Law No. 130 of April 30, 1999 as amended, through acquisition for a consideration of pecuniary receivables, both existing and future, identified by a common feature in the event of more than one receivable, funded through issue of securities under Articles 1, Para. 1, Lett. (b), and 5 of Law No. 130/99. The Company may also carry out receivable securitization transactions in the manner set out by Article 7 of Law 130/99. In compliance with the provisions of Law 130/99, receivables purchased by the Company as part of each securitization transaction represent assets segregated in all respects from those of the Company and those relating to other securitization transactions performed by the Company for which no actions taken by creditors other than the bearers of the securities issued to finance the purchase of such receivables are permitted. Each one of these segregated assets is exclusively intended for satisfying the rights intrinsic to the securities issued, by the Company or another Company, to fund the purchase of receivables forming part of the above mentioned assets, in addition to payment of costs of the associated securitization transaction. To the extent permitted by the provisions of Law No. 130/1999, the Company may perform all additional transactions to be executed to successfully complete the securitization transactions performed by it or which are useful to achieve its business purpose, including assumption of loans and financing, pledges and other forms of guarantees, and carry out reinvestment transactions in other financial assets (including receivables having a similar nature as those being securitized) of the funds originating from the management of receivables purchased and not immediately employed to meet the rights originating from the securities mentioned in Art. 1, Para. 1, Lett. b) and 5 of Law 130/99 and costs of the transaction. If the conditions set out for each securitization transaction are met and for the benefit of the bearers of the securities issued by the Company as part of the transaction, the Company may also transfer the receivables purchased to third parties. If the conditions set out for each securitization transaction are met and for the benefit of the bearers of the securities issued by the Company as part of the transaction, the Company may also transfer the receivables purchased to third parties and carry out any of the activities permitted by Law 130/99. The Company may carry out its business both in Italy and abroad".

All the principal operating activities associated with the management of the transaction have been entrusted with third parties (see Point F3).

## QUANTITATIVE DATA

### F.7 Data on flows relating to receivables (amounts stated in €)

	Balance at Dec 31, 2010	Decrease Collection 2011	Other Decrease	Increase due to interest	Balance at June 30, 2011
BCC Alba	12,637,470	1,872,568	0	168,204	10,933,106
BCC Carugate	5,497,118	1,059,621	0	71,377	4,508,874
BCC Castenaso	2,722,013	573,645	0	83,108	2,231,476
BCC Centropadana	8,659,123	1,490,738	0	167,511	7,335,896
BCC Emilbanca	14,209,930	2,686,315	0	344,252	11,867,867
BCC Monastier	14,810,760	2,384,353	0	253,001	12,679,408
BCC Pordenonese	13,741,764	2,210,128	0	190,119	11,721,755
BCC S.Giorgio V.A.	7,726,518	1,207,706	0	87,205	6,606,017
BCC S. Giuseppe Camerano	3,191,710	331,190	0	40,020	2,900,540
BCC Valdarno	4,026,997	480,252	0	55,163	3,601,908

BCC Valdinievole	3,451,088	639,669	0	84,887	2,896,306
<b>Total</b>	<b>90,674,492</b>	<b>14,936,185</b>	<b>0</b>	<b>1,544,847</b>	<b>77,283,154</b>

The Item “increase due to interest” relates to interest accrued during the year and duly collected at the balance sheet date.

### F.8 Variations taking place in overdue receivables

Below the variations taking place in overdue receivables are shown for the first half of 2011.

