PROSPECTUS
CREDICO FINANCE 16 S.R.L.

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

Euro 561,700,000 Class A Asset Backed Floating Rate Notes due December 2056
Issue Price: **100%**

Euro 99,111,000 Class B Asset Backed Floating Rate Notes due December 2056
Issue Price: **100%**

*This prospectus (the "**Prospectus**" or the "**Offering Circular**") contains information relating to the issue by Credico Finance 16 S.r.l., a limited liability company organised under the laws of the Republic of Italy (the "**Issuer**") of Euro 561,700,000 Class A Asset Backed Floating Rate Notes due December 2056 (the "**Class A Notes**" or the "**Senior Notes**"). In connection with the issue of the Class A Notes the Issuer will issue 16 series of junior notes for an aggregate amount of Euro 99,111,000 divided as follows: Euro 6,132,000 Class B1 Asset Backed Floating Rate Notes due December 2056 (the "**Class B1 Notes**"), Euro 14,559,000 Class B2 Asset Backed Floating Rate Notes due December 2056 (the "**Class B2 Notes**"), Euro 5,629,000 Class B3 Asset Backed Floating Rate Notes due December 2056 (the "**Class B3 Notes**"), Euro 3,397,000 Class B4 Asset Backed Floating Rate Notes due December 2056 (the "**Class B4 Notes**"), Euro 2,110,000 Class B5 Asset Backed Floating Rate Notes due December 2056 (the "**Class B5 Notes**"), Euro 5,492,000 Class B6 Asset Backed Floating Rate Notes due December 2056 (the "**Class B6 Notes**"), Euro 2,519,000 Class B7 Asset Backed Floating Rate Notes due December 2056 (the "**Class B7 Notes**"), Euro 4,422,000 Class B8 Asset Backed Floating Rate Notes due December 2056 (the "**Class B8 Notes**"), Euro 7,438,000 Class B9 Asset Backed Floating Rate Notes due December 2056 (the "**Class B9 Notes**"), Euro 10,525,000 Class B10 Asset Backed Floating Rate Notes due December 2056 (the "**Class B10 Notes**"), Euro 3,185,000 Class B11 Asset Backed Floating Rate Notes due December 2056 (the "**Class B11 Notes**"), Euro 3,814,000 Class B12 Asset Backed Floating Rate Notes due December 2056 (the "**Class B12 Notes**"), Euro 7,952,000 Class B13 Asset Backed Floating Rate Notes due December 2056 (the "**Class B13 Notes**"), Euro 2,010,000 Class B14 Asset Backed Floating Rate Notes due December 2056 (the "**Class B14 Notes**"), Euro 4,912,000 Class B15 Asset Backed Floating Rate Notes due December 2056 (the "**Class B15 Notes**") and Euro 15,015,000 Class B16 Asset Backed Floating Rate Notes due December 2056 (the "**Class B16 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 and the Class B15 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 Prospectus 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 (as subsequently amended, the "**Prospectus Directive 2003/71/EC**").*

*The Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive 2003/71/EC. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC. 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 Class A 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 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 Life of the Class A Notes**", including, but not limited to, the level of prepayments of the Claims. However, there is no certainty neither that the assumptions made will materialize nor that the Class A Notes will receive their full principal outstanding and all the interest accrued thereon and ultimately the obligations of the Issuer to pay principal and interest on the Class A Notes could be reduced as a result of losses incurred in respect of the Portfolios. If the Notes cannot be redeemed in full on the Final Maturity Date, as a result of the Issuer having insufficient funds available to it in accordance with the Conditions for application in or towards such redemption, the Issuer will have no other funds available to it to be paid to the Noteholders, because the Issuer has no assets other than those described in this Prospectus. If any amounts remain outstanding in respect of the Notes upon expiry of the Final Maturity Date, such amounts (and the obligations to make payments in their respect) will be deemed to be released by the Noteholders and the Notes will be cancelled. The amount and timing of repayment of principal under the Claims will affect also the yield to maturity of the Notes, which cannot be predicted depending, inter alia, on the level of prepayments which will occur under the Portfolios. The Notes will be subject to mandatory pro-rata redemption in whole or in part on each Payment Date. Unless previously redeemed in accordance with their applicable terms and conditions (the "**Conditions**"), the Notes will be redeemed on the Payment Date falling in December 2056 (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 6.2 (Redemption for Taxation) and Condition 6.4 (Optional Redemption).

*Interest on the Notes will accrue from 14 November 2016 (the "**Issue Date**") and will be payable on 16 March 2017 (the "**First Payment Date**") and thereafter quarterly in arrears on the 16th day of March, June, September and Decemberin each year or if any such day is not a day on which banks are open for business in Dublin, London, Rome and Milan and on which the Trans-European Automated Real Time Gross Transfer System (TARGET2) (or any successor thereto) is open (a "**Business Day**") the following Business Day (each a "**Payment Date**"). The Notes will bear interest from (and including) a Payment Date to (but excluding) the following Payment Date (each an "**Interest Period**") provided that the first Interest Period (the "**Initial Interest Period**") shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date. The Class A Notes shall bear interest at an annual rate equal to the lower of (i) the Euro-Zone Inter-bank offered rate for three month deposits in Euro (the "**Three Month EURIBOR**") (or in the case of the Initial Interest Period, the linear interpolation between the Euro-Zone Inter-bank offered rate ("**Euribor**") for 3 month and 6 month deposits in Euro) plus a margin of 0.30% per annum in relation to the Class A Notes and (ii) 7% per annum. It remains understood that for the above purposes if the algebraic sum of the applicable EURIBOR and the relevant margin results in a negative rate, the applicable Rate of Interest shall be deemed to be zero.*

*The Class A Notes are expected, on issue, to be rated Aa3 (sf) by Moody's Italia S.r.l. and AA low (sf) by DBRS Ratings Limited (DBRS Ratings Limited together with Moody's Italia S.r.l., the "**Rating Agencies**"). As of the date of this Prospectus, each of Moody's Italia S.r.l. and DBRS Ratings Limited is established in the European Union and was registered on 31 October 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011 (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority currently located at the following website address http://www.esma.europa.eu/page/List-registered-and-certified-CRAs, (for the avoidance of doubt, such website does not constitute part of this Prospectus) (the "**ESMA Website**"). 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 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 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 the section headed "**Subscription and Sale**".*

CO-ARRANGERS

A & F S.A. **Iccrea Banca S.p.A.**

Dated 11 November 2016

For a discussion of certain risks and other factors that should be considered in connection with an investment in the Notes, see the section headed "Risk 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 BCC Umbria Credito Cooperativo – Società Cooperativa, Banca della Marca Credito Cooperativo - Soc. Coop., Mantovabanca 1896 Credito Cooperativo, Bassano Banca – Credito Cooperativo di Romano e Santa Caterina – Societa' Cooperativa per Azioni, Banca di Anghiari e Stia Credito Cooperativo S.C. , Cassa Rurale ed Artigiana di Brendola Credito Cooperativo – Società Cooperativa, Banca di Credito Cooperativo di Corinaldo – Società Cooperativa, Banca di Credito Cooperativo di Fiumicello ed Aiello del Friuli (UD) Societa' Cooperativa, Banca del Centroveneto Credito Cooperativo – Società Cooperativa – Longare, Banco Cooperativo Emiliano – Credito Cooperativo – Società Cooperativa, Banca di Credito Cooperativo di Monterenzio – Societa' Cooperativa, Banca di Credito Cooperativo Di Piove Di Sacco S.C., Centromarca Banca Credito Cooperativo di Treviso Societa' Cooperativa per Azioni, Cassa Rurale ed Artigiana di Roana – Credito Cooperativo Società Cooperativa, Banca San Giorgio Quinto Valle Agno Società Cooperativa , Cassa Rurale – Banca di Credito Cooperativo di Treviglio (collectively, the "**Originators**"). The Portfolios have been purchased by the Issuer under the terms of 16 (sixteen) transfer agreements entered into on 4 October 2016, between, respectively, the Issuer and each Originator pursuant to Law 130 (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 Co-Arrangers 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 the details of the Claims sold by the Originators to the Issuer, nor have the Issuer, the Representative of the Noteholders, the Co-Arrangers 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 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), the 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 confirms that the information contained in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

*Each of the Originators has provided the information under the sections headed "**The Portfolios**", "**The Originators**" and the "**Collection Policy and Recovery Procedures**" and any other information contained in this Prospectus relating to itself and the Portfolios and, together with the Issuer, accepts responsibility for the information contained in those sections. Each of the Originators has also provided the historical data for the information contained in the section headed "**Weighted Average Life 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.*

*BNP Paribas Securities Services, Milan Branch has provided the information included in this Prospectus in the relevant parts of the sections headed "**The Cash Manager, the Agent Bank, the Transaction Bank, the Principal Paying Agent**" and accepts responsibility for the information contained in that section. To the best of the knowledge of BNP Paribas Securities Services, Milan*

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, BNP Paribas Securities Services, Milan Branch has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

*Accounting Partners S.r.l. has provided the information included in this Prospectus in the relevant parts of the section headed "**The Representative of the Noteholders and the Computation Agent**" and accepts responsibility for the information contained in that section. To the best of the knowledge of Accounting Partners S.r.l. (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, Accounting Partners S.r.l. has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

*ICCREA Banca S.p.A. has provided the information included in this Prospectus in the relevant parts of the section headed "**The Operating Bank and the Back-up Servicer**" and and accepts responsibility for the information contained in that paragraph. To the best of the knowledge of ICCREA Banca S.p.A. (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, ICCREA Banca S.p.A. has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

*Zenith Service S.p.A. has provided the information included in this Prospectus in the relevant parts of the section headed "**The Back-Up Servicer Facilitator**" and accepts responsibility for the information contained in that paragraph. To the best of the knowledge of Zenith Service S.p.A. (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, Zenith Service S.p.A. 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 Co-Arrangers, 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 the others Issuer's Rights (as defined in the Conditions) will be segregated from and all other assets of the Issuer.

The Notes will not be obligations or responsibilities of, or guaranteed by, the Co-Arrangers, the Originators (in any capacity), the quotaholder of the Issuer or any Other Issuer Creditor (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, title and interest in and to the Portfolios and the other Issuer's Rights (as defined in the Conditions) will be available exclusively for the purposes of satisfying the Issuer's obligations to the Noteholders, the Other Issuer Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the securitisation of the Portfolios (the "**Transaction**") and to the corporate existence and good standing of the Issuer. The "**Other Issuer Creditors**" are the Originators, the Servicers, the Representative of the Noteholders, the Agent Bank, the Operating Bank, the Transaction Bank, the*

*Principal Paying Agent, the Back-up Servicer, the Corporate Services Provider, the Cash Manager, the Computation Agent, the Subscribers, the Limited Recourse Loan Providers and the Back-Up Servicer Facilitator. The Noteholders will agree that the Single Portfolio Available Funds and the Issuer Available Funds (as defined in the Conditions) will be applied by the Issuer in accordance with the order of priority of application of the Single Portfolio Available Funds and of the Issuer Available Funds set forth in the Intercreditor Agreement (the "**Orders of Priority**").*

the Issuer's rights, title and interest in and to the Portfolios and the other Issuer's Rights (as defined in the Conditions) may not be seized or attached in any form by the creditors of the Issuer other than the Noteholders, the Other Issuer Creditors in accordance with the Transaction Documents 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 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 themselves 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 an "*offerta al pubblico di prodotti finanziari*") 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 the section headed "**Subscription and Sale**".*

*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 other jurisdiction. Accordingly, the Notes are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act and may not be offered or sold or delivered directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. See the section headed "**Subscription and Sale**".*

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH, OR APPROVED BY, ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF THIS PROSPECTUS OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Neither this document nor any other information supplied in connection with the issue of the Notes

should be considered as a recommendation or constituting an invitation or offer by the Issuer that any recipient of this Prospectus, or of any other information supplied in connection with the issue of the Notes, should purchase any of the Notes. Each investor contemplating purchasing any of the Notes must make its own independent investigation and appraisal of the financial condition and affairs of the Issuer.

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

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

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

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OVERVIEW OF THE TRANSACTION

The following information is an overview 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 Overview of the Transaction, not otherwise defined, shall have the meanings ascribed to such words and expressions elsewhere in this Prospectus or in the Terms and Conditions of the Notes.

PRINCIPAL FEATURES OF THE NOTES

Title

The Notes will be issued by the Issuer on the Issue Date in the following classes:

Euro 561,700,000 Class A Asset Backed Floating Rate Notes due December 2056 (the "**Class A Notes**" or the "**Senior Notes**");

Euro 99,111,000 Class B Asset Backed Floating Rate Notes due December 2056 (the "**Class B Notes**" or the "**Junior Notes**", and together with the Senior Notes, the "**Notes**").

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

Euro 6,132,000 Class B1 Asset Backed Floating Rate Notes due December 2056;

Euro 14,559,000 Class B2 Asset Backed Floating Rate Notes due December 2056;

Euro 5,629,000 Class B3 Asset Backed Floating Rate Notes due December 2056;

Euro 3,397,000 Class B4 Asset Backed Floating Rate Notes due December 2056;

Euro 2,110,000 Class B5 Asset Backed Floating Rate Notes due December 2056;

Euro 5,492,000 Class B6 Asset Backed Floating Rate Notes due December 2056;

Euro 2,519,000 Class B7 Asset Backed Floating Rate Notes due December 2056;

Euro 4,422,000 Class B8 Asset Backed Floating Rate Notes due December 2056;

Euro 7,438,000 Class B9 Asset Backed Floating Rate Notes due December 2056;

Euro 10,525,000 Class B10 Asset Backed Floating Rate Notes due December 2056;

Euro 3,185,000 Class B11 Asset Backed Floating Rate Notes due December 2056;

Euro 3,814,000 Class B12 Asset Backed Floating Rate Notes due December 2056;

Euro 7,952,000 Class B13 Asset Backed Floating Rate Notes due December 2056;

Euro 2,010,000 Class B14 Asset Backed Floating Rate Notes due December 2056;

Euro 4,912,000 Class B15 Asset Backed Floating Rate Notes due December 2056;

Euro 15,015,000 Class B16 Asset Backed Floating Rate Notes due December 2056.

The aggregate amount of the Class B Notes will be Euro 99,111,000 (the "**Class B Notes Aggregate Amount**").

Issue Price

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

Class	*Issue Price*
Class A Notes	100%
Class B Notes	100%

Interest

The rate of interest applicable from time to time in respect of the Class A Notes (the "**Interest Rate**") will be the lower of (i) EURIBOR for three month deposits in Euro (the "**Three Month EURIBOR**") (or in the case of the Initial Interest Period, the linear interpolation between the Euro-Zone Inter-Bank offered rate ("**Euribor**") for 3 month and 6 month deposits in Euro) plus a margin of 0.30% per annum in respect of the Class A Notes and (ii) 7% per annum. It remains understood that, for the above purposes, if the algebraic sum of the applicable Three Month EURIBOR and the relevant margin results in a negative rate, the applicable Interest Rate shall be deemed to be zero.

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 (without duplication) to:

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

plus

(ii) the aggregate of all fees for prepayment paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; *plus*

(iii) the aggregate of all interest for late payments (*interessi di mora*) paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; *plus*

(iv) all amounts received or recovered by the Issuer in the immediately preceding Collection Period with respect to the Claims of the Relevant Portfolio which are or have been Defaulted Claims; *plus*

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

(vi) the relevant Outstanding Notes Ratio of all profit and accrued interest (if any) received under the Eligible Investments made in respect of the immediately preceding Collection Period; *plus*

(vii) (a) the amounts credited on the immediately preceding Payment Date on the relevant Principal Amortisation Reserve Account; and (b) the amounts credited on the immediately preceding Payment Date on the Reserve Account out of the Claims of the Relevant Portfolio, but in any case other than the portion of such amounts deriving from Principal Installments on the Claims; ; *minus*

(viii) the difference between (i) the Single Portfolio Amortised Principal due on the immediately preceding Payment Date and (ii) the amount paid under item (*Eight*) and (*Tenth*) of the Pre- Acceleration Order of Priority at such immediately preceding Payment Date; *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*) to (*Sixth*) of the Pre Acceleration Order of Priority, or

(b) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date under item (*Fifth*) of the Acceleration Order of Priority to the Servicer (or the Back-up Servicer) of the Relevant Portfolio, plus the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items (*First*), (*Second*), (*Third*), (*Fourth*), (*Sixth*) and (*Ninth*) of the Acceleration Order of Priority, or

(c) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date under item (*Fifth*) of the Cross Collateral Order of Priority to the Servicer (or the Back-up Servicer) of the Relevant Portfolio, plus the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items (*First*), (*Second*), (*Third*) (*Fourth*), (*Sixth*), (*Seventh*) and (*Eleventh*) of the Cross Collateral Order of Priority; *minus*

(x) (a) the amounts credited on such Payment Date on the relevant Principal Amortisation Reserve Account; and (b) the amounts credited on such Payment Date on the Reserve Account out of the Claims of the Relevant Portfolio, but in any case other than the portion of such amounts deriving from Principal Installments on the Claims; *minus*

(xi) 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 16th day of March, June, September and December in each year or, if such date is not a Business Day, on the following Business Day (each such date a "**Payment Date**"). The first Payment Date will fall on 16 March 2017 (the "**First Payment Date**") and will relate to the period from (and including) the Issue Date to (but excluding) such Payment Date.

Form and Denomination

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

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

The Issuer will elect Ireland as Home Member State for the purpose

of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the "**Transparency Directive**").

