

Credico Finance 5 S.r.l.

BALANCE SHEET

as at December 31, 2010

(amounts stated in €)

	2010		2009
<u>BALANCE SHEET</u>			
ASSETS			
60 Loans and receivables	7,333		7,462
120 Tax assets	0		137
(a) current	0		137
(b) deferred			
140 Other assets	38,728		28,864
TOTAL ASSETS	46,060		36,463

	2010		2009
LIABILITIES AND CAPITAL AND RESERVES			
70 Tax assets	93		
(a) current	93		
(b) deferred			
90 Other liabilities	35,349		25,845
120 Share capital	10,000		10,000
160 Reserves	618		618
180 Net profit (Loss) for the period	0		0
TOTAL LIABILITIES AND EQUITY	46,060		36,463

Credico Finance 5 S.r.l.
INCOME STATEMENT
as at December 31, 2010
(amounts stated in €)

	2010	2009
10 Interest and similar income	6	42
Net interest income	6	42
Gross income	6	42
110 Administrative expenses:	(126,546)	(122,578)
a) personnel expenses	(9,023)	(8,896)
b) other administrative expenses	(117,523)	(113,682)
160 Other operating income and expenses	126,930	123,060
Net operating income	384	524
Profit (Loss) before tax on continuing operations	390	524
190 Income tax expense from continuing operations	(390)	(524)
Profit (Loss) after tax on continuing operations	0	0
Net profit (Loss) for the period	0	0

Credico Finance 5 S.r.l.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING DECEMBER 31, 2010

CORPORATE BUSINESS

The Company was incorporated on July 29, 2005 with the sole business purpose of performing credit securitization transactions under Law No. 130 of April 30, 1999.

FORM AND CONTENT OF THE EXPLANATORY NOTES

The Explanatory 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.

PART A – ACCOUNTING POLICIES

A.1 General Information

Section 1: Declaration of compliance with international accounting standards

The financial statements as at 31/12/2010 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, which was necessary for their application, in December 2004, with the approval of IAS standard 39 relating to financial instruments.

On a national level, as part of the options allowed by the EC Regulation, Legislative Decree No. 38 of February 28, 2005 also widened the application of the IAS/IFRS standards to individual financial

statements (optional for 2005 and mandatory for 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 listed in the special roll, of Imels, Sgrs and Sims (Electronic Money Institutions, Collectively Managed Investments Institutions and stock market intermediaries)”, according to 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 Legislative Decree 38/2005, Credico Finance 5 S.r.l. adopted the IAS/IFRS standards in preparing its individual financial statements from the 2006 period onwards.

Amounts in the 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 financial statements consist of balance sheet, profit and loss account, statement of comprehensive income, statement of changes in quotaholders’ equity, statement of cash flows and these explanatory notes to the financial statements, and are accompanied by the annual 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 financial statements are drawn up according to the general principles set forth in 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, going concern and relevance and significance of information.

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

Items where no amounts are shown for the financial statements of this period and those of the previous one have not been reported.

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 listed in 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 have been 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 and in accordance with international accounting standards, segregating the assets in the securitization transaction from 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 sake of completeness, it should be noted that, in accordance with IAS 39 of the international accounting standards, the accounting treatment of investments and/or groups of financial assets and liabilities originating from securitization transactions is still being studied by the authorities in charge of interpreting the established accounting principles.

Securitization transactions

From an accounting standpoint, securitization has been reported in compliance with the “Instructions for preparation of financial statements of financial brokers listed in 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 what is set out by Law 130/99 (the “Securitization Act”), which states 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 securitization is reported in a specific section of the explanatory notes and does not form part of the actual financial statements. Amounts relating to securitization have therefore not been impacted by the application of IAS/IFRS standards.

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

- a) Accounting information relating to each securitization transaction is separately stated in the Explanatory Notes to the Financial Statements;
- 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” must include a section where at least the following information is summarised: amount of receivables purchased (nominal and transfer value); amount of securities issued, broken down by 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 a specific section (“F”) should be drawn up, where at least the following information is to be included:

Qualitative disclosures:

- 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 disclosure:

- status of receivables at the time of transfer; positive and negative adjustments taking place up to the closing date of accounts; status 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;
- information on the level of portfolio breakdown.

More information on securitization can be found under Letter “F” of Part D “Other Information” of these Explanatory Notes.

Section 3: Events subsequent to the balance sheet date

During the period between the balance sheet date and the approval date of these financial statements, no events took place such as to impact operations and business results.

Securitization has been progressing in line with expectations.

A.2: PART RELATING TO THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

LOANS AND RECEIVABLES

Recording criteria

Loans and receivables consist of investments with clients and banks, which involve payments that are fixed and at any rate can be determined, and which are not listed on an active market. The item corresponds to the total of deposits and current accounts in credit held at banks.

Classification criteria

Loans and receivables have not been classified at the start under investments held for sale.

Measurement criteria

Loans and receivables are measured at amortized 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 whether there is objective proof of impairment.

Derecognition criteria

Loans and 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 definitively unrecoverable.

Criteria for recording income components

Income components correspond to revenues originating from interest payable on bank current accounts.

TAX ASSETS AND LIABILITIES

Recording, classification, measurement, derecognition and criteria for recognizing income components

Current taxation

The balance sheet includes tax payables and receivables net of the advance payments made and withholdings carried out.

Current tax assets and liabilities are recorded at the amount due or recoverable against the taxable basis of the period calculated in accordance with the laws in force.

OTHER ASSETS

Recording, classification, measurement, derecognition and criteria for recognizing income components

Receivables arising from charge back of costs incurred in favour of segregated assets are recorded 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, measurement derecognition and criteria for recognizing income components

These are recorded at their nominal value with settlement forecast within the Company's normal operating cycle with no deferrals foreseen.

SHARE CAPITAL

Share capital is reported net of unpaid subscribed capital.

