

**PROSPECTUS**  
**CREDICO FINANCE 9 S.R.L.**  
(incorporated with limited liability under the laws of the Republic of Italy)

**Euro 554,400,000 Class A Asset Backed Floating Rate Notes due November 2050**  
Issue Price: 100%

**Euro 82,818,620 Class B Asset Backed Floating Rate Notes due November 2050**  
Issue Price: 100%

This prospectus (the "**Prospectus**" or the "**Offering Circular**") contains information relating to the issue by Credico Finance 9 S.r.l., a limited liability company organised under the laws of the Republic of Italy (the "**Issuer**") of Euro 554,400,000 Class A Asset Backed Floating Rate Notes due November 2050 (the "**Class A Notes**" or the "**Senior Notes**"). In connection with the issue of the Class A Notes the Issuer will issue 18 series of junior notes for an aggregate amount of Euro 82,818,620 divided as follows: Euro 4,679,097 Class B1 Asset Backed Floating Rate Notes due November 2050 (the "**Class B1 Notes**"), Euro 4,571,478 Class B2 Asset Backed Floating Rate Notes due November 2050 (the "**Class B2 Notes**"), Euro 2,626,294 Class B3 Asset Backed Floating Rate Notes due November 2050 (the "**Class B3 Notes**"), Euro 1,285,743 Class B4 Asset Backed Floating Rate Notes due November 2050 (the "**Class B4 Notes**"), Euro 5,401,583 Class B5 Asset Backed Floating Rate Notes due November 2050 (the "**Class B5 Notes**"), Euro 2,275,743 Class B6 Asset Backed Floating Rate Notes due November 2050 (the "**Class B6 Notes**"), Euro 3,769,516 Class B7 Asset Backed Floating Rate Notes due November 2050 (the "**Class B7 Notes**"), Euro 1,303,350 Class B8 Asset Backed Floating Rate Notes due November 2050 (the "**Class B8 Notes**"), Euro 19,277,566 Class B9 Asset Backed Floating Rate Notes due November 2050 (the "**Class B9 Notes**"), Euro 2,949,960 Class B10 Asset Backed Floating Rate Notes due November 2050 (the "**Class B10 Notes**"), Euro 7,201,504 Class B11 Asset Backed Floating Rate Notes due November 2050 (the "**Class B11 Notes**"), Euro 1,503,262 Class B12 Asset Backed Floating Rate Notes due November 2050 (the "**Class B12 Notes**"), Euro 11,206,305 Class B13 Asset Backed Floating Rate Notes due November 2050 (the "**Class B13 Notes**"), Euro 2,452,204 Class B14 Asset Backed Floating Rate Notes due November 2050 (the "**Class B14 Notes**"), Euro 2,652,916 Class B15 Asset Backed Floating Rate Notes due November 2050 (the "**Class B15 Notes**"), Euro 4,068,799 Class B16 Asset Backed Floating Rate Notes due November 2050 (the "**Class B16 Notes**"), Euro 2,544,507 Class B17 Asset Backed Floating Rate Notes due November 2050 (the "**Class B17 Notes**") and Euro 3,048,793 Class B18 Asset Backed Floating Rate Notes due November 2050 (the "**Class B18 Notes**" and together with the Class B1 Notes, the Class B2 Notes, the Class B3 Notes, the Class B4 Notes, the Class B5 Notes, the Class B6 Notes, the Class B7 Notes, the Class B8 Notes, the Class B9 Notes, the Class B10 Notes, the Class B11 Notes, the Class B12 Notes, the Class B13 Notes, the Class B14 Notes, the Class B15 Notes, the Class B16 Notes and the Class B17 Notes the "**Class B Notes**"; the Class A Notes and the Class B Notes, together the "**Notes**"). The Class B Notes are not being offered pursuant to this Prospectus.

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

The Offering Circular has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Class A Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to the Senior Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of the Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. No application has been made to list the Class B Notes on any stock exchange.

All payments of principal and interest on the Notes will be made free and clear of any withholding or deduction for Italian withholding taxes, subject to the requirements of Legislative Decree No. 239 of 1 April 1996 as amended by Italian Law No. 409 of 23 November 2001 and as subsequently amended and supplemented, unless the Issuer is required by any applicable law to make such a withholding or deduction. If any withholding tax is applicable to the Notes, payments of interest on, and principal of the Notes will be made subject to such withholding tax, without the Issuer or any other Person being obliged to pay any additional amounts to any holder of Notes of any Class as a consequence.

The Notes will be held in dematerialised form on behalf of the beneficial owners as of the Issue Date, until redemption or cancellation thereof, by Monte Titoli S.p.A. ("**Monte Titoli**") for the account of the relevant Monte Titoli Account Holder (as defined below). The expression "**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes any depository banks appointed by Clearstream Banking S. A. ("**Clearstream**") and Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**"). Monte Titoli shall act as depository for Clearstream and Euroclear. The Notes will at all times be evidenced by book-entries in accordance with the provisions of article 83-bis of the Legislative Decree No. 58 of 24 February 1998 and regulation of 22 February 2008 jointly issued by the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") and the Bank of Italy, as subsequently amended and supplemented.

Calculations as to the expected average life of the Class A Notes can be made based on certain assumptions as set out in the section "**Weighted Average Lives of the Class A Notes**", including, but not limited to, the level of the prepayment of the Claims. However, there is no certainty neither that the assumptions made will materialize nor that the Class A Notes will receive their full principal outstanding and all the interest accrued thereon and ultimately the obligations of the Issuer to pay principal and interest on the Class A Notes could be reduced as a result of losses incurred in respect of the Portfolios. If the Notes cannot be redeemed in full on the Final Maturity Date, as a result of the Issuer having insufficient funds available to it in accordance with the Conditions for application in or towards such redemption, the Issuer will have no other funds available to it to be paid to the Noteholders, because the Issuer has no assets other than those described in this Prospectus. If any amounts remain outstanding in respect of the Notes upon expiry of the Final Maturity Date, such amounts (and the obligations to make payments in their respect) will be deemed to be released by the Noteholders

and the Notes will be cancelled. The amount and timing of repayment of principal under the Claims will affect also the yield to maturity of the Notes, which cannot be predicted depending, inter alia, on the level of prepayments which will occur under the Portfolios. The Notes will be subject to mandatory pro-rata redemption in whole or in part on each Payment Date following the expiry of a period of eighteen months after the Issue Date ("**Initial Period**"). Unless previously redeemed in accordance with their applicable terms and conditions (the "**Conditions**"), the Class A Notes will be redeemed on the Payment Date falling on November 2050 (the "**Final Maturity Date**"). The Notes of each Class will be redeemed in the manner specified in Condition 6 (Redemption, Purchase and Cancellation). Before the Final Maturity Date the Notes may be redeemed at the option of the Issuer at their Principal Amount Outstanding together with accrued interest to the date fixed for redemption under Condition 6.4 (Optional Redemption).

Interest on the Notes will accrue from 5 July 2011 (the "**Issue Date**") and will be payable on 15 February 2012 (the "**First Payment Date**") and thereafter quarterly in arrears on the 15th day of February, May, August and November in each year or if any such day is not a day (other than a Saturday or a Sunday) on which banks are open for business in Dublin, London, Rome and Milan and on which the Trans-European Automated Real Time Gross Transfer System (or any successor thereto) is open (a "**Business Day**") the following Business Day (each a "**Payment Date**"). The Notes will bear interest from (and including) a Payment Date to (but excluding) the following Payment Date (each an "**Interest Period**") provided that the first Interest Period (the "**Initial Interest Period**") shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date. The Class A Notes shall bear interest at an annual rate equal to the Euro-Zone Inter-bank offered rate for three month deposits in Euro (the "**Three Month EURIBOR**") (or in the case of the Initial Interest Period, the linear interpolation between the Euro-Zone Inter-bank offered rate ("**Euribor**") for 7 month and 8 month deposits in Euro) plus a margin of 0.3% per annum in relation to the Class A Notes.

The Class A Notes are expected, on issue, to be rated Aaa (sf) by Moody's Investors Service ("**Moody's**") and AAA (sf) by DBRS Ratings Limited ("**DBRS**"). As of the date of this Prospectus, each of the Rating Agencies is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009 (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. No rating will be assigned to the Class B Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the assigning rating organisation. The Class A Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any other state securities laws of the U.S. and may be subject to U.S. tax laws. Subject to certain exceptions, the Class A Notes may not be offered or sold within the U.S. or for the benefit of U.S. Persons (as defined in Regulation S under the Securities Act). See "Subscription and Sale".

#### ARRANGER

Iccrea Banca S.p.A.

Dated 5 July 2011

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

The net proceeds of the offering of the Notes will be mainly applied by the Issuer to fund the purchase of portfolios of monetary claims (the "**Portfolios**" and the "**Claims**", respectively) arising under residential mortgage loans executed by Banca San Giorgio e Valle Agno Credito Cooperativo di Fara Vic. Società Coop., Banca Romagna Cooperativa Credito Cooperativo Romagna Centro e Macerone, Banca di Romano e S.Caterina - Credito Cooperativo (VI) - Società Cooperativa, BCC di Montepulciano Società Cooperativa, Emil Banca – Credito Cooperativo SC, Banca di Credito Cooperativo di Ostra e Morro d'Alba - Società Cooperativa, Banca Santo Stefano – Credito Cooperativo - Martellago - Venezia – Soc.Coop, Credito Cooperativo Mediocrati scarl, BCC di Alba Langhe e Roero SC, BCC Sala di Cesenatico Società Cooperativa, Banca del Centroveneto S.C. Longare, Cassa Rurale ed Artigiana di Roana Credito Cooperativo Società Cooperativa, Cassa Rurale ed Artigiana di Cantù BCC Società Cooperativa, BCC di Marcon-Venezia Società Cooperativa, BCC di Gatteo Società Cooperativa, BCC di Sesto San Giovanni Società Cooperativa, BCC di Pontassieve Società Cooperativa and BCC di Piove di Sacco Società Cooperativa collectively the "**Originators**"). The Portfolios have been purchased by the Issuer under the terms of 18 (eighteen) transfer agreements as between the Issuer and each Originator pursuant to Law 130 on 30 June 2011 (each a "**Transfer Agreement**" and collectively the "**Transfer Agreements**"). The principal source of payment of interest and repayment of principal on the Notes will be collections and recoveries made from or in respect of the Portfolios.

### **Responsibility Statements**

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

### **The Issuer**

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), such information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains or incorporates all information which is material in the context of the issuance and offering of the Notes, that the information contained or incorporated in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

### **The Originators**

Each of the Originators have provided the information under the sections headed "**The Portfolio**", "**The Originator**" and the "**Collection Policy and Recovery Procedures**" and any other information contained in this Prospectus relating to itself and the Portfolios and, together with the Issuer, accepts responsibility for the information contained in those sections. Each of the Originators have also provided the historical data for the information contained in the section headed "**Weighted Average Lives of the Class A Notes**" on the basis of which the information

contained in the same section have been extrapolated and, together with the Issuer, accepts responsibility for such historical data. To the best of the knowledge of each of the Originators (which have taken all reasonable care to ensure that such is the case), the information and data in relation to which they are responsible as described above are in accordance with the facts and does not omit anything likely to affect the import of such information and data.

### **The Swap Counterparty**

J.P. Morgan Securities Ltd. has provided the information under the section headed the "**Swap Counterparty**" and accepts responsibility for the information contained or incorporated in that section. To the best of the knowledge of the Swap Counterparty (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, the Swap Counterparty has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

### **The Swap Guarantor**

JPMorgan Chase Bank, N.A. has provided the information under the section headed the "**Swap Guarantor**" and accepts responsibility for the information contained or incorporated in that section. To the best of the knowledge of the Swap Guarantor (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, the Swap Guarantor has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

### **Deutsche Bank AG London Branch**

Deutsche Bank AG London Branch has provided the information included in this Prospectus in the relevant parts of the sections headed "The Cash Manager and the Computation Agent" and, together with the Issuer, accepts responsibility for the information contained in that section. To the best of the knowledge of Deutsche Bank AG London Branch (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, Deutsche Bank AG London Branch has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

No Person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, each of the Originators (in any capacity), the Arranger or any other party to the Transaction Documents. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change, or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or the Originators or the information contained herein since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to the date of this Prospectus.

The Notes will be direct, secured, limited recourse obligations solely of the Issuer. By operation of Italian law, the Issuer's rights, title and interest in and to the Portfolios and to all amounts deriving therefrom (the "**Issuer's Rights**") will be segregated from and all other assets of the Issuer.

The Notes will not be obligations or responsibilities of, or guaranteed by, the Arranger, the Originators (in any capacity), the quotaholder of the Issuer and any Other Issuer Creditors (as

defined below). Furthermore, no Person and none of such parties (other than the Issuer) accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

Both before and after a winding-up of the Issuer, the Issuer's Rights will be available exclusively for the purposes of satisfying the Issuer's obligations to the Noteholders, the Other Issuer Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the securitisation of the Portfolios (the "**Transaction**") and to the corporate existence and good standing of the Issuer. The "**Other Issuer Creditors**" are the Liquidity Providers, the Swap Counterparty, the Originators, the Servicers, the Representative of the Noteholders, the Agent Bank, the Operating Bank, the English Transaction Bank, the Transaction Bank, the Principal Paying Agent, the Italian Paying Agent, the Back-up Servicer, the Corporate Services Provider, the Stichting Corporate Services Provider, the Cash Manager, the Computation Agent, the Irish Listing Agent and the Limited Recourse Loan Providers. The Noteholders will agree that the Single Portfolio Available Funds and the Issuer Available Funds (as defined in Condition 1 (Definitions)) will be applied by the Issuer in accordance with the order of priority of application of the Single Portfolio Available Funds and of the Issuer Available Funds set forth in the Intercreditor Agreement (the "**Order of Priority**").

The Issuer's Rights may not be seized or attached in any form by the creditors of the Issuer other than the Noteholders, the Other Issuer Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the Transaction and to the corporate existence and good standing of the Issuer, until full redemption or cancellation of the Notes and full discharge by the Issuer of its obligations vis-a-vis the Noteholders, the Other Issuer Creditors and any such third party.

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer to inform them about, and to observe, any such restrictions. Neither this Prospectus nor any part of it constitutes an offer, and may not be used for the purpose of an offer, to sell any of the Notes, or a solicitation of an offer to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. This Prospectus can only be used for the purposes for which it has been issued.

The Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other prospectus or any offering circular, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. No action has or will be taken which would allow an offering (nor a "sollecitazione all'investimento") of the Notes to the public in the Republic of Italy. Accordingly, the Notes may not be offered, sold or delivered, and neither this Prospectus nor any other offering material relating to the Notes may be distributed, or made available, to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus see "Subscription and Sale".

The Notes have not been and will not be registered under the Securities Act or any other state securities laws. The Notes may not be offered, sold or delivered directly or indirectly within the United States or to, or for the account of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

*Neither this document nor any other information supplied in connection with the issue of the Notes should be considered as a recommendation or constituting an invitation or offer by the Issuer that any recipient of this Prospectus, or of any other information supplied in connection with the issue of the Notes, should purchase any of the Notes. Each investor contemplating purchasing any of the Notes must make its own independent investigation and appraisal of the financial condition and affairs of the Issuer.*

*Certain monetary amounts included in this Prospectus may have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.*

*The language of the Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.*

*In this Prospectus references to "Euro", "EUR", "€" and "cents" are to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, inter alia, the Single European Act 1986 and the Treaty of European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.*

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## **RISK FACTORS**

*The following is a description of certain aspects of the issue of the Senior Notes of which prospective Noteholders should be aware. It is not intended to be exhaustive and prospective Noteholders should make their own independent valuation of all of the risk factors and should also read the detailed information set forth elsewhere in this Prospectus and in the Transaction Documents.*

### **1. THE ISSUER**

#### **1.1 Liquidity and Credit Risk**

The Issuer is subject to the risk of delay arising between the scheduled payment dates and the date of receipt of payments due from the Borrowers. The Issuer is also subject to the risk of, among other things, default in payments by the Borrowers and the failure of the Servicers to collect and recover sufficient funds in respect of the Portfolios in order to enable the Issuer to discharge all amounts payable under the Notes. These risks are mitigated by the liquidity and credit support provided by in respect of the Class A Notes, the subordination of the Class B Notes and the liquidity facilities provided under the Liquidity Agreement.

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

In each case the performance by the Issuer of its obligations thereunder is dependent on the solvency of the Servicers and the Swap Counterparty (or any permitted successors or assignees appointed under the Servicing Agreement and the Swap Agreement) as well as the timely receipt of any amount required to be paid to the Issuer by the various agents and counterparts of the Issuer pursuant to the terms of the Transaction Documents.

In some circumstances (including after service of a Trigger Notice), the Issuer could attempt to sell the Portfolios, but there is no assurance that the amount received on such a sale would be sufficient to repay in full all amounts due to the Noteholders.

Recent events in the securitisation markets, as well as the debt markets generally, have caused significant dislocations, illiquidity and volatility in the market for residential mortgage-backed securities, as well as in the wider global financial markets. As at the date of this Prospectus, the secondary market for residential mortgage-backed securities is continuing to experience disruptions resulting from, among other factors, reduced investor demand for such securities.

This has had a materially adverse impact on the market value of residential mortgage-backed securities and resulted in the secondary market for residential mortgage-backed securities experiencing very limited liquidity. Structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities have been experiencing funding difficulties and have been forced to sell residential mortgage-backed securities into the secondary market. The price of credit protection on residential mortgage-backed securities through credit derivatives has risen materially. Limited liquidity in the secondary market may continue to have an adverse effect on the market value of residential mortgage-backed securities, especially those securities that are more



sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, whilst these market conditions continue to persist, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to Noteholders.

It is not known for how long these market conditions will continue and it cannot be assured that these market conditions will not continue to occur or whether they will become more severe.

## **1.2 Issuer's ability to meet its obligations under the Notes**

The Issuer will not as of the Issue Date have any significant assets other than the Portfolios and the other Issuer's Rights. The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on the extent of collections and recoveries from the Portfolios and any other amounts payable to the Issuer pursuant to the terms of the Transaction Documents to which it is a party.

There is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the delivery of a Trigger Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Notes, or to repay the Notes in full.

If there are not sufficient funds available to the Issuer to pay in full all principal and interest and any other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. After the Notes have become due and payable following the delivery of a Trigger Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of Noteholders of the Issuer's Rights under the Transaction Documents.

## **1.3 No independent investigation in relation to the Portfolio**

None of the Issuer, the Arranger nor any other party to the Transaction Documents (other than the Originators) has undertaken or will undertake any investigation, searches or other actions to verify the details of the Portfolio sold by each of the Originators to the Issuer, nor has any such party undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Borrower.

The Issuer will rely instead on the representations and warranties given by the Originators in the Warranty and Indemnity Agreement and in the Transfer Agreements. The only remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty which materially and adversely affects the value of a Claim will be the requirement that the Originators indemnify the Issuer for the damage deriving therefrom or repurchases the relevant Claim. See "*The Warranty and Indemnity Agreement*", below. There can be no assurance that the Originators will have the financial resources to honour such obligations.

## **1.4 Claims of unsecured creditors of the Issuer**

By operation of Law 130, the right, title and interest of the Issuer in and to the Portfolios will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to the Law 130) and amounts deriving therefrom (for so long as such amounts are credited to one of the Issuer's

accounts under this Transaction and not commingled with other sums) will be available on a winding up of the Issuer only to satisfy the obligations of the Issuer to the Noteholders and to pay other costs of the Transaction. Amounts derived from the Portfolios (for so long as such amounts are credited to one of the Issuer's accounts under this Transaction and not commingled with other sums) will not be available to any other creditors of the Issuer.

In order to ensure such segregation: (i) the Issuer is obligated pursuant to the Bank of Italy regulations to open and to keep separate accounts in relation to each securitisation transaction; and (ii) the servicers shall be able to individuate at any time, pursuant to the Bank of Italy regulations, specific funds and transactions relating to each securitisation and shall keep appropriate information and accounting systems to this purpose; (iii) the parties to the Transaction have undertaken not to credit to the Transaction Accounts amounts other than those set out in Cash Administration and Agency Agreement.

Moreover, the provisions of article 3 of the Securitisation Law concerning the *patrimonio separato* are not likely to apply in circumstances where the cash-flow referred to above is commingled with the assets of a party other than the Issuer (such as, for example, the Servicers). Thus, if any such party becomes insolvent, any such cash-flow held by it could not be included in the *patrimonio separato*.

However, no guarantee can be given on the fact that the parties to the Transaction will comply with the law provisions and contractual provisions which have been inserted in the relevant Transaction Documents in order to ensure the segregation of assets. Furthermore, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt. Notwithstanding the foregoing, the corporate object of the Issuer as contained in its by-laws is limited and the Issuer has also agreed to certain covenants in the Intercreditor Agreement and the Conditions restricting the activities that may be carried out by the Issuer and has furthermore covenanted not to enter into any transactions that are not contemplated in the Transaction Documents. To the extent that the Issuer has other creditors, the Issuer has established the Expenses Account and the funds therein may be used for the purposes of paying the ongoing fees, costs, expenses and taxes of the Issuer to third parties, excluding the Other Issuer Creditors, in respect of the Transaction.

## **1.5 Limited enforcement rights**

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

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

Under general principles of Italian law, the Borrowers would be entitled to exercise rights of set-off in respect of amounts due under any Claim against any amounts payable by each of the Originators to the relevant assigned Borrower. After publication in the Official Gazette of the notice of transfer of the Portfolios to the Issuer pursuant to the Transfer Agreements and registration of the assignment in the register of companies where the Issuer is enrolled (and provided that the relevant Borrower has not accepted the assignment of its debt with an express qualification to maintain a right to set-off, as indicated in certain law cases by the Supreme Court (*Corte di Cassazione*): judgement 5

March 1980, No. 1484 and 16 January 1979, No. 310), the Borrowers shall not be entitled to exercise any set-off right against their claims *vis-à-vis* each of the Originators which arises after the date of such publication and registration. Under the terms of the Warranty and Indemnity Agreement, each of the Originators has undertaken to indemnify the Issuer against any right of set-off which the Borrowers may exercise *vis-à-vis* the Issuer with respect to the Claims.

### **1.7 Servicing of the Portfolios and potential conflicts of interest**

Pursuant to the Servicing Agreement and as of its date of execution, each of the 30 June 2011 Portfolios will be serviced by each of the relevant Originators. The net cash flows from the Portfolios may be affected by decisions made, actions taken and the collection procedures adopted pursuant to the provisions of the Servicing Agreement by the Servicers (or any permitted successors or assignees appointed under the Servicing Agreement). The Servicing Agreement prevents the Servicer from renegotiating, in the name and behalf of the Issuer, the Claims with the relevant Debtors, other than when certain conditions specified in the Servicing Agreement are met.

The parties to the Transaction Documents perform multiple roles within the Transaction, including (i) the Originators which are also Servicers, Liquidity Loan Providers and Lenders and (ii) the Arranger which is also Back-up Servicer and Operating Bank. Accordingly, conflicts of interest may exist or may arise as a result of the parties to this Transaction: (a) having engaged or engaging in the future in transactions with other parties of the Transaction; (b) having multiple roles in this Transaction and/or (c) executing other transactions for third parties. In any case, this risk factor is mitigated by the provisions indicated in the risk factor illustrated in the following paragraph 2.8.

### **1.8 Further securitisations**

The Issuer may purchase and securitise further portfolios of monetary claims in addition to the Portfolios. It is a condition precedent to any such securitisation that the Rating Agencies confirm that the then current rating of the Class A Notes will not be affected by such securitisation. See Condition 3 (*Covenants*).

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

Taxable income of the Issuer is determined in accordance with Italian Presidential Decree No. 917 of 22 December 1986. Pursuant to the regulations issued by the Bank of Italy on 14 February 2006 (*Istruzioni per la Redazione dei Bilanci degli Intermediari Finanziari Iscritti nell' "Elenco Speciale", degli Imel, delle SGR e delle SIM*), the assets, liabilities, costs and revenues of the Issuer in relation to the securitisation of the Portfolios will be treated as off-balance sheet assets, liabilities, costs and revenues, to be reported in the notes to the financial statements. Based on the general rules applicable to the calculation of the net taxable income of a company, such taxable income should be calculated on the basis of accounting, *i.e.* on-balance sheet, earnings, subject to such adjustments as are specifically provided for by applicable income tax rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Portfolios. This opinion has been expressed by scholars and tax specialists and has been confirmed by the tax authority (Circular No. 8/E issued by *Agenzia delle Entrate* on 6 February 2003) on the grounds that the net proceeds generated by the securitised assets may not be considered as legally available to an issuer insofar as any and all amounts deriving from the underlying assets are specifically destined to satisfy the obligations of such issuer to the noteholders, the originator and any other creditors of the issuer in respect of the securitisation of the underlying assets in compliance with applicable laws.

According to Article 26, paragraph 1, of Presidential Decree No. 600 of September 29, 1973, in the event that the Notes are redeemed in full or in part prior to the end of the eighteen month period starting from the date of issuance, the Issuer will be obliged to pay an additional amount equal to twenty per cent. (20%) of interest and other proceeds accrued on the Notes up to the time of the early redemption.

However, it has to be noted that, according to one interpretation of Italian fiscal law the additional amount may also be due in the event of any purchase of the Notes by the Issuer. With specific regard to this issue, it is worth to notice that according to the recent circular letter issued by the Italian tax authorities (Resolution of the Italian Revenue Agency No. 11/E of 31 January 2011) in case the Issuer repurchases the Notes prior to the end of the eighteen month period starting from the date of issuance, the 20% additional amount would not apply if the Issuer undertakes to utilize such repurchased Notes for trading on the market and effectively sells them to third parties, provided that before their maturity the Notes have been traded and held by third parties for a period (also not continuous) of at least eighteen months.

## **2. THE NOTES**

### **2.1 Liability under the Notes**

The Notes will be obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by each of the Originators (in any capacity), the Agent Bank, the Cash Manager, the Representative of the Noteholders, the Transaction Bank, the English Transaction Bank, the Operating Bank, the Servicers, the Limited Recourse Loan Providers, the Liquidity Providers, the Corporate Services Provider, the Stichting Corporate Services Provider, the Computation Agent, the Swap Counterparty, the Paying Agents, the Irish Listing Agent or the Arranger. No such person accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on the Notes.

The Notes are limited recourse obligations of the Issuer and amounts payable thereunder are payable solely from amounts received by the Issuer from or in respect of the Portfolios and the other Issuer's Rights and receipts under the Transaction Documents to which it is or will be a party. On the Issue Date, the Issuer will have no significant assets other than the Portfolios and the other Issuer's Rights. Although the Issuer may issue further notes subject to the terms of the Conditions and to the Quotaholders' Agreement, the Noteholders will not have any recourse to the assets securing such notes.

### **2.2 Subordination**

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

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

Principal on each Series of Class B Notes will be reimbursed and interest accrued thereon will be paid out of available funds deriving from collections and recoveries of the Relevant Portfolio provided that, following occurrence of a Cross Collateral Event and in

case of acceleration of the reimbursement of the Notes, principal on each Series of Class B Notes will be reimbursed and interest accrued thereon will be paid out of the aggregate available funds deriving from collections and recoveries of all the Portfolios, but in an amount which is a function of the performance of the relevant Portfolio.

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

If a Trigger Notice is served, as long as any Class A Notes are outstanding, unless notice has been given to the Issuer declaring the Class A Notes due and payable, the Class B Notes shall not be capable of being declared due and payable and the Class A Noteholders will be entitled to determine the remedies to be exercised. Remedies pursued by the Class A Noteholders could be adverse to the interests of the Class B Noteholders.

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

The validity of contractual priorities of payments such as those contemplated in this transaction (the Orders of Priority) has been challenged recently in the English and U.S. courts. The hearings have arisen due to the insolvency of a secured creditor (in that case a swap counterparty) and have considered whether such payment priorities breach the "anti-deprivation" principle under English and U.S. insolvency law. This principle prevents a party from agreeing to a provision that deprives its creditors of an asset upon its insolvency. It was argued that where a secured creditor subordinates itself to noteholders in the event of its insolvency, that secured creditor effectively deprives its own creditors. The Court of Appeal in *Perpetual Trustee Co Ltd v BNY Corporate Trustee Services Ltd* 2009 EWCA Civ 1160, dismissed this argument and upheld the validity of similar priorities of payment, stating that the anti-deprivation principle was not breached by such provisions. However the question of the validity of the payment priorities continues to be of judicial focus and is likely to be the subject of further consideration and possible review.

The U.S. Bankruptcy Court for the Southern District of New York has granted Lehman Brothers Special Finance Inc.'s motion for summary judgement to the effect that the provisions do infringe the anti-deprivation principle in a U.S. insolvency. The Court acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". BNY Corporate Trustee Services Ltd was granted leave to appeal but the case subsequently settled out of court. Notwithstanding the New York settlement, the appeal by one of the appellants, Lehman Brothers Special Financing Inc., against two of the respondents, Belmont Park Investments Pty and BNY Corporate Trustee Services Ltd, in the English courts was heard in early March 2011 and the judgment is awaited. Given the current state of U.S. and English law, this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

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

## **2.4 Yield and payment considerations**

The yield to maturity of the Notes will depend on, *inter alia*, the amount and timing of repayment of principal under the Claims (including prepayments).

The yield to maturity of the Notes may be affected by a higher than anticipated prepayment rate under the Claims. Such rate cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates and margin offered by the banking system, the availability of alternative financing and local and regional economic conditions and recently enacted legislation which simplifies the refinancing of loans and possible future legislations enacted to the same purpose. Therefore, no assurance can be given as to the level of prepayments that will occur under the Portfolios.

## **2.5 Projections, forecasts and estimates**

Estimates of the weighted average life of the Class A Notes included herein, together with any other projections, forecasts and estimates in this Prospectus, are forward-looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, actual results may vary from the projections, and the variations may be material. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Offering Circular and are based on assumptions that may prove to be inaccurate. No-one undertakes any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Offering Circular.

## **2.6 Interest rate risk**

The Claims have or may have interest payments calculated on a fixed rate basis or a floating rate basis (which may be different from the Euribor applicable under the Class A Notes and may have different fixing mechanism), whilst the Class A Notes will bear interest at a rate based on Three Month Euribor determined on each Interest Determination Date, subject to and in accordance with the Conditions. As a result, there could be a rate mismatch between interest accruing on the Class A Notes and on the Portfolios. As a result of such mismatch, an increase in the level of Three Month Euribor could adversely impact the ability of the Issuer to make payments on the Class A Notes. To minimize the effect of such interest rate mismatch, the Issuer has entered into the Swap Agreement.

The benefits of the Swap Agreement may not be achieved in the event of the early termination of the Swap Agreement, including termination upon the failure of the Swap Counterparty to perform its obligations thereunder. The Swap Agreement contains certain limited termination events and events of default which will entitle either party to terminate the Swap Transactions (see for further details "*Description of the other Transaction Documents*") and, other than in certain limited circumstances set out in the relevant Order of Priority, swap termination amounts rank senior to payments of interest on and repayment of principal of the Class A Notes. In addition, any collateral transferred to the Issuer by the Swap Counterparty pursuant to the Swap Agreement and any Replacement Swap Premium received by the Issuer from a replacement swap counterparty will not generally be available to the Issuer to make payments to the Noteholders and the Other Issuer Creditors and shall only be paid or transferred (as applicable) in accordance with the Collateral Account Priority of Payments. Unless one or more comparable basis swaps are entered into, the Issuer may have insufficient funds to make payment under the Notes.

In the event of the insolvency of the Swap Counterparty, the Issuer will be treated as a general and unsecured creditor of the Swap Counterparty. Consequently, the Issuer will be subject to the credit risk of the Swap Counterparty in addition to the risk of the debtors of the Claims.

Under the Swap Transactions, specified Claims accruing interest at a floating rate calculated with reference to one-month, three-month and six-month Euribor, respectively, are hedged and as further described in the Swap Agreement, with respect to each Payment Date the Issuer will pay the Swap Counterparty an amount equal to the applicable notional amount multiplied by a floating rate calculated with reference three-month Euribor or six-month Euribor (each determined in accordance with the Swap Agreement), as applicable, and reset periodically as specified in the Swap Agreement. The Swap Counterparty will, in each case, pay the Issuer an amount equal to the applicable notional amount multiplied by three-month Euribor (determined in accordance with the Swap Agreement).

As further described in the Swap Agreement, the notional amount with respect to each Swap Transaction will be calculated with reference to the Principal Instalments of the relevant Claims (other than the amount of any Principal Instalments due but unpaid, or that have been prepaid, at the relevant Collection Date and any Principal Instalments relating to Defaulted Claims) as of the Collection Date preceding the beginning of each Calculation Period (as such term is defined in the Swap Agreement). For each Calculation Period (other than the first Calculation Period), the notional amount in respect of each Swap Transaction will be the least of the amount of such Principal Instalments, the scheduled maximum amount set forth in the Swap Agreement and the notional amount for the immediately preceding Calculation Period.

As of the Issue Date, approximately 10.35% of the Claims included in the Portfolios are not hedged under the Swap Agreement.

## **2.7 Limited nature of credit rating assigned to the Class A Notes**

The credit rating assigned to the Class A Notes reflects the Rating Agencies' assessment only in relation to likelihood of timely payment of interest and the ultimate repayment of principal on or before the Final Maturity Date, not that such payments will be paid when expected or scheduled. This rating is based, among other things, on the Rating Agencies' determination of the value of the Portfolios, the reliability of the payments on the Portfolio and the availability of credit enhancement.

The rating does not address the following:

- the possibility of the imposition of Italian or European withholding tax; or
- the marketability of the Class A Notes, or any market price for the Class A Notes; or
- whether an investment in the Class A Notes is a suitable investment for the Noteholder.
- A rating is not a recommendation to purchase, hold or sell the Class A Notes.

Each of the Rating Agencies may lower its rating or withdraw its rating if, in the sole judgment of each of the Rating Agencies, the credit quality of the Class A Notes has declined or is in question. If any rating assigned to the Class A Notes is lowered or withdrawn, the market value of the Class A Notes may be affected.

## **2.8 Suitability**

Prospective investors should determine whether an investment in the Notes is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Notes and to arrive at their own evaluation of the investment.

Investment in the Notes is only suitable for investors who:

- (i) have the requisite knowledge and experience in financial and business matters to evaluate such merits and risks of an investment in the Notes;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation;
- (iii) are capable of bearing the economical risk of an investment in the Notes; and
- (iv) recognise that it may not be possible to dispose of the Notes for a substantial period of time, if at all.

Prospective investors in the Notes should make their own independent decision whether to invest in the Notes and whether an investment in the Notes is appropriate or proper for them, based upon their own judgement and upon advice from such advisers as they may deem necessary.

Prospective investors in the Notes should not rely on or construe any communication (written or oral) of the Issuer, the Originators or the Arranger as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the Conditions shall not be considered to be investment advice or a recommendation to invest in the Notes.

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

## **2.9 The Representative of the Noteholders**

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

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

After the Issue Date an application may be made to a central bank in the Eurozone to record the Class A Notes as eligible collateral, within the meaning of the guidelines issued by the European Central Bank (ECB) on February 2011 (*The implementation of monetary policy in the Euro area*), as subsequently amended and supplemented, for liquidity and/or open market transactions carried out with such central bank. In this respect, it should be



noted that in accordance with their policies, neither the ECB nor the central banks of the Eurozone will confirm the eligibility of the Class A Notes for the above purpose prior to their issuance and if the Class A Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Class A Notes at any time. The assessment and/or decision as to whether the Class A Notes qualify as eligible collateral for liquidity and/or open market transactions rests with the relevant central bank.

None of the Issuer, the Originators and the Arranger or any other party to the Transaction Documents gives any representation or warranty as to the eligibility of the Class A Notes for such purpose, nor do they accept any obligation or liability in relation to such eligibility or lack of it of the Class A Notes at any time.

## **2.11 Substitute tax under the Notes**

Payments under the Notes may in certain circumstances, described in the section headed "*Taxation*" of this Prospectus, be subject to a Law 239 Deduction. In such circumstance, any beneficial owner of an interest payment relating to the Notes of any Class will receive amounts of interest payable on the Notes net of a Law 239 Deduction. At the date of this Prospectus, such Law 239 Deduction, if applicable is levied at the rate of 12.5%, or such lower rate as may be applicable under the relevant double taxation treaty.

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

Without prejudice to the above, in the event that any Notes are redeemed in whole or in part prior to the end of the eighteen month period starting from the date of issuance, the Issuer will be obliged to pay an additional amount of tax in Italy at a rate of twenty per cent. (20%) of all interest accrued on the principal amount repaid early up to the relevant repayment date. See "*Taxation*".

However, it has to be noted that, according to one interpretation of Italian fiscal law the additional amount may also be due in the event of any purchase of the Notes by the Issuer. With specific regard to this issue, it is worth to notice that according to the recent circular letter issued by the Italian tax authorities (Resolution of the Italian Revenue Agency No. 11/E of 31 January 2011) in case the Issuer repurchases the Notes prior to the end of the eighteen month period starting from the date of issuance, the 20% additional amount would not apply if the Issuer undertakes to utilize such repurchased Notes for trading on the market and effectively sells them to third parties, provided that before their maturity the Notes have been traded and held by third parties for a period (also not continuous) of at least eighteen months.

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

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

five European Third Countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino) and certain Member States' relevant dependent or associated territories (the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean) will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain Third Countries). Belgium, Luxembourg or Austria may however elect to introduce automatic exchange of information during the transitional period, in which case they will no longer apply the withholding tax. Based on the available information, Belgium has replaced this withholding tax with a regime of exchange of information to the Member State of residence as from 1 January 2010.

The Council Directive was implemented in Italy by Legislative Decree No. 84 of 18 April 2005. Pursuant to said decree Italian paying agents (e.g., banks, SIMs, SGRs., financial companies and fiduciary companies resident in Italy for tax purposes, permanent establishments in Italy of non-resident persons as well as any other person resident in Italy for tax purposes paying interest for professional or commercial reasons) are required to report to the Italian tax authorities details of interest payments made from 1 July 2005 to individuals which qualify as beneficial owners thereof and are resident for tax purposes in another EU Member State. Such information must be transmitted by the Italian tax authorities to the competent authorities of the State of residence of the beneficial owner of the interest payment by 30th June of the fiscal year following the fiscal year in which said interest payment is made.

Prospective investors resident in a Member State of the European Union should consult their own legal or tax advisers regarding the consequences of the Directive in their particular circumstances.

### **2.13 Change of law**

The structure of the transaction and, *inter alia*, the issue of the Notes and the rating assigned to the Class A Notes are based on Italian law, tax and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that Italian law, tax or administrative practice will not change after the Issue Date or that any such change will not adversely impact the structure of the transaction and the treatment of the Notes.

### **2.14 Limited liquidity**

There is not at present an active and liquid secondary market for the Class A Notes. The Class A Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Although the application has been made to the Irish Stock Exchange for the Class A Notes to be admitted to the Official List and trading on its regulated market, there can be no assurance that a market for the Class A Notes will develop, or, if a secondary market does develop in respect of the Class A Notes, that it will provide the holders of such Class A Notes with the liquidity of investments or that it will continue until the final redemption or cancellation of the Class A Notes. Consequently, any purchaser of Class A Notes must be prepared to hold such Class A Notes until the Final Maturity Date.

## **3. GENERAL RISKS**

### 3.1 Loans' performance

Each Portfolio is comprised of performing residential mortgage loans governed by Italian law. The Portfolios have characteristics that show the capacity to produce funds to service payments due on the Notes. However, there can be no guarantee that the Borrowers will not default under such Mortgage Loans and that they will continue to perform their relevant payment obligations. The recovery of amounts due in relation to any defaulted claims will be subject to effectiveness of enforcement proceedings in respect of the Portfolios which, in the Republic of Italy, can take a considerable time depending on the type of action required and where such action is taken as well as depend on several other factors.

These factors include the following: proceedings in certain courts involved in the enforcement of mortgage loans and mortgages may take longer than the national average; obtaining title deeds from land registries which are in the process of computerising their records can take up to two (2) or three (3) years. For the Republic of Italy as a whole, it takes an average of six (6) to seven (7) years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any assets. In this respect, it is to be taken into account that Italian Law No. 302 of 3 August 1998 ("*Norme in tema di espropriazione forzata e di atti affidabili ai notai*") (the "Law No. 302") has allowed notaries to conduct certain stages of the foreclosure procedures in place of the courts and that by means of Law No. 80 of 14 May 2005 ("*Conversione in legge, con modificazioni, del decreto-legge 14 marzo 2005, n. 35, recante disposizioni urgenti nell'ambito del Piano di azione per lo sviluppo economico, sociale e territoriale. Deleghe al Governo per la modifica del codice di procedura civile in materia di processo di cassazione e di arbitrato nonché per la riforma organica della disciplina delle procedure concorsuali*") extends such activity to lawyers, certified accountants and fiscal experts enrolled in a special register. The reforms are expected to reduce the length of foreclosure proceedings by between two (2) and three (3) years, although at the date of this Prospectus, the impact which the mentioned laws will have on the Mortgage Loans comprised in the Portfolio cannot be fully assessed. See "*Selected Aspects of Italian Law*".

### 3.2 Risk of Losses associated with Borrowers

General economic conditions and other factors have an impact on the ability of Borrowers to repay Mortgage Loans. Loss of earnings, illness, divorce, decrease in turnover, increase in operating or in financial costs and other similar factors may lead to an increase in delinquencies and bankruptcy filings by Borrowers, which may lead to a reduction in Mortgage Loans payments by such Borrowers and could reduce the Issuer's ability to service payments on the Notes.

The Mortgage Loans have been entered into with Borrowers which are individuals. In any case, some of the Borrowers may fall within the scope of application of the Royal Decree No. 267 of 16 March 1942, as subsequently amended and supplemented (the "**Bankruptcy Law**") and as such may be subject to insolvency proceedings (*procedure concorsuali*) under the Bankruptcy Law.

In the event of insolvency, prepayments made by a Borrower (to the extent the same is subject to the Bankruptcy Law) under the relevant Mortgage Loan Agreement may be declared ineffective pursuant to article 65 of the Bankruptcy Law ("**Article 65**") which provides that a payment of a debt not yet due and payable, which falls due and payable on or after the date of declaration of bankruptcy of a debtor is ineffective towards the creditors of the bankruptcy estate if such payment is made by the debtor in the two -years preceding the declaration of bankruptcy (including, accordingly, any prepayments made

under a mortgage loan agreement).

While the Securitisation Law provides that claw-back provisions set forth in article 67 of the Bankruptcy Law do not apply to payments made by the Borrowers to the Issuer in respect of the securitised Claims, it does not contain any exemption provisions in respect of Article 65. However according to the judgment by the Court of Verbania dated 13 August 1999 (published in "*Il Fallimento*", 2000, II, pages 1047 et seq.), the approach of the Italian Supreme Court is that claw back actions under the Bankruptcy Law should not be prejudicial to the rights of secured creditors. Therefore, the payments made further to an obligation not yet due, arising out from mortgage loans made by the debtor declared bankrupt in the two years prior to the date of the bankruptcy declaration are not subject to the claw back action provided for by article 65 of the Bankruptcy Law, because the ultimate consequence of the declaration of ineffectiveness of payments under article 65 of the Bankruptcy Law is that the secured creditor could not be admitted to the bankruptcy estate as a secured creditor given that the mortgage would have been cancelled by effect of the pre-payment and according to Italian law it could not be reinstated *vis-à-vis* the receiver. The mentioned judgment by the Court of Verbania is not an isolated judgment, rather refers to previous Italian Supreme Court case law whose subject matter was, as the Italian Supreme Court itself puts it in its judgement No. 20005/2005, the "*injustice of turning a secured claim into a non-secured claim*".

In this regard, it has to be noted that a recent case from the Italian Supreme Court (judgment no. 19978 of July 18th 2008) has stated that article 65 of the Bankruptcy Law does not apply in case the right of prepayment and the related right to obtain the cancellation of the mortgage securing the prepaid loan are directly and imperatively attributed to the borrower by specific provisions of law.

More in general, with respect to the insolvency proceedings, due to the complexity of these procedures the time involved and the possibility for challenges and appeals by the debtor and the other parties involved, there can be no assurance that any such insolvency proceeding would result in the payment in full of outstanding amounts under the Mortgage Loans or that such proceedings would be concluded before the stated maturity of the Notes. For further details see section headed "*Selected Aspects of Italian Law*".

### **3.3 Real estate investments**

All the Mortgage Loans are secured by real estate assets and subject to the risks inherent in investments in or secured by real property. Such risks include adverse changes in national, regional or local economic and demographic conditions in Italy and in real estate values generally as well as in interest rates, real estate tax rates, other operating expenses, inflation and the strength or weakness of Italian national, regional and local economies, the supply of and demand for properties of the type involved, zoning laws or other governmental rules and policies (including environmental restrictions and changes in land use) and competitive conditions (including construction of new competing properties) all of which may affect the value of the real estate assets and the collections and recoveries generated by them.

The performance of investments in real estate has historically been cyclical. There is a possibility of losses with respect to the real estate assets for which insurance proceeds may not be adequate or which may result from risks that are not covered by insurance. As with all properties, if reconstruction (for example, following destruction or damage by fire or flooding) or any major repair or improvement is required to be made to a real estate asset, changes in laws and governmental regulations may be applicable and may materially affect the cost to, or ability of, the owner to effect such reconstruction, major repair or

improvement. Any of these events would affect the amount realised with respect to the Mortgage Loans, and consequently, the amount available to make payments on the Notes.

### 3.4 Italian Usury Law

Italian Law No. 108 of 7 March 1996 ("*Disposizioni in materia di usura*") (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than the thresholds set on a quarterly basis by a decree issued by the Italian Treasury (the "**Usury Thresholds**") (the latest of such decrees having been issued on 23 December 2010).

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

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

The Italian Constitutional Court (*Corte Costituzionale*) has rejected, with decision no. 29/2002 (deposited on 25th February 2002), a constitutional exception raised by the Court of Benevento concerning article 1, paragraph 1, of the Usury Law. In so doing, the Constitutional Court has confirmed the constitutional validity of the provisions of the Usury Law which holds that the interest rates may be deemed to be void due to usury only if they infringe the Usury Law at the time they are agreed as between the borrower and the lender and not as at the time such rates are actually paid by the borrower.

Prospective Noteholders should note that under the terms of the Warranty and Indemnity Agreement, each Originator has represented and warranted to the Issuer, *inter alia*, that the terms and conditions of each Mortgage Loan are, and the exercise by the Originator of its rights thereunder is, in each case, in compliance with all applicable laws and regulations including, without limitation, all laws and regulations relating to banking activity, *credito fondiario*, usury and personal data protection provisions in force at the time, as well as in compliance with the internal procedures from time to time adopted by the Originator. See "*Description of the Warranty and Indemnity Agreement*".

### 3.5 Compounding of interest (*Anatocismo*)

Pursuant to article 1283 of the Italian Civil Code, in respect of a monetary claim, interests accrued for at least six months can be capitalised provided that such capitalisation has been agreed upon after the date when they become due or from the date in which the relevant legal proceeding has been commenced in respect of the monetary claim, save in case of contrary recognised customary practices (*usi normativi*). Banks in Italy have traditionally capitalized accrued interests on a quarterly basis on the ground that such practice could be characterized as a customary practice. Certain recent judgments from Italian Courts (including Judgments No. 2374/99 and No. 2593/03 of the Italian Supreme Court) have held that such practice do not meet the legal definition of customary practices. In this respect, it should be noted that article 25, paragraph 2, of the Decree No. 342 (the "**Decree**") has delegated to the Interministerial Committee of Credit and Saving (the "**CICR**") powers to fix the conditions for the capitalization of accrued interests. As a matter of fact, the CICR, pursuant to article 3 of a Resolution dated 9 February 2000 (the "**Resolution**"), has provided, in relation to loans involving a deferred repayment that, in case of breach by the debtor, the amount due on the maturity of each instalment, shall produce interests from such date up to the date of the actual payment, if so provided by the relevant contract. Moreover, article 25, paragraph 3, of the Decree provides that the provisions relating to the capitalization of accrued interest set forth in contracts entered into before the date of the Resolution are valid and effective up to the date thereof and after such date shall be consistent to the provisions of the Resolution. Such Decree has been challenged, however, before the Italian Constitutional Court on the grounds that it falls outside the scope of the powers delegated under the Legge Delega, and article 25 paragraph 3 of the Decree has been declared unconstitutional by decision No. 425 of 9/17 October 2000 issued by the Italian Constitutional Court. On the basis of the foregoing, it cannot be excluded that borrowers may, where appropriate, challenge the practice of capitalising interest by banks on the grounds set forth by the Italian Supreme Court in the above mentioned decision and, therefore, that a negative effect on the returns generated from the residential mortgage loan could derive.

With respect to this matter, a recent ruling dated 29 October 2008 by the Court of Bari (honorary judge of the detached office of Rutigliano) declared some mortgage loan agreements (executed in 1988 and 1989) that were based upon the amortisation method known as "*French amortisation*" (i.e. mortgage loans with fixed instalments, made up of an amount of principal (that progressively increases) and an amount of interest (that decreases as repayments are made) calculated with a compound interest formula, as partially void.

In the case at hand, the technical consultancy requested by the judge showed that the instalments were calculated with a compound interest formula not expressly stated in the agreement, and that from the application of such formula the effective interest was higher than the nominal interest. The debtors were not able to realise, therefore, at the time of execution of the relevant mortgage loans, the effective high interest to be paid, as the nominal annual interest was that resulting from the agreement while the effective interest could only be inferred from time to time on the basis of the amortisation plan. Considering that the calculation of compound interest is permitted only within the limits of article 1283 of the Italian Civil Code, as described above (i.e. the compounding has to follow the maturation of interest and never to precede it, as occurs in such French amortisation), the judge declared that the relevant mortgage loans were partially void and recalculated the amortisation plans with reference to the applicable legal rate, so determining an interest rate lower than that paid by the debtors.

Under the terms of the Warranty and Indemnity Agreement, the Originators have undertaken to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any challenge in respect of the Claims. See

*"Description of the Warranty and Indemnity Agreement"*.

### **3.6 The Securitisation Law**

As of the date of this Prospectus, only limited interpretation of the application of the Securitisation Law has been issued by Italian governmental or regulatory authorities; therefore, it is possible that further regulations, relating to the Securitisation Law or the interpretation thereof, are issued in the future, the impact of which cannot be predicted by the Issuer or any other party to the Transaction Documents, as of the date of this Prospectus.

### **3.7 Mutui Fondiari**

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

### **3.8 Article 120-ter of the Consolidated Banking Act**

Article 120-ter of the Consolidated Banking Act provides that any provisions imposing a prepayments penalty in case of early redemption of mortgage loans is null and void with respect to loan agreements entered into, with an individual as borrower for the purpose of purchasing or restructuring real estate properties destined to residential purposes or to carry out the borrower's own professional or business activities. For a description of the main terms of the article 120-ter of the Consolidated Banking Act, see section headed "*Selected aspects of Italian law – Article 120-ter of the Consolidated Banking Act*".

The Italian banking association ("ABI") and the main national consumer associations have reached an agreement (the "**Prepayment Penalty Agreement**") regarding the equitable renegotiation of prepayment penalties with certain maximum limits calculated on the outstanding amount of the loans (the "**Substitutive Prepayment Penalty**") containing the following main provisions: (i) with respect to variable rate loan agreements, the Substitutive Prepayment Penalty should not exceed 0.50% and should be further reduced to (a) 0.20% in case of early redemption of the loan carried out within the third year from the final maturity date and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (ii) with respect to fixed rate loan agreements entered into before 1 January 2001, the Substitutive Prepayment Penalty should not exceed 0.50%, and should be further reduced to: (a) 0.20%, in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (iii) with respect to fixed rate loan agreements entered into after 31 December 2000, the Substitutive Prepayment Penalty should be equal to: (a) 1.90% if the relevant early redemption is carried out in the first half of loan's agreed duration; (b) 1.50% if the relevant early redemption is carried out following the first half of loan's agreed duration, provided however that the Substitutive Prepayment Penalty should be further reduced to: (x) 0.20%, in case of early redemption of the loan carried out within three years from the final maturity date; and (y) zero, in case of early redemption of the loan carried out within two years from the final maturity date.

The Prepayment Penalty Agreement introduces a further protection for borrowers under a "safeguard" equitable clause (the "**Clausola di Salvaguardia**") in relation to those loan

agreements which already provide for a prepayment penalty in an amount which is compliant with the thresholds described above. In respect of such loans, the *Clausola di Salvaguardia* provides that: (1) if the relevant loan is either: (x) a variable rate loan agreement; or (y) a fixed rate loan agreement entered into before 1 January 2001; the amount of the relevant prepayment penalty shall be reduced by 0.20%; (2) if the relevant loan is a fixed rate loan agreement entered into after 31 December 2000, the amount of the relevant prepayment penalty shall be reduced by (x) 0.25% if the agreed amount of the prepayment penalty was equal or higher than 1.25%; or (y) 0.15%, if the agreed amount of the prepayment penalty was lower than 1.25%.

Finally the Prepayment Penalty Agreement sets out specific solutions with respect to hybrid rate loans which are meant to apply to the hybrid rates the provisions, as more appropriate, relating respectively to fixed rate and variable rate loans.

Prospective Noteholders' attention is drawn to the fact that, as a result of the entry into force of the Prepayment Penalty Agreement, the rate of prepayment in respect of Mortgage Loans can be higher than the one traditionally experienced by the Originator for mortgage loans and that the Issuer may not be able to recover the prepayment fees in the amount originally agreed with the Borrowers.

### 3.9 Suspension of mortgage instalments

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

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

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

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

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

In light of the above, pursuant to the Decree of the General Director of Treasury Department of the Ministry of Economy and Finance issued on 14 September 2010,



CONSAP (*Concessionaria Servizi Assicurativi S.p.A.*), was selected as managing company of the Fund. The request to access to the aid granted by the Fund must be presented by the Borrowers starting from 15 November 2010, by using the relevant form of suspension-request duly prepared in compliance with the Guidelines and accompanied by the relevant documentation indicated therein.

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

### **3.10 The Families Plan**

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

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

The Suspension can be requested between 1 February 2010 and 31 July 2011 by all families in which, between the period of 1 January 2009 and 30 June 2011, one of the following events has happened: a) closing down of a subordinated working relationship, except for the consensual termination of the working relationship (*risoluzione consensuale*) or cases in which the termination is due for having reached the age limit, with the consequent right to receive an old-age pension (*pensione di anzianità*), or in cases of termination for *giusta causa* or *giustificato motivo soggettivo*; b) closing down of the working relationship pursuant to article 409, paragraph 3, of the Italian civil procedure code except for the consensual termination, withdrawal of the employer or withdrawal of the employee not for *giusta causa*; c) death or cases of loss of self-sufficiency; d) suspension or reduction of the working relationship for a period of at least 30 days.

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

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

It should be noted that the Originators have adhered to the Families Plan granting to borrowers the possibility for the Suspension of the instalments, and (ii) have not provided for the Suspension more favourable conditions than those provided by the Families Plan.

According to the selection Criteria set out in the Transfer Agreements, the Portfolios do

not comprise Mortgage Loans in respect of which as at the Effective Date the relevant borrower has requested the suspension of the payments of the instalments in accordance with the Families Plan.

### 3.11 The Development Decree

On 05 May 2011, the Italian government approved the law-decree No. 138, published on the Italian Official Gazette on 13 May 2011, which introduces new provisions concerning the renegotiation of mortgage loans ("**Development Decree**").

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

An amendment to the Development Decree is currently being discussed at the Italian Senate and the cap amounts indicated under items (b) and (d) above are likely to be modified respectively to Euro 200,000 and Euro 35,000

Such renegotiation involves the change from a floating rate to a fixed nominal annual interest rate which must not be higher than the interest rate obtained by applying (i) the lower between the 10-year Euro IRS and the IRS in Euro applicable to a duration equal to the residual life of the mortgage loan or, if not available, the quotation of the IRS related to the immediately preceding duration, as it appears on Reuters ISDAFIX 2 page at the renegotiation date, plus (ii) a spread equal to the one indicated in the relevant loan agreement, for the purpose of determining the applicable interest rate.

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

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

Moreover, under article 8, paragraph 8, item e) of the Development Decree, if the lender, in order to carry out the renegotiation, repurchases the claim previously transferred in the context of a securitisation transaction or issuance of covered bonds, the relevant assignee shall be allowed to give notice of such repurchase through the publication in the Italian

Official Gazette, even by mean of a single notice relating to all of the claims repurchased by the lender/assignor. Any security interest, lien or encumbrance created in favour of the lender/assignor, shall continue to be in force and effect and shall have the same ranking, without the need of any additional formality or annotation.

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

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

### **3.12 Recharacterisation of English Law fixed security interests**

There is a possibility that an English court could find that the fixed security interests expressed to be created by the Deed of Charge governed by English law could take effect as floating charges as the description given to them as fixed charges is not determinative.

Where the Issuer is free to deal with the secured assets, or any proceeds received on realisation of the secured assets, without the consent of the chargee, the court would be likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

Whether the fixed security interests will be upheld as fixed security interests rather than floating security interests will depend, amongst other things, on whether the Representative of the Noteholders (acting as security trustee) has the requisite degree of control over the Issuer's ability to deal in the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the Representative of the Noteholders in practice.

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

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

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

administration would also rank ahead of the claims of the Representative of the Noteholders as floating charge holder.

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

### **3.13 Warranty as to the existence of the claims**

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

### **3.14 Forward-looking statements**

Words such as "intend(s)", "aim(s)", "expect(s)", "will", "may", "believe(s)", "should", "anticipate(s)" or similar expressions are intended to identify forward-looking statements and subjective assessments. Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Prospectus and are based on assumptions that may prove to be inaccurate. No-one undertakes any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Prospectus.

### **3.15 Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the notes**

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Originators and the Arranger makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the relevant Issue Date or at any time in the future.

In particular, in Europe, investors should be aware of Article 122a of the Capital Requirements Directive ("**Article 122a**") which applies in general to new securitisations issued on or after 1 January 2011 and, after 31 December 2014, to existing securitisations where new underlying exposures are added or substituted after 31 December 2014. Article 122a restricts an EU regulated credit institution from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EU regulated credit institution that it will retain, on an ongoing basis, a net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 122a. Article 122a also requires an EU regulated credit institution to be able to demonstrate that it has a comprehensive and thorough understanding of the key terms and risks of the transaction and it has undertaken

certain due diligence in respect of, amongst other things, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis. Failure to comply with one or more of the requirements set out in Article 122a will result in the imposition of a penal capital charge on the notes acquired by the relevant investor.

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

Article 122a of the Capital Requirements Directive and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

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

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

## THE PRINCIPAL PARTIES

### ISSUER

**Credico Finance 9 S.r.l.**, a limited liability company incorporated under article 3 of Law 130, enrolled in the register of the special purpose vehicles held by Bank of Italy pursuant to the Bank of Italy's regulation dated 29 April 2011 with No. 32898,9, whose registered office is at Largo Chigi, 5 – 00187 Roma, Italy, fiscal code and VAT No. 04155780960, with paid-in share capital of Euro 10,000.

### THE ORIGINATORS

**Banca San Giorgio e Valle Agno Credito Cooperativo di Fara Vic. Società Coop.**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Perlina 78, 36030 Fara Vicentino (VI), Italy, fiscal code and VAT No. 00232120246, ABI code No. 08807, enrolled with the register of banks held by Bank of Italy under No. 4302.6.0, with paid-in share capital of Euro 11.729.624,28 ("**BCC San Giorgio e Valle Agno**");

**Banca Romagna Cooperativa Credito Cooperativo Romagna Centro e Macerone**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Piazza Trieste 17, 47034 Forlimpopoli (FC), Italy, fiscal code and VAT No. 03762240400, ABI code No. 07073, enrolled with the register of banks held by Bank of Italy under No. 5695, with paid-in share capital of Euro 12,532,975 ("**Banca Romagna Cooperativa**");

**Banca di Romano e S.Caterina - Credito Cooperativo (VI) - Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via G. Giardino 3, 36060 Romano D'Ezzelino (VI), Italy, fiscal code and VAT No. 00913510244, ABI code No. 08309.7, enrolled with the register of banks held by Bank of Italy under No. 5248, with paid-in share capital of Euro 419,778.90 ("**BCC di Romano e Santa Caterina**");

**BCC di Montepulciano Società Cooperativa**, a bank incorporated as a *società cooperativa*, whose registered office is at Via di Voltaia nel Corso 2/4, 53045 Montepulciano (SI), Italy, fiscal code and VAT No. 00045810520, ABI code No. 08670, enrolled with the register of banks held by Bank of Italy under No. 2175.80, with paid-in share capital of Euro 6,551,306 ("**BCC di Montepulciano**");

**Emil Banca – Credito Cooperativo SC**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Mazzini 152, 40128 Bologna, Italy, fiscal code and VAT No. 02888381205, ABI code No. 07072, enrolled with the register of banks held by Bank of Italy under No. 7072.2, with paid-in share capital of Euro 48,222,516.44 ("**BCC Emil Banca**");

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

**Banca Santo Stefano – Credito Cooperativo - Martellago - Venezia – Soc.Coop**, a bank incorporated as a *società cooperativa*, whose registered office is at Piazza Vittoria 11, 30030 Martellago (VE), Italy, fiscal code and VAT No. 00226370278, ABI code No. 08990, enrolled with the register of banks held by Bank of Italy under No. 4663.10, with paid-in share capital of Euro 198,020.16 ("**BCC Santo Stefano Martellago**");

**Credito Cooperativo Mediocrati scarl**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via V. Alfieri, 87036 Rende (CS), Italy, fiscal code and VAT No. 02300410780, ABI code No. 7062.3, enrolled with the register of banks held by Bank of Italy under No. 5419, with paid-in share capital of Euro 1,699,834 ("**BCC Mediocrati**");

**BCC di Alba Langhe e Roero SC**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Cavour 4, 12051 Alba (CN), Italy, fiscal code and VAT No. 00236570040, ABI code No. 8530.8, enrolled with the register of banks held by Bank of Italy under No. 205.50, with paid-in share capital of Euro 44,983,301.04 ("**BCC di Alba**");

**BCC Sala di Cesenatico Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Campone 409, 47042 Sala di Cesenatico (FC), Italy, fiscal code and VAT No. 00163430408, ABI code No. 08792, enrolled with the register of banks held by Bank of Italy under No. A1584412, with paid-in share capital of Euro 3,290,900.00 ("**BCC Sala di Cesenatico**");

**Banca del Centroveneto S.C. Longare**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Ponte di Costozza 12 – 36023 Longare (VI), Italy, fiscal code and VAT No. 01405390244, ABI code No. 08590, enrolled with the register of banks held by Bank of Italy under No. 4898.30, with paid-in share capital of Euro 1,142,173 ("**BCC del Centroveneto**");

**Cassa Rurale ed Artigiana di Roana Credito Cooperativo Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Piazza S. Giustina 47, 36010 Roana (VI), Italy, fiscal code and VAT No. 00266970243, ABI code No. 08772, enrolled with the register of banks held by Bank of Italy under No. 4293.70, with paid-in share capital of Euro 9,989.76 ("**BCC di Roana**");

**Cassa Rurale ed Artigiana di Cantù BCC Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Corso Unità d'Italia 11, 22063 Cantù (CO), Italy, fiscal code and VAT No. 00196950133, ABI code No. 08430, enrolled with the register of banks held by Bank of Italy under No. 719, with paid-in share capital of Euro 1,162,073.28 ("**BCC di Cantù**");

**BCC di Marcon-Venezia Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Piazza Municipio 22, 30020 Marcon (VE), Italy, fiscal code and VAT No. 00484250279, ABI code No. 08689, enrolled with the register of banks held by Bank of Italy under No. 4811.60, with paid-in share capital of Euro 59,312 ("**BCC di Marcon-Venezia**");

**BCC di Gatteo Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via della Cooperazione 10, 47043 Gatteo (FC), Italy, fiscal code and VAT No. 00252670401, ABI code No. 08574, enrolled with the register of banks held by Bank of Italy under No. 4400.8.0, with paid-in share capital of Euro 4,500,051.48 ("**BCC di Gatteo**");

**BCC di Sesto San Giovanni Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Viale A. Gramsci 202, 20099 Sesto San Giovanni (MI), Italy, fiscal code No. 00954900155 and VAT No. 00701020968, ABI code No. 08865, enrolled with the register of banks held by Bank of Italy under No. 4490.9, with paid-in share capital of Euro 771,320.86 ("**BCC di Sesto San Giovanni**");

**BCC di Pontassieve Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Vittorio Veneto 9, 50065 Pontassieve (FI), Italy, fiscal code and VAT No. 00409340486, ABI code No. 08736, enrolled with the register of banks held by Bank of Italy under No. 3553/50, with paid-in share capital of Euro 418,103 ("**BCC di Pontassieve**");

**BCC di Piove di Sacco Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Alessio Valerio 78, 35028 Piove di Sacco (PD), Italy, fiscal code and VAT No. 00311340285, ABI code No. 08728, enrolled with the register of banks held by Bank of Italy under No. A162413, with paid-in share capital of Euro 175,845.52 ("**BCC di Piove di Sacco**").

**AGENT BANK**

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

**OPERATING BANK**

**ICCREA Banca S.p.A.**, whose registered office is at Via Lucrezia Romana 41-47, Rome, Italy or any other person from



time to time acting as Operating Bank ("**ICCREA Banca**"), at which the Transitory Collections and Recoveries Accounts, the Expenses Account and the Quota Capital Account will be held.

**TRANSACTION BANK**

**Deutsche Bank S.p.A. GTB- Trust&Securities Services**, whose registered office is at via M. Gioia, 8, 20124 Milan ("**Deutsche Bank, Milan**"), or any other person from time to time acting as Transaction Bank, at which the Collections and Recoveries Accounts, the Payments Account, the Principal Accumulation Account, the Reserve Account, the Securities Accounts, the Single Portfolio Reserve Accounts and the Liquidity Reserve Accounts will be held.

**ENGLISH TRANSACTION BANK**

**Deutsche Bank, London**, or any other person from time to time acting as custodian and English Transaction Bank, at which the Investment Account, the Collateral Accounts and the Principal Amortisation Reserve Accounts will be held.

**PRINCIPAL PAYING AGENT**

**Deutsche Bank, London**, or any other person from time to time acting as Principal Paying Agent.

**ITALIAN PAYING AGENT**

**Deutsche Bank, Milan**, or any other person from time to time acting as Italian Paying Agent. The Principal Paying Agent and the Italian Paying Agent are collectively referred to as "**Paying Agents**".

**REPRESENTATIVE OF THE NOTEHOLDERS**

**Deutsche Trustee Company Limited**, whose registered office is at Winchester House, 1 Great Winchester Street, EC2N 2DB London, United Kingdom ("**Deutsche Trustee**"), or any other person from time to time acting as Representative of the Noteholders.

**ARRANGER**

**ICCREA Banca**.

**SWAP COUNTERPARTY**

**J.P. Morgan Securities Ltd.**, a company authorised and regulated by the Financial Services Authority, registered in England & Wales under registration number 02711006, whose registered office is at 125 London Wall, London, EC2Y 5AJ, United Kingdom, as swap counterparty under the Swap Agreement (the "**Swap Counterparty**").

**SWAP GUARANTOR**

**JPMorgan Chase Bank, N.A.**, with its registered office at 270 Park Avenue, New York, New York 10017-2070, United States of America, or any other person from time to time acting as swap guarantor (the "**Swap Guarantor**").

**LIQUIDITY PROVIDERS**

**BCC San Giorgio e Valle Agno, Banca Romagna Cooperativa, BCC di Romano e Santa Caterina, BCC di Montepulciano, BCC Emil Banca, BCC di Ostra e Morro d'Alba, BCC Santo Stefano Martellago, BCC Mediocrati, BCC di Alba, BCC Sala di Cesenatico, BCC del Centroveneto, BCC di Roana, BCC di Cantù, BCC di Marcon-Venezia, BCC di Gatteo, BCC di Sesto San Giovanni, BCC di Pontassieve and BCC di Piove di Sacco.**

<b>SERVICERS</b>	<b>BCC San Giorgio e Valle Agno, Banca Romagna Cooperativa, BCC di Romano e Santa Caterina, BCC di Montepulciano, BCC Emil Banca, BCC di Ostra e Morro d'Alba, BCC Santo Stefano Martellago, BCC Mediocрати, BCC di Alba, BCC Sala di Cesenatico, BCC del Centroveneto, BCC di Roana, BCC di Cantù, BCC di Marcon-Venezia, BCC di Gatteo, BCC di Sesto San Giovanni, BCC di Pontassieve and BCC di Piove di Sacco.</b>
<b>LIMITED RECOURSE LOAN PROVIDERS</b>	<b>BCC San Giorgio e Valle Agno, Banca Romagna Cooperativa, BCC di Romano e Santa Caterina, BCC di Montepulciano, BCC Emil Banca, BCC di Ostra e Morro d'Alba, BCC Santo Stefano Martellago, BCC Mediocрати, BCC di Alba, BCC Sala di Cesenatico, BCC del Centroveneto, BCC di Roana, BCC di Cantù, BCC di Marcon-Venezia, BCC di Gatteo, BCC di Sesto San Giovanni, BCC di Pontassieve and BCC di Piove di Sacco.</b>
<b>BACK-UP SERVICER</b>	<b>ICCREA Banca.</b>
<b>CORPORATE SERVICES PROVIDER</b>	<b>FIS Full Integrated Solutions S.p.A.</b> , whose registered office is at Via della Moscova 3, 20121, Milan, Italy, or any other person from time to time acting as Corporate Services Provider.
<b>STICHTING CORPORATE SERVICES PROVIDER</b>	<b>Wilmington Trust SP Services (London) Ltd</b> , a private limited liability company incorporated under the laws of England, having its registered office in Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom, or any other person from time to time acting as stichting corporate services provider (the " <b>Stichting Corporate Services Provider</b> ").
<b>CASH MANAGER</b>	<b>Deutsche Bank, London</b> , or any other person from time to time acting as Cash Manager.
<b>COMPUTATION AGENT</b>	<b>Deutsche Bank, Milan</b> , or any other person from time to time acting as Computation Agent.
<b>IRISH LISTING AGENT</b>	<b>Deutsche Bank Luxembourg S.A.</b> , as Irish listing agent (and its permitted successors or assignees) with office at 2 Boulevard Konrad Adenauer, Luxembourg L-III5, or any other person from time to time acting as Irish listing agent (the " <b>Irish Listing Agent</b> ").
<b>SECURITY TRUSTEE</b>	<b>Deutsche Trustee Company Limited</b> , or any other person from time to time acting as Security Trustee.
<b>QUOTAHOLDERS</b>	<b>Stichting Amis</b> , a foundation incorporated under the laws of the Netherlands and having its registered office at Claude Debussylaan 24, 1082MD Amsterdam, The Netherlands, and enrolled at the Chamber of Commerce in Amsterdam at the No. 34163346, or any other person from time to time acting as Quotaholder;

and

**Stichting Chatwin**, a foundation incorporated under the laws of the Netherlands and having its registered office at Claude Debussylaan 24, 1082MD Amsterdam, The Netherlands, and enrolled at the Chamber of Commerce in Amsterdam at the No. 34163345, or any other person from time to time acting as Quotaholder.

## TRANSACTION SUMMARY INFORMATION

*The following information is a summary of certain aspects of the transactions relating to the Notes and should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Prospectus and in the Transaction Documents. All capitalised words and expressions used in this Transaction Summary, not otherwise defined, shall have the meanings ascribed to such words and expressions elsewhere in this Prospectus or in the "Glossary of Terms".*

## PRINCIPAL FEATURES OF THE NOTES

<b>Title</b>	The Notes will be issued by the Issuer on the Issue Date in the following classes (each a " <b>Class</b> "): Euro 554,400,000 Class A Asset Backed Floating Rate Notes due November 2050; Euro 82,818,620 Class B Asset Backed Floating Rate Notes due November 2050; The Class B Notes will be issued by the Issuer on the Issue Date in the following series (each a " <b>Series</b> "): Euro 4,679,097 Class B1 Asset Backed Floating Rate Notes due November 2050; Euro 4,571,478 Class B2 Asset Backed Floating Rate Notes due November 2050; Euro 2,626,294 Class B3 Asset Backed Floating Rate Notes due November 2050; Euro 1,285,743 Class B4 Asset Backed Floating Rate Notes due November 2050; Euro 5,401,583 Class B5 Asset Backed Floating Rate Notes due November 2050; Euro 2,275,743 Class B6 Asset Backed Floating Rate Notes due November 2050; Euro 3,769,516 Class B7 Asset Backed Floating Rate Notes due November 2050; Euro 1,303,350 Class B8 Asset Backed Floating Rate Notes due November 2050; Euro 19,277,566 Class B9 Asset Backed Floating Rate Notes due November 2050; Euro 2,949,960 Class B10 Asset Backed Floating Rate Notes due November 2050;
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Euro 7,201,504 Class B11 Asset Backed Floating Rate Notes due November 2050;

Euro 1,503,262 Class B12 Asset Backed Floating Rate Notes due November 2050;

Euro 11,206,305 Class B13 Asset Backed Floating Rate Notes due November 2050;

Euro 2,452,204 Class B14 Asset Backed Floating Rate Notes due November 2050;

Euro 2,652,916 Class B15 Asset Backed Floating Rate Notes due November 2050;

Euro 4,068,799 Class B16 Asset Backed Floating Rate Notes due November 2050;

Euro 2,544,507 Class B17 Asset Backed Floating Rate Notes due November 2050;

Euro 3,048,793 Class B18 Asset Backed Floating Rate Notes due November 2050.

The aggregate amount of the Class B Notes will be Euro 82,818,620 (the "**Class B Notes Aggregate Amount**").

**Issue Price**

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

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

**Interest**

The rate of interest applicable from time to time in respect of the Class A Notes (the "**Interest Rate**") will be EURIBOR for three month deposits in Euro (the "**Three Month EURIBOR**") (or in the case of the Initial Interest Period, the linear interpolation between the Euro-Zone Inter-Bank offered rate ("**Euribor**") for 7 month and 8 month deposits in Euro) plus the following relevant margin 0.3% per annum in respect of the Class A Notes.

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

**Single Series Class B Notes Interest Payment Amount**

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

- (i) the aggregate of all Interest Instalments accrued on the Claims of the Relevant Portfolio in the immediately preceding Collection Period (excluding Interest Accruals); *plus*
- (ii) the aggregate of all fees for prepayment paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; *plus*
- (iii) the aggregate of all interest for late payments (*interessi di mora*) paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; *plus*
- (iv) the Relevant Proportion of all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement (if and to the extent paid) other than any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments); *plus*
- (v) all amounts received or recovered by the Issuer in the immediately preceding Collection Period with respect to the Claims of the Relevant Portfolio which are or have been Defaulted Claims; *plus*
- (vi) any Swap Collateral Account Surplus paid into the Payments Account in accordance with the Collateral Account Priority of Payments;
- (vii) (a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued and paid on the amounts standing from time to time to the credit of the Payments Account, the Expenses Account, the Collection and Recoveries Account and the Principal Accumulation Account and paid into the same during the immediately preceding Collection Period; and (b) all amounts of interest (if any) accrued and paid on the amounts standing from time to time to the credit of the relevant Transitory Collections and Recoveries Account, Single Portfolio Reserve Account, Principal Amortisation Reserve Account and Liquidity Reserve Account and paid into the same during the immediately preceding Collection Period; and (c) all amounts of interest (if any) accrued and paid on the amounts standing from time to time to the credit of the Reserve Account which were paid into it out of the relevant Single Portfolio Available Funds, during the immediately preceding Collection Period; *plus*

- (viii) the relevant Outstanding Notes Ratio of all profit and accrued interest (if any) received under the Eligible Investments made in respect of the immediately preceding Collection Period; *minus*
- (ix) (a) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date out of the relevant Single Portfolio Available Funds under items *First, Second* and *Fourth* through to *Eight, Twelfth* and *Thirteenth* of the Pre-Acceleration Order of Priority, or (b) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date under items *Seventh* and *Eleventh* of the Acceleration Order of Priority to the Servicer (or the Back-up Servicer), and the Liquidity Provider of the Relevant Portfolio, plus the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items *First, Second, Fourth, Fifth, Sixth, Eighth* and *Twelfth* of the Acceleration Order of Priority, or (c) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date under items *Sixth* and *Tenth* of the Acceleration Order of Priority to the Servicer (or the Back-up Servicer), and the Liquidity Provider of the Relevant Portfolio, plus the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items *First, Second, Fourth, Fifth, Sixth, Eight* and *Twelfth* of the Cross Collateral Order of Priority; *minus*
- (x) the Outstanding Balance of all the Claims of the Relevant Portfolio which have become Defaulted Claims during the immediately preceding Collection Period calculated as at the immediately preceding Collection Date;

**Payment Date**

Interest is payable in respect of the Notes, quarterly in arrears in Euro on the 15<sup>th</sup> day of February, May, August and November in each year or, if such date is not a Business Day, on the following Business Day (each such date a "**Payment Date**"). The first payment of interest under the Notes will be due and payable on the Payment Date falling on 15 February 2012 (the "**First Payment Date**") and will relate to the period from (and including) the Issue Date to (but excluding) such Payment Date.

**Form and Denomination**

The Notes will be held in dematerialised form on behalf of the beneficial owners as of the Issue Date, until redemption

or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear. Title to the Notes will be evidenced by book entries in accordance with the provisions of article 83-*bis* of the Legislative Decree No. 58 of 24 February 1998 and regulation of 22 February 2008 jointly issued by CONSOB and the Bank of Italy, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes.

The Class A Notes will be issued in denominations of Euro 100,000. Each Series of Class B Notes will be issued in denominations of Euro 1.00.

The Issuer has elected Ireland as Home Member State for the purpose of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the "**Transparency Directive**").

#### **Status**

With respect to the obligation of the Issuer to pay interest and repay principal on the Class A Notes, the Conditions provide that the Class A Notes will rank *pari passu* and without any preference or priority among themselves.

Principal on each Series of Class B Notes will be reimbursed and interest accrued thereon will be paid out of available funds deriving from collections and recoveries from the Relevant Portfolio provided that following occurrence of a Cross Collateral Event and in case of acceleration of the reimbursement of the Notes, principal on all Series of Class B Notes will be reimbursed and interest accrued thereon will be paid out of the aggregate available funds deriving from collections and recoveries of all the Portfolios, but in an amount which is a function of the performance of the Relevant Portfolio. The Class B Notes of each Series will rank *pari passu* and without any preference or priority among themselves.

The Class B Notes shall at all times be subordinated to the Class A Notes.

#### **Issuer Available Funds**

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

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



Accumulation Account on the immediately preceding Payment Date;

- (iv) all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for the Collateral Accounts, the Expenses Account and the Quota Capital Account) during the immediately preceding Collection Period and any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period;
- (v) all amounts paid into the Principal Amortisation Reserve Accounts in the immediately preceding Payment Date;
- (vi) all interest accrued and paid on the amount from time to time standing to the credit of the Expenses Account during the immediately preceding Collection Period and paid into the same;
- (vii) all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement (if and to the extent paid) other than any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments);
- (viii) all amounts received from the Originators, if any, pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreements, all amounts received by the Issuer as indemnities for the renegotiation of the Mortgage Loan Agreements and any payment made to the Issuer by any other party to the Transaction Documents, during the immediately preceding Collection Period;
- (ix) any other amounts paid into the Payments Account during the immediately preceding Collection Period;
- (x) all amounts paid into the Reserve Account in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds or Issuer Available Funds;
- (xi) all amounts paid into the Single Portfolio Reserve Accounts in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds or Issuer Available Funds;
- (xii) any Swap Collateral Account Surplus paid into the Payments Account in accordance with the Collateral

Account Priority of Payments; and

(xiii) until full repayment of the Class A Notes:

- (a) only in respect of payments ranking as *First, Second, Fourth, Fifth, Sixth, Seventh, Eighth* and *Ninth* of the Acceleration Order of Priority, and ranking as *First, Second, Fourth, Fifth, Sixth, Seventh, Eighth* and *Ninth* of the Cross Collateral Order of Priority, shall include (I) any Advances to be made to the Issuer with respect to such Payment Date in relation to any Negative Balance or, (II) up to an amount equal to the amount of any Advances to be made to the Issuer with respect to such Payment Date, the proceeds on the sale of the Securities to be used alternatively to the Advances in accordance with the terms of the Limited Recourse Loan Agreement; and
- (b) in respect of payments ranking as *Tenth* of the Acceleration Order of Priority and ranking as *Tenth* of the Cross Collateral Order of Priority, the difference (if positive) between the Advances available after making the payments under letter (a) above, and an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes as at the day following the immediately preceding Payment Date. Provided that the Advances could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date or on the Final Maturity Date.

**Single Portfolio Available Funds**

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

- (i) all the Collections received by the Issuer, through the Servicer, during the immediately preceding Collection Period in relation to the Claims of the Relevant Portfolio;
- (ii) all other amounts transferred during the immediately preceding Collection Period from the relevant Transitory Collections and Recoveries Account into the Collections and Recoveries Account;
- (iii) any relevant Single Portfolio Class A Notes

Principal Payment Amount and Single Series Available Class B Notes Redemption Funds paid into the Principal Accumulation Account on the immediately preceding Payment Date;

- (iv) the relevant Outstanding Notes Ratio of all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for the Collateral Accounts, the Expenses Account and the Quota Capital Account) during the immediately preceding Collection Period and of any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period;
- (v) all amounts paid into the credit of the relevant Principal Amortisation Reserve Account in the immediately preceding Payment Date;
- (vi) the relevant Outstanding Notes Ratio of all interest accrued and paid on the amounts standing from time to time to the credit of the Expenses Account during the immediately preceding Collection Period;
- (vii) the Relevant Proportion of all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement (if and to the extent paid) other than any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments);
- (viii) all amounts, if any, received from the relevant Originator pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreement in respect of the Claims of the Relevant Portfolio, all amounts received by the Issuer as indemnities for the renegotiation of the Mortgage Loan Agreements in respect of the Claims of the Relevant Portfolio and the relevant Outstanding Notes Ratio of all Payments made to the Issuer by any other party to the Transaction Documents during the immediately preceding Collection Period;
- (ix) the relevant Outstanding Notes Ratio of any other amounts paid into the Payments Account during the immediately preceding Collection Period;
- (x) with respect to the first Payment Date on which the Pre-Acceleration Order of Priority applies following full redemption of the Class A Notes, the

amounts paid into the Reserve Account in any preceding Payment Date out of the relevant Single Portfolio Available Funds;

- (xi) the difference, if positive, between (a) the amounts paid into the relevant Single Portfolio Reserve Account in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds and (b) the amount calculated as follows: (I) the amounts paid into the relevant Single Portfolio Reserve Account in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds, multiplied by (II) the ratio between (x) the Advances to be made available to the Issuer under the Liquidity Agreement on such Payment Date by the Liquidity Providers together with the Advances made available by the Liquidity Providers on previous Payment Dates and not yet fully reimbursed, and (y) the aggregate of all amounts paid into all Single Portfolio Reserve Accounts in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds;
- (xii) any Swap Collateral Account Surplus paid into the Payments Account in accordance with the Collateral Account Priority of Payments; and
- (xiii) until full repayment of the Class A Notes (a) only in respect of payments ranking as *First, Second, Fourth, Fifth, Sixth, Seventh, Eighth* and *Ninth* of the Pre-Acceleration Order of Priority, shall include (I) any Advances which are made to the Issuer with respect to such Payment Date in relation to any Single Portfolio Negative Balance of such Portfolio or (II) up to an amount equal to the amount of any Advances to be made to the Issuer with respect to such Payment Date in relation to such Portfolio, the proceeds from the sale of the Relevant Securities to be used alternatively to the Advances in accordance with the terms of the Limited Recourse Loan Agreement; and (b) in respect of payments ranking as *Tenth* of the Pre-Acceleration Order of Priority, the difference (if positive) between the Advances available after making the payments under letter (a) above, and an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes of the relevant Portfolio as at the day following the immediately preceding Payment Date. Provided that the Advances could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date or on the Final Maturity Date.