Status

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

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

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

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

Issuer Available Funds

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

(i) all Collections received by the Issuer through the Servicers, during the immediately preceding Collection Period;

(ii) all other amounts transferred during the immediately preceding Collection Period from the Transitory Collections and Recoveries Accounts into the Collections and Recoveries Account;

(iii) all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for the Quota Capital Account) during the immediately preceding Collection Period and any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period;

(iv) all amounts paid into the Principal Amortisation Reserve Accounts in the immediately preceding Payment Date (or the corresponding amount credited to the Investment Account pursuant to the Cash Administration and Agency

Agreement);

(v) 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;

(vi) any other amounts paid into the Payments Account during the immediately preceding Collection Period other than the Issuer Available Funds utilised on the immediately preceding Payment Date;

(vii) 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 (or the corresponding amount credited to the Investment Account pursuant to the Cash Administration and Agency Agreement);

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

(a) the amount of the Cash Reserves (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement) necessary to pay amount due under items from (*First*) to (*Sixth*) (included) of the Acceleration Order of Priority, or the Cross Collateral Order of Priority (as applicable) in the event of a shortfall of the Issuer Available Funds in respect of such amounts on such Payment Date,

(b) the amount equal to the difference (if positive) between (i) the amount of the Cash Reserves (including any amount to be credited on the Cash Reserve Accounts in accordance with item (*Seventh*) of the Cross Collateral Order of Priority on such Payment Date and each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement) available after making the payments under letter (a) above, and (ii) an amount equal to 20% of the sums of each Target Cash Reserve Amounts as at the day following the immediately preceding Payment Date, in respect of payments ranking as item (*Eighth*) of the Cross Collateral Order of Priority, in the event of a shortfall of the Issuer Available Funds in respect of such amounts on such Payment Date;

(c) only on the Payment Date on which the amount

under item (ii) of the Class A Notes Principal Payment Amount is to be utilised towards redemption of the Class A Notes, a corresponding amount of the Cash Reserves (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement), and

(d) on the earlier of the Final Maturity Date and the first Payment Date on which the Acceleration Order of Priority applies, the amount of the Cash Reserves necessary to redeem in full the Class A Notes (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement);

(ix) the Cash Reserve Excess of all Portfolios.

Single Portfolio Available Funds

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

(i) all the Collections received by the Issuer, through the Servicer, during the immediately preceding Collection Period in relation to the Claims of the Relevant Portfolio;

(ii) all other amounts transferred during the immediately preceding Collection Period from the relevant Transitory Collections and Recoveries Account into the Collections and Recoveries Account;

(iii) the relevant Outstanding Notes Ratio of all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for the Quota Capital Account) during the immediately preceding Collection Period and of any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period;

(iv) all amounts paid into the credit of the relevant Principal Amortisation Reserve Account in the immediately preceding Payment Date (or the corresponding amount credited to the Investment Account pursuant to the Cash Administration and Agency Agreement);

(v) 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;

(vi) the relevant Outstanding Notes Ratio of any other amounts paid into the Payments Account during the immediately preceding Collection Period other than the Single Portfolio

Available Funds utilised on the immediately preceding Payment Date, and in relation to the First Payment Date only, the relevant Issue Price Difference;

(vii) the amounts paid into the Reserve Account in the preceding Payment Date out of the relevant Single Portfolio Available Funds (or the corresponding amount credited to the Investment Account pursuant to the Cash Administration and Agency Agreement);

(viii) until full repayment of the Class A Notes

(a) the amount of the Relevant Cash Reserve (increased , if necessary, by the amount made available on such Payment Date by the other Relevant Cash Reserves pursuant to the terms of the Cash Administration and Agency Agreement) necessary exclusively to pay amount due under items from (*First*) to (*Sixth*) of the Pre-Acceleration Order of Priority, in the event of a shortfall of the relevant Single Portfolio Available Funds in respect of such amounts on such Payment Date, and

(b) the amount equal to the difference (if positive) between (i) the amount of the Relevant Cash Reserve (including amounts to be credited on the Relevant Cash Reserve Account on such Payment Date and increased as the case may be by the amount made available by the other Relevant Cash Reserves pursuant to the terms of the Cash Administration and Agency Agreement) available after making the payments under letter (a) above, and (ii) an amount equal to 20% of the relevant Target Cash Reserve Amount as at the day following the immediately preceding Payment Date , in respect of payments ranking as items (*Eighth*) and (*Ten*) of the Pre-Acceleration Order of Priority, in the event of a shortfall of the relevant Single Portfolio Available Funds in respect of such amounts on such Payment Date,

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

(d) on the Final Maturity Date or, if earlier, on the Payment Date in which the Class A Notes are redeemed in full, the amount of the Relevant Cash Reserve necessary to pay in full the relevant Single Portfolio Class A Notes Principal Amount Outstanding;

(ix) the Cash Reserve Excess of the Relevant Portfolio;

(x) any amount received on the same Payment Date under item (*Tenth*) of the Pre-Acceleration Order of Priority of each of

the other Portfolios.

Outstanding Notes Ratio Means with respect to any Payment Date and to each Portfolio, the ratio, calculated as at the immediately preceding Collection Date, between: (x) the relevant Single Portfolio Notes Principal Amount Outstanding; and (y) the Principal Amount Outstanding of all the Notes.

Single Portfolio Notes Principal Amount Outstanding Means with respect to each Payment Date:

(i) with respect to Portfolio No. 1, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B1 Notes;

(ii) with respect to Portfolio No. 2, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B2 Notes;

(iii) with respect to Portfolio No. 3, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B3 Notes;

(iv) with respect to Portfolio No. 4, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B4 Notes;

(v) with respect to Portfolio No. 5, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B5 Notes;

(vi) with respect to Portfolio No. 6, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B6 Notes;

(vii) with respect to Portfolio No. 7, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B7 Notes;

(viii) with respect to Portfolio No. 8, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B8 Notes;

(ix) with respect to Portfolio No. 9, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B9 Notes;

(x) with respect to Portfolio No. 10, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B10 Notes;

(xi) with respect to Portfolio No. 11, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B11 Notes;

(xii) with respect to Portfolio No. 12, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B12 Notes;

(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;

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 in respect of the Relevant Portfolio to the relevant 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 6.18% of the Class A Notes, equal to Euro 34,700,000.00; (ii) with respect to Portfolio No. 2 the Principal Amount Outstanding as at the Issue Date of 14.63% of the Class A Notes, equal to Euro 82,200,000.00; (iii) with respect to Portfolio No. 3 the Principal Amount Outstanding as at the Issue Date of 5.70% of the Class A Notes, equal to Euro 32,000,000.00;

(iv) with respect to Portfolio No. 4 the Principal Amount Outstanding as at the Issue Date of 3.42% of the Class A Notes, equal to Euro 19,200,000.00; (v) with respect to Portfolio No. 5 the Principal Amount Outstanding as at the Issue Date of 2.08% of the Class A Notes, equal to Euro 11,700,000.00; (vi) with respect to Portfolio No. 6 the Principal Amount Outstanding as at the Issue Date of 5.48% of the Class A Notes, equal to Euro 30,800,000.00; (vii) with respect to Portfolio No. 7 the Principal Amount Outstanding as at the Issue Date of 2.60% of the Class A Notes, equal to Euro 14,600,000.00; (viii) with respect to Portfolio No. 8 the Principal Amount Outstanding as at the Issue Date of 4.49% of the Class A Notes, equal to Euro 25,200,000.00; (ix) with respect to Portfolio No. 9 the Principal Amount Outstanding as at the Issue Date of 7.46% of the Class A Notes, equal to Euro 41,900,000.00; (x) with respect to Portfolio No. 10 the Principal Amount Outstanding as at the Issue Date of 10.59% of the Class A Notes, equal to Euro 59,500,000.00; (xi) with respect to Portfolio No. 11 the Principal Amount Outstanding as at the Issue Date of 3.205% of the Class A Notes, equal to Euro 18,000,000.00; (xii) with respect to Portfolio No. 12 the Principal Amount Outstanding as at the Issue Date of 3.90% of the Class A Notes, equal to Euro 21,900,000.00; (xiii) with respect to Portfolio No. 13 the Principal Amount Outstanding as at the Issue Date of 8.065% of the Class A Notes, equal to Euro 45,300,000.00; (xiv) with respect to Portfolio No. 14 the Principal Amount Outstanding as at the Issue Date of 2.08% of the Class A Notes, equal to Euro 11,700,000.00; (xv) with respect to Portfolio No. 15 the Principal Amount Outstanding as at the Issue Date of 4.95% of the Class A Notes, equal to Euro 27,800,000.00; (xvi) with respect to Portfolio No. 16 the Principal Amount Outstanding as at the Issue Date of 15.17% of the Class A Notes, equal to Euro 85,200,000.00.

Single Series Available Class B Notes Redemption Funds

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

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

(ii) the Principal Amount Outstanding of such Series of Class B Notes.

Class A Notes Principal Payment Amount

Means (i) with respect to each Payment Date, the aggregate of all Single Portfolio Class A Notes Principal Payment Amounts (but excluding amounts payable under item (vii) of the definition of Single Portfolio Amortised Principal), *plus* (ii) only on the Payment Date on which the Single Portfolio Class A Notes Principal Amount Outstanding of each Portfolio may be redeemed in full by utilising the Cash Reserves (available on such Payment Date following payment in full of all items ranking higher in the Cross Collateral-Order of Priority), an amount equal to the aggregate Single Portfolio

Class A Notes Principal Amount Outstanding (which would otherwise remain outstanding following payments under item (i) above); *provided that* on the Final Maturity Date the Class A Notes Principal Payment Amount will be equal to the aggregate of all Single Portfolio Class A Notes Principal Amount Outstanding.

Single Portfolio Class A Notes Principal Payment Amount

Means with respect to each Payment Date and to each Portfolio the lower of: (i) the relevant Single Portfolio Amortised Principal with respect to such Payment Date; and (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the immediately preceding Collection Date; *provided that* on the Final Maturity Date each Single Portfolio Class A Notes Principal Payment Amount will be equal to the relevant Single Portfolio Class A Notes Principal Amount Outstanding.

Single Portfolio Amortised Principal

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

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

(ii) the aggregate amount of the Principal Instalments of the relevant Pre-paid Claims that have been prepaid during the immediately preceding Collection Period;

(iii) the Outstanding Principal of the relevant Claims that have become Defaulted Claims during the immediately preceding Collection Period, as of the date when such Claims became Defaulted Claims;

(iv) any amount received by the Issuer during the immediately preceding Collection Period from the Originator of the relevant Claims pursuant to the relevant Transfer Agreement and/or the Warranty and Indemnity Agreement and any amount received by the Issuer from the relevant Originator as indemnities in respect of the renegotiations of the Mortgage Loan Agreements of the Relevant Portfolio in accordance with the Servicing Agreement;

(v) any repurchase price of the relevant Claims received in the immediately preceding Collection Period (or at any time upon exercise of the Optional Redemption or the Redemption for Taxation);

(vi) (a) upon any of the Originators becoming subject to an insolvency proceeding, any amount not received by the Issuer in the immediately preceding Collection Period as a result of the set-off by any Borrower between its claims

towards such Originator (in respect of the Borrower's deposits with such Originator) and the Claims; and (b) (without any duplication with the amount under points (i) and (ii) hereabove) upon any of the Servicers becoming subject to an insolvency proceeding any amount collected by such Servicer and not duly transferred to the Issuer in accordance with the Servicing Agreement

(vii) the relevant Single Portfolio Amortised Principal unpaid at the previous Payment Date;

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

(ix) unless a Cross Collateral Notice or a Trigger Notice has been served on the Issuer, upon the occurrence of a Class A Disequilibrium Event with respect to one or more Portfolios, any relevant Single Portfolio Available Fund left after payment of item (*Seventh*), included, of the Pre-Acceleration Order of Priority, provided that such payment will be done exclusively with reference to the Portfolio/s in relation to which a Class A Disequilibrium Event has occurred

ACCOUNTS AND DESCRIPTION OF CASH FLOWS

(1) ACCOUNTS HELD WITH THE OPERATING BANK

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

Transitory Collections and Recoveries Accounts	16 accounts denominated with reference to each Portfolio (each a "**Transitory Collections and Recoveries Account**") (*Conto Incassi e Recuperi Transitorio*) into which all amounts received or recovered by each Servicer under each Relevant Portfolio will be paid within 1 (one) Business Day following the date of receipt; and out of which all amounts standing to the credit of each such account will be transferred to the Collection and Recoveries Account on the earlier of (a) the Business Day following the date of receipt and (b) upon the aggregate balance of all the Transitory Collection and Recoveries Accounts being equal to or greater than Euro 500,000.00 (five hundred thousand/00);
Expenses Account	an account (the "**Expenses Account**") (*Conto Spese*) with IBAN No IT32B0800003200000800031139 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. IT55A0800003200000800031138 into which all sums contributed by the Quotaholders as quota capital and any interest thereon will be credited.

(2) ACCOUNTS HELD WITH THE TRANSACTION BANK

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

Payments Account	an account (the "**Payments Account**") (*Conto Pagamenti*) with IBAN No. IT92W0347901600000802089800; *into which* **(i)** all amounts received by the Issuer under the Transaction Documents (other than the collections and recoveries on the Claims) will be credited if not credited to other accounts pursuant to the Transaction Documents; **(ii)** all amounts standing to the credit of the Investment Account and in general any sums arising

from the liquidation, maturity or disposal of the Eligible Investments (including any profit generated thereby or interest matured thereon) shall be transferred 2 (two) Business Days prior to each Payment Date; **(iii)** all amounts to be transferred from the Cash Reserve Accounts 2 (two) Business Days prior to each Payment Date in order to increase the Issuer Available Funds or the Single Portfolio Available Funds and as Cash Reserve Excess shall be credited; and

out of which **(i)** on the Business Day preceding each Payment Date until the Payment Date (excluded) on which the Class A Notes are fully reimbursed, an amount equal to the difference between (a) amounts invested in Eligible Investments out of the funds which have been transferred from each relevant Cash Reserve Account to the Investment Account in the preceding Collection Period and (b) the sum of (x) the amount of each Relevant Cash Reserve necessary to increase the Issuer Available Funds or the Single Portfolio Available Funds as calculated by the Computation Agent (also in accordance with the provisions of the Cash Administration and Agency Agreement and indicated in the relevant Payments Reports) in respect of the immediately following Payment Date, and (y) each relevant Cash Reserve Excess in respect of the immediately following Payment Date, shall be credited to the relevant Cash Reserve Account; **(ii)** all amounts standing to credit thereof will be transferred to the Investment Account 1 (one) Business Day after each Payment Date and on the Business Day following the 15th and the 30th day of each calendar month (except for February in which case the 30th day shall be the 28th and except for each month in which a Payment Date falls) if the balance of such account is equal to or higher than Euro 50,000 (fifty thousand); and **(iii)** on each Payment Date all payments of interest and principal on the Notes and any payments to the Other Issuer Creditors and any third party creditors of the Transaction shall be made in accordance with the applicable Order of Priority and the relevant Payments Report (provided that amounts necessary to pay interest and principal on the Notes shall be transferred to the Principal Paying Agent 2 (two) Business Days before each Payment Date);

Collection and Recoveries Account

an account (the "**Collection and Recoveries Account**") (*Conto Incassi e Recuperi*) with IBAN No. IT38C0347901600000802089817

into which all amounts standing to the credit of each Transitory Collections and Recoveries Account will be transferred **(i)** on the Business Day following the date of receipt and **(ii)** immediately upon the aggregate balance of all the Transitory Collection and Recoveries Accounts being equal to or greater than Euro 500,000 (five hundred thousand); and

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

Cash Reserve Accounts

16 accounts denominated with reference to each Relevant Portfolio (each a "**Cash Reserve Account**") with IBAN No. IT69X0347901600000802089801 (in respect of the Portfolio No. 1),

IBAN No. IT46Y0347901600000802089802 (in respect of the Portfolio No. 2), IBAN No. IT23Z0347901600000802089803 (in respect of the Portfolio No. 3), IBAN No. IT90A0347901600000802089804 (in respect of the Portfolio No. 4), IBAN No. IT67B0347901600000802089805 (in respect of the Portfolio No. 5), IBAN No. IT44C0347901600000802089806 (in respect of the Portfolio No. 6), IBAN No. IT21D0347901600000802089807 (in respect of the Portfolio No. 7), IBAN No. IT95E0347901600000802089808 (in respect of the Portfolio No. 8), IBAN No. IT72F0347901600000802089809 (in respect of the Portfolio No. 9), IBAN No. IT12V0347901600000802089810 (in respect of the Portfolio No. 10), IBAN No. IT86W0347901600000802089811 (in respect of the Portfolio No. 11), IBAN No. IT63X0347901600000802089812 (in respect of the Portfolio No. 12), IBAN No. IT40Y0347901600000802089813 (in respect of the Portfolio No. 13), IBAN No. IT17Z0347901600000802089814 (in respect of the Portfolio No. 14), IBAN No. IT84A0347901600000802089815 (in respect of the Portfolio No. 15), IBAN No. IT61B0347901600000802089816 (in respect of the Portfolio No. 16),

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

Investment Account

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

a cash account IBAN No. IT15D0347901600000802089818 and a securities account n. 2089800 (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 1 (one) Business Day after each Payment Date and on the Business Day following the 15th and 30th day of each calendar month (except for February in which case the 30th day shall be the 28th 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 (fiftythousand); **(iii)** (a) all the amounts standing to the credit of the the Reserve Accounts (if any or should the Reserve Account not be opened within the term set out in the Cash Administration and Agency Agreement, the amounts to be paid in accordance with clause 3.3(ii) of the Cash Administration and Agency Agreement) and the Principal Amortisation Reserve Accounts (if any or should each of the Principal Amortisation Reserve Account not be opened within the term set out in the Cash Administration and Agency Agreement the amounts to be paid in accordance with clause 3.3(vi) of the Cash Administration and Agency Agreement) will be transferred on the Business Day following the date on which the relevant amounts shall be credited on each of such account, in each case for the purpose of the investment in Eligible Investments and (b) the amounts standing to the credit of the Cash Reserve Accounts transferred pursuant to the Cash Administration and Agency Agreement shall be credited for the purpose of the investment in Eligible Investments; and **(iv)** all securities constituting Eligible Investments and any proceeds upon maturity or any sums arising from the disposal or liquidation of the securities constituting 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 2 (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, in accordance with the provisions of the Cash Administration and Agency Agreement.

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;

Principal Amortisation Reserve Accounts	16 accounts denominated with reference to each Relevant Portfolio (each a "**Principal Amortisation Reserve Account**") (*Conto di Riserva Ammortamento Capitale*) *into which* on each Payment Date following the occurrence of a Class A Disequilibrium Event with respect to one or more Portfolios the relevant Principal Amortisation Reserve Amount shall be paid from the Payments Account; and *out of which* all the amounts standing to the credit thereof will be transferred to the Investment Account on the Business Day following the date on which the relevant amounts shall be credited.