COSTS AND REVENUES

Recording, classification, measurement and derecognition criteria

Costs and revenues are shown in the 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 operations performed by the Company, as provided for by contract operating charges incurred are charged to the segregated assets insofar as it is necessary to ensure the financial equilibrium of the Company. 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 – INFORMATION ON THE BALANCE SHEET

Amounts in balance sheet are stated in €.

ASSETS

Section 6 – Loans and receivable (Item 60)

6.1 "Due from banks"

2010	2009
7,333	7,462

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

Breakdown	31/12/2010	31/12/2009
1. Deposits and current accounts	7,333	7,462
2. Loans		
2.1 Repo agreements		
2.2 Finance lease		
2.3 Factoring		
- with recourse		
- without recourse		
2.4 Other loans		
3. Debt securities		
- structured securities		
- other debt securities		
4. Other assets		
Total Book Value	<u>7,333</u>	<u>7,462</u>
Total Fair Value	<u>7,333</u>	<u>7,462</u>

This item consists of the positive balance of current account No. 29246 held at Iccrea Banca, and includes interest accrued at the balance sheet date.

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 deferend).

12.1 Breakdown of Item 120 "Tax assets: current and deferend"

	2010	2009
Tax assets		
1. Current	0	137
2. Deferend		
Total	0	137

This item consists of the following:

	2010	2009
Withholding tax paid	0	11
Corporate income tax receivables	0	150
Regional tax on business payable	0	(24)
Total current tax assets	0	137

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

	2010	2009
Tax liabilities		
1. Current	93	0
2. Deferend		
Total	93	0

This item consists of the following:

	2010	2009
Withholding tax paid	2	0
Corporate income tax advances	39	0
Regional tax on business advances	256	0
Corporate income tax payable	(107)	0
Regional tax on business payable	(283)	0
Total current tax liabilities	93	0

The withholding taxes paid are the withholdings carried out on interest receivable accrued as at December 31, 2010.

During the 2010 period, corporate income tax and regional tax on business were horizontally offset, resulting in a total of Euro 27 of regional tax on business payable and corporate income tax payable of Euro 68.

Section 14 - Other Assets (Item 140)

14.1 Breakdown of Item 140 "Other assets"

Other assets consist of the following:

	2010	2009
General overheads transitory account	38,728	28,864
Total other assets	38,728	28,864

The general overheads transitory account substantially consists of the receivable resulting from charge-back of costs and income from corporate to segregated assets as provided for by contract. At the end of the 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 year-end, have been charged back.

LIABILITIES

Section 9 – Other Liabilities (Item 90)

9.1 Breakdown of Item 90 "Other liabilities"

Other liabilities consist of:

	2010	2009
- Amounts owed to suppliers	34,552	24,679

- Invoices to be received	753	1,166
- Tax withholdings payable for self-employed workers	44	0
TOTAL	35,349	25,845

Detail of amounts owed to suppliers is reported below:

- FIS S.p.a.	23,888
- Reconta Ernst & Young S.p.a.	10,080
- Notary Grassi	584
Total	34,552

Below is the detail of invoices to be received:

- FIS S.p.a.	300
- Wilmington	453
Total	753

Invoices to be received relate to the expenses for managing the two Stichtings which hold equity holdings of the company and the fees of FIS for the service provided involving the preparation of F24 forms.

Section 12 – Quotaholders’ equity (Items 120, 130, 140 and 150)

12.1 Breakdown of Item 120 “Share Capital”

Type		31/12/2010	31/12/2009
1.	Share Capital	10,000	10,000
	1.1 Ordinary shares	No. 0	No. 0
	1.2 Other shares	No. 0	No. 0

The Subscribed 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	Profit reserves		Other:		Total
	Legal	Extraordinary	Restatement reserves	Other reserves	
A. Opening balance	88	530			618
B. Increase					
B.1 Allocations					
B.2 Other variations					
C. Decrease					

C.1	Uses losses cover distribution transfer of capital				
C.2	Other variations				
D.	Closing balance	88	530	0	618

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
Profit reserves:					
Legal reserve	88	B			
Extraordinary reserve	530	A,B,C	530		
Other:					
Restatement reserve					
Retained earnings		B			
Non-distributable portion	88				
Distributable portion			530		

Key

A for capital increase

B for coverage of losses

C for distribution to shareholders

PART C – INFORMATION ON THE INCOME STATEMENTS

Section 1 – Interest (Items 10 and 20)

1.1 Breakdown of Item 10 “Interest and similar income”

The item "interest receivable" consists of interest on amounts due from credit institutions.

Item/Type	Debt securities	Loans	Other transaction	Total 31/12/2010	Total 31/12/2009
1. Financial assets held for trading					
2. Financial assets at fair value					
3. Financial assets available for sale					
4. Financial assets held to maturity					
5. Receivables					
5.1 Due from banks			6	6	42
5.2 Due from financial institutions					
5.3 Loans to customers					
6. Other assets					
7. Hedging derivatives					
Total			6	6	42

Section 9 – Administrative expenses (Item 110)

9.1 Breakdown of Item 110.a “Staff costs”

Item/Segments	2010	2009
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1. Employees		
a) wages and salaries		
b) social security costs		
c) employee termination indemnity		
d) welfare costs		
e) provision for employee termination indemnity		
f) provisions for retirement benefits and similar commitments:		
- defined contribution plans		
- defined benefit plans		
h) other costs		
2. Other personnel		
3. Directors and Statutory Auditors	9,023	8,896
4. Staff laid off		
5. Cost recoveries for staff seconded to other companies		
6. Reimbursements for staff seconded to the company		
Total	9,023	8,896

The item relates solely to the Sole Director's remuneration for the 2010 period. The Company has no Board of Statutory Auditors.

9.3 Breakdown of Item 110.b "Other administrative expenses"

	2010	2009
- legal and notary public advisory fees	2,498	10,294
- tax and administrative advisory services	91,751	91,590
- financial statements audit	19,280	9,156
- Stichting operating costs	1,867	1,856
- bank charges	60	60
- translations and publications	1,351	0
- annual Chamber of Commerce fees	200	200
- government tax for corporate books	310	310
- stamp duty	76	74
- revenue stamps and filing costs	130	130
- other charges	0	12
Total	117,523	113,682

For a better representation from an accounting standpoint, during the period indirect taxes and duties were reclassified from the item "Other operating income/charges" to the item "Other administrative expenses". For reasons of consistency, the same was also done for the 2009 period.