	<b>Opening Balance</b>	<b>Increase in the period</b>	<b>Decrease in the period</b>	<b>Closing Balance</b>
BCC ALBA	304,333	1,491,999	1,495,967	300,365
BCC CARUGATE	213,600	1,036,866	1,058,057	192,409
BCC CASTENASO	232,555	389,071	523,704	97,922
BCC CENTROPADANA	764,490	532,496	774,095	522,891
BCC EMILBANCA	1,290,404	1,572,640	2,105,255	757,789
BCC MONASTIER E DEL SILE	715,295	1,107,306	1,076,652	745,949
BCC PORDENONESE	130,625	1,601,016	1,586,350	145,291
BCC S.GIORGIO VALLE AGNO	413,390	1,436,939	1,421,018	429,311
BCC S.GIUSEPPE CAMERANO	42,329	357,632	331,189	68,772
BCC VALDARNO	736,371	605,391	425,917	915,845
BCC VALDINIEVOLE	757,073	930,852	1,041,849	646,076
<b>Total</b>	<b>5,600,465</b>	<b>11,062,208</b>	<b>11,840,053</b>	<b>4,822,620</b>

The future progress of the transaction is in line with expectations.

### F.9 Cash flows

<b>Cash at bank and in hand – opening balance</b>	<b>902,864</b>
<b>Expenditure</b>	
Other payments	38,671
Payment of servicing fees	174,286
Repayment of Series A securities	13,087,226
Payment of suppliers and corporate servicers (including VAT and tax withholdings)	155,995
Payment of interest series 1A, 1B and 1C	1,441,915
Payment of swap differential	97,506
Bank expenses	580
Investments on London account	53,917,245
Repayment of liquidity facilities	811,137
Repayment of coupons collected on behalf of BCCs	97,502
<b>Total Expenditure</b>	<b>69,822,062</b>
<b>Receipts</b>	
Collection of receivables	14,929,906
Encashment of investments on London account	55,291,430
Use of liquidity facilities	696,294
Crediting of interest	7,362
Collection of coupons on behalf of BCCs	97,502
<b>Total receipts</b>	<b>71,022,493</b>
<b>Total availability at 30/06/2011</b>	<b>2,103,295</b>

The cash flows forecast for the first half of 2011 are in line with the amortisation plan of the transferred receivables.

## F.10 Status of guarantees and liquidity facilities

As at June 30, 2011 Euro 335,887 of the liquidity facility made available by the BCCs is found to be used.

## F.11 Breakdown by residual life

### ASSETS

Due date	No. of positions	%	Residual debt	%
Up to 3 months	29	1%	105,310	0%
From 3 months to 1 year	141	7%	1,337,475	2%
From 1 to five years	1,028	48%	26,370,302	34%
After 5 years	888	41%	45,627,512	59%
Default	68	3%	3,842,555	5%
<b>Total</b>	<b>2,154</b>	<b>100%</b>	<b>77,283,154</b>	<b>100%</b>

The maximum due date of the receivables transferred, all of which are denominated in Euro, is fixed as December 31, 2018 and there is one position the holder of which is not resident in Italy.

### LIABILITIES

Class A and B securities amounting to € 384,900,000 have a legal term up to November 2025 and their redemption is dependent on collections made on the transferred receivables.

Class C securities amounting to € 7,850,879 are dependent on the full redemption of principal amount and interest of A and B securities.

## F.12 Breakdown by geographic area

The debtors who hold the loans are broken down according to geographic area as follows:

Due date	No. of positions	%	Residual debt	%
Italy	2,151	100%	77,203,250	100%
Member Countries of the Monetary Union	2	0%	33,020	0%
EU Countries non-members of the Monetary Union	0	0%	0	0%
Other	1	0%	46,884	0%
<b>Total</b>	<b>2,154</b>	<b>100%</b>	<b>77,283,154</b>	<b>100%</b>

All receivables are denominated in Euro.

## F.13 Risk concentration

Below the level of portfolio breakdown is shown by category.

Amount	No. of positions	%	Nominal Value	%
up to € 25,000	969	45%	12,928,854	17%
€ 25,000 to € 75,000	948	44%	39,505,832	51%
€ 75,000 to € 250,000	160	7%	18,192,235	24%
over € 250,000	9	0%	2,813,678	4%
Default	68	3%	3,842,555	5%

<b>Total</b>	<b>2,154</b>	<b>100%</b>	<b>77,283,154</b>	<b>100%</b>
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There are no individual receivables for an amount exceeding 2% of the portfolio total.