<b>Outstanding Notes Ratio</b>	Means with respect to any Payment Date and to each Portfolio, the ratio, calculated as at the immediately preceding Collection Date, between: (x) the relevant Single Portfolio Notes Principal Amount Outstanding; and (y) the Principal Amount Outstanding of all the Notes.
<b>Single Portfolio Notes Principal Amount Outstanding</b>	Means with respect to each Payment Date: <ul style="list-style-type: none"> <li>(i) with respect to Portfolio No. 1, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B1 Notes;</li> <li>(ii) with respect to Portfolio No. 2, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B2 Notes;</li> <li>(iii) with respect to Portfolio No. 3, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B3 Notes;</li> <li>(iv) with respect to Portfolio No. 4 the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B4 Notes;</li> <li>(v) with respect to Portfolio No. 5, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B5 Notes;</li> <li>(vi) with respect to Portfolio No. 6, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B6 Notes;</li> <li>(vii) with respect to Portfolio No. 7, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B7 Notes;</li> <li>(viii) with respect to Portfolio No. 8, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B8 Notes;</li> <li>(ix) with respect to Portfolio No. 9, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B9 Notes;</li> </ul>

- (x) with respect to Portfolio No. 10, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B10 Notes;
- (xi) with respect to Portfolio No. 11, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B11 Notes;
- (xii) with respect to Portfolio No. 12, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B12 Notes; and
- (xiii) with respect to Portfolio No. 13, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B13 Notes;
- (xiv) with respect to Portfolio No. 14, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B14 Notes;
- (xv) with respect to Portfolio No. 15, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B15 Notes;
- (xvi) with respect to Portfolio No. 16, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B16 Notes;
- (xvii) with respect to Portfolio No. 17, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B17 Notes;
- (xviii) with respect to Portfolio No. 18, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B18 Notes;
- (xix) in each case as at the immediately preceding Collection Date.

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

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

- (1) the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding; and
- (2) the aggregate of all the Single Portfolio Class A Notes Principal Payment Amounts paid to the Class A Noteholders on the preceding Payment Dates.

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

Means (i) with respect to Portfolio No. 1 the Principal Amount Outstanding as at the Issue Date of 5.70% of the Class A Notes, equal to Euro 31,600,000; (ii) with respect to Portfolio No. 2 the Principal Amount Outstanding as at the Issue Date of 5.57% of the Class A Notes, equal to Euro 30,900,000; (iii) with respect to Portfolio No. 3 the Principal Amount Outstanding as at the Issue Date of 3.12% of the Class A Notes, equal to Euro 17,300,000; (iv) with respect to Portfolio No. 4 the Principal Amount Outstanding as at the Issue Date of 1.50% of the Class A Notes, equal to Euro 8,300,000; (v) with respect to Portfolio No. 5 the Principal Amount Outstanding as at the Issue Date of 6.51% of the Class A Notes, equal to Euro 36,100,000; (vi) with respect to Portfolio No. 6 the Principal Amount Outstanding as at the Issue Date of 2.76% of the Class A Notes, equal to Euro 15,300,000; (vii) with respect to Portfolio No. 7 the Principal Amount Outstanding as at the Issue Date of 4.60% of the Class A Notes, equal to Euro 25,500,000; (viii) with respect to Portfolio No. 8 the Principal Amount Outstanding as at the Issue Date of 1.59% of the Class A Notes, equal to Euro 8,800,000; (ix) with respect to Portfolio No. 9 the Principal Amount Outstanding as at the Issue Date of 23.21% of the Class A Notes, equal to Euro 128,700,000; (x) with respect to Portfolio No. 10 the Principal Amount Outstanding as at the Issue Date of 3.54% of the Class A Notes, equal to Euro 19,600,000; (xi) with respect to Portfolio No. 11 the Principal Amount Outstanding as at the Issue Date of 8.66% of the Class A Notes, equal to Euro 48,000,000; (xii) with respect to Portfolio No. 12 the Principal Amount Outstanding as at the Issue Date of 1.77% of the Class A Notes, equal to Euro 9,800,000; (xiii) with respect to Portfolio No. 13 the Principal Amount Outstanding as at the Issue Date of 13.55% of the Class A Notes, equal to Euro 75,100,000; (xiv) with respect to Portfolio No. 14 the Principal Amount Outstanding as at the Issue Date of 2.99% of the Class A Notes, equal to Euro 16,600,000; (xv) with respect to Portfolio No. 15 the Principal Amount Outstanding as at the Issue Date of 3.16% of the Class A Notes, equal to Euro 17,500,000; (xvi) with respect to Portfolio No. 16 the Principal Amount Outstanding as at the Issue Date of 4.91% of the Class A Notes, equal to Euro

27,200,000; (xvii) with respect to Portfolio No. 17 the Principal Amount Outstanding as at the Issue Date of 3.14% of the Class A Notes, equal to Euro 17,400,000; and (xviii) with respect to Portfolio No. 18 the Principal Amount Outstanding as at the Issue Date of 3.73% of the Class A Notes, equal to Euro 20,700,000.

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

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

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

**Class A Notes Principal  
Payment Amount**

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

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

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

**Single Portfolio Amortised  
Principal**

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

- (i) the aggregate amount of the Principal Instalments of the relevant Claims collected during the immediately preceding Collection Period, excluding all Principal Instalments collected in such immediately preceding Collection Period in relation to the Claims that have become Defaulted Claims in any previous Collection Period (without prejudice to the provisions under items (iii) and (iv) below);
- (ii) the aggregate amount of the Principal Instalments of the Pre-paid Claims that have been prepaid during the immediately preceding Collection Period;
- (iii) the Outstanding Principal of the Claims of such Portfolio that have become Defaulted Claims



during the immediately preceding Collection Period, as of the date when such Claims became Defaulted Claims;

- (iv) any amount received by the Issuer during the immediately preceding Collection Period from the Originator of such Portfolio pursuant to the relevant Transfer Agreement and/or the Warranty and Indemnity Agreement and any amount received by the Issuer from the relevant Originator as indemnities in respect of the renegotiations of the Mortgage Loan Agreements of the Relevant Portfolio in accordance with the Servicing Agreement; and
- (v) the Single Portfolio Amortised Principal (a) unpaid at the previous Payment Date, and/or (b) credited on the Principal Accumulation Account and not distributed to the Noteholders on the previous Payment Date.

## ACCOUNTS AND DESCRIPTION OF CASH FLOWS

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

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

#### **Transitory Collections and Recoveries Accounts**

eighteen accounts denominated with reference to each Portfolio (each a "**Transitory Collections and Recoveries Account**") (*Conto Incassi e Recupero Transitorio*) into which all amounts received or recovered by each Servicer under each Relevant Portfolio will be paid within one Business Day following date of receipt; and out of which (i) all amounts standing to the credit of each such account will be transferred to the Collection and Recoveries Account (a) on the 2<sup>nd</sup> (second) Business Day following the date of receipt or (b) if the aggregate balance of all the Transitory Collection and Recoveries Accounts is equal to or greater than Euro 500,000 (five hundred thousand), the Business Days following the date of receipt; and (ii) 2 (two) Business Days prior to each Payment Date all amounts standing to the credit of such account on the immediately preceding Collection Date shall be transferred to the Payments Account

#### **Expenses Account**

an account (the "**Expenses Account**") (*Conto Spese*) with IBAN No. IT 36 G 08000 03200 000800029972 into which (i) within the Issue Date the Retention Amount and the amounts indicated in the Notes Subscription Agreement necessary to pay certain upfront costs and expenses of the Issuer shall be paid; and (ii) on each Payment Date an

amount shall be paid from the Payments Account so that the balance standing to the credit of the Expenses Account on such Payment Date is equal to the Retention Amount; and out of which the amounts necessary to pay certain upfront costs and expenses of the Issuer pursuant to the Notes Subscription Agreement and any taxes due and payable by the Issuer and any fees, costs and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing and comply with applicable legislation and regulations shall be paid;

**Quota Capital Account** an account (the "**Quota Capital Account**") (*Conto Capitale Sociale*) with IBAN No. IT 59 F 08000 03200 000800029971 into which all sums contributed by the Quotaholders as quota capital and any interest thereon will be credited.

**(B) ACCOUNTS HELD WITH THE TRANSACTION BANK**

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

**Payments Account** an account (the "**Payments Account**") (*Conto Pagamenti*) with IBAN No. IT 58 B 03104 01600 000000824756 into which (i) all amounts received by the Issuer under the Transaction Documents (other than the collections and recoveries on the Claims) will be credited if not credited to other accounts pursuant to the Transaction Documents; (ii) any interest accrued on the Securities in the relevant Securities Account and all the proceeds from the sale or upon maturity of such Securities will be credited from time to time pursuant to the Limited Recourse Loan Agreement (except as otherwise provided in the description of the Securities Account); (iii) all amounts standing to the credit of the Investment Account and in general any sums arising from the liquidation, maturity or disposal of the Eligible Investments (including any profit generated thereby or interest matured thereon) shall be transferred two Business Days prior to each Payment Date; (iv) the Advances paid by the Liquidity Providers in accordance with the Liquidity Agreement shall be credited and (v) two Business Days prior to each Payment Date amounts due and payable by the Swap Counterparty under the Swap Agreement (other than any amounts required to be credited to the Collateral Accounts pursuant to clause 9 of the Cash Administration and Agency Agreement) in respect of such Payment Date shall be paid (if any); and (vi) any Swap Collateral Account Surplus required to be transferred to the Payments Account pursuant to the Collateral Account Priority of Payments shall be credited; and out of which (i) all the amounts standing to credit thereof will be transferred to the Investment Account one Business Day after each Payment Date and on the Business Day following the 15th and the 30th day of each calendar month if the balance of such

account is equal to or higher than Euro 50,000 (fifty thousand); (ii) on each Payment Date all payments of interest and principal on the Notes and any payments to the Other Issuer Creditors and any third party creditors of the Transaction shall be made in accordance with the applicable Order of Priority and the relevant Payments Report (provided that amounts necessary to pay interest and principal on the Notes shall be transferred to the Italian Paying Agent two Business Days before each Payment Date); (iii) all proceeds upon maturity of the Securities or upon sale of the Securities following downgrading of the Republic of Italy below Aa3 by Moody's or AA (low) by DBRS will be invested to purchase further Securities as detailed in accordance with clause 8.6 of the Cash Administration and Agency Agreement; (iv) in accordance with the Limited Recourse Loan Agreement, any interest accrued on the Limited Recourse Loan will be paid to the relevant Limited Recourse Loan Provider, out of interests accrued on the Relevant Securities, the Business Day immediately following the date on which such interests on the Relevant Securities are credited into the Payments Account;

**Collection and Recoveries Account**

an account (the "**Collection and Recoveries Account**") (*Conto Incassi e Recuperi*) with IBAN No. IT 12 D 03104 01600 000000824758 into which all amounts standing to the credit of each Transitory Collections and Recoveries Account will be transferred (i) on the 2<sup>nd</sup> (second) Business Day following the date of receipt or (ii) if the aggregate balance of all the Transitory Collection and Recoveries Accounts is equal to or greater than Euro 500,000 (five hundred thousand), the Business Days following the date of receipt; and out of which any amount standing to the credit of the Collection and Recoveries Account will be transferred on a daily basis, upon receipt, into the Investment Account;

**Securities Accounts**

eighteen securities accounts (each a "**Securities Account**") (*Conto Deposito Titoli*) into which (i) the Relevant Securities shall be deposited by each Limited Recourse Loan Provider on or prior to the Issue Date pursuant to the Limited Recourse Loan Agreement; and (ii) the Relevant Securities purchased by the Cash Manager from proceeds upon maturity of the Relevant Securities previously deposited will be credited pursuant to the Limited Recourse Loan Agreement; and out of which (i) any interest accrued on the Relevant Securities and the proceeds from the sale of the Relevant Securities will be transferred from time to time to the Payments Account and (ii) the proceeds of the sale of the Relevant Securities pursuant to clause 2.8 and clause 4.1 of the Limited Recourse Loan Agreement and article 2.4 of the Liquidity Agreement shall be transferred to the Liquidity Reserve Account or to an account opened by the

relevant Limited Recourse Loan Provider, as applicable and in accordance with the Limited Recourse Loan Agreement.

**Principal Accumulation Account**

an account (the "**Principal Accumulation Account**") (*Conto Accumulazione Capitale*) with IBAN No. IT 35 C 03104 01600 000000824757 into which on each Payment Date prior to the Payment Date falling on February 2013 any amounts payable in respect of any relevant Single Portfolio Class A Notes Principal Payment Amount and Single Series Available Class B Notes Redemption Funds, if the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority applies, or in respect of any Available Class A Notes Redemption Funds and Single Series Available Class B Notes Redemption Funds, if the Acceleration Order of Priority applies, shall be paid; and out of which all the amounts standing to the credit thereof will be transferred to the Investment Account on the Business Day following any Payment Date prior to (but excluding) the Payment Date falling on February 2013.

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

**Reserve Account**

an account (the "**Reserve Account**") (*Conto di Riserva*) into which on each Payment Date following the occurrence of a Detrimental Event, the Reserve Amount shall be paid from the Payments Account; and out of which all the amounts standing to the credit thereof will be transferred to the Investment Account on the Business Day following the date on which the relevant amounts shall be credited on such account in accordance with the Conditions;

**Single Portfolio Reserve Accounts**

eighteen accounts denominated with reference to each Portfolio (each a "**Single Portfolio Reserve Account**") (*Conto di Riserva Singolo Portafoglio*) into which on each Payment Date following the occurrence of a Single Portfolio Detrimental Event with respect to one or more Portfolios, the Single Portfolio Reserve Amount with respect to the Relevant Portfolio or Portfolios shall be paid from the Payments Account; and out of which all the amounts standing to the credit thereof will be transferred to the Investment Account on the Business Day following the date on which the relevant amounts shall be credited on each of such account in accordance with the Conditions;

**Liquidity Reserve Accounts**

eighteen accounts denominated with reference to each Relevant Portfolio (each a "**Liquidity Reserve Account**") into which (i) during each Collection Period, where applicable and pursuant to the Liquidity Agreement, any amounts then due shall be paid by the Liquidity Provider or Liquidity Providers; and (ii) the proceeds of the sale of the Securities may be transferred in accordance with the Limited Recourse Loan Agreement; and out of which (i) all the amounts standing to the credit thereof will be

transferred to the Investment Account on the Business Day following the date on which the relevant amounts shall be credited on each of such account in accordance with the Conditions; and (ii) in the event of assignment by any Liquidity Provider of its rights and obligations under the Liquidity Agreement pursuant to clause 8 of the Liquidity Agreement, all amounts standing to the credit thereof shall be transferred to the account of the assignee Eligible Institution.

**(C) ACCOUNTS HELD WITH THE ENGLISH TRANSACTION BANK**

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

**Investment Account**

an account (the "**Investment Account**") into which (i) all the amounts standing to the credit of the Collection and Recoveries Account will be transferred on a daily basis; (ii) all the amounts standing to credit of the Payments Account will be transferred one Business Day after each Payment Date and on the Business Day following the 15<sup>th</sup> and 30<sup>th</sup> day of each calendar month (except for February in which case the 30<sup>th</sup> day shall be the 28<sup>th</sup> and except for each month in which a Payment Date falls) if the balance of such account is equal to or higher than Euro 50,000 (fifty thousand); (iii) all the amounts standing to the credit of the Principal Accumulation Account will be transferred on the Business Day following any Payment Date prior to (but excluding) the Payment Date falling on February 2013; (iv) all the amounts standing to the credit of the Reserve Account (if any), the Single Portfolio Reserve Accounts (if any), the Principal Amortisation Reserve Accounts (if any) and the Liquidity Reserve Accounts (if any) will be transferred on the Business Day following the date on which the relevant amounts shall be credited on each of such account in accordance with the Conditions, in each case for the purpose of the investment in Eligible Investments; and (v) all securities constituting Eligible Investments and any proceeds upon maturity or any sums arising from the disposal or liquidation of the Eligible Investments (including profit generated thereby or interest matured thereon) different from those proceeds to be credited to the Payments Account shall be credited; and out of which (i) any amounts standing to the credit thereof shall be credited to the Payments Account two Business Days before each Payment Date; and (ii) all amounts standing to the credit thereof will be applied by the Cash Manager for the purchase of Eligible Investments.

**Collateral Accounts**

three cash collateral accounts (the "**Cash Collateral Accounts**") (for deposits denominated in Euro, U.S. dollars and British pounds, respectively) with IBANs GB35DEUT40508126554301, GB78DEUT40508126554303 and GB08DEUT40508126554302, respectively, to hold

(i) any collateral consisting of cash received from the Swap Counterparty pursuant to the Swap Agreement, (ii) any interest on the Cash Collateral Accounts and any distributions on, or liquidation or other proceeds of, the securities deposited in the Securities Collateral Account, in each case consisting of cash, (iii) any Replacement Swap Premium received by the Issuer from a replacement swap counterparty and (iv) any termination payment received by the Issuer from the outgoing Swap Counterparty;

a securities collateral account (the "**Securities Collateral Account**" and, together with the Cash Collateral Accounts, the "**Collateral Accounts**") with Euroclear 10327 - Account Number DNE5, to hold (i) any collateral consisting of securities received from the Swap Counterparty pursuant to the Swap Agreement, and (ii) any payments or distributions on, and any liquidation or other proceeds of, such collateral, in each case consisting of securities.

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

<b>Principal Amortisation Reserve Accounts</b>	eighteen accounts denominated with reference to each Relevant Portfolio (each a " <b>Principal Amortisation Reserve Account</b> ") ( <i>Conto di Riserva Ammortamento Capitale</i> ) <u>into which</u> on each Payment Date following the occurrence of a Class A Disequilibrium Event with respect to one or more Portfolios the relevant Principal Amortisation Reserve Amount shall be paid from the Payments Account; and <u>out of which</u> all the amounts standing to the credit thereof will be transferred to the Investment Account on the Business Day following the date on which the relevant amounts shall be credited on each of such account in accordance with the Conditions.
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#### **ORDERS OF PRIORITY**

<b>Pre-Acceleration Order of Priority</b>	The Single Portfolio Available Funds relating to each of the Portfolios shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):
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*First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with the applicable legislation and regulations or to fulfill payment obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Transaction to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the

Expenses Account (ii) all costs and taxes required to be paid to maintain the rating of the Class A Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

*Second*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of Noteholders;

*Third*, to repay the Advances (if any) made under the Liquidity Agreement by the relevant Liquidity Provider for the liquidity support provided in relation to the respective Portfolio;

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

*Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Irish Listing Agent, the Corporate Services Provider and the Stichting Corporate Services Provider;

*Sixth*, to pay the Relevant Proportion of all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority) and (2) any amounts payable pursuant to the Collateral Account Priority of Payments, *provided that* only to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay any Senior Swap Counterparty Termination Payment in full, any due but unpaid Senior Swap Counterparty Termination Payment shall be payable pursuant to this clause *sixth*;

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

*Eight*, to pay all amounts of interest due and payable on the Single Portfolio Class A Notes Principal Amount

Outstanding on such Payment Date (*pro rata* according to the amounts then due);

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

*Tenth*, to pay the relevant Single Portfolio Class A Notes Principal Payment Amount then due with respect to such Payment Date and the relevant Single Portfolio Class A Notes Principal Payment Amount due with respect to previous Payment Dates but unpaid, *provided that* on the Payment Dates falling before February 2013 the amount which would be payable to the Class A Noteholders according to the foregoing will be paid into the Principal Accumulation Account and will become payable to the Class A Noteholders on the Payment Date falling on February 2013 (*pro rata* according to the amounts then due);

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

*Twelfth*, to pay *pari passu* and *pro rata*, all amounts of interest due and payable on the Advances made to the Issuer by the relevant Liquidity Provider;

*Thirteenth*, only to the extent the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay the Relevant Proportion of any Subordinated Swap Counterparty Termination Payment in full, to pay any due but unpaid Subordinated Swap Counterparty Termination Payment;

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

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

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

*Seventeenth*, to pay to the relevant Originator any amount due and payable in respect of purchase price adjustments due in relation to its respective Claims, not listed under the relevant Transfer Agreement but matching the criteria listed in the Transfer Agreement, and any amount due and



payable by the Issuer pursuant to the Warranty and Indemnity Agreement (save for amounts due and payable as a restitution of indemnities paid by the Originator of such Portfolio, referred to under item *Ninth* above);

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

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

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

*Twenty-first*, following full redemption of the Class A Notes, to redeem the Principal Amount Outstanding of the relevant Series of Class B Notes in the maximum amount of the relevant Single Series Available Class B Notes Redemption Funds, *provided that* on the Payment Dates falling before February 2013, the amount which would be payable in redemption of each Series of Class B Notes according to the foregoing shall be paid into the Principal Accumulation Account and shall become payable to the Class B Noteholders of such Series of Class B Notes on the Payment Date falling on February 2013 (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof);

*Twenty-second*, after full and final settlement of all the payments due under this Order of Priority and full redemption of all the Notes, to pay any surplus remaining on the balance of the relevant Transitory Collections and Recoveries Account, Single Portfolio Reserve Account and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account, the Collections and Recoveries Account, Principal Accumulation Account, Reserve Account and Expenses Account to each relevant Originator.

**Acceleration Order of Priority**

In each of the following cases: (i) following the delivery of a Trigger Notice, (ii) in the case of Redemption for Taxation, or (iii) in the case of Optional Redemption, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that

payments of a higher priority have been made in full):

*First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with the applicable legislation and regulations or to fulfill payment obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Transaction to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain the rating of the Class A Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

*Second*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Representative of Noteholders;

*Third*, to repay the Advances (if any) made under the Liquidity Agreement by any Liquidity Provider (*pro rata* according to the performance of the Relevant Portfolio);

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

*Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Irish Listing Agent, the Corporate Services Provider and the Stichting Corporate Services Provider;

*Sixth*, to pay all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement, other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority) and (2) any amounts payable pursuant to the Collateral Account Priority of Payments, *provided that* only to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay any Senior Swap Counterparty Termination Payment in full, any due but unpaid Senior Swap Counterparty Termination Payment shall be payable pursuant to this clause;

*Seventh*, to pay to each Servicer all the fees and expenses pursuant to the Servicing Agreement (*pro rata* according to

the performance of the Relevant Portfolio) and/or to the Back-up Servicer pursuant to the Back-up Servicing Agreement, as the case may be, to the extent not expressly included in any following item;

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

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

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

*Eleventh*, to pay (*pro rata* according to the performance of the Relevant Portfolio) all amounts of interest due and payable on the Advances made by each Liquidity Provider;

*Twelfth*, only to the extent the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay the Relevant Proportion of any Subordinated Swap Counterparty Termination Payment in full, to pay any due but unpaid Subordinated Swap Counterparty Termination Payment;

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

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

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

*Sixteenth*, to pay the Single Series Class B Notes Interest Payment Amount due and payable on each Series of Class

B Notes (*pari passu* and *pro rata* to the extent of the respective amounts thereof);

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

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

*Nineteenth*, to pay any surplus to each Originator (*pro rata* according to the performance of the Relevant Portfolio).

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

In the event that the Issuer redeems any Notes in whole or in part prior to the date which is 18 months after the Issue Date, the Issuer will be required to pay a tax in Italy equal to 20 per cent of all interest accrued on such principal amount repaid early up to the relevant repayment date. This requirement will apply whether or not the redemption takes place following a Trigger Event under the Notes or pursuant to any requirement of the Issuer to redeem Notes following the service of a Trigger Notice in connection with any such Trigger Event. Consequently, following the service of a Trigger Notice, the Issuer may, with the consent of the Representative of the Noteholders, and shall, if so instructed by the Representative of the Noteholders (in both cases, acting in accordance with the Conditions and the Rules of the Organisation of the Noteholders), delay the redemption of the Notes until the end of such 18-month period and provided further that, in case a bankruptcy or similar proceeding is commenced against the Issuer, should the principal on the Notes be paid to the Representative of the Noteholders in accordance with the Intercreditor Agreement, the Representative of the Noteholders may, or shall, if so instructed by an Extraordinary Resolution of the holders of the Class A Notes, deposit such amounts on a bank account indicated by the Representative of the Noteholders and delay the redemption of the Notes, until the end of such 18 month period.

#### **Cross Collateral Order**

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

**of Priority**

Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

*First, (pari passu and pro rata to the extent of the respective amounts thereof) to pay (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with the applicable legislation and regulations or to fulfill payment obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Transaction to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Expenses Account (ii) all costs and taxes required to be paid to maintain the rating of the Class A Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;*

*Second, to pay (pari passu and pro rata to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Representative of Noteholders;*

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

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

*Fifth, to pay (pari passu and pro rata to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Irish Listing Agent, the Corporate Services Provider and the Stichting Corporate Services Provider;*

*Sixth, to pay all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement, other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority) and (2) any amounts payable pursuant to the Collateral Account Priority of Payments, provided that only to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay any Senior Swap Counterparty Termination Payment in full, any due but unpaid Senior Swap Counterparty Termination*

Payment shall be payable pursuant to this clause *sixth*;

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

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

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

*Tenth*, to pay (*pro rata* and *pari passu* to the extent of the respective amounts thereof) the Class A Notes Principal Payment Amount then due with respect to such Payment Date and the Class A Notes Principal Payment Amount due with respect to previous Payment Dates but unpaid, *provided that* on the Payment Dates falling before February 2013 the amount which would be payable to the Class A Noteholders according to the foregoing will be paid into the Principal Accumulation Account and will become payable to the Class A Noteholders on the Payment Date falling on February 2013 (*pro rata* according to the amounts then due);

*Eleventh*, to pay (*pro rata* according to the performance of the Relevant Portfolio), all amounts of interest due and payable on the Advances made to the Issuer by the Liquidity Providers;

*Twelfth*, only to the extent the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay the Relevant Proportion of any Subordinated Swap Counterparty Termination Payment in full, to pay any due but unpaid Subordinated Swap Counterparty Termination Payment;

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

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

*Fifteenth*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) any amount due

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

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

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

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

*Nineteenth*, following full redemption of the Class A Notes, to redeem the Principal Amount Outstanding of the relevant Series of Class B Notes in the maximum amount of the relevant Single Series Available Class B Notes Redemption Funds, *provided that* on the Payment Dates falling before February 2013, the amount which would be payable in redemption of each Series of Class B Notes according to the foregoing shall be paid into the Principal Accumulation Account and shall become payable to the Class B Noteholders of such Series of Class B Notes on the Payment Date falling on February 2013 (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof);

*Twentieth*, after full and final settlement of all the payments due under this Order of Priority and full redemption of all the Notes, to pay any surplus remaining on the balance of the relevant Transitory Collections and Recoveries Account, Single Portfolio Reserve Account and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account, the Collections and Recoveries Account, Principal Accumulation Account, Reserve Account and Expenses Account to each relevant Originator (*pro rata* according to the performance of the

Relevant Portfolio).

## Trigger Events

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

(a) *Non-payment:*

- (i) the Issuer defaults in the payment of the amount of principal then due and payable on the Most Senior Class of Notes on the Final Maturity Date;
- (ii) on any Payment Date (provided that a 3 (three) Business Days' grace period shall apply) the amount paid by the Issuer as interest on the Most Senior Class of Notes is lower than the relevant Interest Amount on the Class A Notes or the relevant Single Series Class B Notes Interest Payment Amount on the Class B Notes, as the case may be; or

(b) *Breach of other obligations:*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Most Senior Class of Notes (other than (i) the obligation to pay principal on the Notes in case the Issuer has not enough Single Portfolio Available Funds or Issuer Available Funds (as the case may be) to such purpose on any Payment Date, and (ii) any payment obligation on the Notes under paragraph (a) above) or any of the Transaction Documents to which it is a party and (except where, in the sole and absolute opinion of the Representative of the Noteholders, such default is incapable of remedy, in which case no notice will be required) such default remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in the sole opinion of the Representative of the Noteholders, materially detrimental to the interests of the Noteholders of the Most Senior Class of Notes and requiring the same to be remedied; or

(c) *Breach of representation and warranties:*

any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made; or



(d) *Insolvency:*

- (i) the Issuer becomes subject to any applicable bankruptcy, liquidation, administration, receivership, insolvency, composition or reorganisation (among which, without limitation, *fallimento, liquidazione coatta amministrativa, concordato preventivo accordi di ristrutturazione* and *amministrazione straordinaria*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of the jurisdiction in which the Issuer is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, receivership, arrangement, adjustment, protection or relief of debtors) or similar proceedings or the whole or any substantial part of the undertaking or assets of the Issuer are subject to a *pignoramento* or similar procedure having a similar effect (other than any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success;
- (ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by the Issuer or the same proceedings are otherwise initiated against the Issuer and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success;
- (iii) the Issuer takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than the Issuer Secured Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments;

(iv) an order is made or an effective resolution is passed for the winding-up, liquidation, administration or dissolution in any form of the Issuer (except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders) or any of the events under article 2484 of the Italian civil code occurs with respect to the Issuer.

(e) *Unlawfulness:*

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

then the Representative of the Noteholders in any case acting in accordance with these Conditions and the Rules of the Organisation of the Noteholders:

- (i) shall, in the case of the Trigger Event set out under point (a) above;
- (ii) shall if so requested in writing by an Extraordinary Resolution of the holders of the Class A Notes, in the case of the Trigger Events set out under points (b) and (c) above;
- (iii) may at its sole and absolute discretion but shall if so requested in writing by an Extraordinary Resolution of the holders of the Class A Notes in case of any other Trigger Event,

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

Following the delivery of a Trigger Notice, without any further action or formality, on the immediately following Payment Date, and on each Payment Date thereafter, all payments of principal, interest and other amounts due with respect to the Notes and to the Other Issuer Creditors shall be made in accordance with the Acceleration Order of Priority.

## **Cross Collateral Events**

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

(a) *Class A Disequilibrium Event*

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

(b) *Default Ratio*

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

(c) *Liquidity Agreement*

On any Payment Date the aggregate of the Single Portfolio Negative Balances with respect to such Payment Date is equal to or exceeds the Available Commitment Amount (including any amount that will be reimbursed to the Liquidity Provider on such Payment Date) to the Issuer on such Payment Date under the terms of the Liquidity Agreement;

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

## **Class A Disequilibrium Event**

A Class A Disequilibrium Event shall occur with respect to a Portfolio if on any Payment Date the Single Portfolio Available Funds relating to such Portfolio are not sufficient to reduce to zero the relevant Single Portfolio Class A Notes Principal Amount Outstanding while the Single Portfolio Available Funds relating to all or some of the other Portfolios are sufficient to reduce to zero the relevant Single Portfolio Class A Notes Principal Amount Outstanding.

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

**"Principal Amortisation Reserve Amount"** means with

respect to a Payment Date on which a Class A Disequilibrium Event has occurred and to each Portfolio, the difference, if positive, between:

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

**Detrimental Event**

A Detrimental Event shall occur with respect to a Payment Date when the Advances to be made available to the Issuer under the Liquidity Agreement with respect to the Portfolios on such Payment Date together with all Advances drawn thereunder on previous Payment Dates and not yet fully reimbursed to the Liquidity Providers is an amount equal to or higher than 20% of the Maximum Commitment Amount or the Subsequent Maximum Commitment Amount (as applicable) of all the Liquidity Providers.

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

**Single Portfolio  
Detrimental Event**

A Single Portfolio Detrimental Event shall occur with respect to a Payment Date (other than a Payment Date on which the Class A Notes are redeemed in full) and to a Portfolio, when the Advance to be made available to the Issuer under the Liquidity Agreement on such Payment Date by a Liquidity Provider in relation to its Relevant Portfolio together with any Advance made available by such Liquidity Provider on previous Payment Dates and not yet fully reimbursed, is an amount equal to or higher than 50% of the Single Provider Maximum Commitment Amount or the Subsequent Single Provider Maximum Commitment Amount (as applicable) with respect to such Liquidity Provider. Upon the occurrence of a Single Portfolio Detrimental Event with respect to one or more Portfolios, and on each following Payment Date on which such event is continuing, the Issuer shall be obliged to credit the Single Portfolio Reserve Amount with respect to each Portfolio having enough funds available for such purpose into the relevant Single Portfolio Reserve Account.

**Liquidity Agreement**

Pursuant to the Liquidity Agreement, each Originator as Liquidity Provider will provide support with respect to the Relevant Portfolio in the event of a shortfall of the relevant Single Portfolio Available Funds (calculated before an advance is drawn) available on any Payment Date for payment of all amounts due to be paid by the Issuer on such Payment Date out of such Single Portfolio Available

Funds as follows:

- (a) any Advance drawn under the Liquidity Agreement will be included in the Single Portfolio Available Funds in respect of the payments under items *First*, *Second* and *Fourth* to *Ninth* of the Pre-Acceleration Order of Priority;
- (b) in addition, in respect of the payments under item *Tenth* of the Pre-Acceleration Order of Priority could be utilised the difference (if positive) between the Advances available after making the payments under letter (a) above, and an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes of the Relevant Portfolio as at the day following the immediately preceding Payment Date. Provided that the Advances could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date or on the Final Maturity Date.

In addition, each Liquidity Provider might be called to provide support in respect of any of the other Portfolios: (i) in the event of a shortfall of the relevant Single Portfolio Available Funds which exceeds the outstanding maximum commitment amount of the Liquidity Provider; or (ii) in the event that such Liquidity Provider defaults under its obligations to give support to the Issuer.

In the event that any of the Cross Collateral Order of Priority or the Acceleration Order of Priority becomes applicable, the Liquidity Providers will provide support with respect to the aggregate of all the Portfolios in case of a shortfall of the Issuer Available Funds (calculated before any advance is drawn) available on any Payment Date for payment of all amounts due to be paid by the Issuer on such Payment Date out of the Issuer Available Funds as follows:

- (a) any advance drawn under the Liquidity Agreement will be included in the Issuer Available Funds in respect of payments under items *First*, *Second* and *Fourth* to *Ninth* of the Cross Collateral Order of Priority and under items *First*, *Second* and *Fourth* to *Ninth* of the Acceleration Order of Priority;
- (b) in addition in respect of the payments under item *Tenth* of the Cross Collateral Order of Priority or under item *Tenth* of the Acceleration Order of Priority (as applicable), could be utilised the difference (if positive) between the Advances available after making the payments under letter (a) above, and an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes as at the

day following the immediately preceding Payment Date. Provided that the Advances could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date or on the Final Maturity Date.

In particular, on each Payment Date, Advances may be drawn from each Liquidity Provider in a maximum amount (the "**Single Provider Available Amount**"), as specified in the Liquidity Agreement, not higher than the difference between (i) the relevant Single Provider Maximum Commitment Amount (or the relevant Subsequent Single Provider Maximum Commitment Amount) and (ii) Advances drawn from such Liquidity Provider and not reimbursed up to such Payment Date (included). For the sake of clarity the Single Provider Available Amount shall be calculated on each Calculation Date (in accordance with the Liquidity Agreement) taking into account amounts that will be reimbursed to each relevant Liquidity Provider on the immediately following Payment Date.

#### **Final Redemption**

To the extent not otherwise redeemed, the Class A Notes will be redeemed at their Principal Amount Outstanding on the Payment Date falling on November 2050 and the Class B Notes will be redeemed at their Principal Amount Outstanding on the Payment Date falling on November 2050 (the "**Final Maturity Date**").

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

#### **Mandatory Redemption**

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

- (A) on the Payment Date falling on February 2013 and on each Payment Date falling thereafter, in a maximum amount equal to their Class A Notes Principal Payment Amount with respect to such Payment Date;
- (B) on any Payment Date: (i) following the delivery of a Trigger Notice pursuant to Condition 9.1; (ii) in the case of Redemption for Taxation pursuant to Condition 6.2; or (iii) in the case of the Issuer exercising the Optional Redemption pursuant to Condition 6.4, at their Principal Amount Outstanding,

if, on each Calculation Date preceding such Payment Date, it is determined that there will be sufficient Single Portfolio Available Funds or Issuer Available Funds which may be

applied for this purpose in accordance with the Pre-Acceleration Order of Priority, the Cross Collateral Order of Priority or the Acceleration Order of Priority as applicable.

### **Optional Redemption**

The Issuer may redeem the Notes in whole but not in part (or the Class A Notes only, if all the Class B Noteholders consent) at their Principal Amount Outstanding, together with interest accrued and unpaid up to the date fixed for redemption, on any Payment Date starting from the Payment Date on February 2013 (included), if at the preceding Calculation Date the aggregate principal outstanding amount of the Portfolios is equal to or less than 20% of the lesser of (i) the aggregate principal outstanding amount of the Portfolios as of the Effective Date and (ii) the Purchase Price (such relevant Payment Date the "**Clean Up Option Date**").

Such optional redemption shall be effected by the Issuer giving not more than forty-five (45) nor less than fifteen (15) days' prior written notice to the Representative of the Noteholders, to the Class A Noteholders and to the Swap Counterparty in accordance with Condition 13 (*Notices*) and provided that the Issuer, prior to giving such notice to the Representative of the Noteholders, has produced evidence reasonably acceptable to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other Person, to discharge all its outstanding liabilities in respect of the Notes (or the Class A Notes only, if all the Class B Noteholders consent) and any amounts required under the Intercreditor Agreement and the Conditions to be paid in priority to or *pari passu* with the relevant Notes to be redeemed and any other payments due to the Swap Counterparty pursuant to the Swap Agreement (including, as the case maybe, any termination payments due to the Swap Counterparty under item (*Twelfth*) of the Acceleration Order of Priority.

### **Redemption for Taxation**

If the Issuer has provided the Representative of the Noteholders with: (i) a legal opinion in form and substance satisfactory to the Representative of the Noteholders from a firm of lawyers (approved in writing by the Representative of the Noteholders); and (ii) a certificate from the legal representative of the Issuer, to the effect that the Issuer:

- (A) would be required on the next Payment Date to deduct or withhold (other than in respect of a Law 239 Deduction) from any payment of principal or interest on the Class A Notes, any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political or administrative sub-division thereof or any

authority thereof or therein (or that amounts payable to the Issuer in respect of the Portfolios and/or the Swap Agreement would be subject to withholding or deduction); or

- (B) has become liable to *imposta sul reddito delle società (IRES)* or to *imposta regionale sulle attività produttive (IRAP)* with respect to income arising from any of the Portfolios or the Swap Agreement;

and in each case will have the necessary funds (not subject to the interests of any other person) to discharge all of its outstanding liabilities with respect to the Notes (or with the consent of the Class B Noteholders the Class A Notes only) and any amounts required under the Intercreditor Agreement to be paid in priority to, or *pari passu* with, each Notes (together with any additional taxes payable by the Issuer by reason of such early redemption of the Notes),

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

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

### **Sale of the Portfolios**

In the following circumstances:

- (i) in case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*),
- (ii) in case of Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*),
- (iii) after a Trigger Notice has been served on the Issuer (with a copy to the Servicer) pursuant to Condition 9 (*Trigger Events*) if an Extraordinary Resolution of the holders of the Class A Notes resolve to request the Issuer to sell all (or part only) the Portfolios to one or



more third parties,

the Issuer will be authorised to search for potential purchasers of all (or part only) of the Portfolios.

In addition, following the delivery of a Trigger Notice, the Representative of the Noteholders shall be entitled to sell the Portfolios acting in accordance with the provisions of the Intercreditor Agreement. In any case neither the Issuer nor the Representative of the Noteholders will be allowed to sell the Portfolio in case a bankruptcy or similar proceeding has been commenced against the Issuer or in any other case such a sale would be prohibited under Italian law. Should such a sale of the Portfolios take place, the proceeds of such sale shall be treated by the Issuer as the Issuer Available Funds and as from the immediately subsequent Payment Date shall be applied to payments due to be made by the Issuer according to the Acceleration Order of Priority.

No authorisation to the sale of the Portfolios shall be necessary in case of exercise of the option by the Originators pursuant to article 10 of the Intercreditor Agreement.

## **The Portfolios**

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

***Portfolio No. 1***, the portfolio of Claims which are sold to the Issuer by BCC San Giorgio e Valle Agno;

***Portfolio No. 2***, the portfolio of Claims which are sold to the Issuer by Banca Romagna Cooperativa;

***Portfolio No. 3***, the portfolio of Claims which are sold to the Issuer by BCC di Romano e Santa Caterina;

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

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

***Portfolio No. 6***, the portfolio of Claims which are sold to the Issuer by BCC di Ostra e Morro d'Alba;

***Portfolio No. 7***, the portfolio of Claims which are sold to the Issuer by BCC Santo Stefano Martellago;

***Portfolio No. 8***, the portfolio of Claims which are sold to

the Issuer by BCC Mediocрати;

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

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

**Portfolio No. 11**, the portfolio of Claims which are sold to the Issuer by BCC del Centroveneto;

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

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

**Portfolio No. 14**, the portfolio of Claims which are sold to the Issuer by BCC di Marcon-Venezia;

**Portfolio No. 15**, the portfolio of Claims which are sold to the Issuer by BCC di Gatteo;

**Portfolio No. 16**, the portfolio of Claims which are sold to the Issuer by BCC di Sesto San Giovanni;

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

**Portfolio No. 18**, the portfolio of Claims which are sold to the Issuer by BCC di Piove di Sacco (collectively the "**Portfolios**").

The claims comprised in the Portfolios are claims arising under loan agreements which on 15 April 2011 (the "**Valuation Date**") were all performing claims (the "**Claims**", which term, for the purposes of this Prospectus will be deemed to include any Claim which, after the Valuation Date, has become or will become non performing, and herein a "**Defaulted Claim**"). See further "*Description of the Transfer Agreements*" and "*Description of the Warranty and Indemnity Agreement*".

### **Segregation of the Issuer's Rights**

The Notes have the benefit of the provisions of article 3 of Law 130, pursuant to which the Issuer's Rights are segregated by operation of law from the Issuer's other assets. Both before and after a winding-up of the Issuer, amounts deriving from the Issuer's Rights (for so long as such amounts are credited to one of the Issuer's accounts under this Transaction and not commingled with other sums) will be available exclusively for the purpose of satisfying the Issuer's obligations to the Noteholders, the Other Issuer Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the

Issuer in relation to the securitisation of the Portfolios and to the corporate existence and good standing of the Issuer.

The Issuer's Rights may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, the Other Issuer Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the Transaction and to the corporate existence and good standing of the Issuer, until full redemption or cancellation of the Notes and full discharge by the Issuer of its obligations *vis-à-vis* the Other Issuer Creditors and any such third party.

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

### **Ratings**

The Class A Notes are expected, on issue, to be rated Aaa (sf) by Moody's and AAA (sf) by DBRS. No rating will be assigned to the Class B Notes.

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

### **Taxation**

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

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

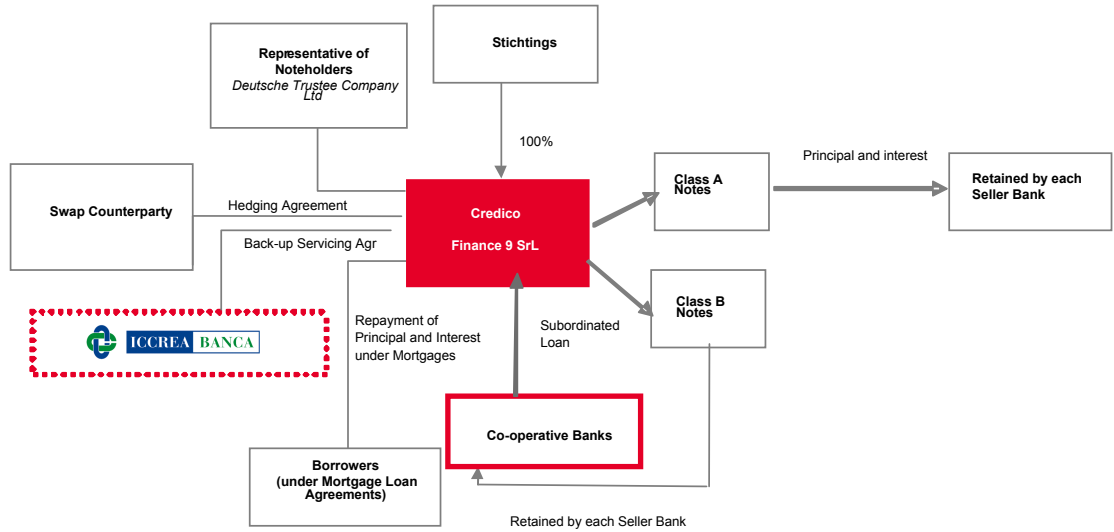
### **Listing**

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

**Governing Law**

The Notes and all of the Transaction Documents other than the Deed of Charge and the Swap Agreement will be governed by Italian law. The Deed of Charge and the Swap Agreement will be governed by English law.

## TRANSACTION DIAGRAM



## THE PORTFOLIOS

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

### SELECTION CRITERIA OF THE CLAIMS

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

#### The General Criteria are as follows:

- (a) Mortgage Loans denominated in Euro;
- (b) Mortgage Loans classified by the Originators as *in bonis* pursuant to the relevant supervisory provisions (*normativa di vigilanza*) enacted by the Bank of Italy;
- (c) Mortgage Loans with reference to which at least an Instalment has been paid;
- (d) Mortgage Loans guaranteed by a Mortgage in favour of the relevant Originator which is (i) a first legal mortgage priority, or (ii) a first economic mortgage priority, meaning: (a) mortgages having a priority subsequent to first legal priority in case all obligations guaranteed by mortgage/mortgages with prevailing priority, had been fully satisfied as at the Valuation Date; (b) mortgages having a priority subsequent to first legal priority in case all mortgages with prevailing priority (save for the further mortgages with prevailing priority whose guaranteed obligations have been fully satisfied as at the Valuation Date) are registered in favour of the same Originator as a security for claims that satisfy all the other Criteria and all other Specific Criteria related to the relevant Originator;
- (e) Mortgage Loans with reference to which the pre-amortisation period (if any) has elapsed;
- (f) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date not later than 31 December 2039;
- (g) Mortgage Loans not deriving from Mortgage Loan Agreements pursuant to any Italian law provisions allowing any contributions, profits or facilities of whatever kind (the so-called "mutui agevolati" and "mutui convenzionali");
- (h) Mortgage Loans not deriving from Mortgage Loan Agreements granted to persons being employees of the relevant Originator;
- (i) Mortgage Loans not deriving from Mortgage Loan Agreements qualified as "agricultural credit" pursuant to article 43 of the Consolidated Banking Act, neither in case the agricultural credit transaction has been executed through an agricultural bill;
- (j) Mortgage Loans deriving from Mortgage Loan Agreements (1) which in relation to all the Instalments which are due and payable, save for the last Instalment, do not hold due and unpaid Instalments as at the Valuation Date; (2) with reference to which the last Instalment due and payable before the Valuation Date has been paid within 15 days

following the relevant due date; (3) which, as at the Effective Date, do not hold due and unpaid Instalments for a period longer than 15 days;

- (k) Mortgage Loans fully disbursed for which there is no obligation, neither it is possible, to disburse any further amount;
- (l) Mortgage Loans whose relevant Borrowers are individuals resident or domiciled in Italy (including Mortgage Loans disbursed to sole traders (*ditte individuali*));

*excluding:*

- (i) Mortgage Loans which, even if *in bonis*, have been classified at any time as defaulted loans (*crediti in sofferenza*) pursuant to the relevant supervisory provisions enacted by the Bank of Italy (*normativa di vigilanza*), applicable from time to time;
- (ii) Mortgage Loans with reference to which, as at the Effective Date (included), the relevant Borrower has been allowed to renegotiate, pursuant to law decree no. 93/2008 as amended by Law 126/2008 and by the agreement entered into on 19 June 2008 between ABI and *Ministero dell'Economia e delle Finanze*;
- (iii) Mortgage Loans with reference to which, as at the Effective Date (included), the relevant Borrower has sent to its respective Originator a notice requesting the suspension of payment of the Instalments (and the suspension is still effective as at the Effective Date) in accordance with the Families Plan;

**The Specific Criteria are as follows:**

**1) BCC SESTO SAN GIOVANNI**

- a) residential Mortgage Loans disbursed for the purpose of purchasing Real Estate Assets and its pertinences, and secured by Mortgages over the Real Estate Assets which have been purchased;
- b) Mortgage Loans with a variable interest rate;
- c) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a "French" reimbursement plan, *id est* a progressive reimbursement method according to which each Instalment has an initial fixed amount divided into a quota capital constantly increasing and direct to reimburse the loan and an interest quota;
- d) Mortgage Loans whose residual amount outstanding, as at 31 December 2010 is higher than or equal to Euro 96,456.78 (ninety six thousand and four hundred fifty-six/78) and lower than or equal to 304,261.05 (three hundred and four thousand two hundred sixty-one/05 );

*excluding:*

- (i) Mortgage Loans in name of persons who perform the following roles for the Originator: chief executive (*direttore generale*), member of the board of directors, member of the board of statutory auditors of the Originator;

- (ii) Mortgage Loans allocated through the branch located in Cinisello Balsamo (MI) that BCC Sesto San Giovanni has acquired from Credito Cooperativo Interprovinciale Lombardo s.c. being under special administration (*amministrazione straordinaria*) (ABI number 08214) (currently “Banca di Credito Cooperativo di Cernusco sul Naviglio società cooperativa”, ABI number 08214) through the contribution of a going concern executed on 17 November 2005, rep. (*repertorio*) 20674, racc. (*raccolta*) 7650 – Notary Giuseppe Rescio, enrolled on the roll of the Notarial Guild of the District of Milan (*Ruolo del Distretto Notarile di Milano*), and published on the Official Gazette of the Republic of Italy No. 284 of 06/12/2005.

## 2) **BCC EMILBANCA**

- a) Mortgage Loans whose residual amount outstanding is, as at 4 August 2010, higher than Euro 30,000 (thirty-thousand/00);

*excluding:*

- (i) Mortgage Loans with a fixed interest rate;
- (ii) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the option of the relevant Borrower to modify, on dates preemptively agreed in the relevant Mortgage Loan Agreements, within the expiry date of such Mortgage Loan Agreements, the interest rate from a floating rate to a fixed rate and *vice versa*;
- (iii) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the reimbursement through the payment of a final maxi-Instalment;

## 3) **BCC SAN GIORGIO E VALLE AGNO**

- a) Mortgage Loans whose residual amount outstanding is, as at 31 October 2010, lower than Euro 400,000 (four hundred thousand/00);
- b) Mortgage Loans granted to individuals that, in compliance with classification criteria set forth by the circular letter of the Bank of Italy no. 140 of 11 February 1991 (as subsequently amended), fall within the economic SAE activity sector No. 600 ("famiglie consumatrici");
- c) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a final repayment later than 1 January 2013;
- d) Mortgage Loans disbursed for the purchasing, building or rebuilding of the main home (*abitazione principale*) or residence (*dimora principale*), as indicated in the relevant Mortgage Loan Agreement;

## 4) **BCC SALA DI CESENATICO**

- a) Mortgage Loans whose residual amount outstanding is, as at 31 December 2010, higher than Euro 20,000 (twenty thousand/00) and lower than Euro 350,000 (three hundred fifty thousand/00);
- b) Mortgage Loans granted to individuals that, in compliance with classification criteria set forth by the circular letter of the Bank of Italy no. 140 of 11 February 1991 (as subsequently



amended), fall within the economic SAE activity sector No. 600 ("famiglie consumatrici"); 614 ("artigiani") or 615 ("altre famiglie produttrici");

- c) Mortgage Loans with a variable interest rate;

**5) BCC ROMANO SANTA CATERINA**

- a) Mortgage Loans whose residual amount outstanding is, as at 7 October 2010, lower than or equal to Euro 250,000 (two hundred fifty thousand/00);
- b) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a "French" reimbursement plan, *id est* a progressive reimbursement method according to which each Instalment has an initial fixed amount divided into a quota capital constantly increasing and direct to reimburse the loan and an interest quota;

*excluding:*

- (i) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a final reimbursement as at 1 October 2012 or before such date;
- (ii) Mortgage Loans with constant instalments and variable duration;
- (iii) Mortgage Loans that, even if *in bonis*, have been classified as watch list ("incagli") according with the relevant supervisory provisions (*normativa di vigilanza*) issued by Bank of Italy, applicable from time to time;
- (iv) Mortgage Loans granted to the shareholders (*soci*) of the relevant Originator;
- (v) Mortgage Loans the Instalments of which have to be paid through the RID system (*sistema RID*);
- (vi) Mortgage Loans granted by a pool of banks/credit institutions, including the relevant Originator.

**6) BANCA ROMAGNA COOPERATIVA**

- a) Mortgage Loans whose residual amount outstanding is, as at 25 August 2010, lower than Euro 450,000 (four hundred fifty thousand/00);
- b) Mortgage Loans whose residual amount outstanding is, as at 15 April 2010, higher than Euro 10,000 (ten thousand/00);

*excluding*

- a) Mortgage Loans allocated through the branch 05 (whose registered office is in Piazza Matteotti No. 3, 47018 Santa Sofia (FC)) and the branch 06 (whose registered office is in Piazza Palareti 16, 47010 Galeata (FC), of the Originator.

**7) BCC ROANA**

- a) Mortgage Loans whose residual amount outstanding is, as at 15 April 2010, higher than Euro 20,000 (twenty thousand/00) and lower than Euro 210,000 (two hundred and ten thousand/00);

**8) BCC PONTASSIEVE**

- a) Mortgage Loans whose residual amount outstanding is, as at 28 February 2011, higher than Euro 50,000 (fifty thousand/00) and lower than Euro 225,000 (two hundred twenty-five thousand/00);
- b) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a final repayment later than 1 February 2015 (excluded);
- c) Mortgage Loans with a floating interest rate parameterized to Euribor;
- d) Mortgage Loans granted to individuals that, in compliance with classification criteria set forth by the circular letter of the Bank of Italy no. 140 of 11 February 1991 (as subsequently amended), fall within the economic SAE activity sector No. 600 ("famiglie consumatrici");

*excluding:*

- (i) Mortgage Loans in relation to which, as at the Effective Date, the Originator and the relevant Borrower have entered into an agreement concerning the temporary suspension of payment of the Instalments (fully or limited to the principal quota), and the suspension is still in force and effect);
- (ii) Mortgage Loans which, even if *in bonis*, have been classified as watch list ("incagli") according with the relevant supervisory provisions (*normativa di vigilanza*) issued by Bank of Italy and applicable from time to time;

**9) BCC PIOVE DI SACCO**

- a) Mortgage Loans (i) with a floating rate, and in relation to which the relevant Mortgage Loan Agreement does not provide the possibility to extend the amortisation plan, and whose spread is higher than, or equal to, 0.8% (zero point eight per cent); or (ii) Mortgage Loans with a fixed interest rate, in relation to which the relevant Mortgage Loan Agreement does not provide the possibility to extend the amortisation plan;
- b) Mortgage Loans granted to individuals that, in compliance with classification criteria set forth by the circular letter of the Bank of Italy no. 140 of 11 February 1991 (as subsequently amended), fall within the economic SAE activity sector No. 600 ("famiglie consumatrici"), 614 ("artigiani") or 615 ("altre famiglie produttrici");
- c) Mortgage Loans whose residual amount outstanding is, as at 31 March 2011, lower than Euro 300,000 (three hundred thousand/00);

*excluding:*

- (i) Mortgage Loans deriving from Mortgage Loan Agreements in relation to which the relevant Borrower, as at 15 April 2011, is benefiting from the suspension of payment of the principal quota of the Instalments (both required by law or agreed between the relevant parties);

**10) BCC OSTRALBA**

- a) Mortgage Loans whose residual amount outstanding is, as at 30 September 2010, higher than Euro 30,000 (thirty thousand/00) and lower than or equal to Euro 170,000 (one hundred and seventy thousand/00);

**11) BCC MONTEPULCIANO**

- a) Mortgage Loans granted to individuals that, in compliance with classification criteria set forth by the circular letter of the Bank of Italy no. 140 of 11 February 1991 (as subsequently amended), fall within the economic SAE activity sector No. 600 ("famiglie consumatrici"), 614 ("artigiani") or 615 ("altre famiglie produttrici"); ;
- b) Mortgage Loans with a floating rate;
- c) Mortgage Loans whose residual amount outstanding is, as at 30 September 2010, higher than Euro 10,000 (ten thousand/00) and lower than or equal to Euro 170,000 (one hundred and seventy thousand/00);

**12) BCC MARCON**

- a) Mortgage Loans whose residual amount outstanding is, as at 25 November 2010, following the payment of the Instalments whose expiry date is 31 October 2010, higher than Euro 50,000 (fifty thousand/00) and lower than Euro 250,000 (two hundred and fifty thousand/00);
- b) Mortgage Loans (i) with a floating interest rate parameterized to 3 month Euribor; or (ii) with a fixed interest rate deriving from contracts which do not provide for the change (intentionally or mandatory) from a fixed interest rate to a floating interest rate;
- c) Mortgage Loans deriving from Mortgage Loan Agreements which provide for monthly Instalments;
- d) residential Mortgage Loans secured by Real Estate Assets, in relation to which the evaluation of the relevant Real Estate Asset has been carried out by an expert (*perito qualificato*) external to the Originator, which must be an expert duly enrolled in the relevant register of architects (*albo degli architetti*), register of building surveyors (*albo dei geometri*), register of engineers (*albo degli ingegneri*), or the register of experts of the Chamber of Commerce (*albo dei periti ed esperti della Camera di Commercio*), which must not be, when the relevant evaluation is carried out, an employee of the Originators;
- e) Mortgage Loans deriving from Mortgage Loan Agreements entered into not later than 30 September 2010 (included);

*excluding:*

- (i) Mortgage Loans in relation to which (a) the relevant Borrower has notified the Originator of its intention to exercise the right of subrogation according to article 120-*quater* of the Italian Banking Act, or (b) the subrogating bank has sent a notice to the Originator requesting, as a result of the intention of the Borrower to exercise the right of subrogation according to article 120-*quater* of the Italian Banking Act, the final calculation statement (*conteggi estintivi*);
- (ii) Mortgage Loans identified by the following identification number, as indicated in the relevant Mortgage Loan Agreement: No. 1004641 and No. 1003626;
- (iii) Mortgage Loans object of an evaluation (*perizia interna*) signed by the relevant Borrower;

**13) BCC CANTU'**

- a) Mortgage Loans whose residual amount outstanding is, as at 30 November 2010, higher than Euro 75,000 (seventy-five thousand/00) and lower than Euro 500,000 (five hundred thousand/00);
- b) Mortgage Loans deriving from Mortgage Loan Agreements entered into not later than 30 September 2010 (included);
- c) Mortgage Loans deriving from Mortgage Loan Agreements which provide for monthly Instalments;
- d) Mortgage Loans whose spread is higher than, or equal to, 0.75 % (zero point seventy-five per cent) and lower than or equal to 2.25 % (two point twenty-five per cent);
- e) Mortgage Loans granted to individuals that, in compliance with classification criteria set forth by the circular letter of the Bank of Italy no. 140 of 11 February 1991 (as subsequently amended), fall within the economic SAE activity sector No. 600 ("famiglie consumatrici");
- f) Mortgage Loans deriving from Mortgage Loan Agreements which, as at 30 November 2010, held no due and unpaid Instalments;

**14) BCC GATTEO**

- a) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a "French" reimbursement plan, id est a progressive reimbursement method according to which each Instalment has an initial fixed amount divided into a quota capital constantly increasing and direct to reimburse the loan and an interest quota;

*excluding:*

- (i) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the reimbursement through the payment of a final maxi-Instalment;
- (ii) Mortgage Loans the Instalments of which have to be paid through the RID system (*sistema RID*);
- (iii) Mortgage Loans with constant Instalments and variable duration;
- (iv) Mortgage Loans that, even if *in bonis*, have been classified as watch list ("incagli") according to the relevant supervisory provisions (*normativa di vigilanza*) issued by Bank of Italy, applicable from time to time;
- (v) Mortgage Loans granted by a pool of banks/credit institutions, including the relevant Originator;
- (vi) Mortgage Loans with late payments as at 9 June 2011 (date of segregation);

**15) BCC CENTROVENETO**

- a) Mortgage Loans whose residual amount outstanding is, as at 31 October 2010, higher than or equal to Euro 20,000 (twenty thousand/00) and lower than or equal to Euro 400,000 (four hundred thousand/00);
- b) Mortgage Loans with a floating rate deriving from Mortgage Loan Agreements which do not provide for the change (intentionally or mandatory) of the applicable interest rate from a floating rate to fixed rate, for the residual life of the contract;

- c) Mortgage Loans granted to individuals that, in compliance with classification criteria set forth by the circular letter of the Bank of Italy no. 140 of 11 February 1991 (as subsequently amended), fall within the economic SAE activity sector No. 600 ("famiglie consumatrici");

*excluding:*

- (i) Mortgage Loans with reference to which a cap to the applicable interest rate applies (save for the limitations provided by law);
- (ii) Mortgage Loans deriving from Mortgage Loan Agreements in relation to which the relevant Borrower, as at 15 April 2011, is benefiting from the suspension of the payment of the principal quota of the Instalments (both required by law or agreed between the relevant parties);

**16) BCC ALBA**

- a) Mortgage Loans whose residual amount outstanding is, as at 31 October 2010, lower than Euro 700,000 (seven hundred thousand/00);
- b) Mortgage Loans with an interest rate parameterized exclusively to (i) 3 month Euribor calculated on a 360 days basis (monthly reviewed), or (ii) 6 month Euribor calculated on a 360 days basis (monthly reviewed);
- c) Mortgage Loans in relation to which the payments of the Instalments are made by direct and irrevocable instruction to debit on an account held with the relevant Originator.
- d) Mortgage Loans deriving from Mortgage Loan Agreements which provide for an initial interest rate to be paid in the initial stage of the reimbursement with respect to the period contractually agreed, and once such period elapses, an interest rate "*a regime*", equal to 3 month or 6 month Euribor plus a spread equal to or higher than 0.50 % (zero point fifty per cent);

**17) BCC SANTO STEFANO MARTELLAGO**

- a) Mortgage Loans whose residual amount outstanding is, as at 1 February 2011, higher than Euro 50,000 (fifty- thousand/00) and lower than Euro 350,000 (three hundred and fifty thousand/00);
- b) Mortgage Loans whose spread is higher than, or equal to, 1 % (one per cent) and lower than or equal to 3% (three per cent);
- c) Mortgage Loans which have been disbursed between 27 November 2000 (included) and 18 June 2010 (included);
- d) Mortgage Loans identified by the following identification number, as indicated in the relevant annual communications sent to the Borrower regarding their Mortgage Loan situation, comprised between 8001873 (included) and 8015415 (included);
- e) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a "French" reimbursement plan, id est a progressive reimbursement method according to which each Instalment has an initial fixed amount divided into a quota capital constantly increasing and direct to reimburse the loan and an interest quota;
- f) Mortgage Loans granted to individuals that, in compliance with classification criteria set forth by the circular letter of the Bank of Italy no. 140 of 11 February 1991 (as subsequently amended), fall within the economic SAE activity sector No. 600 ("famiglie consumatrici");

*excluding:*

- (i) Mortgage Loans granted to the shareholders (*soci*) of the relevant Originator;
- (ii) Mortgage Loans with a fixed rate;
- (iii) Mortgage Loans which provide a floor for the applicable interest rate;
- (iv) Mortgage Loans granted by a pool of banks/credit institutions, including the relevant Originator;
- (v) Mortgage Loans the Instalments of which have to be paid through the RID system (*sistema RID*).

**18) BCC MEDIOCRATI**

- a) Mortgage Loans granted to individuals that, in compliance with classification criteria set forth by the circular letter of the Bank of Italy no. 140 of 11 February 1991 (as subsequently amended), fall within the economic SAE activity sector No. 600 ("famiglie consumatrici"), 614 ("artigiani") or 615 ("altre famiglie produttrici");
- b) Mortgage Loans with a floating rate;
- c) Mortgage Loans deriving from Mortgage Loan Agreements which provide for monthly or quarterly Instalments;
- d) Mortgage Loans whose residual amount outstanding is, as at 3 December 2010, higher than Euro 20,000 (twenty thousand/00) and lower than or equal to Euro 200,000 (two hundred thousand/00);
- e) Mortgage Loans deriving from Mortgage Loan Agreements which, as at 30 September 2010, held no due and unpaid Instalments;

*excluding:*

- (i) Mortgage Loans granted to the shareholders (*soci*) of the relevant Originator;
- (ii) Mortgage Loans which provide a floor for the applicable interest rate;
- (iii) Mortgage Loans guaranteed by *Confidi*.

The following tables describe the characteristics of the Portfolios as an aggregate of the single Portfolios compiled from information provided by the Originators in connection with the acquisition of the Claims by the Issuer on 30 June 2011. The information in the following tables reflects the position as at 10 June 2011. The characteristics of the Portfolios as at the Issue Date may vary from those set out in the tables as a result, *inter alia*, of repayment or repurchase of Mortgage Loans prior to the Issue Date.

## PORTFOLIO SUMMARY

Statistic	Value
No. of Mortgage Loans	6251
Current Balance of Portfolios (€)	637.218.620,28
Original Balance of Portfolios (€)	780.322.217,68
Average Current Loan Amounts (€)	101.938,67
Average Original Loan Amounts (€)	124.831,58
Maximum Current Loan Amounts (€)	772.894,32
Maximum Original Loan Amounts (€)	900.000,00
Weighted Average Seasoning (yrs)	3,03
Weighted Average Remaining Maturity (yrs)	16,98
Weighted Average Maturity (yrs)	20,02
Weighted Average Current Loan to Value	51,96%
Weighted Average Original Loan to Value	60,42%
WA spread (current floating)	1,21%
WA interest rate (current fixed)	4,48%
Top 1/10/20 Borrowers (%)	0.12/0.86/1.50

### Break-down by Seller

Originator	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
Alba	1314	21.02%	165.950.493,64	21.27%	147.977.564,87	23.22%
Cantù	662	10.59%	101.648.964,60	13.03%	86.306.305,32	13.54%
Centoveneto	566	9.05%	71.439.653,93	9.16%	55.201.504,47	8.66%
Emilbanca	447	7.15%	57.006.015,31	7.31%	41.501.583,09	6.51%
San Giorgio & Valle Agno	388	6.21%	46.306.643,35	5.93%	36.279.096,87	5.69%
Romagna Cooperativa	312	4.99%	41.641.872,34	5.32%	35.471.478,34	5.57%
Sesto San Giovanni	200	3.20%	35.654.078,83	4.57%	31.268.798,97	4.91%
Santo Stefano Martellago	270	4.32%	33.806.413,46	4.33%	29.269.516,27	4.59%
Plove di Sacco	283	4.53%	29.592.774,97	3.79%	23.748.793,39	3.73%
Sala di Cesenatico	267	4.27%	31.646.027,42	4.06%	22.549.960,00	3.54%
Gatteo	229	3.66%	26.099.970,53	3.34%	20.152.915,74	3.16%
Pontassieve	169	2.70%	23.624.306,59	3.03%	19.944.507,14	3.13%
Romano Santa Caterina	317	5.07%	30.815.359,12	3.95%	19.926.292,82	3.13%
Marcon Venezia	163	2.61%	21.388.336,83	2.74%	19.052.204,41	2.99%
Ostra & Morro d'Alba	211	3.38%	21.472.887,41	2.75%	17.575.742,72	2.76%
Roana	165	2.64%	17.411.916,93	2.23%	11.303.262,41	1.77%
Mediocredit	157	2.51%	12.741.706,80	1.63%	10.103.350,05	1.59%
Montepulciano	131	2.10%	12.174.795,62	1.56%	9.585.743,40	1.50%
<b>Grand Total</b>	<b>6251</b>	<b>100.00%</b>	<b>780.322.217,68</b>	<b>100.00%</b>	<b>637.218.620,28</b>	<b>100.00%</b>

### Break-down by interest rate type

Rate Type	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
floating	5762	92.18%	724.595.393,18	92.86%	589.615.636,98	92.53%
option-to-sw itch	203	3.25%	21.722.142,96	2.78%	17.876.804,35	2.81%
mixed	130	2.08%	18.285.707,77	2.34%	16.862.473,88	2.65%
fixed	106	1.70%	10.792.632,74	1.38%	8.640.652,79	1.40%
floating with cap	48	0.77%	4.617.341,03	0.59%	3.639.686,58	0.57%
floating-with-option-to-sw itch	2	0.03%	309.000,00	0.04%	283.365,90	0.04%
<b>Grand Total</b>	<b>6251</b>	<b>100.00%</b>	<b>780.322.217,68</b>	<b>100.00%</b>	<b>637.218.620,28</b>	<b>100.00%</b>

### Break-down by Index

Index of loan	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
6M Euribor	3831	61.29%	469.121.457,19	60.12%	384.350.779,89	60.32%
3M Euribor	1842	29.47%	241.161.177,22	30.91%	192.970.192,82	30.28%
Fixed	301	4.82%	35.931.090,75	4.60%	31.786.029,45	4.99%
other	120	1.92%	15.497.817,52	1.99%	13.191.380,55	2.07%
1M Euribor	115	1.84%	12.693.741,37	1.63%	9.741.339,32	1.53%
TUR (EON)	42	0.67%	5.916.933,63	0.76%	5.178.898,25	0.81%
<b>Grand Total</b>	<b>6251</b>	<b>100.00%</b>	<b>780.322.217,68</b>	<b>100.00%</b>	<b>637.218.620,28</b>	<b>100.00%</b>

### Break-down by spread for floating rate contracts

Current Margin	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-0.005	14	0.24%	2.782.035,88	0.37%	2.106.249,78	0.35%
0.005-0.01	1579	26.54%	203.114.394,58	27.29%	173.838.537,96	28.71%
0.01-0.015	2754	46.29%	353.090.462,11	47.43%	281.847.954,57	46.55%
0.015-0.02	1219	20.49%	144.047.248,22	19.35%	112.972.638,57	18.66%
0.02-0.025	311	5.23%	34.338.629,59	4.61%	29.036.452,33	4.80%
0.025-0.03	46	0.77%	4.660.963,19	0.63%	3.707.092,92	0.61%
0.03-0.035	20	0.34%	1.852.393,36	0.25%	1.471.759,87	0.24%
0.035-0.04	7	0.12%	505.000,00	0.07%	451.904,83	0.07%
<b>Grand Total</b>	<b>5950</b>	<b>100.00%</b>	<b>744.391.126,93</b>	<b>100.00%</b>	<b>605.432.590,83</b>	<b>100.00%</b>

### Break-down by current interest rate

Current Interest Rate Type	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
Floating	5950	95.18%	744,391,126.93	95.40%	605,432,590.83	95.01%
Fixed	301	4.82%	35,931,090.75	4.60%	31,786,029.45	4.99%
<b>Grand Total</b>	<b>6251</b>	<b>100.00%</b>	<b>780,322,217.68</b>	<b>100.00%</b>	<b>637,218,620.28</b>	<b>100.00%</b>

### Break-down by frequency of instalments

Frequency of Instalment	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
monthly	6070	97.10%	757,714,717.86	97.10%	621,308,945.59	97.50%
semi-annually	145	2.32%	16,570,327.43	2.12%	10,997,775.50	1.73%
quarterly	36	0.58%	6,037,172.39	0.77%	4,911,899.19	0.77%
<b>Grand Total</b>	<b>6251</b>	<b>100.00%</b>	<b>780,322,217.68</b>	<b>100.00%</b>	<b>637,218,620.28</b>	<b>100.00%</b>

### Break-down by origination date

Origination Date	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
1997	1	0.02%	103,291.38	0.01%	14,854.28	0.00%
1998	16	0.26%	1,526,130.15	0.20%	352,974.45	0.06%
1999	59	0.94%	5,526,088.78	0.71%	1,573,431.06	0.25%
2000	67	1.07%	6,079,214.06	0.78%	2,368,707.40	0.37%
2001	76	1.22%	7,849,206.48	1.01%	3,398,662.73	0.53%
2002	160	2.56%	17,298,442.62	2.22%	8,597,039.90	1.35%
2003	232	3.71%	25,601,016.97	3.28%	13,840,919.54	2.17%
2004	345	5.52%	39,599,924.91	5.07%	24,590,552.20	3.86%
2005	470	7.52%	53,824,497.40	6.90%	37,787,484.35	5.93%
2006	516	8.25%	65,244,641.39	8.36%	48,932,851.76	7.68%
2007	558	8.93%	75,952,152.70	9.73%	61,332,086.03	9.62%
2008	812	12.99%	107,714,909.01	13.80%	93,333,162.85	14.65%
2009	1770	28.32%	228,594,564.33	29.04%	202,935,491.39	31.85%
2010	1163	18.61%	146,777,621.94	18.81%	137,541,478.53	21.58%
2011	6	0.10%	630,515.56	0.08%	620,923.81	0.10%
<b>Grand Total</b>	<b>6251</b>	<b>100.00%</b>	<b>780,322,217.68</b>	<b>100.00%</b>	<b>637,218,620.28</b>	<b>100.00%</b>

### Break-down by remaining

Remaining	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-5	381	6.10%	34,391,127.11	4.41%	12,342,314.05	1.94%
5-10	1298	20.76%	131,063,646.45	16.80%	87,036,159.23	13.66%
10-15	1622	25.95%	190,975,278.64	24.47%	153,444,535.75	24.08%
15-20	1559	24.94%	207,789,323.75	26.63%	184,037,718.39	28.88%
20-25	1020	16.32%	153,997,299.09	19.74%	142,285,011.09	22.33%
>25	371	5.94%	62,105,542.64	7.96%	58,072,881.77	9.11%
<b>Grand Total</b>	<b>6251</b>	<b>100.00%</b>	<b>780,322,217.68</b>	<b>100.00%</b>	<b>637,218,620.28</b>	<b>100.00%</b>

### Break-down by seasoning

Seasoning	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-2	2354	37.66%	321,289,637.97	38.61%	277,520,653.75	43.55%
2-4	1737	27.79%	228,819,900.70	29.32%	196,207,849.61	30.79%
4-6	1023	16.37%	127,325,363.66	16.32%	95,915,178.80	15.05%
6-8	673	10.77%	75,417,728.74	9.66%	46,640,885.62	7.32%
8-10	295	4.72%	32,044,426.74	4.11%	15,725,393.15	2.47%
10-12	131	2.10%	11,762,822.19	1.51%	4,344,037.92	0.68%
>12	38	0.61%	3,682,337.68	0.47%	864,621.43	0.14%
<b>Grand Total</b>	<b>6251</b>	<b>100.00%</b>	<b>780,322,217.68</b>	<b>100.00%</b>	<b>637,218,620.28</b>	<b>100.00%</b>

### Break-down by original loan amount

Original Loan Amount	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-50000	269	4.30%	10,232,426.91	1.31%	7,498,580.53	1.18%
50000-100000	1982	31.71%	145,353,307.82	18.63%	111,130,070.35	17.44%
100000-150000	2210	35.35%	260,454,488.65	33.38%	214,504,821.23	33.66%
150000-200000	1020	16.32%	167,081,368.87	21.41%	141,170,349.41	22.15%
200000-250000	447	7.15%	94,399,584.35	12.10%	78,543,884.58	12.33%
250000-300000	148	2.37%	38,787,749.02	4.97%	33,199,882.86	5.21%
300000-350000	87	1.39%	26,721,732.33	3.42%	21,951,049.19	3.44%
350000-400000	37	0.59%	13,411,591.37	1.72%	10,699,341.23	1.68%
400000-450000	29	0.46%	11,758,988.36	1.51%	9,123,777.36	1.43%
450000-500000	12	0.19%	5,670,000.00	0.73%	4,559,631.69	0.72%
>500000	10	0.16%	6,451,000.00	0.83%	4,837,231.85	0.76%
<b>Grand Total</b>	<b>6251</b>	<b>100.00%</b>	<b>780,322,217.68</b>	<b>100.00%</b>	<b>637,218,620.28</b>	<b>100.00%</b>

### Break-down by current loan balance

Current Loan Balance	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-50000	1183	18.92%	78,041,083.92	10.00%	40,767,134.43	6.40%
50000-100000	2355	37.67%	227,626,277.98	29.17%	179,536,673.16	28.02%
100000-150000	1718	27.48%	243,937,006.84	31.26%	211,338,285.21	33.17%
150000-200000	623	9.97%	121,616,706.75	15.59%	107,780,358.73	16.91%
200000-250000	207	3.31%	51,107,329.88	6.55%	45,940,764.64	7.21%
250000-300000	91	1.46%	27,072,022.91	3.47%	24,766,893.91	3.89%
300000-350000	33	0.53%	12,014,468.50	1.54%	10,803,721.13	1.70%
350000-400000	26	0.42%	10,737,320.90	1.38%	9,680,679.22	1.52%
400000-450000	7	0.11%	3,230,000.00	0.41%	2,996,462.18	0.47%
450000-500000	2	0.03%	970,000.00	0.12%	931,639.87	0.15%
>500000	6	0.10%	3,970,000.00	0.51%	3,676,007.80	0.58%
<b>Grand Total</b>	<b>6251</b>	<b>100.00%</b>	<b>780,322,217.68</b>	<b>100.00%</b>	<b>637,218,620.28</b>	<b>100.00%</b>

### Break-down by original loan to value

Original Loan to value	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-0.1	23	0.37%	1,054,646.79	0.14%	809,900.95	0.13%
0.1-0.2	286	4.58%	22,058,182.52	2.83%	17,304,263.37	2.72%
0.2-0.3	515	8.24%	46,624,043.69	5.97%	37,603,341.95	5.90%
0.3-0.4	742	11.87%	74,979,465.01	9.61%	58,953,297.67	9.25%
0.4-0.5	815	13.04%	92,627,762.36	11.87%	73,815,427.10	11.58%
0.5-0.6	872	13.95%	112,226,912.61	14.38%	92,032,084.98	14.44%
0.6-0.7	890	14.24%	119,242,380.11	15.28%	98,313,789.86	15.43%
0.7-0.8	1406	22.49%	207,543,576.74	26.60%	172,548,492.18	27.08%
0.8-0.9	557	8.91%	81,620,463.71	10.46%	68,575,956.78	10.76%
0.9-1	120	1.92%	18,779,632.16	2.41%	15,004,365.94	2.35%
>1	25	0.40%	3,555,151.98	0.46%	2,257,689.50	0.35%
<b>Grand Total</b>	<b>6251</b>	<b>100.00%</b>	<b>780,322,217.68</b>	<b>100.00%</b>	<b>637,218,620.28</b>	<b>100.00%</b>

### Break-down by current loan to value



Current Loan to value	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-0.1	165	2.64%	13,806,973.75	1.77%	5,106,362.58	0.80%
0.1-0.2	654	10.46%	56,940,524.90	7.30%	34,147,417.62	5.36%
0.2-0.3	880	14.08%	90,450,099.74	11.59%	63,791,263.95	10.01%
0.3-0.4	947	15.15%	107,918,076.24	13.83%	82,892,961.24	13.01%
0.4-0.5	878	14.05%	112,373,961.49	14.40%	92,875,563.95	14.58%
0.5-0.6	890	14.24%	123,674,171.13	15.85%	100,591,572.77	16.73%
0.6-0.7	857	13.71%	124,134,223.25	15.91%	110,888,016.10	17.40%
0.7-0.8	808	12.93%	124,717,865.44	15.98%	116,463,037.26	18.28%
0.8-0.9	172	2.75%	26,306,321.74	3.37%	24,452,424.81	3.84%
<b>Grand Total</b>	<b>6251</b>	<b>100.00%</b>	<b>780,322,217.68</b>	<b>100.00%</b>	<b>637,218,620.28</b>	<b>100.00%</b>

### Break-down by SAE code

SAE Code	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
600	5969	95.49%	742,885,005.31	95.20%	605,629,315.59	95.04%
615	173	2.77%	25,139,286.63	3.22%	21,319,306.95	3.35%
614	109	1.74%	12,297,925.74	1.58%	10,269,997.74	1.61%
<b>Grand Total</b>	<b>6251</b>	<b>100.00%</b>	<b>780,322,217.68</b>	<b>100.00%</b>	<b>637,218,620.28</b>	<b>100.00%</b>

### Break-down by proprietary region

Property Region	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
VENETO	2134	34.14%	247,872,300.84	31.77%	192,545,761.99	30.22%
PIEMONTE	1099	17.58%	135,819,141.70	17.41%	120,538,473.72	18.92%
EMILIA ROMAGNA	1256	20.09%	156,600,717.89	20.07%	119,961,624.02	18.83%
LOMBARDIA	866	13.85%	137,948,602.64	17.68%	118,178,599.68	18.55%
TOSCANA	297	4.75%	35,432,059.95	4.54%	29,308,800.10	4.60%
LIGURIA	209	3.34%	29,103,622.72	3.73%	26,307,764.84	4.13%
MARCHE	207	3.31%	20,794,187.61	2.66%	17,078,226.11	2.68%
CALABRIA	156	2.50%	12,581,706.80	1.61%	9,948,471.06	1.56%
LAZIO	7	0.11%	1,269,869.81	0.16%	1,109,955.28	0.17%
TRENTINO ALTO ADIGE	5	0.08%	585,000.00	0.07%	500,249.91	0.08%
VALL' D'AOSTA	2	0.03%	450,000.00	0.06%	425,674.18	0.07%
SICILIA	3	0.05%	488,000.00	0.06%	405,177.00	0.06%
SARDEGNA	4	0.06%	615,000.00	0.08%	249,759.57	0.04%
CAMPANIA	2	0.03%	250,000.00	0.03%	209,401.21	0.03%
UMBRIA	1	0.02%	180,000.00	0.02%	162,370.40	0.03%
FRULLI VENEZIA GIULIA	2	0.03%	162,007.72	0.02%	148,692.08	0.02%
PUGLIA	1	0.02%	170,000.00	0.02%	139,619.13	0.02%
<b>Grand Total</b>	<b>6251</b>	<b>100.00%</b>	<b>780,322,217.68</b>	<b>100.00%</b>	<b>637,218,620.28</b>	<b>100.00%</b>

## THE ISSUER

### 1. INTRODUCTION

The Issuer was incorporated in the Republic of Italy as a special purpose vehicle pursuant to article 3 of Law 130, as a *società a responsabilità limitata* (limited liability company) on 12 December 2003 under the name of Francesca S.r.l.. On 24 March 2004, a quotaholders' meeting passed a resolution to change the name of the Issuer from Francesca S.r.l. in Credico Funding 2 S.r.l. On 1 December 2010 a further quotaholders' meeting passed a resolution to change the name from Credico Funding 2 S.r.l. in Credico Finance 9 S.r.l. (the “**Issuer**”). The Issuer is enrolled in the register of the special purpose vehicles held by Bank of Italy pursuant to the Bank of Italy’s regulation dated 29 April 2011 with No. 32898,9 and is registered with the Companies' Register of Rome under number 04155780960. Since the date of its incorporation, the Issuer has not engaged in any business not related with the purchase of the Portfolios, no dividends have been declared or paid.

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

The Issuer has no employees. The authorised and issued capital of the Issuer is Euro 10,000 fully paid up as of the date of this Prospectus. The quotaholders of the Issuer are Stichting Amis and Stichting Chatwin which hold a quota equal to Euro 5,000.00 (the “**Quotaholders**”). The duration of the Issuer is for unlimited time. The Quotaholders have limited liability. To the best of its knowledge, the Issuer is not aware of directly or indirectly ownership or control apart from its Quotaholders.