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

14.1 Breakdown of Item 160 "Other operating income and expenses"

Item	2010	2009
1. Income		
1.1 Revaluations		
1.2 Profit from disposals		
1.3 Reversal		
1.4 Other income	126,930	123,060
2. Charges		
2.1 Write downs		
2.2 Losses from disposals		

2.3 Impairment write-downs		
2.4 Other charges	0	0
Net result	126,930	123,060

The item other income relates to the general overheads transitory account which is broken down as follows:

	2010
- notary and legal advisory services	2,498
- tax and administrative consulting services	91,751
- financial statements' auditing	19,280
- Stichting management charges	1,867
- Sole Director's remuneration	9,023
- expenses for translations and publications	1,351
- bank charges	60
- annual fee due to the Chamber of Commerce for Industry, Agriculture and Handicrafts	200
- government tax for corporate books	310
- expenses for filing of documents	130
- stamp duty	76
- Corporate income tax	107
- Regional tax on business	283
- interest receivable	(6)
Total	126,930

Section 17 – Income tax expense from continuing 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 expense from operation”

	31/12/2010	31/12/2009
1. Current tax – IRES/IRAP (Corporate income tax/regional tax on business)	390	2
2. Change in current tax for previous years	0	2
3. Reduction in current tax this year	0	
4. Change in prepaid tax	0	
5. Change in deferred tax	0	
Income tax for the year	390	5

The value of taxes in 2010 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

	Taxable amount	Tax rate	Tax
Theoretical IRES	390	27.50%	107
Increases		27.50%	
Non-deductible costs		27.50%	
Actual IRES	390	27.50%	107
Theoretical IRAP	390	4.97%	19
Increases			
10% of other administrative costs	12,655	4.97%	629
Decreases		4.97%	
General deduction	(7,350)	4.97%	(365)
Actual IRAP	5,695	4.97%	283

In compliance with Art. 2 of Law 191 of 2009, the Italian Revenue Agency notified that there would be an increase of 0.15% in the regional tax on business rate from the 2010 tax period. The regional tax on business rate therefore currently amounts to 4.97%.

Part D – Other information

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 December 31, 2010 other than those indicated in section F.

F - SECURITIZATION OF RECEIVABLES

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

The layout and form of the summary table are in line with those laid 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 listed in 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.

For reasons of comparison, the data from the previous period have been provided.

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 Instructions of the Bank of Italy indicated above, 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 balances current accounts in credit 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 the 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 in the period in which they were earned and incurred.

Interest, Commissions, Other Income and Charges

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

Derivative contracts

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

F.1 SUMMARY STATEMENT OF SECURITIZED ASSETS AND SECURITIES ISSUED

	Balance at December 31, 2010 (Euro units)	Balance at December 31, 2009 (Euro units)
A. Securitized assets	189,579,515	234,360,480
A1 Loans	188,963,730	233,668,994
Nominal Value	188,963,730	233,668,994
A2 Securities		
A3 Other	615,785	691,486
A3 a) Interest accrued on loans existing at December 31	615,785	691,486
B. Utilisation of income from loan management	15,618,639	6,509,201
B1 Debt securities		
B2 Equity securities		
B3 Cash	15,618,639	6,509,201
B3 a) Cash in current account	15,234,572	6,474,193
B3b) Due from Deutsche London for investments	0	
B3 c) Other	384,067	35,008
C. Securities issued (nominal value)	199,499,708	236,245,491
C1 Class A securities (series 1)	171,553,783	208,299,566
C2 Class B securities (series 2)	18,600,000	18,600,000
C3 Class C securities (series 3)	9,345,925	9,345,925
D. Borrowings	435,332	250,582
E. Other liabilities	5,263,114	4,373,608
E1 Due to the parent company	38,728	28,864
E2 Suppliers	174,605	413,165
E3 Due to lending banks for interest matured	0	0
E4 Accrued liabilities on A and B securities issued	505,198	0
E5 Excess spread on C securities issued	4,231,211	3,749,138
E6 Differential on Swap	158,860	129,640
E7 Payables to BCC for expenditure fund	50,000	50,000
E8 Other	104,512	2,801
F. Interest expense from securities issued	4,494,420	8,983,763
F1 Interest on A and B securities	1,961,359	4,812,678
F2 Excess spread on C securities issued	2,533,061	4,171,085
G. Commissions and fees charged to the transaction	885,454	1,364,140
G1 for servicing	719,246	1,198,022
G2 for other services	166,208	166,118
H. Other charges	752,922	347,693
H1 Due on negative swap spreads	554,274	205,558
H2 Other	198,648	142,135
I. Interest generated from securitisations	5,719,756	9,914,624
L. Other revenues	413,040	780,972
L1 Interest income from current accounts and investments	40,990	158,221
L2 Other	372,050	622,751

Item B3 c) - "Other" consists of the amount receivable from the Italian Inland Revenue for withholdings paid on interest receivable on bank current accounts. In prior periods these receivables were prudently written down in accordance with current tax law.

Also in accordance with recent resolution 77/E of August 4, 2010 of the Italian Inland Revenue, during 2010 the Company deemed that the conditions which led to write-downs being carried out no longer applied and the receivables were therefore restored to their original value.

QUALITATIVE DISCLOSURES

F.2 DESCRIPTION AND PROGRESS OF TRANSACTION.