ORDERS OF PRIORITY

Pre-Acceleration Order of Priority	In each of the following cases: (i) prior to the delivery of a Cross Acceleration Notice or Trigger Notice, (ii) in case of Optional Redemption, or (iii) in case of Redemption for Taxation, 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 (i) of all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with the applicable legislation and regulations or to fulfill payment obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Transaction to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Expenses Account (ii) all costs and taxes required to be paid to maintain the rating of the Class A Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents; *Second*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of Noteholders; *Third*, to pay into the Expenses Account the relevant Outstanding Notes Ratio of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount; *Fourth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the

Transaction Bank, the Principal Paying Agent, the Corporate Services Provider and the Back-Up Servicer Facilitator;

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

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

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

Eighth, to pay to the Class A Noteholders the relevant Single Portfolio Class A Notes Principal Payment Amount;

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

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

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

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

Fourteenth, to pay (*pari passu* and *pro rata* according to the amounts then due) to (a) 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) and pursuant to the Subscription Agreement, and (b) the relevant Subscriber or the relevant Originator any amount due by the Issuer pursuant to the Subscription Agreement;

Fifteenth, 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;

Sixteenth, 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;

Seventeenth, 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);

Eighteenth, 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;

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

Acceleration Order of Priority

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

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

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

Fourth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, , the Principal Paying Agent, the Corporate Services Provider and the Back-Up Servicer Facilitator;

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

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

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

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

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

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

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

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

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

Fourteenth, to pay the Single Series Class B Notes Interest Payment Amount due and payable on each Series of Class B Notes (*pari passu* and *pro rata* to the extent of the respective amounts thereof);

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

Sixteenth, 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, Cash Reserve Account and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account, the Collections and Recoveries Account, Reserve Account and Expenses Account to each relevant Originator.

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

Cross Collateral Order of Priority

Following the delivery of a Cross Collateral Notice (and before the delivery of a Trigger Notice), the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the

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

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

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

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

Fourth, to pay *(pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, the Principal Paying Agent, the Corporate Services Provider and the Back-Up Servicer Facilitator;

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

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

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

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

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

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

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

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

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

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

Sixteenth, following full redemption of the Class A Notes, to redeem the Principal Amount Outstanding of the relevant Series of Class B Notes in the maximum amount of the relevant Single Series

Available Class B Notes Redemption Funds;

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

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

Trigger Events

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

(a) *Non-payment:*

(i) the Issuer defaults in the payment of the amount of principal then due and payable on the Most Senior Class of Notes on the Final Maturity Date;

(ii) on any Payment Date (provided that a 3 (three) Business Days' grace period shall apply) the amount paid by the Issuer as interest on the Most Senior Class of Notes is lower than (A) the relevant Interest Amount on the Class A Notes (in case the Most Senior Class of Notes are the Class A Notes) or (B) the relevant Single Series Class B Notes Interest Payment Amount on the Class B Notes (in case the Most Senior Class of Notes are 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* and *accordi di ristrutturazione*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of the jurisdiction in which the Issuer is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, receivership, arrangement, adjustment, protection or relief of debtors) or similar proceedings or the whole or any substantial part of the undertaking or assets of the Issuer are subject to a *pignoramento* or similar procedure having a similar effect (other than any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success;

(ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by the Issuer or the same proceedings are otherwise initiated against the Issuer and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success;

(iii) the Issuer takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments;

(iv) an order is made or an effective resolution is passed for

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

(e) *Unlawfulness:*

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

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

(i) shall, in the case of the Trigger Event set out under point (a) above;

(ii) shall if so requested in writing by an Extraordinary Resolution of the holders of the Most Senior Class of 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 Most Senior Class of Notes in case of any other Trigger Event,

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

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

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

Cross Collateral Events

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

(a) *Disequilibrium Event*

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

(b) *Default Ratio*

The Default Ratio, as at any Collection Date, is higher than 6%; or

(c) *Cash Reserve*

On any Calculation Date, with reference to the immediately following Payment Date, the aggregate of the Single Portfolio Negative Balances (but excluding item (*Eighth*) of the Pre-Acceleration Order of Priority) with respect to such Payment Date is equal to or exceeds the Cash Reserves;

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

"**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 Effective Date, and (ii) the Outstanding Principal of the Claims as at the Effective Date.

"**Single Portfolio Negative Balance**" means with respect to any Payment Date on which the Pre-Acceleration Order of Priority applies and until full repayment of the Class A Notes, an amount calculated as the difference, if positive, between:

(a) all amounts due to be paid by the Issuer on such Payment Date under items from (*First*) to (*Sixth*) (included) and (*Eighth*) of the Pre-Acceleration Order of Priority, and

(b) the Single Portfolio Available Funds with respect to such Payment Date but excluding the amounts under item (viii) of the Single Portfolio Available Funds.

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 or a Trigger Notice has been served on the Issuer), the Issuer shall

be obliged to (i) apply the relevant Single Portfolio Available Funds left after payment of item (*Seventh*), included, of the Pre-Acceleration Order of Priority as relevant Single Portfolio Amortized Principal, provided that such payment shall be drawn only from the Portfolio/s in relation to which a Class A Disequilibrium Event has occurred and (ii) pay the relevant Principal Amortisation Reserve Amount into the relevant Principal Amortisation Reserve Account in accordance with the Pre-Acceleration Order of Priority; provided that such Principal Amortisation Reserve Amount shall be drawn only from the Portfolios in relation to which a Class A Disequilibrium Event has not occurred.

"**Principal Amortisation Reserve Amount**" means with respect to a Payment Date on which a Class A Disequilibrium Event has occurred and to each Portfolio, the difference, if positive, between:

(i) the relevant Single Portfolio Available Funds, and

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

Detrimental Event

A Detrimental Event shall occur with respect to a Payment Date (other than a Payment Date on which the Class A Notes are redeemed in full) when the Cash Reserve (calculated taking into account any amount to be paid into and out of the Cash Reserve Accounts on such Payment Date) is less than 80% (eighty per cent) of the aggregate of the Target Cash Reserve Amounts.

Upon the occurrence of a Detrimental Event, the Issuer shall be obliged to pay the Reserve Amount into the Reserve Account with respect to each Portfolio having enough funds available for such purpose in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority.

CASH RESERVES

On the Issue Date the Issuer will establish a reserve fund in each Cash Reserve Account. Specifically, pursuant to the Limited Recourse Loan Agreement: (i) BCC Umbria Credito Cooperativo – Società Cooperativa will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,388,000 (the "**BCC Umbria Limited Recourse Loan**"), (ii) Banca della Marca Credito Cooperativo - Soc. Coop. will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 3,288,000 (the "**BCC Marca Limited Recourse Loan**"), (iii) Mantovabanca 1896 Credito Cooperativo will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,280,000 (the "**BCC Mantovabanca Limited Recourse Loan**"), (iv) Bassano Banca – Credito Cooperativo di Romano e Santa Caterina – Societa' Cooperativa per Azioni will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 768,000 (the "**BCC Bassano Banca Limited Recourse Loan**"), (v) Banca di Anghiari e Stia Credito Cooperativo S.C. will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 468,000 (the "**BCC Anghiari e Stia Limited Recourse Loan**"), (vi) Cassa

Rurale ed Artigiana di Brendola Credito Cooperativo – Società Cooperativa will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,232,000 (the "**BCC di Brendola Limited Recourse Loan**"), (vii) Banca di Credito Cooperativo di Corinaldo – Società Cooperativa will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 584,000 (the "**BCC di Corinaldo Limited Recourse Loan**"), (viii) Banca di Credito Cooperativo di Fiumicello ed Aiello del Friuli (UD) Societa' Cooperativa will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,008,000 (the "**BCC di Fiumicello ed Aiello del Friuli Limited Recourse Loan**"), (ix) Banca del Centroveneto Credito Cooperativo – Società Cooperativa – Longare will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,676,000 (the "**BCC Centroveneto Limited Recourse Loan**"), (x) Banco Cooperativo Emiliano – Credito Cooperativo – Società Cooperativa will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 2,380,000 (the "**BCC Banco Emiliano Limited Recourse Loan**"), (xi) Banca di Credito Cooperativo di Monterenzio – Societa' Cooperativa will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 720,000 (the "**BCC Monterenzio Limited Recourse Loan**"), (xii) Banca di Credito Cooperativo Di Piove Di Sacco S.C. will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 876,000 (the "**BCC Piove di Sacco Limited Recourse Loan**"), (xiii) Centromarca Banca Credito Cooperativo di Treviso Societa' Cooperativa per Azioni will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,812,000 (the "**BCC Centromarca Limited Recourse Loan**"), (xiv) Cassa Rurale ed Artigiana di Roana – Credito Cooperativo Società Cooperativa will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 468,000 (the "**BCC Roana Limited Recourse Loan**"), (xv) Banca San Giorgio Quinto Valle Agno Società Cooperativa will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,112,000 (the "**BCC San Giorgio Limited Recourse Loan**"), (xvi) Cassa Rurale – Banca di Credito Cooperativo di Treviglio will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 3,408,000 (the "**BCC Treviglio Limited Recourse Loan**") (collectively, the "**Limited Recourse Loans**") which will be deposited into the relevant Cash Reserve Account to fund each Relevant Cash Reserve, for an aggregate amount of Euro 22,468,000 (equal to 4% of the Principal Amount Oustanding of the Class A Notes as of the Issue Date) necessary to fund the Cash Reserves as at the Issue Date.

"**Relevant Cash Reserve**" means with respect to the Portfolio of each Limited Recourse Loan Provider and with reference to any given Payment Date and Calculation Date, the monies standing from time to time to the credit of the relevant Cash Reserve Account (including amounts to be credited on the relevant Cash Reserve Account on such Payment Date and increased as the case may be by the amount made available by the other relevant Cash Reserves pursuant to the terms of the Cash Administration and Agency Agreement), on the immediately preceding Payment Date (after application of the Single Portfolio Available Funds or the Issuer

Available Funds, in accordance with the applicable Order of Priority) except for each Issue Price Difference.

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

Thereafter, on each Payment Date prior to the delivery of a Trigger Notice to (but excluding) the Payment Date on which the Notes are redeemed in full, the Issuer will, in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority (as applicable), pay into the relevant Cash Reserve Account an amount to bring the balance of such account equal to the relevant Target Cash Reserve Amount.

"**Target Cash Reserve Amount**" means: (i) with respect to Portfolio 1 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (ii) with respect to Portfolio 2 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (iii) with respect to Portfolio 3 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (iv) with respect to Portfolio 4 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (v) with respect to Portfolio 5 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (vi) with respect to Portfolio 6 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (vii) with respect to Portfolio 7 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes

Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (viii) with respect to Portfolio 8 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (ix) with respect to Portfolio 9 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (x) with respect to Portfolio 10 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (xi) with respect to Portfolio 11 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (xii) with respect to Portfolio 12 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (xiii) with respect to Portfolio 13 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (xiv) with respect to Portfolio 14 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (xv) with respect to Portfolio 15 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with

reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (xvi) with respect to Portfolio 16 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; *provided that* each Target Cash Reserve Amount will be equal to 0 (zero) on the earlier of the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter) and the Final Maturity Date.

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

(a) firstly, shall provide support (being included in the relevant Single Portfolio Available Funds) with respect to the Relevant Portfolio in respect of payments under items (*First*) to (*Sixth*) of the Pre-Acceleration Order of Priority;

(b) secondly, shall provide support (being included in the relevant Single Portfolio Available Funds) with respect to the Relevant Portfolio in respect of payments under item (*Eighth*) of the Pre-Acceleration Order of Priority for an amount not higher than the difference (if positive) between the amount of the Relevant Cash Reserve available after making the payments under letter (a) above, and 20% of relevant Target Cash Reserve Amount as at the day following the immediately preceding Payment Date;

(c) thereafter, (to the extent not utilised under item (a) and (b) above and (B) below and in any case taking into account for each Cash Reserve its relevant limit under item (b) above) shall increase the Single Portfolio Available Funds in respect of the other Portfolios, pursuant to the terms of the Cash Administration and Agency Agreement, in case any of the other Relevant Cash Reserves is not sufficient to meet the Single Portfolio Negative Balance of the Relevant Portfolio.

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

In the event that any of the Cross Collateral Order of Priority or the Acceleration Order of Priority becomes applicable and until full repayment of the Class A Notes, the Cash Reserves (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement), in case of a Portfolio Negative Balance:

(a) firstly, shall provide support (being included in the Issuer Available Funds) with respect to all Portfolios in respect of payments under items (*First*) to (*Sixth*) of the Cross Collateral Order of Priority or the Acceleration Order of Priority (as applicable);

(b) secondly, shall provide support (being included in the relevant Issuer Available Funds) with respect to the aggregate of all the Portfolios in respect of payments under item (*Eighth*) of the Cross Collateral Order of Priority, for an amount not higher than the difference (if positive) between the amount of the Cash Reserve available after making the payments under letter (a) above, and 20% of the sums of each Target Cash Reserve Amounts as at the day following the immediately preceding Payment Date.

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

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

To the extent not otherwise redeemed, the Class A Notes will be

Final Redemption	redeemed at their Principal Amount Outstanding on the Payment Date falling on December 2056 and the Class B Notes will be redeemed at their Principal Amount Outstanding on the Payment Date falling on December 2056 (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 of the Class A Notes	The Class A Notes will be subject to mandatory redemption in full or in part: (A) on each Payment Date (other than the Payment Dates under item (B) below), in a maximum amount equal to their Class A Notes Principal Payment Amount with respect to such Payment Date; (B) on any Payment Date: (i) following the delivery of a Trigger Notice pursuant to Condition 9.1 (*Trigger Notice*); (ii) in the case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*); or (iii) in the case of the Issuer exercising the Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), 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	Provided that no Trigger Notice has been served on the Issuer, the Issuer may redeem the Notes in whole but not in part (or only the Class A Notes in whole, if all the Class B Noteholders consent) at their Principal Amount Outstanding, together with interest accrued and unpaid up to the date fixed for redemption, if at the preceding Collection Date the aggregate principal outstanding amount of the Notes is equal to or less than 19% of the the Purchase Price (as calculated by the Computation Agent and resulting from the Payments Report) (such relevant Payment Date the "**Clean Up Option Date**"). Such optional redemption shall be effected by the Issuer giving not more than forty-five (45) nor less than fifteen (15) days' prior written notice to the Representative of the Noteholders and to the Class A Noteholders in accordance with Condition 13 (*Notices*) and provided that the Issuer, prior to giving such notice to the Representative of the Noteholders, has produced evidence reasonably acceptable to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other Person, to discharge all its outstanding liabilities in respect of the Notes (or the Class A Notes only, if all the Class B Noteholders consent) and any amounts required under the Intercreditor

Agreement and the Conditions to be paid in priority to or *pari passu* with the relevant Notes to be redeemed.

Redemption for Taxation

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

(A) (also through the Issuer's Agent) 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 by any applicable authority having jurisdiction (or that amounts payable to the Issuer in respect of the Portfolios would be subject to withholding or deduction); or

(B) would incur increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Transaction;

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

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

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

Sale of the Portfolios

In the following circumstances:

(i) in case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*),

(ii) in case of Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*),

(iii) after a Trigger Notice has been served on the Issuer (with a copy to the Servicers) pursuant to Condition 9 (*Trigger Events*) if an Extraordinary Resolution of the holders of the Class A Notes resolve to request the Issuer to sell all (or part only) the Portfolios to one or more third parties,

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

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

No authorisation to the sale of the Portfolios shall be necessary in case of exercise of the option by the Originators pursuant to article 11 (*Clean Up Option*) 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 Umbria;

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

Portfolio No. 3, the portfolio of Claims which are sold to the Issuer by BCC Mantovabanca;

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

Portfolio No. 5, the portfolio of Claims which are sold to the Issuer by BCC Anghiari e Stia;

Portfolio No. 6, the portfolio of Claims which are sold to the Issuer

by BCC di Brendola;

Portfolio No. 7, the portfolio of Claims which are sold to the Issuer by BCC di Corinaldo;

Portfolio No. 8, the portfolio of Claims which are sold to the Issuer by BCC di Fiumicello ed Aiello del Friuli;

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

Portfolio No. 10, the portfolio of Claims which are sold to the Issuer by BCC Banco Emiliano;

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

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

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

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

Portfolio No. 15, the portfolio of Claims which are sold to the Issuer by BCC San Giorgio;

Portfolio No. 16, the portfolio of Claims which are sold to the Issuer by BCC Treviglio (collectively the "**Portfolios**").

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 Aa3 (sf) by Moody's Italia S.r.l. and AA low (sf) by DBRS Ratings Limited. No rating will be assigned to the Class B Notes. As of the date of this Prospectus, each of Moody's Italia S.r.l. and DBRS Ratings Limited is established in the European Union and was registered on 31 October 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the CRA Regulation and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the ESMA Website (for the avoidance of doubt, such website does not constitute part of this Prospectus). No ratings 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***.
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 will be governed by Italian law.

RISK FACTORS

The following is a description of certain aspects of the issue of the Notes of which prospective Noteholders should be aware. However, it is not intended to be exhaustive and prospective Noteholders should make their own independent valuation of all of the risk factors and should also read the detailed information set forth elsewhere in this Prospectus and in the Transaction Documents. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations.

1. THE ISSUER

1.1 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 authority; 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. It should be noted that:

(a) Law Decree No. 145 of 23 December 2013 ("*Interventi urgenti di avvio del piano "Destinazione Italia", per il contenimento delle tariffe elettriche e del gas, per la riduzione dei premi RC-auto, per l'internazionalizzazione, lo sviluppo e la digitalizzazione delle imprese, nonché misure per la realizzazione di opere pubbliche ed EXPO 2015*") converted with amendments into Law No. 9 of 21 February 2014 (the "**Law 9/2014**"); and

(b) Law Decree No. 91 of 24 June 2014 ("*Disposizioni urgenti per il settore agricolo, la tutela ambientale e l'efficientamento energetico dell'edilizia scolastica e universitaria, il rilancio e lo sviluppo delle imprese, il contenimento dei costi gravanti sulle tariffe elettriche, nonché per la definizione immediata di adempimenti derivanti dalla normativa europea*") converted with amendments into Law No. 116 of 11 August 2014 (the "**Law 116/2014**");

introduced certain amendments to the Securitisation Law for the purpose of improving the Securitisation Law by granting additional legal benefits to the entities involved in securitisation transactions in Italy and by better clarifying certain provisions of the Securitisation Law. For further details with respect to such amendements, please see the paragraphs headed *Rights of set-off of Borrowers, Risk of Losses associated with Borrowers* below and the section headed *Selected aspects of Italian Law – The Securitisation Law*.