### 2. PRINCIPAL ACTIVITIES

The scope of the Issuer, as set out in article 2 of its by-laws (*Statuto*), is exclusively to purchase monetary claims in the context of securitisation transactions and to fund such purchase by issuing asset backed securities or by other forms of limited recourse financing, all pursuant to article 3 of Law 130. The issuance of the Notes was approved by means of a Quotaholder's meeting on 20 June 2011. So long as any of the Notes remains outstanding, the Issuer shall not, without the consent of the Representative of the Noteholders and as provided for in the relevant Conditions, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the Portfolios, issuing the Notes and entering into the Transaction Documents to which it is a party), pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any person or convey or transfer its property or assets to any person (otherwise than as contemplated in the Conditions) or increase its capital. The Issuer will covenant to observe, *inter alia*, those restrictions which are detailed in the Conditions.

### 3. PENDING RELATIONS OF THE ISSUER WITH RESPECT TO THE FIRST SECURITISATION

As of the date of this Offering Circular the Issuer under the Quotaholders' Agreement has represented that:

- (i) it has residual funds deriving from the First Securitisation, which are equal to Euro 61,831.08 credited on the account No. IT52J031040160000000035181 opened by the Issuer with Deutsche Bank S.p.A.;
- (ii) it has a claim of Euro 146,807.55 towards the Treasury (*Erario*) deriving from surpluses resulting from the tax income statement for which request of reimbursement was presented (deriving from withholdings relating to interests on amounts deposited on the accounts of the Issuer and/or its segregated assets in the context of the First Securitisation, which, following the entering into of a Deed of Termination, have become wholly due to the Issuer);
- (iii) it has a claim of Euro 8,110.17 towards the Treasury (*Erario*) deriving from surpluses resulting from the tax income statement to be used by way of offsetting, down payments of taxes, withholdings of interests on bank deposits of the Issuer and VAT credits in the context of the First Securitisation, which, following the entering into of a Deed of Termination, have become wholly due to the Issuer;
- (iv) it has a debt of Euro 208,215.51 towards ICCREA Banca as a result of certain services provided to it in the context of the First Securitisation
- (v) it has a debt of Euro 6,065.25 towards third parties as a result of certain services provided to it in the context of the First Securitisation.

as indicated in the accounting situation set out in schedule B of the Quotaholders Agreement.

For the purpose of the payment by the Issuer of the amount under item (v) above, the Issuer will use (for a corresponding amount) the funds referred to under item (i) above. For the purpose of the payment by the Issuer to ICCREA Banca of the remaining amount under item (iv) above, the Issuer is authorised (also through its representatives) to execute any act, document or agreement and perform any other activity which is necessary or useful in order to pay to ICCREA Banca the amount due under item (iv) in accordance with the terms and within the limits indicated here below.

In particular, the Issuer and its representatives are authorised to:

- a) maintain the account No. IT52J031040160000000035181 opened until the residual funds – as resulting from the schedule B of the Quotaholders Agreement – have been utilised for the payment of the sums owed to third parties pursuant to item (v) and towards ICCREA Banca pursuant to item (iv) above. The Issuer and ICCREA Banca undertake not to credit on such account other funds and maintain the funds standing on such account segregated from any collection and amount related to the Securitisation;
- b) transfer to ICCREA Banca, in accordance with the terms of article 43-bis of DPR 29 September 1973, No. 602, the claim that it has towards the Treasury (*Erario*) under item (ii) as payment of the amount under item (iv) above; (b) execute any act, document or agreement and perform any other activity which is necessary or useful for the purpose of such transfer.

With respect to the above, ICCREA Banca has irrevocably and unconditionally agreed

that (and the other Parties have acknowledge that) the payment of the amounts under item (iv) will be due and paid solely by applying the Issuer's funds under item (i) (excluding an amount equal to the share capital of the Issuer and the amounts used to make payments under item (v)) and through the transfer of the claim under item (ii) and within the limits thereof. In particular, ICCREA Banca has irrevocably and unconditionally agreed that the payment obligation of the Issuer under item (iv) is a limited recourse obligation and, consequently, notwithstanding any other contrary provision that might be agreed between the Issuer and ICCREA Banca, the payment of such amount by the Issuer will be considered due within the limits of the minor between (a) the amount due by the Issuer in relation to the amounts under item (iv) and (b) the amounts under item (i) (excluding the share capital of the Issuer and the amount used to make payments under item (v) above) and item (ii), and following the payment of such amounts in accordance with the terms described above, ICCREA Banca shall not claim any other amount from the Issuer in relation to the First Securitisation, and any other claim that ICCREA Banca has against the Issuer in relation to the First Securitisation shall be deemed to be extinguished or waived.

In any case ICCREA Banca under the Quotaholders' Agreement has undertaken, until one year and one day have elapsed from (i) the full redemption of the Notes, and (ii) the reimbursement of any other amount due by the Issuer to the Noteholders and any other creditor of the Securitisation, or (iii) the redemption of any other notes issued in the context of other securitisation transactions carried out under Law 130, not to file any bankruptcy petition against the Issuer, and not to file any proof of claim (*domanda di insinuazione al passivo*) in any bankruptcy proceeding commenced against the Issuer.

#### **4. DIRECTORS, AUDITORS AND REGISTERED OFFICE**

The sole director of the Issuer is Antonio Bertani. The Issuer's registered office is at Largo Chigi, 5 – 00187 Roma, Italy (telephone number: +39 064740400; fax number: +39 0642013819).

The domicile of Mr. Antonio Bertani, in his capacity as sole director of the Issuer, is at Salita San Nicola da Tolentino 1/B, 00187 Roma, (Italy) telephone No. +39 064740400.

#### **5. Curriculum Vitae ANTONIO BERTANI**

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

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

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

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

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

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

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

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

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

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

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

**Offices held:**

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

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

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

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

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

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

**6. CAPITALISATION AND INDEBTEDNESS STATEMENT**

The capitalisation of the Issuer as at the date of this Prospectus, adjusted for the issue of the Notes now being issued on the Issue Date, is as follows:

Capital

Issued and fully paid up Euro 10,000.00

In connection with the issue by the Issuer of the Notes referred to in this Prospectus, the transaction would be reported as an off-balance sheet transaction in the Explanatory Notes to the financial statements of the Issuer at the date the transaction is completed, as follows:

**7. OFF-BALANCE SHEET ASSETS AND LIABILITIES**

Class A Asset Backed Floating Rate Notes due November 2050, Euro 554,400,000.

Class B1 Asset Backed Floating Rate Notes due November 2050, Euro 4,679,097.

Class B2 Asset Backed Floating Rate Notes due November 2050, Euro 4,571,478.

Class B3 Asset Backed Floating Rate Notes due November 2050, Euro 2,626,294.  
Class B4 Asset Backed Floating Rate Notes due November 2050, Euro 1,285,743.  
Class B5 Asset Backed Floating Rate Notes due November 2050, Euro 5,401,583.  
Class B6 Asset Backed Floating Rate Notes due November 2050, Euro 2,275,743.  
Class B7 Asset Backed Floating Rate Notes due November 2050, Euro 3,769,516.  
Class B8 Asset Backed Floating Rate Notes due November 2050, Euro 1,303,350.  
Class B9 Asset Backed Floating Rate Notes due November 2050, Euro 19,277,566.  
Class B10 Asset Backed Floating Rate Notes due November 2050, Euro 2,949,960.  
Class B11 Asset Backed Floating Rate Notes due November 2050, Euro 7,201,504.  
Class B12 Asset Backed Floating Rate Notes due November 2050, Euro 1,503,262.  
Class B13 Asset Backed Floating Rate Notes due November 2050, Euro 11,206,305.  
Class B14 Asset Backed Floating Rate Notes due November 2050, Euro 2,452,204.  
Class B15 Asset Backed Floating Rate Notes due November 2050, Euro 2,652,916.  
Class B16 Asset Backed Floating Rate Notes due November 2050, Euro 4,068,799.  
Class B17 Asset Backed Floating Rate Notes due November 2050, Euro 2,544,507.  
Class B18 Asset Backed Floating Rate Notes due November 2050, Euro 3,048,793.

**TOTAL OFF-BALANCE SHEET INDEBTEDNESS      Euro 637,218,620**

Following the issue of the Notes and save for the foregoing, the Issuer shall have no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

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

The statutory financial statements as of 31 December 2009 and as of 31 December 2010 have been prepared on behalf of Credico Finance 9 S.r.l. and are set out in this Prospectus.

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

The next statutory financial statements will be prepared as at 31 December 2011.

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

### **8.1 FINANCIAL STATEMENTS FOR CREDICO FUNDING 2 S.r.l.**

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# Credico Funding 2 S.r.l.

**Registered office: 10 Via Pontaccio, Milan**

**A limited liability company entered in Milan Company Register**

**Tax I.D. and VAT Number: 041 5**

**5780960 Company capital: Eur 10,000 —**

**fully paid-in**

## FINANCIAL STATEMENTS FOR THE YEAR ENDING DECEMBER 31, 2009

**The Yearly Financial Report for the year ended 31 December 2009 has been translated into the English language solely for the convenience of international readers.**

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# COMPANY OFFICERS

## Sole Director

Michele Gino Lenotti

## Audit firm

Reconta Ernst & Young S.p.A.



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## Summary

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## Foreword

Credico Funding 2 S.r.l., the Company, has acknowledged the Disposition of Surveillance of Bank of Italy at 25 September 2009; so, it's cancelled ex officio from Special Register referred to in Art.107 of the Italian Banking Act for securitization companies.

The Company has drawn up the Financial Report at 31 December 2009, in application of International Financial Reporting Standards (IFRS) and of Instructions issued from Bank of Italy, Memo at 16 December 2009.

The IFRS/IAS and relevant Interpretations (SIC/IFRIC) applied are those endorsed by the European Commission and adopted by the European Union.

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# REPORT ON OPERATIONS

## 1 — OVERVIEW

Credico Funding 2 S.r.l., previously known as Francesca S.r.l. up to 24 March 2004, is a securitisation company. As incorporated on 12 December 2003 pursuant to Art. 3 of Law no. 130 of 30 April 1999, the Company is entered in the General Register referred to in Art. 106 of Legislative Decree 396/1993 (the Banking Act).

The Company has registered office at 10 Via Pontaccio in Milan.

Fully paid-in quota capital, amounting to Eur 10,000, is held 50% by Stichting Chatwin and 50% by Stichting Amis.

In accordance with its By-Laws, the Company's sole business object is to carry out one or more securitisation transactions pursuant to Law 130/1999. This involves the purchase against consideration of existing and future receivables, identifiable as a pool of securities, financed through the issue of asset-backed securities pursuant to and for the purposes of Article 1.1.b) of Law 130/1999.

As established by the By-Laws, and in accordance with the Law referred to above and other applicable laws and regulations, the receivables relating to each transaction form a separate estate from the Company and from the estate relating to other transactions. On each estate no actions are permitted by creditors other than the holders of the notes issued to finance the purchase of the same receivables.

On 5 July 2004, Credico Funding 2 S.r.l. purchased from Iccrea Banca S.p.A., in accordance with Law 130/1999, a portfolio of asset-back securities consisting of 80 bonds issued by Italian Mutual Savings Banks (BCCs). The bonds were issued and subscribed wholly by assignor on 31 May 2004.

On 26 July 2004, Credico Funding 2 S.r.l. financed the purchase of the portfolio securities by placing on the market five classes of asset-backed notes — Class A (Senior Notes), Class B, C and D (Mezzanine Notes), and Class E (Junior Notes) — for a corresponding value of Eur 1,159,500.000.

The Company does not have employees, insofar as management of the securities in portfolio has been assigned to Banca Iccrea S.p.A., and has outsourced its administrative, accounting, business, fiscal and IT functions to third parties under contract.

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The yearly financial statements at 31 December 2009 reflect the one and only securitisation transaction entered into by the Company at the balance sheet date. At the time writing, no new securitisation transactions are expected to be entered into by the Company on the shorter horizon.

As required by IAS 1, the yearly financial statements at 31 December 2009 are represented by a balance sheet, an income statement, a statement of comprehensive income, a statement of changes in shareholder's equity, a statement of cash flows and the explanatory notes to the financial statements.

## 1.1 - ORGANISATION OF OPERATIONS

Credico Funding 2 S.r.l. operates under Law 130/1999. The features of the Law impacting more significantly the Company are the following:

- purchaser must have no corporate purpose other than securitisation transaction(s); and
- the receivables relating to each transaction form a separate estate from the company and from the estate relating to other transactions.

Differing provisions of law also contemplate the conditions upon which the purchaser is permitted to assign the receivables on behalf of the noteholders: for example, the law requires that all sums paid by the debtor(s) be utilised exclusively by the purchaser to meet the claims relating to the notes issued by it or another company to finance the purchase of such receivables, and to pay the transaction costs.

And lastly, the contracts entered into by Credico Funding 2 S.r.l. in relation to the securitisation transaction contemplate differing restrictions with respect to its operations in order to further protect the rights of the holders of the securities issued by Credico Funding 2 S.r.l.: in consequence, the company may enter into new transactions involving the securitisation of receivables if and only if such transactions do not impact negatively the rating assigned to the portfolio of bond-backed securities.

Although differing in terms of privilege or preference, the bonds issued by the Company to finance the securitisation transaction put in place on 22 July 2004 have in common the "limited recourse" characteristic. This means that these incorporate a credit right inasmuch as this can be satisfied by the financial means available.

### Significant contractual aspects

Credico Funding 2 S.r.l. has outsourced its administrative, accounting, business, fiscal and IT functions to third parties under contract.

As required by Law 130/1999, a Servicer, entered in the Special Register referred to in Art. 107 of Legislative Decree 385/1993, must be appointed to act in the name and on behalf of the issuer in administering, managing and recovering amounts in respect of the underlying securities. By virtue of the Servicing Agreement entered into on 22 July 2004, Credico

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funding 2 S.r.l. appointed Iccrea Banca S.p.A. to handle servicing activities for the operations, including therein Disclosures to the Supervisory Authorities.

By virtue of the Agency Agreement, the financial movements of the Company are handled by Deutsche Bank, Milan Branch Office, in the capacity of Italian Paying Agent. According to the Terms and Conditions of the securities issued by Credico Funding 2 S.r.l., interest is paid quarterly on the 28th of February, the 31st of May, the 31st of August and the 30th of November every year based on the indexed variable rate of interest reported (EURI BOR at 3 months) plus a yearly spread, i.e. 0.20% for the Class A Notes, 0.33% for the Class B Notes, 0.50% for the Class C Notes, 1.20% for the Class D Notes, and 2.5% for the Class E Notes.

At the time of writing, the role of Representative of the Noteholders is held by Deutsche Trustee Company Limited.

The Company also takes avail of the services provided by Deloitte Finance Process Solutions S.p.A. in Milan (Corporate Servicer), which gives accounting, fiscal and administrative advices.

The latter provides accounting/administrative, corporate, financial statement and tax services.

A list of all the entities involved in the securitisation transaction can be found in the relevant section included in the Notes to the Yearly Financial Statements.

#### Securities management performance

The asset-backed securities purchased by Credico Funding 2 S.r.l. are managed by Iccrea Banca S.p.A. in its capacity as Servicer.

The Servicing Agreement, entered into by and between Credico Funding 2 S.r.l., as issuer of the notes, and Iccrea Banca S.p.A., as Servicer, requires that the portfolio be "held to maturity": the Servicer acts in the name and on behalf of the issuer in administering, managing and recovering amounts, including default amounts, in respect of the underlying securities and monitors collections of the related receivables at the contractual due-dates, including collecting coupons and repaying principal on the underlying securities.

As at 31 December 2009, payments have been made on a regular basis and none of the participating BCCs is in default or under receivership.

#### Analysis of financial condition and revenue-producing results

The portfolio purchased by Credico Funding 2 S.r.l. consists of bonds, issued by 80 Italian Mutual Savings Banks (BCCs).

In exchange for the securities purchased, Credico Funding 2 S.r.l. recognised to Assignor a purchase price consideration totalling Eur 1,159,500,000.

Over the last year to 31 December 2009, the special purpose entity received interest income from securities in the amount of Eur 27,874,148.10 and bank A/C interest income in the amount of Eur 20,034.27.

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The entity recognised, moreover, interest expense from the notes in the amount of Eur 25,156,863.02.

Over the last year to 31 December 2009, no principal elements in respect of the notes issued were repaid by the company inasmuch as all the securities purchased under the securitisation transaction reach due-date on 31 May 2010.

## 1.2 - RESEARCH AND DEVELOPMENT

No research and development expenditures have been incurred by the Company.

## 1.3 - TREASURY QUOTAS

Pursuant to Art. 2428 of the Italian Civil Code, the Company neither held, purchased or sold — whether directly or otherwise — treasury quotas or shares of its parent over the course of 2009.

## 1.4 - INTRAGROUP AND RELATED PARTY TRANSACTIONS

Pursuant to Art. 2497-bis of the Italian Civil Code, the Company neither belongs to any group nor subject to management and coordination by any entity.

# 2 - SIGNIFICANT POST- BALANCE SHEET EVENTS

This point refers back to Section 3 — Significant post-balance sheet events of Notes to the Yearly Financial Statements.

# 3 - OUTLOOK

The Company is going to close this securitisation with the reimbursement of Senior Notes. The Company isn't going to obtain other securitizations.

# 4 - RESULT FOR THE YEAR

The Company ends year 2009 with profits for an amount as Eur 29.14 coming from interest income.

# 5 — OTHER INFORMATION

## Report on corporate governance and ownership structures

Having regard to Legislative Decree n.173/2008, the Art. 5, it has modified the Art. 123-bis L.D. n.58/98 and it has provided the obligation for Issuers of securities to draw up a company government report and company structures.

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If Issuer of securities hasn't issued shares for dealings into regulated markets, this report has to limit only comma 2, letter b) of Art. 5, i.e.: "the principal characteristics of risk administration and internal control systems, in the cases required.

The Company issued Senior Notes quoted on the Luxembourg Stock Exchange, so it's necessary only this article.

The Company has considered some aspects according to initial Agreements trusted activity and securities administration to:

- \_ ICCREA Banca S.p.A., in quality of Servicer, in charge for Securities collections and Custodian;
- \_ Deutsche Bank Luxembourg S.A., Listing Agent and Luxembourg Paying Agent;
- \_ Deutsche Bank S.p.A. e Deutsche Bank AG London, respectively Agent and Calculation;
- \_ Deloitte Finance Process Solutions S.p.A., Corporate Services Provider.

If financial briefing is wrong, the data are not consistent with operation trend. So, Servicers make the controls for these risks during their activity.

Attention is drawn to the following:

- ~ pursuant to Art. 2428.6-bis of the Italian Civil Code, the Company remits that, taking into account the provisions of Law 130/1999, given the original structure of the transaction and based upon the related performance thereof, as analysed and discussed in "Part D — Other information" of the Notes to the
- ~ yearly financial statements, the credit risk, the liquidity risk and the risk of changes in cash flows have been transferred to the holders of the notes issued;
- ~ having regard to Legislative Decree No. 196 of 30 June 2003 (the Italian Privacy Act) and, more particularly, to point 26 of Exhibit B set out as an attachment thereto requiring disclosures with respect to the corporate "Personal Data Protection Charter", the Company remits, as placed in evidence in the annual financial statements 2008, that it is not required to prepare and present such document insofar as it neither processes nor handles personal data;
- ~ on 7 July 2009, the By-Laws of the Company were amended in order to render them in line with the legal and regulatory reforms and transparency obligations introduced by the European Directive, and set forth in Article 154-bis and Article 154-ter of Legislative Decree 58/1998, which culminated, among the other things, into the Sole Director also acting as the officer responsible for the preparation of the Company's financial statements.

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To the Members:

We firmly believe that our analysis and discussion adequately illustrates the state of affairs of the Company at 31 December 2009.

Accordingly, you are invited to approve the Yearly Financial Statements for the year ending December 31, 2009 as so illustrated in the attached documents.

Milan, 20 April 2010

Credico Funding 2 S.r.l.

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Michele Gino Lenotti

The Sole Director

Manager in charge for the preparation of the  
Company's financial statements



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## BALANCE SHEET

(amounts in Eur)

	<b>Assets</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
60.	Loans and Receivables	9,962	10,009
120.	Tax assets		
	current	2,864	1,602
	deferred	5,142	7,753
140.	Other assets	11,097	16,541
	<b>TOTAL ASSETS</b>	<b>29,065</b>	<b>35,905</b>

	<b>Equity and Liabilities</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
70.	Tax liabilities		
	current	0	3,376
	deferred		
90.	Other liabilities	18,700	22,193
120.	Quota capital	10,000	10,000
160.	Reserves	336	0
180.	Profit (Loss) for the period	29	336
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29,065</b>	<b>35,905</b>

# INCOME STATEMENT

(amounts in Eur)

	<i>Items</i>	<i>31.12.2009</i>	<i>31.12.2008</i>
10.	Interest and similar income	29	336
	INTEREST MARGIN	29	336
40.	Commissions	(90)	(109)
	NET COMMISSIONS	(90)	(109)
	GROSS MARGIN	(61)	227
110.	Administrative expenses:		
	personnel expenses	0	0
	other administrative expenses	(43,069)	(49,465)
160.	Other operating income and expenses	45,770	49,804
	NET OPERATING INCOME	2,640	566
	PROFIT (LOSS) BEFORE TAX ON CONTINUING OPERATIONS	2,640	566
190.	Income tax expense	(2,611)	(230)
	PROFIT (LOSS) AFTER TAX ON CONTINUING OPERATIONS	29	336
200.	PROFIT (LOSS) on groups of assets held for sale after tax		
	Profit (Loss) for the period	29	336

## STATEMENT OF COMPREHENSIVE INCOME

	Description (amounts in Eur)	2009	2008
10.	Profit (Loss) for the period	29	336
	Other income accounts after taxation		
20.	Financial assets available for sale		
30.	Tangible assets		
40.	Intangible assets		
50.	Hedges of foreign investments		
60.	Cash flow hedges		
70.	Exchange differences		
80.	Non current discharge		
90.	Profits (losses) on defined benefit plans actuarial		
100.	Share valuation reserves for investments valued at equity		
110.	Total other income components net of tax	0	0
120.	Comprehensive income (Item 10 +110)	29	336

# STATEMENT OF CHANGES IN QUOTAHOLDERS' EQUITY

YEAR ENDED AT 31 DECEMBER 2009

	As at 31.12.2008	Change in opening balance	As at 1.1.2009	Allocation of net profit of previous period		Change for the period					Comprehensive income for .2009	Quotaholders' equity at 31.12.2009
				Reserves	Dividends and other allocations	Change in reserves	Equity transactions					
							Issue of new shares	Purchase of own shares	Extraordinary distribution of dividends	Change in equity instrument		
Share capital	10,000		10,000									10,000
Share premium reserve												0
Reserves:	0		0	336								336
a) earnings	1,729		1,729	336								2,065
b) other	-1,729		-1,729	0								-1,729
Valuation reserves	0		0									0
Equity instruments												0
Own shares												0
Profit (Loss) for the year	336		336	-336							29	29
Equity	10,336	0	10,336	0		0	0	0	0	0	29	10,365

YEAR ENDED AT 31 DECEMBER 2008

	As at 31.12.2007	Change in opening balance	As at 1.1.2008	Allocation of net profit of previous period		Change for the period					Comprehensive income for 2008	Quotaholders' equity as at 31.12.2008
				Dividends and other allocations	Dividends and other allocations	Change in reserves	Equity transactions					
							Issue of new shares	Purchase of own shares	Extraordinary distribution of dividends	Change in equity instruments		
Share capital	10,000		10,000									10,000
Share premium reserve												0
Reserves:	0		0									0
c) earnings	1,729		1,729									1,729
d) other	-1,729		-1,729									-1,729
				0								
Valuation reserves	0		0									0
Equity instruments												0
Own shares												0
Profit (Loss) for the year											336	336
Equity	10,000	0	10,000	0		0	0	0	0	0	336	10,336

# STATEMENT OF CASH FLOWS

## DIRECT METHOD

	Amounts	
	2009	2008
<b>A. Operating activities</b>		
<b>1. Operations</b>	<b>(142)</b>	<b>63</b>
- Interest receivable collected	21	158
- Net commissions (+/-)	(89)	(21)
- Taxes (-)	(74)	(74)
<b>2. Cash flows from/used in financial assets</b>	<b>102</b>	<b>0</b>
- Loans to bank	102	0
<b>3. Cash flows from/used in financial liabilities</b>	<b>(7)</b>	<b>(76)</b>
- Other liabilities	(7)	(76)
<i>Net cash flow from/used in operating activities</i>	<b>(47)</b>	<b>(13)</b>
<b>B. Investing activities</b>		
<i>Net cash flow from/used in investing activities</i>	0	0
<b>C. Financing activities</b>		
<i>Net cash flows from/used in financing activities</i>	0	0
<b>NET CASH FLOW GENERATED/USED IN THE PERIOD</b>	<b>(47)</b>	<b>(13)</b>

## Reconciliation

	Amounts	
	2009	2008
Cash and cash equivalents at beginning of the period	10,009	10,022
Total net cash flow generated/used in the period	(47)	(13)
Cash and cash equivalents at end of the period	9,962	10,009

# EXPLANATORY NOTES

The Notes are presented in the following order:

Part A - Accounting policies

Part B - Information on the balance sheet

Part C - Information on the income statement

Part D - Other information

## PART A – Accounting policies

### A.1 – GENERAL INFORMATION

#### Section 1 – Declaration of conformity

The Company, entered in the General Register for Financial Intermediaries, Art. 106 of the Italian Banking Act, has been prepared in accordance with the International Accounting Standards issued by the International Accounting Standards Board (IAS B) and the Interpretations originated by the International Financial Reporting Committee (IFRIC), as adopted by the European Union, as well as with the Regulations issued by the Bank of Italy on 16 December 2009 and related Supervisory Instructions resulting therefrom regarding the preparation of financial statements by financial intermediaries in accordance with IAS/IFRS.

This approach also reflects the provisions of Law 130/1999, whereby the receivables of each transaction must represent assets segregated from the securitisation vehicle's own assets and from those of other securitisations which may be entered into by the same vehicle.

It should be noted that IFRS accounting treatment to be applied to financial assets and/or groups of financial assets and financial liabilities arising from securitisation transactions is currently undergoing further examination by the bodies set up to interpret these Standards.

Differences with respect to previous accounting principles have been taken to the equity reserves.

#### Section 2 – General preparation principles

As mentioned earlier, the yearly financial statements have been prepared in accordance with the International Accounting Standards issued by the International Accounting Standards Board (IAS B) and the Interpretations originated by the International Financial Reporting Committee (IFRIC), as adopted by the European Union, as well as with the Regulations issued by the Bank of Italy on 16 December 2009 and related Supervisory Instructions resulting therefrom regarding the preparation of financial statements by financial intermediaries in accordance with IAS/IFRS.

The yearly financial statements have been prepared to give a true and fair view of the Company's, financial position at 31 December 2009 and its results of operations and cash flows for the year period then ended. They have been drawn up on a going concern basis (IAS 1, para. 23) in accordance with the accrual (IAS 1, para. 25 and para. 26) and consistency of presentation and classification (IAS 1, paragraph 27) concepts. Assets and liabilities, and income and expenses are not offset unless required or permitted by a Standard or an interpretation (IAS 1, para. 32).

As required by IAS 1, the yearly financial statements comprise a balance sheet, an income statement, a statement of comprehensive income, a statement of changes in quotaholders' equity, a statement of cash

flows and these explanatory notes, comprising a summary of significant accounting policies and other explanatory notes.

Comparative information is disclosed in respect of the previous period for all amounts reported in the yearly financial statements.

The yearly financial statements have been prepared using the Eur as the reporting currency; unless otherwise specified, the amounts reported therein are presented in Eur.

The yearly financial statements are accompanied by the Interim Report on Operations.

## SECURITISATION TRANSACTIONS

The Company has drawn up the Financial Report at 31 December 2009, in application of International Financial Reporting Standards for Financial Intermediaries issued from Bank of Italy with Memo at 16 December 2009.

The securitisation transaction put in place by the Company over the course of 2004 is portrayed on a basis consistent with the aforesaid Regulations and Supervisory Instructions (Instructions regarding the preparation of financial statements by financial intermediaries entered in the Special Register for (e-money institutions), asset management companies and stock brokerage companies, issued by the Bank of Italy February 14, 2006.

The practice framework envisaged by the Supervisory Instructions is in line with the previous Regulations issued in April 2000 and with Law 130/1999 (the "Securitisation Law"), whereby "the receivables of each transaction must represent assets segregated from the securitisation vehicle's own assets and from those of other securitisations which may be entered into by the same vehicle".

The securitisation transaction is presented off-balance sheet and is disclosed separately in the Notes. As a consequence thereof, the adoption of IAS/IFRS has not affected the values inherent to the securitisation transaction.

Having regard to securitisation transactions, the Bank of Italy expressly requires that:

- a) information about each securitisation transaction should be disclosed separately in the Notes; and
- b) such information should include all qualitative and quantitative data as may be needed to portray clearly and completely each securitisation transaction.

More pointedly, the Bank of Italy requires that that Notes give the minimum information specified below.

Part D — Other information should include a section which summarises at least the following information: amount of receivables purchased (nominal amounts and sales price); amount of securities issued, split by class with the related degree of subordination. Moreover, all the information necessary to give a clear picture of the situation, even if not expressly requested, should be given. Information that decreases comprehension about the transactions due its nature or excessive content should be omitted.

A specific section ("F") should be included for each transaction giving at least the following information:

### QUALITATIVE INFORMATION:

- transaction description and performance;
- parties involved;
- issue description;
- related financial transactions;



- operating powers of the transferee and, if different, the issuer.

#### QUANTITATIVE INFORMATION:

- amount of the securities upon their sale; increases and decreases at year-end; amount of the securities at year-end;
- evolution of the securities;
- cash flow for the year;
- status of guarantees and credit lines;
- breakdown of securitised assets and liabilities by remaining life;
- breakdown of securitised assets by geographical segment;
- information about the analysis of the portfolio.

Further information about the securitisation transaction can be found in the Notes under Section "F" of Part D — Other Information.

### SECTION 3 — SIGNIFICANT POST-BALANCE SHEET EVENTS

According to Offering Circular, Iccrea Banca S.p.A. is starting activities about the reimbursement of Senior Notes within 21 May 2010. So after the liquidation of securities assets, Deutsche Bank, in quality of Paying Agent and Calculation Agent, will start the repayment of principal and interests accrued on securities ABS issued from the securitisation. These securities and other suppliers will be reimbursed with funds, which derive from asset liquidation. Every payment will be made according within 31 May 2010 established from Expected Termination Date as Offering Circular.

No events occurred between the end of the year and the date of approval of these financial statements having a material effect on operations and results.

### SECTION 4 — OTHER ASPECTS

The Company neither belongs to any group nor is subject to management and coordination by any other company.

There are no other aspects that need to be commented upon.

### A.2 Part relating to the main items of the financial statements

Set out below are the more significant accounting policies adopted when preparing the yearly financial statements for year ended 31 December 2009. Presented in respect of the items included in the balance sheet and income statement are the recognition, classification, measurement, derecognition and revenue recognition criteria adopted.

## LOANS AND RECEIVABLES

### **RECOGNITION Criteria**

Receivables and other assets are recognised on disbursement, i.e. when the entity becomes a party to the contractual provisions and, in consequence, has a legal right to receive inflows.

Receivables and other assets are recognised initially at fair value, which usually corresponds to the amount disbursed or the price paid, including any accessory item of income and/or expense.

### **Classification Criteria**

Encompassed herein are amounts due from banks arising from the Company's available funds. Also encompassed herein are receivables classified under "Other assets" such as amounts receivable/recoverable from taxation authorities or amounts arising from operating expenses recharged to the securitisation transaction.

### **Measurement Criteria**

Insofar as representing assets current in nature in that the effect of discounting would be immaterial, these are measured at historic cost.

The entity assesses at each balance sheet whether there is any objective evidence that the receivables are impaired.

### **Derecognition Criteria**

Receivables are derecognised when they are considered to be definitively non-recoverable or sold when this involves the substantial transfer of all the risks and rewards attaching thereto.

### **Revenue recognition Criteria**

The revenue-producing component is represented by revenues resulting arising from bank A/C interest income and other operating income.

## PAYABLES AND OTHER LIABILITIES

### **RECOGNITION CRITERIA**

Payables are recognised when the entity becomes a party to the contractual provisions and, in consequence, has a legal right to pay outflows.

Payables are recognised initially at fair value, which usually corresponds to the amount paid, including any accessory item of income and/or expense.

### **CLASSIFICATION CRITERIA**

Encompassed herein are amounts due to taxation authorities or suppliers.

### **MEASUREMENT CRITERIA**

Insofar as representing liabilities current in nature in that the effect of discounting would be immaterial, these are measured at historic cost.

### **DERECOGNITION CRITERIA**

Payables are derecognised when the obligation is discharged or expires.

### **REVENUE RECOGNITION CRITERIA**

The revenue-producing component is represented by expenses arising from interest expense or similar charges.

## **TAX ASSETS AND TAX LIABILITIES**

### **Recognition Criteria**

Current and deferred taxes are determined in accordance with currently prevailing tax legislation.

Deferred tax assets and deferred tax liabilities are the amounts of income taxes recoverable or payable in future periods in respect of deductible temporary differences or temporary differences not deductible.

Under IAS 12, current tax assets and current tax liabilities are offset when there is a legally enforceable right of set-off.

### **Classification Criteria**

Encompassed herein are current or deferred tax assets and current or deferred tax liabilities.

### **Measurement Criteria**

The provision for income tax is based upon a prudent estimate of the current and deferred tax expense, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

As a rule, deferred tax liabilities are taken always into account. Deferred tax assets are taken into account to the extent that their recovery is probable.

### **Derecognition Criteria**

Current tax assets (current tax liabilities) are derecognised when settled pursuant to currently prevailing tax laws and regulations.

Deferred taxes are derecognised when the temporary differences identified become taxable or tax-deductible.

## **EXPENSES AND REVENUES**

Expenses are recognised in the income statement when a decrease in future economic benefits, giving rise to a decrease in assets or an increase in liabilities, can be reliably measured.

Revenues are recognised in the income statement when an increase in future economic benefits, giving rise to an increase in assets or a decrease in liabilities, can be reliably measured.

As a consequence thereof, expenses and revenues are recognised on an accrual and matching basis.

Given that the company carries out exclusively management activities, operating expenses are charged against the segregated estate, to the extent necessary to ensure that the company has a balanced financial position, as provided for in the relevant contracts. This amount is classified among "other operating income".

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

The Company hasn't financial instruments valued at Fair Value.

## PART B – INFORMATION ON THE BALANCE SHEET

### Assets

#### Section 6 – Loans and receivables – Item 60

##### 6.1 Due from banks

Items	31/12/2009	31/12/2008
1. Deposits and current accounts	9,962	10,009
2. Financing:		
2.1 Repo		
2.2 Financial leasing		
2.3 Factoring		
- recourse		
- without recourse		
2.4 Other loans		
3. Debt		
- structured securities		
- other debt		
4.6 Other activities		
<b>Total book value</b>	<b>9,962</b>	<b>10,009</b>
<b>Totale fair value</b>	<b>9,962</b>	<b>10,009</b>

"Due from Banks" is represented by the positive balance on the A/C 035181 held at Deutsche Bank S.p.A..

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

##### 12.1 : Composition of Item 120 "Tax assets: current and deferred"

	31/12/2009	31/12/2008
a) current		
- Ires corporation tax credits	2,856	1,511
- Withholding tax prepayment	8	91
<b>Total</b>	<b>2,864</b>	<b>1,602</b>
b) anticipate:		
- Advance Ires corporation tax credits	5,142	7,753
- Advance Irap regional tax credits		
<b>Total</b>	<b>5,142</b>	<b>7,753</b>

"Withholding tax prepayment" relates to the advance withholding tax prepayment (Eur 8) in respect of bank A/C interest income.

"Advance Ires corporation tax credits" arise from or relate to deductible temporary differences determined by audit fees and the amortisation of residual formation expenses, respectively, the related tax deductibility thereof has been deferred to the period in which the service will be rendered.

## 12.2 Composition of item 70 "Tax liabilities: current and deferred"

	31/12/2009	31/12/2008
a) current		
- Ires corporation tax payable	0	3,376
Total	0	3,376
b) deferred:	0	0
Total	0	0

## 12.3 Variations in deferred tax assets (in return for the income statement)

	31/12/2009	31/12/2008
<b>1. Initial inventories</b>	<b>7,753</b>	<b>4,516</b>
<b>2. Increases</b>	<b>5,142</b>	<b>7,753</b>
2.1. Deferred tax assets recognized	5,142	7,753
a) relating to previous years		
b) due to change in accounting policies		
c) writebacks		
d) other	5,142	7,753
2.2. New taxes or increases in tax rates		
2.3. Other increases		
<b>3. Decreases</b>	<b>-7,753</b>	<b>-4,516</b>
3.1. Deferred tax assets derecognised during	-7,753	-4,516
a) windings	-7,753	-4,516
b) impairment occurred uncollectable		
c) due to change in accounting policies		
d) other		
3.2. Reductions in tax rates		
3.3. Other decreases		
<b>4. Final amount</b>	<b>5,142</b>	<b>7,753</b>

## Section 14 — Other assets – Item 140

### 14.1 Composition of item 140 "Other assets"

	31/12/2009	31/12/2008
140. Other assets	11,097	16,541

"Other assets" are composed as follows:

	31/12/2009	31/12/2008
--	------------	------------

Receivables in respect of Portfolio	11,097	16,541
-------------------------------------	--------	--------

"Receivables in respect of Portfolio", amounting to Eur 11,097, relate to amounts due from the separately managed assets under the "Intercreditor Agreement", specifically the accrued commission fee that the company collects regularly from the separately managed assets for its administrative and corporate services accruing at 31 December 2009.

## LIABILITIES

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

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

	31/ 12/ 2009	31/ 12/2008
90. Other liabilities	18,700	22,193

"Other liabilities" are composed as follows:

	31/12/2009	31/12/2008
Invoices to be received	18,700	22,193

"Invoices to be received" relate to services provided by third parties, in respect of which the company has not received invoices at the balance sheet date.

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

#### 12.1 Composition of Item 120 "Share capital"

Types	Amount
1. Share capital	10,000

Share capital, amounting to Eur 10,000.00, is represented by contribution quotas pursuant to Art. 2468 of the Italian Civil Code, as detailed below: Eur 5,000 nominal contribution quota, or 50% of share capital, subscribed by Stichting Chatwin (Foundation organised and operating under the laws of the Netherlands); and Eur 5,000 nominal contribution quota, or 50% of share capital, subscribed by Stichting Amis (Foundation organised and operating under the laws of the Netherlands).

#### 12.5 OTHER INFORMATION

	Legal	Retained earnings	Legal reserve	Other reserves	Total

A. Opening balance	0	2,048	17	- 1,729	336
B. Increase					
B.1 Provision	29				29
B.2 Other changes					
C. Decrease					
C.1 Use					
- for financing losses -					
distribution of profits -					
transferred to capital C. 2					
Other changes					
D. Closing balance	29	2,048	17	- 1,729	365

As required by Art. 2427 of the Italian Civil Code and in application of IAS 1, set out below is the distributable status and use of equity reserves over the last three years.

Description	Amount	Possibility of use	Available share	Summary of use carried out in the prior three periods	
				for coverage of losses	for other reasons
<b>Revenue reserves:</b>					
Legal reserve	17	B	-		
Extraordinary reserve	(1,729)	A,B,C			
<b>Other:</b>					
Restatement reserve	2,048	A,B,C			
Profits brought forward	29				
<b>Non-distributable portion</b>	<b>365</b>				
<b>Distributable portion</b>	<b>348</b>				

(\*) A = for quota capital increases; B = for financing losses; C = for distributing profits

## PART C — INFORMATION ON THE INCOME STATEMENT

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

#### 1.1 Composition of Item 10 “Interest and similar income”

Item/Technical form	Debt	Financing	Other	31/12/2009	31/12/2008
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. Credits					
5.1 Loans to banks			29	29	336
5.2 Loans to financial institutions					
5.3 Loans to customers					
6. Other activities					
7. Hedging derivatives					
<b>Total</b>	0	0	29	29	336

This item relates to interest income accruing over the period on the Equity Capital bank A/C.

### Section 2 – Commissions (Items 30 and 40)

#### 2.1 Composition of Item 30 “Commission expense”

Detail \ Sectors	31/12/2009	31/12/2008
1. guarantees received		
2. distribution of services by third collection and payment services other committees (banking)	90	109
<b>Total</b>	90	109

This relates primarily to bank commission debited at 31/12/2009 on the bank A/C.

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

#### 9.1 Composition of Item 110.a “Personnel costs”

This item “Staff costs” is zero.

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



	<b>31 /12/ 2009</b>	<b>31 /12/ 2008</b>
Audit fees	18,700	28,193
Notary, tax and legal expenses	1,920	0
Administrative services	22,449	20,674
Stamp duty	0	88
Taxes and duties (other than income taxes)	0	310
CCIIA rights and sundry services	0	200
Total	43,069	49,465

#### 14.1 Composition of Item 160 "Other operating income and expenses"

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

"Income and other items recovered" represent the revenue maturing at 31/12/2009 from the segregated estate in respect of the recovery of current expenses incurred in relation to SPE administration.

	<b>31 / 12/ 2009</b>	<b>31/12/ 2008</b>
Income and other items recovered	42,340	49,950
Out-of-period income	4,211	0
Stamp duty	-271	0
Taxes and duties	-310	0
CCIIA rights and sundry services	-200	0
Contingent liabilities	0	-146
<b>Total</b>	<b>45,770</b>	<b>49,804</b>

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

### 17.1 Composition of Item 190 "Income tax expense from continuing operations "

	31/12/2009	31/12/2008
1. Current income taxes	0	3.466
2. Change in current income tax relative to prior periods	0	0
3. Decrease in current income tax for the period	0	0
2. Change in deferred income tax	2.611	-3.236
<b>Income tax for the period</b>	<b>2.611</b>	<b>230</b>

### 17.2 RECONCILIATION BETWEEN FISCAL THEORETIC CHARGE AND REAL FISCAL CHARGE OF BALANCE SHEET: IRES AND IRAP TAXES

	Amounts	Taxes
Economic result before tax	2,640.00	
Theoretical tax IRES ( 27.5 %)		726
Taxable temporary differences in future years:		
Remuneration to auditors	18,700	
<b>Total</b>	<b>18,700.00</b>	<b>5,142</b>
Reversal of temporary differences from previous exercise		
Remuneration to auditors	-28,193	
<b>Total</b>	<b>-28,193.00</b>	<b>-7,753</b>
Differences which will not be forwarded to the next fiscal years		
Fines and penalties	0	
<b>Total</b>	<b>0</b>	<b>0</b>
Tax base	-6,853.00	
Previous years' losses	0	
Tax base net of losses carried forward	0	
<b>Total</b>	<b>-6,853.00</b>	<b>-1,885</b>

Current taxes on income

-1,885

## PART D - OTHER INFORMATION

### SECTION 1 — SPECIFIC DISCLOSURES

#### F. SECURITISATION OF RECEIVABLES

##### F1. SUMMARY STATEMENT OF SECURITISED ASSETS AND NOTES ISSUED

(Amounts in Eur/000)

Securitisation transaction at		31.12.2009		31.12.2008	
A	Securitized assets		1,159,500		1,159,500
A.1	Receivables				
A.2	Security	1,159,500		1,159,500	
A.3	Other assets				
B	Use of cash flow from separately-managed securities		12,601		13,306
B.1	Debt				
B.2	Equities				
B.3	Other	12,601		13,306	
	B.3a) Due from banks	11,295		8,988	
	B.3b) Intangible assets	1		1	
	B.3c) accruals and prepayments	1,152		4,171	
	B.3d) Receivables from the tax authorities for withholding	153		146	
	B.3e) Receivables from SPV	0		0	
C.	Notes issued		1,159,500		1,159,500
C.1	Series A notes	1,008,800		1,008,800	
C.2	Series B notes	24,400		24,400	
C.3	Series C notes	47,500		47,500	
C.4	Series D notes	44,000		44,000	
C.5	Series E notes	34,800		34,800	
D.	Financing received		0		0
D.1	Due to funding received				
E.	Other liabilities		12,601		13,306
E.1	Reserve Fund (*)	994		134	
E.2	Due Spv	11		16	
E.3	Payables for supply services	24		129	
E.4	Accruals and deferred income	941		3,875.00	
E.5	Payables underwriters notes	10,631		9,152	

Securitisation transaction at		31.12.2009		31.12.2008	
F.	Interest expense on securities issued		(23,703)		58,737
F.1	Interest expense Class A	(19,375)	-	(49,852)	
F.2	Interest expense Class B	(501)	-	(1,238)	
F.3	Interest expense Class C	(1,057)	-	(2,492)	
F.4	Interest expense Class D	(1,291)	-	(2,622)	
F.5	Interest expense Class E	(1,479)	-	(2,533)	
G.	Commissions and fees charged to the transaction		(271)		(268)
G.1	Servicing commissions	(128)		(124)	
G.2	Other services	(143)		(144)	
	G.2a) A/C and Notes Fees	(70)		(69)	
	G.2b) Corporate Servicing Fees	(40)		(41)	
	G.2c) Rating Fees	(33)		(34)	
	G.2d) Management Fees	0			
H.	Other expenses		(49)		(874)
H.1	Portfolio management expenses	(42)		(51)	
H.2	Cost of administrative services	(2)		(6)	
H.3	Legal costs	0			
H.4	Amortization of capital expenditure	(1)		(732)	
H.5	Contingent liabilities	0		(82)	
H.6	Interest on current account	0			
H.7	Bank charges	(1)		(1)	
H.8	Reverse charge art. 7 c.3 Dpr 633/72	(3)		(2)	
I.	Interest generated by securitized assets		24,855		59,893
L.	Other revenues		28		258
L.1	Interest income-banks	28		258	
L.2	Differences on exchange active	0		0	

The A+ B-C-D-E differential represents the cumulative result of the transaction, whilst the I+L-FG-H differential represents the result for the year.

The "Reserve Fund" moved upward Eur 859,789.58 as a result of the positive result delivered for the period.

#### ACCOUNTING POLICIES AND MEASUREMENT BASES ADOPTED WITH RESPECT TO THE SUMMARY STATEMENT

The more significant accounting policies and measurement bases adopted with respect to the Summary Statement mirror those required by the Supervisory Instructions issued by the Bank of Italy with regard to securitisation companies (Bank of Italy Regulations issued on 16 December 2009); all the items reported agree with Company's underlying accounting records and EDP worksheets.

Set forth below are the accounting policies and measurement basis adopted with respect to the more

significant items.

#### Receivables

Amounts due from banks, being credit balances in bank current accounts, are shown at their nominal value which equals their presumed realisable value.

Securitised assets are shown at transfer price, as written down to presumed realisable value based on information provided by the Servicer.

#### Other assets

Other assets are shown at their nominal value which equals their presumed realisable value.

#### Other liabilities

Other liabilities are stated at their nominal value.

#### Expenses and revenues

Expenses and revenues are recognised on an accrual basis. All expenses relating to the securitisation processes are charged directly against the securitisation transaction.

#### Notes issued

Notes issued are shown at their nominal value.

## QUALITATIVE INFORMATION ON THE SECURITISATION TRANSACTION

### F2. — DESCRIPTION AND PERFORMANCE OF THE TRANSACTION

As at 30 June 2008, one, and only one, transaction pursuant to Law 130/1999 has been put in place by Credico Funding 2 S.r.l. Set out below are the more significant features of the transaction.

On 22 July 2004, Iccrea Banca S.p.A. factored without recourse, pursuant to the provisions of Articles 1 and 4 of the Securitisation Law 130 enacted on 30 April 1999, a portfolio of bonds, identifiable in pool (**en bloc**), issued by 80 Italian Mutual Savings Banks (BCCs).

At the date on which the portfolio was factored the nominal value of the securities equated Eur 1,159,500,000. The transfer price relating to the portfolio of securities was determined in the amount of Eur 1,159,500,000, as later paid to Iccrea Banca S.p.A. on 22 July 2004, in the wake of Credico Funding 2 S.r.l. placing on the market the notes by which it financed the purchase of the portfolio of securities. As at 31 December 2009, the portfolio of securities comprises 80 bonds having an aggregate value of Eur 1,159,500,000; all the securities in portfolio have maturity profile 31 May 2010.

### F.3 — PARTIES INVOLVED

Set forth below are the main parties involved in the securitisation transaction referred to above:

Account Bank	Deutsche Bank S.p.A.
Agent Bank	Deutsche Bank AG London
Class A Notes Lead Manager	Societe Generale
Class A Notes Manager and Mezzanine Notes Lead Manager	CDC IXIS Capital Markets ICCREA Banca S.p.A.
Co-arranger	ICCREA Banca S.p.A.
Computation Agent	Merril Lynch International Deutsche Bank AG London
Custodian	ICCREA Banca S.p.A.
Italian Paying Agent	Deutsche Bank S.p.A.
Legal Adviser (to the Arrangers)	Allen & Overy Brosio, Casati e Associati
Legal Adviser ( to the Class A Notes Lead Managers)	Allen & Overy
Listing Agent e Luxembourg Paying Agent	Deutsche Bank Luxembourg S.A.
Management Services Provider	Wilmington Trust Sp Services Limited
Principal Paying Agent	Deutsche Bank AG London
Rating Agency	Moody's Investors Service Inc. Standard & Poor's Rating Services
Rappresentante degli Obbligazionisti	Deutsche Trustee Company Limited
Servicer / Back-up Servicer	ICCREA Banca S.p.A./U.G.C. Banca Spa
Stichtingen Corporate Services Provider	Wilmington Trust Sp Services Limited
Corporate Services Provider	Deloitte Finance Process Solutions S.p.A.

Based on the three-monthly performance indicators reported by the Servicer with respect to the sums collected on the securities, Deutsche Bank AG London determines, on a three-monthly basis, how to spread the sums collected over the expenses and commissions to be recognised to the differing parties involved in the transaction and the remuneration to the noteholders. Payments are made four times a year, i.e. on 30th November, 28th February, 31st May and 31st August.

### F.4 — NOTE ISSUE

Servicing of the securities issued, whether in terms of principal or interest, is assured solely by the

collections arising from or relating to the securitised portfolio. The collections arising from or relating to the administration and management of the securitised portfolio of securities are restricted in favour of the noteholders as required by Law 130/1999.

The notes issued carry interest at floating rates of interest and the three-monthly coupons are paid to the noteholders on a three-monthly basis, i.e. on 30th November, 28th February, 31st May and 31st August every year.

Repayment of bonds, principal, is scheduled on 31 May 2012 under contracts awarded to the top of the operation, but on 1 June 2010, Deutsche Bank - as mandated by regulation subject to the securitization (Paying Agent and Calculation Agent) - will give way on the liquidation of the principal amount and accrued interest on securities ABS.

Class	Currency	Interest rate	Maturity profile
A	1,008,800,000	Euribor 3m + 0.20 % annual	2012
B	24,400,000	Euribor 3m + 0.33 % annual	2012
C	47,500,000	Euribor 3m + 0.50 % annual	2012
D	44,000,000	Euribor 3m + 1.20 % annual	2012
E	34,800,000	Euribor 3m + 2.50 % annual	2012
Total	1,159,500,000		

The Rated Notes (i.e. Class A, B, C and D notes) are quoted on the Luxembourg Stock Exchange, whilst the Class E notes (Junior Notes) are neither quoted on the Luxembourg Stock Exchange nor elsewhere.

The rating agencies issue a rating to express an opinion on the probability that the notes will pay in full principal and interest within the legal maturity profile of the transaction. The Class E notes are not rated.

Class	Rating	Rating Agencies
A	AAA	Standard & Poor's Ratings Services
A	Aaa	Moody's Investors Service Inc.
B	AA	Standard & Poor's Ratings Services
C	A	Standard & Poor's Ratings Services
D	BBB-	Standard & Poor's Ratings Services
E	Not rated	

The rating can be revised at any time, upgrading or downgrading should anomalies be detected with respect to collections and, in consequence, remuneration and redemption of the securities at due-date.



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## F.5 — RELATED FINANCIAL TRANSACTIONS

Under the Agency and Account Agreement entered into on 22 July 2004 by and between Credico Funding 2 S.r.l., Iccrea Banca S.p.A., Deutsche Bank AG London, Deutsche Bank Luxembourg S.A., Deutsche Bank S.p.A. and Bankers Trustee Company Limited, Deutsche Bank S.p.A. (in its capacity as Account Bank) shall invest, on behalf of the Issuer, the credit balance on the Reserve Fund Account in Eligible Investments at each and every Investment Date (i.e. the next working day immediately after every Interest Payment Date). The Eligible Investments shall be credited to the Eligible Investment Securities Account.

As used herein, the term Eligible Investments means fixed-rate debt securities denominated in Eur, with high rating (AAA rating according to Standard & Poor's, and Aaa according to Moody's Investors Services).

At each and every Calculation Date, Deutsche Bank S.p.A. (in its capacity as Account Bank) shall liquidate, on behalf of the Issuer, the Eligible Investments outstanding and shall allocate the related proceeds resulting there from to the Reserve Fund Account and the Principal Account to the extent of the Reserve Funds Investments Amount. Any surplus shall be credited to the Interest Account.

In all instances whatever, the proceeds thus allocated shall be reinvested in Eligible Investments at the next Investment Date.

As at 31 December 2009, no investing in Eligible Investments has been made.

## F.6 — THE TRANSFEREE'S OPERATING POWERS

Credico Funding 2 S.r.l., as Transferee and Issuer, has operating powers limited by its By-Laws. Specifically, Article 2 provides that:

"The Company's sole business object is to carry out one or more securitisation transactions pursuant to Law 130/1999 (the Securitisation Law), as subsequently amended. This entails the purchase against consideration of existing and future receivables, financed through the issue of notes in such a way as to exclude any credit risk being taken on by the Company. As established by the above Law, the receivables of each transaction are segregated from the Company's assets and those of other transactions, over which creditors other than the holders of the notes issued to finance the purchase of the said receivables cannot take any action. The Company may carry out related transactions within the limits set by Law 130/1999 to ensure the successful outcome of its securitisation transactions or transactions pertinent to its corporate object. It may also reinvest funds obtained from managing the receivables purchased and not immediately needed to meet the rights pursuant to Article 1.1.b) of Law 130/1999 in other financial assets (including therein receivables have similar characteristics to those under securitisation)".

All key operating activities associated with the management of the transaction have been assigned to third parties (see point B.2).

The special purpose entity shall not approve, agree or consent any deed or act detrimental to the interests of the noteholders or the interests of other creditors.

## QUANTITATIVE INFORMATION ON THE SECURITISATION TRANSACTION

### F.7 — CASH FLOWS ON SECURITIES

	31/12/2008	Movement of period	31/12/2009
a) Opening balance:	1,159,500,000		1,159,500,000
b) Increase:			
b.1 Subsequent purchases			
b.2 Gains Refunds			
c) Decreases			
c.1 Repayments on capital account			
c.2 Losses on repayments			
c.3 Other changes			
d) Ending balance:	1,159,500,000		1,159,500,000

Over the last year to 31 December 2009, the securitized portfolio remained unchanged in line with forecasts.

### F.8 — STATUS OF RECEIVABLES PAST DUE

Not applicable insofar as involving securitised receivables and no due-date has been reached.

### F.9 — CASH FLOWS

Cash flows are summarised as follows:

	(amounts in Eur)	
	31.12.2009	31.12.2008
Opening balance	8,987,566	5,372,318
Collections:		
1. by redemption of securities	0	0
2. Interest income on securities	27,874,148	60,893,809
3. Interest income on c / c	20,034	188,313
4. other collections	44	76
Payments:		
1. for reimbursement funding	0	0
2. Interest expense on notes	(25,156,863)	(57,170,057)
3. A/C interest expense	(16)	0
4. for other payments	(430,115)	(296,893)
Ending balance	11,294,798	8,987,566

During 2009 Credico Funding 2 S.r.l. collected Eur 27,874,148 by way of interest income accruing on securities and Eur 20,034 by way of interest income accruing on bank current accounts (A/Cs); at the same time, the Company paid Eur 25,156,863 by way interest expense accruing on the notes issued.

## F.10 — STATUS OF GUARANTEES AND CREDIT FACILITIES

No guarantees have been given or received with respect to the securitisation transaction, and no recourse has been made to credit line facilities made available by the banking industry.

## F.11 — BREAKDOWN BY RESIDUAL USEFUL LIFE EXPECTANCY

Presented below is the breakdown by residual useful life expectancy:

Item Remaining life	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Beyond 5 years	Indefinite	Total
Credits			1,159,500,000			1,159,500,000

## F.12 — BREAKDOWN BY TERRITORIAL REGION

Region	Number of issues	Amount
Veneto	17	443,500,000
Trentino — Alto Adige	1	3,000,000
Lombardia	10	137,500,000
Friuli	5	73,500,000
Emilia Romagna	11	183,500,000
Piemonte	4	35,000,000
North	48	876,000,000
Toscana	14	195,500,000
Umbria	1	1,000,000
Marche	10	55,500,000
Molise	0	0
Center	25	252,000,000
Basilicata	1	3,000,000
Calabria	1	2,000,000
Campania	2	8,000,000
Puglia	2	15,500,000
Sardegna	1	3,000,000
South and Islands	7	31,500,000
Total	80	1,159,500,000

## F.13 — RISK CONCENTRATIONS

### F.13.1 — INFORMATION REGARDING THE FRACTIONING OF SECURITISED RECEIVABLES

Fractioning brackets in Eur	Number of tranches	Amounts
between 0 and 25,000		
from 25,000 to 75,000		
from 75,000 to 250,000		
beyond 250,000	80	1,159,500,000
Total	80	1,159,500,000

**F.13.2 - IDENTIFICATION OF EACH AND ANY RECEIVABLE THAT, ON A STAND-ALONE BASIS, EXCEEDS 2% OF THE TOTAL AMOUNT OF THE SECURITISED RECEIVABLES IN PORTFOLIO**

ISIN	ISSUER	AMOUNTS
IT0003678072	Bcc Crediveneto	70,000,000
IT0003678825	Bcc Monastier e del Sile	70,000,000
IT0003677801	Bcc Trevigiano – Vedelago	70,000,000
IT0003676746	Bcc Pordenonese	60,000,000
IT0003677819	Bcc San Biagio del Veneto Orientale	50,000,000
IT0003678098	Bcc Alta Padovana – Campodarsego	40,000,000
IT0003677827	Bcc Emil Banca – Bologna	31,000,000
IT0003678189	Bcc Fiorentino - Campi Bisenzio	30,000,000
IT0003678213	Bcc Mantovabanca 1896	30,000,000
IT0003678239	Bcc Padana – Leno	30,000,000
IT0003677959	Bcc Valdarno	30,000,000
IT0003678270	Bcc Cesena	25,000,000
IT0003678304	Bcc Cherasco	25,000,000
IT0003678403	Bcc Forli	25,000,000
IT0003677843	Bcc Impruneta	25,000,000
TOTAL		611,000,000

**OTHER DISCLOSURES**

Having regard to the tax treatment of the separately-managed assets of special purpose vehicles, the company made reference to Bank of Italy Regulations No. 14890 issued on 29 March 2000, as confirmed in the Tax Circular No. 8/E issued by the Taxation Authorities on 6 February 2003, whereby the results of operations arising from the management of securitised assets during the performance of transactions are not considered available to the special purpose vehicle. The fact that the assets are separately managed makes the related income arising there from unavailable to the special purpose entity for tax purposes. Accordingly, in line with the Bank of Italy Regulations No. 14890 referred to above, it follows that while the transaction is being performed, the special purpose vehicle does not have any legal or tax right to the cash inflows and, only upon the conclusion of the transaction, when all creditors have been satisfied, does any excess flow to the special purpose vehicle, if so agreed.

In practice, only those amounts, if any, that will be available to the special purpose after all its obligations towards its creditors (primarily, its noteholders) have been fulfilled would be subject to tax.

**SECTION 3 — RISKS AND RELATED HEDGING POLICIES**

**SECTION 3.1 CREDIT RISK**

The company has exposures solely and exclusively in respect of banks and in respect of the separately-managed assets. Given the foregoing, credit risk is deemed to be limited. As a consequence thereof, no credit risk management policy has been implemented.

## QUANTITATIVE INFORMATION

### 1 DISTRIBUTION OF FINANCIAL ASSETS FOR PORTFOLIO AND CREDIT QUALITY

Portfolios/quality	Suffering	Stranded assets	Activities refurbished	Overdue tasks	Other activities	Total
Financial assets held for trading						
Financial assets at fair value						
Financial assets available for sale						
Financial assets held to maturity						
Loans to banks						
Loans to financial institutions					21,059	21,059
Loans to customers						
Other activities						
Hedging derivatives						
Total 2009					21,059	21,059
Total 2008					26,550	26,550

## SECTION 3.2 MARKET RISK

### 3.2.1 INTEREST RATE RISK

Given the type of operations involved, interest rate risk is deemed to be negligible.

### 3.2.2 PRICERISK

The company has no exposures to price risk.

### 3.2.3 CURRENCY RISK

The company has no transactions denominated in foreign currency outstanding; in consequence, the company has no exposures to currency risk.

## SECTION 3.3 OPERATIONAL RISK

Operational risk is identified as IT and computer-system disruption risk resulting in data loss. By way of contending with such risk, Credico Funding 2 S.r.l. has implemented an accounting retrieval, back-up and storage system.

## Section 4 – Information on equity

### 4.1.2.1 CORPORATE ASSETS: STRUCTURE

	Items / Values	2009	2008
1.	Capital	10,000	10,000
2.	Share premium		
3.	Reserve		
	-of profit		
	a) legal	2,065	1,729
	b) statutory		
	c) share		
	d) others		
	- others	-1,729	-1,729
4.	(Share)		
5.	Valuation reserves		
	- Financial assets available for sale		
	- Tangible assets		
	- Intangible assets		
	- Hedges of foreign investments		
	- Cash flow hedges		
	'- Exchange differences		
	-Non current assets and groups of assets held for sale		
	- Special revaluation laws		
	- Actuarial gains / losses relating to defined benefit pension plan		
	- Share valuation reserves for investments valued at equity		
6.	Equity		
7.	Profit (loss) of period	29	336
	Total	10,365	10,336

## Section 5 – DETAILED STATEMENT OF COMPREHENSIVE INCOME

	Item	Gross Amount	Income tax	Net Amount
10.	Profit (Loss) of the period	2,640	-2,611	29
	Other income components			
20.	Financial assets available for sale:			
	a) changes in fair value:			
	b) moving items in the income statement			
	- adjustments deterioration			
	- profit / losses on disposal			
	c) Other changes			
30.	Tangible assets			
40.	Intangible assets			
50.	Hedges of foreign investments a)			
	changes in fair value:			
	b) moving items in the income statement c)			
	other changes			
60.	Cash flow hedges:			
	a) changes in fair value:			
	b) moving items in the income statement c)			
	other changes			
70.	Exchange rate differences:			
	a) changes in fair value:			
	b) moving items in the income statement c)			
	other changes			
80.	Non current assets held for sale a)			
	changes in fair value:			
	b) moving items in the income statement c)			
	other changes			
90.	Profits (losses) on defined benefit plans actuarial			
100.	Share valuation reserves for investments valued at equity:			
	a) changes in fair value:			
	b) moving items in the income statement			
	- Corrections from deterioration			
	- profit / losses on disposal c)			
	other changes			
110.	Total other income components			
120.	Comprehensive Income (Item 10 +110)	2,640	-2,611	29

## Section 6 — RELATED PARTY TRANSACTIONS

### 6.1 REMUNERATION OF DIRECTORS AND MANAGERS

Administrative body has not been paid any compensation during the year.

The Company has not the Board of Auditors.

### 6.2 LOANS AND GUARANTEES GIVEN TO DIRECTORS AND STATUTORY AUDITORS

Were not granted any loans or guarantees given on behalf of the Administrator.

### 6.3 DETAILS OF TRANSACTIONS WITH RELATED PARTIES

Have not been carried out related party transactions.

### Section 7 — OTHER INFORMATION

The Company does not have employees.

Credico Funding 2 S.r.l.

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Michele Gino Lenotti

The Sole Director

Manager in charge for the  
preparation of the Company's  
financial statements



## **AUDITORS' REPORT**

### **Credico Funding 2 S.r.l.**

Financial Statements as of december 31, 2009  
Independent Auditor's Report  
(Translation from the original Italian text)

### **Independent auditors' report (Translation from the original Italian text)**

To the Quotaholders of

### **Credico Funding 2 S.r.l.**

1. We have audited the financial statements of Credico Funding 2 S.r.l. as of and for the year ended December 31, 2009, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in quotaholder's 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 the Credico Funding 2 S.r.l.'s sole director. Our responsibility is to express an opinion on these financial statements based on our audit. This report is not issued pursuant to the provision of the Italian law, as Credico Funding 2 S.r.l. for the year ended December 31, 2009 was not required to the statutory audit, pursuant to art. 2409 -bis and followings of the Italian Civil Code (now art. 14 and 16 of Legislative Decree n° 39/2010).
2. Our audit was made in accordance with auditing standards issued by the Italian Accounting Profession (CNDCEC) and recommended by the Italian Stock Exchange Regulatory Agency (CONSOB). In accordance with such standards, we planned and performed our 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 22, 2009.
3. In our opinion, the financial statements of Credico Funding 2 S.r.l. at December 31, 2009 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 Funding 2 S.r.l. for the year then ended.

4. As noted by the Sole Director in the section of the notes to the financial statements concerning events subsequent to the balance sheet date, activities to conclude the securitization managed by the vehicle Credico Funding 2 S.r.l. will begin in May 2010.
5. 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.

Rome, April 20, 2010

Reconta Ernst & Young S.p.A.

signed by: Alberto M. Pisani, partner

# Credico Finance 9 S.r.l.

## Report on operations

Financial statements at 31 December 2010

Dear Quotaholders,

We submit for your approval the financial statements at 31 December 2010, which show a net profit of €33,131 and quotaholders' equity of €43,497. They are composed of the balance sheet, the income statement, the statement of changes in quotaholders' equity, the statement of cash flows, the statement of comprehensive income and the explanatory notes to the financial statements.

Credico Finance 9 S.r.l is a financial company, a vehicle for lending transactions by means of securitizations established pursuant to Article 3 of Law 130 of 30 April 1999, initially entered in the special register pursuant to Article 107 of the Banking Act, and now entered in the general register pursuant to Article 106 of the Banking Act following the entry into force of the new regulations contained in the Bank of Italy measure concerning "*Securitization of claims – Cancellation of SPVs from the Special Register*" issued on 25 September 2009.

### Notes on reading the financial statements

The financial statements were drafted in compliance with the recognition and measurement criteria established by the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission in accordance with the procedure established under Article 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002. The Regulation was implemented in full in Italy following the enactment of Legislative Decree 38 of 28 February 2005, which entered force on 22 March 2005, and is in line with the provisions of the measure of the Governor of the Bank of Italy of 16 December 2009.

The notes to the financial statements – Part A “Accounting policies” report the main international accounting standards used in preparing the accounts.

The items of the balance sheet, income statement, statement of changes in equity and the statement of cash flows show significant changes with respect to the situation at 31 December 2009 that are entirely attributable to the transfer of bank balances and withholding taxes from the separate asset pool.

As regard developments in the securitization, please see section F of the notes to the financial statements. On 1 June 2010, the Interest Payment Date, the securitization was closed with the payment of all suppliers and the consequent redemption of the Series A, B, C and D notes and, on a residual basis, the E notes.

### Activity performed

The exclusive purpose of the Company, originally named Credico Funding 2 and since 1 December 2010 Credico Finance 9 S.r.l., is to carry out securitizations of claims by means of the purchase for

consideration of existing or future pecuniary claims, in such a manner as to exclude the assumption of any credit risk by the Company. In conformity with the provisions of said law, the claims acquired by the Company for each operation are segregated from the assets of the Company and those of other operations. No claim on any separate asset pool may be advanced by creditors other than the holders of the securities issued to finance the acquisition of the related claims.

Within the limits established by the law, the Company may perform any ancillary financial transactions necessary for the completion of the securitizations it shall carry out or other instrumental transactions necessary for the pursuit of its corporate purpose, as well as reinvestment in other financial assets of the funds generated by the management of the claims acquired that are not immediately used to satisfy the rights in respect of such securities.

As part of its operations, in July 2004 the Company carried out a securitization in which Iccrea Banca S.p.A. assigned en bloc on a non-recourse basis, pursuant to and for the purposes of the provisions of Articles 1 and 4 of Law 130 of 30 April 1999, a portfolio of bonds issued by 80 Italian mutual banks.

At the date of assignment of the portfolio, the nominal value of the securities was equal to €1,159,500,000. The assignment price of the portfolio was set at €1,159,500,000 and was paid to Iccrea Banca S.p.A. on 22 July 2004 following the issue of notes on the market by Credico Funding 2 S.r.l., the proceeds of which were used to finance the purchase of the portfolio.

The securitization was closed in June 2010 with the payment of all suppliers and the consequent redemption of the Series A, B, C and D notes and, on a residual basis, the E notes.

All stakeholders and the supervisory authorities were notified of this operation.

### **Own shares**

The Company does not hold its own shares or those of the Parent Company.

### **Shareholders**

Share capital is held as follows:

50% Stichting Chatwin

50% Stichting Amis

### **Research and development**

No specific research and development activities were carried out.

### **Other information**

Following appropriate internal checks, it has been determined that the Company is not subject to the management and coordination of other parties as envisaged under Legislative Decree 6/2003 and governed by Art. 2497 et seq. of the Italian Civil Code.

### **Events subsequent to the balance sheet date**

After 31 December 2010, the vehicle Credico Finance 9 did not undertake any new securitizations.

### **Outlook**

As it currently stands, operations will be devoted to recovering the withholding taxes incurred over the course of the securitization on the accounts of the separate asset pool, for which, as envisaged under applicable legislation following the completion of the 2004 transaction, reimbursement can be requested in the Company's next tax return. In addition, during 2011 the possibility of using the vehicle to carry out new securitizations will be assessed.

### **Allocation of net profit**

Shareholders,

We recommend that you approve the financial statements for the year ended 31 December 2010, allocating the net profit of €33,131 as follows:

- €1,657 to the legal reserve
- €31,474 to the extraordinary reserve

We also recommending using €1,729 of retained earnings from previous years to cover the IAS valuation reserves in their entirety.

The Sole Director

Antonio Bertani

# Credico Finance 9 S.r.l.

## BALANCE SHEET

at 31 December 2010

(in euros)

	2010	2009
<b>BALANCE SHEET</b>		
<b>ASSETS</b>		
<b>60.</b> Loans and receivables	175,124	9,962
<b>120.</b> Tax assets	148,643	8,006
(a) current	148,643	2,864
(b) deferred	0	5,142
<b>140.</b> Other assets	599	11,097
<b>TOTAL ASSETS</b>	<b>324,366</b>	<b>29,065</b>

	2010	2009
<b>LIABILITIES</b>		
<b>90.</b> Other liabilities	280,869	18,700
<b>120.</b> Share capital	10,000	10,000
<b>160</b> Reserves	366	336
<b>170</b> Valuation reserves	0	0
<b>180</b> Net profit (loss) for the year	33,131	29
<b>TOTAL LIABILITIES</b>	<b>324,366</b>	<b>29,065</b>

# Credico Finance 9 S.r.l.

## INCOME STATEMENT

at 31 December 2010

(in euros)

	2010	2009
<b>10.</b> Interest and similar income	44	29
<b>20.</b> Interest and similar expense	(2)	0
<b>Net interest income</b>	<b>42</b>	<b>29</b>
<b>Gross income</b>	<b>42</b>	<b>29</b>
<b>110.</b> Administrative expenses:	(212,743)	(43,940)
a) personnel expenses	(12,093)	0
b) other administrative expenses	(200,650)	(43,940)
<b>160.</b> Other operating income/expenses	258,399	46,551
<b>Operating income</b>	<b>45,698</b>	<b>2,640</b>
<b>Profit (loss) before tax on continuing operations</b>	<b>45,698</b>	<b>2,640</b>
<b>190.</b> Income tax expense from continuing operations	(12,567)	(2,611)
<b>Profit (loss) after tax on continuing operations</b>	<b>33,131</b>	<b>29</b>
<b>Net profit (loss) for the year</b>	<b>33,131</b>	<b>29</b>

### CREDICO FINANCE 9 S.R.L.

#### STATEMENT OF COMPREHENSIVE INCOME

(IN EUROS)	2010	2009
<b>10.</b> Net profit (loss) for the period	<b>33,131</b>	<b>29</b>
<b>110.</b> Total other comprehensive income net of taxes	<b>0</b>	<b>0</b>
<b>120.</b> Comprehensive income (Item 10+110)	<b>33,131</b>	<b>29</b>

	As at 31/12/2009	Changes in opening balance	As at 1/1/2010	Allocation of net profit of previous period		Changes in the period					Comprehensive income for 2010	Quotaholders' equity as at 31/12/2010	
				Reserves	Dividends and other allocations	Change in reserves	Equity transactions						
							Issue of new shares	Purchase of own shares	Extraordinary distribution of dividends	Changes in equity instruments			Other changes
Share capital	10,000		10,000										10,000
Share premium reserve	0		0										0
Reserves:	0		0										0
a) earnings	2,065	1	2,066	29									2,095
b) other	(1,729)		(1,729)										(1,729)
Valuation reserves	0		0										0
Equity instruments	0		0										0
Own shares	0		0										0
Net profit (loss) for the period	29		29	(29)								33,131	33,131
Total quotaholders' equity	10,365		10,366	0	0	0	0	0	0	0	0	33,131	43,497



	As at 31/12/2008	Changes in opening balance	As at 1/1/2009	Allocation of net profit of previous period		Changes in the period					Comprehensive income for 2009	Qutoaholde equity as at 31/12/2009	
				Reserves	Dividends and other allocations	Change in reserves	Equity transactions						
							Issue of new shares	Purchase of own shares	Extraordinary distribution of dividends	Changes in equity instruments			Other changes
Share capital	10,000		10,000										10,0
Share premium reserve	0		0										
Reserves:	0		0										
a) earnings	1,729		1,729	336									2,0
b) other	(1,729)		(1,729)	0									(1,729)
Valuation reserves	0		0										
Equity instruments	0		0										
Own shares	0		0										
Net profit (loss) for the period	336		336	(336)								29	
Total quotaholders' equity	10,336		10,336	0	0	0	0	0	0	0	0	29	10,336

## STATEMENT OF CASH FLOWS

(Direct method)

A. OPERATING ACTIVITIES	2010	2009
<b>1. Operations</b>	<b>33,131</b>	<b>(142)</b>
- interest income received (+)	44	21
- interest expense paid (-)	(2)	(89)
- dividends and similar income (+)		
- net fee and commission income (+/-)		
- personnel expenses (-)	(12,093)	
- other expenses (-)	(200,650)	
- other revenues (+)	258,399	
- taxes and duties (-)	(12,567)	(74)
- expenses/revenues associated with disposal groups net of taxes (+/-)		
<b>2. Net cash flows from/used in financial assets</b>	<b>(142,146)</b>	<b>102</b>
- financial assets held for trading		
- financial assets at fair value through profit or loss		
- financial assets available for sale		
- due from banks		102
- due from financial institutions		
- loans to customers		
- other assets	(130,139)	
<b>3. Net cash flows from/used in financial liabilities</b>	<b>262,170</b>	<b>(7)</b>
- due to banks		
- due to financial institutions		
- due to customers		
- securities issued		
- financial liabilities held for trading		
- financial liabilities at fair value through profit or loss		
- other liabilities	262,170	(7)
<b>Net cash flows from/used in operating activities</b>	<b>132,030</b>	<b>(47)</b>
<b>B. INVESTING ACTIVITIES</b>		
<b>1. Cash flows from</b>		
- sales of equity investments		
- dividends on equity investments		
- sales/redemptions of financial assets held to maturity		
- sales of property and equipment		
- sales of intangible assets		
- sales of subsidiaries and business units		
<b>1. Cash flows used in</b>		
- purchases of equity investments		
- purchases of financial assets held to maturity		
- purchases of property and equipment		
- purchases of intangible assets		
- purchases of subsidiaries and business units		

	<i>Net cash flows from/used in investing activities</i>	
<b>C. FINANCING ACTIVITIES</b>		
- issues/purchases of treasury shares		
- issues/purchases of equity instruments		
- dividend distribution and other		
	<i>Net cash flows from/used in financing activities</i>	
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>165,162</b>	<b>(47)</b>

RECONCILIATION	2010	2009
<b>Cash and cash equivalents at beginning of period</b>	<b>9,962</b>	<b>10,009</b>
Net increase/decrease in cash and cash equivalents	165,162	(47)
<b>Cash and cash equivalents at end of period</b>	<b>175,124</b>	<b>9,962</b>

**Credico Finance 9 S.r.l.**

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDING DECEMBER 31, 2010**

**COMPANY BUSINESS**

The corporate purpose of the Company, which was founded on 12 December 2003, is to perform securitizations of claims pursuant to Law 130 of 30 April 1999. At present, the Company is not engaged in any securitization transaction.

**STRUCTURE AND CONTENT OF THE EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**

These notes are divided into the following parts:

Part A – Accounting policies

Part B – Information on the balance sheet

Part C – Information on the income statement

Part D – Other information

Each part of the notes to the financial statements is organized into sections discussing all aspects of operations. The sections provide qualitative and quantitative information.

**PART A – ACCOUNTING POLICIES**

**A.1 General Information**

**Section 1: Declaration of conformity with international accounting standards**

The financial statements at 31 December 2010 have been prepared in accordance with the International Financial Reporting Standards and the International Accounting Standards (hereinafter “IFRS”, “IAS” or “international accounting standards”).

The IAS/IFRS issued by the International Accounting Standards Board (IASB) are a set of standards for the preparation of corporate financial reports, facilitating comparison of such reports in an increasingly competitive and global market environment.

At the European level, the adoption of the IAS/IFRS for the consolidated financial statements of listed companies was mandated with Regulation (EC) no. 1606 of 19 July 2002.

The European Commission completed the endorsement of the IAS/IFRS in December 2004 with ratification of IAS 39 governing financial instruments.

At the national level, Legislative Decree 38 of 28 February 2005 extended application of the IAS/IFRS under the option envisaged in the European Regulation to include the separate financial statements (on an optional basis for 2005 and then on a mandatory basis as from 2006) of listed companies, banks, supervised financial institutions and unlisted insurance undertakings.

The Bank of Italy, within the scope of the regulatory powers granted to it under Legislative Decree 38 of 28 February 2005, supplemented the regulatory framework with its measure of 14 February 2006 (subsequently replaced and amended with the measure of 16 December 2009) containing instructions for the preparation of the financial statements of the financial intermediaries entered in the special register, electronic money institutions, asset management companies and securities investment firms, under which the financial statements have been prepared.

Under the provisions of Legislative Decree 38/2005, the adoption of the IAS/IFRS is irrevocable.

In compliance with the provisions of Legislative Decree 38/2005, Credico Finance 9 S.r.l. adopted the IAS/IFRS in preparing its separate financial statements as from the 2006 financial year.

The financial statements are denominated in euros, the functional currency of the Company. Unless otherwise indicated, the figures in the financial statements and the notes to the financial statements are expressed in euros.

## **Section 2: General preparation principles**

The financial statements consist of 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 explanatory notes to the financial statements, and are accompanied by the management report on operations prepared by the Sole Director. The balance sheet and income statement contain items, sub-items and further information (the "of which" for items and sub-items).

The financial statements have been prepared in accordance with the principles described in the *Framework for the Preparation and Presentation of Financial Statements*. Accordingly, the financial statements have been prepared with specific regard for the prevalence of substance over form, the assumption of the company's continuity, and the materiality and significance of information.

The financial statements have been drafted on an accruals and going-concern basis.

Items without values for the reference period and the previous period are not included.

The notes to the financial statements report the information required under the measure of the Bank of Italy of 16 December 2009 containing instructions for the preparation of the financial statements of the financial intermediaries entered in the special list, electronic money institutions, asset management companies and securities investment firms, as well as the additional disclosures required under the international accounting standards.

Financial assets and liabilities are recognized in accordance with the administrative instructions issued by the Bank of Italy pursuant to Article 9 of Legislative Decree 38/2005, in compliance with the international accounting standards, underscoring the separation of the assets of the securitization from those of the Company. This approach is also in line with the provisions of Law 130/99, under which the receivables in respect of each securitization represent a separate asset pool from that of the Company and those of other securitizations.

It should be borne in mind that the accounting treatment under IAS 39 of financial assets and/or groups of financial assets and financial liabilities in respect of securitizations is still being examined by the bodies responsible for the interpretation of the accounting standards.

## **Securitizations**

In accordance with the provisions of the Offering Circular, ICCREA Banca S.p.A. has performed all of the formalities for the closure of the securitization. More specifically, by 21 May 2010 the mutual banks that issued the bonds that had been securitized in the separate asset pool of the Company had redeemed all of those bonds in the manner established in the Offering Circular.

Following liquidation of the securitized assets, on 1 June 2010 Deutsche Bank, in its role as the entity responsible for settlement of the securitization, repaid the principal and interest accrued on the ABSs issued by the separate asset pool. The Class A securities (Senior Notes), B, C and D securities (Mezzanine Notes) and E securities (Junior Notes) were redeemed in full and all transactions with securitization counterparties were terminated.

The securitization carried out in 2004 has therefore been completed.

The representation of the securitization in the accounts complies with information required by the Measure of the Bank of Italy dated December 16, 2009 containing instructions for the preparation of the financial statements of the financial intermediaries entered in the special list, electronic money institutions, asset management companies and securities investment firms.

The rules set out in those instructions appear to be in line with the previous Measure of April 2000 and with Law 130/99 (the “Securitization Act”), under which the receivables in respect of each securitization represent a separate asset pool from that of the Company and those of other securitizations.

The disclosures on the securitizations are presented in a special section of the explanatory notes to the financial statements and do not form part of the financial statements themselves. As a result, the amounts reported in respect of the securitizations were not affected by the application of the IAS/IFRS.

As regards securitizations, the Bank of Italy has expressly established that:

- a) the accounting information for each securitization shall be reported separately in the explanatory notes to the financial statements;
- b) the information shall include all qualitative and quantitative aspects necessary to provide a clear and complete representation of each securitization.

Specifically, the Bank of Italy requires that the explanatory notes to the financial statements provide the following minimum information.

Part D, “Other information”, shall contain a section summarizing at least the following information:

amount of receivables purchased (nominal value and transfer value); amount of the securities issued, distinguishing between the various classes of securities and their degree of subordination. This specification does not prejudice the general requirement to provide all information, even if not expressly requested, needed to provide a complete view of the situation and to omit all information that, owing to its nature or excessive detail, diminishes the clarity and immediacy of the disclosures.

A specific section (“F”) shall be prepared with at least the following information for each securitization:

Qualitative disclosures:

- description and progress of transaction;
- involved parties;
- description of the notes issued;
- ancillary financial transactions;
- operational scope of the assignee company and, if different, the issuing company.

Quantitative disclosures

- status of the receivables at the time of the assignment; increases and decreases through the end of the year; status of the receivables at the end of the year;
- variations taking place in overdue receivables ;
- cash flows in the period;
- status of guarantees and credit lines;
- breakdown of the securitized assets and liabilities by residual maturity;
- breakdown of the securitized assets by geographical area;
- information on the diversification of the portfolio.