On December 14, 2005, the following entities:

- Banca del Centroveneto Credito Cooperativo – Longare, with registered office in Longare (VI), Via Ponte di Costozza 12;
- Banca di Credito Cooperativo di Anghiari e Stia, with registered office in Anghiari (AR), Mazzini 17;
- Banca di Credito Cooperativo di Vignole, with registered office in Vignole (Quarrata) (PT), Piazza IV Novembre 108;
- Banca del Valdarno Credito Cooperativo, with registered office in San Giovanni Valdarno (AR), Piazza della Libertà 26;
- Banca di Credito Cooperativo di Marcon-Venezia, with registered office in Marcon (VE), Piazza Municipio 22;
- Banca della Maremma Credito Cooperativo di Grosseto, with registered office in *Frazione* Marina di Grosseto, Via XXIV Maggio 93;
- Banca di Credito Cooperativo di Doberdò e Savogna, with registered office in Doberdò del Lago (Gorizia), Via Roma 23;
- Banca Suasa Credito Cooperativo, with registered office in *Frazione* San Michele al Fiume (PS), Via Vittorio Emanuele 1
- Banca di Credito Cooperativo Pordenonese, with registered office in Azzano Decimo (PN), Via Trento 1;
- Banca di Udine Credito Cooperativo, with registered office in Udine, Viale Trigesimo 85
- Banca di Credito Cooperativo di Alba Langhe e Roero, with registered office in Alba (CN), Corso Italia 4
- Banca della Marca Credito Cooperativo, with registered office in Orsago (TV), Via G.Garibaldi 46;
- Banca San Biagio del Veneto Orientale di Cesarolo e Fossalta di Portogruaro e Pertegada Banca di Credito Cooperativo, with registered office in Fossalta di Portogruaro (VE), Viale Venezia 1;
- Banca dei Colli Euganei Credito Cooperativo Lozzo Atestino, with registered office in Lozzo Atestino (PD), Piazza dalle Fratte 1;
- Banca di Credito Cooperativo Offanengo, with registered office in Offanengo (CR), Via De Gasperi 25;

have transferred, with no guarantee of solvency, to Credico Finance 5 S.r.l., a portfolio consisting of performing mortgage loans for a nominal value of Euro 465,345,926. For these receivables, Credico Finance 5 paid, as an initial consideration for the transfer, Euro 465,345,926 and undertook to pay to each transferor any interest accrued up to October 31, 2005 (date of assessment of transferred portfolio).

The individual BCCs selected the portfolio to be 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 indicated for selecting the loans to be transferred are the following:

- a) denominated in Euro;
- b) classified by the Transferor Bank as performing in compliance with the rules and regulations on supervision issued by the Bank of Italy;
- c) loans for which we have paid at least one instalment at the Assessment Date;
- d) secured by a first-rate mortgage in favour of the relevant Transferor Bank, understood as (i) a first-rate mortgage; or (ii) a mortgage of a higher rate than first in relation to which, at the Assessment Date, the obligations guaranteed by the mortgage(s) of a previous rate have been fully satisfied;
- e) in relation to which the investments are paid by direct debit into a current account held with the Transferor Bank;

- f) in relation to which the grace period has fully elapsed, whenever established by the relevant loan contract;
- g) deriving from loans that have to be paid in full on a date no later than September 30, 2025;
- h) not deriving from soft loan contracts or contracts that benefit from financial contributions of any type according to law or convention agreements (the so-called soft loans and loans granted under convention agreements);
- i) not deriving from loan contracts granted to individuals who are employees of the Transferor Bank;
- j) not deriving from loan contracts classified as "agricultural credit" as per Article 43 of TUB (Consolidated Banking Act), not even if the agricultural credit operation has been carried out through the use of an agricultural bill;
- k) deriving from loan contracts (1) in relation to which none of the instalments due are shown as unpaid on the Assessment Date and (2) in relation to which the last instalment due before the Assessment Date was paid within a fortnight following its due date;
- l) fully granted loans, for which neither the obligation nor the possibility exist to grant additional disbursements;
- m) not deriving from loans that, despite being performing, have at any time been classified as "in default" credits under the Instructions on Supervision of the Bank of Italy;
- n) deriving from loans provided by the same Transferor Bank.

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

BCC Alba	81,293,885
BCC Anghiari e Stia	23,661,235
BCC Centoveneto	52,043,802
BCC Colli Euganei	16,082,806
BCC della Marca	90,750,242
BCC Doberdò	9,710,915
BCC Marcon - Venezia	22,880,728
BCC Maremma Grossetana	7,123,248
BCC Offanengo	10,177,200
BCC Pordenonese	50,605,513
BCC Suasa	10,409,003
BCC S.Biagio F.Veneto Orientale	25,370,247
BCC Udine	19,743,332
BCC Valdarno	14,516,442
BCC Vignole	30,977,328
TOTAL	465,345,926

During 2010 other positions in the portfolio have been transferred to default. The residual principal value of the debt of these thirty positions, net of any recoveries at December 31, is equal to Euro 2,198,398. The transferral to default resulted in non-payment of an excess spread of equal value. During the year principal value recoveries were made on these positions for a total of Euro 823,047. The operation is progressing in line with expectations.

F.3 INDICATION OF THE ENTITIES INVOLVED

Originators: BCC Alba, BCC Anghiari e Stia, BCC Centoveneto, BCC Colli Euganei, BCC della Marca, BCC Doberdò, BCC Marcon-Venezia, BCC Maremma Grossetana, BCC Offanengo,

BCC Pordenonese, BCC Suasa, BCC S.Biagio Fossalta, BCC Udine, BCC Valdarno, BCC Vignole

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 statuses, maintenance of guarantees and take care of the necessary documentation.

Agent bank: Deutsche Bank AG London/Deutsche Bank S.p.A. di Milano/ Deutsche Bank Luxembourg S.A.

The three institutions act as transaction bank, principal and Italian paying agent, cash manager and computation agent. In particular, Deutsche Bank SA. carries out listing and payment agent activities in Luxembourg.

Counterparties in charge of financial hedging: IXIS CIB

IXIS Corporate & Investment Bank is the party with which Credico Finance 5 has entered into two financial hedging agreements (consisting of two Interest Rate Swaps), for the purpose of hedging the interest-rate risk relating to the structure.

Lead manager and Arranger: IXIS Corporate & Investment Bank, IXIS CIB

In compliance with law and contractual provisions, the above entities have been in charge of placing securities on the market.