### Section 3 – Information on risks and hedging policies related thereto

#### 3.1 Credit risk

The Company is not subject to credit risks. Securitized assets are segregated from corporate assets.

#### 3.2 Market risk

None.

#### 3.3 Operating risks

None.

### Section 4 – EQUITY DATA

#### Company equity

##### 4.1.1 Qualitative data

In accordance with what is permitted by Art. 3 of Law 130/1999 the Company is set up as a limited liability company and has a share capital of 10,000 euros.

In view of its sole business purpose, the Company's long-term aim is to preserve its equity, covering operating costs by means of its segregated assets.

##### 4.1.2 Quantitative data

##### 4.1.2.1 Company equity: breakdown

Item /Amount	30/06/2011	31/12/2010	30/06/2010
1. Share capital	10,000	10,000	10,000
2. Share premium	0	0	0
3. Reserves			
- of profits			
a) legal	89	89	89
b) provided for by the articles of association	0	0	0
c) own shares	0	0	0
d) other	0	0	0
- other	617	617	617
4. (Own shares)	0	0	0
5. Valuation reserves			
- Financial assets available for sale	0	0	0
- Tangible fixed assets	0	0	0
- Intangible fixed assets	0	0	0
- Hedging of external investments	0	0	0

- Hedging of financial flows	0	0	0
- Exchange rate gains/losses	0	0	0
- Non-current assets and discontinued operations	0	0	0
- Special revaluation laws	0	0	0
- Actuarial gains/losses on defined benefit plans	0	0	0
- Portion of valuation reserves relating to shareholdings valued at net equity	0	0	0
6. Capital instruments	0	0	0
7. Profit (Loss) for the period	0	0	0
	0	0	0
<b>Total</b>	<b>10,706</b>	<b>10,706</b>	<b>10,706</b>

#### **4.2 Regulatory capital and capital ratios**

In view of the area of operations of the Company and what is reported in Section 4.1, the completion of this Section was deemed inapplicable.

#### **Section 5 – DETAILED STATEMENT OF COMPREHENSIVE INCOME**

In accordance with what is reported in the Statement of Comprehensive Income, the Profit/Loss of the Company is the same as its comprehensive income.

#### **Section 6 – TRANSACTIONS WITH RELATED PARTIES**

##### **6.1 Information on fees of managers with strategic responsibilities**

###### Fees to Directors and Statutory Auditors

On April 29, 2011 the ordinary shareholders' meeting was held which resolved upon an annual fee (net of VAT and professionals welfare fund) in favour of the Sole Director of € 7,000 for this period.

The fee before VAT, professionals welfare fund and any out-of-pocket expenses incurred but not paid out in the first half of 2011 amounted to € 4,368.

The payments in question are governed at market conditions.

##### **6.2 Loans and guarantees granted to directors and statutory auditors**

No loans or guarantees have been granted in favour of the Sole Director.  
The company has no Board of Statutory Auditors.

##### **6.3 Information on transactions with related parties**

Under Art. 2497 bis of the Civil Code, the company's capital and reserves are broken down as follows:

Stichting Melograno 3 - 50%

Stichting Melograno 4 - 50%

None of them is in charge of management and coordination.



As a result no transactions with related parties are reported.

## **Section 7 – Other Detailed Information**

### 7.1 Average number of employees by category

The company has no personnel employed, as required by the law, therefore for conduction of its business it has recourse to independent service providers.

### 7.2 Management and coordination

It is reported that the Company is not subject to any management and coordination by third parties.

### 7.3 Fees invoiced by the auditing firm during the period 1/1-30/06/2011

During the period 1/01/2011 – 30/6/2011 the auditing firm invoiced fees net of VAT amounting to € 12,424.

These fees relate exclusively to auditing services.