For more information on the securitizations, please see section F of Part D - “Other information” of these notes to the financial statements.

### **Section 3: Events subsequent to the balance sheet date**

No significant event occurred between the balance sheet date and the date of approval of these financial statements that would have materially altered operations and the results reported.

The securitization has been completed.

For more information, please see the report on operations accompanying these financial statements.

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

### **LOANS AND RECEIVABLES**

#### **Recognition criteria**

*Loans and receivables include amounts due from banks and loans to customers with fixed or determinable maturities that are not listed on an active market. The item reports the amount of deposits and current account balances with banks.*

#### **Classification criteria**

Loans and receivables were not originally classified as financial assets available for sale.

#### **Measurement criteria**

Loans and receivables are measured at amortized cost. This method is not used for very short-term assets, which are measured at historic cost. Loans and receivables are assessed for the existence of objective evidence of impairment at each reporting date.

#### **Derecognition criteria**

Loans and receivables are derecognized when the asset is disposed of in a manner entailing the transfer of substantially all the risks and rewards associated with the assets, when the contractual rights expire or when the assets are considered definitively unrecoverable.

#### **Criteria for recognizing income components**

Income is represented by interest on bank current accounts.

### **TAX ASSETS AND LIABILITIES**

#### **Recognition, classification, measurement, derecognition and recognition of income and expense**

##### Current taxes

The balance sheet reports tax liabilities and receivables net of payments on account and withholdings.

Current tax assets and liabilities are recognized on the basis of the amount due or recoverable in respect of taxable income calculated in accordance with applicable tax law.

### **OTHER ASSETS**

#### **Recognition, classification, measurement, derecognition and recognition of income and expense**

Receivables in respect of the re-billing of costs incurred on behalf of the segregated asset pool are recognized at the time the service is completed or the costs are incurred, i.e. at the time the Company acquires the right to receive payment.

### **OTHER LIABILITIES**



### **Recognition, classification, measurement, derecognition and recognition of income and expense**

Other liabilities are recognized at nominal value, with settlement to take place within the normal operating cycle of the Company, with no deferrals envisaged. Liabilities are initially recognized at their fair value, which normally is equal to the amount paid including any incidental income and/or expenses.

### **SHARE CAPITAL**

Share capital is reported net of any part subscribed but not paid up.

### **COSTS AND REVENUES**

#### **Recognition, classification, measurement and derecognition**

Costs and revenues are recognized on an accruals basis in accordance with their nature.

Costs are recognized in the income statement at the time there is a decrease in future economic benefits involving a decrease in assets or an increase in liabilities whose amount can be reliably determined. Revenues are recognized in the income statement at the time there is an increase in future economic benefits involving an increase in assets or a decrease in liabilities whose amount can be reliably determined. Accordingly, costs and revenues are correlated through the direct matching of costs incurred and the generation of specific revenue items.

In view of the exclusive management activity performed by the Company, operating expenses, interest income and taxes incurred are billed to the separate asset pool in the amount necessary to ensure the financial equilibrium of the Company, as provided for contractually. The amount is classified under "other operating income".

### **A.3: FAIR VALUE DISCLOSURES**

This part is not applicable as the Company does not hold financial instruments measured at fair value.

## PART B – INFORMATION ON THE BALANCE SHEET

*The figures are reported in euros*

### ASSETS

*Section 6 – Loans and receivables (item 60)*

6.1 “Due from banks”

<b>2010</b>	<b>2009</b>
175,124	9,962

The item represents the balance on bank current accounts.

	<b>31/12/2010</b>	<b>31/12/2009</b>
1. Deposits and current accounts	175,124	9,962
2. Loans		
2.1 Repurchase agreements		
2.2 Finance leases		
2.3 Factoring		
- with recourse		
- without recourse		
2.4 Other		
3. Debt securities		
- structured securities		
- other debt securities		
4. Other assets		
Total book value	<b>175,124</b>	<b>9,962</b>
Total fair value	<b>175,124</b>	<b>9,962</b>

The item is composed of the positive balance on current account no. 35181 held with Deutsche Bank, including interest accrued as of the reporting date.

Section 12 – Tax assets and tax liabilities (item 120 of assets and item 70 of liabilities)

*This item reports current and deferred tax assets and liabilities.*

**12.1 Composition of item 120 “Tax assets: current and deferred”**

	<b>2010</b>	<b>2009</b>
Tax assets		
1. Current	148,643	2,856
2. Deferred	0	5,142
<b>Total</b>	<b>148,643</b>	<b>7,998</b>

The item breaks down as follows:

	<b>2010</b>	<b>2009</b>
Withholdings	153,452	8
IRES payments on account	2,525	0
IRES credit	91	2,856
IRES deferred tax assets	0	5,142
IRES liability	(7,425)	0
<b>Total other assets</b>	<b>148,643</b>	<b>8,006</b>

*b) deferred*

The calculation of deferred tax assets takes account of the reversal expected in the subsequent tax period.

The item breaks down as follows:

	2010	2009
<b>1. Opening balance</b>	<b>5,142</b>	<b>7,753</b>
<b>2. Increases</b>		<b>5,142</b>
2.1 Deferred tax assets recognized during the period:		
a) in respect of previous periods		
b) due to change in accounting policies		
c) writebacks		
d) other		5,142
2.2 New taxes or increases in tax rates		
2.3 Other increases		
<b>3. Decreases</b>	<b>(5,142)</b>	<b>(7,753)</b>
3.1 Deferred tax assets derecognized during the period		
a) reversals		
b) writedowns for supervening non-recoverability		
c) due to changes in accounting policies		
d) other	(5,142)	(7,753)
3.2 Reduction in tax rates		
3.3 Other decreases		
<b>4. Closing balance</b>	<b>0</b>	<b>5,142</b>

*Section 14 – Other assets (item 140)*

***14.1 Composition of item 140 “Other assets”***

Other assets break down as follows:

	2010	2009
Receivables due from separate asset pool	0	11,097
Other receivables	599	0
<b>Total other assets</b>	<b>599</b>	<b>11,097</b>

### LIABILITIES

Section 9 – Other liabilities (item 90)

#### **9.1 Composition of item 90 “Other liabilities”**

Other liabilities break down as follows:

	2010	2009
<b>- Invoices to be received</b>	280,869	18,700
<b>TOTAL</b>	<b>280,869</b>	<b>18,700</b>

- The balance of "invoices to be received" regards liabilities in respect of services provided by third parties for which the related invoices had not yet been received as of the reporting date.

Section 12 – Quotaholders’ equity (items 120, 130, 140, 150, 160 and 170)

#### **12.1 Composition of item 120 “Share capital”**

	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
<b>Total book value</b>	<b>10,000</b>	<b>10,000</b>

Share capital is fully subscribed and paid up. It breaks down as follows:

Quotaholders	Percentage holding	Nominal value of holding
Stichting Chatwin (Netherlands-registered foundation)	50%	5,000.00
Stichting Amis (Netherlands-registered foundation)	50%	5,000.00

12.5 Composition and changes in item 160 “Reserves”

			Retained earnings	Legal reserve	Other reserves	Total
<b>A.</b>	<b>Opening balance</b>		<b>2,048</b>	<b>17</b>	<b>(1,729)</b>	<b>336</b>
<b>B.</b>	Increases					
	B.1	Allocations	29	1		30
	B.2	Other changes				
<b>C.</b>	Decreases					
	C.1	Uses				
		Loss coverage				
		Distribution				
		Transfer to share capital				
	C.2	Other changes	1			1
<b>D.</b>	<b>Closing balance</b>		<b>2,076</b>	<b>18</b>	<b>(1,729)</b>	<b>366</b>

The availability of reserves for distribution is reported in the following table.

	Amount	Possible uses	Amount available	Uses in previous three years	
				Coverage of losses	Other
<b>Share capital</b>	10,000				
<b>Income reserves:</b>					
Legal reserve	18	B	18		
Extraordinary reserve	0	A,B,C	0		
<b>Other:</b>					
Restatement reserve					
Retained earnings	2,076	A,B,C	2,076		
<b>Non-distributable amount</b>		<b>1,729</b>			
<b>Distributable amount</b>		<b>366</b>			

Key

- A** capital increases
- B** coverage of losses
- C** distribution to shareholders

## PART C – INFORMATION ON THE INCOME STATEMENT

### *Section 1 - Interest (items 10 and 20)*

#### *1.1 Composition of item 10 “Interest and similar income”*

Interest income reports interest on amounts due from banks.

	<b>Debt securities</b>	<b>Loans</b>	<b>Other transactions</b>	<b>Total 31/12/2010</b>	<b>Total 31/12/2009</b>
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. Loans and receivables					
5.1 Due from banks			44	44	29
5.2 Due from financial institutions					
5.3 Loans to customers					
6. Other assets					
7. Hedging derivatives					
<b>Total</b>			<b>44</b>	<b>44</b>	<b>29</b>

*1.3 Composition of item 20 “Interest and other expense”*

Interest expense reports interest on amounts due to banks.

	<b>Loans</b>	<b>Securities</b>	<b>Other</b>	<b>Total 31/12/2010</b>	<b>Total 31/12/2009</b>
1. Due to banks			(2)	(2)	0
2. Due to financial institutions					
3. Loans to customers					
4. Securities issued					
5. Financial liabilities held for trading					
6. Financial liabilities at fair value					
7. Other liabilities					
8. Hedging derivatives					
			(2)	(2)	<b>0</b>



Section 9 – Administrative expenses (item 110)

**9.1 Composition of item 110.a “personnel expenses”**

Item/Sector	2010	2009
<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		
h) other expenses		
<b>2. Other personnel</b>		
<b>3. Directors and Statutory Auditors</b>	12,093	0
<b>4. Staff laid off</b>		
<b>5. Recoveries of expenses for employees seconded to other companies</b>		
<b>6. Reimbursements of expenses for employees seconded at the Company</b>		
<b>Total</b>	<b>12,093</b>	<b>0</b>

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

**9.2 Composition of item 110.b “other administrative expenses”**

	<b>2010</b>	<b>2009</b>
- legal and notary services	2,041	1,920
- tax and administrative consulting	197,349	22,449
- financial statements’ auditing	334	18,700
- annual fee for registration at the Chamber of Commerce for Industry, Agriculture and Handicrafts	200	200
- government tax for corporate books	310	310
- stamp duty	172	271
- bank fees and commissions	244	90
<b>Total</b>	<b>200,650</b>	<b>43,940</b>

Expenses for tax and administrative consulting include the costs of the Arranger incurred for the destructuring of the securitization at its closure.

In order to enhance the accounting representation of indirect taxes and duties, during the year they were reclassified from "other operating income/expenses" to "other administrative expenses". The same reclassification was made for 2009.

*Section 14 – Other operating income/expenses (item 160)*

**14.1 Composition of item 160 “Other operating income/expenses”**

	<b>2010</b>	<b>2009</b>
<b>1. Income</b>		
1.1 Revaluations		
1.2 Gains on disposal		
1.3 Recoveries in value		
1.4 Other income	258,399	46,551
<b>2. Expenses</b>		
2.1 Writedowns		
2.2 Losses on disposals		
2.3 Value adjustments due to impairment		
2.4 Other expenses	0	0
<b>Net result</b>	<b>258,399</b>	<b>46,551</b>

*Section 17 – Income tax expense from continuing operations (item 190)*

*This item reports the tax liability as the balance of current and deferred taxation in respect of taxable income for the year.*

*17.1 Composition of item 190 "Income tax expense from continuing operations"*

	<b>31/12/2010</b>	<b>31/12/2009</b>
1. Current taxes - IRES/IRAP	7,425	0
2. Change in current taxes for previous years	0	0
3. Reduction in current taxes for the year	0	0
4. Change in deferred tax assets	5,142	2,611
5. Change in deferred tax liabilities	0	0
<b>Total</b>	<b>12,567</b>	<b>2,611</b>

The amount of the tax liability for 2010 was calculated on the basis of current tax regulations.

#### 17.2 Reconciliation of theoretical tax liability and actual tax liability recognized

	<b>Taxable income</b>	<b>Tax rate</b>	<b>Tax</b>
Theoretical IRES	40,556	27.50%	11,154
Increases	5,143	27.50%	1,414
Decreases	(18,700)	27.50%	(5,143)
<b>Actual IRES</b>	<b>26,999</b>	<b>27.50%</b>	<b>7,425</b>
Theoretical IRAP	0	4.97%	0
Increases	0	4.97%	0
10% of other administrative expenses	0	4.97%	0
Decreases	0	4.97%	0
Standard deduction	0	4.97%	0
<b>Actual IRAP</b>	<b>0</b>	<b>4.97%</b>	<b>0</b>

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%.

## **19.2 – Other information**

None to report.

## **PART D – OTHER INFORMATION**

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

#### **Guarantees issued to third parties**

The Company has not issued any guarantees to third parties.

#### **Commitments**

There are no commitments other than those reported in section F.

#### **Off-balance-sheet transactions**

The Company had no outstanding off-balance-sheet transactions at 31 December 2010 other than the situation reported 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 structure and form of the summary are in line with the format envisaged in 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 intermediaries listed in the special register, 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 Measure of December 16, 2009.

As in the previous section of the explanatory notes to the financial statements, the amounts are expressed in euros unless otherwise indicated. The following section discusses the measurement criteria used for the most significant items, which in line with the Instructions of the Bank of Italy indicated above, continue to comply with the criteria set out in Legislative Decree 87/92.

Please note that on 1 June 2010, the Interest Payment Date, the securitization was closed with the payment of all suppliers and the consequent redemption of the Series A, B, C and D notes and, on a residual basis, the E notes. Accordingly, the attached statement reports the final year of operation.

F. 1 SUMMARY STATEMENT OF SECURITIZED ASSETS AND SECURITIES ISSUED

	<b>Balance at December 31, 2010</b>	<b>Balance at December 31, 2009</b>
	<b>(thousands of euros)</b>	<b>(thousands of euros)</b>
<b>A. Securitized assets</b>	<b>0</b>	<b>1,159,500</b>
A1 Loans	<b>0</b>	<b>1,159,500</b>
Nominal value	0	1,159,500
A2 Securities		
A3 Other	<b>0</b>	<b>0</b>
A3 a) Accrued interest on outstanding loans at 31 December	0	0
<b>B. Use of liquidity generated by management of the receivables</b>	<b>0</b>	<b>12,601</b>
B1 Debt securities		
B2 Equity securities		
B3 Liquidity	<b>0</b>	<b>12,601</b>
B3 a) Bank current accounts	0	11,295
B3 b) Other	0	1,306
<b>C. Notes issued (nominal value)</b>	<b>0</b>	<b>1,159,500</b>
C1 Class A	0	1,008,800
C2 Class B	0	24,400
C3 Class C	0	47,500
C4 Class D	0	44,000
C5 Class E	0	34,800
D. Financing received	<b>0</b>	<b>0</b>
<b>E. Other liabilities</b>	<b>0</b>	<b>12,601</b>
E1 Reserve Fund	0	994
E2 Liabilities towards company management	0	11
E3 Suppliers	0	24

E4 Accrued expenses and deferred income	0	941
E5 Due to noteholders	0	10,631
<b>F. Interest expense on notes issued</b>	<b>5,860</b>	<b>23,703</b>
F1 Interest on Class A notes	3,754	19,375
F2 Interest on Class B notes	104	501
F3 Interest on Class C notes	237	1,057
F4 Interest on Class D notes	350	1,291
F5 Interest on Class E notes	1,415	1,479
<b>G. Commissions and fees</b>	<b>241</b>	<b>271</b>
G1 For servicing	129	128
G2 Other services	112	143
G. 2a) A/C and Notes Fees	45	70
G. 2b) Corporate Servicing Fees	46	40
G. 2c) Rating Fees	21	33
G. 2d) Management Fees	0	0
<b>H. Other expenses</b>	<b>93</b>	<b>49</b>
H1 Portfolio management	15	42
H2 Administrative services	10	2
H3 Legal	25	0
H4 Amortization of securitized expenses	1	1
H5 Out-of-period expenses	0	0
H6 Interest expense on current accounts	0	0
H7 Bank fees and commissions	0	1
H8 Self-invoices Art. 17 para.3 Pres. Decr. 633/72	2	3
H9 Consob fee	40	0
<b>I. Interest generated by securitized assets</b>	<b>5,391</b>	<b>24,855</b>
<b>L. Other revenues</b>	<b>32</b>	<b>28</b>
L1 Interest income from banks	32	28

## QUALITATIVE DISCLOSURES

### F.2 DESCRIPTION OF THE OPERATION AND DEVELOPMENTS DURING THE YEAR.

On 22 July 2004, Iccrea Banca S.p.A. assigned without recourse, pursuant to and for the purposes of Articles 1 and 4 of Law 130 of 30 April 1999, a portfolio of bonds identifiable en bloc issued by 80 Italian mutual banks.

At the assignment date, the nominal value of the securities was equal to €1,159,500,000. The assignment price of the portfolio was set at €1,159,500,000 and was paid to Iccrea Banca S.p.A. on 22 July 2004 following the issue of notes on the market by Credico Finance 9 S.r.l., the proceeds of which were used to finance the purchase of the portfolio.

The securitization was closed on 1 June 2010 with the payment of all suppliers and the consequent redemption of the Series A, B, C and D notes and, on a residual basis, the E notes.

### F.3 ENTITIES INVOLVED UNTIL THE CLOSURE OF THE SECURITIZATION

**Account Bank:** Deutsche Bank S.p.A.

**Agent Bank:** Deutsche Bank AG London

**Class A Notes Lead Manager:** Société Generale CDC IXIS Capital Markets

**Class A Notes Manager and Mezzanine Notes Lead Manager:** Iccrea Banca S.p.A.

**Co-arranger:** Iccrea Banca S.p.A. and Merrill Lynch International

**Computation Agent:** Deutsche Bank AG London

**Custodian:** Iccrea Banca S.p.A.

**Italian Paying Agent:** Deutsche Bank S.p.A.

**Legal Adviser (to the Arrangers).** Allen & Overy Brosio, Casati e Associati

**Legal Adviser (to the Class A Notes Lead Managers):** Allen & Overy

**Listing Agent and Luxembourg Paying Agent:** Deutsche Bank Luxembourg S.A.

**Management Services Provider:** Wilmington Trust Sp Services Limited

**Principal Payment Agent:** Deutsche Bank AG London

**Rating Agency:** Moody's Investors Service Inc. e Standard & Poor's Rating Services

**Representative of the Noteholders:** Deutsche Trustee Company Limited

**Servicer / Back-up Servicer:** Iccrea Banca S.p.A./U.G.C. Banca S.p.A.

**Stichtingen Corporate Services Provider:** Wilmington Trust Sp Services Limited

**Corporate Services Provider:** Deloitte Finance Process Solutions S.p.A.



#### F.4 Characteristics of the notes

- The notes issued and redeemed on the last Interest Payment Date were originally issued with a floating rate, with quarterly interest being paid to the noteholders on 30 November, 28 February, 31 May and 31 August each year.

- The repayment of principal, initially scheduled to occur on 31 May 2012 under the terms of the contracts entered into at the start of the securitization, was made on 1 June 2010, with the consequent payment of the interest accrued on the ABSs.

- Class	- Interest rate	- Amount in euros
- Class A	- 3m Euribor + 0.20% annual	- 1,008,800,000
- Class B	3m Euribor + 0.33% annual	- 24,400,000
- Class C	3m Euribor + 0.50% annual	- 47,500,000
- Class D	3m Euribor + 1.20% annual	- 44,000,000
- Class E	3m Euribor + 2.50% annual	- 34,800,000
- <b>Total</b>	-	- <b>1,159,500,000</b>

<b>The securities were rated as follows: Class</b>	<b>Rating</b>	<b>Rating agency</b>
A	AAA	Standard & Poor's Rating Services
A	Aaa	Moody's Investors Service Inc.
B	AA	Standard & Poor's Rating Services
C	A	Standard & Poor's Rating Services
D	BBB-	Standard & Poor's Rating Services
E	Not Rated	-

#### **F.5 Ancillary financial operations**

Under the Agency and Account Agreement, signed on 22 July 2004 between Credico Finance 9 S.r.l., Iccrea Banca S.p.A., Deutsche Bank AG London, Deutsche Bank Luxembourg S.A., Deutsche Bank S.p.A. and Bankers Trustee Company Limited, at each Investment Date (the business day of each Interest Payment Date), Deutsche Bank S.p.A. (in its capacity as Account Bank) invested the balance on the Reserve Fund Account in Eligible Investments on behalf of the issuer. The Eligible Investments were credited to the Eligible Investment Securities Account.

Eligible Investments comprise fixed-rate debt securities denominated in euros bearing a high rating (AAA for Standard & Poor's, Aaa for Moody's Investors Services).

At each Calculation Date, Deutsche Bank S.p.A. (in its capacity as Account Bank), on behalf of the issuer, sold any outstanding Eligible Investments and allotted the proceeds to the Reserve Fund Account and the Principal Account up to an amount equal to the Reserve Fund Investments Amount. Any surplus was credited to the Interest Account.

In any case, the proceeds thus allotted were reinvested in Eligible Investments at the subsequent Investment Date until the end of the operation.

#### **F.6 Operational scope of the assignee**

Credico Finance 9 S.r.l. ) has operational powers limited by its bylaws. In particular, Article 2 states: The Company has been established with the sole purpose of carrying out one or more securitizations of claims pursuant to Law 130 of 30 April 1999 and any subsequent amendments by means of the purchase for consideration of existing and future pecuniary claims, in such a manner as to exclude the assumption of any direct risk by the Company. In conformity with the provisions of said law, the

claims in respect of each operation shall be segregated from the assets of the Company and those of any other operations undertaken by the Company. No claim on any separate asset group may be advanced by creditors other than the holders of the securities issued to finance the acquisition of the related claims.

Within the limits established by Law 130/1999, the Company may perform any ancillary financial transactions necessary for the completion of the securitizations it shall carry out or other instrumental transactions necessary for the pursuit of its corporate purpose, including the reinvestment in other financial assets (including claims with characteristics similar to those that have been securitized) of the funds generated by the management of the claims acquired that are not immediately used to satisfy the rights in respect of such securities, pursuant to Article 1(1b) of Law 130/1999.

The Company may perform all other financial activities, as well as any instrumental activities connected to those activities, that the Board of Directors may consider necessary or advisable for the achievement of the corporate purpose.

All of the main operational activities associated with management of the securitization have been outsourced (see section F3).

The vehicle undertakes to not approve, agree or permit any act or thing to jeopardize the interests of the noteholders and other creditors.

## QUANTITATIVE DISCLOSURES

### F.7 Flow data for receivables

(in euros)

Balance at 31/12/2009	Decreases 2010 collections	Balance at 31/12/2010 <sup>note 1</sup>
1,159,500,000	1,159,500,000	0
<b>1,159,500,000</b>	<b>1,159,500,000</b>	<b>0</b>

Note 1 – The receivables had been collected as at 1 June 2010.

### F.8 - Changes in past due receivables

As the securitization has been completed, there is nothing to report in this table.

### F.9 - Cash flows

Cash flows from operations in the first six months were fully used to repay the noteholders and the creditors of the Company in completion of the closure of the securitization.

### F.10 - Guarantees and credit lines

Credit lines were duly repaid.

### F.11 - Breakdown by residual maturity

As the securitization has been completed, there is nothing to report in this table.

### F.12 - Breakdown by geographical area

As the securitization has been completed, there is nothing to report in this table.

### F.13 - Concentration of exposure

As the securitization has been completed, there is nothing to report in this table.

## Section 3 – RISKS AND RISK MANAGEMENT POLICIES

### 3.1 Credit risk

The Company is not exposed to credit risk.

	<b>Bad debts</b>	<b>Substandard assets</b>	<b>Restructured assets</b>	<b>Past-due assets</b>	<b>Other assets</b>	<b>Total</b>
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. Due from banks						
6. Due from financial institutions					175,124	175,124
7. Loans to customers						
8. Hedging derivatives						
<b>Total 2010</b>					<b>175,124</b>	<b>175,124</b>
<b>Total 2009</b>					<b>9,962</b>	<b>9,962</b>

### 3.2 Market risk

None.

### 3.3 Operational risks

None.

## Section 4 – CAPITAL

### 4.1 Company capital

#### 4.1.1 Qualitative disclosures

As permitted under Article 3 of Law 130/1999, the Company is formed as a private limited company with share capital of €10,000.

In view of the exclusive corporate purpose of the Company, it pursues the objective of preserving its capital over time, receiving payment of operating expenses from the separate asset pool. At the reporting date, there were no securitizations under way.

#### 4.1.2 Quantitative disclosures

##### 4.1.2.1 Company capital: composition

	2010	2009
1. Share capital	10,000	10,000
2. Share premium reserve	0	0
3. Reserves	0	0
- earnings	0	0
a) legal	2,095	2,065
b) established in bylaws	0	0
c) treasury shares	0	0
d) other	0	0
- other	(1,729)	(1,729)
4. (Treasury shares)	0	0
5. Valuation reserves	0	0
- Financial assets available for sale	0	0
- Property and equipment	0	0
- Hedging of investments in foreign operations	0	0
- Cash flow hedges	0	0
- Foreign exchange differences	0	0
- Non-current assets and disposal groups held for sale	0	0
- Special revaluation laws	0	0
- Actuarial gains (losses) on defined benefit plans	0	0
- Share of valuation reserves of equity investments accounted for using equity method	0	0
6. Equity instruments	0	0
7. Net profit (loss) for the period	33,131	29
<b>Total</b>	<b>43,497</b>	<b>10,365</b>

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

In view of the scope of the Company's operations and the information provided in Section 4.1, this section does not apply.

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

As reported in the statement of comprehensive income, the Company's net profit (loss) corresponds to its comprehensive income.

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

### **6.1 Information on remuneration of directors and key management personnel**

#### 6.1 Information on remuneration of directors and management

The remuneration due to the Sole Director for 2010 amounted to €12,093.

The Company does not have a Board of Auditors.

#### 6.2 Loans and guarantees granted to members of the Board of Directors and the Board of Auditors

No loans or guarantees have been granted to the Sole Director.

#### 6.3 Information on transactions with related parties

There are no transactions with related parties to report.

## **Section 7 – OTHER INFORMATION**

The Company does not have employees.

The Sole Director  
(Antonio Bertani)

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**Credico Finance 9 S.r.l.**  
**(formerly Credico Funding 2 S.r.l.)**

Financial Statements as of December 31, 2010 Independent Auditors' Report

**Independent auditors' report**

To the Quotaholders of Credico Finance 9 S.r.l.  
(formerly Credico Funding 2 S.r.l.)

1. We have audited the financial statements of Credico Finance 9 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 9 S.r.l.'s sole director. Our responsibility is to express an opinion on these financial statements based on our audit. These financial statement have been prepared for the purpose of their inclusion in the offering circular prepared by Credico Finance 9 S.r.l. for the issue of certain floating notes due June 2050. This report is not issued pursuant to the provision of the Italian law, as Credico Funding 9 S.r.l. for the year ended December 31, 2010 was not required to the statutory audit, pursuant to art. 2477 of the Italian Civil Code.
2. Our audit was made in accordance with auditing standards issued by the Italian Accounting Profession (CNDCEC) and recommended by the Italian Stock Exchange Regulatory Agency (CONSOB). In accordance with such standards, we planned and performed our 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 20, 2010.

3. In our opinion, the financial statements of Credico Finance 9 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 9 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 no 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.

Rome, Italy

June 24, 2011



## THE ORIGINATORS

### BCC ALBA

#### Historical Background

Banca di Credito Cooperativo di Alba Langhe e Roero ("BCC Alba") was created through the incorporation into BCC di Diano D'Alba of BCC di Gallo Grinzane and BCC Vezza D'Alba.

After this merger, the bank was named with its present name. As of December 31<sup>st</sup> 2010, the bank had 35,050 shareholders, 422 employees and 54 branches.

#### Organisation

BCC Alba's operational structure is made up of a Board of Directors and a Board of Statutory Auditors. The Board of Directors comprises 15 members which are currently as follows:

Board of Directors	
Felice Cerruti	Chairman
Tino, Ernesto Cornaglia	Deputy Vice Chairman
Pierpaolo Stra	Vice Chairman
Guido Battaglio	Director
Matteo Bosco	Director
Ornella Bracco	Director
Raffaele Drocco	Director
Margherita Fenoglio	Director
Gian Franco Marengo	Director
Maurizio Montagnese	Director
Giulio Porzio	Director
Pierluigi Rinaldi	Director
Giancarlo Rista	Director
Emilio Vaschetto	Director
Mario Viazzi	Director

The Board of Statutory Auditors is composed of the following:

Board of Statutory Auditors	
Michelangelo Bonardi	Chairman
Mariella Bottallo	Auditor
Maurizio Giacosa	Auditor
Pezzuto Giuseppe	Deputy Auditor
Vico Giuseppe	Deputy Auditor

#### Main activities and future strategies

BCC Alba is active in the areas of traditional banking as in well as in more recent and innovative banking areas, with regards both private customers and businesses via its commercial network and virtual network. The bank also enters into financial leasing agreements via Banca Agrileasing, a company of the ICCREA Group. The bank offers preferential rates on its loans to its shareholders

which fall under a particular category (i.e. farmers, new businesses, teenagers etc), for investment or other purposes.

### Financial Highlights

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	50.467,00	59.612,00	52.600,00
Gross Income (120)	65.945,00	74.477,00	75.876,00
Operating Expenses (200)	39.385,00	41.297,00	46.214,00
Net income (loss) from financial operations (140)	62.511,00	64.249,00	66.482,00
Net profit (loss) for the period (220)	19.568,00	18.090,00	15.179,00

### Balance sheet

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	23.780,00	17.270,00	19.240,00
Due from Banks (60)	83.681,00	34.188,00	98.756,00
Loans (70)	1.733.893,00	2.083.181,00	2.342.758,00
Bond and other securities (20+30+40)	344.729,00	357.917,00	360.250,00
Total Assets	2.233.938,00	2.547.856,00	2.876.431,00

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	8.849,00	74.846,00	44.339,00
Securities issued (30+40+50)	728.681,00	866.669,00	969.755,00
Shareholders funds (130+140+150+160+170+180)	148.151,00	164.772,00	201.222,00
Total Liabilities	2.233.938,00	2.547.856,00	2.876.431,00

### Balance Sheet's Ratios

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	14,43%	10,32%	7,60%
Net profit (loss) for the period/Gross Income	29,67%	24,29%	20,01%
Net Interest Income/Gross Income	76,53%	80,04%	69,32%
Shareholders Funds/Loans	1,16%	1,36%	1,53%
NPLs/Loans	1,53%	2,05%	2,35%

## BCC SESTO SAN GIOVANNI

### Historical Background

The BCC was founded in 1952 as Cassa Rurale ed Artigiana (CRA) and as of today didn't make any mergers. Currently, the official name is "Banca di Credito Cooperativo di Sesto San Giovanni Società Cooperativa". The shareholders members are 2,529 as of December 31<sup>st</sup>, 2010, while, at the same date, the BCC has 135 employees.

BCC Sesto San Giovanni's operational structure is made up of a Board of Directors, Executive Committee and the Board of Auditors.

The Board of Directors of BCC Sesto San Giovanni consists of 9 members, which are currently as follows:

<b>Board of Directors</b>	
Bonfanti dr.ssa Maria	Chairman
Gobbi ing. Bruno	Vice Chairman
Ferrario dr. Gianluca	Director
Lovati ing. Alfredo	Director
Barbanti arch. Laura	Director
Novaresi ing. Gianmauro	Director
Penna rag. Paolo	Director
Colombo rag. Giuliano	Director
Vavassori dr. Lorenzo	Director

The Executive Committee of BCC Sesto San Giovanni consists of 4 members, which are currently as follows:

<b>Executive Committee</b>	
Bonfanti dr.ssa Maria	Chairman
Gobbi ing. Bruno	Vice Chairman
Penna rag. Paolo	Director
Novaresi ing. Gianmauro	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Manfrin rag. Silvano	Chairman
Invernizzi dr.ssa Giuseppina	Auditor
Mambrini dr. Maurizio	Auditor
Feudatari dr. Corrado	Deputy Auditor
Insabato dr. Giovanni	Deputy Auditor

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

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses through the sales network and virtual channels, with the support and coordination of the central services. In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities, bonds and derivatives.

## Financial Highlights

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	19.450,00	19.793,00	14.703,00
Gross Income (120)	22.981,00	23.991,00	23.429,00
Operating Expenses (200)	13.088,00	16.330,00	16.488,00
Net income (loss) from financial operations (140)	22.220,00	21.510,00	19.856,00
Net profit (loss) for the period (290)	7.007,00	4.019,00	2.426,00

## Balance sheet

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	7.354,00	6.807,00	5.719,00
Due from Banks (60)	35.165,00	53.365,00	85.354,00
Loans (70)	429.670,00	490.968,00	549.715,00
Bond and other securities (20+30+40)	93.152,00	92.530,00	84.912,00
Total Assets	582.373,00	666.298,00	748.443,00

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	6.970,00	1.462,00	2.644,00
Securities issued (30+40+50)	136.740,00	191.518,00	218.741,00
Shareholders funds (130+140+150+160+170+180)	84.640,00	91.416,00	95.434,00
Total Liabilities	582.373,00	666.298,00	748.443,00

## Balance Sheet's Ratios

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	8,28%	4,40%	2,48%
Net profit (loss) for the period/Gross Income	30,49%	16,75%	10,35%
Net Interest Income/Gross Income	84,64%	82,50%	62,76%
Share capital / Loans	0,10%	0,10%	0,12%
NPLs/Loans	2,01%	2,19%	2,51%

## BCC OSTRA E MORRO D'ALBA

### Historical Background

The BCC was founded in 1914 and, as of today, has made a merger with the “*Finanziaria di Mutuo Soccorso di Morro d’Alba*”, which took place on March, 27th 1996.

Currently, the Institute's name is "Banca di Credito Cooperativo di Ostra e Morro d'Alba - Societa' Cooperativa" (hereinafter abbreviated as "Morro d'Alba, Ostra and BCC") with registered office in Ostra, in the province of Ancona (Marche).

The Bank considers the satisfaction of its members as a strategic objective, continuing in this sense the corporate policies of those who have given birth to the new reality. This is why we have continuously increased the number of economic benefits and social initiatives that the BCC and Morro d'Alba, Ostra reserve to its shareholders.

The shareholders, as of December 31st, 2010 amounted to 2,501 members.

## Organisation

BCC Ostra e Morro d'Alba operational structure is made up of a Board of Directors and a Board of Statutory Auditors. The Board of Directors comprises 9 members which are currently as follows:

<b>Board of Directors</b>	
Mansanta Piergiorgio	Chairman
Giulioni Faustino	Deputy Vice Chairman
Marchetti Bianca Maria	Vice Chairman
Carancini Giuseppe	Director
Luzi Fabio	Director
Mallucci Antonio	Director
Ramazzotti Loretta	Director
Rossetti Gianluigi	Director
Tarsi Sante	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
De Gennaro Gerardo	Chairman
Grossi Sandrino	Auditor
Petrini Paola	Auditor
Barucca Roberto	Deputy Auditor
Gregori Roberto	Deputy Auditor

## Main activities and future strategies

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses, mostly members as required by the Supervisory Board, through the sales network and virtual channels, with the support and coordination of the central services.

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

## Financial Highlights

The tables below set out the profits and losses and the assets of BCC Ostra e Morro d'Alba over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	4.839,00	5.141,00	4.624,00
Gross Income (120)	5.930,00	6.359,00	6.163,00
Operating Expenses (230)	- 3.323,00 -	4.038,00 -	4.327,00
Net income (loss) from financial operations (140)	5.482,00	5.986,00	5.569,00
Net profit (loss) for the period (220)	1.713,00	1.537,00	871,00

#### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	994,00	996,00	960,00
Due from Banks (60)	3.805,00	12.854,00	14.438,00
Loans (70)	137.035,00	165.753,00	184.143,00
Bond and other securities (20+30+40)	19.540,00	20.178,00	24.513,00
Total Assets	165.267,00	204.283,00	228.552,00

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	3.101,00	5.867,00	4.999,00
Securities issued (30+40+50)	67.631,00	98.416,00	112.730,00
Shareholders funds (130+140+150+160+170+180)	12.091,00	13.606,00	15.303,00
Total Liabilities	165.267,00	204.283,00	228.552,00

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

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	14,18%	11,30%	5,69%
Net profit (loss) for the period/Gross Income	28,89%	24,17%	14,13%
Net Interest Income/Gross Income	81,60%	80,85%	75,03%
Share Capital/Loans	0,05%	0,05%	0,06%
NPLs/Loans	0,95%	0,77%	1,19%

## **BCC CENTROVENETO**

### **Historical Background**

The Bank of Centroveto was established in 1896 under the name “Cassa Rurale di Prestiti in Costozza” and, as of today, made the following mergers with other institutions: in 1982 with “Cassa Rurale ed Artigiana di Tramonte Praglia”, and in 1996 with the “Banca di Credito Cooperativo di Grantorto”.

Currently the official bank name is "BANCA DEL CENTROVENETO – Credito Cooperativo – Società Cooperativa – Longare”.

The Bank aims to encourage the partners and local communities in the operations and services of the bank, pursuing the improvement of the moral, cultural and economic self-interest and promoting the development of cooperation and education savings and retirement and social cohesion and sustainable

and responsible growth of the territory in which it operates.

The shareholders, as of December 31st, 2010 amounted to 3,471 members.

### **Organisation**

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

The Board of Directors consists of 13 members as indicated in the table below (as of December, 31<sup>st</sup> 2010):

<b>Board of Directors</b>	
Stecca Flavio	Chairman
Sanvido Nevio	Deputy Vice Chairman
Marangoni Gaetano	Vice Chairman
Basso Domenico	Vice Chairman
Adda Michele	Director
Beghin Sandro	Director
Cabrellon Silvio	Director
Canton Lucio Massimo	Director
Corradin Dario	Director
Legnaro Anna Rosa	Director
Martini Leonardo	Director
Neri Egidio	Director
Rodighiero Alessandro	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Rigon Diego Agostino	Chairman
Verlato Mauro Marcello	Auditor
Beggiato Gabriele	Auditor
Zanon Giuseppe	Deputy Auditor
Pedron Renzo	Deputy Auditor

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

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses through the sales network and virtual channels, with the support and coordination of the central services.

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

## Financial Highlights

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	21.124,00	23.007,00	18.787,00
Gross Income (120)	26.287,00	29.410,00	26.511,00
Operating Expenses (230)	- 14.641,00 -	17.537,00 -	17.992,00
Net income (loss) from financial operations (140)	23.903,00	25.899,00	24.202,00
Net profit (loss) for the period (220)	6.596,00	6.362,00	4.495,00

### Balance sheet

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	3.489,00	3.428,00	3.448,00
Due from Banks (60)	13.336,00	38.577,00	26.439,00
Loans (70)	605.857,00	653.152,00	661.716,00
Bond and other securities (20+30+40)	115.598,00	114.750,00	191.029,00
Total Assets	758.051,00	830.965,00	904.828,00

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	4.850,00	4.930,00	16.813,00
Securities issued (30+40+50)	320.981,00	397.325,00	415.711,00
Shareholders funds (130+140+150+160+170+180)	51.639,00	56.851,00	65.246,00
Total Liabilities	758.051,00	830.965,00	904.828,00

### Balance Sheet's Ratios

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	12,77%	11,19%	6,89%
Net profit (loss) for the period/Gross Income	25,09%	21,63%	16,96%
Net Interest Income/Gross Income	80,36%	78,23%	70,86%
Share Capital/Loans	0,07%	0,10%	0,14%
NPLs/Loans	1,04%	1,35%	2,43%



## BCC GATTEO

### Historical Background

The BCC Gatteo born in 1897 thanks to the determination and vision of 10 Founding Fathers, led by Don Benedetto Bassi, with the intent to help families struggling with economic difficulties.

First as “Cassa Rurale di Prestiti”, then as “Cassa Rurale ed Artigiana” and now as “Banca di Credito Cooperativo di Gatteo” for over 100 years does business trying to accompany the economic and social development of the area, paying particular attention to the needs and expectations of the families and companies that animate it.

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

The shareholders, as of December 31st, 2010 amounted to 1,815 members.

### Organisation

The governing bodies are represented by the Board of Directors and the Board of Auditors. The Board of Directors consists of 7 members as indicated in the table below (as of December, 31<sup>st</sup> 2010):

Board of Directors	
Galassi Gabriele	Chairman
Vincenzi Massimo	Vice Chairman
Andreucci Guglielmo	Director
Belletti M.O. Romano	Director
Gardini Marco	Director
Renzi Massimo	Director
Vitali Francesco	Director

The Board of Statutory Auditors is composed of the following:

Board of Statutory Auditors	
Scarpellini Donatella	Chairman
Giorgetti Nicoletta	Auditor
Togni Rino	Auditor
Berlini Massimo	Deputy Auditor
Gobbi Bruno	Deputy Auditor

### Main activities and future strategies

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses through the sales network and virtual channels, with the support and coordination of the central services.

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

brand “Crediper”.

In the asset management, in addition to the placement of mutual funds and asset management of the leading asset management company, the Bank placed insurance financial products (eg unit-linked and index-linked).

### Financial Highlights

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	11.423,00	11.494,00	10.122,00
Gross Income (120)	13.614,00	13.269,00	13.342,00
Operating Expenses (230)	- 7.635,00 -	8.154,00 -	8.917,00
Net income (loss) from financial operations (140)	11.690,00	11.563,00	10.873,00
Net profit (loss) for the period (220)	3.000,00	2.587,00	1.356,00

### Balance sheet

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	1.296,00	1.558,00	1.345,00
Due from Banks (60)	10.218,00	14.296,00	10.737,00
Loans (70)	306.328,00	376.699,00	405.322,00
Bond and other securities (20+30+40)	92.933,00	74.378,00	68.179,00
Total Assets	433.209,00	486.218,00	510.587,00

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	10.054,00	17.089,00	15.433,00
Securities issued (30+40+50)	161.327,00	206.974,00	226.809,00
Shareholders funds (130+140+150+160+170+180)	43.059,00	45.980,00	49.964,00
Total Liabilities	433.209,00	486.218,00	510.587,00

### Balance Sheet's Ratios

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	6,97%	5,63%	2,71%
Net profit (loss) for the period/Gross Income	22,04%	19,50%	10,16%
Net Interest Income/Gross Income	83,91%	86,62%	75,87%
Share Capital/Loans	0,75%	0,83%	0,94%
NPLs/Loans	1,54%	1,54%	2,57%

## **BCC Mediocrati**

### **Historical Background**

“Credito Cooperativo Mediocrati” born on December 13<sup>th</sup>, 1999, after the merger of three mutual banks operating in the province of Cosenza: “Banca di Credito Cooperativo di Bisignano”, “Banca di Credito Cooperativo di Luzzi” and “Banca di Credito Cooperativo di Rota Greca”.

After this operation, the Bank has taken the name of "Credito Cooperativo Mediocrati", having its registered office in Rende (Province of Cosenza).

The merger was the final step of a business plan that was the result of the commonality of the strategies of the three BCC. The Bank continues to regard the satisfaction of its members as a strategic objective, continuing in this sense the corporate policies of those who have given birth to the new reality.

The shareholders, as of December 31st, 2009 amounted to 3,433 members.

### **Organisation**

The governing bodies are represented by the Board of Directors and the Board of Auditors. The Board of Directors consists of 11 members as indicated in the table below (as of December, 31<sup>st</sup> 2009):

<b>Board of Directors</b>	
Nicola Paldino	Chairman
Mario Baldassarre Mancuso	Vice Chairman
Francesco Campise	Vice Chairman
Luigi Aiello	Director
Emilio Aiello	Director
Mauro D’Acri	Director
Eugenio Dattilo	Director
Francesco Chimenti	Director
Armando De Bonis	Director
Carmelo Puterio	Director
Luciano Sposato	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Alessandro Musaio	Chairman
Gerardo Ciconte	Auditor
Pierluigi Altomare	Auditor
Beatrice Guccione	Deputy Auditor
Paola Galasso	Deputy Auditor

As of December 31st, 2009, the number of employees is equal to 92

## Main activities and future strategies

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses through the sales network and virtual channels, with the support and coordination of the central services.

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

Through “Banca Agrileasing”, a subsidiary of ICCREA bank, the bank enters into leases.

In the asset management, the bank places the products of “Aureo Gestioni”.

## Financial Highlights

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	12.213,00	12.153,00	10.257,00
Gross Income (120)	13.955,00	15.006,00	14.892,00
Operating Expenses (200)	-8.918,00	-9.466,00	-10.783,00
Net income (loss) from financial operations (140)	13.223,00	13.760,00	14.542,00
Net profit (loss) for the period (220)	3.431,00	3.525,00	3.090,00

### Balance sheet

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	3.040,00	2.792,00	3.726,00
Due from Banks (60)	33.685,00	35.850,00	22.763,00
Loans (70)	223.851,00	238.025,00	254.321,00
Bond and other securities (20+30+40)	60.902,00	71.928,00	99.734,00
Total Assets	341.583,00	364.955,00	397.535,00

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	605 -		3.405,00
Securities issued (30+40+50)	97.843,00	111.915,00	128.074,00
Shareholders funds (130+140+150+160+170+180)	29.859,00	33.091,00	37.479,00
Total Liabilities	341.583,00	364.955,00	397.535,00

### Balance Sheet's Ratios

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	11,79%	11,20%	8,76%
Net profit (loss) for the period/Gross Income	24,59%	23,49%	20,75%
Net Interest Income/Gross Income	87,52%	80,99%	68,88%
Share Capital/Loans	0,49%	0,55%	0,59%
NPLs/Loans	1,92%	1,81%	1,48%

## **BCC MONTEPULCIANO**

### **Historical Background**

Since its constitution, ninety years ago (March 23rd, 1921) “Cassa Rurale di Prestiti e Depositi”, then “Cassa Rurale ed Artigiana” and, since 1994, “Banca di Credito Cooperativo di Montepulciano”, plays a major role in local economic life, particularly rich of initiatives in the agriculture field, handicraft and tourism, as well as in small and medium enterprises.

With the 1st January 1994, as a result of Legislative Decree no. 385/1993, “Cassa Rurale ed Artigiana” changed its name and bylaws to become “Banca di Credito Cooperativo”.

The Bank continues to regard the satisfaction of its members as a strategic objective. The increase in the membership last five years has been remarkable and has led us to have, as of December 31<sup>st</sup>, 2010, a share capital of Euro 6,551,307 and 3,598 members.

### **Organisation**

The governing bodies are represented by the Board of Directors and the Board of Auditors. The Board of Directors consists of 7 members as indicated in the table below (as of December, 31<sup>st</sup> 2010):

<b>Board of Directors</b>	
Eros Nappini	Chairman
Graziano Cugusi	Vice Chairman
Giorgio Carratelli	Director
Costantino Goretti	Director
Emilio Graziani	Director
Giovanni Marcocci	Director
Cosimo Vessichelli	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Stefano Ilari	Chairman
Giordano Pratellesi	Auditor
Giovanni Rossi	Auditor
Gabriele Del Secco	Deputy Auditor
Luigi Tommassini	Deputy Auditor

As of December 31<sup>st</sup>, 2010, the number of employees is equal to 58.

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

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses through the sales network and virtual channels, with the support and coordination of the central services.

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

### Financial Highlights

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	5.836,00	6.587,00	7.060,00
Gross Income (120)	6.984,00	7.542,00	9.363,00
Operating Expenses (230)	- 5.074,00 -	5.375,00 -	6.602,00
Net income (loss) from financial operations (140)	6.677,00	7.255,00	8.478,00
Net profit (loss) for the period (220)	1.217,00	1.466,00	1.379,00

### Balance sheet

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	1.681,00	1.435,00	1.392,00
Due from Banks (60)	8.512,00	13.829,00	10.481,00
Loans (70)	148.497,00	175.210,00	224.853,00
Bond and other securities (20+30+40)	26.689,00	20.098,00	9.682,00
Total Assets	193.008,00	217.696,00	253.697,00

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	1.006,00	2.194,00	5.748,00
Securities issued (30+40+50)	84.539,00	103.386,00	123.765,00
Shareholders funds (130+140+150+160+170+180)	18.094,00	20.391,00	23.149,00
Total Liabilities	193.008,00	217.696,00	253.697,00

### Balance Sheet's Ratios

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	6,73%	7,19%	5,96%
Net profit (loss) for the period/Gross Income	17,43%	19,44%	14,73%
Net Interest Income/Gross Income	83,56%	87,34%	75,40%
Share Capital/Loans	1,26%	1,76%	2,05%
NPLs/Loans	3,05%	2,80%	2,27%

## BCC PIOVE DI SACCO

### Historical Background

The BCC was born on September 2nd 1894 and, as of today, has not made any merger with other institutions. Currently the BCC's official name is "BANCA DI CREDITO COOPERATIVO DI PIOVE DI SACCO". The shareholders, as of December 31st, 2010 amounted to 2,175 members.

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

### Organisation

The governing bodies are represented by the Board of Directors and the Board of Auditors. The Board of Directors consists of 9 members as indicated in the table below (as of December, 31<sup>st</sup> 2010):

<b>Board of Directors</b>	
Toson Leonardo	Chairman
Tombola Antonio	Vice Chairman
Andrighetti Ada	Director
Bertin Fabrizio	Director
Boscolo Luigi Cegion	Director
Crivellaro Tiziano	Director
Doardo Andrea	Director
Pavan Bernacchi Fabrizio	Director
Pittarello Enrico	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Franchin Francesco	Chairman
Beltramin Alberto	Auditor
Tiozzo Maria Sandra Bastianello	Auditor
Albertini Carlo	Deputy Auditor
Faggian Renato	Deputy Auditor

As of December 31st, 2010, the number of employees is equal to 161.

### Main activities and future strategies

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses through the sales network and virtual channels, with the support and coordination of the central services.

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

Through “Banca Agrileasing”, a subsidiary of ICCREA Bank, BCC Piove di Sacco enters into leases.

### Financial Highlights

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	20.963,00	24.378,00	18.630,00
Gross Income (120)	25.542,00	28.041,00	25.675,00
Operating Expenses (230)	- 13.566,00 -	15.986,00 -	16.349,00
Net income (loss) from financial operations (140)	23.513,00	23.173,00	20.009,00
Net profit (loss) for the period (220)	7.229,00	6.266,00	2.242,00

### Balance sheet

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	2.979,00	2.816,00	3.208,00
Due from Banks (60)	25.189,00	40.837,00	60.903,00
Loans (70)	560.050,00	608.866,00	631.635,00
Bond and other securities (20+30+40)	58.464,00	59.021,00	108.011,00
Total Assets	660.741,00	728.081,00	822.676,00

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	14.668,00	11.852,00	1.684,00
Securities issued (30+40+50)	253.947,00	323.208,00	372.825,00
Shareholders funds (130+140+150+160+170+180)	51.189,00	57.875,00	64.159,00
Total Liabilities	660.741,00	728.081,00	822.676,00

### Balance Sheet's Ratios

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	14,12%	10,83%	3,49%
Net profit (loss) for the period/Gross Income	28,30%	22,35%	8,73%
Net Interest Income/Gross Income	82,07%	86,94%	72,56%
Share Capital/Loans	0,03%	0,02%	0,03%
NPLs/Loans	1,99%	2,34%	3,44%



## **BCC Roana**

### **Historical Background**

On August 19<sup>th</sup>, 1897, was founded the "Cassa Rurale di Prestiti di Roana", on April 22<sup>nd</sup>, 1995 a new bylaws is approved and the Bank take the new name of "Cassa Rurale ed Artigiana di Roana"

In the exercise of its business, the Company is based on the cooperative principles of mutuality, not for private speculation. Its purpose is to encourage the partners and local communities in the operations and services of the bank, pursuing the improvement of the moral, cultural and economic self-interest and promoting the development of cooperation and education savings and retirement planning.

The shareholders, as of December 31st, 2009 amounted to 934 members.

### **Organisation**

The governing bodies are represented by the Board of Directors and the Board of Auditors. The Board of Directors consists of 7 members as indicated in the table below (as of December, 31<sup>st</sup> 2009):

<b>Board of Directors</b>	
Zovi Maurizio	Chairman/Director
Pangrazio Luca	Vice Chairman/ Director
Panozzo Silvano	Director
Rebeschini Corradino	Director
Panozzo Floriano	Director
Rigoni Luigi	Director
Costa Ugo	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Busellato Aldo	Chairman
Pretto Giampietro	Auditor
Lievore Bruno	Auditor
Verfiali Mario	Deputy Auditor
Marin Benvenuto	Deputy Auditor

As of December 31st, 2009, the number of employees is equal to 46.

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

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses through the sales network and virtual channels, with the support and coordination of the central services.

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

In the finance sector the BCC operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities and bonds.

### Financial Highlights

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	6.157,00	6.337,00	4.875,00
Gross Income (120)	7.334,00	7.746,00	6.920,00
Operating Expenses (230)	- 5.209,00	- 5.513,00	- 5.396,00
Net income (loss) from financial operations (140)	6.801,00	5.897,00	5.862,00
Net profit (loss) for the period (220)	1.092,00	25,00	106,00

### Balance sheet

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	2.122,00	1.596,00	1.507,00
Due from Banks (60)	9.250,00	7.774,00	4.620,00
Loans (70)	127.944,00	139.750,00	151.193,00
Bond and other securities (20+30+40)	40.440,00	37.402,00	43.220,00
Total Assets	184.232,00	191.607,00	206.443,00

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	5.463,00	984,00	885,00
Securities issued (30+40+50)	68.523,00	81.511,00	84.261,00
Shareholders funds (130+140+150+160+170+180)	15.469,00	16.480,00	16.656,00
Total Liabilities	184.232,00	191.607,00	206.443,00

### Balance Sheet's Ratios

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	7,06%	0,15%	0,64%
Net profit (loss) for the period/Gross Income	14,89%	0,32%	1,53%
Net Interest Income/Gross Income	83,95%	81,81%	70,45%
Share Capital/Loans	0,01%	0,01%	0,01%
NPLs/Loans	0,52%	3,08%	3,67%

## ***Banca Romagna Cooperativa***

### **Historical Background**

“Banca Romagna Cooperativa” born on October 20th, 2008 from the union of "Banca Romagna Centro – Credito Cooperativo” and "Banca di Credito Cooperativo di Macerone”.

The current “Banca Romagna Cooperativa” is, therefore, the culmination of a long history, founded over a century ago with the Rural Banks: Macerone (1904), Martorano (1912), Santa Sofia (1915), San Giorgio (1917), banks born in rural areas thanks to the initiative of priests and lay people with far-sighted aims to protect farmers and small tradesmen and help the development of the territories.

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

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

The shareholders, as of September 30<sup>th</sup>, 2010 amounted to 6,624 members.

### **Organisation**

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

Currently, the Board of Directors consists of 18 members as indicated in the table below:

<b>Board of Directors</b>	
Mondardini Luigi	Chairman
Abati Alessandro	Vice Chairman
Montanari Luigi	Vice Chairman
Alessandri Antonio	Director
Baredi Sandro	Director
Benini Romano	Director
Bertaccini Francesco	Director
Castorri Giacomo	Director
Dallara Matteo	Director
Del Vecchio Davide	Director
Magnani Mario	Director
Margheritini Michele	Director
Morelli Sergio	Director
Placuzzi Fausto	Director
Prati Roberto	Director
Rossi Francesco	Director
Zoffoli Paolo	Director
Zoffoli Ubaldo	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Buda Luciano	Chairman
Sirri Stefano	Auditor
Poletti Giancarlo	Auditor

As of December 31st, 2010, the number of employees is equal to 223.

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

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses through the sales network and virtual channels, with the support and coordination of the central services.

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

The Bank is authorized by Consob to play, as well as traditional investment services, including consulting services. This service is performed on a wide range of financial instruments and is delivered on demand or on the initiative of the Bank.

### **Financial Highlights**

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	26.751,00	27.827,00	24.955,00
Gross Income (120)	31.285,00	32.663,00	32.315,00
Operating Expenses (230)	- 18.368,00	- 25.821,00	- 25.585,00
Net income (loss) from financial operations (140)	28.810,00	28.405,00	28.560,00
Net profit (loss) for the period (220)	8.332,00	1.223,00	1.516,00

#### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	6.112,00	5.586,00	6.088,00
Due from Banks (60)	33.335,00	19.011,00	36.263,00
Loans (70)	759.427,00	911.277,00	1.003.005,00
Bond and other securities (20+30+40)	105.792,00	91.036,00	99.993,00
Total Assets	935.041,00	1.079.729,00	1.188.015,00

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	11.412,00	50.829,00	79.134,00
Securities issued (30+40+50)	438.217,00	524.222,00	564.146,00
Shareholders funds (130+140+150+160+170+180)	66.911,00	75.310,00	81.961,00
Total Liabilities	935.041,00	1.079.729,00	1.188.015,00

**Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	12,45%	1,62%	1,85%
Net profit (loss) for the period/Gross Income	26,63%	3,74%	4,69%
Net Interest Income/Gross Income	85,51%	85,19%	77,22%
Share Capital/Loans	0,52%	0,63%	0,99%
NPLs/Loans	2,11%	2,45%	2,55%

## BCC ROMANO SANTA CATERINA

### Historical Background

“Banca di Romano e S.Caterina - Credito Cooperativo” is formed by the merger in 1995 between “Cassa Rurale e Artigiana di Santa Caterina di Lusiana” (founded in 1983) and “Cassa Rurale e Artigiana di Romano d’Ezzelino” (founded in 1983).

The merger was the final step of a business plan that was the result of the commonality of the strategies of the individual BCC participating in the merger.

Banca di Romano e S.Caterina continues to regard the satisfaction of its members as a strategic objective, continuing in this sense the corporate policies of those who have given birth to the new reality.

The shareholders, as of December 31<sup>st</sup>, 2010 amounted to 2,713 members.

### Organisation

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

The Board of Directors consists of 9 members as indicated in the table below (as of December, 31<sup>st</sup> 2010):

<b>Board of Directors</b>	
Martini Umberto	Chairman
Zen Onorio	Deputy Vice Chairman
Cortese Rudy	Vice Chairman
Farronato Alessandra Renata	Director
Novello Piergilio	Director
Bertacco Lorenzo	Director
Ronzani Nereo	Director
Zanella Silvano	Director
Eger Gino	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Todesco Plinio	Chairman
Marin Margherita	Auditor
Peserico Clemente	Auditor
Scettro Gianni	Deputy Auditor
Stefani Maurizia	Deputy Auditor

As of December 31<sup>st</sup>, 2010, the number of employees is equal to 94.

## Main activities and future strategies

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses through the sales network and virtual channels, with the support and coordination of the central services.

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

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

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	10.560,00	10.988,00	8.950,00
Gross Income (120)	14.461,00	14.562,00	13.134,00
Operating Expenses (230)	- 9.475,00	- 11.142,00	- 10.565,00
Net income (loss) from financial operations (140)	13.690,00	13.510,00	11.564,00
Net profit (loss) for the period (220)	3.176,00	1.736,00	404,00

### Balance sheet

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	2.328,00	2.126,00	2.145,00
Due from Banks (60)	7.389,00	8.681,00	9.746,00
Loans (70)	283.110,00	316.549,00	338.461,00
Bond and other securities (20+30+40)	38.622,00	42.001,00	43.178,00
Total Assets	341.378,00	384.968,00	414.462,00

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	2.868,00	2.322,00	5.594,00
Securities issued (30+40+50)	134.298,00	158.668,00	161.547,00
Shareholders funds (130+140+150+160+170+180)	26.107,00	29.016,00	31.211,00
Total Liabilities	341.378,00	384.968,00	414.462,00

### Balance Sheet's Ratios

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	12,17%	5,98%	1,29%
Net profit (loss) for the period/Gross Income	21,96%	11,92%	3,08%
Net Interest Income/Gross Income	73,02%	75,46%	68,14%
Share Capital/Loans	0,13%	0,12%	0,12%
NPLs/Loans	1,22%	2,27%	2,77%

## **BCC SALA DI CESENATICO**

### **Historical Background**

On December 20th, 1903 Don Giuseppe Biondi, Don Giuseppe Gasperini and 12 representatives of the community, meeting in a room in the Parish Church formed the “Cassa Rurale dei prestiti”.

The organization through careful management of resources, had as its objective the help people facing economic difficulties that cannot feed their families, avoiding the need to incurring in the “usura” phenomenon.

The agreement was based on the certainty that the support and mutual trust would preserve the dignity and the self respect of the single individual, in this way benefit of development of the whole community.

The shareholders, as of December 31<sup>th</sup>, 2010 amounted to 1,217 members.

### **Organisation**

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

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

<b>Board of Directors</b>	
Vincenzi Patrizio	Chairman
Del Vecchio Gianluca	Vice Chairman
Camporeale Barbara	Director
Ghiselli Enrico	Director
Maraldi Elmo	Director
Sirri Giampaolo	Director
Tappi Gianluca	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Battisini Maurizio	Chairman
Poni Daniele	Auditor
Zavagli Gianluca	Auditor
Cangini Ivan	Deputy Auditor
Giorgetti Nicola	Deputy Auditor

As of December 31st, 2010, the number of employees is equal to 80.

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

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses through the sales network and virtual channels, with the support and coordination of



the central services.

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

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

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	9.809,00	10.219,00	8.628,00
Gross Income (120)	11.192,00	11.584,00	11.273,00
Operating Expenses (230)	- 6.076,00	- 7.411,00	- 8.025,00
Net income (loss) from financial operations (140)	10.289,00	10.765,00	10.297,00
Net profit (loss) for the period (220)	3.320,00	2.532,00	1.742,00

#### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	1.510,00	1.492,00	1.260,00
Due from Banks (60)	9.153,00	19.358,00	19.531,00
Loans (70)	293.720,00	325.558,00	338.560,00
Bond and other securities (20+30+40)	34.381,00	38.609,00	54.114,00
Total Assets	347.875,00	394.651,00	423.081,00

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	9.046,00	15.022,00	12.095,00
Securities issued (30+40+50)	192.530,00	218.435,00	202.969,00
Shareholders funds (130+140+150+160+170+180)	30.402,00	33.299,00	36.476,00
Total Liabilities	347.875,00	394.651,00	423.081,00

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

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	10,92%	7,60%	4,77%
Net profit (loss) for the period/Gross Income	29,66%	21,86%	15,45%
Net Interest Income/Gross Income	87,64%	88,22%	76,54%
Share Capital/Loans	0,74%	0,78%	0,82%
NPLs/Loans	1,34%	1,38%	1,79%

## **BCC SAN GIORGIO VALLE AGNO**

### **Historical Background**

“Banca San Giorgio e Valle Agno” was founded in 1896 as "Cassa Rurale di prestiti San Giorgio di Perlana" by the priest Don Gaetano Plebs along with other thirty-one members.

One purpose of these early members was to help concretely a compact community of small landowners, tenants and other farmers who were operating with limited economic opportunities.

To date, Banca San Giorgio e Valle Agno submitted to the Bank of Italy a proposed merger with “Credito Cooperativo di Quinto Vicentino”.

The shareholders, as of December 31<sup>st</sup>, 2010 amounted to 8,119 members while the number of employees is equal to 192 at the same date.

### **Organisation**

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

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

<b>Board of Directors</b>	
Ilario Novella	Chairman
Roberto Farina	Deputy Vice Chairman
Loris Basso	Vice Chairman
Sergio Bassan	Director
Silvio Cerin	Director
Domenico Costa	Director
Villy Lorenzi	Director
Paolo Michelin	Director
Angelo Pavan	Director
Luigi Stevan	Director
Egidio Torresan	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Raffaele Bortoliero	Chairman
Enzo Pietro Drapelli	Auditor
Tarcisio Sartori	Auditor

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

In recent years, Banca San Giorgio e Valle Agno has greatly increased its business of customer services, expanding the range of products and matching more and more with the non-banking credit function.

In particular, we have close alliances with product companies and the cooperative movement and with other companies to provide benefits that would create real added value for the customer and the Bank. In this context the activity of today is accompanied, naturally, to customer satisfaction in a variety of needs related to the application for credit or savings products and services.

With a view to continuous improvement, in June of 2010, the Bank has passed a revision of the Quality Certification UNI EN ISO 9001:2000 certification obtained in 2003. BCC is the third in Italy in the Veneto region and the first to achieve this important goal.

The tables below set out the profits and losses and the assets of BCC San Giorgio e Valle Agno over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	22.913,00	23.803,00	21.596,00
Gross Income (120)	29.525,00	30.256,00	29.548,00
Operating Expenses (230)	- 17.318,00 -	19.364,00 -	19.729,00
Net income (loss) from financial operations (140)	26.714,00	24.704,00	22.699,00
Net profit (loss) for the period (220)	7.248,00	3.503,00	1.608,00

#### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	3.261,00	3.272,00	3.045,00
Due from Banks (60)	41.571,00	22.264,00	31.737,00
Loans (70)	766.522,00	846.273,00	879.884,00
Bond and other securities (20+30+40)	63.370,00	71.674,00	49.008,00
Total Assets	889.598,00	961.895,00	984.979,00

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	9.374,00	8.511,00	9.828,00
Securities issued (30+40+50)	427.280,00	485.821,00	489.756,00
Shareholders funds (130+140+150+160+170+180)	64.112,00	70.879,00	75.012,00
Total Liabilities	889.598,00	961.895,00	984.979,00

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

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	11,31%	4,94%	2,14%
Net profit (loss) for the period/Gross Income	24,55%	11,58%	5,44%
Net Interest Income/Gross Income	77,61%	78,67%	73,09%
Share Capital/Loans	0,01%	0,01%	0,01%
NPLs/Loans	1,11%	2,48%	4,13%

## **BCC SANTO STEFANO MARTELLAGO**

### **Historical Background**

On February 10<sup>th</sup>, 1963 was established “Cassa Rurale ed Artigiana Santo Stefano” in order to improve the living conditions of local people, then largely devoted to agriculture, but also to be support for economic growth in the area.

In 2005 the logo and the official name of the Bank changed becoming “Banca Santo Stefano - Credito Cooperativo”. The Bank considers the satisfaction of its members as a strategic objective, in this context has to be considered the continuing growth in the number of economic benefits and social initiatives that the Bank reserves to its members.

The shareholders, as of December 31<sup>st</sup>, 2010 amounted to 2,190 members while the number of employees is equal to 164 at the same date.

### **Organisation**

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

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

<b>Board of Directors</b>	
Onorato Zanta	Chairman
Luciano Scaggiante	Vice Chairman
Giorgio Cerello	Director
Pietro Meneghetti	Director
Giacomo Michielan	Director
Marco Michieletto	Director
Guerrino Pattarello	Director
Loris Pavanello	Director
Silvia Tasso	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Alessandro Bonzio	Chairman
Renato Michieletto	Auditor
Giuseppe Spada	Auditor
Alessandro Bares	Deputy Auditor
Paolo Parolin	Deputy Auditor

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

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

Regarding the Credit activity, the Bank can intervene by supporting private customers or companies, preferably SMEs with “technical forms” (“*Forme Tecniche*”) used by the banking system, both in the short medium and long term.

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

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	20.165,00	22.017,00	16.817,00
Gross Income (120)	24.377,00	26.282,00	24.164,00
Operating Expenses (230)	- 13.397,00	- 17.129,00	- 17.115,00
Net income (loss) from financial operations (140)	23.807,00	22.873,00	21.194,00
Net profit (loss) for the period (220)	8.415,00	4.093,00	2.877,00

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	3.488,00	2.746,00	3.865,00
Due from Banks (60)	32.648,00	28.923,00	32.340,00
Loans (70)	487.669,00	565.100,00	626.535,00
Bond and other securities (20+30+40)	96.337,00	68.926,00	80.865,00
<b>Total Assets</b>	<b>637.569,00</b>	<b>690.295,00</b>	<b>774.922,00</b>

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	20.885,00	13.064,00	27.960,00
Securities issued (30+40+50)	240.301,00	321.060,00	348.336,00
Shareholders funds (130+140+150+160+170+180)	59.399,00	67.149,00	71.168,00
<b>Total Liabilities</b>	<b>637.569,00</b>	<b>690.295,00</b>	<b>774.922,00</b>

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

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	14,17%	6,10%	4,04%
Net profit (loss) for the period/Gross Income	34,52%	15,57%	11,91%
Net Interest Income/Gross Income	82,72%	83,77%	69,60%
Share Capital/Loans	0,00%	0,00%	0,02%
NPLs/Loans	1,18%	1,18%	1,91%

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	12,41%	5,74%	3,89%
Net profit (loss) for the period/Gross Income	34,52%	15,57%	11,91%
Net Interest Income/Gross Income	82,72%	83,77%	69,60%
Share Capital/Loans	0,004%	0,004%	0,017%
NPLs/Loans	1,18%	1,18%	1,91%

## **BCC CANTÙ**

### **Historical Background**

The BCC was founded in 1907 and to date has made only one merger in 1999 with "BCC di Sondrio". Currently the official name of the Institute is "Cassa Rurale ed Artigiana di Cantù Banca di Credito Cooperativo".

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

The task of the bank is to "encourage the partners and local communities within the banks operations and services, pursuing the improvement of the moral, cultural and economic interest of the communities itself.

The shareholders, as of December 31<sup>st</sup>, 2010 amounted to 7,149 members while the number of employees is equal to 345 at the same date.

### **Organisation**

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

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

<b>Board of Directors</b>	
Porro Angelo	Chairman
Volpe Gaetano	Vice Chairman
Giudici Ambrogio	Director
Marelli Mario	Director
Baietti Gerardo	Director
Pallavicini Franco Ezio	Director
Tagliabue Daniele	Director
Cappelletti Alberto	Director
Cattaneo Carlo	Director
Zampese Carlo	Director
Zanfrini Ernesto	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Cairolì Enrico	Chairman
Monti Annalisa	Auditor
Marelli Serafino	Auditor
Novati Alessandra	Deputy Auditor
Spina Filippo Eduardo Vincenzo	Deputy Auditor

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

The Bank operates banking divisions in traditional and innovative field, with respect to private clients and businesses through the commercial network, virtual channels, and phone banking with the support and coordination of the central services.

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

Through Bank Agrileasing, Bcc Factoring and BCC Lease, subsidiaries of ICCREA Bank, the bank enters into finance leases, respectively, factoring contracts and operating leases.

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	48.221,00	52.445,00	39.989,00
Gross Income (120)	60.805,00	67.555,00	54.467,00
Operating Expenses (230)	- 34.915,00	- 38.156,00	- 36.928,00
Net income (loss) from financial operations (140)	57.523,00	59.793,00	47.870,00
Net profit (loss) for the period (220)	17.523,00	17.831,00	8.256,00

**Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	7.014,00	5.961,00	5.913,00
Due from Banks (60)	88.230,00	154.359,00	92.714,00
Loans (70)	1.190.718,00	1.354.216,00	1.469.776,00
Bond and other securities (20+30+40)	225.899,00	240.734,00	305.682,00
<b>Total Assets</b>	<b>1.548.290,00</b>	<b>1.792.925,00</b>	<b>1.915.043,00</b>

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	43.233,00	34.087,00	24.635,00
Securities issued (30+40+50)	450.669,00	585.778,00	609.125,00
Shareholders funds (130+140+150+160+170+180)	211.973,00	228.234,00	247.238,00
<b>Total Liabilities</b>	<b>1.548.290,00</b>	<b>1.792.925,00</b>	<b>1.915.043,00</b>

**Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	8,27%	7,81%	3,34%
Net profit (loss) for the period/Gross Income	28,82%	26,39%	15,16%
Net Interest Income/Gross Income	79,30%	77,63%	73,42%
Share Capital/Loans	0,09%	0,08%	0,08%
NPLs/Loans	0,97%	0,98%	1,40%

## BCC EMILBANCA

### Historical Background

“Emil Banca – Credito Cooperativo – Società Cooperativa” is the new name of the bank after the merger between two cooperative banks based in Bologna, respectively named “Emil Banca” and “Credibo”. Emil Banca has a more than a century's experience of 13 “Casse Rurali ed Artigiane” from which it originated through various mergers.

The business is designed primarily for members and / or residents in the area of jurisdiction in accordance with supervisory regulations (“*Disposizioni di Vigilanza*”) and Bylaws.

### Organisation

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

Currently, the Board of Directors consists of 19 members as indicated in the table below:

Board of Directors	
Magagni Giulio	Chairman
Massa Graziano	Vice Chairman
Susmel Giorgio	Director
Breveglieri Vincenzo	Director
Baschieri Vincenzo	Director
Bortolotti Mario	Director
Bottoni Cristina	Director
Cocchi Enea	Director
Fabbri Giampietro	Director
Fantoni Mirco	Director
Labanti Sandro	Director
Mastacchi Marco	Director
Montanari Claudio	Director
Montanari Pietro	Director
Montebugnoli Luca	Director
Pasquali Fabrizio	Director
Sprocati Ugo	Director
Stanzani Angelo	Director
Zampini Assuero	Director

The Board of Statutory Auditors is composed of the following:

Board of Statutory Auditors	
Pescini Riccardo	Chairman
Galletti Gian Paolo	Auditor
Gottardi Massimiliano	Auditor
Grandi Raole	Deputy Auditor
Zarri Oreste	Deputy Auditor



## Main activities and future strategies

Emil Banca's purpose is to collect savings and provide credit in its various forms.

The Bank may make, with the observance of existing provisions, all transactions and banking and financial services, as well as instrumental or any other transaction related to the achievement of social purpose, in accordance with regulations issued by the Central Bank. The company also carries out its activities towards non-members.

The main categories of products are those of banking, insurance, supplementary insurance and financial products and related services and equipment.

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	54.476	57.900	43.466
Gross Income (120)	70.438	73.792	69.288
Operating Expenses (230)	-46.170	-51.855	-49.361
Net income (loss) from financial operations (140)	56.446	58.499	55.002
Net profit (loss) for the period (220)	5.806	3.005	2.746

### Balance sheet

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	8.531	8.526	6.782
Due from Banks (60)	67.916	98.952	130.250
Loans (70)	1.446.881	1.643.830	1.700.173
Bond and other securities (20+30+40)	213.999	145.869	146.917
Total Assets	1.818.647	1.983.863	2.062.787

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	3.154	17.552	31.788
Securities issued (30+40+50)	661.330	815.575	805.114
Shareholders funds (130+140+150+160+170+180)	188.479	193.972	198.344
Total Liabilities	1.818.647	1.983.863	2.062.787

### Balance Sheet's Ratios

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	3,08%	1,55%	1,38%
Net profit (loss) for the period/Gross Income	8,24%	4,07%	3,96%
Net Interest Income/Gross Income	77,34%	78,46%	62,73%
Share Capital/Loans	2,62%	2,50%	2,46%
NPLs/Loans	3,65%	4,26%	4,81%

## **BCC MARCON - VENEZIA**

### **Historical Background**

“Banca di Credito Cooperativo di Marcon-Venezia” was founded in July 1974 and its activity was initiated during the first months of the year following the opening of the first stop in the town of Marcon. This is a relatively recent history during which the Bank has expanded significantly, however, its area of influence of the territory.

One of the most important goals is to encourage participation in the economic and social life and to put each member in a position to be doers of development as a person.

The shareholders, as of December 31<sup>st</sup>, 2010 amounted to 1,801 members while the number of employees is equal to 105 at the same date.

### **Organisation**

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

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

<b>Board of Directors</b>	
Ceolin Paolo	Chairman
Passador Franco	Vice Chairman
Minotto Silvano	Director
Chinellato Caterino	Director
Chinellato Rino	Director
Moretto Luciano	Director
Soncini Francesco	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Tagliaro Ezio	Chairman
Ena Gianantonio	Auditor
Fornaro Marco	Auditor

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

The activities of the bank are those listed in Article No. 16 of the bylaws that states:

"The company's purpose is to raise funds and credit in its various forms. It could make, with the observance of existing provisions, all transactions and banking and financial services, as well as instrumental or any other transaction related to the achievement of social purpose, in accordance with regulations issued by the Central Bank. The Company also operates in relation to non-members. The Company may take shareholdings in the limits determined by the Central Bank."

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	13.544,00	14.223,00	12.736,00
Gross Income (120)	17.434,00	18.295,00	16.667,00
Operating Expenses (230)	- 10.148,00	- 12.053,00	- 12.926,00
Net income (loss) from financial operations (140)	15.810,00	14.988,00	14.225,00
Net profit (loss) for the period (220)	4.303,00	2.046,00	570,00

#### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	1.869,00	1.959,00	2.031,00
Due from Banks (60)	9.793,00	5.259,00	5.373,00
Loans (70)	351.855,00	392.975,00	387.893,00
Bond and other securities (20+30+40)	49.169,00	55.088,00	67.466,00
Total Assets	421.505,00	469.037,00	477.043,00

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	322,00	4.107,00	3.156,00
Securities issued (30+40+50)	123.740,00	151.243,00	157.614,00
Shareholders funds (130+140+150+160+170+180)	39.517,00	43.376,00	46.308,00
Total Liabilities	421.505,00	469.037,00	477.043,00

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

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	10,89%	4,72%	1,23%
Net profit (loss) for the period/Gross Income	24,68%	11,18%	3,42%
Net Interest Income/Gross Income	77,69%	77,74%	76,41%
Share Capital/Loans	0,01%	0,01%	0,01%
NPLs/Loans	1,84%	2,41%	3,72%

## **BCC PONTASSIEVE**

### **Historical Background**

The BCC was founded in 1903 and to date has not carried out mergers with other institutions.

Currently the official name of Institute is “Banca di Credito Cooperativo di Pontassieve” having its head office in Pontassieve, in the province of Florence (Tuscany).

The shareholders, as of December 31st, 2010 amounted to 1,774 members. while the number of employees is equal to 66 at the same date.

### **Organisation**

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

The Board of Directors consists of 7 members as indicated in the table below (as of December, 31<sup>st</sup> 2010):

<b>Board of Directors</b>	
Clementi Giorgio	Chairman
Bulli Andrea	Vice Chairman
Dini Carlo	Director
Giusti Vinicio	Director
Casadei Stefano	Director
Spano' Matteo	Director
Ballini Sauro	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Panichi Angiolo	Chairman
Cappelli Fabio	Auditor
Bernardini Nicola	Auditor
Fagorzi Paolo	Deputy Auditor
Moretti Alessandro	Deputy Auditor

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

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses through the sales network and virtual channels, with the support and coordination of the central services.

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

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets to execute transactions in government securities, stocks, bonds and other instruments.

### Financial Highlights

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

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Net Interest Income (30)	7.427,00	9.370,00	8.313,00
Gross Income (120)	9.254,00	11.978,00	11.043,00
Operating Expenses (230)	- 5.756,00	7.621,00	- 8.176,00
Net income (loss) from financial operations (140)	8.714,00	10.860,00	10.147,00
Net profit (loss) for the period (220)	2.191,00	2.531,00	1.384,00

### Balance sheet

<b>Assets (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Cash and cash equivalent (10)	2.165,00	2.105,00	2.036,00
Due from Banks (60)	18.119,00	47.743,00	29.528,00
Loans (70)	179.480,00	214.944,00	246.245,00
Bond and other securities (20+30+40)	64.132,00	18.057,00	52.741,00
Total Assets	270.721,00	289.299,00	337.607,00

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
Due to Banks (10)	162,00	684,00	386,00
Securities issued (30+40+50)	101.818,00	104.069,00	110.533,00
Shareholders funds (130+140+150+160+170+180)	27.928,00	29.813,00	32.339,00
Total Liabilities	270.721,00	289.299,00	337.607,00

### Balance Sheet's Ratios

<b>Ratios (%)</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>
R.O.E.	7,85%	8,49%	4,10%
Net profit (loss) for the period/Gross Income	23,68%	21,13%	12,53%
Net Interest Income/Gross Income	80,26%	78,23%	75,28%
Share Capital/Loans	0,14%	0,14%	0,15%
NPLs/Loans	2,76%	2,40%	3,21%

## COMPLIANCE WITH ARTICLE 122A OF THE CRD

Each of the Originators has undertaken in the Notes Subscription Agreement and in the Intercreditor Agreement to the Issuer, the Noteholders (and to the Representative of the Noteholders on behalf of the Noteholders) and to each other Originator that it will (i) retain, on an ongoing basis, a material net economic interest in the Transaction of not less than 5% (calculated for each Originator with respect to the Claims comprised in the relevant Portfolios which have been transferred to the Issuer) as referred to in article 122a(1)(d) of Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EC, as the same may be amended from time to time (the "**Capital Requirements Directive**" or the "**CRD**"), and (ii)(a) comply with the requirements from time to time applicable to originators set forth in Article 122a of the Capital Requirements Directive and (b) provide (or cause to be provided) all information to Noteholders that is required to enable Noteholders to comply with Article 122a of the Capital Requirements Directive.

In particular, the Originators have undertaken that any of such information:

- (a) on the Issue Date, will be included in the following sections of the Prospectus "*The Portfolios*", "*Risk Factors*", "*Transaction Summary*", "*Collection Policy and Recovery Procedures*", "*Description of the Servicing and the Back-up Servicing Agreement*"; and
- (b) following the Issue Date, on a quarterly basis, will:
  - (i) on each Investors' Report Date, be included in the Investor's Report issued by the Computation Agent, which will (a) contain, *inter alia*, (i) statistics on prepayments, Delinquent Claims, Defaulted Claims, Late Payments 30 Claims, Late Payments 60 Claims and Late Payments 90 Claims; (ii) details relating to repurchases of Claims by each Servicer pursuant to the terms of the Servicing Agreement, (iii) details (provided, where relevant by the Computation Agent) with respect to the Interest Rate, Interest Amount, Principal Amount Outstanding of the Notes, principal payments on the Notes and other payments made by the Issuer, and (iv) information on the material net economic interest (of at least 5%) in the Transaction maintained by the Originators in accordance with option (d) of Article 122a of the CRD or any permitted alternative method thereafter; (b) be generally available to the Noteholders and prospective investors at the offices of the Principal Paying Agent and the Irish Listing Agent and on the Computation Agent's web site on <https://tss.sfs.db.com/investpublic/> (for the avoidance of doubt, such website does not constitute part of the Prospectus).
  - (ii) with reference to loan by loan information regarding each Mortgage Loan included in the Portfolios, be made available, upon request, on the Computation Agent's password protected website on <https://tss.sfs.db.com/investpublic/>;
  - (iii) with reference to the further information which from time to time may be deemed necessary under Article 122a of the CRD in accordance with the market practice and not covered under points (i) and (ii) above, will be provided, upon request, by the Originators.

Finally, under the Notes Subscription Agreement and the Intercreditor Agreement the Originators have undertaken that the retention requirement is not to be subject to any credit risk mitigation, any short position or any other hedge, within the limits of Article 122a of the CRD.

## THE SWAP COUNTERPARTY

### **J.P. Morgan Securities Ltd.**

J.P. Morgan Securities Ltd. ("**the Company**") is incorporated in the United Kingdom and is authorised and regulated by the Financial Services Authority. The Company became an EU credit institution on 1<sup>st</sup> July 2011. The Company's immediate parent undertaking is J.P. Morgan Chase International Holdings, incorporated in Great Britain. The Company's ultimate parent undertaking is JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. The parent undertaking of the smallest group in which the Company's results are consolidated is J.P. Morgan Capital Holdings Limited, incorporated in Great Britain.

The Company's primary activities are underwriting Eurobonds, equities and other securities, arranging private placements of debt and convertible securities, trading in debt and equity securities, swaps and derivative marketing, providing investment banking advisory and primary brokerage and clearing services for exchange traded futures and options contracts. The Company has branches in Frankfurt, Paris, Milan, Zurich, Madrid and Stockholm and is a member of many futures and equity exchanges including the London Stock Exchange.