1.2 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. In respect of the Class A Notes, these risks are mitigated by the liquidity and credit support provided by (i) the subordination of the Class B Notes (see for further details the section headed "*Subordination*" below) and (ii) the Cash Reserves.

However in each case, there can be no assurance that the levels of credit support and the liquidity support provided by the subordination of the Class B Notes and the Cash Reserves (in 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 (or any permitted successors or assignees appointed under the Servicing Agreement) and the other parties to the Transaction Documents as well as the timely receipt of any amount required to be paid to the Issuer by the various agents and counterparts of the Issuer pursuant to the terms of the Transaction Documents.

In particular, among other things, the timely payment of amounts due on the Notes will depend upon the Servicers' ability to service the Relevant Portfolio and to recover the amounts due in respect of the defaulted claims. It is not certain that the Servicers will duly perform at all times their obligations under the Servicing Agreement and that a suitable alternative Servicer could be available to service the Portfolios if the Servicers become insolvent or their appointment under the Servicing Agreement is otherwise terminated. In order to mitigate the servicing risk in respect of the Portfolios, the Back-Up Servicer has been appointed before the Issue Date and, in case of termination of the appointment of the Servicers under the Servicing Agreement, it shall service the relevant Portfolios and assume and/or perform the duties and obligations of the relevant Servicers on the same terms as are provided for in the Servicing Agreement. However, it is not certain that, in case of termination of the appointment of the relevant Servicer under the Servicing Agreement, the Back-Up Servicer will fulfill its obligations to service the Relevant Portfolio. In addition, a Back-Up Servicer Facilitator has been appointed on or about the Issue Date. In particular, under the Intercreditor Agreement, the Back-Up Servicer Facilitator has undertaken: (i) to use its best efforts to select an entity to be appointed as Back-up Servicer or *Sostituto del Back-Up Servicer* (as defined in the Back-up Servicer Agreement), as the case may be; and (ii) to cooperate with the relevant Servicer and the Issuer, as the case may be, for the appointment of such Back-up Servicer or *Sostituto del Back-Up Servicer* (as defined in the Back-up Servicer Agreement) pursuant to the Servicing Agreement and/or the Back-up Servicing Agreement, as the case may be.

Prospective Noteholders should further note that, following the insolvency of the Servicers, the Issuer (or the substitute servicer on behalf of the Issuer) will have to issue new payment instructions to the Borrowers to pay directly to the Issuer. The Issuer is subject to the risk that the monies paid by the Borrowers to the insolvent Servicer prior to the new instructions being issued are lost or temporarily unavailable to the Issuer. In order to reduce such risk, the Issuer has appointed the Back-Up Servicer (so that the risk of delay in the replacement of the initial Servicers should be minimised).

In addition, the Issuer's ability to make payments in respect of the Notes may depend on the Originators' performance of their obligations under the Warranty and Indemnity Agreement. In particular, in the event that any of the Originators becomes subject to insolvency or similar proceedings, it would no longer be in a position to meet its indemnification obligations to the Issuer under the Warranty and Indemnity Agreement. In addition, in such case, any payments made by such Originator as indemnity under the Warranty and Indemnity Agreement, or as indemnity for the renegotiation of the Claims under the Servicing Agreement or as repurchase price of the Claims under the relevant Transfer Agreement, may be subject to ordinary claw back regime under Italian Law (other than the shorter claw back period that applies to the transfer of the Claims to the Issuer – please see the section headed "*Selected Aspects of Italian Law*").

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.

1.3 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. In this respect, the net proceeds of the realisation of the Issuer’s Rights may be insufficient to pay all amounts due to the Noteholders after making payments to other creditors of the Issuer ranking prior thereto. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets of the Issuer will not be available for payment of, such shortfall, all claims in respect of which shall be extinguished.

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent upon the Issuer's receipt of collections made on its behalf by the Servicers with respect to the Portfolios and any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party.

In this regard, it shall be considered that each of the Noteholders, the Representative of the Noteholders and the Other Issuer Creditors under the Intercreditor Agreement undertake not to (directly or by means of any other person acting on behalf of them) institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, winding up, re-organisation, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable

bankruptcy or similar law in connection with any obligations relating to the Notes or the other documents relating to the issue of the Notes for two years and one day after the latest date on which the Notes are due to mature.

1.4 No independent investigation in relation to the Portfolios

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

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

The Issuer will rely 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 repurchase the relevant Claim. See the section headed "*The Warranty and Indemnity Agreement*", below. There can be no assurance that the Originators will have the financial resources to honour such obligations.

1.5 Claims of unsecured creditors of the Issuer

By operation of law, the right, title and interest of the Issuer in and to the Portfolios and the other Issuer's Rights will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, from assets relating to other securitisations carried out by the Issuer pursuant to the Securitisation Law) and amounts deriving therefrom (for so long as such amounts are credited to one of the Issuer's accounts under the Transaction and not commingled with other sums) will be available on a winding up of the Issuer only to satisfy the Issuer's obligations to the Noteholders and to pay other costs of the Transaction. Amounts derived from the Portfolio and the other Issuer's Rights (for so long as such amounts are credited to one of the Issuer's accounts under the Transaction and not commingled with other sums) will not be available to any other creditors of the Issuer. However, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt.

In 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 identify 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; and (iii) the parties to the Transaction have undertaken not to credit to the Accounts amounts other than those set out in the 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 – see in this respect the section headed "*Liquidity and credit risk*"). Thus, if any such party becomes insolvent, any such cash-flow held by it could not be included in the *patrimonio separato*.

It should be noted that the recent amendements made to the Securitisation Law, provide, among others, that the amounts credited into the accounts opened by companies incorporated as special purpose vehicles pursuant to article 3 of the Securitisation Law with the servicers or with the depositary bank of securitisation transactions, on which the amounts paid by the assigned debtors as well as any other amount due to the relevant special purpose vehicle under the securitisation may be credited, may be utilized only to fulfill the obligations of the relevant special purpose vehicle against the noteholders and the other creditors under the securitisation, and to pay the expenses to be borne in connection with the securitisation. Should any insolvency or administrative proceeding under Title IV of the Consolidated Banking Act, or any other insolvency procedure apply to the relevant servicer or depositary bank, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan.

In addition, in respect of the accounts opened by the servicers and the sub-servicers with banks, and into which the amounts paid by the assigned debtors may be credited, the creditors of the relevant servicer or sub-servicer may exercise claims only in respect of the amounts credited on such accounts that exceed the amounts due to the relevant special purpose vehicle. Should any insolvency procedure apply to the relevant servicer or sub-servicer, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan.

Prospective Noteholders should be aware that, as at the date of this Prospectus, these new provisions of the Securitisation Law have not been tested in any case law nor specified in any further regulation.

In addition, no guarantee can be given on the fact that the parties to the Transaction will comply with the law and contractual provisions which have been inserted in the relevant Transaction Documents in order to ensure the segregation of assets. Furthermore, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt.

In any case, the corporate purpose 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 not being party to the Transaction Documents, 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, to the extent that payment of such fees, costs, expenses and taxes is not deferrable to the immediately succeeding Payment Date.

1.6 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. Accordingly, individual Noteholders may not, without breaching the Conditions, be able to commence proceedings or take other individual remedies against the Issuer unless the Meeting has

approved such action in accordance with the provisions of the Rules of the Organisation of the Noteholders.

1.7 Rights of set-off of borrowers

Under general principles of Italian law, the Borrowers are entitled to exercise rights of set-off in respect of amounts due by them under the relevant Financing against any amounts payable by the Seller to the relevant Borrower.

The assignment of receivables under the Securitisation Law is governed by article 58, paragraphs 2, 3 and 4, of the Consolidated Banking Act. According to the prevailing interpretation of such provision, such assignment becomes enforceable against the relevant debtors as of the later of (i) the date of the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*), and (ii) the date of registration of the notice of assignment in the competent companies' register. Consequently the Borrowers may exercise a right of set-off against the Issuer on claims against the Seller which have arisen before the later of: (i) the publication of the notice in the Official Gazette, and (ii) the registration in the competent companies' register have been completed.

Notice of the assignment of the Claims pursuant to the Transfer Agreements was published in the Official Gazette No. 122, Part II, of 13 October 2016 and registered with the Register of Enterprises of Rome on 02 September 2016.

Servicing of the Portfolios

Pursuant to the Servicing Agreement and as of its date of execution, each of the 16 Portfolios will be serviced by the relevant Originator (in its quality of Servicer). 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 Servicers from renegotiating, in the name and behalf of the Issuer, the Claims with the relevant Borrowers, other than when certain conditions specified in the Servicing Agreement are met. In order to mitigate the servicing risk in respect of the Portfolios, the Back-Up Servicer has been appointed before the Issue Date; however it is not certain that, in case of termination of the appointment of each of the Servicer under the Servicing Agreement, the Back-Up Servicer will fulfill its obligations to service the Relevant Portfolio. If the appointment of the Back-Up Servicer under the Back-Up Servicing Agreement is terminated, there can be no assurance that a replacement Back-Up Servicer, which would be willing and able to service the Claims, would be found. The ability of any entity acting as replacement Back-Up Servicer to fully perform the required services would depend, among other things, on the information, software and records available to them at the time of the appointment. Any delay or inability to appoint a replacement Back-Up Servicer may affect payments being made on the Notes. The failure of the Back-Up Servicer to assume performance of the Services following the termination of the appointment of the Servicer in accordance with the terms of the Servicing Agreement and the Back-Up Servicing Agreement could result in the failure of or delay in the processing of payments on the Claims and ultimately could adversely affect payments of interest and principal on the Notes. In oder to mitigate such risk, the Issuer has appointed the Back-Up Servicer Facilitator in order to facilitate the appointment of a new Back-Up Servicer or a *Sostituto del Back-Up Servicer* (as defined in the Back-up Servicer Agreement) upon the occurrence of certain events as set out in the Servicing Agreemnet and the Back-Up Servicing Agreement.

For further details see the section headed "*Description of the Servicing Agreement and the Back-Up Servicing Agreement*".

1.8 Certain Material Interest

The parties to the Transaction Documents perform multiple roles within the Transaction, including but not limited to (i) the Originators which are also Servicers, Limited Recourse Loan Providers; and (ii) ICCREA Banca which is also Back-up Servicer and Operating Bank. Accordingly, conflicts of interest may exist or may arise as a result of the parties to this Transaction: (a) having engaged or engaging in the future in transactions with other parties of the Transaction; (b) having multiple roles in this Transaction and/or (c) executing other transactions for third parties. In any case, this risk factor is mitigated by the provisions indicated in the risk factor illustrated in the following paragraph 2.9 (*The Representative of the Noteholders*).

Each Originator in particular may hold and/or service claims against the Borrowers other than the Claims. The interests or obligations of the aforementioned parties, in their respective capacities with respect to such other roles may in certain aspects conflict with the interests of the Noteholders. The aforementioned parties may engage in commercial relationships, in particular, be lender, and provide general banking, investment and other financial services to the Borrowers and other parties. In such relationships the aforementioned parties are not obliged to take into account the interests of the Noteholders.

1.9 Further securitisations

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

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

1.10 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 21 January 2014 (*Istruzioni per la redazione dei bilanci e dei rendiconti degli Intermediari finanziari ex art. 107 del TUB, degli Istituti di pagamento, degli IMEL, delle SGR e delle SIM*), as amended and supplemented, 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 the Italian tax authority (*Agenzia delle Entrate*) on 6 February 2003) on the grounds that the net proceeds generated by the securitised assets may not be considered as legally available to an issuer insofar as any and all amounts deriving from the underlying assets are specifically destined to satisfy the

obligations of such issuer to the noteholders, the originator and any other creditors of the issuer in respect of the securitisation of the underlying assets in compliance with applicable laws.

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

A transfer of claims falls within the scope of VAT if it can be characterised as a supply of services rendered by the purchaser. In this respect, a transfer of claims entails a supply of services in the event and to the extent that (i) it has a "financial purpose" pursuant to Article 3, paragraph 2, item 3) of Presidential Decree of 26 October 1972, No. 633 and (ii) it is effected for consideration pursuant to Article 3, paragraph 1 of the above mentioned Presidential Decree. In such a case, the transfer of the claims is subject to VAT at the zero percent. rate (VAT exempt transaction) provided that it could not be qualified as credit recovery (*attività di recupero crediti*) subject to VAT rate of 22 percent. As far as the "financial purpose" is concerned, it must be pointed out that the transfer of the claims related to the securitisation in question takes place in the context of a "financial transaction" because (a) the Originators transfer the claims to the Issuer in order to enable the latter to raise funds (through the issuance of Notes collateralised by the claims) to be advanced to the Originators as transfer price of the claims; (b) the Issuer will effectively be entitled to retain for itself all collection and recoveries proceeds of the claims to the extent necessary to repay the principal amount of the Notes and to pay interest thereon and all costs borne by the Issuer in the context of the Transaction. In this respect, the transfer of claims in the context of a securitization transaction should not be deemed as credit recovery (*attività di recupero crediti*) subject to a VAT rate of 22 per cent., based on the clarification given by the Italian Tax Authority in Resolution No. 32/E of 11 March 2011. As far as the transfer of claims for a consideration is concerned, it must be pointed out that this matter has been analysed by the EU Court of Justice and by *Agenzia delle Entrate* in cases dealing with the VAT analysis of the transfer of claims within the context of a factoring transaction and without specifically considering a securitisation transaction (among others EU Court of Justice judgment of June 26, 2003 on case C-305/01 and Resolution No. 32/E of 11 March 2011 issued by *Agenzia delle Entrate*). However it is also to be mentioned that since both factoring and securitisation transaction share similar "financial purposes", the general consensus in the tax doctrine is that the transfer of claims must be treated similarly within the context of both transactions. According to the above mentioned judgments and resolutions, the remuneration of the "financial transaction" executed through the assignment of claims would be represented by any existing positive difference between the face value of the claims and the purchase price paid by the purchaser for the purchase of the same claims (i.e. the so-called "Discount") as well as by any commission paid by the transferor with the purpose to remunerate the transferee for the payment in advance made before the expiration of the claim, which in substance constitutes a financing. In such a case, the transfer of the claims is subject to VAT at the zero per cent. rate (VAT exempt transaction). In the absence of a remuneration for the financing granted through the transfer of claims, such transfer cannot result in the supply of a "financial transaction" for VAT purposes. In a judgment (Judgment of October 27, 2011 on case C-93/10), the EU Court of Justice took an even more restrictive view on this matter, by stating, with specific reference to non-performing claims, as follows "*an operator who, at his own risk, purchases defaulted debts at a price below their face value does not effect a supply of services for consideration and does not carry out an economic activity falling within the scope of that directive when the difference between the face value of those debts and their purchase price reflects the actual economic value of the debts at the time of their assignment*". On the basis of a cross interpretation of principles embodied in Resolution No. 32/E of 2011 and EU Court of Justice C-93/10, it can be summarised that, with specific reference to non-performing claims, whenever the amount paid by a purchaser in exchange for the acquisition of the claims reflects the actual economic value of the claims, no "financial service" for VAT purposes would be rendered by the purchaser. According to the above in a context of a securitisation transaction, as

the one at stake, if (i) a portfolio of performing claims is not transferred either for a consideration due by the transferor to the transferee or for a discount below the face value of the claims or (ii) a portfolio of non-performing claims is transferred for a price not below the actual economic value of the claims at the time of their assignment, the relevant transfer could be treated not as a "financial transaction" rendered by the Issuer and therefore the transaction could not qualify for VAT purposes as "*operazione esente*" (VAT exempt subject to VAT at the zero per cent. rate) and could qualify instead as "*operazione fuori campo*" (out of the scope of VAT and not subject to VAT). In this respect, if a transaction does not fall within the scope of VAT, VAT is not due and proportional registration tax will be applicable. Should for any reason the Transfer Agreements be subject, either voluntarily or in case of use or enunciation, to registration, 0.5% registration tax will be payable by the relevant parties thereto on the nominal value of the transferred claims.

Pursuant to Legislative Decree No. 141/2010 which modified Article 3, paragraph 3, of Securitisation Law, the Issuer is not any longer required to be registered as financial intermediary under Article 106 of the Consolidated Banking Act while it is enrolled in the register for securitisation vehicles held by the Bank of Italy pursuant to the Bank of Italy's regulation dated 30 September 2014. The Italian tax authority (*Agenzia delle Entrate*) has not changed its tax guidelines and the Issuer has been advised that the current tax regime has not been modified by the new regulations of Bank of Italy.

2. THE NOTES

2.1 Liability under the Notes

The Notes will be obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by each of the Originators (in any capacity), the Agent Bank, the Cash Manager, the Representative of the Noteholders, the Transaction Bank, the Operating Bank, the Servicers, the Back-up Servicer, the Limited Recourse Loan Providers, the Corporate Services Provider, the Computation Agent, the Principal Paying Agent, the Co-Arrangers. No such person accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on the Notes.

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

2.2 Subordination

In respect of the obligation of the Issuer to pay interest on the Notes before the delivery of a Cross Acceleration Notice or a Trigger Notice:

a. the Class A Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the repayment of principal on the Class A Notes and to the payment of interest and the repayment of principal on the Class B Notes; and

b. the Class B Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the repayment of principal on the Class B Notes, but subordinated to the payment of interest on the Class A Notes and the repayment of principal on the Class A Notes.

In respect of the obligation of the Issuer to repay principal on the Notes before the delivery of a Cross Acceleration Notice or a Trigger Notice:

a. the Class A Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the repayment of interest and principal on the Class B Notes, but subordinated to the payment of interest on the Class A Notes;

b. the Class B Notes will rank *pari passu* without preference or priority amongst themselves but subordinated to the payment of interest and principal on the Class A Notes and to the payment of interest on the Class B Notes.

In respect of the obligation of the Issuer to pay interest on the Notes following the delivery of a Trigger Notice:

a. the Class A Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the repayment of principal on the Class A Notes and the payment of interest and the repayment of principal on the Class B Notes; and

b. the Class B Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the repayment of principal on the Class B Notes but subordinated to the payment of interest and repayment of principal on the Class A Notes.