The Sole Director  
(Antonio Bertani)





## CASH FLOW STATEMENT

(Direct method)

A. OPERATING ACTIVITY	30/06/2011	31/12/2010	30/06/2010
<b>1. Operations</b>	<b>0</b>	<b>0</b>	<b>0</b>
- Interest receivable collected (+)	0	27	22
- Interest payable paid (-)			
- Dividends and similar revenues (+)			
- Net commission (+/-)			
- Staff costs (-)	(4,368)	(8,866)	(4,498)
- Other costs (-)	(54,641)	(104,084)	(50,794)
- Other income (+)	60,684	113,238	55,314
- Taxes and dues (-)	(1,675)	(315)	
- costs/revenues relating to discontinued operations net of tax effect (+/-)			
<b>2. Cash flow generated/absorbed by financial assets</b>	<b>3,321</b>	<b>(11,914)</b>	<b>(1,461)</b>
- Financial assets held for trading			
- investments assessed at fair value			
- Financial assets available for sale			
- Amounts receivable from banks			
- Amounts receivable from financial institutions			
- Amounts receivable from customers			
- Other assets	3,321	(11,914)	(1,461)
<b>3. Cash flow generated/absorbed by financial liabilities</b>	<b>(3,321)</b>	<b>11,800</b>	<b>1,461</b>
- Amounts owed to banks			
- Amounts owed to financial institutions			
- Amounts owed to customers			
- Outstanding securities			
- Financial liabilities held for trading			
- Financial liabilities valued at fair value			
- Other liabilities	(3,321)	11,800	1,461
<b>Net cash flow generated/absorbed by operating activities</b>	<b>0</b>	<b>(114)</b>	<b>0</b>
<b>B. INVESTMENT ACTIVITIES</b>			
<b>1. Cash flow generated by</b>			
- Sales of equity investments			
- Dividends collected on equity investments			
- Sales/repayments of financial assets held to maturity			
- Sales of tangible fixed assets			
- Sales of intangible fixed assets			
- Sales of business branches			
<b>1. Cash flow absorbed by</b>			
- Purchases of equity investments			
- Purchases of financial assets held to maturity			

- Purchases of tangible fixed assets			
- Purchases of intangible fixed assets			
- Purchases of business branches			
<b>Net cash flow generated/absorbed by investment activities</b>			
<b>C. FUNDING ACTIVITIES</b>			
- Issue/purchase of own shares			
- Issue/purchase of capital instruments			
- Distribution of dividends and other purposes			
<b>Net cash flow generated/absorbed by funding activities</b>			
<b>NET CASH FLOW GENERATED/ABSORBED IN THE PERIOD</b>	<b>0</b>	<b>(114)</b>	<b>0</b>

RECONCILIATION	30/06/2011	31/12/2010	30/06/2010
Opening balance of cash and cash equivalents	7,421	7,535	7,535
Total net cash flow generated/absorbed during the period	0	(114)	0
Closing balance of cash and cash equivalents	7,421	7,421	7,535

**CREDICO FINANCE 3 S.R.L.**

**STATEMENT OF COMPREHENSIVE INCOME**

<b>ITEMS – (IN EURO)</b>	<b>30/06/2011</b>	<b>31/12/2010</b>	<b>30/06/2010</b>
<b>10. Profit (Loss) for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>110. Total other income components net of taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>120. Comprehensive income (Item 10+110)</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Credico Finance 3 S.r.l.

## Management Report

**Semi-annual Financial Statements as at June 30, 2011**

Shareholders,

I hereby submit to you for approval the semi-annual financial statements as at June 30, 2011, which close with a balance and capital and reserves of € 10,706, consisting of Balance Sheet, Profit and Loss Account, Statement of variations taking place in Capital and Reserves, Statement of Comprehensive Income, Cash Flow Statement and Explanatory Notes.