The obligations of the Company under the ISDA Master Agreement are guaranteed by JPMorgan Chase Bank, National Association pursuant to a guarantee dated on or about the date of this Prospectus.

The information contained in this Prospectus relates to and has been obtained from the Company. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Company since the date hereof, or that the information contained or referred to in this Prospectus is correct as of any time subsequent to its date.

## THE SWAP GUARANTOR

### **JPMorgan Chase Bank, N.A.**

JPMorgan Chase Bank, National Association ("**the Bank**") is a wholly owned bank subsidiary of JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. The Bank offers a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency.

As of December 31st, 2010, JPMorgan Chase Bank, National Association, had total assets of \$1,631.6 billion, total net loans of \$531.9 billion, total deposits of \$1,020.0 billion, and total stockholder's equity of \$123.4 billion. These figures are extracted from the Bank's unaudited Consolidated Reports of Condition and Income (the "**Call Report**") as of December 31st, 2010, prepared in accordance with regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles, which are filed with the Federal Deposit Insurance Corporation. The Call Report, including any update to the above quarterly figures, can be found at [www.fdic.gov](http://www.fdic.gov) (for the avoidance of doubt, such website does not constitute part of this Prospectus).

Additional information, including the most recent annual report on Form 10-K for the year ended December 31, 2009, of JPMorgan Chase & Co., the 2009 Annual Report of JPMorgan Chase & Co., and additional annual, quarterly and current reports filed with or furnished to the Securities and Exchange Commission (the "**SEC**") by JPMorgan Chase & Co., as they become available, may be obtained without charge by each person to whom this Prospectus is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017 or at the SEC's website at [www.sec.gov](http://www.sec.gov) (for the avoidance of doubt, such website does not constitute part of this Prospectus).

The information contained in this section of the Prospectus relates to and has been obtained from the Bank. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Bank since the date hereof, or that the information contained or referred to in this section of the Prospectus is correct as of any time subsequent to its date.



## THE CASH MANAGER AND THE COMPUTATION AGENT

Deutsche Bank AG, London Branch ("**Deutsche Bank, London**") and Deutsche Bank S.p.A. ("**Deutsche Bank, Milan**") shall act respectively as Cash Manager and Computation Agent pursuant to the Cash Administration and Agency Agreement.

Deutsche Bank Aktiengesellschaft ("**Deutsche Bank AG**" or the "**Bank**") originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Duesseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Theodor-Heuss-Allee 70, 60486 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

Deutsche Bank AG is the parent company of a group consisting of banks, capital market companies, fund management companies, a real estate finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**").

The objects of Deutsche Bank AG, as laid down in its Articles of Association, include the transaction of all kinds of banking business, the provision of financial and other services and the promotion of international economic relations. The Bank may realise these objectives itself or through subsidiaries and affiliated companies. To the extent permitted by law, the Bank is entitled to transact all business and to take all steps which appear likely to promote the objectives of the Bank, in particular: to acquire and dispose of real estate, to establish branches at home and abroad, to acquire, administer and dispose of participations in other enterprises, and to conclude company-transfer agreements.

As of 30 September 2008, Deutsche Bank AG's issued share capital amounted to Euro 1,461,399,078.40 consisting of 570,859,015 ordinary shares without par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all the German Stock Exchanges. They are also listed on the New York Stock Exchange.

The consolidated financial statements for fiscal years starting 1 January 007 are prepared in compliance with International Financial Reporting Standards (IFRS). As of 30 September 2008, Deutsche Bank Group had total assets of EUR 2,060,691 million, total liabilities of EUR 2,024,063 million and total equity of EUR 36,628 million on the basis of IFRS (unaudited).

Deutsche Bank AG is long-term senior debt has been assigned a rating of A+ (outlook stable) by Standard & Poor's, Aa1 (outlook negative) by Moody's Investors Services and AA- (outlook negative) by Fitch Ratings.

"**Deutsche Bank S.p.A. GTB- Trust&Securities Services**" ("**Deutsche Bank, Milan**") is a bank incorporated as a joint stock company (*società per azioni*) organised under the laws of the Republic of Italy. It is registered with the companies' register of Milan under No. 01340740156 and registered with the register of banks (*albo delle banche*) held by the Bank of Italy pursuant to article 13 of the Banking Act under No. 3104.7. Deutsche Bank S.p.A. belongs to the Gruppo Deutsche Bank registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Banking Act under No. 3104.7 and its registered office is situated at Via M. Gioia, 8 20124 Milan, Italy.

**"Deutsche Bank AG London"** is the London branch of Deutsche Bank AG. On 12 January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14 January 1993, Deutsche Bank registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. Deutsche Bank AG London is an authorized person for the purposes of section 19 of the Financial Services and Markets Act 2000. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

The information contained hereinabove relates to and has been obtained, respectively, from Deutsche Bank AG, Deutsche Bank, London and Deutsche Bank, Milan. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Deutsche Bank AG, Deutsche Bank, London or Deutsche Bank, Milan since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

As Computation Agent, Deutsche Bank, Milan agrees to perform the obligations required to be performed by itself or the Issuer under Condition 5.1 (*Payment Dates and Interest Periods*), Condition 5.3 (*Determination of the Interest Rate, Calculation of the Interest Amount and Single Series Class B Notes Interest Payment Amount*) and Condition 6.7 (*Principal Payments and Principal Amount Outstanding*) and under the Cash Administration and Agency Agreement.

In addition, pursuant to Clause 13 of the Cash Administration and Agency Agreement, on one hand, each of the Cash Manager and the Computation may resign its appointment upon not less than 90 (ninety) days' notice to the Issuer provided certain conditions; on the other hand, the Issuer may revoke the appointment of the Cash Manager and the Computation Agent by giving not less than 60 (sixty) days' notice, provided however that, such revocation shall not take effect until a Successor has been duly appointed in accordance with Clause 13.4 and Clause 13.5 of the Cash Administration and Agency Agreement and notice of such appointment has been given in writing to Monte Titoli.

The appointment of each of the Cash Manager and the Computation Agent shall terminate forthwith if (a) it becomes incapable of acting also in light of the provision of article 2, sixth paragraph of the Securitisation Law; or (b) it becomes unable to pay its debts as they fall due; or (c) it takes any action for a readjustment or deferment of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors; or (d) an order is made or an effective resolution is passed for its winding-up; or (e) any event occurs which has an analogous effect to any of the foregoing; or (f) or in any case of just cause (*giusta causa*).

In the event that (i) either the Cash Manager or the Computation Agent gives notice of its resignation in accordance with Clause 13.1 of the Cash Administration and Agency Agreement and (ii) the Issuer revokes its appointment in accordance with Clause 13.2, by the tenth day before the expiry of such notice a successor has not been duly appointed in accordance with Clause 13.4, the resigning agent may itself, following such consultation with the Issuer and the Representative of the Noteholders as is practicable in the circumstances, appoint as its successor any reputable and experienced financial institution, and shall give notice of such appointment to the Issuer, the Representative of the Noteholders and the remaining agents, whereupon the Issuer, the remaining agents and such successor shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Agreement.

Upon any resignation or revocation or any termination taking effect under the Cash Administration and Agency Agreement, the relevant agent shall be released and discharged from its obligations under the Cash Administration and Agency Agreement.

## COLLECTION POLICY AND RECOVERY PROCEDURES

### 1. CREDIT POLICY

Although each Originator has its own characteristics and procedures for the administration of its banking activity, it is possible to give a general overview of the credit policy - origination and risk management - based on the factors common to the eighteen Originators.

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

- (i) a general preliminary phase;
- (ii) a specific origination phase;
- (iii) an administrative phase; and
- (iv) a decisional phase.

The preliminary phase includes all the activities necessary to learn and understand the customers' needs. This activity of origination is carried out, with different procedures, by each Originator.

The credit process is made up of different stages, some of which are common to all types of loans, whilst others are specific according to the type of loan.

The origination of the loans is carried out in constant contact with the customer. An initial interview with the customer is carried out to identify the customer's particular financial needs and to offer the best financial product (type of loan, amount, maturity, form). Once an agreement is reached with the customer on a specific product, the customer fills in an application form generally at the branch and then is required to submit all the documents necessary for the loan.

During the evaluation process of the loan request several inquiries are carried out such as:

- (i) analysis of the banking relationship with the customer;
- (ii) analysis of the customer's assets and its financial situation;
- (iii) analysis of the business sector in which the customer operates;
- (iv) analysis of the guarantees given by the customer and analyses if they are appropriate for the loan required;
- (v) if considered necessary, the analysis may be extended to the family of the customer.

The evaluation is made to verify the customer's earning capacity, financial stability and financial ability to repay the loan in order to decide whether the customer is creditworthy.

Other interviews with the customer will follow during the origination phase, leading to the registration of the customer's data on the Originator's database, the opening of current accounts in his/her name and the acquisition of the customer's signature on the application form.

The lending activity is assigned to the risk management committee, as each Originator's branch has limited decisional powers. The lending decision is ultimately based on the analysis of the customer's credit worthiness.

All the Originators implement a subdivision of responsibility between the department in charge of the credit origination and proposal (the branches) and the bodies that authorise the financing (head office). The centralisation of lending decisions is intended to build up uniform assessment and evaluation methods.

## 2. RISK MANAGEMENT

The following is a general overview of the common structures and procedures of the banks.

In every Originator there are two levels of control which can be recognised: primary or ordinary controls and higher or extraordinary controls.

The responsibility of the different levels of control is strictly separate, as the primary controls are carried out by the organisational structures known as "in-line offices" (branches, credit department, *etc.*) while the extraordinary controls are carried out by central structures known as "staff offices" (legal department, risk controller, risk management committee, *etc.*).

All the risk management activities are fully supported electronically and fully automatic through EDP systems. EDP transmissions with codified information between branches and their respective head-office are continuous and telephone contact is ensured.

All the Originators base their activity on a regular system of written reports, thus providing immediate communication to the management on the relevance of all problem loans.

The Originators issue a series of verbal and written reminders before involving their respective legal departments. The first contact after the first overdue instalment is generally made by the branch in a personal, courteous way. If no positive answer is received from the customer and according to the importance of the risk position, a second reminder is made either by the branch or by the head office. A last reminder is generally sent by the head office before the full involvement of the legal department.

For the monitoring the loans the Originators take into consideration both subjective elements (professional valuers' valuations of the customer's assets and of the property guaranteeing the loan; direct knowledge) and objective elements (balance sheet analysis, analysis of the banking relationship, payment anomalies)

In particular, problem loans with payment anomalies are kept under stricter monitoring and are classified on the basis of the following criteria:

"Watch List": when there are serious anomalies but it is assumed that the relevant relationship will go back to regularity and there is no need of special activity;

"Delinquent": a loan extended to a customer who is experiencing temporary financial difficulties and which it is foreseen it will overcome within a certain period of time, with no need of going through a credit recovery proceeding but subject to close scrutiny;

"Non-performing": when the customer is in a state of insolvency, even if not ascertained, for which a legal proceeding has been commenced or is in severe financial distress.

The board of directors or eventually the general management, decides whether the loan should be registered either as a delinquent or as a defaulted loan.

### **3. CREDIT RECOVERY POLICY**

The credit recovery activities of all the BCC's are assigned to an external legal counsel which remains in constant contact with the bank's legal department or the relevant department. Both the external counsel and the legal department are directly involved in any legal action. The departments involved submit periodic reports to the general management and/or the board of directors on the status of credit recovery activities.

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

## **USE OF PROCEEDS**

The net proceeds from the issue of the Notes, being Euro 637,218,620 of which Euro 554,400,000 of the Class A Notes, and Euro 82,818,620 of the Class B Notes will be applied by the Issuer on the Issue Date to finance the Purchase Price of the Portfolios, to pay certain initial costs of the Transaction and to credit the Retention Amount into the Expenses Account.

## DESCRIPTION OF THE TRANSFER AGREEMENTS

*The description of the Transfer Agreements set out below is a summary of certain features of the Transfer Agreements and is qualified in its entirety by reference to the detailed provisions of the Transfer Agreements. Prospective Noteholders may inspect a copy of the Transfer Agreements upon request at the registered offices of the Representative of the Noteholders and at the Specified Office of the Irish Listing Agent. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Transfer Agreements.*

Pursuant to 18 transfer agreements, each entered into between the Issuer and an Originator on 30 June 2011 (the "**Transfer Agreements**"), each of the Originators sold for consideration to the Issuer without recourse (*pro soluto*) and as a pool (*in blocco*) a portfolio of monetary claims (each a "**Portfolio**") and connected rights arising out of the relevant mortgage loans (the "**Claims**" and "**Mortgage Loans**" respectively) granted by the Originators to their customers (the "**Borrowers**") with economic effect as of the Effective Date; the Portfolio sold by BCC San Giorgio e Valle Agno is referred to as Portfolio No. 1, the Portfolio sold by Banca Romagna Cooperativa is referred to as Portfolio No. 2, the Portfolio sold by BCC di Romano e Santa Caterina is referred to as Portfolio No. 3, the Portfolio sold by BCC di Montepulciano is referred to as Portfolio No. 4, the Portfolio sold by BCC Emil Banca is referred to as Portfolio No. 5, the Portfolio sold by BCC di Ostra e Morro d'Alba is referred to as Portfolio No. 6, the Portfolio sold by BCC Santo Stefano Martellago is referred to as Portfolio No. 7, the Portfolio sold by BCC Mediocрати is referred to as Portfolio No. 8, the Portfolio sold by BCC di Alba is referred to as Portfolio No. 9, the Portfolio sold by BCC Sala di Cesenatico is referred to as Portfolio No. 10, the Portfolio sold by BCC del Centroveneto is referred to as Portfolio No. 11, the Portfolio sold by BCC di Roana is referred to as Portfolio No. 12, the Portfolio sold by BCC di Cantù is referred to as Portfolio No. 13, the Portfolio sold by BCC di Marcon-Venezia is referred to as Portfolio No. 14, the Portfolio sold by BCC di Gatteo is referred to as Portfolio No. 15, the Portfolio sold by BCC di Sesto San Giovanni is referred to as Portfolio No. 16, the Portfolio sold by BCC di Pontassieve is referred to as Portfolio No. 17 and the Portfolio sold by BCC di Piove di Sacco is referred to as Portfolio No. 18.

Under clause 7.2 of the Transfer Agreements, each Originator has undertaken to deliver on the date of the entering into of such agreements: (a) a certificate issued by the competent Register of Enterprises stating that no insolvency proceedings are pending against each Originator dated not earlier than 10 Business Days before the date of the entering into of the relevant Transfer Agreement; (b) a solvency certificate signed by the legal representative or a director of the Originator dated not earlier than 5 Business Days before the date of the entering into of the relevant Transfer Agreement; and, except where the issuance of the certificate is not permitted by the internal rules applied by the relevant court, also (c) a solvency certificate issued by the bankruptcy court (*tribunale fallimentare*) stating that no insolvency proceedings are pending against such Originator, dated not earlier than 10 Business Days before the date of the entering into of the relevant Transfer Agreement.

### 1. THE PURCHASE PRICE

As consideration for the acquisition of the Claims pursuant to the Transfer Agreements, the Issuer has undertaken to pay to: BCC San Giorgio e Valle Agno a price equal to Euro 36,279,097, Banca Romagna Cooperativa a price equal to Euro 35,471,478, BCC di Romano e Santa Caterina a price equal to Euro 19,926,294 BCC di Montepulciano a price equal to Euro 9,585,743, BCC Emil Banca a price equal to Euro 41,501,583, BCC di Ostra e Morro d'Alba a price equal to Euro 17,575,743, BCC Santo Stefano Martellago a price equal to Euro 29,269,516, BCC Mediocрати a price equal to Euro 10,103,350, BCC di Alba a price equal to Euro 147,977,566, BCC Sala di Cesenatico a price equal to Euro 22,549,960, BCC del Centroveneto a price equal to Euro 55,201,504, BCC di Roana a price equal to Euro 11,303,262, BCC di Cantù a price equal to Euro 86,306,305, BCC di Marcon-Venezia a price

equal to Euro 19,052,204, BCC di Gatteo a price equal to Euro 20,152,916, BCC di Sesto San Giovanni a price equal to Euro 31,268,799, BCC di Pontassieve a price equal to Euro 19,944,507 and BCC di Piove di Sacco a price equal to Euro 23,748,793 (collectively the "**Purchase Price**"). The Purchase Price is calculated as the aggregate of the Outstanding Principal of all the relevant Claims at the Effective Date.

## 2. THE CLAIMS

Pursuant to the relevant Transfer Agreement each of the Originators has represented and warranted that the Claims have been selected on the basis of general criteria (the "**General Criteria**") and further specific objective criteria as set out for each Originator (the "**Specific Criteria**") in order to ensure that the Claims have the same legal and financial characteristics. See "*The Portfolio*".

## 3. PRICE ADJUSTMENT

The Transfer Agreements provide that if, after the Transfer Date, it transpires that (i) any Claims do not meet the Criteria, then such Claims will be deemed not to have been assigned and transferred to the Issuer pursuant to the Transfer Agreements and (ii) any Claim which meets the Criteria has not been included in the list of Claims, then such Claim shall be deemed to have been assigned and transferred to the Issuer by the relevant Originators pursuant to the relevant Transfer Agreement. The Purchase Price shall be adjusted to take into account the additional payment or the reimbursement to be made for any such Claim, as the case may be.

In the case of a Claim which does not meet the Criteria, the Purchase Price shall be decreased by an amount equal to (i) the part of the Purchase Price which has been paid for such Claim; plus (ii) any accrued interest on such amount as at the Payment Date immediately following the date such amount is credited as referred to in point (i) above, calculated at an annual rate equal to the average weighted interest rate applied to the Notes at the Issue Date (inclusive) until the Payment Date following the date on which the Issuer shall be paid the part of the Purchase Price which has been paid for such Claim (which shall not in any case fall prior the expiry of the Initial Period); less (iii) the aggregate of all sums recovered and collected by the Issuer in respect of such Claim after the Transfer Date.

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

## 4. APPLICABLE LAW AND JURISDICTION

The Transfer Agreements and all non contractual obligations arising out of or in connection with the Transfer Agreements shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Transfer Agreements and all non contractual obligations arising out of or in connection with the Transfer Agreements, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.



## DESCRIPTION OF THE WARRANTY AND INDEMNITY AGREEMENT

*The description of the Warranty and Indemnity Agreement set out below is a summary of certain features of the Warranty and Indemnity Agreement and is qualified in its entirety by reference to the detailed provisions of the Warranty and Indemnity Agreement. Prospective Noteholders may inspect a copy of the Warranty and Indemnity Agreement upon request at the registered offices of the Representative of the Noteholders and at the Specified Office of the Irish Listing Agent. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Warranty and Indemnity Agreement.*

Under a warranty and indemnity agreement entered into on 30 June 2011 between the Issuer and the Originators (the "**Warranty and Indemnity Agreement**"), the Originators gave certain representations and warranties as to, *inter alia*, the Claims they transferred pursuant to the relevant Transfer Agreement and the respective Mortgage Loans, their full title over such Claims, their corporate existence and operations and their collection and recovery policy. Moreover the Originators have agreed to indemnify and hold harmless the Issuer from and against all damages, losses, claims, liabilities and costs awarded against or suffered or incurred by it or otherwise arising to it by reason of any misrepresentation of the Originators in the Warranty and Indemnity Agreement or any default of the Originators under the Warranty and Indemnity Agreement and/or the relevant Transfer Agreement and/or the Servicing Agreement.

### 1 REPRESENTATIONS AND WARRANTIES OF THE ORIGINATORS

Under the Warranty and Indemnity Agreement, each of the Originators represented and warranted with respect to itself and the Claims it sold to the Issuer under the relevant Transfer Agreement and the relevant Mortgage Loans and the Mortgages securing them, as to, *inter alia*, the following matters:

#### 1.1 General

- (a) it is a co-operative credit bank (*banca di credito cooperativo*) duly incorporated as a *società per azioni* and validly existing under the laws of the Republic of Italy;
- (b) it has full corporate power and authority to enter into and perform the obligations undertaken by it under the Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing Agreement and the other Transaction Documents and it has taken all necessary actions whatsoever required to authorise its entry into, delivery and performance of the Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing Agreement and the other Transaction Documents and the terms thereof, including, without limitation, the sale and assignment of the Claims;
- (c) the execution, delivery and performance by it of the Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing Agreement and the other Transaction Documents and all other instruments and documents to be delivered pursuant thereto and all transactions contemplated thereby do not contravene or result in a default under, (i) its corporate constitutional documents, (ii) any law, rule or regulation applicable to it, (iii) any contractual restriction contained in any agreement or other instrument binding on it or affecting it or its property or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property, and do not and will not result in the creation of any adverse claim;
- (d) provisions of the Warranty and Indemnity Agreement are legal, valid and binding and are enforceable against it in accordance with its terms; and its payment obligations under the Warranty and Indemnity Agreement constitute claims against it which rank

at least *pari passu* with the claims of all other unsecured creditors under the laws of the Republic of Italy apart from any preferential creditors under any applicable insolvency laws or similar legislation;

- (e) there is no litigation, current, pending or threatened against it, nor has any action or administrative proceeding of or before any court or agency been started or threatened against it, which might or could materially affect its ability to observe and perform its obligations under the Warranty and Indemnity Agreement and the other Transaction Documents to which it is a party;
- (f) it is solvent and there is no fact or matter which might render it insolvent or subject to any insolvency proceedings, nor will it be rendered insolvent as a consequence of entering into the Warranty and Indemnity Agreement or the other Transaction Documents to which it is a party or of performing any of the obligations herein or therein contained;
- (g) since 31 December 2009 there has been no material adverse change in its financial or operative condition which would adversely affect its ability to observe and perform its obligations under the Warranty and Indemnity Agreement and the other Transaction Documents to which it is a party;
- (h) the information relating to itself (including, without limitation, information with respect to its mortgage loan business), the Claims and the Mortgage Loans supplied to the Issuer is true and correct in all material respects.

## **1.2 The Claims and the Mortgage Loans**

- (a) it holds sole and unencumbered legal title to the Claims, the Mortgage Loans and the Mortgages; it has not assigned (whether absolutely or by way of security), mortgaged, charged, transferred, disposed or dealt with or otherwise created or allowed to arise or subsist an adverse claim in respect of their title and interest in and to and the benefit of the Claims, the Mortgage Loans and the Mortgages;
- (b) the Claims, the Mortgage Loans and the Mortgages are governed by Italian law and are legal, valid, binding and enforceable under the same and in particular the Mortgage Loans comply with all rules and regulations on (i) compounding of interests, (ii) consumer protection, (iii) the prevention of usury, and (iv) data protection and privacy protection; the Mortgage Loans have been executed as a public deed (*atto pubblico*) before a notary public (*notaio*);
- (c) each Loan has been fully disbursed to or to the account of the relevant Borrower and there is no obligation on its part to advance or disburse further amounts in connection therewith;
- (d) the sale of the Claims to the Issuer pursuant to the relevant Transfer Agreement will not affect the obligation of the related Borrower under the relevant Mortgage Loans;
- (e) the Claims have been selected by it on the basis of the General Criteria and the Specific Criteria so as to constitute portfolios of homogeneous rights within the meaning and for the purposes of Law 130;
- (f) all consents, licenses, approvals or authorisations of or registrations or declarations with any governmental or other public authority required to be obtained, effected or provided for the validity and enforceability of the Claims, the Mortgage Loans and/or the Mortgages have been duly obtained, effected or provided and are in full

force and effect; and all costs, expenses and taxes required to be paid in connection with the execution of the Mortgage Loans or for the validity and enforceability of the Claims, the Mortgage Loans and/or the Mortgages have been duly paid;

- (g) the insurance policies in relation to the Claims are valid and effective and are held for the benefit of the relevant Originator;
- (h) it has maintained complete, proper and up-to-date books, records and documents for the Claims, the Mortgage Loans and the Mortgages and all other amounts paid thereunder, and all such books and documents are kept in its possession or are held to its order;
- (i) to the knowledge of each of BCC San Giorgio e Valle Agno, Banca Romagna Cooperativa, BCC di Romano e Santa Caterina, BCC di Montepulciano, BCC Emil Banca, BCC di Ostra e Morro d'Alba, BCC Santo Stefano Martellago, BCC Mediocra, BCC di Alba, BCC Sala di Cesenatico, BCC del Centoveneto, BCC di Roana, BCC di Cantù, BCC di Marcon-Venezia, BCC di Gatteo, BCC di Sesto San Giovanni, BCC di Pontassieve and BCC di Piove di Sacco, respectively not less than 100%, 92.16%, 93.40%, 84.60%, 100%, 94.95%, 100%, 94.48%, 88.14%, 87.50%, 100%, 85.91%, 100%, 100%, 100%, 98.44%, 100% and 92.98% of the relevant Mortgage Loan Agreements (with respect to the relevant amount) have been entered into with Borrowers not subject to the provisions of the Bankruptcy Law;

Real Estate Assets are located in Italy and have been wholly built;

- (i) each of the Real Estate Assets complies with applicable laws, rules and regulations concerning health and safety and environmental protection;
- (ii) each of the Real Estate Assets is free from damage and waste, in good condition and there are no proceedings, actual or threatened, in relation thereto;
- (iii) each of the Real Estate Assets (i) is duly registered with the competent land registries (*Nuovo Catasto Edilizio Urbano, Nuovo Catasto Terreni, Ufficio del Registro* and *Ufficio delle Entrate*), (ii) complies with all applicable Italian laws as to its use as residential or commercial property (*destinazione d'uso*), (iii) meets the legal requirements for habitation (*agibilità*), (iv) is marketable (*non soggetto a vizio di incommerciabilità*), and (v) complies with all applicable planning and building laws and regulations.

## 2 UNDERTAKINGS OF THE ORIGINATORS

Under the Warranty and Indemnity Agreement, each Originator has undertaken, with respect to itself, the relevant Claims and the respective Mortgage Loans and the Mortgages securing them, *inter alia*, as follows:

- (a) without prejudice to the non-recourse nature (*natura pro soluto*) of the assignment effected pursuant to the relevant Transfer Agreement, to refrain from carrying out or purporting to carry out any activity with respect to the Claims which may adversely affect them, and in particular: before the date of publication of the applicable notice of assignment of the Claims in the Official Gazette and registration of the assignment of the Claims in Companies' Register; (i) not to assign and/or transfer, the whole or any part of, any of the Claims to any third party; and (ii) not to create or allow to be created or to arise or to allow to exist any security interest, lien, pledge, privilege or encumbrance or other right in favour of third parties in respect of the Claims, or any part thereof;

- (b) not to execute any agreement, deed or document or enter into any arrangement purporting to assign, or otherwise dispose of, any of the Mortgage Loans or to create or allow to be created or allow to arise or exist any security interest, lien, pledge, privilege or encumbrance or other right in favour of third parties in respect of the Mortgage Loans;
- (c) not to instruct any Borrower or guarantor to make any payment with respect to any of the Claims otherwise than as provided for in the Mortgage Loans or as instructed in writing by itself as Servicer of such Claims;
- (d) otherwise than in its capacity as Servicer in accordance with the relevant provisions of the Servicing Agreement, not to take any action likely to cause or permit any of the Claims to become invalid or diminish their respective rights;
- (e) to co-operate with the Issuer to perform any and all acts, carry out any and all actions, and execute any and all documents as the Issuer may reasonably deem necessary in connection with the Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing Agreement and the other Transaction Documents;
- (f) to comply fully and in a timely manner with and observe any and all provisions, covenants and other terms to be complied with, insofar as necessary in order to preserve the rights, claims, powers and benefits of the Issuer as purchaser of the Claims;
- (g) to assist and fully co-operate with the Issuer in any due diligence relating to the Claims which the Issuer may wish to carry out after the date of the Warranty and Indemnity Agreement;
- (h) to maintain in good status and order, accurate, complete and up-to-date accounts, books, records and documents relating to the Claims, the Mortgage Loans and the Mortgages;
- (i) to comply with all applicable laws and regulations (including all rules, orders and instruments) with respect to the Claims, the Mortgage Loans, the Mortgages and their administration and management;
- (j) to grant access to the Issuer, its agents and nominees to its premises for purposes of examining records, documents and data in relation to the Claims, to copy them and to discuss any issues concerning the Claims with its accountants and other appointed personnel;
- (k) to pay all costs, fees and taxes due promptly in relation to the execution, filing, registration, etc., of the Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing Agreement and the other Transaction Documents;
- (l) save as provided for in the Servicing Agreement, not to agree to any amendment of or waiver to any terms and conditions of the Mortgage Loans and/or the Mortgages which might adversely affect the timely recovery of the Claims, the ability of the Issuer to enforce its rights, claims, powers and benefits against the Borrowers and/or the guarantors or the validity of the Warranty and Indemnity Agreement and not to commence any action for the recovery of the Claims;
- (m) to assist and support the Issuer or its nominee in the development of adequate data reporting systems concerning the Claims by transferring to the Issuer books, records and documents which may be useful or relevant for implementing a data reporting

system which would allow the Issuer to achieve full compliance with all applicable laws and regulatory reporting regulations and requirements.

### **3 INDEMNITY**

Under the Warranty and Indemnity Agreement, each of the Originators agreed to indemnify the Issuer, its representatives and agents from and against any and all damages, losses, claims, liabilities and related costs and expenses, including legal fees and disbursements awarded against or suffered or incurred by it as a consequence of or in relation to:

- (a) the reliance on any representation or warranty made by it to the Issuer under or in connection with the Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing Agreement or any other Transaction Document to which it shall be a party which shall have been false, incorrect or misleading when made or delivered;
- (b) its failure to comply with any term, provision or covenant contained in the Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing Agreement or any other Transaction Document to which it shall be a party and its failure to comply with any applicable law, rule or regulation with respect to the Claims, the Mortgage Loans, the Mortgages, the Real Estate Assets and the relevant insurance policies;
- (c) the failure to vest in the Issuer all rights, title and interest in and the benefit of each Claim pursuant to the terms of the relevant Transfer Agreement, free and clear of any adverse claim;
- (d) any dispute, claim or defence (other than discharge in bankruptcy or winding up by reason of insolvency or similar event) of the Borrowers or the guarantors to the payment of any Claim;
- (e) any judicial or out of court set-off of the assigned Borrower in relation to the payment of any Claim arising before or after the execution date of the Warranty and Indemnity Agreement under the Mortgage Loans or under or pursuant to any contract, deed, document, action, event or circumstance.

### **4 USURY**

Under the Warranty and Indemnity Agreement, each of the Originators represented to the Issuer that the interest rates of the Mortgage Loans comply with the Usury Law and they agreed to indemnify the Issuer against any damages, losses, claims, liabilities and costs awarded against or suffered or incurred by it or otherwise arising as a consequence or in relation to any claims being brought by the Borrowers or other third parties on the grounds of the Usury Law.

### **5 APPLICABLE LAW AND JURISDICTION**

The Warranty and Indemnity Agreement and all non contractual obligations arising out or in connection with the Warranty and Indemnity Agreement shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Warranty and Indemnity Agreement and all non contractual obligations arising out or in connection with the Warranty and Indemnity Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.

## DESCRIPTION OF THE SERVICING AND THE BACK-UP SERVICING AGREEMENTS

*The description of the Servicing Agreement set out below is a summary of certain features of the Servicing Agreement and is qualified in its entirety by reference to the detailed provisions of the Servicing Agreement. Prospective Noteholders may inspect a copy of the Servicing Agreement upon request at the registered offices of the Representative of the Noteholders and at the Specified Office of the Irish Listing Agent. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Servicing Agreement.*

Under a servicing agreement entered into on 30 June 2011 between the Issuer and the Originators (the "**Servicing Agreement**"), each of the Originators (in such capacity, the "**Servicers**" and each a "**Servicer**") agreed to administer and service the Portfolio on behalf of the Issuer and in particular to collect amounts due in respect thereof (the "**Administration of the Portfolios**") and to commence and pursue enforcement proceedings and to negotiate and settle the Defaulted Claims (the "**Management of the Defaulted Claims**"); each of the Servicers has undertaken to perform such services with respect to the Portfolio which it has sold to the Issuer under the relevant Transfer Agreement and therefore as follows: BCC San Giorgio e Valle Agno with respect to Portfolio No. 1, Banca Romagna Cooperativa with respect to Portfolio No. 2, BCC di Romano e Santa Caterina with respect to Portfolio No. 3, BCC di Montepulciano with respect to Portfolio No. 4, BCC Emil Banca with respect to Portfolio No. 5, BCC di Ostra e Morro d'Alba with respect to Portfolio No. 6, BCC Santo Stefano Martellago with respect to Portfolio No. 7, BCC Mediocrati with respect to Portfolio No. 8, BCC di Alba with respect to Portfolio No. 9, BCC Sala di Cesenatico with respect to Portfolio No. 10, BCC del Centoveneto with respect to Portfolio No. 11, BCC di Roana with respect to Portfolio No. 12, BCC di Cantù with respect to Portfolio No. 13, BCC di Marcon-Venezia with respect to Portfolio No. 14, BCC di Gatteo with respect to Portfolio No. 15, BCC di Sesto San Giovanni with respect to Portfolio No. 16, BCC di Pontassieve with respect to Portfolio No. 17 and BCC di Piove di Sacco with respect to Portfolio No. 18.

Pursuant to the Servicing Agreement, the Servicer shall comply with certain collection policies specified in the Servicing Agreement (the "**Collection Policy**") in relation to the collection and recovery activities carried out on behalf of the Issuer and shall provide, *inter alia*, the Issuer with monthly and quarterly reports (the "**Monthly Servicing Report**" and the "**Quarterly Servicing Report**"). The Servicer shall also ensure that the Collections do not include usurious interest in accordance with the anti-usury laws and regulations applicable from time to time. The Servicers shall also ensure that the Collections do not include usurious interest in accordance with the anti-usury laws and regulations applicable from time to time. The Servicers shall be entitled to settle and renegotiate the Claims only in accordance with the Servicing Agreement and specifically each Servicer, in respect of its Relevant Portfolio, has been empowered by the Issuer to, *inter alia*, modify the amortisation plans, grant suspension of payments, agree to restrictions or reductions of mortgages, waive principal payments in respect of Defaulted Claims, agree to the switch from floating to fixed of the interest rate applicable to the Mortgage Loans, waive the floor rate applicable to the Mortgage Loans, reduce the interest rate applicable to the Mortgage Loans, in each case within the limits set forth in the Servicing Agreement

In addition in order to consent the Originator to keep good relationships with the Borrowers, as an alternative to the power to renegotiate the Mortgage Loans, the Servicers have been given the power to make offers to repurchase Claims whose outstanding amount as of the Effective Date plus the outstanding amount of the Claims object of other preceding offers already accepted by the Issuer (i) is not higher than the 8% of the outstanding principal amount of the Claims of the Relevant Portfolio as of the Effective Date (other than where a duty of renegotiation is imposed by law); (ii) is not higher than, for each Collection Period, the 1% of the outstanding principal amount of the Claims of the Relevant Portfolio as of the Effective Date. The Issuer shall accept such offer or provide reasonable justifications if it does not so accept.

Each of the Servicers shall give order to pay all collections received by it in respect of the relevant Portfolio (the "**Collections**") into the relevant Transitory Collections and Recoveries Account on the Business Day immediately following the date of receipt. The Servicer will convert any non-cash Collections received by it (the "**Recoveries**") into equivalent amounts of cash and will credit such cash to the relevant Transitory Collections and Recoveries Account.

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

## **1. INFORMATION TECHNOLOGY**

Each of the Servicers is authorised to delegate to its Information Technology Services Provider all data processing, information storage and retrieval, back-up and archive services for the Administration of the Portfolio and the Management of the Defaulted Claims with respect to the relevant Portfolio. Each Servicer will remain directly liable for the performance of all duties and obligations delegated to its Information Technology Services Provider and will be liable for the conduct of such Information Technology Services Provider. All fees, costs and expenses to be paid or reimbursed to the Information Technology Services Provider shall be borne by the Servicer and the Issuer shall not be liable for any payment of whatever nature to the Information Technology Services Provider. Each Servicer may terminate the appointment of the Information Technology Services Provider and appoint a suitable replacement information technology services provider which is an Authorised Company, provided that such replacement will not adversely affect the ratings of the Notes and the service will be granted without interruption because of such replacement.

## **2. FEES AND EXPENSES**

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

- (a) as compensation for the Administration of the relevant Portfolio for the Collection Period immediately preceding such Payment Date, a fee of the Relevant Portfolio equal to 0.3% on an annual basis of the Outstanding Principal of the Claims as at the Collection Date immediately preceding such Collection Period; and
- (b) as compensation for the Management of the Defaulted Claims, a fee equal to 6% of the aggregate of the Collections and Recoveries in respect of the Defaulted Claims of the Relevant Portfolio in the Collection Period immediately preceding such Payment Date,

((a) and (b) are collectively the "**Servicing Fee**").

Each Servicer has expressly waived its rights to compensation or reimbursement that may be provided for by law other than the Servicing Fees. It has also expressly waived its right to exercise any right to off-set the amounts due to it from the Issuer against the Collections and Recoveries or any other amount owed by the Servicer to the Issuer, except for those amounts paid to the Issuer and undue.

## **3. UNDERTAKINGS OF THE SERVICERS**

Each of the Servicers has undertaken, with respect to the Claims of the Portfolio which it has been appointed to service, *inter alia*:

- (a) to carry out the Administration of the relevant Portfolio and the Management of the

Defaulted Claims with due skill and care in accordance with the relevant Collection Policy and with all applicable laws and regulations;

- (b) to maintain an effective system of general and accounting controls so as to ensure the performance of its obligations under the Servicing Agreement;
- (c) save as otherwise provided in the Collection Policy and in the Servicing Agreement, not to release or consent to the cancellation of all or part of the Claims unless ordered to do so by a competent judicial or other authority or by the Issuer;
- (d) to ensure adequate identification and segregation of the collections and recoveries and other amounts related to the Claims from all other funds of the Servicers;
- (e) to ensure that the Transaction is consistent with the law and this Prospectus;
- (f) to comply with all authorisations, approvals, licenses and consents required for the fulfilment of its obligations under the Servicing Agreement.

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

In the case of a material breach by the Servicers of their obligations under the Servicing Agreement with respect to the Administration of the Portfolios and/or the Management of the Defaulted Claims, the Issuer and/or the Representative of the Noteholders shall be entitled, jointly or severally to perform the relevant obligations in the name and on behalf of the Servicers or to cause it to be performed by third parties in the name and on behalf of the Servicers.

#### **4. TERMINATION OF APPOINTMENT**

The Issuer may revoke the appointment any of the Servicers in certain circumstances including, *inter alia*, (i) the insolvency of any of the Servicer, (ii) a breach of the Servicing Agreement which remains unremedied for a period of longer than 10 (ten) days after a written demand of compliance sent by the Issuer and/or the Representative of the Noteholders, and (iii) a failure by such Servicer to pay or transfer to the Issuer any amount due which remains unremedied for more than 3 days after the relevant statutory request of payment. In addition, such Servicer may resign at any time after 2 years from the Transfer Date upon giving 12 months prior written notice, provided that either the Back-up Servicer is ready for operating or such Servicer has found a suitable replacement servicer acceptable to the Issuer and the Representative of the Noteholders on substantially the same terms as those contained in the Servicing Agreement.

#### **5. APPLICABLE LAW AND JURISDICTION**

The Servicing Agreement and all non contractual obligations arising out or in connection with the Servicing Agreement shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Servicing Agreement and all non contractual obligations arising out or in connection with the Servicing Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.



## 6. BACK-UP SERVICING AGREEMENT

Under a back-up servicing agreement between the Issuer and ICCREA Banca (the "**Back-up Servicing Agreement**") entered into on or prior to the Issue Date, ICCREA Banca has committed itself, should any of the Servicers cease to act as servicer of the relevant Portfolio, to service such Portfolio on the same terms as are provided for in the Servicing Agreement, provided that the Back-up Servicer shall not act as servicer of the relevant Portfolio if the Servicers cease to act as such following expiration, or termination due to termination of the Transfer Agreements, of the Servicing Agreement.

In addition, under the Back Up Servicing Agreement, ICCREA Banca has undertaken to prepare a simplified servicing report in case the Servicers fail to deliver their Quarterly Servicing Report.

The Back-up Servicing Agreement and all non contractual obligations arising out or in connection with the Back-up Servicing Agreement shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Back-up Servicing Agreement and all non contractual obligations arising out or in connection with the Back-up Servicing Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.

## DESCRIPTION OF THE OTHER TRANSACTION DOCUMENTS

*The description of the Transaction Documents set out below is a summary of certain features of such Transaction Documents and is qualified in its entirety by reference to the detailed provisions of such Transaction Documents at the registered offices of the Representative of the Noteholders and at the Specified Office of the Irish Listing Agent. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Transaction Documents.*

### 1. THE CORPORATE SERVICES AGREEMENT

Under a corporate services agreement to be entered into on or prior to the Issue Date between the Issuer and the Corporate Services Provider (the "**Corporate Services Agreement**"), the Corporate Services Provider will provide the Issuer with certain corporate administration and management services. These services will include the book-keeping of the documentation in relation to the meetings of the Issuer's shareholders, directors and auditors (if any) and the meetings of the Noteholders, maintaining the quotaholders' register, preparing tax and accounting records, preparing documents necessary for the Issuer's annual financial statements and liaising with the Representative of the Noteholders.

The Corporate Services Agreement and all non contractual obligations arising out of or in connection with the Corporate Services Agreement shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Corporate Services Agreement and all non contractual obligations arising out of or in connection with the Corporate Services Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.

### 2. THE STICHTING CORPORATE SERVICES AGREEMENT

Pursuant to a Stichting corporate services agreement dated on or prior to the Issue Date between the Issuer, Wilmington Trust, the Representative of the Noteholders and the Quotaholders (the "**Stichting Corporate Services Agreement**"), the Stichting Corporate Services Provider has agreed to provide certain management, administrative and secretarial services to the Quotaholders.

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

### 3. THE INTERCREDITOR AGREEMENT

On or about the Issue Date, the Issuer, the Representative of the Noteholders (on behalf of the Noteholders and for itself) and the Other Issuer Creditors will enter into the Intercreditor Agreement.

The Intercreditor Agreement provides for, inter alia, the order of priority of payments to be made from the Single Portfolio Available Funds or the Issuer Available Funds, as the case may be, as set forth in Condition 4 (*Orders of Priority*).

The obligations owed by the Issuer to each Noteholder and to each of the Other Issuer Creditors will be limited recourse obligations of the Issuer. The Noteholders and the Other Issuer Creditors will have a claim against the Issuer only to the extent of the Issuer Available Funds in each case subject to and as provided in the Conditions, the Intercreditor Agreement

and the other Transaction Documents

Under the terms of the Intercreditor Agreement, the Noteholders and each of the Other Issuer Creditors irrevocably consented and agreed that, upon the delivery of a Trigger Notice following the occurrence of a Trigger Event, the Representative of the Noteholders will be authorised to exercise, in the name and on behalf of the Issuer, as representative of the Noteholders and also in the interest and for the benefit of the Noteholders and the Other Issuer Creditors, all and any of the Issuer's Rights, including the right to give directions and instructions to each of the Other Issuer Creditors. The Other Issuer Creditors irrevocably jointly appoint, under article 1726 and article 1723(2) of the Italian Civil Code, the Representative of the Noteholders to exercise their respective rights and to act as their agent in relation to the Intercreditor Agreement and the Security Documents (including the execution of the Deed of Pledge in the name and on behalf of the Other Issuer Creditors). The Notes Subscription Agreement and the Rules of the Organisation of the Noteholders include similar provisions providing for the appointment of, and the granting of relevant rights to, the Representative of the Noteholders by the Noteholders.

### **Clean Up Option**

The Issuer has granted each Originator an option right, subject to certain conditions, to purchase in each period (1) starting from 60 (sixty) days prior the Clean Up Option Date and ending on such Clean Up Option Date, and (2) starting from 60 (sixty) days prior the each Payment Date falling after the Clean Up Option Date and ending on such relevant Payment Date, the Relevant Portfolio outstanding at such date for a purchase price equal to the outstanding principal amount of each Claim comprised in such Portfolio, subject to the following provisions:

- (i) if on the Clean Up Option Date any of the Portfolios comprises any Defaulted Claims, and
  - (a) such Defaulted Claims have a principal outstanding amount equal or higher to 25 per cent. of the aggregate principal amount of the relevant Portfolio; or
  - (b) the relevant Originator so requires; or
  - (c) any applicable laws or regulations so require;the purchase price shall be equal to the fair market value as determined (subject to subparagraph (ii) below) by an independent third party; and
- (ii) provided that, in any case, the purchase price shall be equal to, or higher than, the amount (as determined in the relevant Payments Report) necessary for the Issuer to discharge all its outstanding liabilities in respect of the Class A Notes and any amounts required under the Intercreditor Agreement and the Conditions to be paid in priority to or *pari passu* with the Class A Notes and any other payment (including the termination payment), if any, due to the Swap Counterparty which is subordinated to repayment of the Class A Notes.

### **Swap Collateral**

The Intercreditor Agreement also contains the Collateral Account Priority of Payments which describes how amounts standing to the credit of the Collateral Accounts may be used by the Issuer as described below.

In the event that the Swap Counterparty is required to transfer collateral to the Issuer in

respect of its obligations under the Swap Agreement in accordance with the terms of the Credit Support Annex, that collateral will be credited to the Cash Collateral Accounts or the Securities Collateral Account, as applicable, together with any interest or distributions on, and any liquidation or other proceeds of, that collateral, in each case in accordance with the Cash Administration and Agency Agreement. In addition, upon any early termination of any Swap Agreement or novation of the Swap Counterparty's obligations under the Swap Agreement to a replacement swap counterparty, (i) any Replacement Swap Premium received by the Issuer from such replacement swap counterparty and/or (ii) any termination payment received by the Issuer from the outgoing Swap Counterparty will be credited to the applicable Collateral Account. Any transfer of securities to be made in accordance with the Collateral Account Priority of Payments shall be made from the Securities Collateral Account and payments to be made in cash shall be made from the Cash Collateral Accounts. The Issuer (or the English Account Bank on behalf of the Issuer) shall have the right, at any time, to liquidate securities standing to the credit of the Securities Collateral Account and shall credit the proceeds thereof to the Cash Collateral Accounts.

Amounts standing to the credit of the Collateral Accounts will not be available for the Issuer to make payments to the Noteholders and the Other Issuer Creditors generally, but may be applied only in accordance with the following provisions (the "**Collateral Account Priority of Payments**"):

- (i) prior to the designation of an Early Termination Date in respect of the Swap Agreement, solely in or towards payment or transfer of any Return Amounts, Interest Amounts and Distributions (each as defined in the Credit Support Annex), and any return of collateral to the Swap Counterparty upon a novation of the Swap Counterparty's obligations under the Swap Agreement to a replacement swap counterparty on any day (whether or not such day is a Payment Date), directly to the Swap Counterparty in accordance with the terms of the Credit Support Annex;
- (ii) upon or immediately following the designation of an Early Termination Date in respect of the Swap Agreement where (A) such Early Termination Date has been designated following an Event of Default (as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party or an Additional Termination Event (as defined in the Swap Agreement) resulting from a ratings downgrade of the Swap Counterparty and (B) the Issuer enters into a replacement swap agreement in respect of such Swap Agreement on or around the Early Termination Date of such Swap Agreement, on the later of the day on which such replacement swap agreement is entered into and the day on which such Replacement Swap Premium (if any) payable to the Issuer has been received (in each case, whether or not such day is a Payment Date), in the following order of priority:
  - first*, in or towards payment of any Replacement Swap Premium (if any) payable by the Issuer to a replacement swap counterparty in order to enter into a replacement swap agreement with the Issuer with respect to the Swap Agreement being novated or terminated;
  - second*, in or towards payment of any termination payment due to the outgoing Swap Counterparty; and
  - third*, the surplus (if any) (a "**Swap Collateral Account Surplus**") on such day to be transferred to the Payments Account and deemed to form Issuer Available Funds;
- (iii) following the designation of an Early Termination Date in respect of the Swap Agreement where (A) such Early Termination Date has been designated following a

Event of Default (as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party or an Additional Termination Event (as defined in the Swap Agreement) resulting from a ratings downgrade of the Swap Counterparty and (B) the Issuer is unable to or elects not to enter into a replacement swap agreement on or around the Early Termination Date of such Swap Agreement, on any day (whether or not such day is a Payment Date) in or towards payment of any termination payment due to the outgoing Swap Counterparty;

- (iv) following the designation of an Early Termination Date in respect of the Swap Agreement where such Early Termination Date has been designated otherwise than as a result of one of the events specified at items (ii) and (iii) above, on any day (whether or not such day is a Payment Date) in or towards payment of any termination payment due to the outgoing Swap Counterparty; and
- (v) following payment of any amounts due pursuant to (iii) and (iv) above, if amounts remain standing to the credit of the Collateral Accounts, such amounts may be applied on any day (whether or not such day is a Payment Date) only in accordance with the following provisions:

*first*, in or towards payment of any Replacement Swap Premium (if any) payable by the Issuer to a replacement swap counterparty in order to enter into a replacement swap agreement with the Issuer with respect to the Swap Agreement being terminated; and

*second*, the surplus (if any) (a "**Swap Collateral Account Surplus**") remaining after payment of such Replacement Swap Premium to be transferred to the Payments Account and deemed to form Issuer Available Funds,

*provided that* if the Issuer has not entered into a replacement swap agreement with respect to the Swap Agreement on or prior to the earlier of:

- (a) the day that is 10 (ten) Business Days prior to the date on which the Principal Amount Outstanding of all Classes of Notes is reduced to zero (other than following the occurrence of a Trigger Event pursuant to Condition 10 (*Trigger Events*)); or
- (b) the day on which a Trigger Notice is given pursuant to 10 (*Trigger Events*),

then the Collateral Amount on such day shall be transferred to the Payments Account as soon as reasonably practicable thereafter and deemed to constitute a Swap Collateral Account Surplus and to form Issuer Available Funds.

The Intercreditor Agreement and all non contractual obligations arising out or in connection with the Intercreditor Agreement shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Intercreditor Agreement and all non contractual obligations arising out or in connection with the Intercreditor Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.

#### 4. THE DEED OF PLEDGE

Pursuant to a deed of pledge to be entered into on or prior to the Issue Date (the "**Deed of Pledge**") between the Issuer and the Representative of the Noteholders acting for itself and on behalf of the Noteholders and the Other Issuer Creditors (the "**Pledgee**"), the Issuer will grant

to the Pledgee as security for its obligations under the Transaction Documents (i) a pledge over all the monetary contractual claims arising from certain Transaction Documents; and (ii) a pledge over the positive balance of the Accounts (other than the Expenses Account, the Quota Capital Account, the Investment Account, the Collateral Accounts and the Principal Amortisation Reserve Accounts).

## 5. THE CASH ADMINISTRATION AND AGENCY AGREEMENT

Under an agreement to be entered into on or prior to the Issue Date between the Issuer, the Servicers, the Transaction Bank, the Operating Bank, the English Transaction Bank, the Cash Manager, the Computation Agent, the Paying Agents, the Irish Listing Agent, the Representative of the Noteholders and the Agent Bank (the "**Cash Administration and Agency Agreement**"):

- (a) the Principal Paying Agent and the Italian Paying Agent will perform certain services in relation to the Notes, including arranging for the payment of principal and interest to the Monte Titoli Account Holders;
- (b) the Agent Bank will calculate the amount of interest payable on the Class A Notes on each Payment Date; the Computation Agent will perform certain other calculations in respect of the Notes and set out, in a payment report, the payments due to be made by the Issuer on each Payment Date in accordance with the applicable Order of Priority and to prepare investors' reports providing information on the performance of the Portfolios; and
- (c) the Operating Bank, the Transaction Bank, the English Transaction Bank and the Cash Manager will provide the Issuer with certain cash administration and investment services, in relation to the monies standing, from time to time, to the credit of the relevant Accounts.

Pursuant to clause 13 (*Change in Agents*) of the Cash Administration and Agency Agreement, any Agent may resign its appointment upon not less than 90 (ninety) days' notice to the Issuer (with a copy, in the case of an Agent other than the Italian Paying Agent, to the Italian Paying Agent) provided, however, that:

- (i) if such resignation would otherwise take effect less than 30 (thirty) days before or after any Payment Date or other date for redemption of the Notes, it shall not take effect until the thirtieth day following such Payment Date or redemption date; and
- (ii) in the case of the Paying Agents, the Transaction Bank, the Operating Bank, the English Transaction Bank or the Agent Bank, such resignation shall not take effect until a Successor has been duly appointed in accordance with clause 13.4 or clause 13.5 of the Cash Administration and Agency Agreement and notice of such appointment has been given in writing to Monte Titoli, it being understood that the Issuer undertakes to appoint such Successor without prejudice to the provisions of clause 13.5 of the Cash Administration and Agency Agreement.

Moreover, the Issuer may revoke the appointment of any Agent by giving not less than 60 (sixty) days' notice to such Agent (with a copy to the Representative of the Noteholders and, in the case of an Agent other than the Italian Paying Agent, to the Italian Paying Agent); provided however that, in the case of the Transaction Bank, the English Transaction Bank, the Operating Bank, the Paying Agents or the Agent Bank, such revocation shall not take effect until a Successor has been duly appointed in accordance with clause 13.4 of the Cash Administration and Agency Agreement and clause 13.5 of and notice of such appointment has been given in writing to Monte Titoli.

The appointment of any Agent shall terminate forthwith if **(a)** such Agent becomes incapable of acting also in light of the provision of article 2, paragraph 6, of the Securitisation Law or *in relationem* to the Operating Bank, the banking licence granted to it pursuant to article 14 of the Consolidated Banking Act has been withdrawn or suspended; or **(b)** such Agent becomes unable to pay its debts as they fall due; or **(c)** such Agent takes any action for a readjustment or deferment of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors; or **(d)** an order is made or an effective resolution is passed for the winding-up of such Agent; or **(e)** any event occurs which has an analogous effect to any of the foregoing; or **(f)** with regard to the Principal Paying Agent, the Italian Paying Agent, the Transaction Bank, the English Transaction Bank and the Operating Bank (only in the event of a Successor of ICCREA Banca) it ceases to be an Eligible Institution for Moody's or is downgraded to at or below a short-term rating of R-2 or a long-term rating of BBB by DBRS; or **(g)** a just cause (*giusta causa*) occurs (which includes (A) any change (i) to the Specified Office of the Principal Paying Agent or the Irish Listing Agent or (ii) to the registered office of any other Agent, provided that, in both cases under (i) and (ii) above, the Issuer and the Representative of the Noteholders have grounds to believe that such change may prejudice the Noteholders' rights under the Transaction; (B) the default by any Agent in the performance or observance of any of its respective covenants and obligations under the Cash Administration and Agency Agreement, provided that the Representative of the Noteholders is of the opinion that such default is materially prejudicial to the interests of the Noteholders and such default (i) continues unremedied for a period of 10 (ten) Business Days after receipt by the relevant Agent of written notice from the Issuer or, in accordance with the Intercreditor Agreement, the Representative of the Noteholders, as applicable, requiring the same to be remedied or (ii) is, in the opinion of the Representative of the Noteholders, incapable of remedy; or (C) the circumstance that any of the warranties made by any Agent under this Agreement proves untrue, provided that the Representative of the Noteholders is of the opinion that such warranty being untrue is materially prejudicial to the interests of the Noteholders and such default (i) continues unremedied for a period of 10 (ten) Business Days after receipt by the relevant Agent of written notice from the Issuer or, in accordance with the Intercreditor Agreement, the Representative of the Noteholders, as applicable, requiring the same to be remedied or (ii) is, in the opinion of the Representative of the Noteholders, incapable of remedy); provided however that, in the case of the Transaction Bank, the English Transaction Bank, the Operating Bank, the Principal Paying Agent, the Italian Paying Agent or the Agent Bank, such termination shall not take effect until a Successor has been duly appointed in accordance with clause 13.3 or clause 13.4 of the Cash Administration and Agency Agreement and notice of such appointment has been given in writing to Monte Titoli.

The Cash Administration and Agency Agreement and all non contractual obligations arising out or in connection with the Cash Administration and Agency Agreement shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Cash Administration and Agency Agreement and all non contractual obligations arising out or in connection with the Cash Administration and Agency Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.

## 6. THE NOTES SUBSCRIPTION AGREEMENT

Pursuant to a subscription agreement entered into on or prior the Issue Date between the Issuer, the Representative of the Noteholders and the Originators (the "**Notes Subscription Agreement**"), the Originators shall subscribe for the Notes and pay to the Issuer the Issue Price for the Notes and shall appoint the Representative of the Noteholders to act as the representative of the Noteholders, subject to the conditions set out therein.

The Notes Subscription Agreement and all non contractual obligations arising out or in connection with the Notes Subscription Agreement shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Notes Subscription Agreement and all non contractual obligations arising out or in connection with the Notes Subscription Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.

## 7. THE SWAP AGREEMENT

Pursuant to an agreement in the form of a 1992 International Swaps and Derivatives Association, Inc. ("**ISDA**") Master Agreement (Multicurrency – Cross Border) (the "**Master Agreement**"), the Schedule thereto (the "**Schedule**") and the Credit Support Annex thereto (the "**Credit Support Annex**") and supplemented by related confirmations (the "**Swap Confirmations**") and, together with the Master Agreement, the Schedule and the Credit Support Annex, the "**Swap Agreement**") entered into on or about the Issue Date between the Issuer and the Swap Counterparty, the Issuer has entered into two (2) basis swap transactions in respect of the Portfolios (collectively, the "**Swap Transactions**") with the Swap Counterparty in order to hedge its floating interest rate exposure in relation to the Class A Notes.

If the Swap Counterparty is downgraded by either of the Rating Agencies below any of the required credit ratings set out in the Swap Agreement, it will be required to carry out, within the time frame specified in the Swap Agreement, one or more remedial measures at its own cost which include the following:

- (a) transfer all of its rights and obligations under the Swap Agreement to an appropriately rated entity;
- (b) arrange for an appropriately rated entity to become co-obligor or guarantor in respect of its obligations under the Swap Agreement; or
- (c) post collateral to support its obligations under the Swap Agreement.

The occurrence of certain termination events and events of default contained in the Swap Agreement may cause the termination of the Swap Agreement prior to its stated termination date, including, among others, (1) redemption of the Notes pursuant to Condition 6.1 (*Final Redemption*), 6.2 (*Redemption for Taxation*), Condition 6.3 (*Mandatory Redemption*) or 6.4 (*Optional Redemption*), (2) amendment of any Transaction Document without the prior written consent of the Swap Counterparty if such amendment affects the amount, timing or priority of any payments due from the Swap Counterparty to the Issuer or from the Issuer to the Swap Counterparty and (3) failure of the Swap Counterparty to take certain remedial measures required under the Swap Agreement following a Swap Counterparty Rating Event.

Under the Swap Transactions, specified Claims accruing interest at a floating rate calculated with reference to one-month, three-month and six-month Euribor, respectively, are hedged and as further described in the Swap Agreement, with respect to each Payment Date the Issuer will pay the Swap Counterparty an amount equal to the applicable notional amount multiplied by a floating rate calculated with reference three-month Euribor or six-month Euribor (each determined in accordance with the Swap Agreement), as applicable, and reset periodically as specified in the Swap Agreement plus a fixed amount. The Swap Counterparty will, in each case, pay the Issuer an amount equal to the applicable notional amount multiplied by three-month Euribor (determined in accordance with the Swap Agreement) plus a fixed spread.



As further described in the Swap Agreement, the notional amount with respect to each Swap Transaction will be calculated with reference to the Principal Instalments of the relevant Claims (other than the amount of any Principal Instalments due but unpaid, or that have been prepaid, at the relevant Collection Date and any Principal Instalments relating to Defaulted Claims) as of the Collection Date preceding the beginning of each Calculation Period (as such term is defined in the Swap Agreement). For each Calculation Period, the notional amount in respect of each Swap Transaction will be the least of the amount of such Principal Instalments, the scheduled maximum amount set forth in the Swap Agreement and the notional amount for the immediately preceding Calculation Period.

In addition and as further described in the Swap Agreement, in respect of any calculation period, if the notional amount of a Swap Transaction is less than the scheduled minimum notional amount set forth in the related Confirmation, a partial termination payment shall be due from either the Issuer or the Swap Counterparty. The Swap Agreement further provides that a partial termination payment to be determined in the discretion of the Swap Counterparty shall be payable by either the Issuer or the Swap Counterparty in connection with the sale of all or any part of the hedged Claims pursuant to Condition 3.1 or clause 7.2.1 of the Servicing Agreement and in excess of the relevant limitations imposed by the Servicing Agreement.

The obligations of the Swap Counterparty under the Swap Agreement are guaranteed by JPMorgan Chase Bank, N.A. (the "**Swap Guarantor**") pursuant to a New York law governed guarantee dated on or about the Issue Date.

The obligations of the Issuer under the Swap Agreement (other than under the Credit Support Annex) shall be limited recourse to the Issuer Available Funds and Single Portfolio Available Funds, as applicable.

The Swap Agreement will be governed by and construed in accordance with English law.

## 8. THE LIQUIDITY AGREEMENT

Pursuant to a liquidity agreement to be entered into on or about the Issue Date (the "**Liquidity Agreement**") between the Issuer and each Originator as a Liquidity Provider, the Liquidity Providers shall make available to the Issuer revolving liquidity facilities in the aggregate maximum amount of Euro 28,677,000 (the "**Maximum Commitment Amount**") divided as follow between the BCC San Giorgio e Valle Agno, Euro 1,633,000, Banca Romagna Cooperativa, Euro 1,596,000, BCC di Romano e Santa Caterina, Euro 897,000, BCC di Montepulciano, Euro 431,000, BCC Emil Banca, Euro 1,868,000, BCC di Ostra e Morro d'Alba, Euro 791,000, BCC Santo Stefano Martellago, Euro 1,317,000, BCC Mediocraati, Euro 455,000, BCC di Alba, Euro 6,659,000, BCC Sala di Cesenatico, Euro 1,015,000, BCC del Centroveneto, Euro 2,484,000, BCC di Roana, Euro 509,000, BCC di Cantù, Euro 3,884,000, BCC di Marcon-Venezia, Euro 857,000, BCC di Gatteo, Euro 907,000, BCC di Sesto San Giovanni, Euro 1,407,000, BCC di Pontassieve, Euro 898,000, BCC di Piove di Sacco, Euro 1,069,000 (each a "**Single Provider Maximum Commitment Amount**"). Each Single Provider Maximum Amount may be reduced, on a yearly basis, for a maximum amount of 1% of the relevant Single Provider Maximum Commitment Amount in accordance with the Liquidity Agreement (each Single Provider Maximum Commitment Amount following such reduction is indicated as "**Subsequent Single Provider Maximum Commitment Amount**").

Pursuant to the Liquidity Agreement, each Originator as Liquidity Provider will provide support with respect to the relevant Portfolio in the event of a shortfall of the relevant Single Portfolio Available Funds (calculated before an advance is drawn) available on any Payment Date for payment of all amounts due to be paid by the Issuer on such Payment Date out of such Single Portfolio Available Funds as follows:

- (a) any Advance drawn under the Liquidity Agreement will be included in the Single Portfolio Available Funds in respect of the payments under items *First*, *Second* and *Fourth* to *Ninth* of the Pre-Acceleration Order of Priority;
- (b) in addition, in respect of the payments under item *Tenth* of the Pre-Acceleration Order of Priority could be utilized the difference (if positive) between the Advances available after making the payments under letter (a) above, and an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes of the relevant Portfolio as at the day following the immediately preceding Payment Date. Provided that the Advances could be fully utilized if by doing so the Class A Notes will be fully redeemed on that Payment Date or on the Final Maturity Date.

In addition, each Liquidity Provider might be called to provide support in respect of any of the other Portfolios: (i) in the event of a shortfall of the relevant Single Portfolio Available Funds which exceeds the outstanding maximum commitment amount of the Liquidity Provider; or (ii) in the event that such Liquidity Provider defaults under its obligations to give support to the Issuer.

In the event that any of the Cross Collateral Order of Priority or the Acceleration Order of Priority becomes applicable, the Liquidity Providers will provide support with respect to the aggregate of all the Portfolios in case of a shortfall of the Issuer Available Funds (calculated before any advance is drawn) available on any Payment Date for payment of all amounts due to be paid by the Issuer on such Payment Date out of the Issuer Available Funds as follows:

- (a) any advance drawn under the Liquidity Agreement will be included in the Issuer Available Funds in respect of payments under items *First*, *Second* and *Fourth* to *Ninth* of the Cross Collateral Order of Priority and under items *First*, *Second* and *Fourth* to *Ninth* of the Acceleration Order of Priority;
- (b) in addition in respect of the payments under item *Tenth* of the Cross Collateral Order of Priority or under item *Tenth* of the Acceleration Order of Priority (as applicable), the difference (if positive) between the Advances available after making the payments under (i) above, and an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes as at the day following the immediately preceding Payment Date could be utilized. Provided that the Advances could be fully utilized if by doing so the Class A Notes will be fully redeemed on that Payment Date or on the Final Maturity Date.

In particular, on each Payment Date, Advances may be drawn from each Liquidity Provider in a maximum amount (the "**Single Provider Available Amount**"), as specified in the Liquidity Agreement, not higher than the difference between (i) the relevant Single Provider Maximum Commitment Amount (or relevant Subsequent Single Provider Maximum Commitment Amount) and (ii) Advances drawn from such Liquidity Provider and not reimbursed up to such Payment Date (included). For the sake of clarity the Single Provider Available Amount shall be calculated on each Calculation Date (in accordance with the Liquidity Agreement) taking into account amounts that will be reimbursed to each relevant Liquidity Provider on the immediately following Payment Date.

Interest on the advances shall accrue at a rate equal to the three Month Euribor plus a margin of 0.1% per annum. The obligation of the Issuer to pay interest and repay the principal amounts outstanding under the Liquidity Agreement to each of the Liquidity Providers will be limited recourse to the relevant Single Portfolio Available Funds or in the event the Cross Collateral Order of Priority or the Acceleration Order of Priority becomes applicable, (together with the obligation to pay interest and repay the principal amounts outstanding

under the other Liquidity Agreement to the other Liquidity Providers) to the Issuer Available Funds.

The Liquidity Agreement and all non contractual obligations arising out or in connection with the Liquidity Agreement shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Liquidity Agreement and all non contractual obligations arising out or in connection with the Liquidity Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.

## 9. THE LIMITED RECOURSE LOAN AGREEMENT

Pursuant to a limited recourse loan agreement to be entered into on or about the Issue Date (the "**Limited Recourse Loan Agreement**") between the Issuer, the Limited Recourse Loan Providers and the Transaction Bank, each Limited Recourse Loan Provider will grant the Issuer a Limited Recourse Loan up to a specified amount by means of advancing (i) Italian treasury bonds (*Titoli di Stato*); or (ii) only following the awarding by Moody's of a rating lower than Aa3 or by DBRS of a rating lower than AA (low) to the Republic of Italy, the Eligible Investments purchased with the proceeds arising out of the sale of the Italian treasury bonds, as described below (the "**Securities**") to the Issuer. The Securities shall not have maturities longer than 5 years. The Securities will be credited to the relevant Securities Account to be held with the Transaction Bank, by each Limited Recourse Loan Provider. The Cash Manager shall use the amounts arising out of the final maturities of the Securities to purchase other Securities in any case, having maturities not longer than 5 years, in accordance with the provisions of the Cash Administration and Agency Agreement and the Limited Recourse Loan Agreement.

Should the Republic of Italy, at any time, be awarded by Moody's of a rating lower than Aa3 or by DBRS of a rating lower than AA (low), the Transaction Bank shall be obliged to sell the Italian treasury bonds and to use the relevant proceeds to purchase Eligible Investments (in any case different from Money Market Funds).

The Limited Recourse Loan may be used by the Issuer as an alternative to the facility granted under the Liquidity Agreement, where the Issuer Available Funds or the Single Portfolio Available Funds, as applicable, are not sufficient to enable the Issuer to meet its payment obligations to the Class A Noteholders and to cover any costs relating to the Transaction which rank in priority to the Class A Noteholders pursuant to the applicable Order of Priority. The Securities credited by each Limited Recourse Loan Provider may be sold and the relevant proceeds used on each Payment Date only in an amount equal to the Advances that should be paid by it in its capacity as Liquidity Provider on the same Payment Date and provided that: 1) such Liquidity Provider has not notified in writing its intention to pay the owed Advances, and 2) such Liquidity Provider has not provided the owed Advances in accordance with the terms and conditions of the Liquidity Agreement. After an amount of Securities being used on a Payment Date, the obligation of the relevant Liquidity Provider to provide Advances under the Liquidity Agreement shall be extinguished for a corresponding amount.

The yield on the relevant Securities collected by the Issuer will be fully utilised, on the following Business Day, to pay to each relevant Limited Recourse Loan Provider interest accrued on the relevant Limited Recourse Loan. In addition subject to the provisions of the Limited Recourse Loan Agreement and the Cash Administration and Agency Agreement, the proceeds from the sale made during such Collection Period or redemption thereof will form part of the relevant Single Portfolio Available Funds. The Securities may be sold in accordance with the terms and within the limits set out in the Limited Recourse Loan Agreement.

The Limited Recourse Loan Agreement and all non contractual obligations arising out or in connection with the Limited Recourse Loan Agreement shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Limited Recourse Loan Agreement and all non contractual obligations arising out or in connection with the Limited Recourse Loan Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.

#### **10. THE DEED OF CHARGE**

Pursuant to the Deed of Charge to be entered into on or about the Issue Date, the Issuer will assign absolutely and to the effect not effectively assigned and charge by way of first fixed security in favour of the Representative of the Noteholders (acting as security trustee) on behalf of the Noteholders and the Other Issuer Creditors, all of the Issuer's rights, title, interest and benefit (present and future) in, to and under (i) the Swap Agreement and (ii) the Investment Account, the Collateral Accounts, the Principal Amortisation Reserve Accounts and any other English Accounts which the Issuer may open from time to time, and will charge by way of first floating security the whole of the Issuer's undertaking, property and assets, present and future, relating to the Transaction, which are located in England and Wales and which are not subject to effective security created pursuant to the other clauses of the Deed of Charge or otherwise.

The Deed of Charge will be governed by, and will be construed in accordance with, English law.

The Courts of England have exclusive jurisdiction to hear any disputes that arise in connection therewith.

#### **11. THE QUOTAHOLDERS' AGREEMENT**

Under the terms of a quotaholders' agreement to be entered into on or prior to the Issue Date between the Quotaholders, the Representative of the Noteholders, the Issuer and ICCREA Banca (the "**Quotaholders' Agreement**") certain rules shall be set out in relation to the corporate governance of the Issuer, and the Issuer has indicated the amount of claims and liabilities arising from the First Securitisation and the way in which such liabilities will be paid (exclusively through the relevant claims). For further specifications please see "The Issuer".

The Quotaholders' Agreement and all non contractual obligations arising out or in connection with the Quotaholders' Agreement shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Quotaholders' Agreement and all non contractual obligations arising out or in connection with the Quotaholders' Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.

## WEIGHTED AVERAGE LIVES OF THE CLASS A NOTES

Under the Conditions, the Final Maturity Date of the Senior Notes is the Payment Date falling on November 2050 and the Senior Notes will be subject to mandatory redemption in full or in part on the Payment Date falling on November 2050 and on each Payment Date thereafter to the extent that on such Payment Date the Issuer has sufficient available funds to be applied for this purpose in accordance with the applicable Order of Priority. The Senior Notes may also be subject to optional redemption in full under certain circumstances.

The tables below show the expected average lives of the Senior Notes on the basis of various assumptions regarding prepayment rates. The assumptions used to calculate the expected average lives of the Notes hereunder are based on the historical performance of the loans originated by each of the Originators having the same characteristics as those of the Claims.

Moreover, the following assumptions have been made:

- (i) the Issuer will exercise its option to redeem the Notes under Condition 6.4 (*Optional Redemption*);
- (ii) there are no delinquencies or defaults in respect of the Portfolios;
- (iii) no Trigger Event has occurred in respect of the Notes; and
- (iv) no redemption for taxation under Condition 6.2 (*Redemption for Taxation*) has occurred in respect of the Notes.

Constant Prepay- ment Rate  (% per annum)	Class A Notes	
	Expected Average Life	Expected Maturity
	(years)	
5.00%	5.54	15/02/2023
6.00%	5.2	15/05/2022
7.00%	4.91	15/11/2021
8.00%	4.64	15/05/2021
9.00%	4.41	15/11/2020
10.00%	4.19	15/05/2020

The base case assumption above reflects the current expectations of the Issuer but no assurance can be given that the redemption of the Senior Notes will occur as described above. The prepayment rates are stated as an average annual prepayment rate but the prepayment rate for one Interest Period may substantially differ from one period to another. The constant prepayment rates shown above are purely

illustrative and do not represent the full range of possibilities for constant prepayment rates.

*The average lives of the Notes is subject to factors that are largely out of the control of the Issuer. As a consequence no assurance can be given that the above estimates will prove in any way to be realistic and therefore they must be considered with caution.*

## TERMS AND CONDITIONS OF THE NOTES

*The following is the entire text of the terms and conditions of the Class A Note and the Class B Notes (as defined below) (the "**Conditions**"). In these Conditions, references to the "**holder**" or to the "**Noteholder**" of a Class A Note or a Class B Note or to a Class A Noteholder or a Class B Noteholder are to the ultimate owners of the Class A Notes and the Class B Notes, as the case may be, issued in bearer and dematerialised form and evidenced as book entries with Monte Titoli S.p.A. ("**Monte Titoli**") in accordance with the provisions of (i) article 83-bis of the Legislative Decree No. 58 of 24 February 1998 and (ii) regulation of 22 February 2008 jointly issued by the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") and the Bank of Italy, as subsequently amended and supplemented. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of Noteholders (as defined below).*

The Euro 554,400,000 Class A Asset Backed Floating Rate Notes due November 2050 (the "**Class A Notes**"), Euro 4,679,097 Class B1 Asset Backed Floating Rate Notes due November 2050 (the "**Class B1 Notes**"), Euro 4,571,478 Class B2 Asset Backed Floating Rate Notes due November 2050 (the "**Class B2 Notes**"), Euro 2,626,294 Class B3 Asset Backed Floating Rate Notes due November 2050 (the "**Class B3 Notes**"), Euro 1,285,743 Class B4 Asset Backed Floating Rate Notes due November 2050 (the "**Class B4 Notes**"), Euro 5,401,583 Class B5 Asset Backed Floating Rate Notes due November 2050 (the "**Class B5 Notes**"), Euro 2,275,743 Class B6 Asset Backed Floating Rate Notes due November 2050 (the "**Class B6 Notes**"), Euro 3,769,516 Class B7 Asset Backed Floating Rate Notes due November 2050 (the "**Class B7 Notes**"), Euro 1,303,350 Class B8 Asset Backed Floating Rate Notes due November 2050 (the "**Class B8 Notes**"), Euro 19,277,566 Class B9 Asset Backed Floating Rate Notes due November 2050 (the "**Class B9 Notes**"), Euro 2,949,960 Class B10 Asset Backed Floating Rate Notes due November 2050 (the "**Class B10 Notes**"), Euro 7,201,504 Class B11 Asset Backed Floating Rate Notes due November 2050 (the "**Class B11 Notes**"), Euro 1,503,262 Class B12 Asset Backed Floating Rate Notes due November 2050 (the "**Class B12 Notes**"), Euro 11,206,305 Class B13 Asset Backed Floating Rate Notes due November 2050 (the "**Class B13 Notes**"), Euro 2,452,204 Class B14 Asset Backed Floating Rate Notes due November 2050 (the "**Class B14 Notes**"), Euro 2,652,916 Class B15 Asset Backed Floating Rate Notes due November 2050 (the "**Class B15 Notes**"), Euro 4,068,799 Class B16 Asset Backed Floating Rate Notes due November 2050 (the "**Class B16 Notes**"), Euro 2,544,507 Class B17 Asset Backed Floating Rate Notes due November 2050 (the "**Class B17 Notes**") and Euro 3,048,793 Class B18 Asset Backed Floating Rate Notes due November 2050 (the "**Class B18 Notes**" and together with the Class B1 Notes, the Class B2 Notes, the Class B3 Notes, the Class B4 Notes, the Class B5 Notes, the Class B6 Notes, the Class B7 Notes, the Class B8 Notes, the Class B9 Notes, the Class B10 Notes, the Class B11 Notes, the Class B12 Notes, the Class B13 Notes, the Class B14 Notes, the Class B15 Notes, the Class B16 Notes and the Class B17 Notes the "**Class B Notes**"; the Class A Notes and the Class B Notes, together the "**Notes**"), are issued by Credico Finance 9 S.r.l. (the "**Issuer**") on 5 July 2011 (the "**Issue Date**") in the context of a securitisation transaction (the "**Transaction**") to finance the purchase of portfolios of monetary claims and connected rights arising under the mortgage loans (collectively the "**Portfolios**" and the "**Claims**", respectively) from Banca San Giorgio e Valle Agno Credito Cooperativo di Fara Vic. Società Coop. ("**BCC San Giorgio e Valle Agno**"), Banca Romagna Cooperativa Credito Cooperativo Romagna Centro e Macerone ("**Banca Romagna Cooperativa**"), Banca di Romano e S.Caterina - Credito Cooperativo (VI) - Società Cooperativa ("**BCC di Romano e Santa Caterina**"), BCC di Montepulciano Società Cooperativa ("**BCC di Montepulciano**"), Emil Banca – Credito Cooperativo SC ("**BCC Emil Banca**"), Banca di Credito Cooperativo di Ostra e Morro d'Alba - Società Cooperativa ("**BCC di Ostra e Morro d'Alba**"), Banca Santo Stefano – Credito Cooperativo - Martellago - Venezia – Soc.Coop ("**BCC Santo Stefano Martellago**"), Credito Cooperativo Mediocrati scarl ("**BCC Mediocrati**"), BCC di Alba Langhe e Roero SC ("**BCC di Alba**"), BCC Sala di Cesenatico Società Cooperativa ("**BCC Sala di Cesenatico**"), Banca del Centroveneto S.C. Longare ("**BCC del Centroveneto**"), Cassa Rurale ed

Artigiana di Roana Credito Cooperativo Società Cooperativa ("**BCC di Roana**"), Cassa Rurale ed Artigiana di Cantù BCC Società Cooperativa ("**BCC di Cantù**"), BCC di Marcon-Venezia Società Cooperativa ("**BCC di Marcon-Venezia**"), BCC di Gatteo Società Cooperativa ("**BCC di Gatteo**"), BCC di Sesto San Giovanni Società Cooperativa ("**BCC di Sesto San Giovanni**"), BCC di Pontassieve Società Cooperativa ("**BCC di Pontassieve**"), BCC di Piove di Sacco Società Cooperativa ("**BCC di Piove di Sacco**" and together with Banca San Giorgio e Valle Agno Credito Cooperativo di Fara Vic. Società Coop., Banca Romagna Cooperativa Credito Cooperativo Romagna Centro e Macerone, Banca Di Romano e S.Caterina - Credito Cooperativo (VI) - Società Cooperativa, BCC di Montepulciano Società Cooperativa, Emil Banca – Credito Cooperativo SC, Banca di Credito Cooperativo di Ostra e Morro d'Alba - Società Cooperativa, Banca Santo Stefano – Credito Cooperativo - Martellago - Venezia – Soc.Coop, Credito Cooperativo Mediocrati scarl, BCC di Alba Langhe e Roero SC, BCC Sala di Cesenatico Società Cooperativa, Banca del Centroveneto S.C. Longare, Cassa Rurale ed Artigiana di Roana Credito Cooperativo Società Cooperativa, Cassa Rurale ed Artigiana di Cantù BCC Società Cooperativa, BCC di Marcon-Venezia Società Cooperativa, BCC di Gatteo Società Cooperativa, BCC di Sesto San Giovanni Società Cooperativa, BCC di Pontassieve Società Cooperativa e BCC di Piove di Sacco Società Cooperativa, collectively the "**Originators**"), pursuant to article 1 of Italian Law No. 130 of 30 April 1999 ("*Disposizioni sulla cartolarizzazione dei crediti*") (the "**Law 130**" or the "**Securitisation Law**").

The Portfolios have been purchased by the Issuer pursuant to eighteen transfer agreements entered into on 30 June 2011, each between the Issuer and an Originator (each a "**Transfer Agreement**" and together the "**Transfer Agreements**"). Representations and warranties in respect of the Portfolios have been made by the Originators in favour of the Issuer under a warranty and indemnity agreement entered into between the Issuer and the Originators on 30 June 2011 (the "**Warranty and Indemnity Agreement**"). In these Conditions, references to the "**Class A Noteholders**" are to the beneficial owners of the Class A Notes, references to the "**Class A Noteholders**" are to the beneficial owners of the Class A Notes, references to the "**Class B1 Noteholders**", the "**Class B2 Noteholders**" the "**Class B3 Noteholders**", the "**Class B4 Noteholders**", the "**Class B5 Noteholders**", the "**Class B6 Noteholders**", the "**Class B7 Noteholders**", the "**Class B8 Noteholders**", the "**Class B9 Noteholders**", the "**Class B10 Noteholders**", the "**Class B11 Noteholders**", the "**Class B12 Noteholders**", the "**Class B13 Noteholders**", the "**Class B14 Noteholders**", the "**Class B15 Noteholders**", the "**Class B16 Noteholders**", the "**Class B17 Noteholders**" and the "**Class B18 Noteholders**" are to the beneficial owners of respectively the Class B1 Notes, the Class B2 Notes, the Class B3 Notes, the Class B4 Notes, the Class B5 Notes, the Class B6 Notes, the Class B7 Notes, the Class B8 Notes, the Class B9 Notes, the Class B10 Notes, the Class B11 Notes, the Class B12 Notes, the Class B13 Notes, the Class B14 Notes, the Class B54 Notes, the Class B16 Notes, the Class B17 Notes, the Class B18 Notes; references to the "**Class B Noteholders**" are to the beneficial owners of the Class B Notes collectively and references to the "**Noteholders**" are to the beneficial owners of the Class A Notes and the Class B Notes.

The principal source of payment of amounts due under the Notes will be collections and recoveries made in respect of the Portfolios (the "**Collections**"). By operation of article 3 of Law 130, the Issuer's title to the Portfolios and to all the amounts deriving therefrom (the "**Issuer's Rights**") will be segregated from all the other assets of the Issuer and amounts deriving therefrom (for so long as such amounts are credited to one of the Issuer's accounts under this Transaction and not commingled with other sums) will be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors (as defined below) in accordance with the applicable Order of Priority (as set out in Condition 4). The Issuer's Rights may not be seized or attached in any form by the creditors of the Issuer other than the Noteholders, the Other Issuer Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the Transaction until full redemption or cancellation of the Notes and full discharge by the Issuer of its obligations *vis-à-vis* the Other Issuer Creditors.

Under a servicing agreement entered into on 30 June 2011 (the "**Servicing Agreement**") between the Issuer and each Originator as a servicer of its respective Portfolio (collectively the "**Servicers**"), each



Servicer agreed to provide the Issuer with administration, collection and recovery services in respect of such Portfolio and shall verify that the payment services to be provided in relation to the Transaction comply with Italian law.