Representa of the Noteholders: 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 5.

F.4 CHARACTERISTICS OF ISSUES

These consist of three series of “Asset Backed” securities, issued at par on April 29, 2005, for an aggregate nominal value of Euro....., broken down as follows:

Class A Issue	437,400,000
Class B Issue	18,600,000
Class C1 Issue	1,045,238
Class C2 Issue	475,208
Class C3 Issue	622,143
Class C4 Issue	291,546
Class C5 Issue	459,532
Class C6 Issue	143,062
Class C7 Issue	195,032
Class C8 Issue	209,053
Class C9 Issue	1,016,352
Class C10 Issue	396,522
Class C11 Issue	1,632,692
Class C12 Issue	1,822,612
Class C13 Issue	509,532
Class C14 Issue	323,004
Class C15 Issue	204,397
Total	465,345,925

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, four reimbursements of the principal amount of series A took place which, at December 31, 2010, amounts to Euro 171,553,783.

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

Class A:	+0.1375%
Class B:	+0.60%

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 SPE.

During 2010 four "interest payment dates" took place (January 4 -April 6 - July 5 - October 4). Interest accrued on Classes A and B has been paid, as well as any residual amount relating to Class C securities, according to 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 and Moody's which rated them as follows:

Securities	Standard & Poor's Rating	Moody's Rating	Percentage	Amount in €/million
Class A	AAA	Aaa	86%	171.6
Class B	A	A1	9%	18.6
Class C	Not rated	Not rated	5%	9.3

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 2 classes corresponding to the types of variable rate applied to the individual portfolios transferred.

According to what has been agreed with the rating agencies, each Transferor BCC has provided the SPE 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 original amount is Euro 20,715 thousand (or 4.4% of the aggregate transferred portfolio) which can be reduced over the years in accordance with certain contractual conditions.

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 become legally owned by Credico Finance 5 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 RIGHTS OF THE TRANSFEREE COMPANY

Credico Finance 5 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, as established and governed by Law No. 130 of April 30, 1999 as amended and subsequent implementing measures, through acquisition for a consideration of either existing or future pecuniary receivables, *en bloc* if more than one receivable, and funded through issue of securities under Art. 1, Para. 1, Lett. b) and Art. 5 of Law 150/1999. In compliance with the provisions of the above law, receivables relating to each securitization transaction represent segregated assets in all respects from those of the Company and those relating to any other transactions. For each segregated asset, 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 the provisions of Law No. 130/1999, the Company may perform financial transactions for the sole purpose of successfully completing the securitization transactions performed by it or which are useful to achieve its business purpose and reinvest in other financial assets the funds originating from the management of receivables purchased and not immediately employed to meet the rights originating from the securities issued by it as part of the securitization of said receivables.

The Company will limit its activities to those necessary for providing sufficient cash flow to be able to pay the rated securities issued as part of the securitization transactions carried out. The Company will not be involved in any activities that are not for this purpose unless the parties involved in the respective securitization transaction want the rating of the securities to take into account the outcome of said activity on the Company's resources, its cash flow and its ability to meet its payment obligations. At any rate, the Company may not undertake new receivable securitization transactions if the operator that, in accordance with Art. 2, Para. 4 of Law 130/29, assessed the credit rating of the receivable securitization transactions previously undertaken by the Company, has not declared in writing in advance that the conclusion of this new receivable securitization transaction by the Company will not have a negative effect on the credit rating carried out by this operator on the Company's previous receivable securitization transactions.

The Company may not dispose of, merge or sell assets (with the exception of what is provided for by the documents relating to the securitization transaction in which it is involved), nor will it amend its instruments of incorporation as long as there are rated securities which are still unredeemed, without it being necessary to give prior notice to the rating agencies involved in the specific transactions performed by it.

To the extent permitted by the provisions of Law No. 130/1999 and the respective implementing measures, the Company may perform the financial transactions necessary for the purpose of successfully completing the securitization transactions performed by it or which are incidental or related to or useful or necessary for the achievement of its business purpose, including assumption of loans and financing, pledges and other forms of guarantees. The Company may also give third parties the job of collecting the receivables purchased or performing collection and payment services and may transfer the receivables purchased 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 above-mentioned securities.

The Company may carry out its business both in Italy and abroad”.

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

QUANTITATIVE DISCLOSURES

F.7 DATA ON FLOWS RELATING TO RECEIVABLES (amounts in euro)

	Balance as at Dec 31, 2009	Decreases in Collection 2010	Other Decrease	Increase in interest	Balance as at Dec 31, 2010
BCC Alba	42,305,305	8,922,305		936,203	34,319,203
BCC Anghiari	10,314,686	1,919,119		280,876	8,676,443
BCC Centoveneto	22,331,753	5,649,250		545,903	17,228,406
BCC Colli Euganei	7,301,025	1,115,860		137,645	6,322,810
BCC della Marca	47,856,298	10,823,905		1,222,040	38,254,433
BCC Doberdò	4,243,261	866,681		98,804	3,475,384
BCC Marcon - Venezia	12,055,798	2,503,392		330,861	9,883,267
BCC Maremma	3,435,790	763,569		83,699	2,755,920
BCC Offanengo	5,853,690	1,699,813		154,233	4,308,110
BCC Pordenonese	28,860,719	5,952,639		794,815	23,702,895
BCC Suasa	4,445,042	959,643		103,828	3,589,227
BCC S.Biagio F. Veneto Orientale	13,290,146	2,809,576		290,417	10,770,987
BCC Udine	9,989,103	1,768,925		232,605	8,452,783
BCC Valdarno	8,382,522	1,567,757		278,716	7,093,481
BCC Vignole	13,003,856	3,178,288		304,813	10,130,381
	233,668,994	50,500,722	0	5,795,458	188,963,730

The Item “increases 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 year 2010.