Credico Finance 3 Srl is a financial company, an SPV for financing operations through securitization, set up under Art. 3 of Law 130 of April 30, 1999, registered initially in the General Roll in accordance with Art. 106 of T.U.B. (Consolidated Banking Act) and in the Special Roll of financial brokers in accordance with Art. 107 of T.U.B., was removed from the Special Roll following the supervisory arrangements of September 25, 2009 on "*Receivable Securitization Companies: Removal from the Special Roll*" of the Bank of Italy and subsequently, on May 13, 2011 was also removed from the General Roll pursuant to Art. 106 of T.U.B. and was officially registered on the same date in the roll of SPVs held by the Bank of Italy as provided for by the Ordinance of the Bank of Italy dated April 29, 2011.

### **Technical instructions for interpretation of semi-annual financial statements**

The semi-annual financial statements have been drawn up in compliance with the evaluation and measurement criteria set forth in International Financial Reporting Standards (Ifrs) and International Accounting Standards (Ias) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according with the procedure stipulated by Art. 6 of (EC) Regulation No. 1606/2002 of the European Parliament and Council dated July 19, 2002. The EC Regulation has been fully applied in Italy following Legislative Decree 38 of February 28, 2005 which came into force on March 22, 2005, in line with what is set out by the Ordinance of the Governor of the Bank of Italy of December 16, 2009.

In Part A "Accounting Policies" of the Explanatory Notes, the international accounting standards adopted are explained.

Items in the Balance Sheet, Profit and Loss Account, Statement of variations taking place in Capital and Reserves and the Cash Flow Statement do not show any significant changes from the statements as at 31/12/2010 and 30/06/2010.

Reference should be made to section F of the Explanatory Notes for information on the performance of the securitization transaction.

### **Business purpose**

The Company's sole business purpose is the performance of one or more receivable securitization transactions pursuant to Law No. 130 of April 30, 1999 as amended, through

acquisition for a consideration of pecuniary receivables, both existing and future, identified by a common feature in the event of more than one receivable, funded through issue of securities under Articles 1, Para. 1, Lett. (b), and 5 of Law No. 130/99. The Company may also carry out receivable securitization transactions in the manner set out by Article 7 of Law 130/99. In compliance with the provisions of Law 130/99, receivables purchased by the Company as part of each securitization transaction represent assets segregated in all respects from those of the Company and those relating to other securitization transactions performed by the Company for which no actions taken by creditors other than the bearers of the securities issued to finance the purchase of such receivables are permitted.

Each one of these segregated assets is exclusively intended for satisfying the rights intrinsic to the securities issued, by the Company or another Company, to fund the purchase of receivables forming part of the above mentioned assets, in addition to payment of costs of the associated securitization transaction. To the extent permitted by the provisions of Law No. 130/1999, the Company may perform all additional transactions to be executed to successfully complete the securitization transactions performed by it or which are useful to achieve its business purpose, including assumption of loans and financing, pledges and other forms of guarantees, and carry out reinvestment transactions in other financial assets (including receivables having a similar nature as those being securitized) of the funds originating from the management of receivables purchased and not immediately employed to meet the rights originating from the securities mentioned in Articles 1, Para. 1, Lett. b) and 5 of Law 130/99 and costs of the transaction. If the conditions set out for each securitization transaction are met and for the benefit of the bearers of the securities issued by the Company as part of the transaction, the Company may also transfer the receivables purchased to third parties. If the conditions set out for each securitization transaction are met and for the benefit of the bearers of the securities issued by the Company as part of the transaction, the Company may also transfer the receivables purchased to third parties and carry out any of the activities permitted by Law 130/99. The Company may carry out its business both in Italy and abroad.

In June 2004, the Company carried out a securitization transaction of performing receivables transferred by the following 12 BCCs (Cooperative Credit Banks): BCC dell'Alba, BCC Bolognese (in 2008 this BCC was merged into BCC Emilbanca), BCC Carugate, BCC Castenaso, BCC Centropadana, BCC Emilbanca, BCC Monastier e del Sile, BCC Pordenonese, BCC S. Giorgio Valle Agno, BCC S. Giuseppe Camerano, BCC Valdarno and BCC Valdinievole. There are eleven BCCs existing at the balance sheet date. Full information is given about the securitization transaction in an annex to the Explanatory Notes in accordance with the provisions contained in the Ordinance of December 16, 2009 of the Bank of Italy, which is in charge of regulating the methods of preparing the financial statements of financial companies.