In respect of the obligation of the Issuer to repay principal on the Notes following the delivery of a Trigger Notice:

a. the Class A Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the payment of interest and the repayment of principal on the Class B Notes but subordinated to the payment of interest on the Class A Notes; and

b. the Class B Notes will rank *pari passu* without preference or priority amongst themselves but subordinated to the payment of interest and repayment of principal on the Class A Notes and to the payment of interest on the Class B Notes.

In respect of the obligation of the Issuer to pay interest on the Notes following the delivery of a Cross Collateral Notice:

a. the Class A Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the repayment of principal on the Class A Notes and the payment of interest and the repayment of principal on the Class B Notes; and

b. the Class B Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the repayment of principal on the Class B Notes but subordinated to the payment of interest and repayment of principal on the Class A Notes.

In respect of the obligation of the Issuer to repay principal on the Notes following the delivery of a Cross Collateral Notice:

a. the Class A Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the payment of interest and the repayment of principal on the Class B Notes but subordinated to the payment of interest on the Class A Notes; and

b. the Class B Notes will rank *pari passu* without preference or priority amongst themselves but subordinated to the payment of interest and repayment of principal on the Class A Notes and to the payment of interest on the Class B Notes.

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

2.3 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.

2.4 Projections, forecasts and estimates

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

2.5 Limited nature of credit ratings assigned to the Class A Notes

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

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

- the possibility of the imposition of Italian or European withholding tax; or
- the marketability of the Class A Notes, or any market price for the Class A Notes; or
- whether an investment in the Class A Notes is a suitable investment for the Noteholder.

A rating is not a recommendation to purchase, hold or sell the Class A Notes.

The Rating Agencies may lower their ratings or withdraw their ratings if, in the sole judgment of the Rating Agencies, the credit quality of the Senior Notes has declined or is in question. If

any rating assigned to the Senior Notes is lowered or withdrawn, the market value of the Senior Notes may be affected.

The Issuer has not requested a rating of the Senior Notes by any rating agency other than the Rating Agencies. However, credit rating agencies other than the Rating Agencies could seek to rate the Notes and, if such unsolicited ratings are lower than the comparable ratings assigned to the Senior Notes by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "ratings" or "rating" in this Prospectus are to ratings assigned by the specified Rating Agencies only.

In addition, EU regulated investors (such as investment firms, insurance and reinsurance undertakings, UCITS funds and certain hedge fund managers) are restricted from using a rating issued by a credit rating agency established in the European Union for regulatory purposes unless such credit rating agency is registered, or endorsed by a rating agency, under the CRA Regulation. As of the date of this Prospectus, both the Rating Agencies are incorporated in the European Union and have been registered in compliance with the requirements of Regulation (EC) No 1060/2009 of the CRA Regulation.

The CRA Regulation was amended by Regulation (EU) 462/2013 of 21 May 2013 ("**CRA III**") which entered into force on 20 June 2013. Its provisions increase the regulation and supervision of credit rating agencies by ESMA and impose new obligations on (among others) issuers of securities established in the EU. Under Article 8(b) of the CRA Regulation, the issuer, originator and sponsor of structured finance instruments ("**SFI**") established in the European Union (which includes the Issuer and the Seller) must jointly publish certain information about those SFI on a specified website set up by ESMA. This includes information on, *inter alia*, (i) the credit quality and performance of the underlying assets of the SFI; (ii) the structure of the securitisation transaction; (iii) the cash flows and any collateral supporting a securitisation exposure; and (iv) any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures. On 6 January 2015, Commission Delegated Regulation 2015/3 (the "**Regulation 2015/3**") on disclosure requirements for SFI was published in the Official Journal of the EU. The Regulation 2015/3 contains regulatory technical standards specifying:

- the information that the issuers, originators and sponsors must publish to comply with Article 8b of the CRA Regulation;
- the frequency with which this information should be updated;
- a standardised disclosure template for the disclosure of this information.

The Regulation 2015/3 will apply from 1 January 2017, with the exception of Article 6(2) of the CRA Regulation, which applies from 26 January 2015 and obliges ESMA to publish on its website at the latest on 1 July 2016 the technical instructions in accordance with which the reporting entity shall submit data files containing the information to be reported starting from 1 January 2017. It should be noted, however, that pursuant to the Corporate Services Agreement, the Corporate Services Provider has undertaken to cooperate with the Issuer in order to individuate and appoint an entity who will undertake to act as reporting entity in respect of the Notes issued by the Issuer for the purposes of Article 8b of the CRA Regulation and the corresponding implementing measures from time to time (including the disclosure and reporting requirements under articles 3 to 7 of Regulation 2015/3).

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. It should be noted that under Condition 5.2, it is provided that in any case the interest applicable to the Class A Notes may not become negative.

2.7 Suitability

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

Investment in the Notes is only suitable for investors who:

(i) have the requisite knowledge and experience in financial and business matters to evaluate such merits and risks of an investment in the Class A Notes;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation;

(iii) are capable of bearing the economical risk of an investment in the Class A Notes; and

(iv) recognise that it may not be possible to dispose of the Class A Notes for a substantial period of time, if at all.

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

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

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

2.8 Absence of secondary market

There is not at present an active and liquid secondary market for the Class A Notes. The Class A Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Although the application has been made to the Irish Stock Exchange for the Class A Notes to be admitted to the official listing and trading on its regulated market, there can be no assurance that a secondary market for the Class A Notes will develop, or, if a secondary market does develop in respect of any of the Class A Notes, that it

will provide the holders of such Class A Notes with the liquidity of investments or that it will continue until the final redemption or cancellation of such Class A Notes. Consequently, any purchaser of Class A Notes must be prepared to hold such Class A Notes until the final redemption or cancellation.

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

In addition, illiquidity means that a Noteholder may not be able to find a buyer to buy its Notes readily or at prices that will enable the Noteholder to realise a desired yield. Illiquidity can have a severe adverse effect on the market value of the Notes. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes.

Prospective Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes.

Moreover, the current liquidity crisis has stalled the primary market for a number of financial products, including instruments similar to the Notes. While it is possible that the current liquidity crisis may soon alleviate for certain sectors of the global credit markets, there can be no assurance that the market for securities similar to the Notes will recover at the same time or to the same degree as such other recovering global credit market sectors. In particular, the secondary market for asset-backed securities is continuing to experience disruptions resulting from, among other factors, reduced investor demand for such securities. This had a materially adverse impact on the market value of the asset-backed securities and resulted in the secondary market for asset-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 asset-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 asset-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.

2.9 The Representative of the Noteholders

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

2.10 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 December 2014 (*Implementation of the Eurosystem monetary policy framework*), 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 Co-Arrangers 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 Withholding tax under the Notes

Payments of interest and other proceeds under the Notes may in certain circumstances, described in the section headed *"Taxation in the Republic of Italy"* of this Prospectus, be subject to a Law 239 Deduction. In such circumstance, any beneficial owner of an interest payment relating to the Notes of any Class will receive amounts of interest payable on the Notes net of a Law 239 Deduction. Law 239 Deduction, if applicable is levied at the rate of 26 per cent., or such lower rate as may be applicable under the relevant double taxation treaty if applicable.

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 that the same Noteholders will receive as a result of the imposition of any such deduction or withholding, or otherwise to pay any additional amounts to any of the Noteholders.

2.12 EU Directives on the taxation of savings income and on administrative cooperation in the field of taxation

On June 3, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income (the "**Savings Directive**") 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 Savings Directive, to an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria are instead 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). A number of non-EU countries and territories, including Switzerland, have agreed to adopt similar measures. Luxembourg and Austria may however elect to introduce automatic exchange of information during the transitional period, in which case they will no longer apply the withholding tax. Based on the available information, Luxembourg announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive. On March 24, 2014, the European Council adopted a revised version of the Savings Directive.

On 10 November 2015, the Council of the European Union adopted the Council Directive 2015/2060/EU repealing the Savings Directive from 1 January 2016 in case of all Member

States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates) and from 1 January 2017 in the case of Austria. This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on administrative cooperation in the field of taxation (the "**Cooperation Directive**"), as amended by Council Directive 2014/107/EU. The Cooperation Directive is aimed at broadening the scope of the operational mechanism of intra-EU automatic exchange of information in order to combat cross-border tax fraud and tax evasion. The new regime under the Cooperation Directive is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. The Cooperation Directive is generally broader in scope than the Savings Directive, although it should not impose withholding taxes.

The Savings Directive was implemented in Italy by Legislative Decree No. 84 of 18 April 2005 ("**Decree No. 84**"). Pursuant to said decree, subject to a number of important conditions being met, with respect to interest paid to individuals who qualify as beneficial owners of the interest payment and are resident for tax purposes in another EU Member State or in a dependent or associated territory under the relevant international agreement, 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) shall report to the Italian tax authorities details of the relevant payments and personal information of the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner. The same details of payments of interest (or similar income) shall be provided to the tax authorities of a number of non-EU countries and territories, which have agreed to adopt similar measures with effect from the same date. Law No. 122 of 7 July 2016 implemented in Italy the Cooperation Directive and abolished the Decree No. 84 (subject to on-going requirements to fulfil some reporting communications and administrative obligations for the whole of 2016).

2.13 Change of law

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

3. GENERAL RISKS

3.1 Mortgage 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 or that they will continue to perform they relevant payment obligations. It should be noted that adverse changes in economic conditions may affect the ability of the Borrowers to repay the Mortgage Loans.

The recovery of overdue amounts in respect of the Mortgage Loans will be affected by the length and by the effectiveness of enforcement proceedings in respect of the Portfolios, which in the Republic of Italy can take a considerable amount of time depending on the type of action required and where such action is taken, as well as depend on several other factors. These factors which can have a significant effect on the length of the proceedings include the

following: (i) certain courts may take longer than the national average to enforce the Mortgage Loans and the Mortgages; (ii) obtaining title deeds from land registries which are in the process of digitising their records can take up to two (2) or three (3) years; and (iii) further time is required for the proceedings if it is necessary first to obtain a payment injunction (*decreto ingiuntivo*) and if the Borrower raises a defence or counterclaim to the proceedings. In the Republic of Italy it takes an average of six (6) to seven (7) years from the time lawyers commence enforcement proceedings to 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 Portfolios cannot be fully assessed. See the section headed "*Selected aspects of Italian law*".

Recovery proceeds may also be affected by, among other things, a decline in property values. No assurance can be given that the values of the mortgaged properties have remained or will remain at the same level as on the dates of origination of the related Mortgage Loans. If the residential and commercial property market in the Republic of Italy experiences an overall decline in property values, such a decline could, in certain circumstances, result in the value of the security created by the Mortgages being significantly reduced and, ultimately, may result in losses to the Noteholders.

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 mainly 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 articles 65 or 67 of the Bankruptcy Law.

The Securitisation Law, as amended by Law 9/2014, provides that (i) the 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 and (ii) the payments made by the Borrower under securitised Claims are not subject to the declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law. For further details with respect to the Law 9/2014, please see the section headed "*Selected aspects of Italian Law – The Securitisation Law*".

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 Restructuring arrangements in accordance with Law No. 3 of 27 January 2012

According to the provision of law No. 3 of 27 January 2012 (the "**Law 3/2012**"), a debtor in a state of over indebtedness (*stato di sovraindebitamento*) is entitled to submit to his creditors, with the assistance of a competent body (*Occ-Organismi per la Composizione della Crisi*), a debt restructuring arrangement (the "**Restructuring Agreement**") which shall in any case ensure the full payment of the creditors whose claims towards the relevant debtor are not subject to be attached (*pignorati*) in accordance with article 545 of the Italian code of civil procedure.

The Law 3/2012, as amended, applies, inter alios, to (i) debtors who are not eligible to be adjudicated bankrupt under the Bankruptcy Law; or (ii) to debtors which have not benefited of any procedure set out by Law 3/2012 in the past five years. In any case the debtors must comply with article 7 of Law 3/2012 in order to benefit from the procedure provided by Law 3/2012.

In addition a specific procedure is provided by Law 3/2012 in relation to debtors who qualify as consumers (*consumatori*).

The Restructuring Agreement shall provide the revised terms of payment of all of the debtor's obligations, including – at certain conditions – the secured creditors (*creditori privilegiati*). The Restructuring Agreement becomes effective, upon approval (*omologazione*) by the competent Court (which shall be given in any case within 6 (six) months from the date on which the proposal of Restructuring Agreement is submitted by the relevant debtor). In any case a favorable vote of creditors representing at least 60% of the debtor's claims is required for the approval of the Restructuring Agreement.

Under the approved Restructuring Agreement, which shall be binding for all of the creditors of the relevant debtor, the latter may obtain: (a) up to a one-year period moratorium for secured creditors (*creditori privilegiati*); (b) the suspension of all foreclosure procedures and seizures (*sequestri conservativi*) against it; (c) that creditors will be prevented from creating pre-emption rights (*diritti di prelazione*) on the debtor's assets; and (d) that legal interests will stop to accrue.

As a consequence of the entering into force of the Restructuring Agreement, the debtor's assets will be considered as attached, and could not be further attached by upcoming creditors.

The Restructuring Agreement ceases to be effective if the relevant debtor does not pay the obligations set out therein within 90 (ninety) days from the established deadlines, or if they attempt to fraud its creditors. The Restructuring Agreement does not prejudice claims owed to the relevant debtor's guarantors and co-obligors.

As an alternative to the procedure described hereabove, the debtors (i) in a state of over indebtedness (*stato di sovraindebitamento*) and (ii) which have not benefited of any procedure set out by Law 3/2012 in the past five years, may request the voluntary winding up of all its assets.

In particular, under such procedure the competent judge, upon request of the relevant debtor, is entitled to issue a decree by means of which they will appoint a liquidator, and order the relevant debtor to transfer its assets to such liquidator. The appointed liquidator will then pay

creditors proportionally to their claims (save for claims with pre- emption causes (*diritti di prelazione*)). Upon such decree being issued by the competent Court, all the foreclosure procedures and seizures (*sequestri conservativi*) on the debtor's assets will be suspended. Such procedure cannot have a duration lower than four years. Consequently, should the debtor acquire further assets within four years from the date on which the filing has been made by the relevant debtor, such new assets will form part of the liquidator's assets and will be applied by the latter to pay the creditors of the relevant debtor.

Should any Borrower enter into a proceeding set out by Law 3/2012, the Issuer could be subject to the risk of having the payments due by the relevant Borrower suspended for up to one year (in case of the entering into of Restructuring Agreement) or part of its debts released.

The Italian Parliament approved Law no. 119 on 30 June 2016 ("**Conversion Law**"), converting the Law Decree no. 59/2016, published on the official gazette no. 102, on 3 May 2016 introducing "*Urgent provisions in relation to enforcement and insolvency proceedings, as well as in favor of investors of banks subject to winding up*" («**Law Decree**»). The Conversion Law has been published on the official gazette no. 153 on 2 July 2016 and entered into force on 3 July 2016. The Conversion Law amended, *inter alia*, article 591, paragraph 2 of the Italian civil code procedure which now provides that, following 4 sale attempts not attended, the price of the enforced real estate asset may be reduced of 50% (instead of 25%) of the base price. On one hand, this amendment leads to a reduction of the timing needed for the relevant procedure. However, on the other hand, it could have a negative impact on the potential gross recovery due to the quicker depreciation of the real estate collateral following the unsuccessfull auction.

3.4 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.

In addition, the value of the real estate assets may be affected by, among other things, a decline in property values. Property values may be affected by changes in general and regional economic conditions as well as the strength (or weakness) of the Italian national economy, relevant local economy and the real estate market. No assurance can be given that the values of the real estate assets have remained or will remain at the level at which they were on the origination dates of the related Mortgage Loans. Therefore, no assurances can be given that the values of the real estate assets will not decrease at a rate higher than anticipated on the origination (or acquisition by the Issuer) of the Claims. Should this happen, it could have an adverse effect on the level of recoveries.

3.5 Italian Usury Law

Italian Law No. 108 of 7 March 1996 ("*Disposizioni in materia di usura*"), as amended and supplemented from time to time (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 last such Decree having been issued on and being applicable for the quarterly period from 1 October 2016 to 31 December 2016). Any provision in loan agreements imposing interest exceeding the Usury Thresholds is null and void and no interest will be due in respect of the loan pursuant to Article 1815(2) of the Italian Civil Code.

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

On 29 December 2000, the Italian Government issued law decree No. 394 ("*Interpretazione autentica della legge 7 marzo 1996, n. 108*") (the "**Decree 394/2000**"), turned into Law No. 24 of 28 February 2001 ("*Conversione in legge, con modificazioni, del decreto-legge 29 dicembre 2000, n. 394, concernente interpretazione autentica della legge 7 marzo* 1996, *n. 108, recante disposizioni in materia di usura*"), which clarified the uncertainty over the interpretation of the Usury Law and provided, *inter alia*, that interest will be deemed to be usurious only if the interest rate agreed by the parties exceeded the Usury Thresholds applicable at the time the relevant loan agreement or such 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 upon 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 relevant 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 relevant Originator. See the section headed "*Description of the Warranty and Indemnity Agreement*".

3.6 Compounding of interest (*Anatocismo*)

According to article 1283 of the Italian Civil Code, in respect of a monetary claim, interests accrued for at least six months can be capitalised and provided that the capitalisation has been agreed after the date when they have become due or from the date when the relevant legal

proceedings are commenced in respect of that monetary claim. Article 1283 of the Italian Civil Code allows derogation from this provision in the event that there are recognised customary practices (*usi*) to the contrary. Banks and other financial institutions in Italy have traditionally capitalised accrued interests on a quarterly basis on the grounds that such practice could be characterised as a customary practices. Certain judgments from Italian courts (including Judgments No. 2374/99 and No. 2593/03 of the Italian Supreme Court (*Corte di Cassazione*) have held that such practices do not meet the legal definition of customary practice. In this respect, it should be noted that article 25, paragraph 2, of the Decree No. 342 of 4 August 1999 (the "**Decree 342**") delegated to the Interministerial Committee of Credit and Saving (the "**CICR**") powers to fix the conditions for the capitalisation of accrued interests. As a matter of fact, the CICR, pursuant to article 3 of a resolution dated 9 February 2000 (the "**2000 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 342 provides that the provisions relating to the capitalisation of accrued interest set forth in contracts entered into before the date of the 2000 Resolution are valid and effective up to the date thereof and after such date shall be consistent to the provisions of the 2000 Resolution. Such Decree 342 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 342 has been declared unconstitutional by decision No. 425 of 9/17 October 2000 issued by the Italian Constitutional Court. On the basis of the foregoing, it cannot be excluded that borrowers may, where appropriate, challenge the practice of capitalising interest by banks on the grounds set forth by the Italian Supreme Court in the above mentioned decision and, therefore, that a negative effect on the returns generated from the residential and commercial mortgage loan could derive.