	Opening Balance	Increase in the period	Decrease in the period	Opening Balance
BCC Alba	334,753	4,859,283	4,631,341	754,809
BCC Anghiari e Stia	69,518	1,555,649	1,574,166	37,123
BCC Centroveneto	569,843	5,628,820	5,647,005	532,613
BCC Colli Euganei	9,291	1,194,578	1,153,979	41,158
BCC della Marca	284,176	7,619,266	7,651,598	23,243
BCC Doberdò	2,034	914,638	866,120	49,797
BCC Marcon - Venezia	32,925	2,523,521	2,501,259	38,867
BCC Maremma Grossetana	11,001	774,958	761,635	18,822
BCC Offanengo	17,792	1,706,791	1,694,439	136,449
BCC Pordenonese	63,272	3,733,365	3,548,528	380,250
BCC Suasa	37,741	479,061	475,441	6,686
BCC S.Biagio Fossalta Veneto Orien.	231,566	2,742,396	2,736,856	408,053
BCC Udine	105,186	1,388,201	1,290,311	273,788
BCC Valdarno	158,755	1,127,783	1,084,640	202,511
BCC Vignole	99,588	2,482,259	2,489,723	125,501
Total	2,027,441	38,730,569	38,107,041	3,029,670

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

F.9 CASH FLOWS

Cash and cash equivalents – opening balance		6,474,193
Outflows		
Payment of servicing fees	1,595,754	
Payment of suppliers and corporate servicers (including VAT and tax withholdings)	378,915	
Payment of interest series 1A, 1B and 1C	1,987,178	
Payment of swap differential	519,094	
Other payments	26,131	
Interest payments	4,036	
Bank charges	1,190	
Investments on London account	211,549,029	
Repayment of liquidity facilities	25,995,649	
Repayment of Series A securities	12,628,868	
Repayment of coupons collected on behalf of BCCs	105,420	
Total Outflows		254,791,263
Inflows		
Collection of receivables	50,468,315	
Use of liquidity facilities	1,238,682	
Collection of coupons on behalf of BCCs	205,642	
Encashment of investments on London account	211,639,002	
Collection of swap differential	-	
Total inflows		263,551,642
Total availability at 31/12/2010		15,234,572

The cash flows forecast for 2010 are in line with the amortisation plan of the transferred receivables.

F.10 STATUS OF GUARANTEES AND LIQUIDITY FACILITIES

As at December 31, 2010, Euro 435,332 of the liquidity facility made available by the BCCs is found to be used, on which there is interest accrued of Euro 2,843 at the balance sheet date. On the first interest payment date of 2011 these amounts are already found to have been repaid.

F.11 BREAKDOWN BY RESIDUAL LIFE

ASSETS

Maturity	No. of positions	%	Residual debt	%
Up to 3 months	30	1%	73,326	0%
3 months - 1 year	73	2%	502,779	0%
1 - 5 years	827	25%	25,225,473	14%
over 5 years	2,397	71%	160,963,754	85%
Default	30	1%	2,198,398	1%
Total	3,357	100%	188,963,730	100%

The maximum due date of the receivables transferred, all of which are denominated in Euro, is fixed as September 30, 2025 and there are two positions whose holders are not resident in Italy.

LIABILITIES

Class A and B securities amounting to Euro 190,153,783 have a legal term up to April 2033 and their redemption is dependent on the collections made on the transferred receivables.

Class C securities amounting to Euro 9,345,925 are dependent on the full redemption of the principal amount and interest of A and B securities.

F.12 BREAKDOWN BY GEOGRAPHIC LOCATION

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

Maturity	No. of positions	%	Residual debt	%
Italy	3,355	100%	188,862,700	100%
Member Countries of the Monetary Union	1	0%	27,777	0%
EU Countries not belonging to the Monetary Union	0	0%	0	0%
Other	1	0%	73,253	0%
Total	3,357	100%	188,963,730	100%

All receivables are denominated in Euro.

F.13 RISK CONCENTRATION

Below the level of portfolio breakdown is shown by category.

Amount range	No. of positions	%	Nominal Value	%
up to € 25,000	749	23%	10,013,566	5%
€ 25,000 to € 75,000	1,753	52%	83,933,000	45%
€ 75,000 to € 250,000	809	24%	87,442,435	46%

over € 250,000	16	0%	5,376,331	3%
Default	30	1%	2,198,398	1%
Total	3,357	100%	188,963,730	100%

There are no individual receivables for an amount exceeding 2% of the portfolio total.

Section 3 – Information on risks and related hedging policies

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 DISCLOSURES

Company equity

4.1.1 Qualitative disclosures

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 subscribed capital of 10,000 euros.

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

4.1.2 Quantitative disclosures

4.1.2.1 Company equity: breakdown

Item /Values	2010	2009
1. Share capital	10,000	10,000
2. Share premium reserve	0	0
3. Reserves		
- of earnings		
a) legal	88	88
b) statutory	0	0
c) own shares	0	0
d) other	0	0
- other	530	530
4. (Own shares)	0	0
5. Valuation reserves		
- Financial assets available for sale	0	0
- Fixed assets	0	0

- Foreign investment hedges	0	0
- Cash flow hedges	0	0
- Exchange differences	0	0
- Non-current assets and discontinued operations	0	0
- Special revaluation laws	0	0
- Actuarial gains/losses on defined benefit plans	0	0
- Portion of reserves relating to investments carried at equity	0	0
6. Equity instruments	0	0
7. Profit (Loss) for the year	0	0
	0	0
Total	10,618	10,618

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 remuneration of managers with strategic responsibilities

Remuneration to Directors and Statutory Auditors

On April 28, 2010 the ordinary shareholders' meeting was held which resolved upon annual remuneration (net of VAT and professionals welfare fund) in favour of the Sole Director of Euro 7,000 for the period in question.

The remuneration before VAT, professionals' welfare fund and any out-of-pocket expenses incurred as part of duties which were paid in 2010 amounts to Euro 9,023.

The work carried out has been regulated 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

- a) managers
- b) middle managers
- c) other employees

As required by law, the Company does not employ any personnel and for this reason it has recourse to independent service providers for conducting its business.