Under a subscription agreement entered into on or prior to the Issue Date between the Issuer, the Originators and the Representative of the Noteholders (the "**Notes Subscription Agreement**"), the Originators shall subscribe and pay for the Class A Notes upon the terms and subject to the conditions thereof and shall appoint Deutsche Trustee Company Limited to act as the representative of the Class A Noteholders (the "**Representative of the Noteholders**"). BCC San Giorgio e Valle Agno shall subscribe and pay for the Class B1 Notes, Banca Romagna Cooperativa shall subscribe and pay for the Class B2 Notes, BCC di Romano e Santa Caterina shall subscribe and pay for the Class B3 Notes, BCC di Montepulciano shall subscribe and pay for the Class B4 Notes, BCC Emil Banca shall subscribe and pay for the Class B5 Notes, BCC di Ostra e Morro d'Alba shall subscribe and pay for the Class B6 Notes, BCC Santo Stefano Martellago shall subscribe and pay for the Class B7 Notes, BCC Mediocrati shall subscribe and pay for the Class B8 Notes, BCC di Alba shall subscribe and pay for the Class B9 Notes, BCC Sala di Cesenatico shall subscribe and pay for the Class B10 Notes, BCC del Centroveneto shall subscribe and pay for the Class B11 Notes, BCC di Roana shall subscribe and pay for the Class B12 Notes, BCC di Cantù shall subscribe and pay for the Class B13 Notes, BCC di Marcon-Venezia shall subscribe and pay for the Class B14 Notes, BCC di Gatteo shall subscribe and pay for the Class B15 Notes, BCC di Sesto San Giovanni shall subscribe and pay for the Class B16 Notes, BCC di Pontassieve shall subscribe and pay for the Class B17 Notes and BCC di Piove di Sacco shall subscribe and pay for the Class B18 Notes. Each of the Originators shall appoint the Representative of the Noteholders to act as the representative of the Class B Noteholders.

Under a cash administration and agency agreement to be entered into on or prior to the Issue Date (the "**Cash Administration and Agency Agreement**") between the Issuer, the Representative of the Noteholders, the Servicers, Deutsche Bank AG London as principal paying agent (the "**Principal Paying Agent**"), agent bank (the "**Agent Bank**"), custodian and English transaction bank (the "**English Transaction Bank**") and cash manager (the "**Cash Manager**"), Deutsche Bank S.p.A. as computation agent (the "**Computation Agent**"), Italian paying agent (the "**Italian Paying Agent**" and together with the Principal Paying Agent, the "**Paying Agents**") and transaction bank (the "**Transaction Bank**"), and ICCREA Banca S.p.A. as operating bank (the "**Operating Bank**"): (i) the Principal Paying Agent and the Italian Paying Agent shall carry out certain services in relation to the Notes, including arranging for the payment of principal and interest to the Monte Titoli Account Holders; (ii) the Agent Bank shall calculate the amount of interest payable on the Notes; (iii) the Computation Agent shall provide the Issuer with other calculations in respect of the Notes and will set out, in a payment report, the payments due to be made under the Notes on each Payment Date; and (iv) the Operating Bank, the Transaction Bank, the English Transaction Bank and the Cash Manager shall provide certain cash administration and investment services in respect of the amounts standing, from time to time, to the credit of the relevant Accounts.

Under a corporate services agreement to be entered into on or prior to the Issue Date (the "**Corporate Services Agreement**") between the Issuer and FIS Full Integrated Solutions S.p.A. as corporate services provider (the "**Corporate Services Provider**") the Corporate Services Provider shall provide the Issuer with certain corporate administration services.

Under a further servicing agreement to be entered into on or prior the Issue Date between the Issuer, the Back-up Servicer and the Servicers (the "**Back-up Servicing Agreement**"), ICCREA Banca has agreed that, should any of the Servicers cease to act as servicer of the relevant Portfolio, it will itself service such Portfolio on the same terms as provided for in the Servicing Agreement.

Under a liquidity facility agreement to be entered into on or prior to the Issue Date (the "**Liquidity Agreement**"), between the Issuer and the Originators as liquidity providers (each a "**Liquidity Provider**"), the Liquidity Providers shall make revolving facilities available to the Issuer in a maximum aggregate amount determined from time to time in accordance with the provisions of the

## Liquidity Agreement.

Under the terms of a limited recourse loan agreement to be entered into on or prior to the Issue Date (the "**Limited Recourse Loan Agreement**"), between the Issuer and the Originators as limited recourse loan providers (each a "**Limited Recourse Loan Provider**"), each Limited Recourse Loan Provider will grant the Issuer a limited recourse loan (the "**Limited Recourse Loan**") up to a specified amount by means of advancing Italian treasury bonds (*titoli di Stato*) (the "**Securities**") to the Issuer.

Under an agreement in the form of an International Swaps and Derivatives Association, Inc. ("**ISDA**") 1992 Master Agreement (Multicurrency-Cross Border) (the "**Master Agreement**") together with a Schedule thereto (the "**Schedule**") and the Credit Support Annex thereunder (the "**Credit Support Annex**") and supplemented by related confirmations (the "**Swap Confirmations**" and, together with the Master Agreement, the Schedule and the Credit Support Annex, the "**Swap Agreement**") entered into on or about the Issue Date between the Issuer and the Swap Counterparty, the Issuer entered into two (2) basis swap transactions in respect of the Portfolios (collectively, the "**Swap Transactions**") with the Swap Counterparty in order to hedge its floating interest rate exposure in relation to the Class A Notes.

The obligations of the Swap Counterparty under the Swap Agreement are guaranteed by JPMorgan Chase Bank, N.A. (the "**Swap Guarantor**") pursuant to a New York law governed guarantee dated on or about the Issue Date.

Under a deed of pledge entered into on or prior to the Issue Date among the Issuer and the Representative of the Noteholders (acting for itself and also on behalf of the Noteholders) and the Other Issuer Creditors (the "**Deed of Pledge**"), the Issuer has granted to the Noteholders and the Other Issuer Creditors: (i) a pledge over all the monetary contractual claims arising from certain Transaction Documents; (ii) a pledge over the positive balance of the Accounts (other than the Expenses Account, the Quota Capital Account, the Investment Account, the Principal Amortisation Reserve Accounts and the Collateral Accounts) and (iii) a pledge over the Securities deposited from time to time on the Securities Accounts.

Under a deed of charge governed by English law executed by the Issuer on or about the Issue Date (the "**Deed of Charge**"), the Issuer has assigned absolutely and to the effect not effectively assigned, has charged by way of first fixed security in favour of the Representative of the Noteholders (acting as security trustee) on behalf of the Noteholders and the Other Issuer Creditors, all of the Issuer's rights, title, interest and benefit (present and future) in, to and under (i) the Swap Agreement and (ii) the Investment Account, the Collateral Accounts, the Principal Amortisation Reserve Accounts and any other English Accounts which the Issuer may open from time to time, and has charged by way of first floating security the whole of the Issuer's undertaking, property and assets, present and future, relating to the Transaction, which are located in England and Wales and which are not subject to effective security created pursuant to the other clauses of the Deed of Charge or otherwise.

Under an intercreditor agreement to be entered into on or prior to the Issue Date (the "**Intercreditor Agreement**") between the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Corporate Services Provider, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Operating Bank, the Computation Agent, the Servicers, the Swap Counterparty, the Paying Agents, the Irish Listing Agent, the Back-up Servicer, the Liquidity Providers, the Cash Manager, the Limited Recourse Loan Providers and the Originators, the application of the Single Portfolio Available Funds and the Issuer Available Funds (each as defined below) will be set out. The Representative of the Noteholders will be appointed to exercise certain rights in relation to the Portfolios and in particular will be conferred the exclusive right (and the necessary powers) to make demands, give notices, exercise or refrain from exercising rights and take or refrain from taking actions (also through the Servicers) in relation to the recovery of the Claims in

the name and on behalf of the Issuer.

Under a quotaholders' agreement to be entered into on or prior to the Issue Date between Stichting Amis and Stichting Chatwin (the "**Quotaholders**"), the Issuer, the Representative of the Noteholders and ICCREA Banca (the "**Quotaholders' Agreement**") certain rules will be set out in relation to the corporate management of the Issuer.

The Issuer has established with the Transaction Bank the following accounts: **(i)** an account (the "**Payments Account**") into which, *inter alia*, all amounts received by the Issuer under the Transaction Documents (other than amounts paid in respect of the Claims) will be credited and out of which all payments shall be made according to the applicable Order of Priority and the relevant Payments Report; **(ii)** an account (the "**Collections and Recoveries Account**") into which, *inter alia*, all amounts standing to the credit of each Transitory Collection and Recoveries Account will be credited; **(iii)** an account (the "**Principal Accumulation Account**") into which, *inter alia*, on each Payment Date prior to the Payment Date falling on February 2013 any amount payable in respect of principal on Class A Notes and Class B Notes respectively shall be paid; and **(iv)** eighteen securities accounts (the "**Securities Accounts**") into which, *inter alia*, the Relevant Securities shall be deposited pursuant to the Limited Recourse Loan Agreement.

The Issuer may establish the following accounts with the Transaction Bank: **(i)** an account (the "**Reserve Account**") into which, *inter alia*, the Reserve Amount, if any, shall be paid; **(ii)** 18 accounts (the "**Single Portfolio Reserve Accounts**") identified with respect to each Portfolio into which, *inter alia*, the Single Portfolio Reserve Amounts, if any, shall be paid; and **(iii)** eighteen accounts (the "**Liquidity Reserve Accounts**") identified with respect to each Liquidity Provider into which, *inter alia*, the amounts due under the Liquidity Agreement if any, shall be paid.

The Issuer has established with the English Transaction Bank: (i) an account (the "**Investment Account**") into which, *inter alia*, all amounts standing to the credit of the Accounts (other than the Transitory Collections and Recoveries Accounts, the Expenses Account, the Securities Accounts and the Quota Capital Account) will be transferred for the purpose of investment in Eligible Investments; and (ii) three cash collateral accounts (the "**Cash Collateral Accounts**") (for deposits denominated in Euro, U.S. dollars and British pounds, respectively) and a securities collateral account (the "**Securities Collateral Account**") and, together with the Cash Collateral Accounts, the "**Collateral Accounts**") to hold (i) any collateral consisting of cash or securities received from the Swap Counterparty pursuant to the Swap Agreement, (ii) any payment of interest or distributions on, and any liquidation or other proceeds of such collateral, in each case consisting of cash or securities, (iii) any Replacement Swap Premium received by the Issuer from a replacement swap counterparty and (iv) any termination payment received by the Issuer from the outgoing Swap Counterparty. Moreover the Issuer may establish with the English Transaction Bank eighteen accounts (the "**Principal Amortisation Reserve Accounts**") identified with respect to each Portfolio into which, *inter alia*, the Principal Amortisation Reserve Amounts, if any, shall be paid.

The Issuer has established the following accounts with the Operating Bank: **(i)** eighteen accounts (the "**Transitory Collections and Recoveries Accounts**") identified with respect to each Portfolio into which, *inter alia*, all amounts received by the Issuer under the Portfolios from the relevant Servicer shall be paid; **(ii)** an account (the "**Expenses Account**") into which, *inter alia*, the Retention Amount shall be paid and out of which certain payments with respect to the Issuer's corporate expenses shall be made; and **(iii)** an account (the "**Quota Capital Account**") into which, *inter alia*, the sums contributed by the Quotaholders will be credited and held.

These Conditions include summaries of, and are subject to, the detailed provisions of the Transfer Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Liquidity Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Notes Subscription Agreement, the Swap Agreement, the Cash Administration and Agency Agreement, the Limited Recourse Loan Agreement, the Deed of Pledge, the Quotaholders' Agreement and the Deed of Charge

(and together with these Conditions, the "**Transaction Documents**"). Copies of the Transaction Documents are available for inspection during normal business hours at the registered office of the Representative of the Noteholders.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them. In particular, each Noteholder recognises that the Representative of the Noteholders is its representative and accepts to be bound by the terms of those Transaction Documents which have been signed by the Representative of the Noteholders as if it had signed such documents itself.

The rights and powers of the Noteholders may only be exercised in accordance with the rules of the organisation of the Noteholders (respectively, the "**Rules of the Organisation of the Noteholders**" and the "**Organisation of the Noteholders**") attached hereto and which form an integral and substantive part of these Conditions.

The Recitals and the Exhibits hereto constitute an integral and essential part of these Conditions and shall have the force of and shall take effect as covenants by the Issuer.

In these Conditions:

"**Acceleration Order of Priority**" means the order in which the Issuer Available Funds shall be applied on each Payment Date following the service of a Trigger Notice in accordance with the Conditions and the Intercreditor Agreement.

"**Accounts**" means collectively the Payments Account, the Collections and Recoveries Account, the Transitory Collections and Recoveries Accounts, the Securities Accounts, the Principal Accumulation Account, the Investment Account, the Principal Amortisation Reserve Accounts, the Expenses Account, the Reserve Account, the Liquidity Reserve Accounts, the Quota Capital Account, the Collateral Accounts and the Single Portfolio Reserve Accounts.

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

"**Arranger**" means Iccrea Banca.

"**Article 122a**" means the article 122a of the Capital Requirements Directive.

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

- (i) the Issuer Available Funds in respect of such Payment Date; and
- (ii) the aggregate of all payments under items *First* to *Ninth* of the Acceleration Order of Priority which are required to be made by the Issuer on such Payment Date.

"**Bankruptcy Proceedings**" means any bankruptcy or similar proceeding applicable to any company or other organisation or enterprises and in particular as for Italian law, the following procedures: *fallimento*, *concordato preventivo*, *liquidazione coatta amministrativa*, *amministrazione straordinaria*, and the proceedings as set forth by article 182 *bis* and article 67, paragraph 3, of the Bankruptcy Law.

"**BCC Alba**" means BCC di Alba Langhe e Roero SC;

"**BCC del Centroveneto**" means Banca del Centroveneto S.C. - Longare;

"**BCC di Cantù**" means Cassa Rurale ed Artigiana di Cantù Banca di Credito Cooperativo - Società Cooperativa;

"**BCC di Gatteo**" means BCC di Gatteo Società Cooperativa;

"**BCC di Marcon-Venezia**" means BCC di Marcon-Venezia Società Cooperativa;

"**BCC di Montepulciano**" means BCC di Montepulciano Società Cooperativa;

"**BCC di Ostra e Morro D'alba**" means Banca di Credito Cooperativo di Ostra e Morro d'alba - Società Cooperativa;

"**BCC di Piove di Sacco**" means BCC di Piove di Sacco Società Cooperativa;

"**BCC di Pontassieve**" means BCC di Pontassieve Società Cooperativa;

"**BCC di Roana**" means Cassa Rurale ed Artigiana di Roana Credito Cooperativo Società Cooperativa;

"**Banca di Romano e S.Caterina**" means Banca di Romano e S.Caterina - Credito Cooperativo (VI) - Società Cooperativa;

"**BCC di Sesto San Giovanni**" means BCC di Sesto San Giovanni Società Cooperativa;

"**BCC Emil Banca**" means Emil Banca – Credito Cooperativo SC;

"**BCC Mediocrati**" means Credito Cooperativo Mediocrati scarl;

"**Banca Romagna Cooperativa**" means Banca Romagna Cooperativa Credito Cooperativo Romagna Centro e Macerone;

"**BCC Sala di Cesenatico**" means BCC Sala di Cesenatico Società Cooperativa;

"**BCC San Giorgio e Valle Agno**" means Banca San Giorgio e Valle Agno Credito Cooperativo di Fara Vic. Società Coop.;

"**BCC Santo Stefano Martellago**" means Banca Santo Stefano – Credito Cooperativo - Martellago - Venezia – Società Cooperativa;

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

"**Business Day**" means any day (excluding Saturday and Sunday) on which banks are open for business in Dublin, London, Milan and Rome on which the Trans-European Automated Real Time Gross Transfer System (TARGET 2) (or any successor thereto) is open.

"**Calculation Date**" means the date falling 10 (ten) calendar days before each Payment Date.

"**Capital Requirements Directive**" or "**CRD**" means the Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EC as the same may be amended from time to time.

"**Class A Disequilibrium Event**" has the meaning ascribed to it in Condition 4.2.

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

"**Class B Notes Aggregate Amount**" means the aggregate amount of the Class B Notes equal to Euro

82,818,620.

**"Clean Up Option Date"** means any Payment Date falling after the Payment Date falling on November 2012, if on the preceding Calculation Date the principal outstanding amount of the Portfolios is equal to or less than 20% of the lesser of (i) the principal outstanding amount of the Portfolios as of the Effective Date; and (ii) the Purchase Price.

**"Clearstream"** means Clearstream Banking, Société Anonyme.

**"Collateral Account Priority of Payments"** means the order of priority contained in clause 9 of the Intercreditor Agreement.

**"Collateral Amount"** means any amounts or securities standing to the credit of the Collateral Accounts.

**"Collection Date"** means 31 March, 30 June, 30 September and 31 December in each year.

**"Collection Period"** means each period starting on a Collection Date (exclusive) and ending on the following Collection Date (inclusive), save for the First Collection Period.

**"Collection Policy"** means, with respect to each Servicer, the collection policy applied by such Servicer in relation to its respective Portfolio.

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

**"Criteria"** means collectively the General Criteria and the Specific Criteria.

**"Cross Collateral Order of Priority"** means the order in which the Issuer Available Funds shall be applied on each Payment Date following the service of a Cross Collateral Notice (and, for the avoidance of doubt prior to the service of a Trigger Notice) in accordance with the Conditions and the Intercreditor Agreement.

**"DBRS"** means DBRS Ratings Limited.

**"DBRS' Rating"** means (a) the public rating assigned by DBRS or, if there is no public DBRS rating, then (b) the rating as determined by DBRS through its internal assessment.

**"Defaulted Claim"** means a Claim which is classified as "*in sofferenza*" by the relevant Servicer pursuant to its respective Collection Policy and in compliance with the applicable rules "*Istruzioni di Vigilanza*" of the Bank of Italy or a Claim which has at least, as the case may be: (i) 12 (twelve) Unpaid Instalments in relation to Claims with monthly instalments; (ii) 6 (six) Unpaid Instalments in relation to Claims with Instalments which are paid every two months; (iii) 5 (five) Unpaid Instalments in relation to Claims with quarterly Instalments; (iv) 4 (four) Unpaid Instalments in relation to Claims with Instalments which are paid every four months; (v) 3 (three) Unpaid Instalments in case of Claims with semi-annual Instalments; and (vi) 1 (one) Unpaid Instalment in case of Claims with annual Instalment, remained unpaid for at least 6 months following the due date of payment.

**"Default Ratio"** means, with respect to any Payment Date, the ratio calculated as at the immediately preceding Collection Date between (i) the cumulative Outstanding Balance of all Claims which have become Defaulted Claims since the Valuation Date, and (ii) the Outstanding Principal of the Claims as at the Valuation Date.

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

**"Effective Date"** means 23.59 p. m. of 9 June 2011.

**"Eligible Institution"** means any depository institution organised under the laws of any State which is a member of the European Union or of the United States,

- (i) whose short-term unsecured, unsubordinated and unguaranteed debt obligations have a Moody's rating equal at least to P-1 and a DBRS Rating equal to at least R-1 (low), and
- (ii) whose long-term, unsecured and unsubordinated debt obligations have a Moody's rating equal at least to A1 and a DBRS Rating equal to at least BBB (high),

provided that,

A. with respect to Deutsche Bank S.p.A., acting as Transaction Bank, Computation Agent and Italian Paying Agent under the terms of the Cash Administration and Agency Agreement, it shall be deemed to be an Eligible Institution if:

- (a) the short-term unsecured, unsubordinated and unguaranteed debt obligations of its controlling parent company (being Deutsche Bank AG) are rated P-1 by Moody's and the long-term, unsecured and unsubordinated debt obligations of its controlling parent company are rated at least Aa3 by Moody's;
- (b) the shareholding held by its controlling parent company does not fall below 90 per cent.; and
- (c) the words "Deutsche Bank" are contained in its legal name unless the Rating Agency confirms that the deletion of such words does not affect the status of Eligible Institution and, in any case, only until such date when the Rating Agency notifies the Issuer that Deutsche Bank S.p.A. no longer qualifies as an Eligible Institution; and that

B. should the relevant institution's unsecured, unsubordinated and unguaranteed debt obligations not have a DBRS Rating, only the Moody's rating will be referenced.

**"Eligible Investments"** means:

- (i) any Euro denominated senior (unsubordinated) debt security, bank account, deposit (including, for the avoidance of doubt, time deposits) or other debt instrument or repurchase transactions on such debt instruments issued by, or fully and unconditionally guaranteed on an unsubordinated basis (or, in the case of any repurchase transaction, whose underlying assets have been issued by, or fully and unconditionally guaranteed on an unsubordinated basis) by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:

(A) a DBRS Rating equal to R-1(low) and BBB(high), if any, or otherwise which has the following ratings from at least 2 of the following rating agencies:

- at least F1 and A by Fitch;
- at least A-1 and A+ by S&P;
- at least P-1 and A1 by Moody's; and

(B) with respect to Moody's rating,

- (x) either "A2" by Moody's in respect of long-term debt or "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity of less than one month, or
- (y) "A1" by Moody's in respect of long-term debt and "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity between one and three months, or such other rating as acceptable to Moody's from time to time;

and, in the case of clauses (A) and (B) above, which are immediately repayable on demand, disposable without penalty and have, prior to the redemption in full of the Notes, at any time a fixed principal amount at maturity at least equal to the principal amount invested and a maturity not later than the second Business Day preceding the Payment Date immediately succeeding the Collection Period in respect of which such Eligible Investments were made, and

- (ii) Euro denominated money market funds which have at least the following ratings
  - (a) a Moody's rating equal to Aaa-mf; and with
  - (b) a DBRS Rating equal to R-1 (mid) and AA (low), if any, otherwise which have the following ratings from at least 2 of the following rating agencies:
    - at least AAAmf by Fitch;
    - at least AAAm-G by S&P;
    - at least Aaa-mf by Moody's,

and, in the case of clauses (a) and (b) above, which permit daily liquidation of investments, provided that in case of disposal of the eligible investment before maturity, the principal amount upon disposal is at least equal to the principal amount invested;

provided that, in no case such investment under (i) and (ii) above shall be made, in whole or in part, actually or potentially, in (A) tranches of other asset-backed securities; or (B) credit-linked notes, swaps or other derivatives instruments, or synthetic securities.

**"Euroclear"** means Euroclear Bank S.A./N. V., as operator of the Euroclear System.

**"Euro-zone"** means the region comprised of member states of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as subsequently amended.

**"Families Plan"** means the plan approved on 21 October 2009 by the executive committee of the *ABI*, as subsequently extended, which provides, *inter alia*, in the context of the convention signed on 18 December 2009 by the *ABI* and the consumers' association, the temporary suspension for 12 (twelve) months of payments of loan instalments due by individuals to the banking system in order to help those families stricken by the financial crisis.

**"Final Maturity Date"** means the Payment Date falling on November 2050.

**"First Collection Date"** means 31 December 2011.

**"First Collection Period"** means the period starting on the Effective Date (inclusive) and ending on



the First Collection Date (exclusive).

**"First Payment Date"** means the Payment Date falling on 15 February 2012.

**"First Securitisation"** means the securitisation transaction in the context of which the Issuer (formerly Credico Funding 2 S.r.l.) has issued on 26 July 2004 Euro 1,008,800,000 Senior Asset-Backed Floating Rate Notes due 2012, Euro 24,400,000 Class B Asset-Backed Floating Rate Notes due 2012, Euro 47,500,000 Class C Asset-Backed Floating Rate Notes due 2012, Euro 44,000,000 Class D Asset-Backed Floating Rate Notes due 2012 and Euro 34,800,000 Class E Asset-Backed Floating Rate Notes due 2012 (collectively, the **"First Notes"**) – fully redeemed on 1 June 2010 – in order to finance the purchase from ICCREA Banca of a portfolio of monetary claims pursuant to a transfer agreement entered into on 5 July 2004, as subsequently amended on 26 July 2004.

**"Initial Period"** means the period of eighteen months and one day from the Issue Date.

**"Instalment"** means, with respect to each Claim, each monetary amount due from time to time by the relevant Borrower under the Claims.

**"Interest Accruals"** means, with respect to each Portfolio, the interest accrued, not yet due and unpaid on the Claims as of the applicable Effective Date, which shall be payable on the First Payment Date and in the case of insufficient available funds on such date, on each following Payment Date, by the Issuer to each Originator under the relevant Transfer Agreement, equal to, with respect to Portfolio No. 1, Euro 45,906.01; with respect to Portfolio No. 2, Euro 58,223.63; with respect to Portfolio No. 3, Euro 21,814.43; with respect to Portfolio No. 4, Euro 29,202.77; with respect to Portfolio No. 5, Euro 58,774.52; with respect to Portfolio No. 6, Euro 21,298.35; with respect to Portfolio No. 7, Euro 38,209.23; with respect to Portfolio No. 8, Euro 17,920.26; with respect to Portfolio No. 9, Euro 193,358.42; with respect to Portfolio No. 10, Euro 47,270.06; with respect to Portfolio No. 11, Euro 70,360.99; with respect to Portfolio No. 12, Euro 15,654.99; with respect to Portfolio No. 13, Euro 65,564.96; with respect to Portfolio No. 14, Euro 15,599.96; with respect to Portfolio No. 15, Euro 35,680.63; with respect to Portfolio No. 16, Euro 37,080.36; with respect to Portfolio No. 17, Euro 25,541.76; and with respect to Portfolio No. 18, Euro 32,998.53.

**"Interest Amount"** has the meaning ascribed to it in Condition 5.3.1.

**"Interest Determination Date"** means, with respect to the Initial Interest Period, the date falling on the second Business Day immediately preceding the Issue Date and with respect to each subsequent Interest Period, the date falling on the second Business Day immediately preceding the Payment Date at the beginning of such Interest Period.

**"Interest Instalment"** means, in respect of each Claim, the interest component of each Instalment (excluding interest for late payments - *interessi di mora*).

**"Interest Period"** means each period from (and including) a Payment Date to (but excluding) the following Payment Date, provided that the first Interest Period (the **"Initial Interest Period"**) shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date.

**"Interest Rate"** has the meaning ascribed to it in Condition 5.

**"Investment Account"** means the account opened by the Issuer with the English Transaction Bank with IBAN GB62DEUT40508126554300 or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

**"Issue Date"** means 5 July 2011.

**"Issuer Available Funds"** means, in respect of each Payment Date, the aggregate (without duplication) of:

- (i) all the Collections received by the Issuer through the Servicers, during the immediately preceding Collection Period;
- (ii) all other amounts transferred during the immediately preceding Collection Period from the relevant Transitory Collections and Recoveries Account into the Collections and Recoveries Account;
- (iii) all the amounts credited to the Principal Accumulation Account on the immediately preceding Payment Date;
- (iv) all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for the Collateral Accounts, the Expenses Account and the Quota Capital Account) during the immediately preceding Collection Period and any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period;
- (v) all amounts paid into the Principal Amortisation Reserve Accounts in the immediately preceding Payment Date;
- (vi) all interest accrued and paid on the amount from time to time standing to the credit of the Expenses Account during the immediately preceding Collection Period and paid into the same;
- (vii) all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement (if and to the extent paid) other than any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments);
- (viii) all amounts received from the Originators, if any, pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreements, all amounts received by the Issuer as indemnities for the renegotiation of the Mortgage Loan Agreements and any payment made to the Issuer by any other party to the Transaction Documents, during the immediately preceding Collection Period;
- (ix) any other amounts paid into the Payments Account during the immediately preceding Collection Period;
- (x) all amounts paid into the Reserve Account in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds or Issuer Available Funds;
- (xi) all amounts paid into the Single Portfolio Reserve Accounts in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds or Issuer Available Funds;
- (xii) any Swap Collateral Account Surplus paid into the Payments Account in accordance with the Collateral Account Priority of Payments;
- (xiii) until full repayment of the Class A Notes:
  - (a) only in respect of payments ranking as *First, Second, Fourth, Fifth, Sixth, Seventh, Eighth* and *Ninth* of the Acceleration Order of Priority, and ranking as *First, Second, Fourth, Fifth, Sixth, Seventh, Eighth* and *Ninth* of the Cross Collateral Order of Priority, shall include (I) any Advances to be made to the Issuer with respect to such Payment Date in relation to any Negative Balance or, (II) up to an amount equal to the amount of any Advances to be made to the Issuer with respect to such Payment Date, the proceeds on the sale of the Securities to be used

alternatively to the Advances in accordance with the terms of the Limited Recourse Loan Agreement; and

- (b) in respect of payments ranking as *Tenth* of the Acceleration Order of Priority and ranking as *Tenth* of the Cross Collateral Order of Priority, the difference (if positive) between the Advances available after making the payments under letter (a) above, and an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes as at the day following the immediately preceding Payment Date. Provided that the Advances could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date or on the Final Maturity Date.

**"Law 239 Deduction"** means any withholding or deduction for or on account of *"imposta sostitutiva"* under Legislative Decree No. 239 of 1 April 1996 as amended by Italian Law No. 409 and No. 410 of 23 November 2001 as subsequently amended and supplemented.

**"Maximum Commitment Amount"** means the aggregate maximum amount of the revolving liquidity facility which is made available to the Issuer by the Liquidity Providers under the Liquidity Agreement which is equal to Euro 28,677,000.

**"Monte Titoli"** means Monte Titoli S.p.A.

**"Monte Titoli Account Holder"** means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli.

**"Moody's"** means Moody's Investors Service.

**"Mortgage"** means the mortgage securities created on the Real Estate Assets pursuant to Italian law in order to secure the Mortgage Loans.

**"Mortgage Loan"** means each loan, secured by a Mortgage, granted to a Borrower and classified as performing and meeting the Criteria, the receivables in respect of which have been transferred by each of the Originators to the Issuer pursuant to the relevant Transfer Agreement, and **"Mortgage Loans"** means all of them.

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

**"Negative Balance"** means: (1) with respect to any Payment Date (i) following the delivery of a Trigger Notice, (ii) in case of Redemption for Taxation, or (iii) in case of Optional Redemption, the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date under items *First* to *Tenth* (but excluding item *Third*) of the Acceleration Order of Priority and (b) the Issuer Available Funds with respect to such Payment Date before any Advance to be granted to the Issuer by the Liquidity Providers under the Liquidity Agreement with respect to such Payment Date, and (2) with respect to any Payment Date (i) following the delivery of a Cross Collateral Notice, the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date under items *First* to *Tenth* (but excluding item *Third*) of the Cross Collateral Order of Priority and (b) the Issuer Available Funds with respect to such Payment Date before any Advance to be granted to the Issuer by the Liquidity Providers under the Liquidity Agreement with respect to such Payment Date.

**"Operating Bank"** means ICCREA Banca.

**"Order of Priority"** means the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority or the Acceleration Order of Priority, as applicable, according to which the Single Portfolio Available Funds or the Issuer Available Funds, respectively, shall be applied on each Payment Date in

accordance with the Conditions and the Intercreditor Agreement.

**"Other Issuer Creditors"** means the Liquidity Providers, the Swap Counterparty, the Originators, the Servicers, the Representative of the Noteholders, the Agent Bank, the Operating Bank, the English Transaction Bank, the Transaction Bank, the Principal Paying Agent, the Italian Paying Agent, the Back-up Servicer, the Corporate Services Provider, the Stichting Corporate Services Provider, the Cash Manager, the Computation Agent, the Irish Listing Agent and the Limited Recourse Loan Providers.

**"Outstanding Balance"** means with respect to a Claim the aggregate of the (i) Outstanding Principal and (ii) all due and unpaid Principal Instalments.

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

**"Outstanding Principal"** means, with respect to any Claim on any date, the aggregate of all Principal Instalments owing by the relevant Borrower and scheduled to be paid on and/or after such date.

**"Payment Date"** means the 15<sup>th</sup> day of February, May, August and November in each year or, if any of such a date does not fall on a Business Day, the following Business Day, until the Final Maturity Date.

**"Payments Report"** means the report to be prepared by the Computation Agent pursuant to clause 6.3.1 of the Cash Administration and Agency Agreement.

**"Portfolio No. 1"** means the portfolio of Claims which are sold to the Issuer by BCC San Giorgio e Valle Agno pursuant to the relevant Transfer Agreement.

**"Portfolio No. 2"** means the portfolio of Claims which are sold to the Issuer by Banca Romagna Cooperativa pursuant to the relevant Transfer Agreement.

**"Portfolio No. 3"** means the portfolio of Claims which are sold to the Issuer by BCC di Romano e Santa Caterina pursuant to the relevant Transfer Agreement.

**"Portfolio No. 4"** means the portfolio of Claims which are sold to the Issuer by BCC di Montepulciano pursuant to the relevant Transfer Agreement.

**"Portfolio No. 5"** means the portfolio of Claims which are sold to the Issuer by BCC Emil Banca pursuant to the relevant Transfer Agreement.

**"Portfolio No. 6"** means the portfolio of Claims which are sold to the Issuer by BCC di Ostra e Morro d'Alba pursuant to the relevant Transfer Agreement.

**"Portfolio No. 7"** means the portfolio of Claims which are sold to the Issuer by BCC Santo Stefano pursuant to the relevant Transfer Agreement.

**"Portfolio No. 8"** means the portfolio of Claims which are sold to the Issuer by BCC Mediocritati pursuant to the relevant Transfer Agreement.

**"Portfolio No. 9"** means the portfolio of Claims which are sold to the Issuer by BCC di Alba pursuant to the relevant Transfer Agreement.

**"Portfolio No. 10"** means the portfolio of Claims which are sold to the Issuer by BCC Sala di Cesenatico pursuant to the relevant Transfer Agreement.

"**Portfolio No. 11**" means the portfolio of Claims which are sold to the Issuer by BCC di Centoveneto pursuant to the relevant Transfer Agreement.

"**Portfolio No. 12**" means the portfolio of Claims which are sold to the Issuer by BCC Roana pursuant to the relevant Transfer Agreement.

"**Portfolio No. 13**" means the portfolio of Claims which are sold to the Issuer by BCC Cantu' pursuant to the relevant Transfer Agreement.

"**Portfolio No. 14**" means the portfolio of Claims which are sold to the Issuer by BCC Marcon-Venezia pursuant to the relevant Transfer Agreement.

"**Portfolio No. 15**" means the portfolio of Claims which are sold to the Issuer by BCC di Gatteo pursuant to the relevant Transfer Agreement.

"**Portfolio No. 16**" means the portfolio of Claims which are sold to the Issuer by BCC Sesto San Giovanni pursuant to the relevant Transfer Agreement.

"**Portfolio No. 17**" means the portfolio of Claims which are sold to the Issuer by BCC Pontassieve pursuant to the relevant Transfer Agreement.

"**Portfolio No. 18**" means the portfolio of Claims which are sold to the Issuer by BCC Piove di Sacco pursuant to the relevant Transfer Agreement.

"**Portfolios**" means all the Portfolios of monetary claims and connected rights arising under the Mortgage Loans transferred by the Originators to the Issuer further to the Transfer Agreements.

"**Pre-Acceleration Order of Priority**" means the order in which the Single Portfolio Available Funds shall be applied on each Payment Date prior to the service of a Cross Collateral Notice or a Trigger Notice in accordance with the Conditions and the Intercreditor Agreement.

"**Pre-paid Claim**" means a Claim in respect of which the principal has been totally or partially paid before the applicable repayment date under the relevant mortgage loan agreement.

"**Principal Amortisation Reserve Amount**" means with respect to a Payment Date on which a Class A Disequilibrium Event has occurred and to each Portfolio, the difference, if positive, between:

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

"**Principal Amount Outstanding**" means, in respect of a Note, on any date, the principal amount of that Note upon issue less the aggregate amount of all principal payments in respect of that Note that have been paid to the Noteholders prior to such date.

"**Principal Instalment**" means, in respect of each Claim, the principal component of each Instalment.

"**Rating Agencies**" means Moody's and/or DBRS and any successors thereof and any other rating agency which shall be appointed by the Issuer to give a rating to the Class A Notes, each a "**Rating Agency**".

"**Relevant**" when applied to the term "Portfolio" with respect to a Series of Class B Notes, means the Portfolio sold by the Originator that subscribes for such Series of Class B Notes pursuant to the Notes Subscription Agreement and *vice versa* when applied to the term "Series of Class B Notes" with respect to a Portfolio, means the Series of Class B Notes subscribed for by the Originator that sold

such Portfolio and in general, Relevant Portfolio means the Portfolio sold by the relevant Originator; the same rule of interpretation shall apply to any other term which contains the words "Portfolio" or respectively "Series of Class B Notes" or which is directly and univocally linked to any of them.

"**Relevant Margin**" means 0.3% per annum.

"**Relevant Proportion**" means, on each Calculation Date, for each Portfolio and each Relevant Swap Transaction, the ratio - calculated on such Calculation Date in accordance with the terms of the Schedule 2 to the Intercreditor Agreement – pursuant to which the amounts (if any) payable to or by the Swap Counterparty under the Relevant Swap Transaction are allocated to such Portfolio.

"**Relevant Securities**" means with the respect to each Limited Recourse Loan Provider, the Securities transferred to the Issuer by such Limited Recourse Loan Provider pursuant to the Limited Recourse Loan Agreement.

"**Relevant Swap Transaction**" means, in respect of each Portfolio, any Swap Transaction under which such Portfolio is hedged.

"**Replacement Swap Premium**" means the amount payable by the Issuer to a replacement swap counterparty or by a replacement swap counterparty to the Issuer (as the case may be) in order to enter into a replacement swap agreement to replace or novate the Swap Agreement.

"**Reserve Amount**" means, with respect to each Payment Date on which the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority applies, an amount equal to the difference, if a positive number, between:

- (i) € 4,000,000; and
- (ii) the amount standing to the credit of the Reserve Account as at the Collection Date immediately preceding such Payment Date.

"**Reserve Amount Quota**" means:

- (1) with respect to each Payment Date on which the Pre-Acceleration Order of Priority applies, on which a Detrimental Event has occurred and with respect to each Portfolio, the lower of:
  - (A) the difference, if positive, between (a) the relevant Single Portfolio Available Funds, and (b) the aggregate of all amounts to be paid by the Issuer on such Payment Date out of the relevant Single Portfolio Available Funds under items *First* to *Fourteenth* of the Pre-Acceleration Order of Priority; and
  - (B) the amount calculated as follows:
    - (i) the difference, if positive, between (a) the relevant Single Portfolio Available Funds, and (b) the aggregate of all amounts to be paid by the Issuer on such Payment Date out of the relevant Single Portfolio Available Funds under items *First* to *Fourteenth* of the Pre-Acceleration Order of Priority;
      - multiplied by
    - (ii) the ratio between:
      - (x) the Reserve Amount as at such Payment Date and
      - (y) the aggregate of the amounts calculated for each of the Portfolios as the difference, if positive, between (a) the relevant

Single Portfolio Available Funds, and (b) the aggregate of all amounts to be paid by the Issuer on such Payment Date out of the relevant Single Portfolio Available Funds under items from *First* to *Fourteenth* of the Pre-Acceleration Order of Priority; and

- (2) with respect to each Payment Date on which the Cross Collateral Order of Priority applies, on which a Detrimental Event has occurred and with respect to each Portfolio, the lower of:
- (A) the Reserve Amount; and
  - (B) the difference, if positive, between (a) the Issuer Available Funds, and (b) the aggregate of all amounts to be paid by the Issuer on such Payment Date out of the Issuer Available Funds under items from *First* to *Twelfth* of the Cross Collateral Order of Priority.

**"Retention Amount"** means an amount equal to € 50,000.

**"Securities"** means the securities transferred to the Issuer by the Limited Recourse Loan Providers pursuant to the Limited Recourse Loan Agreement (and any further securities from time to time purchased upon redemption or maturities of the Securities or in case of decrease of the Securities' value or in case of replacement of the Securities, in accordance with the Limited Recourse Loan Agreement).

**"Security Documents"** means the Deed of Pledge and the Deed of Charge.

**"Security Interest"** means any mortgage, charge, pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

**"Senior Swap Counterparty Termination Payment"** means any termination payment, other than a Subordinated Swap Counterparty Termination Payment, required to be made by the Issuer to the Swap Counterparty pursuant to the Swap Agreement.

**"Single Portfolio Amortised Principal"** means, with respect to each Payment Date and to each Portfolio, an amount equal to the aggregate of:

- (i) the aggregate amount of the Principal Instalments of the relevant Claims collected during the immediately preceding Collection Period, excluding all Principal Instalments collected in such immediately preceding Collection Period in relation to the Claims that have become Defaulted Claims in any previous Collection Period (without prejudice to the provisions under items (iii) and (iv) below);
- (ii) the aggregate amount of the Principal Instalments of the Pre-paid Claims that have been prepaid during the immediately preceding Collection Period;
- (iii) the Outstanding Principal of the Claims of such Portfolio that have become Defaulted Claims during the immediately preceding Collection Period, as of the date when such Claims became Defaulted Claims;
- (iv) any amount received by the Issuer during the immediately preceding Collection Period from the Originator of such Portfolio pursuant to the relevant Transfer Agreement and/or the Warranty and Indemnity Agreement and any amount received by the Issuer from the relevant Originator as indemnities in respect of the renegotiations of the Mortgage Loan Agreements of the Relevant Portfolio in accordance with the Servicing Agreement; and

- (v) the Single Portfolio Amortised Principal (a) unpaid at the previous Payment Date, and/or (b) credited on the Principal Accumulation Account and not distributed to the Noteholders on the previous Payment Date.

**"Single Portfolio Available Funds"** means, in respect of each Payment Date and each Portfolio, the aggregate (without duplication) of:

- (i) all the Collections received by the Issuer, through the Servicer, during the immediately preceding Collection Period in relation to the Claims of the Relevant Portfolio;
- (ii) all other amounts transferred during the immediately preceding Collection Period from the relevant Transitory Collections and Recoveries Account into the Collections and Recoveries Account;
- (iii) any relevant Single Portfolio Class A Notes Principal Payment Amount and Single Series Available Class B Notes Redemption Funds paid into the Principal Accumulation Account on the immediately preceding Payment Date;
- (iv) the relevant Outstanding Notes Ratio of all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for the Expenses Account and the Quota Capital Account) during the immediately preceding Collection Period and of any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period;
- (v) all amounts paid into the credit of the relevant Principal Amortisation Reserve Account in the immediately preceding Payment Date;
- (vi) the relevant Outstanding Notes Ratio of all interest accrued and paid on the amounts standing from time to time to the credit of the Expenses Account during the immediately preceding Collection Period;
- (vii) the Relevant Proportion of all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement (if and to the extent paid) other than any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments);
- (viii) all amounts, if any, received from the relevant Originator pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreement in respect of the Claims of the Relevant Portfolio, all amounts received by the Issuer as indemnities for the renegotiation of the Mortgage Loan Agreements in respect of the Claims of the Relevant Portfolio and the relevant Outstanding Notes Ratio of all Payments made to the Issuer by any other party to the Transaction Documents during the immediately preceding Collection Period;
- (ix) the relevant Outstanding Notes Ratio of any other amounts paid into the Payments Account during the immediately preceding Collection Period;
- (x) with respect to the first Payment Date on which the Pre-Acceleration Order of Priority applies following full redemption of the Class A Notes, the amounts paid into the Reserve Account in any preceding Payment Date out of the relevant Single Portfolio Available Funds;
- (xi) the difference, if positive, between (a) the amounts paid into the relevant Single Portfolio Reserve Account in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds and (b) the amount calculated as follows: (I) the amounts paid into the



relevant Single Portfolio Reserve Account in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds, multiplied by (II) the ratio between (x) the Advances to be made available to the Issuer under the Liquidity Agreement on such Payment Date by the Liquidity Providers together with the Advances made available by the Liquidity Providers on previous Payment Dates and not yet fully reimbursed, and (y) the aggregate of all amounts paid into all Single Portfolio Reserve Accounts in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds;

- (xii) any Swap Collateral Account Surplus paid into the Payments Account in accordance with the Collateral Account Priority of Payments; and
- (xiii) until full repayment of the Class A Notes (a) only in respect of payments ranking as *First, Second, Fourth, Fifth, Sixth, Seventh, Eighth* and *Ninth* of the Pre-Acceleration Order of Priority, shall include (I) any Advances which are made to the Issuer with respect to such Payment Date in relation to any Single Portfolio Negative Balance of such Portfolio or (II) up to an amount equal to the amount of any Advances to be made to the Issuer with respect to such Payment Date in relation to such Portfolio, the proceeds from the sale of the Relevant Securities to be used alternatively to the Advances in accordance with the terms of the Limited Recourse Loan Agreement; and (b) in respect of payments ranking as *Tenth* of the Pre-Acceleration Order of Priority, the difference (if positive) between the Advances available after making the payments under letter (a) above, and an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes of the relevant Portfolio as at the day following the immediately preceding Payment Date. Provided that the Advances could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date or on the Final Maturity Date;

**"Single Portfolio Class A Notes Principal Amount Outstanding"** means with respect to each Payment Date and to each Portfolio the difference between:

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

**"Single Portfolio Class A Notes Principal Payment Amount"** means with respect to each Payment Date and to each Portfolio the lesser of:

- (i) the relevant Single Portfolio Amortised Principal with respect to such Payment Date, and
- (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the immediately preceding Collection Date.

**"Single Portfolio Detrimental Event"** has the meaning ascribed to it in Condition 4.4.

**"Single Portfolio Initial Class A Notes Principal Amount Outstanding"** means (i) with respect to Portfolio No. 1 the Principal Amount Outstanding as at the Issue Date of 5.70% of the Class A Notes, equal to Euro 31,600,000; (ii) with respect to Portfolio No. 2 the Principal Amount Outstanding as at the Issue Date of 5.57% of the Class A Notes, equal to Euro 30,900,000; (iii) with respect to Portfolio No. 3 the Principal Amount Outstanding as at the Issue Date of 3.12% of the Class A Notes, equal to Euro 17,300,000; (iv) with respect to Portfolio No. 4 the Principal Amount Outstanding as at the Issue Date of 1.50% of the Class A Notes, equal to Euro 8,300,000; (v) with respect to Portfolio No. 5 the Principal Amount Outstanding as at the Issue Date of 6.51% of the Class A Notes, equal to Euro 36,100,000; (vi) with respect to Portfolio No. 6 the Principal Amount Outstanding as at the Issue Date of 2.76% of the Class A Notes, equal to Euro 15,300,000; (vii) with respect to Portfolio No. 7 the Principal Amount Outstanding as at the Issue Date of 4.60% of the Class A Notes, equal to Euro

25,500,000; (viii) with respect to Portfolio No. 8 the Principal Amount Outstanding as at the Issue Date of 1.59% of the Class A Notes, equal to Euro 8,800,000; (ix) with respect to Portfolio No. 9 the Principal Amount Outstanding as at the Issue Date of 23.21% of the Class A Notes, equal to Euro 128,700,000; (x) with respect to Portfolio No. 10 the Principal Amount Outstanding as at the Issue Date of 3.54% of the Class A Notes, equal to Euro 19,600,000; (xi) with respect to Portfolio No. 11 the Principal Amount Outstanding as at the Issue Date of 8.66% of the Class A Notes, equal to Euro 48,000,000; (xii) with respect to Portfolio No. 12 the Principal Amount Outstanding as at the Issue Date of 1.77% of the Class A Notes, equal to Euro 9,800,000; (xiii) with respect to Portfolio No. 13 the Principal Amount Outstanding as at the Issue Date of 13.55% of the Class A Notes, equal to Euro 75,100,000; (xiv) with respect to Portfolio No. 14 the Principal Amount Outstanding as at the Issue Date of 2.99% of the Class A Notes, equal to Euro 16,600,000; (xv) with respect to Portfolio No. 15 the Principal Amount Outstanding as at the Issue Date of 3.16% of the Class A Notes, equal to Euro 17,500,000; (xvi) with respect to Portfolio No. 16 the Principal Amount Outstanding as at the Issue Date of 4.91% of the Class A Notes, equal to Euro 27,200,000; (xvii) with respect to Portfolio No. 17 the Principal Amount Outstanding as at the Issue Date of 3.14% of the Class A Notes, equal to Euro 17,400,000; and (xviii) with respect to Portfolio No. 18 the Principal Amount Outstanding as at the Issue Date of 3.73% of the Class A Notes, equal to Euro 20,700,000.

**"Single Portfolio Negative Balance"** means with respect to any Payment Date and to each Portfolio the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date under items *First to Tenth* (but excluding item *Third*) of the Pre-Acceleration Order of Priority and (b) the Single Portfolio Available Funds with respect to such Portfolio and to such Payment Date before any Advance to be granted to the Issuer by the relevant Liquidity Provider under the relevant Liquidity Agreement with respect to such Payment Date.

**"Single Portfolio Notes Principal Amount Outstanding"** means with respect to each Payment Date:

- (i) with respect to Portfolio No. 1, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B1 Notes;
- (ii) with respect to Portfolio No. 2, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B2 Notes;
- (iii) with respect to Portfolio No. 3, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B3 Notes;
- (iv) with respect to Portfolio No. 4 the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B4 Notes;
- (v) with respect to Portfolio No. 5, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B5 Notes;
- (vi) with respect to Portfolio No. 6, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B6 Notes;
- (vii) with respect to Portfolio No. 7, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B7 Notes;
- (viii) with respect to Portfolio No. 8, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B8 Notes;
- (ix) with respect to Portfolio No. 9, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B9 Notes;
- (x) with respect to Portfolio No. 10, the aggregate of the relevant Single Portfolio Class A Notes

- Principal Amount Outstanding and the Principal Amount Outstanding of the Class B10 Notes;
- (xi) with respect to Portfolio No. 11, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B11 Notes;
  - (xii) with respect to Portfolio No. 12, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B12 Notes;
  - (xiii) with respect to Portfolio No. 13, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B13 Notes;
  - (xiv) with respect to Portfolio No. 14, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B14 Notes;
  - (xv) with respect to Portfolio No. 15, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B15 Notes;
  - (xvi) with respect to Portfolio No. 16, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B16 Notes;
  - (xvii) with respect to Portfolio No. 17, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B17 Notes;
  - (xviii) with respect to Portfolio No. 18, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B18 Notes;

in each case as at the immediately preceding Collection Date.

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

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

**"Single Provider Maximum Commitment Amount"** means the maximum amount which each Liquidity Provider will make available to the Issuer under the terms of the Liquidity Agreement, which is equal to:

with respect to BCC San Giorgio e Valle Agno, Euro 1,633,000, Banca Romagna Cooperativa, Euro 1,596,000, BCC di Romano e Santa Caterina, Euro 897,000, BCC di Montepulciano, Euro 431,000, BCC Emil Banca, Euro 1,868,000, BCC di Ostra e Morro d'Alba, Euro 791,000, BCC Santo Stefano Martellago, Euro 1,317,000, BCC Mediocрати, Euro 455,000, BCC di Alba, Euro 6,659,000, BCC Sala di Cesenatico, Euro 1,015,000, BCC del Centroveneto, Euro 2,484,000, BCC di Roana, Euro 509,000, BCC di Cantù, Euro 3,884,000, BCC di Marcon-Venezia, Euro 857,000, BCC di Gatteo, Euro 907,000, BCC di Sesto San Giovanni, Euro 1,407,000, BCC di Pontassieve, Euro 898,000, BCC di Piove di Sacco, Euro 1,069,000.

**"Single Series Available Class B Notes Redemption Funds"** means with respect to each Payment Date and to each Series of Class B Notes, an amount, calculated as at the Collection Date immediately preceding such Payment Date, equal to the lesser of:

- (i) the Single Portfolio Available Funds with respect to the Relevant Portfolio, available for redemption of the Principal Amount Outstanding of such Series of Class B Notes according to

the Pre-Acceleration Order of Priority or the Acceleration Order of Priority or the Cross Collateral Order of Priority as applicable; and

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

**"Single Series Class B Notes Interest Payment Amount"** means with respect to each Payment Date and to each Series of Class B Notes an amount, calculated on the Calculation Date immediately preceding such Payment Date, equal to:

- (i) the aggregate of all Interest Instalments accrued on the Claims of the Relevant Portfolio in the immediately preceding Collection Period (excluding Interest Accruals); *plus*
- (ii) the aggregate of all fees for prepayment paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; *plus*
- (iii) the aggregate of all interest for late payments (*interessi di mora*) paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; *plus*
- (iv) the Relevant Proportion of all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement (if and to the extent paid) other than any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments); *plus*
- (v) all amounts received or recovered by the Issuer in the immediately preceding Collection Period with respect to the Claims of the Relevant Portfolio which are or have been Defaulted Claims; *plus*
- (vi) any Swap Collateral Account Surplus paid into the Payments Account in accordance with the Collateral Account Priority of Payments;
- (vii) (a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued and paid on the amounts standing from time to time to the credit of the Payments Account, the Expenses Account, the Collection and Recoveries Account and the Principal Accumulation Account and paid into the same during the immediately preceding Collection Period; and (b) all amounts of interest (if any) accrued and paid on the amounts standing from time to time to the credit of the relevant Transitory Collections and Recoveries Account, Single Portfolio Reserve Account, Principal Amortisation Reserve Account and Liquidity Reserve Account and paid into the same during the immediately preceding Collection Period; and (c) all amounts of interest (if any) accrued and paid on the amounts standing from time to time to the credit of the Reserve Account which were paid into it out of the relevant Single Portfolio Available Funds, during the immediately preceding Collection Period; *plus*
- (viii) the relevant Outstanding Notes Ratio of all profit and accrued interest (if any) received under the Eligible Investments made in respect of the immediately preceding Collection Period; *minus*
- (ix) (a) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date out of the relevant Single Portfolio Available Funds under items *First, Second and Fourth* through to *Eight, Twelfth and Thirteenth* of the Pre-Acceleration Order of Priority, or (b) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date under items *Seventh and Eleventh* of the Acceleration Order of Priority to the Servicer (or the Back-up Servicer), and the Liquidity Provider of the Relevant Portfolio, plus the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items *First, Second, Fourth, Fifth, Sixth,*

*Eighth* and *Twelfth* of the Acceleration Order of Priority, or (c) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date under items *Sixth* and *Tenth* of the Acceleration Order of Priority to the Servicer (or the Back-up Servicer), and the Liquidity Provider of the Relevant Portfolio, plus the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items *First, Second, Fourth, Fifth, Sixth, Eight* and *Twelfth* of the Cross Collateral Order of Priority; *minus*

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

**"Specified Office"** means the office of the (i) Italian Paying Agent located at Via M. Gioia, 8, 20124 Milano, Italy, or (ii) Principal Paying Agent at 10 Bishops Square, E1 6 AO London, United Kingdom, or (iii) Irish Listing Agent located at 2 Boulevard Konrad Adenauer, Luxembourg L-III5, as the case may be.

**"Subordinated Swap Counterparty Termination Payment"** means any termination payment required to be made by the Issuer to the Swap Counterparty pursuant to the Swap Agreement upon a termination of the Swap Agreement in respect of which the Swap Counterparty is the sole Affected Party (as defined in the Swap Agreement) following the occurrence of a Swap Counterparty Rating Event or is the Defaulting Party (as defined in the Swap Agreement).

**"Swap Collateral Account Surplus"** has the meaning ascribed to such term in clause 11.2 (*Swap Collateral*) of the Intercreditor Agreement.

**"Swap Counterparty Rating Event"** means any event of downgrading of the unsecured and unsubordinated debt obligations of the Swap Counterparty pursuant to the provisions of Part 6(1) (*Ratings Downgrade Provisions*) of the Schedule to the 1992 ISDA Master Agreement.

**"Swap Guarantor"** means JPMorgan Chase Bank, N.A.

**"Swap Tax Credit Amount"** means any tax credit payable by the Issuer to the Swap Counterparty pursuant to the Swap Agreement.

**"Transfer Date"** means 30 June 2011.

**"Unpaid Instalment"** means any Instalment that is not duly paid by the relevant Borrower on the scheduled date for payment thereof.

**"Valuation Date"** means 15 April 2011.

## **1. FORM, DENOMINATION, STATUS**

- (1) The Notes will be held in dematerialised form on behalf of the beneficial owners as of the Issue Date, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear.
- (2) Title to the Notes will be evidenced by book entries in accordance with the provisions of article 83-*bis* of the Legislative Decree No. 58 of 24 February 1998 and regulation of 22 February 2008 jointly issued by the Bank of Italy and CONSOB, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes.

- (3) Class A Notes shall be issued in denominations of Euro 100,000. Each Series of Class B Notes will be issued in denominations of Euro 1.00.
- (4) The Issuer has elected Ireland as Home Member State for the purpose of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the "**Transparency Directive**").
- (5) Each Note is issued subject to and has the benefit of the Security Documents.

## 2. STATUS, PRIORITY AND SEGREGATION

- (1) The Notes constitute secured limited recourse obligations of the Issuer and, accordingly, the extent of the obligation of the Issuer to make payments under the Notes is conditional upon the receipt and recovery by the Issuer of amounts due, and is limited to the extent of any amounts received or recovered by the Issuer, in each case, in respect of the Portfolio and the other Issuer's Rights. Notwithstanding any other provision of these Conditions, the obligation of the Issuer to make any payment under the Notes shall be equal to the lesser of (a) the nominal amount of such payment and (b) the actual amount received or recovered from time to time by or on behalf of the Issuer in respect of the Claims and the Transaction Documents and which the Issuer or the Representative of the Noteholders is entitled to apply in accordance with the applicable Order of Priority and the terms of the Intercreditor Agreement and neither the Representative of the Noteholders nor any relevant Noteholder may take any further steps against the Issuer or any of its assets to recover any unpaid sum and the Issuer's liability for any unpaid sum will be extinguished. The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the consequences thereof, including but not limited to the provisions under article 1469 of the Italian Civil Code. Without prejudice to the acknowledgement that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*", any payment obligations of the Issuer under the Notes as have remained unpaid to the extent referred to above upon the earlier of (i) following the completion of any proceedings for the recovery of all Claims, the date on which such recoveries (if any) are paid in accordance with the applicable Order of Priority, (ii) following the sale of the Portfolios, the date on which the proceeds of such sale (if any) are paid in accordance with the applicable Order of Priority, and (iii) the Final Maturity Date (following application of the Single Portfolio Available Funds or the Issuer Available Funds on such date in accordance with the applicable Order of Priority), shall be deemed extinguished as if the relevant claims had hereby been irrevocably relinquished and surrendered by the Noteholders to the Issuer and the Noteholders will have no further recourse to the Issuer in respect of such obligations.
- (2) The rights arising from the Security Documents in favour of the Noteholders which are incorporated in each of the Notes are transferred together with the transfer of any Note at the time of transfer of such Note. Each holder of any of the Notes from time to time will have the benefit of such rights. In addition, by operation of Italian law, the Issuer's right, title and interest in and to the Portfolios is segregated from all other assets of the Issuer. Amounts deriving from the Portfolios (for so long as such amounts are credited to one of the Issuer's accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following the winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors in accordance with the applicable Order of Priority set forth in Condition 4 (*Order of Priority*) and to any third party creditors in respect of costs, fees and expenses incurred by the Issuer to such third party creditors in relation to the Transaction.

- (3) The Notes of each Class will rank *pari passu* and without any preference or priority among themselves.
- (4) As long as the Notes of a Class ranking in priority to the other Classes of Notes are outstanding, unless notice has been given to the Issuer declaring the Notes of such Class due and payable, the Notes of the Class(es) ranking below may not be declared due and payable and the Noteholders of the outstanding Class of Notes ranking highest in priority shall be entitled to determine the remedies to be exercised.
- (5) The Intercreditor Agreement contains provisions regarding the protection of the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretion of the Representative of the Noteholders under or in connection with the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is or may be a conflict between the interests of the Noteholders of any Class(es) of Notes, the Representative of the Noteholders is required to regard only the interests of the Class of Noteholders ranking highest in the applicable Order of Priority, until such Class of Notes has been redeemed in full.
- (6) Without prejudice to the right of the Representative of the Noteholders to enforce the Security Documents or to exercise any of its other rights, and subject as set out in the Rules of Organisation of the Noteholders, no Class A Noteholder and no Class B Noteholder shall be entitled to institute against the Issuer, or join any other person in instituting against the Issuer, any reorganisation, liquidation, bankruptcy, insolvency or similar proceedings until one year plus one day has elapsed since the day on which the Notes and any other notes issued by the Issuer under any further securitisations in accordance with Condition 3.10 have been paid in full or cancelled.

### **3. COVENANTS**

So long as any amount in respect of the Notes remains outstanding, the Issuer shall not, save (i) with the prior written consent of the Representative of the Noteholders (without prejudice to the provision of Condition 3.10 below) or as provided for in or envisaged by any of the Transaction Documents and (ii) in respect to the sale in full of the Portfolio, subject to the Issuer having sufficient funds to redeem in full the Class A Notes in accordance with the applicable Order of Priority:

#### **3.1 Negative pledge**

create or permit to subsist any Security Interest whatsoever upon, or with respect to the Claims, or any part thereof or any of its present or future business, undertaking, assets or revenues relating to this Transaction or undertakings (other than under the Security Documents) or sell, lend, part with or otherwise dispose of all or any part of the Claims, or any part thereof or any of its present or future business, undertaking, assets or revenues relating to this Transaction whether in one transaction or in a series of transactions save where provided in the Transaction Documents and in particular in Condition 6.2, 6.4 and 6.5; or

#### **3.2 Restrictions on activities**

- (a) save as provided in Condition 3.10 below (*Further Securitisations*), engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or
- (b) have any *società controllata* (subsidiary) or *società collegata* (affiliate company) (as

defined in article 2359 of the Italian Civil Code) or any employees or premises; or

- (c) at any time approve or agree or consent to or do, or permit to be done, any act or thing whatsoever which may be materially prejudicial to the interests of the Class A Noteholders or, if no Class A Notes are outstanding, the Class B Noteholders under the Transaction Documents; or
- (d) become the owner of any real estate asset; or
- (e) become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed, administered in Italy or cease to have its centre of main interest in Italy.

### **3.3 Dividends, Distributions and Capital Increases**

pay any dividend or make any other distribution or return or repay any equity capital to its quotaholder(s), or issue any further quota or shares; or

### **3.4 De-registrations**

ask for de-registration and/or suspension from the register of the special purpose vehicles held by Bank of Italy pursuant to the Bank of Italy's regulation dated 29 April 2011, for as long as the Securitisation Law, the Bank of Italy's regulations or any other applicable law or regulation requires the company incorporated pursuant to the Securitisation Law to be registered thereon; or

### **3.5 Borrowings**

incur any indebtedness in respect of any borrowed money whatsoever or give any guarantee in respect of indebtedness or of any obligation of any person other than in circumstances expressly provided and/or permitted in the Transaction Documents for the purposes of the Transaction; or

### **3.6 Merger**

consolidate or merge with any person or convey or transfer any of its properties or assets to any person, unless in connection with, or for the purposes of, the Transaction; or

### **3.7 No variation or waiver**

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, if such amendment, termination or discharge may negatively affect the interest of the Class A Noteholders or, if no Class A Notes are outstanding, the Class B Noteholders; or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is a party, in a way which may negatively affect the interest of the Class A Noteholders or, if no Class A Notes are outstanding, the Class B Noteholders; or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations thereunder, if such release may negatively affect the interest of the Class A Noteholders or, if no Class A Notes are outstanding, the Class B Noteholders provided further that, any amendment, termination discharge or waiver to any Transaction Document that in the reasonable opinion of the Swap Counterparty may affect the amount, timing or priority of any payments due from either party under the Swap Agreement, shall be previously approved in writing by the Swap Counterparty; or

### **3.8 Bank Accounts**



without prejudice to Condition 3.10, have an interest in any bank account other than the Accounts; or

### **3.9 Statutory Documents**

amend, supplement or otherwise modify its by-laws (*statuto*) or deed of incorporation (*atto costitutivo*), except where such amendment, supplement or modification is required by compulsory provisions of Italian law or by the competent regulatory authorities. In addition, in relation to corporate records, financial statements and books of account, the Issuer shall not, save what provided in the Transaction Documents, permit or consent to any of the following occurring:

- (a) its books and records being maintained with or co-mingled with those of any other person or entity;
- (b) its bank accounts and the debts represented thereby being co-mingled with those of any other person or entity; or
- (c) its assets or revenues being co-mingled with those of any other person or entity;

and, in addition and without limitation to the above, the Issuer shall or shall procure that, with respect to itself:

- (a) separate financial statements in relation to its financial affairs are maintained;
- (b) all corporate formalities with respect to its affairs are observed;
- (c) separate stationery, invoices and cheques are used;
- (d) it always holds itself out as a separate entity; and
- (e) any known misunderstandings regarding its separate identity are corrected as soon as possible; or

### **3.10 Further securitisations**

carry out other securitisation transactions or, without limiting the generality of the foregoing, implement, enter into, make or execute any document, act, deed or agreement in connection with any other securitisation transaction without the prior written confirmation of the Rating Agencies that any such securitisation transaction will not adversely affect the rating of any of the Class A Notes.

## **4. ORDERS OF PRIORITY**

### **4.1 Pre-Acceleration Order Of Priority**

Save for the provisions of Condition 4.5 and 4.6, the Single Portfolio Available Funds relating to each of the Portfolios shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

*First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with the applicable legislation and regulations or to fulfill payment obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this

Transaction to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Expenses Account (ii) all costs and taxes required to be paid to maintain the rating of the Class A Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

*Second*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of Noteholders;

*Third*, to repay the Advances (if any) made under the Liquidity Agreement by the relevant Liquidity Provider for the liquidity support provided in relation to the respective Portfolio;

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

*Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Irish Listing Agent, the Corporate Services Provider and the Stichting Corporate Services Provider;

*Sixth*, to pay the Relevant Proportion of all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority) and (2) any amounts payable pursuant to the Collateral Account Priority of Payments, *provided that* only to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay any Senior Swap Counterparty Termination Payment in full, any due but unpaid Senior Swap Counterparty Termination Payment shall be payable pursuant to this clause *sixth*;

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

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

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

*Tenth*, to pay the relevant Single Portfolio Class A Notes Principal Payment Amount then due with respect to such Payment Date and the relevant Single Portfolio Class A Notes Principal Payment Amount due with respect to previous Payment Dates but unpaid, *provided that* on the Payment Dates falling before February 2013 the amount which would be payable to the Class A Noteholders according to the foregoing will be paid into the Principal Accumulation Account and will become payable to the Class A Noteholders on the Payment Date falling on February 2013 (*pro rata* according to the amounts then due);

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

*Twelfth*, to pay *pari passu* and *pro rata*, all amounts of interest due and payable on the Advances made to the Issuer by the relevant Liquidity Provider;

*Thirteenth*, only to the extent the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay the Relevant Proportion of any Subordinated Swap Counterparty Termination Payment in full, to pay any due but unpaid Subordinated Swap Counterparty Termination Payment;

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

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

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

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

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

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

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

*Twenty-first*, following full redemption of the Class A Notes, to redeem the Principal Amount Outstanding of the relevant Series of Class B Notes in the maximum amount of the relevant Single Series Available Class B Notes Redemption Funds, *provided that* on the Payment Dates falling before February 2013, the amount which would be payable in redemption of each Series of Class B Notes according to the foregoing shall be paid into the Principal Accumulation Account and shall become payable to the Class B Noteholders of such Series of Class B Notes on the Payment Date falling on February 2013 (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof);

*Twenty-second*, after full and final settlement of all the payments due under this Order of Priority and full redemption of all the Notes, to pay any surplus remaining on the balance of the relevant Transitory Collections and Recoveries Account, Single Portfolio Reserve Account and Principal Amortisation Reserve Account and the relevant Outstanding Notes

Ratio of any surplus remaining on the balance of the Payments Account, the Collections and Recoveries Account, Principal Accumulation Account, Reserve Account and Expenses Account to each relevant Originator.

- 4.2 On each Payment Date with respect to which the Pre-Acceleration Order of Priority applies, following a written notice from the Computation Agent to the Issuer, the Liquidity Providers and the Representative of the Noteholders that a Class A Disequilibrium Event with respect to one or more Portfolios has occurred, the Issuer shall pay the relevant Principal Amortisation Reserve Amount into the respective Principal Amortisation Reserve Accounts in accordance with the Pre-Acceleration Order of Priority. Such Principal Amortisation Reserve Amount shall be drawn only from the Portfolios in relation to which a Class A Disequilibrium Event has not occurred. A Class A Disequilibrium Event shall occur with respect to a Portfolio if on any Payment Date the Single Portfolio Available Funds relating to such Portfolio are not sufficient to reduce to zero the relevant Single Portfolio Class A Notes Principal Amount Outstanding while the Single Portfolio Available Funds relating to all or some of the other Portfolios are sufficient to reduce to zero the relevant Single Portfolio Class A Notes Principal Amount Outstanding.
- 4.3 On each Payment Date with respect to which the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority applies, but excluding any Payment Date in relation to which a Class A Disequilibrium Event has occurred, following a written notice from the Computation Agent to the Issuer, the Liquidity Providers and the Representative of the Noteholders that a Detrimental Event has occurred, the Issuer shall be obliged to credit the Reserve Amount into the Reserve Account, in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority.

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

- 4.4 On each Payment Date with respect to which the Pre-Acceleration Order of Priority applies, but excluding any Payment Date in relation to which a Class A Disequilibrium Event has occurred, following a written notice from the Computation Agent to the Issuer, the Liquidity Providers and the Representative of the Noteholders, that a Single Portfolio Detrimental Event has occurred with respect to one or more Portfolios, the Issuer shall be obliged to credit the Single Portfolio Reserve Amount with respect to the Relevant Portfolio into the relevant Single Portfolio Reserve Account. Such Single Portfolio Reserve Amount shall be drawn only from the Portfolios in relation to which a Single Portfolio Detrimental Event has not occurred.

A Single Portfolio Detrimental Event shall occur with respect to a Payment Date (other than a Payment Date on which the Class A Notes are redeemed in full) and to a Portfolio, when the Advances to be made available to the Issuer under the Liquidity Agreement on such Payment Date by a Liquidity Provider in relation to its respective Portfolio, together with any Advance made available by such Liquidity Provider on previous Payment Dates and not yet fully reimbursed, is an amount equal to or higher than 50% of the Single Provider Maximum Commitment Amount or the Subsequent Single Provider Maximum Commitment Amount (as applicable) with respect to such Liquidity Provider. Upon the occurrence of a Single Portfolio Detrimental Event with respect to one or more Portfolios, and on each following Payment Date until such event is continuing, the Issuer shall be obliged to credit the Single Portfolio Reserve Amount with respect to each Portfolio having enough funds available for such purpose into the relevant Single Portfolio Reserve Account.

#### 4.5 Acceleration Order of Priority

In each of the following cases: (i) following the delivery of a Trigger Notice, (ii) in the case of Redemption for Taxation, or (iii) in the case of Optional Redemption, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

*First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with the applicable legislation and regulations or to fulfill payment obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Transaction to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain the rating of the Class A Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

*Second*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Representative of Noteholders;

*Third*, to repay the Advances (if any) made under the Liquidity Agreement by any Liquidity Provider (*pro rata* according to the performance of the Relevant Portfolio);

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

*Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Irish Listing Agent, the Corporate Services Provider and the Stichting Corporate Services Provider;

*Sixth*, to pay all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement, other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority) and (2) any amounts payable pursuant to the Collateral Account Priority of Payments, *provided that* only to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay any Senior Swap Counterparty Termination Payment in full, any due but unpaid Senior Swap Counterparty Termination Payment shall be payable pursuant to this clause;

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

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

*Ninth*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) any amount due by the Issuer as a restitution of the indemnities paid by such

Originator to the Issuer under the terms of the Warranty and Indemnity Agreement;

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

*Eleventh*, to pay (*pro rata* according to the performance of the Relevant Portfolio) all amounts of interest due and payable on the Advances made by each Liquidity Provider;

*Twelfth*, only to the extent the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay the Relevant Proportion of any Subordinated Swap Counterparty Termination Payment in full, to pay any due but unpaid Subordinated Swap Counterparty Termination Payment;

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

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

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

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

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

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

*Nineteenth*, to pay any surplus to each Originator (*pro rata* according to the performance of the Relevant Portfolio).

#### **4.6 Cross Collateral Order of Priority**

Following the delivery of a Cross Collateral Notice, and before the delivery of a Trigger Notice, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

*First*, (*pari passu* and *pro rata* to the extent of the respective amounts thereof) to pay (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with the

applicable legislation and regulations or to fulfill payment obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Transaction to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Expenses Account (ii) all costs and taxes required to be paid to maintain the rating of the Class A Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

*Second*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Representative of Noteholders;

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

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

*Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Irish Listing Agent, the Corporate Services Provider and the Stichting Corporate Services Provider;

*Sixth*, to pay all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement, other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority) and (2) any amounts payable pursuant to the Collateral Account Priority of Payments, *provided that* only to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay any Senior Swap Counterparty Termination Payment in full, any due but unpaid Senior Swap Counterparty Termination Payment shall be payable pursuant to this clause *sixth*;

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

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

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

*Tenth*, to pay (*pro rata* and *pari passu* to the extent of the respective amounts thereof) the Class A Notes Principal Payment Amount then due with respect to such Payment Date and the Class A Notes Principal Payment Amount due with respect to previous Payment Dates but unpaid, *provided that* on the Payment Dates falling before February 2013 the amount which would be payable to the Class A Noteholders according to the foregoing will be paid into the Principal Accumulation Account and will become payable to the Class A Noteholders on the Payment Date falling on February 2013 (*pro rata* according to the amounts then due);

*Eleventh*, to pay (*pro rata* according to the performance of the Relevant Portfolio), all amounts of interest due and payable on the Advances made to the Issuer by the Liquidity Providers;

*Twelfth*, only to the extent the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay the Relevant Proportion of any Subordinated Swap Counterparty Termination Payment in full, to pay any due but unpaid Subordinated Swap Counterparty Termination Payment;

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

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

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

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

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

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

*Nineteenth*, following full redemption of the Class A Notes, to redeem the Principal Amount Outstanding of the relevant Series of Class B Notes in the maximum amount of the relevant Single Series Available Class B Notes Redemption Funds, *provided that* on the Payment Dates falling before February 2013, the amount which would be payable in redemption of each Series of Class B Notes according to the foregoing shall be paid into the Principal Accumulation Account and shall become payable to the Class B Noteholders of such Series of Class B Notes on the Payment Date falling on February 2013 (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof);

*Twentieth*, after full and final settlement of all the payments due under this Order of Priority and full redemption of all the Notes, to pay any surplus remaining on the balance of the relevant Transitory Collections and Recoveries Account, Single Portfolio Reserve Account and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account, the Collections and Recoveries Account, Principal Accumulation Account, Reserve Account and Expenses Account to each relevant Originator (*pro rata* according



to the performance of the Relevant Portfolio).

## 5. INTEREST

### 5.1 Payment Dates and Interest Periods

Each of the Class A Notes bears interest on its Principal Amount Outstanding from (and including) the Issue Date at an annual rate equal to Three Month EURIBOR (as defined below), (or in the case of the Initial Interest Period, the linear interpolation between the Euribor for 7 month and 8 month deposits in Euro) plus the following relevant margin 0.3% per annum in respect of the Class A Notes.

Save as provided for in Condition 5.8 (*Unpaid Interest*), interest in respect of the Class A Notes is payable quarterly in arrears on each Payment Date in Euro.

Interest in respect of each Series of the Class B Notes is payable quarterly in arrears on each Payment Date in Euro in an amount equal to the relevant Single Series Class B Notes Interest Payment Amount as determined by the Computation Agent on the relevant Calculation Date.

Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.

Interest shall cease to accrue on any part of the Principal Amount Outstanding of the Notes as from (and including) the due date for redemption of such part unless payment of principal due but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal (after as well as before judgment) at the rate from time to time applicable to the Notes until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note up to that date are received by or on behalf of the relevant Noteholder; and
- (ii) the date on which the relevant Notes are cancelled in accordance with the Conditions.

### 5.2 Interest Rate

The rate of interest applicable from time to time in respect of the Class A Notes ("**Interest Rate**") will be determined by the Agent Bank on the relevant Interest Determination Date.

There shall be no maximum or minimum Interest Rate. The Interest Rate applicable to the Class A Notes for each Interest Period shall be the aggregate of:

5.2.1 the Relevant Margin; and

5.2.2 (A) EURIBOR for three month deposits in Euro calculated as the arithmetic mean of the offered quotations to leading banks (rounded to three decimal places with the mid-point rounded up) for three month Euro deposits in the Euro-zone inter-bank market which appear on Reuters page "EURIBOR01" (or, in the case of the first Interest Determination Date only, the linear interpolation between the Screen Rate for Euribor for 7 month and 8 month Euro deposits (the "**Additional Screen Rate**")) or (i) such other page as may replace page "EURIBOR01" on that service for the purpose of displaying such information or, (ii) if that service ceases to display such information, such page displaying such information on such equivalent service (or, if more than one, that one which is approved in writing by the Representative of the Noteholders to replace the Reuters Page) (the "**Screen Rate**"), at or about 11.00 a.m. (Milan time) on the relevant Interest Determination Date; or

(B) if the Screen Rate (or, in the case of the first Interest Determination Date only, the Additional Screen Rate) is unavailable at such time for three month Euro deposits, then the rate for the relevant Interest Period shall be the arithmetic mean (rounded to three decimal places with the mid-point rounded up) of the rates notified to the Agent Bank at its request by each of the Reference Banks (as defined in Condition 5.7 hereof) as the rate at which three month Euro deposits (or, in the case of the first Interest Determination Date only, the linear interpolation between the Screen Rate for 7 month and 8 month Euro deposits) in a representative amount are offered by that Reference Bank to leading banks in the Euro-zone inter-bank market at or about 11.00 a.m. (Milan time) on the relevant Interest Determination Date. If, on any such Interest Determination Date, only two of the Reference Banks provide such quotations to the Agent Bank, the rate for the relevant Interest Period shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If, on any such Interest Determination Date, only one or none of the Reference Banks provides the Agent Bank with such quotation, the Agent Bank shall forthwith consult with the Representative of the Noteholders and the Issuer for the purpose of agreeing one additional bank (or, where none of the Reference Banks provides such a quotation, two additional banks) to provide such a quotation or quotations to the Agent Bank (which bank or banks is or are in the opinion of the Representative of the Noteholders suitable for such purpose) and the rate for the relevant Interest Period shall be determined, as aforesaid, on the basis of the offered quotations of such banks (or, as the case may be, the offered quotations of such bank and the relevant Reference Bank). If no such bank (or banks) is (or are) so agreed or such bank (or banks) as agreed does not (or do not) provide such a quotation (or quotations), then the rate for the relevant Interest Period shall be the rate in effect for the last preceding Interest Period to which sub-paragraph (A) of this Condition 5.2.2 shall have applied (the "**Three Month EURIBOR**").

### **5.3 Determination of the Interest Rate, Calculation of the Interest Amount and Single Series Class B Notes Interest Payment Amount**

5.3.1 The Agent Bank shall, on each Interest Determination Date:

- (i) determine the Interest Rate applicable to the Interest Period beginning after such Interest Determination Date (or in the case of the Initial Interest Period, beginning on and including the Issue Date); and
- (ii) calculate the Euro amount (the "**Interest Amount**") accrued on the Class A Notes in respect of each Interest Period. The Interest Amount in respect of any Interest Period shall be calculated by applying the relevant Interest Rate to the Principal Amount Outstanding of the Class A Notes on the Payment Date at the commencement of such Interest Period (after deducting therefrom any payment of principal due on that Payment Date) or, in the case of the Initial Interest Period, on the Issue Date, and by multiplying the product of such calculation by the actual number of days to elapse in the relevant Interest Period divided by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

5.3.2 The Computation Agent shall on each Calculation Date determine with respect to each Series of Class B Notes, the Single Series Class B Notes Interest Payment Amount (if any) applicable on the Payment Date following such Calculation Date.

### **5.4 Publication of the Interest Rate and the Interest Amount**

The Agent Bank will cause the Interest Rate and the Interest Amount applicable to each

Interest Period and the Payment Date in respect of such Interest Amount, to be notified promptly after their determination to the Issuer, the Representative of the Noteholders, the Computation Agent, the Servicers, the Transaction Bank, the English Transaction Bank, Monte Titoli, Euroclear, Clearstream, the Paying Agents, the Swap Counterparty and the Irish Stock Exchange and will cause the same to be published in accordance with Condition 13 (*Notices*) hereof as soon as possible after the relevant Interest Determination Date, but in no event later than the first Business Day of the next following Interest Period in respect of such relevant Interest Determination Date.

## **5.5 Determination and Calculation by the Representative of the Noteholders**

If the Agent Bank does not at any time for any reason determine the Interest Rate and/or does not calculate the Interest Amount, or the Computation Agent does not determine the Single Series Class B Notes Interest Payment Amount, in accordance with Condition 5.3 above, the Representative of the Noteholders shall:

5.5.1 determine the Interest Rate at such rate as (having regard to the procedure described in Condition 5.2 above) it shall consider fair and reasonable in all circumstances; and/or (as the case may be),

- (1) calculate the Interest Amount in the manner specified in Condition 5.3 above;
- (2) calculate the Single Series Class B Notes Interest Payment Amount;

and any such determination and/or calculation shall be deemed to have been made by the Agent Bank and/or the Computation Agent as applicable and published in accordance with Condition 5.4.

## **5.6 Notification to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5, whether by the Reference Banks (or any of them), the Agent Bank, the Computation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default (*dolo*) or gross negligence (*colpa grave*) be binding on the Reference Banks, the Agent Bank, the Computation Agent, the Issuer, the Representative of the Noteholders and all the Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Reference Banks, the Agent Bank, the Computation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

## **5.7 Reference Banks and Agent Bank**

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be three reference banks (the "**Reference Banks**") and the Agent Bank. The initial Reference Banks shall be Société Generale, Banca Imi S.p.A. and Unicredit Banca S.p.A.. In the event of any such bank is unable or unwilling to continue to act as a Reference Bank or that any of the merge with another Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Representative of the Noteholders to act as such. The Issuer shall insure that at all times an Agent Bank is appointed. If a new Agent Bank is appointed, a notice will be published in accordance with Condition 13 (*Notices*).

## **5.8 Unpaid Interest**

Without prejudice to Condition 2(1) and to the right of the Representative of the Noteholder to serve to the Issuer a Trigger Notice pursuant to Condition 9.1(a) (*Non Payment*), in the event that the Single Portfolio Available Funds or the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the Pre-Acceleration Order of Priority, the Cross Collateral Order of Priority or the Acceleration Order of Priority, as applicable) for the payment of interest on the Class A Notes on such Payment Date are not sufficient to pay in full the relevant Interest Amount, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the Interest Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of these Conditions as if it were, Interest Amount accrued on the Class A Notes on the immediately following Payment Date. Any such unpaid amount shall not accrue additional interest.

The Issuer shall arrange for notice to be given forthwith by the Agent Bank to Monte Titoli, the Irish Stock Exchange (and to any other stock exchange on which the Class A Notes are listed), the Representative of the Noteholders, the Paying Agents and the Computation Agent and will cause notice to that effect to be given to the Noteholders in accordance with Condition 13 (*Notices*), no later than three Business Days prior to any Payment Date, of any Payment Date on which, pursuant to this Condition 5.7, interest on the Notes will not be paid in full.

## **6. REDEMPTION, PURCHASE AND CANCELLATION**

### **6.1 Final Redemption**

Unless previously redeemed in full as provided for in this Condition 6, the Issuer shall redeem in full the Notes at their Principal Amount Outstanding, plus an accrued but unpaid interest, on the Final Maturity Date.

The Issuer may not redeem the Class A Notes in whole or in part prior to the Final Maturity Date except as provided for in Conditions 6.2, 6.3, 6.4 or 6.5 below, but without prejudice to Condition 9 (*Trigger Events*).