With respect to this matter, a 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 borrowers 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 to that paid by the borrowers.

It should be noted that paragraph 2 of article 120 of the Consolidated Banking Act, concerning compounding of interest accrued in the context of banking transactions, has been recently amended by Article 17-*bis* of Law Decree number 18 of 14 February 2016 (as converted into law by Law number 49 of 8 April 2016), providing that interests (other than defaulted interests) shall not accrue on capitalised interests. Paragraph 2 of article 120 of the Consolidated Banking Act also delegated to the CICR to establish the methods and criteria for the compounding of interest. In this respect, the CICR, pursuant to a resolution dated 3 August 2016, which substitutes the 2000 Resolution, (the "**2016 Resolution**") has provided, *inter alia*, that: (i) interest is to be accounted separately from principal; (ii) as already provided under new article

120 of the Consolidated Banking Act, interest becomes due from the 1st of March after the year in which it accrued. Provided that, in any case, such interest becomes payable, after a 30-day period (which begins from the day on which the relevant Borrower becomes aware of the amount to be paid) during which the Borrower could pay such interest without being in default; and (iii) the Borrower and the bank can agree in advance - in order to avoid payment of the arrears or the beginning of legal proceedings – to charge the interest directly to the relevant Borrower's account using including via an overdraft facility (with the consequent accrual of interest on the amounts used to extinguish such debt). Intermediaries shall apply 2016 Resolution, at the latest, from 1st October 2016.

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

3.7 Claw-back of the sale of the Portfolios

A transfer pursuant to the Securitisation Law may be subject to a claw-back action of such sale by a liquidator of the transferor: (i) if the sale is not undervalued, within three months following the transfer if: (a) the transferor was insolvent at the time of the transfer; and (b) the liquidator can prove that the transferee was, or ought to have been, aware of such insolvency; or (ii) if the sale is undervalued, within six months following the transfer if: (a) the transferor was insolvent at the time of the transfer; and (b) the transferee cannot prove that it was not, or ought not to have been, aware of such insolvency.

Accordingly, if the Originators were insolvent at the date of the execution of the relevant Transfer Agreement and the Issuer was, or ought to have been, aware of such insolvency, the relevant transfer may, in certain circumstances, be subject to claw-back by a liquidator of the Originators. Under the Warranty and Indemnity Agreements, each of the Originators has represented that it was solvent as of the date of the transfer, and that such representations shall deemed to be repeated as of the Issue Date by the relevant Originator, and that all appropriate solvency certificates have been obtained as of the date of the transfer of the Portfolios.

3.8 *Mutui Fondiari*

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

3.9 Article 120-ter of the Consolidated Banking Act

Article 120-ter of the Consolidated Banking Act provides that any 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 restructuring real estate properties destined to residential purposes or to carry out the borrower's own professional and business 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.

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

3.10 Article 120-quater of the Consolidated Banking Act

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

In the event that the subrogation is not completed within 30 (thirty) business days from the relevant request from the succeeding lender to the former lender to start the relevant cooperation procedures, the original lender shall pay to the borrower an amount equal to 1% of the amount of the loan for each month or part thereof of delay, provided that if the delay is due to the succeeding lender, the latter shall repay to the former lender the delay penalty paid by it to the borrower.

As a consequence of the above and, as a result of the subrogation, the rate of prepayment of the

Mortgage Loan Agreements might materially increase; such event might therefore have an impact on the yield to maturity of the Notes.

3.11 Suspension of mortgage instalments

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

The 2008 Budget Law 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 referred 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 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.

On 21 June 2010, Ministerial Decree number 132 issued by the Ministry of Economy and Finance and published in the Official Gazette of the Republic of Italy on 18th of August 2010 (the "**Decree 132**"), as amended by Decree number 37 of 22 February 2013 (the "**Decree 37**"), set out the requirements to be complied with by borrowers in order to have the right to the aforementioned suspension and the subsequent aid from the Fund.

The 2008 Budget Law has been supplemented by Law No. 92 of 28 June 2012 (the "**Law 92**"), which has modified the requirements to be met by borrowers to benefit of the aids provided for by the Fund. In particular, Law 92 provides that the suspension of the payment of mortgage loans instalments can be granted for a period of 18 (eighteen) months upon the occurrence of at least one of the following events with respect to the relevant borrower:

i. termination of an employment contract of indeterminate duration;

ii. termination of a fixed term employment contract;

iii. termination of one of the employment relationships provided for by Article 409, No. 3) of the Italian civil procedure code; or

iv. death or declaration of handicap or disability for at least 80%.

Decree 132 has been supplemented by the Decree 37, entered into force on 27 April 2013, which has been enacted for the purpose of making Decree 132 compliant with the new provisions of Law 92.

Starting from 27 April 2013, new requests to access to the aids granted by the Fund shall be submitted (in accordance with the requirements and the conditions provided for by Law 92) by using the documentation published on the CONSAP official website http://www.consap.it/ or on the Ministry of Economy and Finance web-site (www.dt.tesoro.it) (for the avoidance of doubt, such websites does not constitute part of this Prospectus). As to regard, the requests submitted to CONSAP before 17 July 2012, such requests shall be regulated by the provisions of the Decree 132.

As specified in Law 92, the suspension of payments of the instalments can be granted also in favour of mortgage loans which have been object of securitisation transactions.

Any Borrower who will comply with the requirements set out in Law 92 might have the right to suspend the payment of the instalments of its Mortgage Loan 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 concentrated over a specific period will have an adverse impact on the Issuer's cash flow of that period, although it should be considered that the aforementioned aids will be granted to the borrowers within the limits of the budget available to the Fund. Pursuant to the Italian Law Decree No. 102 of 31 August 2013, converted into Italian Law No. 124 of 28 October 2013, the budget of the Fund is increased of Euro 20,000,000 for each of 2014 and 2015 years.

3.12 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 the section headed "*Description of the Warranty and Indemnity Agreements*".

3.13 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.

3.14 Regulatory Capital Framework

The regulatory capital framework published by the Basel Committee on Banking Supervision (the "**Basel Committee**") in 2006 (the "**Basel II Framework**") has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the framework.

The Basel Committee has approved significant changes to the Basel II Framework (such changes being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**"). Basel III set an implementation deadline on member countries to implement the new capital standards from January 2014, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general and, in particular, the European Commission has implemented the changes through the CRD IV and the CRR (as defined below). The changes may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

Implementation of Basel III requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. The Basel Committee has also published certain proposed revisions to the securitisation framework, including proposed new hierarchies of approaches to calculating risk weights and a new risk weight floor of 15%.

Implementation of the Basel framework and any changes as described above may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II Framework (including the Basel III changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise. There can be no guarantee that the regulatory capital treatment of the Notes for investors will not be affected by any future changes to the Basel II Framework (including the Basel III changes described above). The Issuer is not responsible for informing Noteholders of the effects of the changes which will result for investors from revisions to the Basel II Framework. Significant uncertainty remains around the implementation of these initiatives. In general, prospective investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II Framework (including the Basel III changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

3.15 Bank Recovery and Resolution Directive

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (collectively with secondary and implementing EU rules, and national implementing legislation, the "**Bank Recovery and Resolution Directive**" or "**BRRD**") established a framework for the recovery and resolution of credit institutions and investment firms. The aim of the BRRD is to provide national authorities in EU Member States (the "**Resolution Authorities**") with common tools and powers for preparatory and preventive measures, early supervisory intervention and resolution of credit institutions and significant investment firms to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses. The BRRD applies, inter alia, to credit institutions, investments firms and financial institutions that are established in the European Union (when the financial institution is a subsidiary of a credit institution or investment firm and is covered by the supervision of the parent undertaking on a consolidated basis) (collectively, the "**relevant institutions**"). The BRRD entered into force on 2 July 2014 and had to be transposed by the Member States of the European Union into national law by 31 December 2014. The Republic of Italy has implemented the BRRD by Legislative Decrees no. 180 and no. 181 of 16 November 2015. Recently Banca Marche S.p.A., Banca popolare dell'Etruria e del Lazio S.c., Cassa di Risparmio di Ferrara S.p.A. and Cassa di Risparmio di Chieti S.p.A. have been declared resolved (*in risoluzione*) in compliance with the Legislative Decree No. 180 and No. 181 of 16 November 2015; the impact of such recent events on the outstanding transactions conducted by such four banks is still under analysis and cannot be predicted as of the date of this Prospectus.

If a relevant institution enters into an arrangement with the Issuer and is deemed likely to fail in the circumstances identified in the BRRD, the relevant Resolution Authority may employ such tools and powers in order to intervene in the relevant institution's failure (including in the case of derivatives transactions, powers to close-out such transactions or suspend any rights to close-out such transactions). In particular, liabilities of relevant institutions arising out of the Transaction Documents to which such institutions are party not otherwise subject to an

exception, could be subject to the exercise of "bail-in" powers of the relevant Resolution Authorities. It should be noted that certain secured liabilities of relevant institutions are excepted. If the relevant Resolution Authority decides to "bail-in" the liabilities of a relevant institution, then subject to certain exceptions set out in the BRRD, the liabilities of such relevant institution could, among other things, be reduced, converted or extinguished in full. As a result, the Issuer and ultimately, the Noteholders may not be able to recover any liabilities owed by such an entity to the Issuer. In addition, a relevant Resolution Authority may exercise its discretions in a manner that produces different outcomes amongst institutions resolved in different EU Member States. It should also be noted that similar powers and provisions are being considered in the context of financial institutions of other jurisdictions.

3.16 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 an 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 Co-Arrangers makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Issue Date or at any time in the future.

Prospective investors should be aware that certain EU regulations provide for certain retention and due diligence requirements which shall be applied, or are expected to be applied in the future, with respect to regulated investors (including, inter alia, authorised alternative investment fund managers, insurance and reinsurance companies and UCITS funds, credit institutions, investment firms or other financial institutions) which intend to invest in a securitisation transaction. Among other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that relevant investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 (five) per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a proportional additional risk weight on the notes acquired by the relevant investor. Such requirements are provided, *inter alia*, by the following EU regulations (without prejudice to any other applicable EU regulations):

The CRR

The European Parliament and the EU Council adopted on 26 June 2013 Regulation (EU) No. 575/2013 and Directive 2013/36/EU (the so-called "**CRD IV**"). In particular, Directive 2013/36/EU governs the access to deposit-taking activities while Regulation No. 575/2013 (the "**CRR**" or the "**Capital Requirement Regulation**") establishes the prudential requirements institutions need to respect. The CRD IV has replaced and re-cast, in general, with effect from 1 January 2014, Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EC. In particular, pursuant to Article 163 of Directive 2013/36/EU, Directive 2006/48/EC has been repealed with effect from 1 January 2014 and references to such repealed Directive shall be construed as references to Directive 2013/36/EU and to Regulation (EU) No 575/2013 and shall be read in accordance with the correlation tables set out respectively in the abovementioned Directive and Regulation.

The main role of CRD IV and CRR is to implement in the EU the key Basel III reforms agreed in December 2010. These include, *inter alios*, amendments to the definition of capital and counterparty credit risk and the introduction of a leverage ratio and liquidity requirements. In particular, in the context of this new European regulatory capital framework, the provisions of Article 122-*bis* of Directive 2006/48/EC, as amended by Directive 2009/111/EC have been re-casted by the new provisions of Articles 404 to 409 of CRR (which includes, *inter alios*, the extension of the applications of the requirements also to regulated investment firms). In addition, the current guidelines on the abovementioned Article 122-*bis* have been replaced by regulatory technical standards ("**RTS**") and implementing technical standards ("**ITS**") on the convergence of supervisory practices related to the implementation of additional risk weights in the case of non-compliance with the retention rules consultation paper. These RTS and ITS have been developed respectively in accordance with Article 410(2) and 410(3) of the CRR. In this respect, it has to be noted that (i) with respect to RTS, on 13 June 2014, it has been published in the Official Journal of the European Union the Commission Delegated Regulation (EU) No. 625/2014 (which has entered into force the twentieth day following the date of such publication), supplementing the CRR by way of regulatory technical standards specifying the requirements for investor, sponsor, original lenders and originator institutions relating to exposures to transferred credit risk; and (ii) with respect to ITS, on 5 June 2014, it has been published in the Official Journal of the European Union, the Commission Delegated Regulation (EU) No. 602/2014 (which has entered into force the twentieth day following the date of such publication), laying down implementing technical standards for facilitating the convergence of supervisory practices with regard to the implementation of additional risk weights according to the CRR. No assurance can be *provided that* any changes made or that will be made in connection with CRD IV and/or CRR (including through the corresponding regulatory technical standards) will not affect the requirements applying to relevant investors.

In particular, in Europe, investors should be aware that the Capital Requirements Regulation restricts an institution (credit institution, investment firm or other financial institution) from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to such institution that it will retain, on an ongoing basis, a net economic interest of not less than 5 (five) per cent. in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 405 of the CRR ("**Article 405**"). In addition, Article 406 of the CRR requires an EU regulated credit institution, before becoming exposed to the risks of a securitisation, and as appropriate thereafter, to be able to demonstrate to the competent authorities, for each of its securitisation transaction, 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.

Pursuant to Article 407 of the CRR, where an institution does not meet the requirements in Articles 405, 406 or 409 of the CRR in any material respect by reason of the negligence or omission of the institution, the competent authorities shall impose a proportionate additional risk weight of no less than 250% of the risk weight (capped at 1 250%) which shall apply to the relevant securitisation positions in the manner specified in the CRR.

It should be noted that on 30 September 2015, the European Commission published legislative proposals for two new regulations related to securitisation. Amongst other things, the proposals include provisions intended to implement the revised securitisation framework developed by the Basel Committee (the "**CRR Amendment Regulation**")

and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors (the "**STS Regulation**"). The STS Regulation also aims to create common foundation criteria for identifying "**STS securitisations**". There are material differences between the legislative proposals and the current requirements including with respect to application approach under the retention requirements and the originator entities eligible to retain the required interest. It is not clear whether, and in what form, the legislative proposals (and any corresponding technical standards) will be adopted. In addition, the compliance position under any adopted revised requirements of transactions entered into, and of activities undertaken by a party (including an investor), prior to adoption is uncertain. No assurance can be given that the Securitisation will be designated as an "STS securitisation" under the STS Regulation at any point in the future.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above 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.

The AIFM

On 22 July 2013, Directive 2011/61/EU of 8 June 2011 on Alternative Investment Fund Managers ("**AIFM**") became effective. Article 17 of AIFM required the EU Commission to adopt level 2 measures similar to those set out in CRR, permitting EU managers of alternative investment funds ("**AIFMs**") to invest in securitisation transactions on behalf of the alternative investment funds ("**AIFs**") they manage only if the originator, sponsor or original lender has explicitly disclosed that it will retain on an ongoing basis, a material net economic interest of not less than 5 (five) per cent in respect of certain specified credit risk tranches or asset exposures and also to undertake certain due diligence requirements. Commission Delegated Regulation (EU) no. 231/2013 (the "**AIFMR**") included those level 2 measures. Although certain requirements in the AIFMR are similar to those which apply under the CRR, they are not identical. In particular, the AIFMR requires AIFMs to ensure that the sponsor or originator of a securitisation transaction meets certain underwriting and originating criteria in granting credit, and imposes more extensive due diligence requirements on AIFMs investing in securitisations than the ones are imposed on prospective investors under the CRR. Furthermore, AIFMs who discover after the assumption of a securitisation exposure that the retained interest does not meet the requirements, or subsequently falls below 5 (five) per cent of the economic risk, are required to take such corrective action as is in the best interests of investors. It is unclear how this last requirement is expected to be addressed by AIFMs should those circumstances arise. The requirements of the AIFMR apply to new securitisations issued on or after 1 January 2011.

Legislative Decree no. 44 of 4 March 2014 implementing AIFMR has been published in the Official Gazette of the Republic of Italy on 25 March 2014. Two further regulations implementing AIFMR in Italy have been published on 19 January 2015: (i) a first regulation issued by the Bank of Italy ("*Regolamento sulla gestione collettiva del risparmio*") and (ii) a second regulation issued by the Bank of Italy in conjunction with CONSOB amending the existing legislation with regard to investment intermediaries ("*Regolamento congiunto in materia di organizzazione e procedure degli intermediari*

del 29 ottobre 2007") and as amended for time. These two regulations entered into force on 3 April 2015;

The Solvency II Directive

Directive 2009/138/EU (the "**Solvency II Directive**") requires the adoption by the European Commission of implementing measures that complement the high level principles set out in the Solvency II Directive. On 10 October 2014, the European Commission adopted a Delegated Act (the "**Solvency II Regulation**") which sets out, among other things, (i) under Article 254, the requirements that will need to be met by originators of asset-backed securities in order for EU insurance and reinsurance companies to be allowed to invest in such instruments (including, *inter alios*, the requirement that the originator, the sponsor or the original lender retains a material net economic interest in the underlying assets of no less than 5 (five) per cent); and (ii) under Article 256, the qualitative requirements that must be met by insurance or reinsurance companies that invest in such securities (including, *inter alios*, the requirement that insurance and reinsurance companies shall conduct adequate due diligence prior to make the investment, which shall include an assessment of the commitment of the originator, sponsor or original lender to maintain a material net economic interest securitisation of no less than 5 % on an on-going basis).

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear and this uncertainty is increased by certain legislative developments. In particular, in the context of the requirements which apply in respect of some investors, the corresponding interpretation materials (to be made in the form of technical standards) have not yet been finalised. No assurance can be *provided that* such final materials will not affect the compliance position of previously issued transactions and/or the requirements applying to relevant investors in general.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Notes. Prospective Noteholders should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes.