7.2 Management and coordination

The Company is not subject to any management and coordination by third parties.

7.3 Fees invoiced by the auditing firm in the period 1/1-31/12/2010

In the period 1/01/2010 – 31/12/2010 the auditing firm invoiced Euro 16,067.00 worth of fees net of VAT.

The above fees relate exclusively to financial statement auditing services.

The Sole Director
(Antonio Bertani)

Credico Finance 5 S.r.l.

Management Report

Financial Statements as at December 31, 2010

Dear Quotaholders ,

I hereby submit to you for approval the financial statements for the period ended December 31, 2010, which show a break-even result with capital and reserves of Euro 10,618, consisting of balance sheet, income statement, statement of changes in quotaholders' equity, statement of cash flows, statement of comprehensive income and explanatory notes.

Credico Finance 5 is a financial company, an SPV for financing operations through securitization, set up under Art. 3 of Law 130 of April 30, 1999, initially listed in the Special Roll of Financial Brokers in accordance with Art. 107 of TUB (Consolidated Banking Act), but now listed in the General Roll as per Art. 106 of TUB following the new law on "Receivable securitization - Removal of SPVs from the Special Roll" issued on September 25, 2009 by the Bank of Italy.

Technical instructions for interpretation of financial statements

The financial statements have been drawn up in compliance with the valuation 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 set out in 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 and is also 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 of the Balance Sheet, Income Statement, Statement of Changes in Quotaholders' Equity and Statement of Cash Flows show no significant changes compared to the position as at 31 December 2009

Reference should be made to section F of the explanatory notes for information on securitization performance.

Business purpose

The Company's sole business purpose is the performance of one or more receivable securitization transactions, as established and governed by Law No. 130 of April 30, 1999 as amended and subsequent implementing measures, through acquisition for a consideration of either existing or future pecuniary receivables, *en bloc* if more than one receivable, and funded through issue of securities under Art. 1, Para. 1, Lett. b) and Art. 5

of Law 130/1999. In compliance with the provisions of the above law, receivables relating to each securitization transaction represent segregated assets in all respects from those of the Company and those relating to other transactions. For each segregated asset, 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 the provisions of Law No. 130/1999, the Company may perform financial transactions for the sole purpose of successfully completing the securitization transactions performed by it or which are useful to achieve its business purpose and reinvest in other financial assets the funds originating from the management of receivables purchased and not immediately employed to meet the rights originating from the securities issued by it as part of the securitization of said receivables.

The Company will limit its activities to those necessary for providing sufficient cash flow to be able to pay the rated securities issued as part of the securitization transactions performed. The Company will not be involved in any activities that are not for this purpose unless the parties involved in the respective securitization transaction want the rating of the securities to take into account the outcome of said activity on the Company's resources, its cash flow and its ability to meet its payment obligations. At any rate, the Company may not undertake new receivable securitization transactions if the operator that, in accordance with Art. 2, Para. 4 of Law 130/29, assessed the credit rating of the receivable securitization transactions previously undertaken by the Company, has not declared in writing in advance that the conclusion of this new receivable securitization transaction by the Company will not have a negative effect on the credit rating carried out by this operator on the Company's previous receivable securitization transactions.

The Company may not dispose of, merge or sell assets (with the exception of what is provided for by the documents relating to the securitization transaction in which it is involved), nor will it amend its instruments of incorporation as long as there are rated securities which are still unredeemed, without it being necessary to give prior notice to the rating agencies involved in the specific transactions performed by it.

To the extent permitted by the provisions of Law No. 130/1999 and the respective implementing measures, the Company may perform the financial transactions necessary for the purpose of successfully completing the securitization transactions performed by it or which are incidental or related to or useful or necessary for the achievement of its business purpose, including assumption of loans and financing, pledges and other forms of guarantees. The Company may also give third parties the job of collecting the receivables purchased or performing collection and payment services and may transfer the receivables purchased 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 above-mentioned securities.

The Company may carry out its business both in Italy and abroad.

In December 2005, the Company carried out a securitization transaction of performing receivables transferred by the following 15 institutions: Banca del Centroveneto Credito Cooperativo, Banca di Credito Cooperativo di Anghiari e Stia, Banca di Credito Cooperativo di Vignole, Banca del Valdarno Credito Cooperativo, Banca di Credito Cooperativo di Marcon – Venezia, Banca della Maremma Credito Cooperativo di Grosseto, Banca di Credito Cooperativo di Doberdò e Savogna, Banca Suasa Credito Cooperativo, Banca di Credito Cooperativo Pordenonese, Banca di Udine Credito Cooperativo, Banca della Marca Credito

Cooperativo, Banca S. Biagio del Veneto Orientale di Cesarolo e Fossalta di Portogruaro e Pertegada Banca di Credito Cooperativo, Banca dei Colli Euganei Credito Cooperativo

Lozzo Atestino, Banca di Credito Cooperativo di Alba Langhe e Roero, Banca di Credito Cooperativo di Offanengo.

Full information is given about this transaction in an annex to the explanatory notes in accordance with the provisions contained in the Ordinance of March 29, 2000 of the Bank of Italy, which is responsible for regulating the methods of preparing the financial statements of financial companies.

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

Own shares

The Company does not possess own shares.

Quotaholder relations

The subscribed capital is broken down as follows:

50% Stichting Melograno 3

50% Stichting Melograno 4

The 15 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 Articles 2497 et seq. of the Civil Code.

Events taking place after the closing date of accounts

After December 31, 2010 the transaction progressed regularly.

According to the Payment Priority Order provided for by contract, the following creditors of the Company were paid punctually on the first interest payment date which took place on January 5, 2011: service providers, interest on securities, partial payment of Series A of the securities issued, interest owed on derivative contracts and any residual amount of interest on series C securities.

Outlook

Considering the present intention not to carry out new securitization transactions, operations will be dedicated to the regular continuation of the existing transaction.