### **6.2 Redemption for Taxation**

If the Issuer has provided the Representative of the Noteholders with: (i) a legal opinion in form and substance satisfactory to the Representative of the Noteholders from a firm of lawyers (approved in writing by the Representative of the Noteholders); and (ii) a certificate from the legal representative of the Issuer, to the effect that the Issuer:

- (a) would be required on the next Payment Date to deduct or withhold (other than in respect of a Law 239 Deduction) from any payment of principal or interest on the Class A Notes, any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political or administrative subdivision thereof or any authority thereof or therein (or that amounts payable to the Issuer in respect of the Portfolios and/or the Swap Agreement would be subject to withholding or deduction); or
- (b) has become liable to *imposta sul reddito delle società (IRES)* or to *imposta regionale sulle attività produttive (IRAP)* with respect to income arising from any of the Portfolios or the Swap Agreement;

and in each case will have the necessary funds (not subject to the interests of any other person) to discharge all of its outstanding liabilities with respect to the Notes (or with the consent of the Class B Noteholders the Class A Notes only) and any amounts required under

the Intercreditor Agreement to be paid in priority to, or *pari passu* with, each Notes (together with any additional taxes payable by the Issuer by reason of such early redemption of the Notes),

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

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

### **6.3 Mandatory Redemption**

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

- (a) on the Payment Date falling on February 2013 and on each Payment Date falling thereafter, in a maximum amount equal to their Class A Notes Principal Payment Amount with respect to such Payment Date;
- (b) on any Payment Date: (i) following the delivery of a Trigger Notice pursuant to Condition 9.1; (ii) in the case of Redemption for Taxation pursuant to Condition 6.2; or (iii) in the case of the Issuer exercising the Optional Redemption pursuant to Condition 6.4, at their Principal Amount Outstanding,

if, on each Calculation Date preceding such Payment Date, it is determined that there will be sufficient Single Portfolio Available Funds or Issuer Available Funds which may be applied for this purpose in accordance with the Pre-Acceleration Order of Priority, the Cross Collateral Order of Priority or the Acceleration Order of Priority as applicable.

### **6.4 Optional Redemption**

The Issuer may redeem the Notes in whole but not in part (or the Class A Notes only, if all the Class B Noteholders consent) at their Principal Amount Outstanding, together with interest accrued and unpaid up to the date fixed for redemption, on any Payment Date starting from the Payment Date on February 2013 (included), if at the preceding Calculation Date the aggregate principal outstanding amount of the Portfolios is equal to or less than 20% of the lesser of (i) the aggregate principal outstanding amount of the Portfolios as of the Effective Date and (ii) the Purchase Price (such relevant Payment Date the "**Clean Up Option Date**").

Such optional redemption shall be effected by the Issuer giving not more than 45 (forty-five) nor less than 15 (fifteen) days' prior written notice to the Representative of the Noteholders, to the Swap Counterparty and to the Class A Noteholders in accordance with Condition 13 (*Notices*) and provided that the Issuer, prior to giving such notice to the Representative of the Noteholders, has produced evidence reasonably acceptable to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other Person, to discharge all its outstanding liabilities in respect of the Notes (or the Class A Notes only, if all the Class B Noteholders consent) and any amounts required under the Intercreditor

Agreement and the Conditions to be paid in priority to or *pari passu* with the relevant Notes to be redeemed and any other payments due to the Swap Counterparty pursuant to the Swap Agreement (including, as the case maybe, any termination payments due to the Swap Counterparty under item (*Twelfth*) of the Acceleration Order of Priority.

## **6.5 Sale of the Portfolios**

In the following circumstances:

- (i) in case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*),
- (ii) in case of Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*),
- (iii) after a Trigger Notice has been served on the Issuer (with a copy to the Servicer) pursuant to Condition 9 (*Trigger Events*) if an Extraordinary Resolution of the holders of the Class A Notes resolve to request the Issuer to sell all (or part only) the Portfolios to one or more third parties,

the Issuer will be authorised to search for potential purchasers of all (or part only) of the Portfolios.

In addition, following the delivery of a Trigger Notice, the Representative of the Noteholders shall be entitled to sell the Portfolios acting in accordance with the provisions of the Intercreditor Agreement.

In any case neither the Issuer nor the Representative of the Noteholders will be allowed to sell the Portfolio in case a bankruptcy or similar proceeding has been commenced against the Issuer or in any other case such a sale would be prohibited under Italian law.

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

No authorisation to the sale of the Portfolios shall be necessary in case of exercise of the option by the Originators pursuant to article 10 of the Intercreditor Agreement.

## **6.6 Notice of Redemption**

Any such notice as is referred to in Condition 6.2 and 6.4 above shall be irrevocable and, upon the expiration of such notice, the Issuer shall be obliged to redeem the Notes in accordance with this Condition 6.

## **6.7 Principal Payments, Available Class A Notes Redemption Funds and Principal Amount Outstanding**

On each Calculation Date, the Issuer shall determine or procure that the Computation Agent determines, *inter alia*, (on the Issuer's behalf):

- (a) the amount of the Available Class A Notes Redemption Funds with respect to the following Payment Date (if any);
- (b) the amount of any principal payment payable on the Class A Notes and the Class B Notes on the following Payment Date and, for the Payment Dates prior to February

- 2013, the amounts of principal to be retained in the Principal Accumulation Account;
- (c) the Principal Amount Outstanding of each Class of Notes on the following Payment Date (after deducting any principal payment due to be made on the Notes on that Payment Date).;
  - (d) with respect to each Series of Class B Notes, the amount of the relevant Single Series Class B Notes Interest Payment Amount;
  - (e) with respect to each Portfolio: (i) the amount of the relevant Single Portfolio Amortised Principal and Single Portfolio Available Funds (if any); and (ii) the amount of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, Single Portfolio Class A Notes Principal Payment Amount and Single Portfolio Notes Principal Amount Outstanding;
  - (f) the amount of the Principal Amortisation Reserve Amounts, Reserve Amount, Reserve Amount Quotas or Single Portfolio Reserve Amounts (if any);
  - (g) the Relevant Proportion and all payments due to be done by the Issuer on the immediately following Payment Date; and
  - (h) at least 3 (three) Business Days prior to each Payment Date, deliver to the Representative of the Noteholders, the Servicers, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Principal Paying Agent, the Italian Paying Agent, the Swap Counterparty, the Rating Agencies and the Irish Listing Agent a payments report setting out all such payments in the form which shall be agreed by the Parties (the "**Payments Report**").

Each determination by or on behalf of the Issuer of Available Class A Notes Redemption Funds, the Principal Payment on each Note, the Principal Amount Outstanding of each Note and on each Class of Notes shall in each case (in the absence of wilful default or gross negligence) be final and binding on all persons.

The Issuer shall, no later than four Business Days prior to each Payment Date, cause each determination of a principal payment (if any) and Principal Amount Outstanding of the Notes to be notified forthwith by the Computation Agent to the Representative of the Noteholders, the Servicers, the Transaction Bank, the English Transaction Bank, Euroclear, Clearstream, the Irish Stock Exchange, the Paying Agents and Monte Titoli and shall cause notice of each determination of a principal payment and Principal Amount Outstanding of each Class of Notes to be given to the Noteholders in accordance with Condition 13 (*Notices*). As long as the Notes are not redeemed in full, if no principal payment is due to be made on the Notes on a Payment Date, notice to this effect shall also be given by the Issuer to the Noteholders in accordance with Condition 13 (*Notices*).

If no principal payment or Principal Amount Outstanding of the Notes is determined by or on behalf of the Issuer in accordance with the provisions of this Condition 6.7, such principal payment or Principal Amount Outstanding of the Notes shall be determined by the Computation Agent in accordance with this Condition 6.7 and each such determination shall be deemed to have been made by the Issuer.

#### **6.8 No purchase by Issuer**

The Issuer shall not purchase any of the Notes.

#### **6.9 Cancellation**

All Notes redeemed in full will be cancelled upon redemption and may not be re-sold or re-issued.

All Notes shall be in any case cancelled upon the earlier of (i) following the completion of any proceedings for the recovery of all Claims, the date on which such recoveries (if any) are paid in accordance with the applicable Order of Priority, (ii) following the sale of the Portfolios, the date on which the proceeds of such sale (if any) are paid in accordance with the applicable Order of Priority, and (iii) the Final Maturity Date (following application of the Single Portfolio Available Funds or the Issuer Available Funds on such date in accordance with the applicable Order of Priority).

## 7. PAYMENTS

7.1 The Principal Paying Agent and the Italian Paying Agent shall arrange for payment of principal and interest in respect of the Notes to be made through the relevant operators of Monte Titoli, Clearstream and Euroclear to the accounts of the beneficial owners of the Notes with such operators in accordance with the rules and procedures of Monte Titoli, Clearstream and Euroclear, as the case may be.

7.2 Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.

7.3 If the due date for any payment of principal and/or interest (or any later date on which any Note could otherwise be presented for payment) is not a Business Day, the Noteholders will not be entitled to payment of the relevant amount until the immediately following Business Day. The Noteholders will not be entitled to any interest or other payment in consequence of any delay in receiving the amount due as a result of the due date not being a Business Day.

7.4 The Issuer reserves the right, according to the provisions of the Cash Administration and Agency Agreement, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other paying agents including the Principal Paying Agent and the Italian Paying Agent provided that (as long as the Class A Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require) the Issuer will at all times maintain a paying agent having a registered office in Ireland.

The Issuer will cause at least 30 days prior notice to be given of any change in or addition to the Paying Agents or their registered offices in accordance with Condition 13 (*Notices*).

## 8. TAXATION

All payments with respect to the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatever kind other than a Law 239 Deduction or any other withholding or deduction required to be made by any applicable law. Neither the Issuer nor any other Person shall be obliged to pay any additional amount to any Noteholder as a consequence of any such withholding or deduction.

## 9. TRIGGER EVENTS

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

(a) Non-payment:

(i) the Issuer defaults in the payment of the amount of principal then due and payable on the Most Senior Class of Notes on the Final Maturity Date;



- (ii) on any Payment Date (provided that a 3 (three) Business Days' grace period shall apply) the amount paid by the Issuer as interest on the Most Senior Class of Notes is lower than the relevant Interest Amount on the Class A Notes or the relevant Single Series Class B Notes Interest Payment Amount on the Class B Notes, as the case may be; or

(b) Breach of other obligations:

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Most Senior Class of Notes (other than (i) the obligation to pay principal on the Notes in case the Issuer has not enough Single Portfolio Available Funds or Issuer Available Funds (as the case may be) to such purpose on any Payment Date, and (ii) any payment obligation on the Notes under paragraph (a) above) or any of the Transaction Documents to which it is a party and (except where, in the sole and absolute opinion of the Representative of the Noteholders, such default is incapable of remedy, in which case no notice will be required) such default remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in the sole opinion of the Representative of the Noteholders, materially detrimental to the interests of the Noteholders of the Most Senior Class of Notes and requiring the same to be remedied; or

(c) Breach of representation and warranties:

any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made; or

(d) Insolvency:

- (i) the Issuer becomes subject to any applicable bankruptcy, liquidation, administration, receivership, insolvency, composition or reorganisation (among which, without limitation, *fallimento*, *liquidazione coatta amministrativa*, *concordato preventivo*, *accordi di ristrutturazione* and *amministrazione straordinaria*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of the jurisdiction in which the Issuer is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, receivership, arrangement, adjustment, protection or relief of debtors) or similar proceedings or the whole or any substantial part of the undertaking or assets of the Issuer are subject to a *pignoramento* or similar procedure having a similar effect (other than any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success;
- (ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by the Issuer or the same proceedings are otherwise initiated against the Issuer and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success;

- (iii) the Issuer takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than the Issuer Secured Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments;
- (iv) an order is made or an effective resolution is passed for the winding-up, liquidation, administration or dissolution in any form of the Issuer (except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders) or any of the events under article 2484 of the Italian civil code occurs with respect to the Issuer.

(e) Unlawfulness:

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

then the Representative of the Noteholders in any case acting in accordance with these Conditions and the Rules of the Organisation of the Noteholders:

- (iv) shall, in the case of the Trigger Event set out under point (a) above;
- (v) shall if so requested in writing by an Extraordinary Resolution of the holders of the Class A Notes, in the case of the Trigger Events set out under points (b) and (c) above;
- (vi) may at its sole and absolute discretion but shall if so requested in writing by an Extraordinary Resolution of the holders of the Class A Notes in case of any other Trigger Event,

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

Upon the service of a Trigger Notice as described in this Condition 9 (*Trigger Events*): (i) the Notes shall become immediately due and repayable at their Principal Amount Outstanding, together with any interest accrued at such date but which has not been paid on any preceding Interest Payment Date, without further action, notice or formality; (ii) if the Issuer fails to pay any amounts due and payable under item (i), the Deed of Pledge and the Deed of Charge shall become enforceable; and (iii) the Representative of the Noteholders may or shall, subject to Condition 11 (*Enforcement*) and provided that no Bankruptcy Proceedings (other than Bankruptcy Proceedings allowing the disposal of assets by the affected entity) has been commenced against the Issuer, dispose of the Receivables in the name and on behalf of the Issuer. Save for the powers attributed to the Representative of the Noteholders (acting as security trustee) pursuant to the Deed of Charge, the Noteholders hereby irrevocably appoint, as from the date hereof and with effect on and from the date on which the Notes shall become due and payable following the service of a Trigger Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders from and including the date on which the Notes shall become due and payable.

## 10. CROSS COLLATERAL EVENTS

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

(a) Class A Disequilibrium Event

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

(b) Default Ratio

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

(c) Liquidity Agreement

On any Payment Date the aggregate of the Single Portfolio Negative Balances with respect to such Payment Date is equal to or exceeds the Available Commitment Amount (including any amount that will be reimbursed to the Liquidity Provider on such Payment Date) to the Issuer on such Payment Date under the terms of the Liquidity Agreement;

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

## 11. ENFORCEMENT

At any time after the delivery of a Trigger Notice, the Representative of the Noteholders may, at its discretion and without further notice, take such steps and/or institute such proceedings against the Issuer as it may think fit, to enforce repayment of the Notes and payment of interest accrued thereon, but it shall not be bound to take any such steps and/or institute any such proceedings unless:

- (a) it shall have been so requested in writing by the holders of at least 75% of the Principal Amount Outstanding of the Class A Notes or unless it shall have been so directed by a resolution of the Class A Noteholders or upon the redemption in full of the Class A Notes the Class B Noteholders; and
- (b) it shall have been fully indemnified and/or secured as to costs, damages and expenses to its satisfaction.

No Noteholder shall be entitled to proceed directly against the Issuer unless the Representative of the Noteholders, having become bound to do so, fails to do so within a reasonable period of time and such failure is continuing.

In addition, the Rules of the Organisation of the Noteholders and the Intercreditor Agreement contains (i) provisions limiting the powers of the Noteholders, *inter alia*, to bring individual actions or take other individual remedies to enforce their rights under the Notes and (ii) provisions limiting the powers of the Noteholders, *inter alia*, to institute against or join any person in instituting against, the Issuer, any bankruptcy, insolvency or compulsory liquidation and similar proceedings, that shall be deemed to be included in this Conditions and shall be binding on all the Noteholders.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 9 above or this Condition 11, by the Representative of the Noteholders shall (in the absence of wilful default or gross negligence) be binding on the Issuer and all Noteholders and (in such absence as aforesaid) the Representative of the Noteholders will have no liability to the Noteholders or the Issuer in connection with the exercise or the non-exercise by it or any of them of their powers, duties and discretion hereunder.

## **12. THE REPRESENTATIVE OF THE NOTEHOLDERS**

**12.1** The Organisation of the Noteholders shall be established upon and by virtue of the issuance of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes.

**12.2** Pursuant to the Rules of the Organisation of the Noteholders (attached hereto as Exhibit 1), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders.

**12.3** The Representative of the Noteholders is the legal representative (*rappresentante legale*) of the Organisation of the Noteholders. The appointment of the Representative of the Noteholders is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders who is appointed at the time of issue of the Notes pursuant to the Notes Subscription Agreement. Each Noteholder is deemed to accept such appointment.

**12.4** Pursuant to the provisions of the Rules of the Organisation of the Noteholders, the Representative of the Noteholders can be removed by the Noteholders at any time, provided a successor Representative of the Noteholders is appointed and can resign at any time. Such successor to the Representative of the Noteholders shall be:

- (a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch or through a branch situated in a European Union country; or
- (b) a company or financial institution registered under article 107 of the Consolidated Banking Act (or any other relevant register held from time to time by the Bank of Italy); or
- (c) any other entity permitted by specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

**12.5** The Rules of the Organisation of the Noteholders contain provisions governing, *inter alia*, the terms of appointment, indemnification and exoneration from responsibility (and relief from responsibility) of the Representative of the Noteholders (including provisions relieving it from taking action unless indemnified to its satisfaction and providing for the indemnification of the Representative of the Noteholders in certain other circumstances) and provisions which govern the termination of the appointment of the Representative of the Noteholders and amendments to the terms of such appointment. So long as the Class A Notes are listed on the Irish Stock Exchange, any change in the identity of the Representative of the Noteholders shall be notified to the Irish Stock Exchange.

## **13. NOTICES**

So long as the Notes are held by Monte Titoli on behalf of the authorised financial intermediaries and/or their customers, notices to the Noteholders may be given through the systems of Monte Titoli.

In addition, so long as the Class A Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, any notice to Noteholders shall also be published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) (for the avoidance of doubt, such website does not constitute part of this Prospectus). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in a newspaper as referred to above.

In addition, so long as the Class A Notes are listed on the Irish Stock Exchange, any notice regarding the Class A Notes to the relevant Noteholders shall be given in any other manner as required by the regulation applicable from time to time, including, in particular, Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the "**Transparency Directive**").

The Representative of the Noteholders may sanction some other method of giving notice to the Noteholders of the relevant Class if, in its opinion, such other method is reasonable having regard to market practices then prevailing and to the rules of the stock exchange on which the Notes of the relevant Class are listed and provided that notice of such other method is given to the Noteholders of the relevant Class in such manner as the Representative of the Noteholders shall require.

#### **14. PRESCRIPTION**

Claims against the Issuer for payments in respect of the Notes shall be void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the Relevant Date in respect thereof.

"**Relevant Date**" means, in respect of any payment in relation to the Notes, whichever is the later of: (a) the date on which the payment in question first becomes due; and (b) if the full amount payable has not been received by the Principal Paying Agent or the Representative of the Noteholders on or prior to such date, the date on which, the full amount having been so received, notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

#### **15. GOVERNING LAW AND JURISDICTION**

**15.1** The Notes are governed by Italian law.

**15.2** All the Transaction Documents are governed by Italian law, with the exception of the Deed of Charge and the Swap Agreement which are governed by English law, the Cash Administration and Agency Agreement which is governed partially by Italian law and partially by English law and the Stichting Corporate Services Agreement which is governed by Dutch law.

**15.3** The Courts of Rome shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes.

## RULES OF THE ORGANISATION OF THE NOTEHOLDERS

### TITLE I - GENERAL PROVISIONS

#### Article 1 (*General*)

The Organisation of the Noteholders is created by the issue and by the subscription of the Notes, and shall remain in force and in effect until full repayment or cancellation of the Class A Notes and the Class B Notes. For as long as any Note is outstanding there shall be a Representative of the Noteholders.

The contents of these Rules are considered included in the Conditions.

#### Article 2 (*Definitions*)

In these Rules, the following expressions have the following meanings:

"**Arbitration Panel**" means the arbitration panel as set forth in Article 32.

"**Basic Terms Modification**" means:

- (1) the modification of the date of maturity of the relevant Class of Notes;
- (2) a modification which would have the effect of anticipating or postponing any day for payment of interest thereon;
- (3) a modification which would have the effect of reducing or cancelling the amount of principal payable in respect of a Class of Notes or the rate of interest applicable in respect of a Class of Notes;
- (4) a modification which would have the effect of altering the majority of votes required to pass a specific resolution or the quorum required at any meeting;
- (5) a modification which would have the effect of altering the currency of payment of the relevant Class of Notes or any alteration of the date of redemption or priority of a Class of Notes;
- (6) a modification which would have the effect of altering the authorisation or consent by the Class A Noteholders, as pledgee, to applications of funds as provided for in the Transaction Documents;
- (7) an amendment of this definition.

"**Business**" means, in relation to any Meeting, the matters to be proposed to a vote of the Noteholders at the Meeting including (without limitation) the passing or rejection of any resolution.

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with Article 9 of these Rules.

"**Class of Notes**" means the Class A Notes or the Class B Notes.

"**Extraordinary Resolution**" means a resolution of the Meeting of the Relevant Class Noteholders in relation to the matters specified under Article 20 of these Rules, duly convened and held in

accordance with the provisions of these Rules.

**"Meeting"** means the meeting of the Noteholders or a Class of Noteholders (whether originally convened or resumed following an adjournment).

**"Notes"** and **"Noteholders"** mean:

- (1) in connection with a Meeting of Class A Noteholders, Class A Notes and Class A Noteholders respectively;
- (2) in connection with a Meeting of Class B Noteholders, Class B Notes and Class B Noteholders respectively; and
- (3) otherwise, in the case of a joint Meeting of more than one Class, any or all of the Class A Notes or the Class B Notes and any or all of the Class A Noteholders and the Class B Noteholders, respectively.

**"Person(s)"** means any natural person, partnership, corporation, company, limited liability company, trust, estate, joint stock partnership, or company, joint venture, governmental entity, unincorporated organisation or other entity or association.

**"Principal Paying Agent"** means Deutsche Bank AG London Branch in its capacity as principal paying agent pursuant to the Cash Administration and Agency Agreement and its permitted successors or assignees from time to time.

**"Proxy"** means, in relation to any Meeting, a person duly appointed to vote.

**"Relevant Class Noteholders"** means the Class A Noteholders or the Class B Noteholders, as the context may require.

**"Relevant Date"** means the date on which principal or interest, as the case may be, on the Notes become due and payable.

**"Relevant Fraction"** means:

- (i) for all business other than voting on an Extraordinary Resolution (both at the first convening of a Meeting and in case such Meeting is resumed after adjustment for want of a quorum): (a) in case of a meeting of a particular Class of the Notes, one-twentieth of the Principal Amount Outstanding of the outstanding Notes in that Class; or (b) in case of a joint meeting of more than one Class of Notes, one-twentieth of the Principal Amount Outstanding of the outstanding Notes of such Classes;
- (ii) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification: (a) in case of a meeting of a particular Class of the Notes, two-thirds of the Principal Amount Outstanding of the outstanding Notes in that Class; or (b) in case of a joint meeting of more than one Class of Notes, two-thirds of the Principal Amount Outstanding of the outstanding Notes of such Classes; and
- (iii) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, which must be proposed separately to each Class of Noteholders, three-quarters of the Principal Amount Outstanding of the outstanding Notes in that Class;

*provided, however,* that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

- (i) for voting on an Extraordinary Resolution other than one relating to a Basic Terms Modification: (a) in case of a meeting of a particular Class of the Notes, more than one-third of the Principal Amount Outstanding of the outstanding Notes in that Class; or (b) in case of a joint meeting of more than one Class of Notes, more than one-third of the Principal Amount Outstanding of the outstanding Notes of such Classes; and
- (ii) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, which must be proposed separately to each Class of Noteholders, more than fifty per cent. (50%) of the Principal Amount Outstanding of the outstanding Notes in that Class.

**"Representative of the Noteholders"** means Deutsche Trustee Company Limited, in its capacity as representative of the Noteholders, which expression shall include its successors and any further or other representative of the Noteholders appointed pursuant to the Notes Subscription Agreement and the Rules of the Organisation of the Noteholders.

**"Rules"** means these Rules of the Organisation of the Noteholders.

**"Secured Parties"** means the beneficiaries of the Security Documents.

**"Specified Office"** means the office of the (i) Italian Paying Agent located at Via M. Gioia, 8, 20124 Milano, Italy, or (ii) Principal Paying Agent at 10 Bishops Square, E1 6 AO London, United Kingdom, or (iii) Irish Listing Agent located at 2 Boulevard Konrad Adenauer, Luxembourg L-III5, as the case may be.

**"Voter"** means, in relation to any Meeting, the holder of a Blocked Note.

**"Voting Certificate"** means, in relation to any Meeting, a certificate issued to a Noteholder by the relevant Monte Titoli Account Holder in accordance with the resolution dated 22 February 2008 jointly issued by the Bank of Italy and CONSOB, as subsequently amended, supplemented or restated.

**"Written Resolution"** means a resolution in writing signed by or on behalf of 75% of the Relevant Class Noteholders, who for the time being are entitled to receive notice of a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such Noteholders.

**"24 hours"** means a period of 24 hours including all or part of a day upon which banks are open for business in both the places where the Meeting is to be held and in each of the places where the Principal Paying Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid.

**"48 hours"** means 2 consecutive periods of 24 hours.

Other defined terms and expressions shall have the meaning given to them in the Conditions.

### **Article 3 (Organisation purpose)**

Each Class A Noteholder and Class B Noteholder is a member of the Organisation of Noteholders.

The purpose of the Organisation of Noteholders is to coordinate the exercise of the rights of the Noteholders and, more in general, the taking of any action for the protection of their interests.

In these Rules, any reference to Noteholders shall be considered as a reference as the case may be, to the Class A Noteholders and/or the Class B Noteholders or, where the context requires, a reference to



the Class A Noteholders and/or the Class B Noteholders collectively.

## **TITLE II - THE MEETING OF NOTEHOLDERS**

### **Article 4 (General)**

Subject to Article 20 below, any resolution passed at a Meeting of the Relevant Class of Noteholders duly convened and held in accordance with these Rules shall be binding upon all the Noteholders of such Class whether present or not present at such Meeting and whether voting or not voting and any resolution passed at a meeting of the Class A Noteholders duly convened and held as aforesaid shall also be binding upon the Class B Noteholders.

In each of the above cases, all the relevant Classes of Noteholders shall be bound to give effect to any such resolution accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

Notice of the result of every vote on a resolution duly passed by the Noteholders shall be published, at the expense of the Issuer, in accordance with the Conditions and given to the Principal Paying Agent (with a copy to the Issuer and the Representative of the Noteholders) within 14 days of the conclusion of the Meeting.

Subject to the provisions of these Rules and the Conditions, joint meetings of the Class A Noteholders, and the Class B Noteholders may be held to consider the same resolution and/or, as the case may be, the same Extraordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification) and the provisions of these Rules shall apply *mutatis mutandis* thereto.

The following provisions shall apply where outstanding Notes belong to more than one Class:

- (i) business which in the opinion of the Representative of the Noteholders affects only one Class of Notes shall be transacted at a separate Meeting of the relevant Noteholders;
- (ii) business which in the opinion of the Representative of the Noteholders affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine at its absolute discretion;
- (iii) business which in the opinion of the Representative of the Noteholders affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class;
- (iv) in case of separate Meetings of the holders of each Class of Notes, these Rules shall be applied as if references to the Notes and the Noteholders are to the Notes of the relevant Class and to the holders of such Notes; and in the case of a joint meeting of the Noteholders of more than one Class, as if references to the Notes and the Noteholders are to the Notes of the relevant Classes and to the holders of the Notes of such Classes.

### **Article 5 (Voting Certificates)**

Noteholders may obtain a Voting Certificate from the relevant Monte Titoli Account Holder upon request in accordance with article 21 of the resolution of 22 February 2008 jointly issued by the Bank of Italy and CONSOB. Subject to the provision of the resolution of 22 February 2008 jointly issued by the Bank of Italy and CONSOB (as subsequently amended and integrated), a Voting Certificate

shall be valid until the conclusion of the Meeting specified (if any) in the Voting Certificate, or any adjournment of such Meeting held prior to the expiration of the relevant Voting Certificate and none of the Monte Titoli Account Holders shall be allowed to release the relevant Notes before such date unless the Voting Certificate is first surrendered to it. So long as a Voting Certificate is valid, the Noteholder or any Proxy named therein shall be deemed to be the holder of the relevant Notes to which it relates for all purposes in connection with the Meeting.

#### **Article 6 (*Validity of Voting Certificates*)**

A Voting Certificate shall be valid only if it is deposited or sent (also by electronic means) at the Specified Office of the Principal Paying Agent, or at some other place approved by the Principal Paying Agent, any time prior to the time fixed for a Meeting. If the Principal Paying Agent requires, satisfactory proof of the identity of each Proxy named the relevant Voting Certificate, such proof shall be produced at the Meeting, but the Principal Paying Agent shall not be obliged to investigate the validity of any Voting Certificate or the authority of any Proxy.

#### **Article 7 (*Convening of Meeting*)**

The Issuer and the Representative of the Noteholders may convene a Meeting at any time, and shall be obliged to do so upon the request in writing of Noteholders holding not less than one-twentieth of the Principal Amount Outstanding of the outstanding Notes of the Class or Classes in respect of which the Meeting is being convened. If the Issuer fails to take the necessary action to convene a Meeting when obliged to do so, the Meeting may be convened by the Representative of the Noteholders acting solely.

Whenever the Issuer is about to convene any such Meeting, it shall immediately give notice in writing to the Representative of the Noteholders of the day, time and place thereof and of the nature of the business to be transacted thereat. Every such Meeting shall be held at such place as the Representative of the Noteholders may designate or approve.

#### **Article 8 (*Notice*)**

At least 21 day notice (excluding the day on which the notice is delivered and the day on which the Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the relevant Noteholders and the Principal Paying Agent (with a copy to the Issuer and to the Representative of the Noteholders), and published in accordance with Condition 13 (*Notices*) at least 15 days before the date of the Meeting. The notice shall set forth the full text of any resolutions to be proposed and that Voting Certificate shall be obtained to participate to the Meeting.

The 21 day notice of any Meeting shall be deemed to be waived by the Noteholders when: (i) Noteholders representing 100% of the Principal Amount Outstanding of the relevant Class attend the relevant Meeting or (ii) Noteholders representing 100% of the Principal Amount Outstanding of the relevant Class request the Meeting.

#### **Article 9 (*Chairman of the Meeting*)**

An individual (who may, but need not, be a Noteholder) nominated in writing by the Representative of the Noteholders may take the chair at any Meeting but: (i) if no such nomination is made; (ii) if the individual nominated is not present within 15 minutes after the time fixed for the Meeting; or (iii) the Meeting resolves not to approve the appointment made by the Representative of the Noteholders, those present shall elect one of themselves to take the chair failing which the Issuer may appoint a Chairman.

The Chairman of an adjourned Meeting need not be the same person as the Chairman of the original Meeting.

The Chairman verifies that the Meeting is duly held, coordinates matters to be transacted at the Meeting and monitors the fairness of the Meeting's proceedings.

**Article 10 (*Quorum and passing of resolution*)**

The quorum at any Meeting shall be at least one or more Voters representing or holding not less than the Relevant Fraction of the aggregate Principal Amount Outstanding of the outstanding Notes of the relevant Class or Classes.

A resolution is validly passed when the majority of votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

**Article 11 (*Adjournment for want of quorum*)**

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and at such place as the Chairman determines; provided, however, that no Meeting may be adjourned more than once. Notice shall be published in accordance with Condition 13 (*Notices*) of the relevant Class of Notes not more than 8 days before the date of the meeting.

**Article 12 (*Adjourned Meeting*)**

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, *provided that* no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

**Article 13 (*Notice following adjournment*)**

Article 8 shall apply to any Meeting which is to be resumed after adjournment save that:

- (a) 8 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and
- (b) the notice shall specifically set forth the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

**Article 14 (*Participation*)**

The following may attend and speak at a Meeting:

- (a) Voters;
- (b) the Issuer or its representatives;
- (c) the statutory auditors (if any) and the financial advisers to the Issuer;
- (d) the Representative of the Noteholders;
- (e) the legal counsel to the Issuer, the Representative of the Noteholders; and
- (f) such other person as may be resolved by the Meeting.

### **Article 15 (*Show of hands*)**

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

### **Article 16 (*Poll*)**

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than ten (10) Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the Meeting for any other business as the Chairman directs.

### **Article 17 (*Votes*)**

Every Voter shall have one vote in respect of each Euro 1,000 in aggregate face amount of the outstanding Note(s) represented or held by him.

In the case of a voting tie the Chairman shall have a casting vote.

Unless the terms of any Voting Certificate state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same manner.

### **Article 18 (*Vote by Proxies*)**

Any vote by a Proxy in accordance with the relevant Voting Certificate shall be valid even if such vote or any instruction pursuant to which it was given has been amended or revoked, *provided that* the Principal Paying Agent has not been notified in writing of such amendment or revocation not less than 24 hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Voting Certificate in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment, except for any appointment of a Proxy expiring prior to such adjournment in accordance with the relevant Voting Certificate.

### **Article 19 (*Exclusive Powers of the Meeting*)**

The Meeting shall have exclusive powers:

- (a) to approve any Basic Terms Modification, in accordance with Article 20 below;
- (b) to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any of the Conditions (which is not a Basic Terms Modification) or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- (c) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;
- (d) to exercise, enforce or dispose of any right and power on payment and application of funds deriving from any claims on which a pledge or other security interest is created in favour of the Noteholders, otherwise than in accordance with the Transaction Documents.

### **Article 20 (*Powers exercisable by Extraordinary Resolution*)**

A Meeting shall, in addition to the powers given herein and in the Conditions, have the following powers exercisable by Extraordinary Resolution:

- (a) power to sanction any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer or against any of its property or against any other Person whether such rights shall arise under these Rules, the Notes or otherwise;
- (b) power to sanction any scheme or proposal for the exchange or substitution or sale of any of the Notes or any Class of the Notes for, or the conversion of the Notes or any Class into, or the cancellation of any of the Notes or any Class, in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or of any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;
- (c) power to assent to any alteration of the provisions contained in these Rules, the Conditions, the Notes or any Class of Notes, the Intercreditor Agreement, the Cash Administration and Agency Agreement or any other Transaction Document which shall be proposed by the Issuer and/or the Representative of the Noteholders or any other party thereto;
- (d) power to discharge or exonerate the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may be responsible under or in relation to these Rules, the Notes or any Class of Notes or any other Transaction Document;
- (e) power to give any authority, direction or sanction which under the provisions of these Rules or the Notes or any Class of Notes, is required to be given by Extraordinary Resolution;
- (f) power to authorise and sanction the actions, in compliance with these Rules, of the Representative of the Noteholders under the terms of the Intercreditor Agreement and any other Transaction Documents and in particular power to sanction the release of the Issuer by the Representative of the Noteholders;
- (g) to authorise the Representative of the Noteholders to serve a Trigger Notice, as a consequence of a Trigger Event under Condition 9 (*Trigger Events*);
- (h) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute a Trigger Event under the Notes;
- (i) following the service of a Trigger Notice, power to resolve on the sale of one or more Claim(s) comprised in the Portfolio(s);
- (j) power to resolve on the sale of one or more Claim(s) comprised in the Portfolio(s) when an Extraordinary Resolution is required under the Conditions; and
- (k) power to sanction a Basic Terms Modification.

*provided that:*

- (A) no Extraordinary Resolution involving a Basic Terms Modification passed by the Relevant Class Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the Noteholders of the other Class (to the extent that the Notes of each such Class are then

outstanding); and

- (B) no other Extraordinary Resolution of the Class B Noteholders shall be effective unless (A) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders (to the extent that the Class A Notes are then outstanding) or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders (to the extent that the Class A Notes are then outstanding).

#### **Article 21 (*Challenge of Resolution*)**

Each Noteholder who was absent, dissenting or non voting can challenge resolutions in accordance with article 2416 of the Italian Civil Code.

#### **Article 22 (*Minutes*)**

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

#### **Article 23 (*Written Resolution*)**

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

#### **Article 24 (*Individual Actions and Remedies*)**

The right of each Noteholder to bring individual actions or take other individual remedies, that do not amount to bankruptcy, insolvency or compulsory liquidation proceedings, or other proceedings under any bankruptcy or similar law, to enforce his/her rights under the Notes will be subject to the Meeting not passing a resolution objecting to such individual action or other remedy on the grounds that it is not convenient at the time when the Meeting is held, having regard to the interests of the Noteholders. In this respect, the following provisions shall apply:

- (a) the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders in writing of his/her intention;
- (b) the Representative of the Noteholders will, without delay, call for the Meeting, in accordance with these Rules;
- (c) if the Meeting passes a resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (provided that the same matter can be submitted again to a further Meeting of Noteholders after a reasonable period of time has elapsed); and
- (d) if the Meeting passes a resolution not objecting to the enforcement of the individual action or remedy, or if no resolution is taken by the Meeting for want of quorum, the Noteholder will not be prevented from taking such action or remedy.

No individual action or remedy can be taken by a Noteholder to enforce his/her rights under the Notes before the Meeting has been held to resolve on such action or remedy in accordance with the provisions of this Article 24.

The provisions of the Intercreditor Agreement govern the right of the Noteholders to institute against,

or join any other person in instituting against, the Issuer any bankruptcy, insolvency or compulsory liquidation and similar proceedings.

### **TITLE III - THE REPRESENTATIVE OF THE NOTEHOLDERS**

#### **Article 25 (*Appointment, Removal and Remuneration*)**

The appointment of the Representative of the Noteholders takes place at the Meeting in accordance with the provisions of this Article 25, save as in respect of the appointment of the first Representative of the Noteholders that will be Deutsche Trustee Company Limited.

The Representative of the Noteholders shall be:

- (1) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch or through a branch situated in a European Union country; or
- (2) a company or financial institution registered under article 107 of the Consolidated Banking Act (or any other relevant register held from time to time by the Bank of Italy); or
- (3) any other entity which may be permitted to act in such capacity by any applicable provisions of Italian law.

The Representative of the Noteholders shall be appointed for unlimited term and can be removed by the Meeting at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, the Representative of the Noteholders shall remain in office until acceptance of appointment by the substitute Representative of the Noteholders designated among the entities indicated in (1), (2) and (3) above; should said acceptance of appointment by the substitute Representative of the Noteholders not occur within thirty days after such termination, the terminated Representative of the Noteholders shall be entitled to appoint, in the name and on behalf of the Issuer, its own successor, convening a fee not higher than the fee that such terminated Representative of the Noteholders agreed with the Issuer, provided that any such successor shall satisfy all the conditions set out above; and the powers and authority of Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

The directors, auditors (if any), employees of the Issuer and those who fall within the conditions indicated in article 2382 and article 2399 of the Italian Civil Code in respect of the Issuer cannot be appointed Representative of the Noteholders, and, if appointed, shall be automatically removed from the appointment.

As consideration to the Representative of the Noteholders for the obligations undertaken by the same as from the date hereof under these Rules and the Transaction Documents, the Issuer shall pay to the Representative of the Noteholders an annual fee, such fee being agreed in a separate side letter. The above fees and remuneration shall accrue from day to day and shall be payable in accordance with the applicable Order of Priority up to (and including) the date when the Notes have been repaid in full or cancelled in accordance with the Conditions.

#### **Article 26 (*Duties and Powers*)**

The Representative of the Noteholders is the legal representative of the Organisation of Noteholders subject to and in accordance with the Conditions, these Rules, the Intercreditor Agreement and the other Transaction Documents to which it is a party (together, the "**Relevant Provisions**").

Subject to the Relevant Provisions, the Representative of the Noteholders is responsible for implementing the decisions of the Meeting and for protecting the Noteholders' interests *vis-a-vis* the Issuer, in accordance with and following any resolution taken by the Meeting. The Representative of the Noteholders has the right to attend Meetings. The Representative of the Noteholders may convene a Meeting to obtain instructions from the Relevant Class Noteholders on any action to be taken.

All actions taken by the Representative of the Noteholders in the execution and exercise of all its powers and authorities and of discretion vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders.

The Representative of the Noteholders may also, whenever it considers to be expedient and in the interests of the Noteholders, whether by power of attorney or otherwise, delegate to any Person(s) all or any of the powers, authorities and discretion vested in it as aforesaid. Any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit, provided that: (a) the Representative of the Noteholders shall use all reasonable care and skill in the selection of the sub-agent, sub-contractor or representative which must fall within one of the categories set forth in Article 25 herein; and (b) the sub-agent, sub-contractor or representative shall undertake to perform the obligations of the Representative of the Noteholders in respect of which it has been appointed.

The Representative of the Noteholders shall in any case be responsible for any loss incurred by any misconduct or default on the part of such delegate or sub-delegate. The Representative of the Noteholders shall as soon as reasonably practicable give notice to the Issuer of the appointment of any delegate and the renewal, extension and termination of such appointment and shall procure that any delegate shall also as soon as reasonably practicable give notice to the Issuer of any sub-delegate.

The Representative of the Noteholders shall act in accordance with the provisions of article 1176, paragraph 2, of the Italian Civil Code.

The Representative of the Noteholders shall be authorised to represent the Organisation of Noteholders in judicial proceedings (including Bankruptcy Proceedings) involving the Issuer.

#### **Article 27 (*Resignation of the Representative of the Noteholders*)**

The Representative of the Noteholders may resign at any time upon giving not less than three calendar months' notice in writing to the Issuer without giving any reason therefore and without being responsible for any costs occasioned by such resignation. The resignation of the Representative of the Noteholders shall not become effective until the Meeting has appointed a new representative of the Noteholders. If a new representative of the Noteholders is not appointed by the Meeting within sixty days after such notice of resignation, the resigning Representative of the Noteholders will be entitled to appoint its own successor, in the name and on behalf of the Issuer and convening a fee not higher than the fee that the resigning Representative of the Noteholders agreed with the Issuer, *provided that* any such successor shall satisfy with the conditions of Article 25 herein.

#### **Article 28 (*Exoneration of the Representative of the Noteholders*)**

The Representative of the Noteholders shall not assume any other obligations in addition to those expressly provided herein and in the Transaction Documents.

Without limiting the generality of the foregoing, the Representative of the Noteholders shall not be:

- (i) under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any of the other Transaction Documents has happened and, until it shall have actual knowledge or express



notice to the contrary, the Representative of the Noteholders shall be entitled to assume that no Trigger Event or such other event, condition or act has occurred;

- (ii) under any obligation to monitor or supervise the observance and performance by the Issuer or any of the other parties to the Transaction Documents of their obligations thereunder and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each party to any Transaction Document is observing and performing all the obligations on its part contained herein and therein;
- (iii) under any obligation to give notice to any person of the execution of these Rules or any of the Transaction Documents or any transaction contemplated hereby or thereby;
- (iv) responsible for or for investigating the legality, validity, enforceability, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto;
- (v) responsible for or have any duty to make any investigation in respect of or in any way be liable whatsoever for: (i) the nature, status, creditworthiness or solvency of the Issuer, (ii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection herewith; (iii) the suitability, adequacy or sufficiency of any collection procedures operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any license, consent or other authority in connection with the purchase or administration of the Portfolios; and (v) any accounts, books, records or files maintained by the Issuer, the Servicer and the Italian Paying Agent or any other Person in respect of the Portfolios;
- (vi) responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the Persons entitled thereto;
- (vii) responsible for the maintenance of any rating of the Class A Notes by the Rating Agencies or any other credit or rating agency or any other Person;
- (viii) responsible for or for investigating any matter which is the subject of, any recitals, statements, warranties or representations of any party other than the Representative of the Noteholders contained herein or any other Transaction Document;
- (ix) bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to the Portfolios or any part thereof whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of remedy or not;
- (x) liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;
- (xi) under any obligation to insure the Portfolios or any part thereof;
- (xii) obliged to have regard to the consequences of any modification of these Rules or any of the Transaction Documents for the Noteholders or any relevant Persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory;
- (xiii) under any obligation to disclose to any Noteholder, any Other Issuer Creditors or any other party any confidential, financial, price sensitive or other information made available to the

Representative of the Noteholders by the Issuer or any other Person in connection with these Rules and the Noteholders, the Other Issuer Creditors or any other party shall not be entitled to take any action to obtain from the Representative of the Noteholders any such information (unless and to the extent ordered so to do by a court of competent jurisdiction);

- (xiv) bound to take any steps or institute any proceedings after a Trigger Notice is served upon the Issuer following the occurrence of a Trigger Event, or to take any other action (or direct any action to be taken) to enforce any security interest created by the Security Documents or any rights under the Intercreditor Agreement unless it has been indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing;
- (xv) liable for acting upon any resolution purporting to have been passed at any Meeting of the relevant Class or Classes of Notes in respect whereof minutes have been made and signed, also in the event that, subsequent to its acting it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the Noteholders, in connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, and
- (xvi) liable for not having acted in any manner whatsoever for the protection of the Noteholders' interests in all circumstances where, according to these Rules and the Transaction Documents, it was not expressly required to take any such action.

The Representative of the Noteholders may:

- (i) agree (in the name and on behalf of the Noteholders) amendments or modifications to these Rules or to any of the Transaction Documents which in the opinion of the Representative of the Noteholders it is expedient to make or is to correct a manifest error or is of a formal, minor or technical nature. Any such modification shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall cause such modification to be notified to the Noteholders as soon as practicable thereafter;
- (ii) agree (in the name and on behalf of the Noteholders) amendments or modifications to these Rules (other than in respect of a Basic Terms Modification or any provision in these Rules referred to in the definition of Basic Terms Modification) or to the other Transaction Documents which, in the opinion the Representative of the Noteholders, it may be proper to make, provided that the Representative of the Noteholders is of the opinion that such modification will not be materially prejudicial to the interests of the Class A Noteholders, or, in the event the Class A Notes have been redeemed in full, the Class B Noteholders;
- (iii) act on the advice or a certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer or the Representative of the Noteholders or as provided in the Transaction Documents otherwise and shall not, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss occasioned by so acting. Any such advice, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission, e-mail or cable and, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting on any advice, opinion or information contained in or purported to be conveyed by any such letter, telex, telegram, facsimile transmission or e-mail notwithstanding any error contained therein or the non-authenticity of the same;
- (iv) call for and accept as sufficient evidence of any fact or matter, unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice to

the contrary, a certificate duly signed by or on behalf of the Issuer, and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by the Representative of the Noteholders acting on such certificate;

- (v) have absolute discretion as to the exercise, non exercise or refraining from exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law, save as expressly otherwise provided herein, and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or inconveniences that may result from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or willful misconduct (*dolo*);
- (vi) subject to granting the access to the documents to any Noteholders as provided for by the Conditions, hold or leave in custody these Rules, the Transaction Documents and any other documents relating hereto in any part of the world with any bank officer or financial institution or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Representative of the Noteholders to be of good repute, and the Representative of the Noteholders shall not be responsible for or required to insure against any loss incurred in connection with any such custody and may pay all sums required to be paid on account of or in respect of any such custody;
- (vii) call for, accept and place full reliance on and as sufficient evidence of the facts stated therein, a certificate or letter of confirmation certified as true and accurate and signed on behalf of any common depository as the Representative of the Noteholders considers appropriate, or any form of record made by any such depository to the effect that at any particular time or throughout any particular period, any particular person is, was, or will be, shown in its records as entitled to a particular number of Notes;
- (viii) certify whether or not a Trigger Event is in its opinion materially prejudicial to the interests of the Noteholders and if any proceedings referred to under Condition 9(d) (*Insolvency etc.*) are disputed in good faith, and any such certificate or opinion shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other relevant Person and if the Representative of the Noteholders so certifies and serves a Trigger Notice pursuant to Condition 9 (*Trigger Events*), it shall, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on its part, be fully indemnified by the Issuer against all fees, costs, expenses, liabilities, losses and charges which it may incur as a result.
- (ix) determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these Rules or contained in the Notes or any of the other Transaction Documents is capable of remedy and, if the Representative of the Noteholders shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders and any relevant Person and the Representative of the Noteholders shall not be responsible for or required to insure against any cost and loss incurred in connections with any such certificate;
- (x) assume without enquiry that no Notes are for the time being held by or for the benefit of the Issuer;

The Representative of the Noteholders shall be entitled to:

- (a) call for and to rely upon a certificate or any letter of confirmation or explanation reasonably believed by it to be genuine, of any party to the Intercreditor Agreement or any other *of* the Other Issuer Creditors in respect *of* every matter and circumstance (unless it has direct knowledge thereof) for which a certificate is expressly provided for hereunder or any other

Transaction Document and it shall not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its failing so to do;

- (b) for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to the Transaction Documents or the Notes, in considering whether such exercise would be materially prejudicial to the interests of the Other Issuer Creditors, take into account, amongst other things, any written confirmation from the Rating Agencies that the then current ratings of the Notes would not be adversely affected by such exercise;
- (c) convene a Meeting of the Noteholders of the relevant Class or Classes of Notes, in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, in order to obtain from them instructions upon how the Representative of the Noteholders should exercise such discretion *provided that* nothing herein shall be construed so as to oblige the Representative of the Noteholders to convene such a Meeting. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request at the Meeting to be indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by taking such action.

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained herein, or in other Transaction Document, such consent or approval may be given retroactively.

No provision of these Rules and any Transaction Document shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers, if the Representative of the Noteholders shall have reasonable grounds for believing that it will not be reimbursed for any amounts, or that it will not be indemnified against any loss or liability, which it may incur as a result of such action.

#### **Article 29 (Security Documents)**

The Representative of the Noteholders is entitled to exercise all rights granted by the Issuer in favour of the Noteholders and the Other Issuer Creditors under the Deed of Pledge. The Representative of the Noteholders (acting as security trustee) is entitled to exercise all rights granted by the Issuer to it in its capacity as trustee for the Noteholders and for the Other Issuer Creditors under the Deed of Charge.

The Representative of the Noteholders, acting on behalf of the Secured Parties, may:

- (a) appoint and entrust the Issuer to collect, in the Secured Parties' interest and on their behalf, any amounts deriving from the pledged claims and rights and may instruct, jointly with the Issuer, the relevant debtors of the pledged claims to make any payments to be made thereunder to an Account of the Issuer;
- (b) agree that all funds credited to the relevant Accounts from time to time shall be applied in accordance with the Cash Administration and Agency Agreement and the Intercreditor Agreement and that available funds standing to the credit of certain Accounts specified in the Cash Administration and Agency Agreement may be used for investments in Eligible Investments.

The Secured Parties have irrevocably waived any right which they may have hereunder in respect of

cash deriving from time to time from the pledged claims and amounts standing to the credit of the Accounts which is not in accordance with the foregoing. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged claims under the Security Documents except in accordance with the foregoing and the Intercreditor Agreement.

#### **Article 30 (Indemnity)**

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Intercreditor Agreement to reimburse, pay or discharge (on a full indemnity basis) on demand, to the extent not already reimbursed, paid or discharged by any Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders, or by any persons appointed by it to whom any power, authority or discretion may be delegated by it, in relation to the preparation and execution of, the exercise, non exercise or purported exercise of its powers and performance of its duties under, and in any other manner in relation to, these Rules or the Transaction Documents, including but not limited to duly documented and reasonable legal and travelling expenses and any duly documented stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant the Transaction Documents, or against the Issuer or any other Person for enforcing any obligations hereunder, the Notes or the Transaction Documents, except insofar as the same are incurred because gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Noteholders.

### **TITLE IV - THE ORGANISATION OF NOTEHOLDERS UPON A SERVICE OF A TRIGGER NOTICE**

#### **Article 31 (Powers)**

It is hereby acknowledged that, upon service of a Trigger Notice and/or failure by the Issuer to exercise its rights under the Transaction Documents, the Representative of the Noteholders shall, pursuant to the Intercreditor Agreement, be entitled to exercise, in the name and on behalf of the Issuer (also in the interest of the Other Issuer Creditors) and as *mandatario in rem propriam* of the Issuer, all and any of the Issuer's Rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents. In connection with any proposed sale of one or more Claims comprised in the Portfolios, the Representative of the Noteholders may, but shall not be obliged to, convene a Meeting in accordance with the provisions set forth in these Rules to resolve on the proposed sale.

### **TITLE V - ALTERNATIVE DISPUTES RESOLUTIONS**

#### **Article 32 (Law and Arbitration)**

These Rules are governed by, and will be construed in accordance with, the laws of Italy.

All disputes arising out of the present Rules, including those concerning its validity, interpretation, performance and termination shall be settled, irrespective of the number of the parties, by the Arbitration Panel consisting of three arbitrators (one of whom shall be the President) who shall be directly appointed by the Chamber of National and International Arbitration of Milan. The arbitration shall be conducted in accordance with the Rules of the Chamber of National and International Arbitration of Milan (*Regole di Arbitrato Internazionale della Camera e di Commercio Nazionale ed Internazionale di Milano*), which each of the Noteholders acknowledge to have read and to accept in their entirety.

The arbitrators shall decide according to the laws of Italy and not *ex aequo et bono*.

The seat of the arbitration shall be in Milan. The language of the arbitration will be English. Any disputes that cannot be settled by arbitration shall be submitted to the exclusive jurisdiction of the courts of Rome.

## SELECTED ASPECTS OF ITALIAN LAW

*The following is a summary only of certain aspects of Italian Law that are relevant to the transactions described in this Prospectus and of which prospective Noteholders should be aware. It is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this Prospectus.*

### 1. THE SECURITISATION LAW

Law 130 was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

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

### 2. THE ASSIGNMENT

The assignment of the claims under Law 130 is governed by article 58, paragraphs 2, 3 and 4, of the Consolidated Banking Act and by article 4 of Law 130. According to the prevailing interpretation of such provisions, the assignment can be perfected against the originator, assigned debtors and third party creditors by way of publication in the Official Gazette and registration in the companies' register where the Issuer is enrolled, so avoiding the need for notification to be served on each assigned debtor. Furthermore, the Bank of Italy could require further formalities.

Upon compliance with the formalities set forth by the Securitisation Law, the assignment becomes enforceable against:

- (a) the assigned debtors and any creditors of the originator who have not prior to the date of publication of the notice in the Official Gazette and registration of the assignment in the register of companies where the assignee is enrolled commenced enforcement proceedings in respect of the relevant claims;
- (b) the liquidator or any other bankruptcy officials of the assigned debtors (so that any payments made by an assigned debtor to the purchasing company may not be subject to any claw-back action according to Article 67 of Italian Royal Decree No. 267 of 16 March 1942 (*Disciplina del fallimento, del concordato preventivo e della liquidazione coatta amministrativa*) (the "**Bankruptcy Law**")); and
- (c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled.

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned claims will automatically be transferred to and perfected with the same priority in favour of the company which has purchased the claims, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette and registration of the assignment in the register of companies where the assignee is enrolled, no

legal action may be brought against the claims assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant claims and to meet the costs of the transaction.

Notice of the assignment of the claims pursuant to the Transfer Agreement has been published in the Official Gazette No. 76 on 5 July 2011 and filed for registration in the companies' register on 30 June 2011.

### **3. RING-FENCING OF THE ASSETS**

By operation of Law 130, the claims relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company which purchases the claims (including for the avoidance of doubt, any other portfolio purchased by the company pursuant to Law 130). On a winding up of such a company, such assets (for so long as such amounts are credited to one of the Issuer's accounts under this Transaction and not commingled with other sums) will only be available to holders of the notes issued to finance the acquisition of the relevant claims and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant assets. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuer company. However, under Italian law, any creditor of the Issuer would be able to commence insolvency or winding up proceedings against the company in respect of any unpaid debt.

### **4. CLAW-BACK OF THE SALE OF THE PORTFOLIOS**

The sale of the Portfolios by the Originator to the Issuer may be clawed back by a receiver of the Originator under Article 67, paragraphs 1(4) and 2 of the Bankruptcy Law but only in the event that the Originator was insolvent when the assignment was entered into and was executed within three months of the admission of the Originator to compulsory liquidation (*liquidazione coatta amministrativa*) pursuant to Title IV, Heading I, Section III of the Consolidated Banking Act or in cases where paragraph 1(1), 1(2) and 1(3) of Article 67 applies, within six months of the admission to compulsory liquidation. Under the Warranty and Indemnity Agreement, the Originator has represented and warranted that it was solvent as of the Transfer Date and on the Issue Date.

### **5. CLAW-BACK ACTION AGAINST PAYMENTS MADE TO COMPANIES INCORPORATED UNDER LAW 130**

According to article 4 of Law 130, the payments made by an assigned debtor to the Issuer may not be subject to any claw-back action according to Article 67 of the Bankruptcy Law.

All other payments made to the Issuer by any party under a Transaction Document in the six months or one year suspected period prior to the date on which such party has been declared bankrupt or has been admitted to the compulsory liquidation may be subject to claw-back action according to Article 67 of the Bankruptcy Law.

### **6. INEFFECTIVENESS OF PREPAYMENTS BY BORROWERS**

Pursuant to article 65 of the Bankruptcy Law, in the event that a Borrower (to the extent the same is subject to the Bankruptcy Law) is declared bankrupt, any payment made by the Borrower during the two-year period prior to the declaration of bankruptcy in respect of any amount which falls due and payable on or after the date of declaration of bankruptcy (including accordingly, any prepayments made under the relevant Mortgage Loan Agreements) are ineffective *vis-à-vis* the Issuer. In this regard, it has to be noted that a recent case from the Italian Supreme Court (*Corte di Cassazione*, judgement No. 19978 of July 18th



2008) stated that article 65 of the Bankruptcy Law does not apply in case the right of prepayment and the related right to obtain the cancellation of the mortgage securing the prepaid loan are directly and imperatively attributed to the Borrower by specific provisions of law.

However according to the judgment by the Court of Verbania dated 13 August 1999 (published in "*Il Fallimento*", 2000, II, pages 1047 et seq.), the approach of the Italian Supreme Court is that claw back actions under the Bankruptcy Law should not be prejudicial to the rights of secured creditors. Therefore, the payments made further to an obligation not yet due, arising out from mortgage loans made by the debtor declared bankrupt in the two years prior to the date of the bankruptcy declaration are not subject to the claw back action provided for by article 65 of the Bankruptcy Law, because the ultimate consequence of the declaration of ineffectiveness of payments under article 65 of the Bankruptcy Law is that the secured creditor could not be admitted to the bankruptcy estate as a secured creditor given that the mortgage would have been cancelled by effect of the pre-payment and according to Italian law it could not be reinstated *vis-à-vis* the receiver. The mentioned judgment by the Court of Verbania is not an isolated judgment, rather refers to previous Italian Supreme Court case law whose subject matter was, as the Italian Supreme Court itself puts it in its judgement No. 20005/2005, the "*injustice of turning a secured claim into a non-secured claim*".

## 7. **MUTUI FONDIARI**

In addition to the general legislation commonly applicable to mortgage lending, mortgage loans which qualify as *mutui fondiari* are regulated by specific legislation which provides for a number of rights in favour of the mortgage lender that are not provided for by general legislation.

Agreements relating to *mutui fondiari* executed before 1 January 1994 are regulated by the Italian legislation on Credito fondiario in force prior to that date, which permitted only credit institutions having special license to grant *mutui fondiari*. All other credit institutions were not permitted to conduct mortgage lending business. As of 1 January 1994, under the new legislative framework under the Consolidated Banking Act, all banks having a general banking license became qualified to enter into *mutui fondiari* agreements. The new legislation applies only to *mutui fondiari* agreements executed, and foreclosure proceedings commenced, on or after 1 January 1994.

With respect to the legislative framework under the Consolidated Banking Act, certain provisions under the *mutuo fondiario*'s legislation entitle the lender to commence or continue foreclosure proceedings also after the declaration of insolvency (*fallimento*) of the affected debtor, to receive repayment from the price paid for a mortgaged property at auction up to the price corresponding to the *mutui fondiari* debt directly from the purchaser (without having to await disbursement by the court) and to an assignment of any rentals earned by the mortgaged property, net of administration expenses and taxes.

With respect to the borrowers, such *mutuo fondiario*'s legislation provides that: (a) the borrower is entitled to a thirty calendar day grace period on payments of instalments; delays in payment of instalments of not over one hundred and eighty days may justify termination of the Mortgage Loan only starting from the eighth (also non consecutive) unpaid instalment; and (b) each time the borrower has repaid one fifth of its original debt, it is entitled to a corresponding reduction of the amount covered by the mortgage; to the extent that a Mortgage Loan is secured by mortgages on more than one asset, the borrower is entitled to the release of one or more assets from the mortgage to the extent it is able to prove that the remaining assets would be sufficient to ensure a loan to value of at least 120% (or, according to an interpretation, the original loan to value, if higher).

## 8. FORECLOSURE PROCEEDINGS

A mortgage lender (whose debt is secured by a mortgage) may commence foreclosure proceedings by seeking a court order or injunction for payment in the form of an enforcement order (*titolo esecutivo*) from the court in whose jurisdiction the mortgaged property is located. This court order or injunction must be served on the debtor.

If the mortgage loan was executed in the form of a public deed, a mortgage lender can serve a copy of the mortgage loan agreement, stamped by a notary public with an order for the execution thereof (*formula esecutiva*) directly on the debtor without the need to obtain an enforcement order (*titolo esecutivo*) from the court. A writ of execution (*atto di precetto*) is notified to the debtor together with either the enforcement order (*titolo esecutivo*) or the loan agreement, as the case may be.

Within ten days of filing, but not later than ninety days from the date on which notice of the writ of execution (*atto di precetto*) is served, the mortgage lender may request the attachment of the mortgaged property. The property will be attached by a court order, which must then be filed with the appropriate land registry (*Conservatoria dei Registri Immobiliari*). The court will, at the request of the mortgage lender, appoint a custodian to manage the mortgaged property in the interest of the mortgage lender. If the mortgage lender does not make such a request, the debtor will automatically become the custodian of such property.

The mortgage lender is required to search the land registry to ascertain the identity of the current owner of the property and must then serve notice of the request for attachment on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been previously notified to the mortgage lender. Not earlier than ten days and not later than ninety days after serving the attachment order, the mortgage lender may request the court to sell the mortgaged property. The court may delay its decision in respect of the mortgage lender's request in order to hear any challenge by the debtor to the attachment.

Technical delays may be caused by the need to append to the mortgage lender's request for attachment copies of the relevant mortgage and cadastral (*i.e.* land registry) certificates (*certificati catastali*), which usually take some time to obtain. Law No. 302 should reduce the duration of the foreclosure proceedings by allowing the mortgage lender to substitute such cadastral certificates with certificates obtained from public notaries and by allowing public notaries to conduct various activities which were before exclusively within the powers of the courts.

If the court decides to proceed with an auction (*vendita con incanto*) of the mortgaged property, it will usually appoint an expert to value the property. The court will then order the sale by auction. The court determines on the basis of the expert's appraisal the minimum bid price for the property at the auction.

If an auction fails to result in the sale of the property, the court will arrange a new auction with a lower minimum bid price. The courts have discretion to decide whether, and to what extent, the bid price should be reduced (the maximum permitted reduction being one-fifth of the minimum bid price of the previous auction). In practice, the courts tend to apply the one-fifth reduction. In the event that no offer is made during an auction, the mortgage lender may apply to the court for a direct assignment of the mortgaged property to the mortgage lender itself. In practice, however, the courts tend to hold auctions until the mortgaged property is sold.

The sale proceeds, after deduction of the expenses of the foreclosure proceedings and any expenses for the deregistration of the mortgages, will be applied in satisfaction of the claims

of the mortgage lender in priority to the claims of any other creditor of the debtor (except for the claims for taxes due in relation to the mortgaged property and for which the collector of taxes participates in the foreclosure proceedings).

Upon payment in full of the purchase price by the purchaser within the specified time period, title to the property will be transferred after the court issues an official decree ordering the transfer. In the event that proceedings have been commenced by creditors other than the mortgage lender, the mortgage lender will have priority over such other creditors in having recourse to the assets of the borrower during such proceedings, such recourse being limited to the value of the mortgaged property.

The average length of foreclosure proceedings from the court order or injunction of payment to the final sharing out is between six and seven years. In the medium-sized central and northern Italian cities, it can be significantly less whereas in major cities or in southern Italy, the duration of the procedure can significantly exceed the average. Law No. 302 has been passed with the aim of reducing the duration of foreclosure proceedings.

## **9. MUTUI FONDIARI FORECLOSURE PROCEEDINGS**

The Mortgage Loans comprised in the Portfolio are *mutui fondiari* or *mutui ipotecari*. Foreclosure proceedings in respect of *mutui fondiari* commenced after 1 January 1994 are currently regulated by Article 38 and following of the Consolidated Banking Act in which several exceptions to the rules applying to foreclosure proceedings in general are provided for. In particular, there is no requirement to serve a copy of the loan agreement directly on the borrower and the mortgage lender of *mutui fondiari* is entitled to commence or continue foreclosure proceedings after the debtor is declared insolvent or insolvency proceedings have been commenced.

Moreover, the custodian appointed to manage the mortgaged property in the interests of the *fondario* lender pays directly to the lender the revenues recovered on the mortgaged property (net of administration expenses and taxes). After the sale of the mortgaged property, the court orders the purchaser (or the assignee in the case of an assignment) to pay that part of the price corresponding to the *mutui fondiari* lender's debt directly to the lender.

Pursuant to Article 58 of the Consolidated Banking Act, as amended by Article 12 of Decree No. 342, the Issuer will be entitled to benefit from such procedural advantages which apply in favour of a lender of a *mutuo fondiario* loan.

Foreclosure proceedings for *mutui fondiari* commenced on or before 31 December 1993 are regulated by the Royal Decree No. 646 of 16 July 1905, which confers on the *mutuo fondiario* lender rights and privileges that are not provided for by the Consolidated Banking Act with respect to foreclosure proceedings on *mutui fondiari* commenced on or after 1 January 1994. Such additional rights and privileges include the right of the bank to commence foreclosure proceedings against the borrower even after the real estate has been sold to a third party who has taken the place of the borrower as debtor under the *mutuo fondiario* provided that the name of such third party has not been notified to the lender. Further rights include the right of the bank to apply for the real estate to be valued by the court after commencement of foreclosure proceedings, at the value indicated in the *mutuo fondiario* agreement without having to have a further expert appraisal.

## **10. PRIORITY OF INTEREST CLAIMS**

Pursuant to article 2855 of the Italian Civil Code, the claims of a mortgage lender in respect of interest may be satisfied in priority to the claims of all other unsecured creditors in an amount equal to the aggregate of (i) the interest accrued at the contractual rate in the calendar year in

which the initial stage of the foreclosure proceedings are taken and in the two preceding calendar years; and (ii) the interest accrued at the legal rate (currently three per cent. (3%)) from the end of the calendar year in which the initial stage of the foreclosure proceeding is commenced to the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy the claims of any other creditor participating in the foreclosure proceedings. The mortgage lender will be entitled to participate in the distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

## 11. ART. 120 TER OF THE CONSOLIDATED BANKING ACT

Article 120 ter of the Consolidated Banking Act provides that any provision imposing a prepayment penalty in case of early redemption of mortgage loans is null and void with respect to mortgage loan agreements entered into, with an individual as borrower, for the purpose of purchasing or refurbishing real estate properties destined to residential purposes or to carry out the borrower's own professional and economic activity.

The Italian banking association ("ABI") and the main national consumer associations have reached an agreement (the "**Prepayment Penalty Agreement**") regarding the equitable renegotiation of prepayment penalties with certain maximum limits calculated on the outstanding amount of the loans (the "**Substitutive Prepayment Penalty**"). containing the following main provisions: (i) with respect to variable rate loan agreements, the Substitutive Prepayment Penalty should not exceed 0.50% and should be further reduced to (a) 0.20% in case of early redemption of the loan carried out within the third year from the final maturity date and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (ii) with respect to fixed rate loan agreements entered into before 1 January 2001, the Substitutive Prepayment Penalty should not exceed 0.50%, and should be further reduced to: (a) 0.20%, in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (iii) with respect to fixed rate loan agreements entered into after 31 December 2000, the Substitutive Prepayment Penalty should be equal to: (a) 1.90% if the relevant early redemption is carried out in the first half of loan's agreed duration; (b) 1.50% if the relevant early redemption is carried out following the first half of loan's agreed duration, provided however that the Substitutive Prepayment Penalty should be further reduced to: (x) 0.20%, in case of early redemption of the loan carried out within three years from the final maturity date; and (y) zero, in case of early redemption of the loan carried out within two years from the final maturity date.

The Prepayment Penalty Agreement introduces a further protection for borrowers under a "safeguard" equitable clause (the "**Clausola di Salvaguardia**") in relation to those loan agreements which already provide for a prepayment penalty in an amount which is compliant with the thresholds described above. In respect of such loans, the *Clausola di Salvaguardia* provides that: (1) if the relevant loan is either: (x) a variable rate loan agreement; or (y) a fixed rate loan agreement entered into before 1 January 2001; the amount of the relevant prepayment penalty shall be reduced by 0.20%; (2) if the relevant loan is a fixed rate loan agreement entered into after 31 December 2000, the amount of the relevant prepayment penalty shall be reduced by (x) 0.25% if the agreed amount of the prepayment penalty was equal or higher than 1.25%; or (y) 0.15%, if the agreed amount of the prepayment penalty was lower than 1.25%.

Finally the Prepayment Penalty Agreement sets out specific solutions with respect to hybrid rate loans which are meant to apply to the hybrid rates the provisions, as more appropriate, relating respectively to fixed rate and variable rate loans.

## 12. BERSANI DECREE

Law decree N. 7 of 31 January 2007 (the "**Bersani Decree**") as converted into law by Law N. 10 of 2 April 2007, moreover includes other miscellaneous provisions relating to mortgage loans which include, *inter alia*, simplified procedures meant to allow a more prompt cancellation of mortgages securing loans granted by banks or financial intermediaries in the event of a documented repayment in full by the debtors of the amounts due under the loans. While such provisions do not impact on the monetary rights of the lenders under the loans (lenders retain the right to oppose the cancellation of a mortgage), the impact on the servicing procedures in relation to the applicable loan agreements cannot be entirely assessed at this time.

### 13. SUSPENSION OF MORTGAGE INSTALMENTS

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

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

Pursuant to Ministerial Decree No. 132 issued by the Ministry of Economics and Finance on 21 June 2010 and published in the Official Gazette of the Republic of Italy on 18th of August 2010 ("**Decree 132**"), the provisions relating to (i) the requirements that the borrowers must comply with in order to have the right to the aforementioned suspension and (ii) the subsequent aid from the Fund and the formalities and operating procedures of the Fund, were enacted.

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

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

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

Any Debtor who complies with the requirements set out in Decree 132 and the Guidelines, has the right to suspend the payment of the instalments of its Mortgage Loans up to 18 months and therefore there is the risk that the Issuer will experience a consequential delay in the collection of the relevant instalments. A significant number of applications by Borrowers of

Mortgage Loans concentrated over a specific period will have an adverse impact on the Issuer's cash flow of that period, although the number of applications for suspension and their overall duration is limited under the 2008 Budget Law.

#### 14. THE FAMILIES PLAN

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

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

The Suspension can be requested between 1 February 2010 and 31 July 2011 by all families in which, between the period of 1 January 2009 and 30 June 2010, one of the following events has happened: a) closing down of a subordinated working relationship, except for the consensual termination of the working relationship (*risoluzione consensuale*) or cases in which the termination is due for having reached the age limit, with the consequent right to receive an old-age pension (*pensione di anzianità*), or in cases of termination for *giusta causa* or *giustificato motivo soggettivo*; b) closing down of the working relationship pursuant to article 409, paragraph 3, of the Italian civil procedure code except for the consensual termination, withdrawal of the employer or withdrawal of the employee not for *giusta causa*; c) death or cases of loss of self-sufficiency; d) suspension or reduction of the working relationship for a period of at least 30 days.

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

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

#### 15. THE DEVELOPMENT DECREE

On 05 May 2011, the Italian government approved the law-decree No. 138, published on the Italian Official Gazette on 13 May 2011, which introduces new provisions concerning the renegotiation of mortgage loans ("**Development Decree**").

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

An amendment to the Development Decree is currently being discussed at the Italian Senate and the cap amounts indicated under items (b) and (d) above are likely to be modified respectively to Euro 200,000 and Euro 35,000

Such renegotiation involves the change from a floating rate to a fixed nominal annual interest rate which must not be higher than the interest rate obtained by applying (i) the lower between the 10-year Euro IRS and the IRS in Euro applicable to a duration equal to the residual life of the mortgage loan or, if not available, the quotation of the IRS related to the immediately preceding duration, as it appears on Reuters ISDAFIX 2 page at the renegotiation date, plus (ii) a spread equal to the one indicated in the relevant loan agreement, for the purpose of determining the applicable interest rate.

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

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

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

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

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

## TAXATION

*The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Class A Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Notes, some of which may be subject to special rules. The following summary does not discuss the treatment of the Notes that are held in connection with a permanent establishment or fixed base through which a non Italian resident beneficial owner carries on business or performs professional services in Italy.*

This summary is based upon tax laws and practice of Italy in effect on the date of this Prospectus which are however subject to a potential retroactive change. Prospective noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Prospective noteholders should in any event seek their own professional advice regarding the Italian or other jurisdictions' tax consequences of the subscription, purchase, ownership and disposition of the Notes, including the effect of Italian or other jurisdictions' tax rules on residence of individuals and entities.

### 1. INCOME TAX

Under the current legislation, pursuant to the combined provision of Article 6, paragraph 1, of Law 130 and Article 2 of Legislative Decree No. 239 of 1 April 1996, as amended and restated ("**Law 239**"), payments of interest and other proceeds in respect of the Class A Notes:

- (i) will be subject to *imposta sostitutiva* at the rate of 12.5 per cent. in the Republic of Italy levied as final tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships; (iii) Italian resident public and private entities, other than companies, not carrying out commercial activities as their exclusive or principal purpose (including the Italian State and public entities); and (iv) Italian resident entities exempt from corporate income tax.

Payments of interest and other proceeds in respect of the Class A Notes will not be included in the general taxable base of the above mentioned individuals, partnerships and entities.

The 12.5 per cent. *imposta sostitutiva* will be levied by the Italian resident qualified financial intermediaries that will intervene, in any way, in the collection of interest and other proceeds on the Class A Notes or in the transfer of the Class A Notes;

- (ii) will be subject to *imposta sostitutiva* at the rate of 12.5 per cent. in the Republic of Italy levied as provisional tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships; and (iii) Italian resident public and private entities, other than companies; any of them engaged in an entrepreneurial activity – to the extent permitted by law – to which the Class A Notes are connected;



- (iii) will not be subject to the *imposta sostitutiva* at the rate of 12.5 per cent. if made to beneficial owners who are: (i) Italian resident corporations, commercial partnerships or permanent establishments in Italy of non resident corporations to which the Class A Notes are effectively connected; (ii) Italian resident collective investment funds, SICAVs, Italian resident pension funds referred to in Legislative Decree No. 124 of 21 April 1993, as further superseded by Legislative Decree 5 December 2005, No. 252 and Italian resident real estate investment funds established pursuant to article 37 of Legislative Decree No. 58 of February 24, 1998 and article 14-*bis* of law No. 86 of January 25, 1994; (iii) Italian resident individuals who have entrusted the management of their financial assets, including the Class A Notes, to an Italian authorised financial intermediary and have opted for the so-called *risparmio gestito regime* according to Article 7 of Legislative Decree No. 461 of 21 November 1997 - the "**Asset Management Option**" and (iv), non Italian resident with no permanent establishment in Italy to which the Class A Notes are effectively connected, *provided that*:
- (a) they are (i) resident of a country which allows an adequate exchange of information with Italy, which are those countries listed in a ministerial decree to be issued under article 168-*bis* of Presidential Decree No. 917 of 22 December 1986 and, until the year of enactment of the new decree, in the ministerial decree of 4 September 1996, as amended from time to time, or, in the case of qualifying institutional investors not subject to tax, they are established in such a country, (ii) supranational entities set up in accordance with an international treaty executed by Italy, or (iii) central banks of foreign countries, or other entities also managing the official reserves of such countries; and
  - (b) the Class A Notes are deposited directly or indirectly: (i) with a bank or an Italian securities dealing firm ("SIM") resident in Italy; (ii) with the Italian permanent establishment of a non-resident bank or brokerage company which is electronically connected with the Italian Ministry of Economy and Finance; or (iii) with a non-resident entity or company which has an account with a centralised clearance and settlement system which has a direct relationship with the Italian Ministry of Economy and Finance; and
  - (c) as for recipients characterizing under category (a)(i) above, the banks or brokers mentioned in (b) above receive a self-declaration from the beneficial owner of the interest which states that the beneficial owner is a resident of that country. The self-declaration must be in conformity with the model approved by the Ministry of Economy and Finance (approved with Decree of the Ministry of Economy and Finance 12 December 2001, published on the Ordinary Supplement No. 287 to the Official Journal No. 301 of 29 December 2001) and its further amendments and is valid until revoked by the investor. A self-statement does not have to be filed if an equivalent self-declaration (including Form 116/IMP) has already been submitted to the same intermediary for the same or different purposes; in the case of institutional investors not subject to tax, the institutional investor shall be regarded as the beneficial owner and the relevant self-declaration shall be produced by the management company; and
  - (d) the banks or brokers mentioned in (b) and (c) above receive all necessary information to identify the non-resident beneficial owner of the deposited Class A Notes and all necessary information in order to determine the amount of interest that such beneficial owner is entitled to receive.

Non-resident holders are subject to the 12.5 per cent. tax (*imposta sostitutiva*) on interest and

other proceeds on the Class A Notes if any or all of the above conditions (a), (b), (c) and (d) are not satisfied. In this case, *imposta sostitutiva* may be reduced under double taxation treaties, where applicable.

Italian resident individuals holding Class A Notes not in connection with an entrepreneurial activity who have opted for the Asset Management Option are subject to a 12.5 per cent. annual substitute tax (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest and other proceeds accrued on the Class A Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Interest and other proceeds accrued on the Class A Notes held by Italian resident corporations, commercial partnerships, individual entrepreneurs as well as Italian resident public and private entities, other than companies, holding Class A Notes in connection with entrepreneurial activities or permanent establishments in Italy of non-resident corporations to which the Class A Notes are effectively connected, are included in the taxable base for the purposes of: (i) corporate income tax (*imposta sul reddito delle società*, "**IRES**") ; or (ii) individual income tax (*imposta sul reddito delle persone fisiche*, "**IRPEF**") plus local surtaxes, if applicable; under certain circumstances, such interest is included in the taxable basis of the regional tax on productive activities (*imposta regionale sulle attività produttive*, "**IRAP**").

Under the tax regime applicable until June, 30<sup>th</sup> 2011, interest and other proceeds in respect of the Class A Notes have to be included in the management results of the Italian resident collective investment funds and SICAVs and subject to an ad-hoc substitute tax applicable at 12.5 per cent. A new legislation affecting the taxation of the Italian resident collective investment funds and SICAV has been enacted by Law Decree No. 225 of 29 December 2010 as converted, with amendments, into Law No. 10 of 26 February 2011 coming into force as of July, 1<sup>st</sup> 2011. The new regime is based on incomes being taxed at the time they are realized by the investors and no longer on the year-end management result.

Starting from 1 January 2001, Italian resident pension funds are subject to an 11 per cent annual substitute tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year.

The tax regime of interest in respect of the Class A Notes received by real estate funds depends on the funds status and the applicable legislation. Under the regime provided by Law Decree No. 351 of September 25, 2001 converted into law with amendments by Law No. 410 of November 23, 2001, payments of interest in respect of the Class A Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of February 24, 1998 and Article 14-*bis* of Law No. 86 of January 1, 1994, are not subject to the 12.5 per cent substitute tax. The taxation of the Italian real estate funds is currently under review. New taxation regime has been enacted by Law Decree No. 70 of 13 May 2011 to be converted into law within sixty days from the date of the publication in the Italian Official Gazette. The proposed reform should not affect the taxation regime of the Class A Notes as described above.

Any positive difference between the nominal redeemable amount of the Class A Notes and their issue price is deemed to be interest for capital income (*redditi di capitale*) tax purposes. In general terms, income from capital is treated as a separate classification of tax liability only for tax-payers who are not engaged in entrepreneurial activities.

According to article 26, paragraph 1, of the Presidential Decree No. 600 of 29 September 1973, in the event that the Class A Notes are redeemed in full or in part prior to the end of the eighteen month period starting from the date of issuance, the Issuer will be required to pay an

additional amount equal to twenty per cent. (20%) of interest and other proceeds accrued on the Class A Notes up to the time of the early redemption.

## 2. CAPITAL GAINS

Any capital gain realised upon the sale for consideration or redemption of Class A Notes would be treated for the purpose of corporate income tax and of individual income tax as part of the taxable business income of Noteholders (and, in certain cases, depending on the status of the Noteholders, may also be included in the taxable basis of IRAP), and therefore subject to tax in Italy according to the relevant tax provisions, if derived by Noteholders who are:

- (a) Italian resident corporations;
- (b) Italian resident commercial partnerships;
- (c) permanent establishments in Italy of foreign corporations to which the Class A Notes are effectively connected; or
- (d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of their commercial activity.

Pursuant to Legislative Decree No. 461 of 21 November 1997, any capital gain realised by Italian resident individuals holding Class A Notes not in connection with an entrepreneurial activity and by certain other persons upon the sale for consideration or redemption of the Class A Notes would be subject to an *imposta sostitutiva* currently at the rate of 12.5 per cent. Under the tax declaration regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity, *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by Italian resident individual noteholders holding Class A Notes not in connection with an entrepreneurial activity pursuant to all disposals on Class A Notes carried out during any given fiscal year. These individuals must report the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax declaration to be filed with the Italian tax authorities for such year and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual noteholders holding Class A Notes not in connection with an entrepreneurial activity may elect to pay *imposta sostitutiva* separately on the capital gains realised upon each sale or redemption of the Class A Notes (the "**Risparmio Amministrato**" regime). Such separate taxation of capital gains is permitted subject to: (i) the Class A Notes being deposited with Italian banks, *società di intermediazione mobiliare* (SIM) or certain authorised financial intermediaries; and (ii) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Noteholder. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Class A Notes (as well as in respect of capital gains realised at revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Noteholder. Under the *Risparmio Amministrato* regime, where a sale or redemption of Class A Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised in the same tax year or in the following tax years up to the fourth. Under the *Risparmio Amministrato* regime, the Noteholder is not required to report capital gains in its annual tax declaration.

Any capital gains realised by Italian resident individuals holding Class A Notes not in connection with an entrepreneurial activity who have elected for the Asset Management Option will be included in the computation of the annual increase in net value of the managed assets accrued, even if not realised, at year end, subject to the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the Asset Management Option, any depreciation of the managed assets accrued at year end may be carried forward against an increase in the net value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Option, the Noteholder is not required to report capital gains realised in its annual tax declaration.

Under the tax regime applicable until June 30<sup>th</sup>, 2011, any capital gains realised by a Noteholder who is an Italian resident collective investment fund and SICAV have to be included in the management result of the relevant portfolio and subject to the 12.5 per cent. substitute tax. A new legislation affecting the taxation of the investment funds and SICAVs has been enacted by Law Decree No. 225 of 29 December 2010 as converted, with amendments, into Law No. 10 of February 2011 coming into force as of July, 1<sup>st</sup> 2011. The new regime is based on incomes being taxed at the time they are realized by the investors and no longer on the year-end management result.

Any capital gains realised by Noteholders who are Italian resident pension funds will be included in the computation of the taxable basis of Pension Fund Tax.

The tax regime of capital gains in respect of the Class A Notes received by real estate funds depends on the funds status and the applicable legislation. The taxation of the Italian real estate funds is currently under review. New taxation regime has been enacted by Law Decree No. 70 of 13 May 2011 to be converted into Law within sixty days from the date of the publication in the Italian Official Gazette.

The 12.5 per cent. *imposta sostitutiva* may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of Class A Notes by non Italian resident persons or entities without a permanent establishment in Italy to which the Class A Notes are effectively connected, if the Class A Notes are held in Italy.