The transaction was previously submitted for examination by the Bank of Italy.

### **Own shares**

The company does not possess own shares.

### **Shareholder relations**

The share capital is broken down as follows:

50% Stichting Melograno 3

50% Stichting Melograno 4



The 11 Transferring BCCs carry out the function of Servicer on the basis of the specific "Servicing Contract".

They receive a commission equal to 0.40% annually for this service.

There are no transactions with shareholders of the Company.

### **Research and development activities**

No specific research and development activities have been carried out.

### **Other information**

Following appropriate internal audits, it is reported that the Company is not subject to any management and coordination activity by third parties as established by Legislative Decree 6/2003 and governed by Art. 2497 and following articles of the Civil Code.

### **Events taking place after the closing date of accounts**

After June 30, 2011 the transaction progressed regularly.

### **Outlook**

Considering the present intention not to carry out new securitization transactions, management will be dedicated to pursuing the existing transaction correctly.

### **Report on Corporate Governance and Ownership Structures: "Principal characteristics of the internal control and risk management systems present in relation to the process of financial reporting" pursuant to Art. 123-bis, Para 2, Lett. b), TUF (Consolidated Law on Finance).**

The Company's sole business purpose is the performance of one or more receivable securitization transactions pursuant to Law No. 130 of April 30, 1999 (hereinafter "Law 130/1999"), through acquisition for a consideration of pecuniary receivables, both existing and future, funded through issue of securities under Articles 1, Para. 1, Lett. (b), of Law No. 130/99. In compliance with the provisions of the said law, receivables purchased by the Company as part of each securitization transaction represent assets segregated in all respects from those of the Company and those relating to other securitization transactions performed by the Company for which no actions taken by creditors other than the bearers of the securities issued to finance the purchase of such receivables are permitted. To the extent permitted by Law 130/1999, the Company may perform all additional financial transactions to be executed to successfully complete the securitization transactions performed by it or which are useful to achieve its business purpose, as well as carry out reinvestment transactions in other financial assets of the funds originating from the management of receivables purchased and not immediately employed to meet the rights originating from the above-mentioned securities.

In the context of the above business purpose, the Company began a securitization transaction in June 2004 by purchasing a block of loans from 12 BCCs for an overall nominal value of € 392,750,879. For the purposes of purchasing these securities the Company issued asset-backed securities listed on the Luxembourg Stock Exchange as well as junior securities. The Company entered into specific Interest Rate Swap contracts as protection against risks solely related to fluctuations of the interest rate on coupons for securities issued as part of the securitization.

As a result, under Art. 123-bis of Legislative Decree 58 of February 24, 1998, management reports of companies who issue securities admitted to trading in regulated markets must contain a specific section called "Report on Corporate Governance and Ownership Structures" which, as per Para. 2, Letter b) of the said Article, states the information relating to "the principal characteristics of the internal control and risk management systems present in relation to the process of financial reporting, including consolidated financial reporting, where applicable".

In this respect it is noted that the Company has no employees nor it is required to employ any employees. The company makes use of appointed ad hoc agents for the purpose of pursuing its business purpose and therefore also in relation to risk management and internal control systems for the financial reporting process. The contractual documentation of the securitization transaction governs the appointment of agents and the specific activities each agent is expected to perform for the Company. This information is also contained in Part D, Section F.3, of the Explanatory Notes.

The agents are appointed from among persons who perform duties assigned by the Company in a professional manner. Agents must complete their assignments in compliance with governing regulations and in such a way as to allow the Company to promptly comply with the obligations deriving from the securitization documents and from law.