With respect to the commitment of the Seller to retain a material net economic interest in the Securitisation in accordance with option (1)(c) of Article 405 of the CRR, option (1)(c) of Article 51 of the AIFMR and option (2)(c) of Article 254 of the Solvency II Regulation and with respect to the information made available to the Noteholders and prospective investors in accordance with Articles from 405 to 410 of the CRR, please refer to section headed "*Regulatory Capital Requirements*".

Prospective Noteholders are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any and all relevant requirements applicable to it and none of the Issuer, the Seller, the Servicer or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes. Prospective Noteholders 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 the applicable provisions and any implementing rules in a relevant jurisdiction should seek guidance from their regulator.

The EU risk retention and due diligence requirements described above 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.

3.17 Risks arising from the sovereign debt crisis

The Issuer is affected by disruptions and volatility in the global financial markets. During the period between 2011 and 2012, the debt crisis in the Euro-zone intensified and three countries (Greece, Ireland and Portugal) requested the financial aid of the European Union and the International Monetary Fund. More recently, in 2013, aid was also requested by Cyprus. Credit quality has generally declined, as reflected by downgrades suffered by several countries in the Euro-zone, including Italy, since the beginning of the sovereign debt crisis in May 2010. The large sovereign debts and fiscal deficits in European countries have raised concerns regarding the financial condition of Euro-zone financial institutions and their exposure to such countries. These concerns may have an impact on Euro-zone banks' funding.

In particular, the Issuer's credit ratings are potentially exposed to the risk of reductions in the sovereign credit rating of Italy. On the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have a potential knock-on effect on the credit rating of Italian issuers such as the Issuer and make it more likely that the credit rating of the Notes are downgraded.

3.18 Macro-risks in the European Union

Global markets and economic conditions have been negatively impacted in recent years by market perceptions regarding the ability of certain EU member states to service their sovereign debt obligations. As a result of the credit crisis in the EU, monetary and political conditions and stability remain uncertain in the EU, in particular, in a number of the euro-zone members, including Greece, Italy, Ireland, Portugal, Cyprus and Spain. In particular concerns persist regarding the debt burden of certain Eurozone Countries and their ability to meet future financial obligations, the overall stability of the Euro and the suitability of the Euro as a single currency given the diverse economic and political circumstances in individual Member States. These and other concerns could lead to the re-introduction of individual currencies in one or more Member States, or, in more extreme circumstances, the possible dissolution of the Euro entirely. Should the Euro dissolve entirely, the legal and contractual consequences for the Noteholders would be determined by laws in effect at such time.

In addition these potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes or have other unforeseen consequences relevant to the Noteholders. These developments could have material adverse impacts on financial markets and economic conditions throughout the world and, in turn, the market's anticipation of these impacts could have a material adverse effect on the business, financial condition and liquidity of the parties to the Transaction. In particular, these developments could disrupt payment systems, money markets, long-term or short-term fixed income markets, foreign exchange markets, commodities markets and equity markets and adversely affect the cost and availability of funding. Certain impacts, such as increased spreads in money markets and other short term rates, have already been experienced as a result of market expectations. These factors and general market conditions could adversely affect the performance of the Notes. There can be no assurance that governmental or other actions will improve these conditions in the future.

3.19 U.S. Foreign Account Tax Compliance Act Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**") generally impose a new reporting regime and potentially a 30.00 per cent U.S. withholding tax with respect to certain payments to certain non-U.S. financial institutions (including entities such as the Issuer) that do not (i) enter into and comply with an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information about the holders of its debt or equity or (ii) comply with legislation implementing an intergovernmental

agreement, if any, between the United States and the applicable residence jurisdiction (an "**IGA**"). The FATCA rules may also affect other non-U.S. entities that are not considered financial institutions for these purposes, but in this case different rules apply. The new withholding regime currently applies with respect to certain U.S. source payments, but FATCA withholding on debt obligations generating non-U.S. source interest (such as the Class A Notes) will not begin to apply until 2019. Furthermore, in accordance with a grandfathering rule, even if the payments on the Class A Notes are otherwise potentially subject to FATCA withholding, the Class A Notes, so long as they are characterised as indebtedness for U.S. federal income tax purposes, should only become subject to the FATCA regime if the Class A Notes are issued (or materially modified) after the date that is six months after the date final regulations defining the term "foreign passthru payment" are published. No such final regulations have been published yet. In particular, a FATCA withholding tax may be triggered if (i) the issuer is a foreign financial institution ("**FFI**") (as defined by FATCA), which enters into and complies with an agreement with the IRS to provide certain information on its account holders (a term which includes the holders of its debt or equity interests that are not regularly traded on an established securities market) (making the issuer a "**participating FFI**"), (ii) any payment by the issuer is considered to be attributable to any U.S. source "withholdable payment" to the issuer, and (iii) (a) an investor does not provide information sufficient for the participating FFI to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of such issuer, or (b) any FFI through which payment on the notes or other payments are made is not a participating FFI.

The United States has entered into IGAs to implement FATCA with a number of jurisdictions. Different rules than those described above may apply if the Issuer or an investor is resident in a jurisdiction that has entered into an IGA. Italy and the United States have entered into a so-called Model 1 IGA under which information regarding certain direct and indirect holders of the Notes may be provided to the Italian tax authorities, which will provide such information to the U.S. tax authorities. Under the Italian IGA, the Issuer will not be required to enter into an agreement with the IRS or withhold under FATCA from payments it makes on the Class A Notes if it complies with the terms of the Italian IGA. However if (i) the placement of the Class A Notes is not performed by a Reporting Italian Financial Institution ("**RIFI**"), or (ii) the Class A Notes are not sold by the Issuer to a RIFI, or (iii) the Class A Notes are not subscribed for by the Issuer and are held among its assets ("*mantenute nel proprio attivo dello stato patrimoniale*"), the Issuer may be required to register with the IRS and comply with legislation implemented to give effect to such IGA.

Because many aspects of the application of FATCA to the Issuer are uncertain and will have to be addressed in future legislation or regulatory guidance, it is not clear at this time how the FATCA reporting and withholding regime may affect interest, principal or other amounts due under the Class A Notes or any payment to be made by any paying agent or any other Party to this Transaction, or what actions, if any, will be required to minimise the impact of FATCA on the Issuer and the Noteholders. No assurance can be given that the Issuer will take any actions or that, if actions are taken, they will be successful in minimising the new FATCA withholding tax. If an amount in respect of U.S. withholding tax (including under FATCA) were to be deducted or withheld from interest or principal on the Class A Notes or other payments from a Party to this Transaction as a result of a holder's failure to comply with these rules or as a result of the presence in the payment chain of a non-participating FFI, none of the Issuer, any paying agent or any other person would, pursuant to the Conditions or any other Transaction Documents, be required to pay additional amounts as a result of the deduction or withholding of such tax.

Holders of Class A Notes should consult their own tax advisors about the application of FATCA and on how the above rules may apply to, or affect payments to be received under the Class A Notes or any other payments to be made by the Parties to this Transaction.

Consumer protection legislation

The Claims disbursed to Borrowers which qualify as a "consumer" pursuant to the Consolidated Banking Act are regulated, *inter alia*, by article 1469-*bis* of the Italian civil code and by the legislative decree 6 September 2005, No. 206 ("*Codice del consumo, a norma dell'articolo 7 della legge 29 luglio 2003, n. 229*") (the "**Consumer Code**"), which implement EC Directive 93/13/CEE on unfair terms in consumer contracts, and provide that any clause in a consumer contract which contains a material imbalance between the rights and obligations of the consumer under the contract, is deemed to be unfair and is not enforceable against the consumer whether or not the consumer's counterparty acted in good faith.

Article 33 of the Consumer Code identifies clauses which, if included in consumer contracts, are deemed to be *prima facie* unfair but which are binding on the consumer if it can be shown that such clauses were actually individually negotiated or that they can be considered fair in the circumstances of the relevant consumer contract. Such clauses include, *inter alia*, clauses which give the right to the non-consumer contracting party to (a) terminate the contract or (b) modify the conditions of the contract without reasonable cause. However, with regard to financial contracts, if there is a valid reason, the provider is empowered to modify the economic terms but must inform the consumer immediately; in this case, the consumer has the right to terminate the contract.

Pursuant to article 36 of the Consumer Code, the following clauses, *inter alia*, are considered null and void as a matter of law and are not enforceable: (a) any clause which has the effect of excluding or limiting the remedies of the consumer in case of total or partial failure by the non-consumer contracting party to perform its obligations under the consumer contract; and (b) any clause which has the effect of making the consumer party to be bound by clauses he has not had any opportunity to consider and evaluate before entering into the consumer contract.

However, each Seller has represented and warranted in the Warranty and Indeminty Agreements that the Mortgage Loans comply with all applicable laws and regulations.

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 in the English and U.S. courts. The hearings have arisen due to the insolvency of a secured creditor (in that case a swap counteprarty) and have considered whether such payment priorities breach the "anti-deprivation" principle under English and U.S. insolvency law. This principle prevents a party from agreeing to a provision that deprives its creditors of an asset upon its insolvency. It was argued that where a secured creditor subordinates itself to noteholders in the event of its insolvency, that secured creditor effectively deprives its own creditors. The Court of Appeal in Perpetual Trustee Co Ltd v BNY Corporate Trustee Services Ltd 2009 EWCA Civ 1160, dismissed this argument and upheld the validity of similar priorities of payment, stating that the anti-deprivation principle was not breached by such provisions. This was further supported in *Belmont Park Investments PTY Limited v BNY Corporate Trustee Services Ltd and Lehman Brothers Special Financing Inc (2011) UKSC 38*, in which the Supreme Court of the United Kingdom upheld the priority provisions at issue in determining that such priority provisions were part of a complex commercial transaction entered into in good faith without any intention to evade insolvency law in which the changing priority of payments was an essential part of the transaction understood by the parties and did not contravene the anti-deprivation principle.

However, the U.S. Bankruptcy Court for the Southern District of New York has granted Lehman Brothers Special Finance Inc.'s motion for summary judgement to the effect that the provisions do infringe the anti-deprivation principle in a U.S. insolvency. The Court acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds

with the judgement of the English Courts". BNY Corporate Trustee Services Ltd was granted leave to appeal but the case subsequently settled out of court. Notwithstanding the New York settlement, the decision of the US Bankruptcy Court remains inconsistent with the decision reached by the Supreme Court of the United Kingdom in the Belmont case as referred to above and therefore uncertainty remains as to how a conflict of the type referred to above would be resolved by the courts. Given the current state of U.S. and English law, this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

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

Volcker Rule

Under the Notes Subscription Agreement, the Issuer has represented that (i) it is not, and after giving effect to the offer and sale of the Class A Notes and/or Class B Notes and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as such term is defined in the Investment Company Act, as a result of its reliance on the exemption from the definition of "investment company" set forth in Section 3(c)(7) of the Investment Company Act; and (ii)it is not, and after giving effect to the offer and sale of the Notes and the application of the proceeds thereof as described in the Prospectus, will not be a "covered fund" within the meaning of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (such statutory provision together with such implementing regulations, the "**Volcker Rule**") because the Issuer may rely on an exception from the "covered fund" definition provided for entities involved in the securitization of loans. The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain relationships with such funds. The Volcker Rule became effective on 21 July 2012, and final regulations implementing the Volcker Rule were adopted on 10 December 2013 and became effective on 1 April 2014. Conformance with the Volcker Rule and its implementing regulations is required by 21 July 2015 (or by 21 July 2016 in respects of investments in and relationships with covered funds that were in place prior to 31 December 2013, with the possibility of a further one-year extensions). Under the Volcker Rule, unless otherwise jointly determined by specified federal regulators, a "covered fund" does not include an issuer that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. Although prior to the deadlines for conformance, banking entities were or are required to make good-faith efforts to conform their activities and investments to the Volcker Rule, the general effects of the Volcker Rule remain uncertain. Any prospective investor, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

"Brexit" risk

On 23 June 2016 the United Kingdom voted to leave the European Union in a referendum (the "**Brexit Vote**"). At this stage both the terms and the timing of the United Kingdom's exit from the European Union are unclear. Moreover, the nature of the relationship of the United

Kingdom with the remaining EU member states has yet to be discussed and negotiations with the EU on the terms of the exit have yet to commence. The Issuer cannot predict what, if any, impact the UK's exit from the EU will have on the Transaction or the Issuer's ability to make payments on the Notes.

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

THE PRINCIPAL PARTIES

ISSUER

Credico Finance 16 S.r.l., a limited liability company with a sole quotaholder, 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 regulation dated 30 September 2014 with No. 35296.3, whose registered office is at Via Barberini, 47, 00187 Rome, Italy, fiscal code and VAT No. 13982771001, with paid-in share capital of Euro 10,000.

THE ORIGINATORS

BCC UMBRIA CREDITO COOPERATIVO – Società Cooperativa, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Perugia (PG) – Piazza IV Novembre 31 06100, Italy, fiscal code and VAT No. 03518350545, ABI code No. 07075, enrolled with the register of banks held by Bank of Italy under No. 8057, with paid-in share capital of Euro € 7.446.289 ("**BCC Umbria**");

BANCA DELLA MARCA CREDITO COOPERATIVO– SOCIETA' COOPERATIVA, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Giuseppe Garibaldi, 46 - 31010 Orsago (TV), Italy, fiscal code and VAT No. 03669140265, ABI code No. 07084, enrolled with the register of banks held by Bank of Italy under No. 5502, with paid-in share capital of Euro 9.280.868,00 as of 31 December 2015 ("**BCC Marca**");

MANTOVABANCA 1896 CREDITO COOPERATIVO, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via della Vittoria 1 – 46041 Asola (MN), Italy, fiscal code and VAT No. 01625640204, ABI code No. 08001, enrolled with the register of banks held by Bank of Italy under No. 5066, with paid-in share capital of Euro 4.042.690 as of 31 December 2015 ("**BCC Mantovabanca**");

BASSANO BANCA – CREDITO COOPERATIVO DI ROMANO E SANTA CATERINA – SOCIETA' COOPERATIVA PER AZIONI, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via G. Giardino n. 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 2.544.806 as of 31 December 2015 ("**BCC Bassano Banca**");

BANCA DI ANGHIARI E STIA CREDITO COOPERATIVO SOCIETA' COOPERATIVA, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Mazzini 17, 52031 Anghiari (AR), Italy, fiscal code and VAT No. 01622460515, ABI code No. 08345, enrolled with the register of banks held by Bank of Italy under No. 5407, with paid-in share capital of Euro 14.953.772,88 as of 31 December 2015 ("**BCC Anghiari e Stia**");

CASSA RURALE ED ARTIGIANA DI BRENDOLA CREDITO COOPERATIVO – SOCIETÀ COOPERATIVA, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Piazza del Mercato 15, 36040 Brendola (VI), Italy, fiscal code and VAT No. 00275710242, ABI code No. 08399, enrolled with the register of banks held by Bank of Italy under No. 2489.30, with paid-in share capital of Euro 610,454.40 as of 31 December 2015 ("**BCC di Brendola**");

BANCA DI CREDITO COOPERATIVO DI CORINALDO – SOCIETÀ COOPERATIVA, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via del Corso 45, 60013 Corinaldo (AN), Italy, fiscal code and VAT No. 00137900429, ABI code No. 08508.4, enrolled with the register of banks held by Bank of Italy under No. 2290.5, with paid-in share capital of Euro 569,173.80 as of 31 December 2015 ("**BCC di Corinaldo**");

BANCA DI CREDITO COOPERATIVO DI FIUMICELLO ED AIELLO DEL FRIULI (UD) SOCIETA' COOPERATIVA, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via GRAMSCI N. 12 – 33050 FIUMICELLO (UD), Italy, fiscal code and VAT No. 00249190307, ABI code No. 08551-4, enrolled with the register of banks held by Bank of Italy under No. 3423.10, with paid-in share capital of Euro 14.920,00 as of 31 December 2015 ("**BCC di Fiumicello ed Aiello del Friuli**");

BANCA DEL CENTROVENETO Credito Cooperativo – Società Cooperativa – Longare, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Ponte Costozza n. 12 - 36023 Longare (VI), Italy, fiscal code and VAT No. 01405390244, ABI code No. 8590, enrolled with the register of banks held by Bank of Italy under No. 4898.30, with paid-in share capital of Euro 6.586.463 as of 31 December 2015 ("**BCC Centroveneto**");

BANCO COOPERATIVO EMILIANO – CREDITO COOPERATIVO – SOCIETÀ COOPERATIVA, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Viale dei Mille 8 – 42121 Reggio dell'Emilia (RE), Italy, fiscal code and VAT No. 02593300359, ABI code No. 08623.1, enrolled with the register of banks held by Bank of Italy under No. 5754.7.0, with paid-in share capital of Euro 39.538.398 as of 31 December 2015 ("**BCC Banco Emiliano**");

BANCA DI CREDITO COOPERATIVO DI MONTERENZIO – SOCIETA' COOPERATIVA, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at MONTERENZIO (BO), localita' San Benedetto del Querceto, Via Centrale n. 13 – C.A.P. 40050, Italy, fiscal code 00370060378 and VAT No. 00505971200, ABI code No. 08672, enrolled with the register of banks held by Bank of Italy under No. 698, with paid-in share capital of Euro 4.128.463,08 as of 31

December 2015 ("**BCC Monterenzio**");

BANCA DI CREDITO COOPERATIVO DI PIOVE DI SACCO S.C., 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. 221.20, with paid-in share capital of Euro 11.993.864 as of 31 December 2015 ("**BCC Piove di Sacco**");

CENTROMARCA BANCA CREDITO COOPERATIVO DI TREVISO SOCIETA' COOPERATIVA PER AZIONI, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Dante Alighieri 2, 31022 Preganziol (TV), Italy, fiscal code and VAT No. 00176640266, ABI code No. 08749-4, enrolled with the register of banks held by Bank of Italy under No. 4580.70, with paid-in share capital of Euro 61,478 as of 31 December 2015 ("**BCC Centromarca**");

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. 08772.6,, enrolled with the register of banks held by Bank of Italy under No. 4293.70, with paid-in share capital of Euro 2.672.394,96 as of 31 December 2015 ("**BCC Roana**");

BANCA SAN GIORGIO QUINTO VALLE AGNO Società Cooperativa, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Perlena 78, 36030 Fara Vicentino (VI), Italy, fiscal code and VAT No. 00232120246, ABI code No. 8807/0, enrolled with the register of banks held by Bank of Italy under No. A161113, with paid-in share capital of Euro 27.548.146,08 as of 31 December 2015 ("**BCC San Giorgio**");

CASSA RURALE – BANCA DI CREDITO COOPERATIVO DI TREVIGLIO, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Carlo Carcano 6 - TREVIGLIO (BG), Italy, fiscal code and VAT No. 00255130163, ABI code No. 08899, enrolled with the register of banks held by Bank of Italy under No. 3148, with paid-in share capital of Euro 19.429.547,00 as of 31 December 2015 ("**BCC Treviglio**");

AGENT BANK

BNP Paribas Securities Services, a company incorporated under the laws of the Republic of France, having its registered office at 3, Rue d'Antin, 75002 Paris, France ("**BNP Paribas Securities Services**"), acting through its Milan branch, with offices at Piazza Lina Bo Bardi, 3, 20124, Milan, Italy ("**BNP Paribas Securities Services, Milan Branch**"), or any other person from time to time acting as Agent Bank.