However, pursuant to Article 23 of Presidential Decree of 22 December 1986, No. 917, any capital gains realised, by non-Italian residents without a permanent establishment in Italy to which the Class A Notes are effectively connected, through the sale for consideration or redemption of Class A Notes are exempt from taxation in Italy to the extent that the Class A Notes are listed on a regulated market in Italy or abroad and in certain cases subject to filing of required documentation, even if the Class A Notes are held in Italy. The exemption applies provided that the non Italian investor promptly file with the authorized financial intermediary an appropriate affidavit (*autodichiarazione*) stating that the investor is not resident in Italy for tax purposes.

In case the Class A Notes are not listed on a regulated market in Italy or abroad:

- (1) non Italian resident beneficial owners of the Class A Notes with no permanent establishment in Italy to which the Class A Notes are effectively connected are exempt from *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Class A Notes if they are resident, for tax purposes, in a country which allows an adequate exchange of information with Italy, which are those countries listed in a ministerial decree to be issued under article 168-bis of Presidential Decree No. 917 of December 22, 1986 and, until the year of enactment of the new decree, in the ministerial decree of 4 September 1996, as amended from time to time, or, in the case of qualifying institutional investors not subject to tax, they are established in such a country (see Article 5, paragraph letter a)

of Italian Legislative Decree No. 461 of 21 November 1997); in this case, if non Italian residents without a permanent establishment in Italy to which the Class A Notes are effectively connected have opted for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirements indicated above; and

- (2) in any event, non Italian resident persons or entities without a permanent establishment in Italy to which the Class A Notes are effectively connected that may benefit from a double taxation treaty with the Republic of Italy, providing that capital gains realised upon the sale or redemption of the Class A Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of Class A Notes; in this case, if non Italian residents without a permanent establishment in Italy to which the Class A Notes are effectively connected have opted for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon the condition that they file in time with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement issued by the competent tax authorities of the country of residence of the non Italian residents.

### **3. ANTI - ABUSE PROVISIONS AND GENERAL ABUSE OF LAW DOCTRINE**

As recently confirmed by the Italian Supreme Court (Corte di Cassazione), amongst all, in sentence no. 30055 of 23 December 2008, the Italian general anti-abuse provision of Article 37bis of Presidential Decree No. 600 of 29 September 1973, the European Court of Justice doctrine of the "abuse of law" (also referred to as "abuse of rights") and previous Supreme Court case law on the voidance of contracts simulated or entered into for a cause contrary to the law, can be used, jointly or alternatively, by the Italian Tax Authority to deny the Italian tax benefits or preferential regime possibly associated with the adoption of a given contractual or transactional structure, subject to the demonstration that such contract or transaction has been implemented essentially for the purpose of obtaining the associated Italian tax benefit or preferential regime. Consequently, it is not possible to exclude, if the parties involved are not able to demonstrate that this securitisation transaction has been implemented not essentially for the purpose of obtaining a tax saving or reduction and that there are alternative or concurring financial motivation that are not of a merely marginal or theoretical character, that the tax regime of the securitisation as herein outlined is disallowed by the Italian Tax Authority, thereby possibly causing, amongst other, the recharacterisation of the Notes as shares-like securities or in any case securities not having the legal nature of a bond.

### **4. INHERITANCE AND GIFT TAXES**

Italian inheritance and gift taxes were first abolished by Law No. 383 of 18 October, 2001 in respect of gifts made or succession proceedings started after 25 October, 2001 and then reintroduced by Law Decree No. 262 of 3 October 2006, converted with amendments into Law no. 286 of 24 November 2006, entered into force on 29 November 2006 and further modified by Law No. 296 of 27 December 2006, effective as of 1 January 2007.

Further to the above amendments to the legislation in force, the transfer by inheritance of the Notes is currently subject to inheritance tax at the following rates:

- (i) when the beneficiary is the spouse or a relative in direct lineage, the value of the Notes transferred to each beneficiary exceeding Euro 1,000,000 is subject to a 4 per cent. rate;

- (ii) when the beneficiary is a brother or sister, the value of the Notes exceeding Euro 100,000 for each beneficiary is subject to a 6 per cent. rate;
- (iii) when the beneficiary is a relative within the fourth degree or is a relative-in-law in direct and collateral lineage within the third degree, the value of the Notes transferred to each beneficiary is subject to a 6 per cent. rate;
- (iv) in any other case, the value of the Notes transferred to each beneficiary is subject to an 8 per cent. rate.

The transfer of the Notes by donation is subject to gift tax at the same rates as in case of inheritance.

## **5. EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME**

On June 3, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income under which Member States are required starting from July 1, 2005, to provide to the tax authorities of another Member State the details of payments of interest (or similar income) paid by a person within its jurisdiction, qualifying as paying agent under the Directive, to an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg, Austria and five European Third Countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino) and certain Member States' relevant dependent or associated territories (the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean) will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain Third Countries). Belgium, Luxembourg or Austria may however elect to introduce automatic exchange of information during the transitional period, in which case they will no longer apply the withholding tax. Based on the available information, Belgium has replaced this withholding tax with a regime of exchange of information to the Member State of residence as from 1 January 2010.

The Council Directive was implemented in Italy by Legislative Decree No. 84 of 18 April 2005. Pursuant to said decree Italian paying agents (e.g., banks, SIMs, SGRs., financial companies and fiduciary companies resident in Italy for tax purposes, permanent establishments in Italy of non-resident persons as well as any other person resident in Italy for tax purposes paying interest for professional or commercial reasons) are required to report to the Italian tax authorities details of interest payments made from 1 July 2005 to individuals which qualify as beneficial owners thereof and are resident for tax purposes in another EU Member State. Such information must be transmitted by the Italian tax authorities to the competent authorities of the State of residence of the beneficial owner of the interest payment by 30th June of the fiscal year following the fiscal year in which said interest payment is made.

Prospective investors resident in a Member State of the European Union should consult their own legal or tax advisers regarding the consequences of the Directive in their particular circumstances.

## **6. TAX MONITORING**

Pursuant to Law Decree No. 167 of 28 June, 1990, converted by Law No. 227 of 4 August, 1990, as amended, individuals resident in Italy who, at the end of the fiscal year, hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return

(or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). Such obligation is not provided if, *inter alia*, each of the overall value of the foreign investments or financial activities held at the end of the fiscal year, and the overall value of the related transfers carried out during the relevant fiscal year, does not exceed Euro 10,000.

## SUBSCRIPTION AND SALE

Pursuant to the Notes Subscription Agreement to be entered into on or about the Issue Date among the Originators, the Issuer, the Arranger and the Representative of the Noteholders, the Originators agree to subscribe and pay the Issuer for the Notes at the issue price of one hundred per cent. (100%) of their respective principal amount and shall appoint the Representative of the Noteholders to act as the representative of the Noteholders.

The Notes Subscription Agreement will be subject to a number of conditions and may be terminated in certain circumstances prior to the payment of the Issue Price to the Issuer.

### UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of this offering, an offer or sale of the Notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act.

### REPUBLIC OF ITALY

Each of the Issuer and the Originators, under the Notes Subscription Agreement, has acknowledged that no action has or will be taken by it, its affiliates or any other person acting on its behalf which would allow an offering (or an "*offerta al pubblico di prodotti finanziari*") of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations. Individual sales of the Notes to any Persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations.

Each of the Issuer and the Originators, under the Notes Subscription Agreements, has acknowledged that no application has been made by it to obtain an authorisation from CONSOB for the public offering of the Notes in the Republic of Italy.

Accordingly, each of the Issuer and the Originators, has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, and has not distributed and will not distribute and has not made and will not make available in the Republic of Italy the Notes, this Prospectus nor any other offering material relating to Notes other than to professional investors ("*investitori qualificati*"), as defined on the basis of the Directive 2003/71/EC (Directive of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading), pursuant to article 100, paragraph 1, letter (a), of Italian legislative decree No. 58 of 24 February 1998 (the "**Consolidated Financial Act**") or in other circumstances where an express exemption from compliance with the restrictions to the offerings to the public applies, as provided under the Consolidated Financial Act or CONSOB regulation No. 11971/1999, and in accordance with applicable Italian laws and regulations. In any case the Class B Notes may not be offered to individuals or entities not being professional investors in accordance with the Securitisation Law.

Any offer of the Notes of the relevant Class or Classes in the Republic of Italy shall be made only by banks, investment firms or financial companies permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended, Decree No. 58,



CONSOB Regulation No. 16190 of 31 October 2007 and any other applicable laws and regulations and in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

In connection with the subsequent distribution of the Notes in the Republic of Italy, article 100-*bis* of the Consolidated Financial Act also requires compliance, on the secondary market, with the public offering rules and disclosure requirements set forth under the Consolidated Financial Act and relevant CONSOB implementing regulations, unless the above subsequent distribution is exempted from those rules and requirements according to the Consolidated Financial Act and relevant CONSOB implementing regulations.

## FRANCE

This Prospectus has not been prepared in the context of a public offering in France within the meaning of article L.411-1 of the *Code monétaire et financier* and Title I of Book II of the *Règlement Général of the Autorité des marchés financiers* (the "AMF") and therefore has not been approved by, or registered or filed with the AMF. Consequently, neither this Prospectus nor any other offering material relating to the Notes has been and will be released, issued or distributed or caused to be released, issued or distributed to the public in France or used in connection with any offer for subscription or sale of notes to the public in France.

It has also been represented and agreed in connection with the initial distribution of the Notes that:

- (a) there has been and there will be no offer or sale, directly or indirectly, of the Notes to the public in the Republic of France (an *appel public à l'épargne* as defined in article L. 411-1 of the French *Code monétaire et financier*);
- (b) offers and sales of Notes in the Republic of France will be made in compliance with applicable laws and regulations and only to (i) qualified investors (*investisseurs qualifiés*) as defined in articles L. 411-2 and D. 411-1 to D. 411-3 of the French *Code monétaire et financier*; or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) as defined in article L. 411-2 acting for their own account; or (iii) providers of investment services relating to portfolio management for the account of third parties as mentioned in article L. 411-2 of the *Code monétaire et financier* (together the "**Investors**").

Offers and sales of the Notes in the Republic of France will be made on the condition that (i) this Prospectus shall not be circulated or reproduced (in whole or in part) by the Investors and (ii) the Investors undertake not to transfer the Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular articles L.411-1, L.411-2, L.412-1 and L.621-8 of the *Code monétaire et financier*).

## UNITED KINGDOM

It has been represented and agreed under the Notes Subscription Agreement, that:

- (i) financial promotion: any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of such Notes has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) general compliance: there has been and there will be compliance with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

## CAPITAL REQUIREMENTS DIRECTIVE

In the Notes Subscription Agreement, each Originator has undertaken to the Issuer for the benefit of each subsequent financial institution investing in one or more Notes, that it will (i) retain, on an ongoing basis, a material net economic interest of not less than 5% in the Transaction (calculated for each Originator with respect to the Claims comprised in the relevant Portfolios which have been transferred to the Issuer) referred to in Article 122a(1)(d) of Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EC as the same may be amended from time to time (which does not take into account any implementing rules of such Directives) (hereinafter the "**Capital Requirements Directive**" or the "**CRD**"), and (ii)(a) comply with the requirements from time to time applicable to originators set forth in Article 122a of the Capital Requirements Directive and (b) provide (or cause to be provided) all information to Noteholders that is required to enable Noteholders to comply with Article 122a of the Capital Requirements Directive.

As at the Issue Date, such retention requirement will be satisfied by the Originators holding the first loss tranche as required by Article 122a (comprising the Class B Notes). Any change to the manner in which such interest is held will be notified to the Noteholders in accordance with the Conditions.

## GENERAL RESTRICTIONS

The Issuer and the Noteholders shall comply with all applicable laws and regulations in each jurisdiction in or which it may offer or sell Notes. Furthermore, there will not be, directly or indirectly, offer, sell or deliver of any Notes or distribution or publication of any prospectus, form of application, prospectus (including this Prospectus), advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise herein provided, no action will be taken to obtain permission for public offering of the Notes in any country where action would be required for such purpose.

## EEA STANDARD SELLING RESTRICTION

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), there has not been and there will not be an offer of the Notes to the public in that Relevant Member State other than on the basis of an approved prospectus in conformity with the Prospectus Directive or:

1. to any legal entity which is a qualified investor as defined in the Prospectus Directive;
2. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
3. in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of the Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

Any purchase, sale, offer and delivery of all or part of the Notes shall be made in compliance with article 122a of the Capital Requirements Directive.

## GENERAL INFORMATION

- (1) The Issuer is not involved in any legal, governmental or arbitration proceedings which may have, or have had, since the date of its incorporation, a significant effect on its financial position nor is the Issuer aware that any such proceedings being pending or threatened.
- (2) Since the date of its incorporation, the Issuer has not entered into any agreement or effected any transaction other than those related to the purchase of the Portfolios. The execution by the Issuer of the Transaction Documents and the issue of the Notes were authorised by a resolution of the quotaholder's meeting which took place on 20 June 2011.
- (3) Save as disclosed in this Prospectus, after the issue of the Notes the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.
- (4) The Issuer's audited financial statements for financial years 2009 and 2010 will be available in English for collection at the registered office of the Irish Listing Agent. The Issuer prepares annual audited financial statements for financial years ending on 31 December of each year. No interim or consolidated financial statements will be produced by the Issuer. So long as any of the Class A Notes remain listed on the Irish Stock Exchange, copies of the Issuer's annual audited non-consolidated financial statements shall be made available in electronic form free of charge at the registered office of the Irish Listing Agent.
- (5) The proceeds arising from the issue of the Class A Notes amount to Euro 554,400,000. The Issuer estimates that its aggregate ongoing expenses in connection with the Transaction (excluding any fees and expenses in relation to the Servicer) will be equal approximately to Euro 253,672 (exclusive of any value added tax) per annum.
- (6) The expenses for admission to trading of the Class A Notes is equal to Euro 5,190.
- (7) The Notes have been accepted for clearance through Monte Titoli, Clearstream and Euroclear.
- (8) The Notes have been attributed the following ISIN numbers and the following Common Codes:

	ISIN No.	Common Codes
Class A	IT0004744741	064659600
Class B1	IT0004744865	
Class B2	IT0004744881	
Class B3	IT0004744915	
Class B4	IT0004745011	
Class B5	IT0004745037	
Class B6	IT0004745417	
Class B7	IT0004745433	
Class B8	IT0004745409	
Class B9	IT0004745292	
Class B10	IT0004745243	

Class B11	IT0004745201
Class B12	IT0004745185
Class B13	IT0004745136
Class B14	IT0004745110
Class B15	IT0004745078
Class B16	IT0004745060
Class B17	IT0004745052
Class B18	IT0004745045

(9) Copies of the following documents in electronic form may be inspected (and, in the case of the documents listed in (a) below, may be obtained) during usual business hours at the registered offices of the Representative of the Noteholders and at the following web site <https://tss.sfs.db.com/investpublic/> or at the Specified Office of the Irish Listing Agent at any time after the Issue Date and so long as any of the Class A Notes remain listed on the Irish Stock Exchange:

- (a) the *Statuto* and *Atto Costitutivo* of the Issuer;
- (b) the Transfer Agreements;
- (c) the Warranty and Indemnity Agreement;
- (d) the Cash Administration and Agency Agreement;
- (e) the Liquidity Agreement;
- (f) the Notes Subscription Agreement;
- (g) the Swap Agreement;
- (h) the Servicing Agreement;
- (i) the Back-Up Servicing Agreement;
- (j) the Intercreditor Agreement;
- (k) the Deed of Pledge;
- (l) the Deed of Charge;
- (m) the Corporate Services Agreement;
- (n) the Stichting Corporate Services Agreement;
- (o) the Quotaholders' Agreement;
- (p) the Limited Recourse Loan Agreement;
- (q) balance sheet and all financial information, income statement, the accounting policies and explanatory notes and audit report of the Issuer.

- (10) This Prospectus will be available in electronic form to the public during usual business hours at the registered offices of the Irish Listing Agent and the Representative of the Noteholders at any time after the Issue Date so long as any of the Class A Notes remain listed on the Irish Stock Exchange, and will be published on the Central Bank's website.
- (11) **Post issuance reporting.** Under the terms of the Cash Administration and Agency Agreement, the Computation Agent shall submit to the Representative of the Noteholders, the Paying Agents, the Servicers, the Irish Listing Agent and the Rating Agencies not later than 15 Business Days after each Payment Date, an investors' report providing information on the performance of the Portfolios. This report will describe the trend of the Portfolios in terms of default, delinquency and prepayments. Each released investors' report shall be available for collection at the registered office of the Representative of the Noteholders and at the registered offices of the Paying Agents. The first investors' report shall be available within 15 Business Days after the First Payment Date. In addition, each Investors Report will be made available to the Noteholders and certain other persons on a quarterly basis via the Computation Agent's internet website currently located at <https://tss.sfs.db.com/investpublic>. It is not intended that Investor Reports will be made available in any other format, save in certain limited circumstances with the Computation Agent's agreement. The Computation Agent's website does not form part of the information provided for the purposes of the Offering Circular and disclaimers may be posted with respect to the information posted thereon.
- (12) Save as disclosed in this document (i) there has been no material adverse change in the financial position, trading and prospects of the Issuer since the date of its incorporation that is material in the context of the issue of the Notes; (ii) there has been no material adverse change in the financial position or prospects of the Issuer since the date of its last published audited financial statements
- (13) **Home Member State for the purpose of the Transparency Directive.** The Issuer has elected Ireland as Home Member State for the purpose of the Transparency Directive.

## GLOSSARY OF TERMS

The definitions of the terms used in this document are subject to, and in some cases are summaries of, the definitions of such terms set out in the Transaction Documents, as amended from time to time.

"**2010 PD Amending Directive**" means Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010.

"**Acceleration Order of Priority**" means the order in which the Issuer Available Funds shall be applied on each Payment Date following the service of a Trigger Notice in accordance with the Conditions and the Intercreditor Agreement.

"**Accounts**" means collectively the Payments Account, the Collections and Recoveries Account, the Transitory Collections and Recoveries Accounts, the Securities Accounts, the Principal Accumulation Account, the Investment Account, the Principal Amortisation Reserve Accounts, the Expenses Account, the Reserve Account, the Liquidity Reserve Accounts, the Quota Capital Account, the Collateral Accounts and the Single Portfolio Reserve Accounts.

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

"**Agents**" means the Principal Paying Agent, the Italian Paying Agent, the Irish Listing Agent, the Agent Bank, the Computation Agent, the Cash Manager, the Transaction Bank, the English Transaction Bank and the Operating Bank, collectively; and "**Agent**" means any of them.

"**Agent Bank**" means Deutsche Bank AG London, or any of its permitted successors or assignees from time to time.

"**Arranger**" means ICCREA Banca.

"**Article 122a**" means the article 122a of the Capital Requirements Directive.

"**Authorised Company**" means any company (i) whose management has at least 5 years prior experience in the activities which any of the Servicer intends to entrust to such company, (ii) employs a software which would empower it to fulfil the obligations deriving from its appointment without interruption (iii) has the ability to perform such activities with results equal to those required by the Servicer under the Servicing Agreement.

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

- (i) the Issuer Available Funds in respect of such Payment Date; and
- (ii) the aggregate of all payments under items *First* to *Ninth* of the Acceleration Order of Priority which are required to be made by the Issuer on such Payment Date.

"**Available Commitment Amount**" means the difference between (i) the Maximum Commitment Amount or the Subsequent Maximum Commitment Amount (as from time to time applicable) and (ii) any Advance drawn on the previous Payment Dates and not yet reimbursed to the Liquidity Provider.

"**Back-up Servicing Agreement**" means the back-up servicing agreement to be entered into on or prior to the Issue Date between the Issuer, the Back-Up Servicer and each Servicer.

"**Back-up Servicer**" means ICCREA Banca.

**"Bankruptcy Proceedings"** means any bankruptcy or similar proceeding applicable to any company or other organisation or enterprises and in particular as for Italian law, the following procedures: *fallimento, concordato preventivo, liquidazione coatta amministrativa, amministrazione straordinaria*, and the proceedings as set forth by article 182 *bis* and article 67, paragraph 3, of the Bankruptcy Law.

**"BCC Alba"** means BCC di Alba Langhe e Roero SC;

**"BCC del Centroveneto"** means Banca del Centroveneto S.C. - Longare;

**"BCC di Cantù"** means Cassa Rurale ed Artigiana di Cantù Banca di Credito Cooperativo - Società Cooperativa;

**"BCC di Gatteo"** means BCC di Gatteo Società Cooperativa;

**"BCC di Marcon-Venezia"** means BCC di Marcon-Venezia Società Cooperativa;

**"BCC di Montepulciano"** means BCC di Montepulciano Società Cooperativa;

**"BCC di Ostra e Morro D'alba"** means Banca di Credito Cooperativo di Ostra e Morro d'alba - Società Cooperativa;

**"BCC di Piove di Sacco"** means BCC di Piove di Sacco Società Cooperativa;

**"BCC di Pontassieve"** means BCC di Pontassieve Società Cooperativa;

**"BCC di Roana"** means Cassa Rurale ed Artigiana di Roana Credito Cooperativo Società Cooperativa;

**"Banca di Romano e S.Caterina"** means Banca di Romano e S.Caterina - Credito Cooperativo (VI) - Società Cooperativa;

**"BCC di Sesto San Giovanni"** means BCC di Sesto San Giovanni Società Cooperativa;

**"BCC Emil Banca"** means Emil Banca – Credito Cooperativo SC;

**"BCC Mediocрати"** means Credito Cooperativo Mediocрати scarl;

**"Banca Romagna Cooperativa"** means Banca Romagna Cooperativa Credito Cooperativo Romagna Centro e Macerone;

**"BCC Sala di Cesenatico"** means BCC Sala di Cesenatico Società Cooperativa;

**"BCC San Giorgio e Valle Agno"** means Banca San Giorgio e Valle Agno Credito Cooperativo di Fara Vic. Società Coop.;

**"BCC Santo Stefano Martellago"** means Banca Santo Stefano – Credito Cooperativo - Martellago - Venezia – Società Cooperativa;

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

**"Business Day"** means any day (excluding Saturday and Sunday) on which banks are open for business in Dublin, London, Milan and Rome on which the Trans-European Automated Real Time Gross Transfer System (TARGET 2) (or any successor thereto) is open.

**"Calculation Date"** means the date falling 10 (ten) calendar days before each Payment Date.

**"Capital Requirements Directive"** or **"CRD"** means the Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EC as the same may be amended from time to time.

**"Cash Administration and Agency Agreement"** means the cash administration and agency agreement to be entered into on or prior to the Issue Date between the Issuer, the Servicers, the Limited Recourse Loan Providers, the Transaction Bank, the Operating Bank, the English Transaction Bank, the Cash Manager, the Computation Agent, the Paying Agents, the Representative of the Noteholders and the Agent Bank.

**"Cash Collateral Accounts"** means the three cash collateral accounts (for deposits denominated in Euro, U.S. dollars and British pounds, respectively) with IBANs GB35DEUT40508126554301, GB78DEUT40508126554303 and GB08DEUT40508126554302, respectively opened in the name of the Issuer with the English Transaction Bank, in its account bank and custodian capacities (as applicable), in accordance with the provisions of the Cash Administration and Agency Agreement into which the Issuer shall pay (i) any collateral consisting of cash received from the Swap Counterparty pursuant to the Swap Agreement, (ii) any interest or distributions on, and any liquidation or other proceeds of, the cash credited in the Cash Collateral Accounts or the securities deposited in the Securities Collateral Account in each case consisting of cash, (iii) any Replacement Swap Premium consisting of cash received by the Issuer from a replacement swap counterparty and (iv) any termination payment consisting of cash received by the Issuer from the outgoing Swap Counterparty, or such other substitute account as may, in accordance with the terms of the Cash Administration and Agency Agreement, be a Cash Collateral Account.

**"Cash Manager"** means Deutsche Bank, London, or any of its permitted successors or assignees from time to time.

**"Central Bank"** means the Central Bank of Ireland.

**"Claims"** means the monetary claims arising now or at any time in the future under or in respect of the Portfolios.

**"Class A Disequilibrium Event"** has the meaning ascribed to it in Condition 4.2.

**"Class A Notes"** means the Euro 554,400,000.00 Class A Asset Backed Floating Rate Notes due November 2050 issued by the Issuer.

**"Class A Noteholders"** means the holder(s) of the Class A Notes.

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

**"Class B Noteholders"** means the holder(s) of the Class B Notes.

**"Class B Notes"** means collectively the Euro 4,679,097 Class B1 Asset Backed Floating Rate Notes due November 2050 (the **"Class B1 Notes"**), Euro 4,571,478 Class B2 Asset Backed Floating Rate Notes due November 2050 (the **"Class B2 Notes"**), Euro 2,626,294 Class B3 Asset Backed Floating Rate Notes due November 2050 (the **"Class B3 Notes"**), Euro 1,285,743 Class B4 Asset Backed Floating Rate Notes due November 2050 (the **"Class B4 Notes"**), Euro 5,401,583 Class B5 Asset Backed Floating Rate Notes due November 2050 (the **"Class B5 Notes"**), Euro 2,275,743 Class B6 Asset Backed Floating Rate Notes due November 2050 (the **"Class B6 Notes"**), Euro 3,769,516 Class B7 Asset Backed Floating Rate Notes due November 2050 (the **"Class B7 Notes"**), Euro 1,303,350 Class B8 Asset Backed Floating Rate Notes due November 2050 (the **"Class B8 Notes"**), Euro 19,277,566 Class B9 Asset Backed Floating Rate Notes due November 2050 (the **"Class B9 Notes"**), Euro 2,949,960 Class B10 Asset Backed Floating Rate Notes due November 2050 (the **"Class B10 Notes"**), Euro 7,201,504 Class B11 Notes Asset Backed Floating Rate Notes due November 2050 (the



"**Class B11 Notes**"), Euro 1,503,262 Class B12 Asset Backed Floating Rate Notes due November 2050 (the "**Class B12 Notes**"), Euro 11,206,305 Class B13 Asset Backed Floating Rate Notes due November 2050 (the "**Class B13 Notes**"), Euro 2,452,204 Class B14 Asset Backed Floating Rate Notes due November 2050 (the "**Class B14 Notes**"), Euro 2,652,916 Class B15 Asset Backed Floating Rate Notes due November 2050 (the "**Class B15 Notes**"), Euro 4,068,799 Class B16 Asset Backed Floating Rate Notes due November 2050 (the "**Class B16 Notes**"), Euro 2,544,507 Class B17 Asset Backed Floating Rate Notes due November 2050 (the "**Class B17 Notes**") and Euro 3,048,793 Class B18 Asset Backed Floating Rate Notes due November 2050 (the "**Class B18 Notes**").

"**Class B Notes Aggregate Amount**" means the aggregate amount of the Class B Notes equal to Euro 82,818,620.

"**Clean Up Option Date**" means any Payment Date falling after the Payment Date falling on November 2012, if on the preceding Calculation Date the principal outstanding amount of the Portfolios is equal to or less than 20% of the lesser of (i) the principal outstanding amount of the Portfolios as of the Effective Date; and (ii) the Purchase Price.

"**Clearstream**" means Clearstream Banking, Société Anonyme.

"**Collateral Account Priority of Payments**" means the order of priority contained in clause 9 of the Intercreditor Agreement.

"**Collateral Accounts**" means the Cash Collateral Accounts and the Securities Collateral Account.

"**Collateral Amount**" means any amounts or securities standing to the credit of the Collateral Accounts.

"**Collection Date**" means 31 March, 30 June, 30 September and 31 December in each year.

"**Collection Period**" means each period starting on a Collection Date (exclusive) and ending on the following Collection Date (inclusive), save for the First Collection Period.

"**Collection Policy**" means, with respect to each Servicer, the collection policy applied by such Servicer in relation to its respective Portfolio.

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

"**Collections and Recoveries Account**" means the account to be opened by the Issuer with the Transaction Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Computation Agent**" means Deutsche Bank, Milan, or any of its permitted successors or assignees from time to time.

"**Conditions**" means the terms and conditions of the Notes and references to any specific "Condition" of the Notes are references to such Condition in the specified terms and conditions if specified, or otherwise in each such terms and conditions.

"**Consolidated Banking Act**" means Legislative Decree No. 385 of 1 September 1999 as subsequently amended.

"**Corporate Services Provider**" means FIS Full Integrated Solutions S.p.A. or any of its permitted successors or assignees from time to time.

"**Corporate Services Agreement**" means the corporate services agreement to be entered into on or prior to the Issue Date between the Issuer and the Corporate Services Provider.

"**Criteria**" means collectively the General Criteria and the Specific Criteria.

"**Cross Collateral Event**" has the meaning ascribed to it in Condition 10 of the Notes.

"**Cross Collateral Notice**" has the meaning ascribed to it in Condition 10 of the Notes.

"**Cross Collateral Order of Priority**" means the order in which the Issuer Available Funds shall be applied on each Payment Date following the service of a Cross Collateral Notice (and, for the avoidance of doubt prior to the service of a Trigger Notice) in accordance with the Conditions and the Intercreditor Agreement.

"**DBRS**" means DBRS Ratings Limited.

"**DBRS' Rating**" means (a) the public rating assigned by DBRS or, if there is no public DBRS rating, then (b) the rating as determined by DBRS through its internal assessment.

"**Deed of Charge**" means the deed to be entered into between the Issuer, the Representative of the Noteholders, acting as security trustee, and the Other Issuer Creditors on or about the Issue Date.

"**Deed of Pledge**" means the deed to be entered into between the Issuer, the Noteholders acting through the Representative of the Noteholders and the Other Issuer Creditors on or about the Issue Date.

"**Defaulted Claim**" means a Claim which is classified as "*in sofferenza*" by the relevant Servicer pursuant to its respective Collection Policy and in compliance with the applicable rules "*Istruzioni di Vigilanza*" of the Bank of Italy or a Claim which has at least, as the case may be: (i) 12 (twelve) Unpaid Instalments in relation to Claims with monthly instalments; (ii) 6 (six) Unpaid Instalments in relation to Claims with Instalments which are paid every two months; (iii) 5 (five) Unpaid Instalments in relation to Claims with quarterly Instalments; (iv) 4 (four) Unpaid Instalments in relation to Claims with Instalments which are paid every four months; (v) 3 (three) Unpaid Instalments in case of Claims with semi-annual Instalments; and (vi) 1 (one) Unpaid Instalment in case of Claims with annual Instalment, remained unpaid for at least 6 months following the due date of payment.

"**Default Ratio**" means with respect to any Payment Date, the ratio calculated as at the immediately preceding Collection Date between (i) the cumulative Outstanding Balance of all Claims which have become Defaulted Claims since the Valuation Date, and (ii) the Outstanding Principal of the Claims as at the Valuation Date.

"**Delinquent Claims**" (*Crediti Incagliati*) means the Claims which are classified as "*partita incagliata*" by each Servicer pursuant to its Collection Policy and in compliance with the applicable rules "*Istruzioni di Vigilanza*" of the Bank of Italy.

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

"**Effective Date**" means 23.59 p. m. of 9 June 2011.

"**Eligible Institution**" means any depository institution organised under the laws of any State which is a member of the European Union or of the United States,

- (i) whose short-term unsecured, unsubordinated and unguaranteed debt obligations have a Moody's rating equal at least to P-1 and a DBRS Rating equal to at least R-1 (low), and

- (ii) whose long-term, unsecured and unsubordinated debt obligations have a Moody's rating equal at least to A1 and a DBRS Rating equal to at least BBB (high),

provided that,

- (A) with respect to Deutsche Bank S.p.A., acting as Transaction Bank, Computation Agent and Italian Paying Agent under the terms of the Cash Administration and Agency Agreement, it shall be deemed to be an Eligible Institution if:
- (a) the short-term unsecured, unsubordinated and unguaranteed debt obligations of its controlling parent company (being Deutsche Bank AG) are rated P-1 by Moody's and the long-term, unsecured and unsubordinated debt obligations of its controlling parent company are rated at least Aa3 by Moody's;
  - (b) the shareholding held by its controlling parent company does not fall below 90 per cent.; and
  - (c) the words "Deutsche Bank" are contained in its legal name unless the Rating Agency confirms that the deletion of such words does not affect the status of Eligible Institution and, in any case, only until such date when the Rating Agency notifies the Issuer that Deutsche Bank S.p.A. no longer qualifies as an Eligible Institution; and that
- (B) should the relevant institution's unsecured, unsubordinated and unguaranteed debt obligations not have a DBRS Rating, only the Moody's rating will be referenced.

**"Eligible Investments"** means:

- (i) any Euro denominated senior (unsubordinated) debt security, bank account, deposit (including, for the avoidance of doubt, time deposits) or other debt instrument or repurchase transactions on such debt instruments issued by, or fully and unconditionally guaranteed on an unsubordinated basis (or, in the case of any repurchase transaction, whose underlying assets have been issued by, or fully and unconditionally guaranteed on an unsubordinated basis) by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:
- (A) a DBRS Rating equal to R-1(low) and BBB(high), if any, or otherwise which has the following ratings from at least 2 of the following rating agencies:
- at least F1 and A by Fitch;
  - at least A-1 and A+ by S&P;
  - at least P-1 and A1 by Moody's; and
- (B) with respect to Moody's rating,
- (x) either "A2" by Moody's in respect of long-term debt or "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity of less than one month, or
  - (y) "A1" by Moody's in respect of long-term debt and "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity between one and three months, or such other rating as acceptable to Moody's from time to time;

and, in the case of clauses (A) and (B) above, which are immediately repayable on demand, disposable without penalty and have, prior to the redemption in full of the Notes, at any time a fixed principal amount at maturity at least equal to the principal amount invested and a maturity not later than the second Business Day preceding the Payment Date immediately succeeding the Collection Period in respect of which such Eligible Investments were made, and

- (ii) Euro denominated money market funds which have at least the following ratings
- (a) a Moody's rating equal to Aaa-mf; and with
- (b) a DBRS Rating equal to R-1 (mid) and AA (low), if any, otherwise which have the following ratings from at least 2 of the following rating agencies:
- at least AAAmf by Fitch;
  - at least AAAm-G by S&P;
  - at least Aaa-mf by Moody's,

and, in the case of clauses (a) and (b) above, which permit daily liquidation of investments, provided that in case of disposal of the eligible investment before maturity, the principal amount upon disposal is at least equal to the principal amount invested;

provided that, in no case such investment under (i) and (ii) above shall be made, in whole or in part, actually or potentially, in (A) tranches of other asset-backed securities; or (B) credit-linked notes, swaps or other derivatives instruments, or synthetic securities.

**"English Transaction Bank"** means Deutsche Bank, London, or any of its permitted successors or assignees from time to time.

**"Euro"** and **"€"** means the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957 as amended by, *inter alia*, the Single European Act 1986, the Treaty of European Union of 7 February 1992 establishing the European Union and the Treaty of Amsterdam of 2 October 1997.

**"Euroclear"** means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

**"Euro-zone"** means the region comprised of member states of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as subsequently amended.

**"Expenses Account"** means the account opened by the Issuer with the Operating Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

**"Families Plan"** means the plan approved on 21 October 2009 by the executive committee of the *ABI*, as subsequently extended, which provides, *inter alia*, in the context of the convention signed on 18 December 2009 by the *ABI* and the consumers' association, the temporary suspension for 12 (twelve) months of payments of loan instalments due by individuals to the banking system in order to help those families stricken by the financial crisis.

**"Final Maturity Date"** means the Payment Date falling on November 2050.

**"First Collection Date"** means 31 December 2011.

**"First Collection Period"** means the period starting on the Effective Date (inclusive) and ending on the First Collection Date (exclusive).

**"First Payment Date"** means the Payment Date falling on 15 February 2012.

**"First Securitisation"** means the securitisation transaction in the context of which the Issuer (formerly Credico Funding 2 S.r.l.) has issued on 26 July 2004 Euro 1,008,800,000 Senior Asset-Backed Floating Rate Notes due 2012, Euro 24,400,000 Class B Asset-Backed Floating Rate Notes due 2012, Euro 47,500,000 Class C Asset-Backed Floating Rate Notes due 2012, Euro 44,000,000 Class D Asset-Backed Floating Rate Notes due 2012 and Euro 34,800,000 Class E Asset-Backed Floating Rate Notes due 2012 (collectively, the **"First Notes"**) – fully redeemed on 1 June 2010 – in order to finance the purchase from ICCREA Banca of a portfolio of monetary claims pursuant to a transfer agreement entered into on 5 July 2004, as subsequently amended on 26 July 2004.

**"General Criteria"** means the general criteria used as a basis for the selection of the Claims.

**"ICCREA Banca"** means ICCREA Banca S.p.A.

**"Information Technology Services Provider"** means with respect to BCC San Giorgio Valle Agno: Phoenix Informatica Bancaria S.p.A., with office at Via Segantini, 16/18, with respect to Banca Romagna Cooperativa: Cedecra Informatica Bancaria, with office at Via Trattati Comunitari Europei 1957-2007 n.15 40127 Bologna (Bo), with respect to Bcc di Romano e Santa Caterina: PHOENIX INFORMATICA BANCARIA S.P.A., with office at - 38122 Trento - Via Segantini, 16/18, with respect to BCC di Montepulciano: ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to BCC Emilbanca: CEDECRA INFORMATICA BANCARIA srl, with office at Via Trattati Comunit.Europei 1957/2007, n. 15 - 40127 – Bologna, with respect to Bcc di Ostra e Morro d’Alba: FEDERAZIONE MARCHIGIANA BCC, with office at 60127 Ancona - via Dell'Agricoltura n. 1, with respect to Banca Santo Stefano: PHOENIX INFORMATICA BANCARIA SPA, with office at Via Segantini 16-18, 38100 Trento, with respect to BCC Mediocra: ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to BCC di Alba, S.B.A: (Servizi Bancari Associati) Spa, with office at Via Genova 11/A Loc. Tetto Garetto 12100 Cuneo, with respect to BCC Sala di Cesenatico: (Servizi Bancari Associati) Spa, with office at Via Genova 11/A Loc. Tetto Garetto 12100 CUNEO, with respect to BCC del Centroveneto: CEDACRI S.P.A., with office at VIA DEL CONVENTINO, 1 - 43044 Collecchio (PR), with respect to BCC di Roana: PHOENIX Informatica Bancaria S.p.A., with office at Via Segantini 16-18, 38100 Trento - P.I. 01761610227 - tel. 0461.874111 - fax 0461.874125, with respect to BCC Cantù: ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to BCC di Marcon-Venezia: PHOENIX Informatica Bancaria S.p.A., with office at Via Segantini 16-18 - 38100 TRENTO - tel. 0461/874111 - Fax: 0461/874125, with respect to BCC di Gatteo: CEDECRA INFORMATICA BANCARIA S.R.L., with office at VIA DEI TRATTATI COMUNITARI EUROPEI 1957-2007 N. 15 - 40127 Bologna, with respect to BCC di Sesto san Giovanni: ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to BCC di Pontassieve, ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to BCC di Piove di Sacco: ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), and any other successor and assignee.

**"Initial Period"** means the period of eighteen months and one day from the Issue Date.

**"Instalment"** means, with respect to each Claim, each monetary amount due from time to time by the relevant Borrower under the Claims.

**"Intercreditor Agreement"** means the intercreditor agreement to be entered into on or prior to the Issue Date between the Issuer and the Other Issuer Creditors.

**"Interest Accruals"** means, with respect to each Portfolio, the interest accrued, not yet due and unpaid on the Claims as of the applicable Effective Date, which shall be payable on the First Payment Date and in the case of insufficient available funds on such date, on each following Payment Date, by the Issuer to each Originator under the relevant Transfer Agreement, equal to, with respect to Portfolio No. 1, Euro 45,906.01; with respect to Portfolio No. 2, Euro 58,223.63; with respect to Portfolio No. 3, Euro 21,814.43; with respect to Portfolio No. 4, Euro 29,202.77; with respect to Portfolio No. 5, Euro 58,774.52; with respect to Portfolio No. 6, Euro 21,298.35; with respect to Portfolio No. 7, Euro 38,209.23; with respect to Portfolio No. 8, Euro 17,920.26; with respect to Portfolio No. 9, Euro 193,358.42; with respect to Portfolio No. 10, Euro 47,270.06; with respect to Portfolio No. 11, Euro 70,360.99; with respect to Portfolio No. 12, Euro 15,654.99; with respect to Portfolio No. 13, Euro 65,564.96; with respect to Portfolio No. 14, Euro 15,599.96; with respect to Portfolio No. 15, Euro 35,680.63; with respect to Portfolio No. 16, Euro 37,080.36; with respect to Portfolio No. 17, Euro 25,541.76; and with respect to Portfolio No. 18, Euro 32,998.53.

**"Interest Amount"** has the meaning ascribed to it in Condition 5.3.1.

**"Interest Determination Date"** means, with respect to the Initial Interest Period, the date falling on the second Business Day immediately preceding the Issue Date and with respect to each subsequent Interest Period, the date falling on the second Business Day immediately preceding the Payment Date at the beginning of such Interest Period.

**"Interest Instalment"** means, in respect of each Claim, the interest component of each Instalment (excluding interest for late payments - *interessi di mora*).

**"Interest Payment Amount"** means the amount of interest from time to time payable on each Class of Notes.

**"Interest Period"** means each period from (and including) a Payment Date to (but excluding) the following Payment Date, provided that the first Interest Period (the **"Initial Interest Period"**) shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date.

**"Interest Rate"** has the meaning ascribed to it in Condition 5.

**"Investment Account"** means the account opened by the Issuer with the English Transaction Bank with IBAN GB62DEUT40508126554300 or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

**"Investors' Report Date"** means 15 (fifteen) Business Days after each Payment Date.

**"Issue Date"** means 5 July 2011.

**"Issue Price"** means the following percentages of the principal amount of the Class A Notes and the Class B Notes at which the Class A Notes and the Class B Notes will be issued: Class A 100% and Class B 100%.

**"Issuer"** means Credico Finance 9 S.r.l.

**"Issuer Available Funds"** means, in respect of each Payment Date, the aggregate (without duplication) of:

- (i) all the Collections received by the Issuer through the Servicers, during the immediately preceding Collection Period;

- (ii) all other amounts transferred during the immediately preceding Collection Period from the relevant Transitory Collections and Recoveries Account into the Collections and Recoveries Account;
- (iii) all the amounts credited to the Principal Accumulation Account on the immediately preceding Payment Date;
- (iv) all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for the Collateral Accounts, the Expenses Account and the Quota Capital Account) during the immediately preceding Collection Period and any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period;
- (v) all amounts paid into the Principal Amortisation Reserve Accounts in the immediately preceding Payment Date;
- (vi) all interest accrued and paid on the amount from time to time standing to the credit of the Expenses Account during the immediately preceding Collection Period and paid into the same;
- (vii) all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement (if and to the extent paid) other than any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments);
- (viii) all amounts received from the Originators, if any, pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreements, all amounts received by the Issuer as indemnities for the renegotiation of the Mortgage Loan Agreements and any payment made to the Issuer by any other party to the Transaction Documents, during the immediately preceding Collection Period;
- (ix) any other amounts paid into the Payments Account during the immediately preceding Collection Period;
- (x) all amounts paid into the Reserve Account in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds or Issuer Available Funds;
- (xi) all amounts paid into the Single Portfolio Reserve Accounts in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds or Issuer Available Funds;
- (xii) any Swap Collateral Account Surplus paid into the Payments Account in accordance with the Collateral Account Priority of Payments;
- (xiii) until full repayment of the Class A Notes:
  - (a) only in respect of payments ranking as *First, Second, Fourth, Fifth, Sixth, Seventh, Eighth* and *Ninth* of the Acceleration Order of Priority, and ranking as *First, Second, Fourth, Fifth, Sixth, Seventh, Eighth* and *Ninth* of the Cross Collateral Order of Priority, shall include (I) any Advances to be made to the Issuer with respect to such Payment Date in relation to any Negative Balance or, (II) up to an amount equal to the amount of any Advances to be made to the Issuer with respect to such Payment Date, the proceeds on the sale of the Securities to be used alternatively to the Advances in accordance with the terms of the Limited Recourse Loan Agreement; and

- (b) in respect of payments ranking as *Tenth* of the Acceleration Order of Priority and ranking as *Tenth* of the Cross Collateral Order of Priority, the difference (if positive) between the Advances available after making the payments under letter (a) above, and an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes as at the day following the immediately preceding Payment Date. Provided that the Advances could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date or on the Final Maturity Date.

**"Issuer's Rights"** means the Issuer's right, title and interest in and to the Portfolios and to all the amounts deriving therefrom.

**"Italian Paying Agent"** means Deutsche Bank, Milan, or any other person from time to time acting as Italian Paying Agent.

**"Late Payments 30 Claims"** means any Claim, other than a Defaulted Claim, in respect of which there are one or more Instalments due but unpaid for more than 30 (thirty) days.

**"Late Payments 60 Claims"** means any Claim, other than a Defaulted Claim, in respect of which there are one or more Instalments due but unpaid for more than 60 (sixty) days.

**"Late Payments 90 Claims"** means any Claim, other than a Defaulted Claim, in respect of which there are one or more Instalments due but unpaid for more than 90 (ninety) days.

**"Law 239 Deduction"** means any withholding or deduction for or on account of "*imposta sostitutiva*" under Legislative Decree No. 239 of 1 April 1996 as amended by Italian Law No. 409 and No. 410 of 23 November 2001 as subsequently amended and supplemented.

**"Limited Recourse Loan Providers"** means BCC San Giorgio e Valle Agno, Banca Romagna Cooperativa, BCC di Romano e Santa Caterina, BCC di Montepulciano, BCC Emil Banca, BCC di Ostra e Morro d'Alba, BCC Santo Stefano Martellago, BCC Mediocрати, BCC di Alba, BCC Sala di Cesenatico, BCC del Centroveneto, BCC di Roana, BCC di Cantù, BCC di Marcon-Venezia, BCC di Gatteo, BCC di Sesto San Giovanni, BCC di Pontassieve and BCC di Piove di Sacco.

**"Limited Recourse Loan"** means the limited recourse loan granted by each Limited Recourse Loan Provider further to Limited Recourse Loan Agreement.

**"Limited Recourse Loan Agreement"** means the limited recourse loan agreement to be entered into on or prior to the Issue Date between the Issuer, the Transaction Bank and each Originator.

**"Liquidity Agreement"** means the liquidity agreement to be entered into on or prior to the Issue Date between the Issuer and each Originator.

**"Liquidity Providers"** means BCC San Giorgio e Valle Agno, Banca Romagna Cooperativa, BCC di Romano e Santa Caterina, BCC di Montepulciano, BCC Emil Banca, BCC di Ostra e Morro d'Alba, BCC Santo Stefano Martellago, BCC Mediocрати, BCC di Alba, BCC Sala di Cesenatico, BCC del Centroveneto, BCC di Roana, BCC di Cantù, BCC di Marcon-Venezia, BCC di Gatteo, BCC di Sesto San Giovanni, BCC di Pontassieve and BCC di Piove di Sacco.

**"Liquidity Reserve Accounts"** means the 18 accounts that may be opened by the Issuer with the Transaction Bank or such other account or accounts of the Issuer with such other Eligible Institution as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

**"Maximum Commitment Amount"** means the aggregate maximum amount of the revolving liquidity facility which is made available to the Issuer by the Liquidity Providers under the Liquidity



Agreement which is equal to Euro 28,677,000.

"**Monte Titoli**" means Monte Titoli S.p.A.

"**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli.

"**Monthly Servicing Report**" means the monthly report, containing information as to the collections and recoveries to be made in respect of the Portfolio during the immediately preceding Collection Period, which the Servicers undertake to prepare and submit within each Monthly Servicing Report Date.

"**Monthly Servicing Report Date**" means the 10<sup>th</sup> calendar day of each month, or, if such day is not a Business Day, the next following Business Day.

"**Moody's**" means Moody's Investors Service.

"**Mortgage**" means the mortgage securities created on the Real Estate Assets pursuant to Italian law in order to secure the Mortgage Loans.

"**Mortgage Loan**" means each loan, secured by a Mortgage, granted to a Borrower and classified as performing and meeting the Criteria, the receivables in respect of which have been transferred by each of the Originators to the Issuer pursuant to the relevant Transfer Agreement, and "**Mortgage Loans**" means all of them.

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

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

"**Negative Balance**" means: (1) with respect to any Payment Date (i) following the delivery of a Trigger Notice, (ii) in case of Redemption for Taxation, or (iii) in case of Optional Redemption, the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date under items *First to Tenth* (but excluding item *Third*) of the Acceleration Order of Priority and (b) the Issuer Available Funds with respect to such Payment Date before any Advance to be granted to the Issuer by the Liquidity Providers under the Liquidity Agreement with respect to such Payment Date, and (2) with respect to any Payment Date (i) following the delivery of a Cross Collateral Notice, the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date under items *First to Tenth* (but excluding item *Third*) of the Cross Collateral Order of Priority and (b) the Issuer Available Funds with respect to such Payment Date before any Advance to be granted to the Issuer by the Liquidity Providers under the Liquidity Agreement with respect to such Payment Date.

"**Notes**" means collectively the Class A Notes and the Class B Notes.

"**Noteholders**" means the Class A Noteholders and the Class B Noteholders.

"**Notes Subscription Agreement**" means the subscription agreement entered into on or prior to the Issue Date between the Issuer, the Originators, the Representative of the Noteholders and the Arranger, pursuant to which the Originators shall subscribe for the Notes and pay to the Issuer the Issue Price for the Notes.

"**Official Gazette**" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"**Operating Bank**" means ICCREA Banca.

**"Order of Priority"** means the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority or the Acceleration Order of Priority, as applicable, according to which the Single Portfolio Available Funds or the Issuer Available Funds, respectively, shall be applied on each Payment Date in accordance with the Conditions and the Intercreditor Agreement.

**"Organisation of the Noteholders"** means the association of the Noteholders created on the Issue Date.

**"Originators"** means BCC San Giorgio e Valle Agno, Banca Romagna Cooperativa, BCC di Romano e Santa Caterina, BCC di Montepulciano, BCC Emil Banca, BCC di Ostra e Morro d'Alba, BCC Santo Stefano Martellago, BCC Mediocrati, BCC di Alba, BCC Sala di Cesenatico, BCC del Centroveneto, BCC di Roana, BCC di Cantù, BCC di Marcon-Venezia, BCC di Gatteo, BCC di Sesto San Giovanni, BCC di Pontassieve and BCC di Piove di Sacco.

**"Other Issuer Creditors"** means the Liquidity Providers, the Swap Counterparty, the Originators, the Servicers, the Representative of the Noteholders, the Agent Bank, the Operating Bank, the English Transaction Bank, the Transaction Bank, the Principal Paying Agent, the Italian Paying Agent, the Back-up Servicer, the Corporate Services Provider, the Stichting Corporate Services Provider, the Cash Manager, the Computation Agent, the Irish Listing Agent and the Limited Recourse Loan Providers.

**"Outstanding Balance"** means with respect to a Claim the aggregate of the (i) Outstanding Principal and (ii) all due and unpaid Principal Instalments.

**"Outstanding Interest"** means, on any date the aggregate of all Interest Instalments owing by the relevant Borrower and scheduled to be paid after such date.

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

**"Outstanding Principal"** means, with respect to any Claim on any date, the aggregate of all Principal Instalments owing by the relevant Borrower and scheduled to be paid on and/or after such date.

**"Paying Agents"** means, collectively, the Principal Paying Agent and the Italian Paying Agent.

**"Payment Date"** means the 15<sup>th</sup> day of February, May, August and November in each year or, if any of such a date does not fall on a Business Day, the following Business Day, until the Final Maturity Date.

**"Payments Account"** means the account to be opened by the Issuer with the Transaction Bank or such other account or accounts of the Issuer with such other Eligible Institution as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

**"Payments Report"** means the report to be prepared by the Computation Agent pursuant to clause 6.3.1 of the Cash Administration and Agency Agreement.

**"Person(s)"** means any natural person, partnership, corporation, company, limited liability company, trust, estate, joint stock partnership or company, joint venture, governmental entity, unincorporated organisation or other entity or organisation.

**"Portfolio No. 1"** means the portfolio of Claims which are sold to the Issuer by BCC San Giorgio e Valle Agno, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 2"** means the portfolio of Claims which are sold to the Issuer by Banca Romagna

Cooperativa, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 3"** means the portfolio of Claims which are sold to the Issuer by BCC di Romano e Santa Caterina, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 4"** means the portfolio of Claims which are sold to the Issuer by BCC di Montepulciano, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 5"** means the portfolio of Claims which are sold to the Issuer by BCC Emil Banca, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 6"** means the portfolio of Claims which are sold to the Issuer by BCC di Ostra e Morro d'Alba, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 7"** means the portfolio of Claims which are sold to the Issuer by BCC Santo Stefano Martellago, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 8"** means the portfolio of Claims which are sold to the Issuer by BCC Mediocрати, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 9"** means the portfolio of Claims which are sold to the Issuer by BCC di Alba, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 10"** means the portfolio of Claims which are sold to the Issuer by BCC Sala di Cesenatico, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 11"** means the portfolio of Claims which are sold to the Issuer by BCC del Centroveneto, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 12"** means the portfolio of Claims which are sold to the Issuer by BCC di Roana, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 13"** means the portfolio of Claims which are sold to the Issuer by BCC di Cantù, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 14"** means the portfolio of Claims which are sold to the Issuer by BCC di Marcon-Venezia, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 15"** means the portfolio of Claims which are sold to the Issuer by BCC di Gatteo, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 16"** means the portfolio of Claims which are sold to the Issuer by BCC di Sesto San Giovanni pursuant to the relevant Transfer Agreement.

**"Portfolio No. 17"** means the portfolio of Claims which are sold to the Issuer by BCC di Pontassieve, pursuant to the relevant Transfer Agreement.

**"Portfolio No. 18"** means the portfolio of Claims which are sold to the Issuer by BCC di Piove di Sacco, pursuant to the relevant Transfer Agreement.

**"Portfolios"** means all the Portfolios of monetary claims and connected rights arising under the Mortgage Loans transferred by the Originators to the Issuer further to the Transfer Agreements.

**"Pre-Acceleration Order of Priority"** means the order in which the Single Portfolio Available Funds shall be applied on each Payment Date prior to the service of a Cross Collateral Notice or a Trigger Notice in accordance with the Conditions and the Intercreditor Agreement.

**"Pre-paid Claim"** means a Claim in respect of which the principal has been totally or partially paid before the applicable repayment date under the relevant mortgage loan agreement.

**"Principal Accumulation Account"** means the account to be opened by the Issuer with the Transaction Bank, or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, used for this purpose.

**"Principal Amortisation Reserve Accounts"** means the 18 accounts that may be opened by the Issuer with the English Transaction Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

**"Principal Amortisation Reserve Amount"** means with respect to a Payment Date on which a Class A Disequilibrium Event has occurred and to each Portfolio, the difference, if positive, between:

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

**"Principal Amount Outstanding"** means, in respect of a Note, on any date, the principal amount of that Note upon issue less the aggregate amount of all principal payments in respect of that Note that have been paid to the Noteholders prior to such date.

**"Principal Instalment"** means, in respect of each Claim, the principal component of each Instalment.

**"Principal Paying Agent"** means Deutsche Bank, London or any of its permitted successors or assignees from time to time.

**"Principal Payment"** means the principal amount in respect of each Note as determined in accordance with Condition 6.7.

**"Purchase Price"** means the price to be paid by the Issuer for the purchase of the Portfolios under the terms of the Transfer Agreements, calculated as the Outstanding Principal of the Claims as at the Valuation Date, which is equal to the aggregate of: (i) € 36,279,097.00, to be paid to BCC San Giorgio e Valle Agno, for the purchase of Portfolio No. 1; (ii) € 35,471,478.00, to be paid to Banca Romagna Cooperativa, for the purchase of Portfolio No. 2; (iii) € 19,926,294.00, to be paid to BCC di Romano e Santa Caterina, for the purchase of Portfolio No. 3; (iv) € 9,585,743.00, to be paid to BCC di Montepulciano, for the purchase of Portfolio No. 4; (v) € 41,501,583.00, to be paid to BCC Emil Banca, for the purchase of Portfolio No. 5; (vi) € 17,575,743.00, to be paid to BCC di Ostra e Morro d'Alba, for the purchase of Portfolio No. 6; (vii) € 29,269,516.00, to be paid to BCC Santo Stefano Martellago, for the purchase of Portfolio No. 7; (viii) € 10,103,350.00, to be paid to BCC Mediocрати, for the purchase of Portfolio No. 8; (ix) € 147,977,566.00, to be paid to BCC di Alba, for the purchase of Portfolio No. 9; (x) € 22,549,960.00, to be paid to BCC Sala di Cesenatico, for the purchase of Portfolio No. 10; (xi) € 55,201,504.00, to be paid to BCC del Centroveneto, for the purchase of Portfolio No. 11; (xii) € 11,303,262.00, to be paid to BCC di Roana, for the purchase of Portfolio No. 12; (xiii) € 86,306,305.00, to be paid to BCC di Cantù, for the purchase of Portfolio No. 13; (xiv) € 19,052,204.00, to be paid to BCC di Marcon-Venezia, for the purchase of Portfolio No. 14; (xv) € 20,152,916.00, to be paid to BCC di Gatteo, for the purchase of Portfolio No. 15; (xvi) € 31,268,799.00, to be paid to BCC di Sesto San Giovanni, for the purchase of Portfolio No. 16; (xvii) € 19,944,507.00, to be paid to BCC di Pontassieve, for the purchase of Portfolio No. 17; and (xviii) € 23,748,793.00, to be paid to BCC Piove di Sacco, for the purchase of Portfolio No. 18.

**"Quarterly Servicing Report"** means the quarterly report, containing information as to the collections and recoveries to be made in respect of the Portfolio during the immediately preceding Collection Period, which the Servicers undertake to prepare and submit within each Quarterly

Servicing Report Date.

**"Quarterly Servicing Report Date"** means the 10<sup>th</sup> calendar day following the end of each Collection Period or if such a day is not a Business Day, the next following Business Day.

**"Quota Capital Account"** means the account to be opened by the Issuer with the Operating Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

**"Quotaholders"** means Stichting Amis and Stichting Chatwin.

**"Quotaholders' Agreement"** means quotaholders agreement to be entered into between the Issuer, the Representative of the Noteholders, ICCREA Banca, Stichting Amis and Stichting Chatwin.

**"Rating Agencies"** means Moody's and/or DBRS and any successors thereof and any other rating agency which shall be appointed by the Issuer to give a rating to the Class A Notes, each a **"Rating Agency"**.

**"Real Estate Assets"** means any real estate property which has been mortgaged in favour of the Originators to secure the Claims.

**"Relevant"** when applied to the term "Portfolio" with respect to a Series of Class B Notes, means the Portfolio sold by the Originator that subscribes for such Series of Class B Notes pursuant to the Notes Subscription Agreement and *vice versa* when applied to the term "Series of Class B Notes" with respect to a Portfolio, means the Series of Class B Notes subscribed for by the Originator that sold such Portfolio and in general, Relevant Portfolio means the Portfolio sold by the relevant Originator; the same rule of interpretation shall apply to any other term which contains the words "Portfolio" or respectively "Series of Class B Notes" or which is directly and univocally linked to any of them.

**"Relevant Date"** means, in respect of each Class of Notes, the date on which a payment in respect thereof first becomes due and payable or (if the full amount of the moneys payable in respect of such Class of Notes due and payable on or before that date has not been duly received by the relevant Monte Titoli Account Holder on or prior to such date) the date on which notice that the full amount of such moneys has been received is duly given to the Representative of the Noteholders.

**"Relevant Margin"** means 0.3% per annum.

**"Relevant Proportion"** means, on each Calculation Date, for each Portfolio and each Relevant Swap Transaction, the ratio — calculated on such Calculation Date in accordance with the terms of the Schedule 2 to the Intercreditor Agreement — pursuant to which the amounts (if any) payable to or by the Swap Counterparty under the Relevant Swap Transaction are allocated to such Portfolio.

**"Relevant Securities"** means with the respect to each Limited Recourse Loan Provider, the Securities transferred to the Issuer by such Limited Recourse Loan Provider pursuant to the Limited Recourse Loan Agreement.

**"Relevant Swap Transaction"** means, in respect of each Portfolio, any Swap Transaction under which such Portfolio is hedged.

**"Replacement Swap Premium"** means the amount payable by the Issuer to a replacement swap counterparty or by a replacement swap counterparty to the Issuer (as the case may be) in order to enter into a replacement swap agreement to replace or novate the Swap Agreement.

**"Representative of the Noteholders"** means Deutsche Trustee Company Limited or any of its permitted successors or assignees from time to time.

**"Reserve Account"** means the account opened by the Issuer with the Transaction Bank or such other account or accounts of the Issuer with such other Eligible Institution as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

**"Reserve Amount"** means, with respect to each Payment Date on which the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority applies, an amount equal to the difference, if a positive number, between:

- (iii) € 4,000,000; and
- (iv) the amount standing to the credit of the Reserve Account as at the Collection Date immediately preceding such Payment Date.

**"Reserve Amount Quota"** means:

- (1) with respect to each Payment Date on which the Pre-Acceleration Order of Priority applies, on which a Detrimental Event has occurred and with respect to each Portfolio, the lower of:
  - (A) the difference, if positive, between (a) the relevant Single Portfolio Available Funds, and (b) the aggregate of all amounts to be paid by the Issuer on such Payment Date out of the relevant Single Portfolio Available Funds under items *First to Fourteenth* of the Pre-Acceleration Order of Priority; and
  - (B) the amount calculated as follows:
    - (i) the difference, if positive, between (a) the relevant Single Portfolio Available Funds, and (b) the aggregate of all amounts to be paid by the Issuer on such Payment Date out of the relevant Single Portfolio Available Funds under items *First to Fourteenth* of the Pre-Acceleration Order of Priority;

multiplied by

- (ii) the ratio between:
  - (x) the Reserve Amount as at such Payment Date and
  - (y) the aggregate of the amounts calculated for each of the Portfolios as the difference, if positive, between (a) the relevant Single Portfolio Available Funds, and (b) the aggregate of all amounts to be paid by the Issuer on such Payment Date out of the relevant Single Portfolio Available Funds under items from *First to Fourteenth* of the Pre-Acceleration Order of Priority; and
- (2) with respect to each Payment Date on which the Cross Collateral Order of Priority applies, on which a Detrimental Event has occurred and with respect to each Portfolio, the lower of:
  - (A) the Reserve Amount; and
  - (B) the difference, if positive, between (a) the Issuer Available Funds, and (b) the aggregate of all amounts to be paid by the Issuer on such Payment Date out of the Issuer Available Funds under items from *First to Twelfth* of the Cross Collateral Order of Priority.

**"Retention Amount"** means an amount equal to € 50,000.

**"Securities"** means the securities transferred to the Issuer by the Limited Recourse Loan Providers

pursuant to the Limited Recourse Loan Agreement (and any further securities from time to time purchased upon redemption or maturities of the Securities or in case of decrease of the Securities' value or in case of replacement of the Securities, in accordance with the Limited Recourse Loan Agreement).

**"Securities Accounts"** means the accounts to be opened by the Issuer with the Transaction Bank or such other account or accounts of the Issuer with such other Eligible Institution as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

**"Securities Collateral Account"** means the account with Euroclear 10327 - Account Number DNE5 opened in the name of the Issuer with the English Transaction Bank, in its account bank and custodian capacities (as applicable) into which the Issuer shall pay (i) any collateral consisting of securities received from the Swap Counterparty pursuant to the Swap Agreement, (ii) any payments of interest or distributions on, and any liquidation or other proceeds of, such collateral, in each case consisting of securities, (iii) any Replacement Swap Premium received by the Issuer consisting of securities from a replacement swap counterparty and (iv) any termination payment consisting of securities received by the Issuer from the outgoing Swap Counterparty or such other substitute account as may, in accordance with the terms of the Cash Administration and Agency Agreement, be the Securities Collateral Account.

**"Security Documents"** means the Deed of Pledge and the Deed of Charge.

**"Security Interest"** means any mortgage, charge, pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

**"Security Trustee"** means Deutsche Trustee Company Limited or any other person from time to time acting as Security Trustee.

**"Senior Swap Counterparty Termination Payment"** means any termination payment, other than a Subordinated Swap Counterparty Termination Payment, required to be made by the Issuer to the Swap Counterparty pursuant to the Swap Agreement.

**"Senior Noteholders"** means the Class A Noteholders.

**"Senior Notes"** means the Class A Notes.

**"Servicers"** means BCC San Giorgio e Valle Agno, Banca Romagna Cooperativa, BCC di Romano e Santa Caterina, BCC di Montepulciano, BCC Emil Banca, BCC di Ostra e Morro d'Alba, BCC Santo Stefano Martellago, BCC Mediocreati, BCC di Alba, BCC Sala di Cesenatico, BCC del Centovento, BCC di Roana, BCC di Cantù, BCC di Marcon-Venezia, BCC di Gatteo, BCC di Sesto San Giovanni, BCC di Pontassieve and BCC di Piove di Sacco.

**"Servicing Agreement"** means the servicing agreement entered into on or prior the Issue Date between the Servicers and the Issuer.

**"Single Portfolio Amortised Principal"** means, with respect to each Payment Date and to each Portfolio, an amount equal to the aggregate of:

- (i) the aggregate amount of the Principal Instalments of the relevant Claims collected during the immediately preceding Collection Period, excluding all Principal Instalments collected in such immediately preceding Collection Period in relation to the Claims that have become Defaulted Claims in any previous Collection Period (without prejudice to the provisions under items (iii) and (iv) below);

- (ii) the aggregate amount of the Principal Instalments of the Pre-paid Claims that have been prepaid during the immediately preceding Collection Period;
- (iii) the Outstanding Principal of the Claims of such Portfolio that have become Defaulted Claims during the immediately preceding Collection Period, as of the date when such Claims became Defaulted Claims;
- (iv) any amount received by the Issuer during the immediately preceding Collection Period from the Originator of such Portfolio pursuant to the relevant Transfer Agreement and/or the Warranty and Indemnity Agreement and any amount received by the Issuer from the relevant Originator as indemnities in respect of the renegotiations of the Mortgage Loan Agreements of the Relevant Portfolio in accordance with the Servicing Agreement; and
- (v) the Single Portfolio Amortised Principal (a) unpaid at the previous Payment Date, and/or (b) credited on the Principal Accumulation Account and not distributed to the Noteholders on the previous Payment Date.

**"Single Portfolio Available Funds"** means, in respect of each Payment Date and each Portfolio, the aggregate (without duplication) of:

- (i) all the Collections received by the Issuer, through the Servicer, during the immediately preceding Collection Period in relation to the Claims of the Relevant Portfolio;
- (ii) all other amounts transferred during the immediately preceding Collection Period from the relevant Transitory Collections and Recoveries Account into the Collections and Recoveries Account;
- (iii) any relevant Single Portfolio Class A Notes Principal Payment Amount and Single Series Available Class B Notes Redemption Funds paid into the Principal Accumulation Account on the immediately preceding Payment Date;
- (iv) the relevant Outstanding Notes Ratio of all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for the Expenses Account and the Quota Capital Account) during the immediately preceding Collection Period and of any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period;
- (v) all amounts paid into the credit of the relevant Principal Amortisation Reserve Account in the immediately preceding Payment Date;
- (vi) the relevant Outstanding Notes Ratio of all interest accrued and paid on the amounts standing from time to time to the credit of the Expenses Account during the immediately preceding Collection Period;
- (vii) the Relevant Proportion of all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement (if and to the extent paid) other than any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments);
- (viii) all amounts, if any, received from the relevant Originator pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreement in respect of the Claims of the Relevant Portfolio, all amounts received by the Issuer as indemnities for the renegotiation of the Mortgage Loan Agreements in respect of the Claims of the Relevant Portfolio and the relevant Outstanding Notes Ratio of all Payments made to the Issuer by any other party



to the Transaction Documents during the immediately preceding Collection Period;

- (ix) the relevant Outstanding Notes Ratio of any other amounts paid into the Payments Account during the immediately preceding Collection Period;
- (x) with respect to the first Payment Date on which the Pre-Acceleration Order of Priority applies following full redemption of the Class A Notes, the amounts paid into the Reserve Account in any preceding Payment Date out of the relevant Single Portfolio Available Funds;
- (xi) the difference, if positive, between (a) the amounts paid into the relevant Single Portfolio Reserve Account in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds and (b) the amount calculated as follows: (I) the amounts paid into the relevant Single Portfolio Reserve Account in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds, multiplied by (II) the ratio between (x) the Advances to be made available to the Issuer under the Liquidity Agreement on such Payment Date by the Liquidity Providers together with the Advances made available by the Liquidity Providers on previous Payment Dates and not yet fully reimbursed, and (y) the aggregate of all amounts paid into all Single Portfolio Reserve Accounts in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds;
- (xii) any Swap Collateral Account Surplus paid into the Payments Account in accordance with the Collateral Account Priority of Payments; and
- (xiii) until full repayment of the Class A Notes (a) only in respect of payments ranking as *First, Second, Fourth, Fifth, Sixth, Seventh, Eighth* and *Ninth* of the Pre-Acceleration Order of Priority, shall include (I) any Advances which are made to the Issuer with respect to such Payment Date in relation to any Single Portfolio Negative Balance of such Portfolio or (II) up to an amount equal to the amount of any Advances to be made to the Issuer with respect to such Payment Date in relation to such Portfolio, the proceeds from the sale of the Relevant Securities to be used alternatively to the Advances in accordance with the terms of the Limited Recourse Loan Agreement; and (b) in respect of payments ranking as *Tenth* of the Pre-Acceleration Order of Priority, the difference (if positive) between the Advances available after making the payments under letter (a) above, and an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes of the relevant Portfolio as at the day following the immediately preceding Payment Date. Provided that the Advances could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date or on the Final Maturity Date.

**"Single Portfolio Class A Notes Principal Amount Outstanding"** means with respect to each Payment Date and to each Portfolio the difference between:

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

**"Single Portfolio Class A Notes Principal Payment Amount"** means with respect to each Payment Date and to each Portfolio the lesser of:

- (i) the relevant Single Portfolio Amortised Principal with respect to such Payment Date, and
- (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the immediately preceding Collection Date.

**"Single Portfolio Detrimental Event"** has the meaning ascribed to it in Condition 4.4.

**"Single Portfolio Initial Class A Notes Principal Amount Outstanding"** means (i) with respect to Portfolio No. 1 the Principal Amount Outstanding as at the Issue Date of 5.70% of the Class A Notes, equal to Euro 31,600,000; (ii) with respect to Portfolio No. 2 the Principal Amount Outstanding as at the Issue Date of 5.57% of the Class A Notes, equal to Euro 30,900,000; (iii) with respect to Portfolio No. 3 the Principal Amount Outstanding as at the Issue Date of 3.12% of the Class A Notes, equal to Euro 17,300,000; (iv) with respect to Portfolio No. 4 the Principal Amount Outstanding as at the Issue Date of 1.50% of the Class A Notes, equal to Euro 8,300,000; (v) with respect to Portfolio No. 5 the Principal Amount Outstanding as at the Issue Date of 6.51% of the Class A Notes, equal to Euro 36,100,000; (vi) with respect to Portfolio No. 6 the Principal Amount Outstanding as at the Issue Date of 2.76% of the Class A Notes, equal to Euro 15,300,000; (vii) with respect to Portfolio No. 7 the Principal Amount Outstanding as at the Issue Date of 4.60% of the Class A Notes, equal to Euro 25,500,000; (viii) with respect to Portfolio No. 8 the Principal Amount Outstanding as at the Issue Date of 1.59% of the Class A Notes, equal to Euro 8,800,000; (ix) with respect to Portfolio No. 9 the Principal Amount Outstanding as at the Issue Date of 23.21% of the Class A Notes, equal to Euro 128,700,000; (x) with respect to Portfolio No. 10 the Principal Amount Outstanding as at the Issue Date of 3.54% of the Class A Notes, equal to Euro 19,600,000; (xi) with respect to Portfolio No. 11 the Principal Amount Outstanding as at the Issue Date of 8.66% of the Class A Notes, equal to Euro 48,000,000; (xii) with respect to Portfolio No. 12 the Principal Amount Outstanding as at the Issue Date of 1.77% of the Class A Notes, equal to Euro 9,800,000; (xiii) with respect to Portfolio No. 13 the Principal Amount Outstanding as at the Issue Date of 13.55% of the Class A Notes, equal to Euro 75,100,000; (xiv) with respect to Portfolio No. 14 the Principal Amount Outstanding as at the Issue Date of 2.99% of the Class A Notes, equal to Euro 16,600,000; (xv) with respect to Portfolio No. 15 the Principal Amount Outstanding as at the Issue Date of 3.16% of the Class A Notes, equal to Euro 17,500,000; (xvi) with respect to Portfolio No. 16 the Principal Amount Outstanding as at the Issue Date of 4.91% of the Class A Notes, equal to Euro 27,200,000; (xvii) with respect to Portfolio No. 17 the Principal Amount Outstanding as at the Issue Date of 3.14% of the Class A Notes, equal to Euro 17,400,000; and (xviii) with respect to Portfolio No. 18 the Principal Amount Outstanding as at the Issue Date of 3.73% of the Class A Notes, equal to Euro 20,700,000.

**"Single Portfolio Negative Balance"** means with respect to any Payment Date and to each Portfolio the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date under items *First* to *Tenth* (but excluding item *Third*) of the Pre-Acceleration Order of Priority and (b) the Single Portfolio Available Funds with respect to such Portfolio and to such Payment Date before any Advance to be granted to the Issuer by the relevant Liquidity Provider under the relevant Liquidity Agreement with respect to such Payment Date.

**"Single Portfolio Notes Principal Amount Outstanding"** means with respect to each Payment Date:

- (i) with respect to Portfolio No. 1, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B1 Notes;
- (ii) with respect to Portfolio No. 2, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B2 Notes;
- (iii) with respect to Portfolio No. 3, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B3 Notes;
- (iv) with respect to Portfolio No. 4 the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B4 Notes;
- (v) with respect to Portfolio No. 5, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B5 Notes;

- (vi) with respect to Portfolio No. 6, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B6 Notes;
- (vii) with respect to Portfolio No. 7, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B7 Notes;
- (viii) with respect to Portfolio No. 8, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B8 Notes;
- (ix) with respect to Portfolio No. 9, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B9 Notes;
- (x) with respect to Portfolio No. 10, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B10 Notes;
- (xi) with respect to Portfolio No. 11, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B11 Notes;
- (xii) with respect to Portfolio No. 12, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B12 Notes;
- (xiii) with respect to Portfolio No. 13, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B13 Notes;
- (xiv) with respect to Portfolio No. 14, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B14 Notes;
- (xv) with respect to Portfolio No. 15, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B15 Notes;
- (xvi) with respect to Portfolio No. 16, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B16 Notes;
- (xvii) with respect to Portfolio No. 17, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B17 Notes;
- (xviii) with respect to Portfolio No. 18, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B18 Notes;

in each case as at the immediately preceding Collection Date.

**"Single Portfolio Reserve Accounts"** means the 18 accounts which may be opened by the Issuer with the Transaction Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

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

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

**"Single Provider Maximum Commitment Amount"** means the maximum amount which each Liquidity Provider will make available to the Issuer under the terms of the Liquidity Agreement, which is equal to:

with respect to BCC San Giorgio e Valle Agno, Euro 1,633,000, Banca Romagna Cooperativa, Euro 1,596,000, BCC di Romano e Santa Caterina, Euro 897,000, BCC di Montepulciano, Euro 431,000, BCC Emil Banca, Euro 1,868,000, BCC di Ostra e Morro d'Alba, Euro 791,000, BCC Santo Stefano Martellago, Euro 1,317,000, BCC Mediocirati, Euro 455,000, BCC di Alba, Euro 6,659,000, BCC Sala di Cesenatico, Euro 1,015,000, BCC del Centroveneto, Euro 2,484,000, BCC di Roana, Euro 509,000, BCC di Cantù, Euro 3,884,000, BCC di Marcon-Venezia, Euro 857,000, BCC di Gatteo, Euro 907,000, BCC di Sesto San Giovanni, Euro 1,407,000, BCC di Pontassieve, Euro 898,000, BCC di Piove di Sacco, Euro 1,069,000.

**"Single Series Available Class B Notes Redemption Funds"** means with respect to each Payment Date and to each Series of Class B Notes, an amount, calculated as at the Collection Date immediately preceding such Payment Date, equal to the lesser of:

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

**"Single Series Class B Notes Interest Payment Amount"** means with respect to each Payment Date and to each Series of Class B Notes an amount, calculated on the Calculation Date immediately preceding such Payment Date, equal to:

- (i) the aggregate of all Interest Instalments accrued on the Claims of the Relevant Portfolio in the immediately preceding Collection Period (excluding Interest Accruals); *plus*
- (ii) the aggregate of all fees for prepayment paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; *plus*
- (iii) the aggregate of all interest for late payments (*interessi di mora*) paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; *plus*
- (iv) the Relevant Proportion of all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement (if and to the extent paid) other than any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments); *plus*
- (v) all amounts received or recovered by the Issuer in the immediately preceding Collection Period with respect to the Claims of the Relevant Portfolio which are or have been Defaulted Claims; *plus*
- (vi) any Swap Collateral Account Surplus paid into the Payments Account in accordance with the Collateral Account Priority of Payments;
- (vii) (a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued and paid on the amounts standing from time to time to the credit of the Payments Account, the Expenses Account, the Collection and Recoveries Account and the Principal Accumulation Account and paid into the same during the immediately preceding Collection Period; and  
(b) all amounts of interest (if any) accrued and paid on the amounts standing from time to time to the credit of the relevant Transitory Collections and Recoveries Account, Single Portfolio Reserve Account, Principal Amortisation Reserve Account and Liquidity Reserve Account and paid into the same during the immediately preceding Collection Period; and  
(c) all amounts of interest (if any) accrued and paid on the amounts standing from time to

time to the credit of the Reserve Account which were paid into it out of the relevant Single Portfolio Available Funds, during the immediately preceding Collection Period; *plus*

- (viii) the relevant Outstanding Notes Ratio of all profit and accrued interest (if any) received under the Eligible Investments made in respect of the immediately preceding Collection Period; *minus*
- (ix) (a) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date out of the relevant Single Portfolio Available Funds under items *First, Second* and *Fourth* through to *Eight, Twelfth* and *Thirteenth* of the Pre-Acceleration Order of Priority, or (b) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date under items *Seventh* and *Eleventh* of the Acceleration Order of Priority to the Servicer (or the Back-up Servicer), and the Liquidity Provider of the Relevant Portfolio, plus the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items *First, Second, Fourth, Fifth, Sixth, Eighth* and *Twelfth* of the Acceleration Order of Priority, or (c) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date under items *Sixth* and *Tenth* of the Acceleration Order of Priority to the Servicer (or the Back-up Servicer), and the Liquidity Provider of the Relevant Portfolio, plus the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items *First, Second, Fourth, Fifth, Sixth, Eight* and *Twelfth* of the Cross Collateral Order of Priority; *minus*
- (x) the Outstanding Balance of all the Claims of the Relevant Portfolio which have become Defaulted Claims during the immediately preceding Collection Period calculated as at the immediately preceding Collection Date;

**"Subordinated Swap Counterparty Termination Payment"** means any termination payment required to be made by the Issuer to the Swap Counterparty pursuant to the Swap Agreement upon a termination of the Swap Agreement in respect of which the Swap Counterparty is the sole Affected Party (as defined in the Swap Agreement) following the occurrence of a Swap Counterparty Rating Event or is the Defaulting Party (as defined in the Swap Agreement).

**"Specific Criteria"** means the specific objective criteria used as the basis for the selection of the Claims for each Originator.

**"Swap Collateral Account Surplus"** has the meaning ascribed to such term in clause 11.2 (*Swap Collateral*) of the Intercreditor Agreement.

**"Subsequent Maximum Commitment Amount"** means the sum of all the Subsequent Single Provider Maximum Commitment Amount.

**"Subsequent Single Provider Maximum Commitment Amount"** means each Single Provider Maximum Commitment Amount as yearly decreased (starting from the Payment Date falling on February 2013 and on each following Payment Date falling on February) in an amount of the 1% of the relevant Single Provider Maximum Commitment Amount for any Liquidity Provider in relation to which no Advance has been drawn in the four latest Payment Dates.

**"Specified Office"** means the office of the (i) Italian Paying Agent located at Via M. Gioia, 8, 20124 Milano, Italy, or (ii) Principal Paying Agent at 10 Bishops Square, E1 6 AO London, United Kingdom, or (iii) Irish Listing Agent located at 2 Boulevard Konrad Adenauer, Luxembourg L-III5, as the case may be.

**"Stichting Corporate Services Provider"** means Wilmington Trust SP Services (London) Ltd, or any other person from time to time acting as Stichting Corporate Services Provider.

"**Successor**" means, in relation to any person, an assignee or successor in title of such person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of such person under this Agreement or to which under such laws the same have been transferred.

"**Swap Agreement**" means the International Swaps and Derivates Association, Inc. (ISDA) Master Agreement (Multicurrency-Cross Border) and the Schedule thereto entered into between the Issuer and Swap Counterparty on or before the Issue Date, together with the swap confirmations (each a "**Swap Confirmation**" and together the "**Swap Confirmations**") entered into by the parties to evidence the terms of 2 basis swap transactions (each a "**Swap Transaction**" and together the "**Swap Transactions**"), as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Swap Counterparty**" means J.P. Morgan Securities Ltd..

"**Swap Counterparty Rating Event**" means any event of downgrading of the unsecured and unsubordinated debt obligations of the Swap Counterparty pursuant to the provisions of Part 6(1) (*Ratings Downgrade Provisions*) of the Schedule to the 1992 ISDA Master Agreement.

"**Swap Guarantor**" means JPMorgan Chase Bank, N.A.

"**Swap Tax Credit Amount**" means any tax credit payable by the Issuer to the Swap Counterparty pursuant to the Swap Agreement.

"**Three Month Euribor**" means Euribor for three months deposits calculated as provided for in Condition 5.2.2.

"**Transaction**" means the securitisation of the Portfolios carried out by the Issuer.

"**Transaction Bank**" means Deutsche Bank S.p.A. or any of its permitted successors or assignees from time to time.

"**Transaction Documents**" means collectively the Transfer Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Back-up Servicing Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Stichting Corporate Services Agreement, the Cash Administration and Agency Agreement, the Swap Agreement, the Limited Recourse Loan Agreement, the Liquidity Agreement, the Notes Subscription Agreement, the Conditions, the Deed of Pledge, the Quotaholders' Agreement and the Deed of Charge.

"**Transfer Agreement**" means each of the 18 transfer agreements entered into on the Transfer Date between the Issuer and each of the Originators in connection with the purchase of the Portfolios and "**Transfer Agreements**" means all of them.

"**Transfer Date**" means 30 June 2011.

"**Transitory Collections and Recoveries Accounts**" means the accounts to be opened by the Issuer with the Operating Bank and denominated with reference to each Portfolio or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Transparency Directive**" means Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004.

"**Trigger Event**" has the meaning ascribed to it in Condition 9 of the Notes.

"**Trigger Notice**" has the meaning ascribed to it in Condition 9 of the Notes.

**"Unpaid Instalment"** means any Instalment that is not duly paid by the relevant Borrower on the scheduled date for payment thereof.

**"Usury Law"** means Italian Law No. 108 of 7 March 1996 (*Disposizioni in materia di usura*), as subsequently amended and supplemented.

**"Valuation Date"** means 15 April 2011.

**"Warranty and Indemnity Agreement"** means the warranty and indemnity agreement (as subsequently amended and integrated) entered into on the Transfer Date between the Issuer and the Originators.

**THE ISSUER**  
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