**Report on corporate governance and the Company's 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 Finance Act).

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 either existing or future pecuniary receivables, funded through issue of securities under Article 1, Para. 1, Lett. (b) of Law 130/99. In compliance with the provisions of the above Law, receivables relating to each securitization transaction represent segregated assets in all respects from those of the Company and those relating to other transactions, 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 any additional transactions in order 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 its business purpose stated above, the Company began a securitization transaction in December 2005 by purchasing a block of loans from 15 BCCs for an overall nominal value of Euro 465,345,926. For the purpose of purchasing these loans 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 interest rate risk, solely in relation to the floating rate on coupons for securities issued as part of 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 the Company's Ownership Structure" which, as per Para. 2, Letter b) of 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 and it has undertaken not to employ any employees. The company makes use of ad hoc appointed 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 securitization contractual documentation governs the appointment of agents and the specific activities which each of the Company's agents is expected to perform. 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 all obligations deriving from securitization-related documents and the law.

The main roles covered by such agents are as follows:

- (i) 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 statuses and maintenance of guarantees, and take care of the necessary documentation;
- (ii) Corporate Servicers, responsible for the Company's administrative and accounting management;
 - (iii) Cash Managers, Computation Agents and Paying Agents, 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 listed in the Special Roll pursuant to Art. 107 of Legislative Decree No. 385 of September 1, 1993, which 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 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 regularly monitors the work performed by the agents and approves the financial statements.

Allocation of net profit (loss) for the period

Dear Quotaholders,

I therefore invite you to approve the financial statements for the period ended as at 31.12.2010 which show a break-even result.

The Sole Director

Antonio Bertani

CREDICO FINANCE 5 S.R.L.

STATEMENT OF COMPREHENSIVE INCOME

ITEMS – (IN EURO)	2010	2009
10. Net Profit (Loss) for the period	0	0
110. Total other income items after tax	0	0
120. Comprehensive income (Item 10+110)	0	0

STATEMENT OF CASH FLOWS

(Direct method)

A. OPERATING ACTIVITIES	2010	2009
1. Operations	0	1,689
- Interest receivable collected (+)	6	42
- Interest payable paid (-)		
- Dividends and similar revenues (+)		
- Net commission (+/-)		
- Personnel costs (-)	(9,023)	(8,896)
- Other costs (-)	(117,523)	(112,517)
- Other income (+)	126,930	123,060
- Taxes and dues (-)	(390)	
- Costs/revenues relating to discontinued operations net of tax effect (+/-)		
2. Cash flow generated/absorbed by financial assets	(9,727)	2,483
- Financial assets held for trading		
- Financial assets valued at fair value		
- Financial assets available for sale		
- Amounts receivable from banks		
- Amounts receivable from financial institutions		
- Amounts receivable from customers		
- Other assets	(9,727)	2,483
3. Cash flow generated/absorbed by financial liabilities	9,598	(4,275)
- 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	9,598	(4,275)
Net cash flow generated/absorbed by operating activities	(129)	(103)
B. INVESTMENT ACTIVITIES		
1. Cash flow generated by		
- 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		
1. Cash flow absorbed by		
- 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		
Net cash flow generated/absorbed by investment activities		

C. FUNDING ACTIVITIES		
- Issue/purchase of own shares		
- Issue/purchase of capital instruments		
- Distribution of dividends and other purposes		
<i>Net cash flow generated/absorbed by funding activities</i>		
NET CASH FLOW GENERATED/ABSORBED IN THE PERIOD	(129)	(103)

RECONCILIATION	2010	2009
Opening balance of cash and cash equivalents	7,462	7,565
Total net cash flow generated/absorbed during the period	(129)	(103)
Closing balance of cash and cash equivalents	7,333	7,462

Credico Finance 5 S.r.l.

Financial Statements as of december 31, 2010

Independent Auditors' Report

pursuant to art. 14 and 16 of Legislative Decree n. 39
dated January 27, 2010

(Translation from the original Italian text)

**Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated January 27, 2010
(Translation from the original Italian text)**

To the Quotaholders of
Credico Finance 5 S.r.l.

1. We have audited the financial statements of Credico Finance 5 S.r.l. as of and for the year ended December 31, 2010, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in quotaholders' equity, the statement of cash flows and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of Credico Finance 5 S.r.l.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. Our audit was performed in accordance with auditing standards recommended by Consob (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

For our opinion on the financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated April 27, 2010.

3. In our opinion, the financial statements of Credico Finance 5 S.r.l. as of and for the year ended December 31, 2010 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of Credico Finance 5 S.r.l. for the year then ended.
4. The exclusive purpose of the Company is to carry out receivables securitization transactions pursuant to Law n° 130/99 and, in compliance with Bank of Italy's instructions of December 16, 2009, has recorded the acquired receivables, the notes issued and the other transactions performed within the scope of the securitization transaction in the explanatory notes and not in the balance sheet. The recognition of financial assets and liabilities in the explanatory notes is done, in conformity with the administrative provisions issued by the Bank of Italy under art. 9 of the Legislative Decree n° 38/2005, in accordance with International Financial Reporting Standards. This approach is also in line with the provisions of Law n° 130/99 according to which the receivables involved in each securitization are, in all respect, separate from the assets of the Company and from those related to other securitization. For completeness of disclosure, we point that the accounting treatment under the International Financial

Reporting Standards of financial assets and/or groups of financial assets and financial liabilities deriving from securitization is still under examination by the International Financial Reporting Standards interpretation committees.

5. The management of Credico Finance 5 S.r.l. is responsible for the preparation of the Report on Operations in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency with the financial statements of the Report on Operations and the specific section on Corporate Governance and the Company's Ownership Structure regarding the information included therein in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 2, letter b), as required by the law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by Consob (the Italian Stock Exchange Regulatory Agency). In our opinion, the Report on Operations and the information included therein in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 2), letter b) included in the specific section on Corporate Governance and the Company's Ownership Structure, are consistent with the financial statements of Credico Finance 5 S.r.l. as of and for the year ended December 31, 2010.

Rome, April 20, 2011

Reconta Ernst & Young S.p.A.
signed by: Alberto M. Pisani, partner