The main roles covered by such agents are as follows:

- (i) The Servicers, responsible for the existence of transferred receivables and watch over their existence or non-existence. In particular, they are in charge of managing receivables, any default status and maintaining guarantees, taking care of the necessary documentation;
- (ii) The Corporate Servicer, responsible for the Company's administrative and accounting management;
- (iii) The Cash Manager, Computation Agent and Paying Agent, who perform collection management, interest calculation and payment services.

Specifically, the Servicer is the "party appointed to collect the transferred receivables and to perform collection and payment services" pursuant to Article 2, Para. 3, Lett. (c) of Law 130/1999. In accordance with Art. 2, Para. 6 of Law 130/1999 the Servicer may be a bank or intermediary entered on the Special Roll pursuant to Art. 107 of Legislative Decree No. 385 of September 1, 1993 and is responsible for verifying compliance of the transactions with law and the prospectus.

Also pursuant to the Bank of Italy Ordinance of August 23, 2000, Servicers are responsible for both operational tasks and for guaranteeing the correct implementation of securitization transactions in the interest of investors and, in general, of the market.

Lastly, it should be mentioned that the financial information contained in the (semi-annual) financial statements are mainly prepared by the Corporate Servicer based on data provided by the party in charge of managing the receivables purchased.

The company's governing body performs regular monitoring of the aforementioned agents and approves the financial statements.

**Allocation of profit (loss) for the period**

Shareholders,

I therefore invite you to approve the semi-annual financial statements ended as at 31.12.2011 which close with a balance.

The Sole Director  
Antonio Bertani

***Certification***  
***of the abridged semi-annual financial statements as at 30.6.2011***  
***pursuant to Art. 81-ter of Consob Regulation No. 11971 of May 14, 1999***  
***as amended***

1. The undersigned, Mr. Antonio Bertani, in his capacity as Sole Director and manager in charge of preparing the corporate and accounting documents of Credico Finance 3 S.r.l., having also taken into account what is provided for by Art. 154-*bis*, Paras. 3 and 4 of Legislative Decree No. 58 of February 24, 1998

**Certifies**

That the administrative and accounting procedures for drawing up the financial statements as at 30.6.2011:

- Are adequate in relation to the characteristics of the business; and
- Have been effectively applied.

2. It is reported that the company's sole business purpose is the performance of one or more receivable securitization transactions pursuant to Law No. 130 of April 30, 1999 as amended, through acquisition for a consideration of pecuniary receivables, both existing and future, identified by a common feature in the event of more than one receivable, funded through issue of securities under Articles 1 and 5 of Law No. 130/99 in such a manner as to exclude the assumption of any direct equity risk by the company.

3. It is also certified that

3.1 The financial statements as at 30.6.2011:

- a) Have been drawn up in compliance with the international accounting standards recognised in the European Union pursuant to (EC) Regulation No. 1606/2002 of the European Parliament and Council dated July 19;
- a) Correspond to the amounts shown in the accounting records and books;

Information relating to the securitization transaction is reported in the respective section

of the Explanatory Notes and does not form part of financial statements. Consequently, amounts relating to the securitization transaction have not been impacted by the application of IAS/IFRS standards.

As regards the transactions in question, the Bank of Italy has expressly provided that:

- Accounting information relating to each securitization transaction is separately stated in the Explanatory Notes;
- Information should include all qualitative and quantitative data necessary for a clear and thorough representation of each transaction.

c) Are able to provide a true and fair view of the financial situation and the result of operations of the Issuer.

3.2 The semi-annual management report includes a reliable analysis of details relating to important events which took place during the first six months of the period and to their effect on the abridged semi-annual financial statements, together with a description of the main risks and uncertainties for the remaining six months of the period.

The explanatory notes contain a reliable analysis of information on significant transactions with related parties.

Rome, August 26, 2011

Signed: Antonio Bertani – Sole Director

Signed: Antonio Bertani – Manager in charge of preparing accounting and company documents