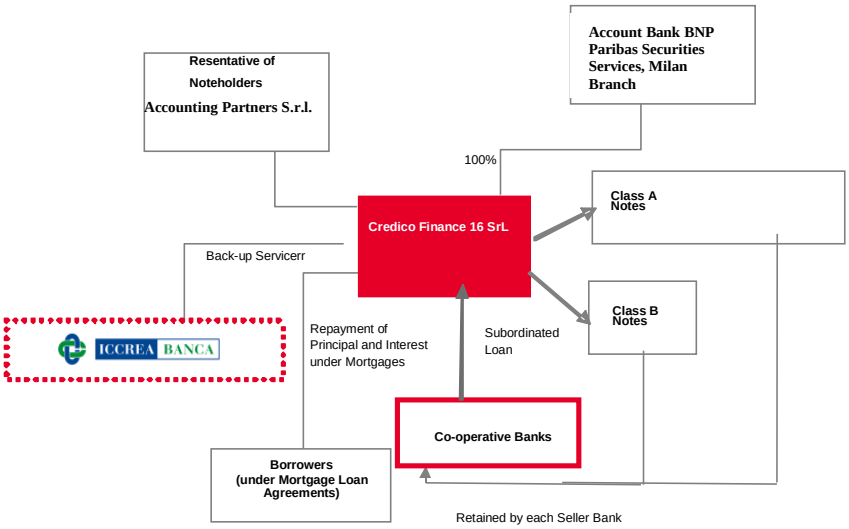
OPERATING BANK

ICCREA Banca S.p.A., whose registered office is at Via

	Lucrezia Romana 41-47, Rome, Italy or any other person from time to time acting as operating bank (the "**Operating Bank**") ("**ICCREA Banca**"), at which the Transitory Collections and Recoveries Accounts, the Expenses Account and the Quota Capital Account will be held.
TRANSACTION BANK	**BNP Paribas Securities Services, Milan Branch**, or any other person from time to time acting as transaction bank (the "**Transaction Bank**"), at which the Collections and Recoveries Accounts, the Payments Account, the Reserve Account, the Single Portfolio Reserve Accounts and the Cash Reserve Accounts will be held.
PRINCIPAL PAYING AGENT	**BNP Paribas Securities Services, Milan Branch**, or any other person from time to time acting as principal paying agent (the "**Principal Paying Agent**").
REPRESENTATIVE OF THE NOTEHOLDERS	**Accounting Partners S.r.l.**, a limited liability company, VAT number 09180200017, whose registered office is at Corso Re Umberto 8 – 10121 Torino, Italy, acting through its operative office located in Milano, Via Statuto, 13 ("**Accounting Partners**") or any other person from time to time acting as representative of the noteholders (the "**Representative of the Noteholders**").
CO-ARRANGERS	**ICCREA Banca** **A&F S.A.** (**ADVISORY & FINANCE**) a company whose registered office is at 4, rue Albert Borschette L-1246 Luxembourg, GD Luxembourg acting through its offices at Milan, Via Statuto, 10 ("**A&F**" and, together with ICCREA Banca, the "**Co-Arrangers**")
SERVICERS	BCC Umbria, BCC Marca, BCC Mantovabanca, BCC Bassano Banca, BCC Anghiari e Stia, BCC di Brendola, BCC di Corinaldo, BCC di Fiumicello ed Aiello del Friuli, BCC Centroveneto, BCC Banco Emiliano, BCC Monterenzio, BCC Piove di Sacco, BCC Centromarca, BCC Roana, BCC San Giorgio and B.C.C. di Treviglio or any other person from time to time acting as servicer (each a "**Servicer**" and together the "**Servicers**").
LIMITED RECOURSE LOAN PROVIDERS	BCC Umbria, BCC Marca, BCC Mantovabanca, BCC Bassano Banca, BCC Anghiari e Stia, BCC di Brendola, BCC di Corinaldo, BCC di Fiumicello ed Aiello del Friuli, BCC Centroveneto, BCC Banco Emiliano, BCC Monterenzio, BCC Piove di Sacco, BCC Centromarca, BCC Roana, BCC San Giorgio and B.C.C. di Treviglio, or any other person from time to time acting as limited recourse loan provider (each a "**Limited Recourse Loan Provider**" and together the "**Limited Recourse Loan Providers**").
BACK-UP SERVICER	**ICCREA Banca,** or any other person from time to time acting as back-up servicer (the "**Back-up Servicer**").
CORPORATE SERVICES	**F2A S.r.l.**, whose registered office is at Via della Moscova 3,

PROVIDER	20121, Milan, Italy, or any other person from time to time acting as corporate services provider (the "**Corporate Services Provider**").
CASH MANAGER	**BNP Paribas Securities Services, Milan Branch**, or any other person from time to time acting as cash manager (the "**Cash Manager**").
COMPUTATION AGENT	**Accounting Partners S.r.l.**, or any other person from time to time acting as computation agent (the "**Computation Agent**").
IRISH LISTING AGENT	**BNP Paribas Securities Services**, acting through its Luxembourg branch, with offices at 60 avenue J.F. Kennedy L-2085 Luxembourg ("**BNP Paribas Securities Services, Luxembourg Branch**"), or any other person from time to time acting as Irish listing agent (the "**Irish Listing Agent**").
QUOTAHOLDER	**Special Purpose Entity Management S.r.l., in breve SPE Management S.r.l.**, a limited liability company, VAT number 09262340962, whose registered office is at via A. Pestalozza 12/14, 20131 Milano, Italy (the "**Quotaholder**").

TRANSACTION DIAGRAM



THE PORTFOLIOS

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

SELECTION CRITERIA OF THE CLAIMS

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

The General Criteria are as follows:

(a) Mortgage Loans denominated in Euro;

(b) Mortgage Loans classified by the relevant Originator as in bonis pursuant to the relevant supervisory provisions ("*normativa di vigilanza*") enacted by the Bank of Italy;

(c) Mortgage Loans deriving from Mortgage Loan Agreements with reference to which at least an Instalment has been paid;

(d) Mortgage Loans secured by a mortgage in favour of the relevant Originator which is (i) a first legal priority mortgage, or (ii) a first economic priority mortgage, which means: (a) mortgages ranking subordinated to the first legal priority mortgages, provided that all obligations secured by mortgage/mortgages with a prevailing priority, had been fully satisfied as at the Valuation Date; (b) mortgages ranking subordinated to the first legal priority provided that all mortgages with prevailing priority (save for any mortgages with prevailing priority whose secured obligations had been fully satisfied as at the Valuation Date) are registered in favour of the same Originator as a security for claims that satisfy all the other Criteria related to the relevant Originator;

(e) Mortgage Loans in relation to which the pre-amortization period is fully spent as required by the relating Mortgage Agreement;

(f) Mortgage Loans deriving from Mortgage Loan Agreements that provide for the full repayment to a date no later than 31 December 2045;

(g) Mortgage Loans not deriving from concessional mortgage agreements or not *usufruenti* financial contributions of any kind in compliance with the law or agreement (the so-called "**Mutui agevolati**" e "**Mutui convenzionati**");

(h) Mortgage Loans not deriving from loan agreements granted to individuals who are employees of the relevant Originator;

(i) Mortgage Loans not deriving from mortgage loan agreements qualified as agricultural credit ("*credito agrario*") pursuant to article 43 of the Consolidated Banking Act, neither in case the agricultural credit transaction has been executed through an agricultural bill ("*cambiale agraria*");

(j) Mortgage Loans deriving from Mortgage Loan Agreements (1) which in relation to all the Installments which are due and payable, save for the last Installment, do not hold

due and unpaid Installments as at the Valuation Date; (2) with reference to which the last Installment due and payable before the Valuation Date has been paid within 15 days following the relevant due date; (3) which, as at the Effective Date, do not hold due and unpaid Installments for more than 7 days;

(k) Mortgage Loans deriving from Mortgage Loan Agreements fully disbursed for which there is no obligation, neither it is possible, to disburse any further amount;

(l) Mortgage Loans deriving from Mortgage Loan Agreements in relation to which Borrowers and guarantors are individuals resident in Italy or domiciled in Italy, and in any case resident in the European Economic Area.

(m) Mortgage Loans granted to individuals, in compliance with the selection criteria set forth by the circular letter of the Bank of Italy No. 140 of 11 February 1991 (as subsequently amended), falls within the SAE activity sectors ("*settore di attività economica*") No. 600 ("*famiglie consumatrici*"), No. 614 ("*artigiani*") or No. 615 ("*altre famiglie produttrici*").

(n) Mortgage Loans in relation to which the prevailing Real Estate Asset, on which the Mortgage has been created - meaning the Real Estate Asset that, in the case of one or more mortgages on more Real Estate Assets as a guarantee of the same mortgage loan, has the higher value resulting from a valuation - is a residential Real Estate Asset resulting (i) from the registration of such prevailing Real Estate Asset at the land registry office in the "*catastale*" category comprised within "A1" and "A9" or within "R1" and "R3" or (ii) if registration at the land registry office of such prevailing Real Estate Asset is still in progress, from the notarial deed by means of which the prevailing Real Estate Asset has been purchased or from the valuation relating to such prevailing Real Estate Asset carried out in the context of the disbursement of the relevant Mortgage Loan.

excluding:

(i) mortgage loans which, even if *in bonis*, have been classified at any time before the Effective Date (included) as defaulted loans ("*crediti in sofferenza*") pursuant to the relevant Bank of Italy's supervisory provisions ("*Istruzioni di Vigilanza*");

(ii) mortgage loans with reference to which, as at the Effective Date (included), the relevant borrower (i) has sent to its respective Originator the notice of acceptance of the renegotiation offer, or (ii) has attended in person a branch of the relevant Originator, accepting the renegotiation offer, pursuant to law decree No. 93/2008, as amended by law No. 126/2008, and the agreement entered into on 19 June 2008 between ABI and Ministero dell'Economia e delle Finanze, as amended from time to time.

(iii) mortgage loans with reference to which, on 7 September 2016, at 23:59, (i) the relevant Originator and its borrower have executed a moratorium agreement providing for the suspension of payment of installments (in full or for the sole principal component) or (ii) the relevant borrower have filed a request to the relevant Originator in order to obtain a moratorium agreement providing for the suspension of payment of the instalments (entirely or only with respect to the principal component.

The Specific Criteria with reference to BCC Anghiari are as follows:

(A) Mortgage Loans whose principal amount outstanding, as at 15 April 2016, is lower than or equal to Euro 420,000 (four hundred twenty thousand);

(B) Mortgage Loans whose spread, if a floating rate is applicable, is higher than 0,9%;

(C) Mortgage loans whose interest rate, if a fixed rate is applicable, is not lower than 2,25% (included) and not higher than 7,86%.

(D) Mortgage Loans which as at 15 April 2016 had no more than two due and unpaid Instalments.

Excluding:

(i) mortgage loans granted by a pool of banks/credit institutions, including the relevant Originator;

(ii) mortgage loans with reference to which the pre-amortisation period, as at 15 April 2016, had not elapsed

(iii) mortgage loans deriving from mortgage loan agreements providing for a cap to the applicable interest rate which cannot be increased (so-called CAP);

(iv) mortgage loans whose relevant borrower has been classified as defaulted ("*in sofferenza"*) by banks or credit institutions other than the relevant Originator

(V) mortgage loans deriving from Mortgage Loan Agreements which provide for the option for the relevant borrower to modify (periodically or at a certain date) the interest rate from floating to fixed and/or *viceversa*.

The Specific Criteria with reference to BCC Banco Emiliano are as follows:

(A) Mortgage Loans whose principal amount outstanding, as at 30 April 2016, is higher than or equal to Euro 47,000 (forty seven thousand) and lower than or equal to 500,000 (five hundred thousand).

(B) Mortgage Loans whose spread, if a floating rate is applicable (also following the exercise of an option to modify the rate by the relevant Borrower), is higher than or equal to 1% and lower than or equal to 5%;

(C) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date falling not prior to 30 June 2016;

(D) Mortgage Loans deriving from Mortgage Loan Agreements which have a fixed or floating rate including:

(x) Mortgage Loan Agreements which provide for the option for the relevant Borrower to modify periodically the interest rate from floating to fixed and/or *viceversa* and, (y) only for Mortgage Loans which originally had a fixed rate, the Mortgage Loan Agreements which provide for the option for the relevant Borrower to modify, at a certain date, the interest rate from fixed to floating;

(E) Mortgage Loans deriving from Mortgage Loan Agreements which as at 30 April 2016 had no due and unpaid Instalments;

(F) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a "French" reimbursement plan, i.e. a progressive reimbursement method according to which each Instalment consists of the same amount and is composed by an increasing principal component and by an interest component;

excluding:

(i) mortgage loans granted by a *pool* of banks/credit institutions, including the relevant Originator;

(ii) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;

(iii) mortgage loans deriving from mortgage loan agreements providing for a cap to the applicable interest rate which cannot be increased (so-called CAP);

(IV) mortgage loans whose relevant borrower has been classified as defaulted ("*in sofferenza"*) by banks or credit institutions other than the relevant Originator.

The Specific Criteria with reference to BCC Bassano are as follows:

(A) Mortgage Loans whose principal amount outstanding, as at 11 march 2016, is higher than or equal to Euro 20,000 (twenty thousand) and lower than or equal to 318,000 (three hundred eighteen thousand).

(B) Floating rate Mortgage Loans whose spread is higher than 0,6%.

(C) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date falling not prior to 31 December 2016;

(D) Mortgage Loans deriving from Mortgage Loan Agreements which as at 11 March 2016 had no more than one due and unpaid Instalment;

(E) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a "French" reimbursement plan, i.e. a progressive reimbursement method according to which each Instalment consists of the same amount and is composed by an increasing principal component and by an interest component;

(F) Mortgage Loans granted to finance the purchase and / or renovation of real estate assets.

excluding:

(i) fixed rate mortgage loans;

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

(iii) mortgage loans granted by a pool of banks/credit institutions, including the relevant Originator;

(iv) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;

(v) mortgage loans deriving from mortgage loan agreements providing for a cap to the applicable interest rate which cannot be increased (so-called CAP);

(vi) mortgage loans whose relevant borrower has been classified as defaulted ("*in sofferenza*") by banks or credit institutions other than the relevant Originator;

(vii) mortgage loan agreements which provide for the option for the relevant borrower to modify (periodically or at a certain date) the interest rate from floating to fixed and/or *viceversa*.

The Specific Criteria with reference to BCC Brendola are as follows:

(A) Mortgage Loans whose principal amount outstanding, as at 26 April 2016, is higher than or equal to Euro 50,000 (fifty thousand) and lower than or equal to Euro 500.000 (five hundred thousand);

(B) Floating rate Mortgage Loans whose spread is higher than 1%;

(C) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date falling not prior to 31 July 2016;

(D) Mortgage Loans deriving from Mortgage Loan Agreements which as at 26 April 2016 had no more than one due and unpaid Instalment;

excluding:

(i) fixed rate mortgage loans

(ii) mortgage loans granted by a *pool* of banks/credit institutions, including the relevant Originator;

(iii) mortgage loans with reference to which the pre-amortisation period, as at 26 April 2016, had not elapsed;

(iv) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;

(iv) mortgage loans whose relevant borrower has been classified as defaulted ("*in sofferenza*") by banks or credit institutions other than the relevant Originator;

(v) mortgage loan agreements which provide for the option for the relevant borrower to modify (periodically or at a certain date) the interest rate from floating to fixed and/or *viceversa*.

The Specific Criteria with reference to BCC Centromarca are as follows:

(A) Mortgage Loans whose principal amount outstanding, as at 29 March 2016, is higher than or equal to Euro 25,000 (twentyfive thousand) and lower than or equal to Euro 400,000 (four hundred thousand)

(B) Mortgage Loans deriving from Mortgage Loan Agreements which have a fixed or floating rate including:

(x) Mortgage Loan Agreements which provide for the option for the relevant Borrower to modify periodically the interest rate from floating to fixed and/or *viceversa* and, (y) only for Mortgage Loans which originally had a fixed rate, the Mortgage Loan Agreements which provide for the option for the relevant Borrower to modify, at a certain date, the interest rate from fixed to floating;

(C) Mortgage Loans deriving from Mortgage Loan Agreements which as at 29 March 2016 had no more than one due and unpaid Instalment

excluding:

(i) mortgage loans granted by a pool of banks/credit institutions, including the relevant Originator

(ii) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;

(iii) mortgage loans whose relevant borrower has been classified as defaulted (*"in sofferenza"*) by banks or credit institutions other than the relevant Originator;

(IV) mortgage loans granted to individuals, in compliance with the selection criteria set forth by the circular letter of the Bank of Italy No. 140 of 11 February 1991 (as subsequently amended), falls within the SAE activity sectors ("*settore di attività economica*") No. 614 ("*artigiani*") or No. 615 ("*altre famiglie produttrici*").

The Specific Criteria with reference to BCC Centroveneto are as follows:

(A) Mortgage Loans whose principal amount outstanding, as at 24 June 2016, is higher than or equal to Euro 44,000 (forty four thousand) and lower than or equal to Euro 486,000 (four hundred eighty six thousand);

(B) Mortgage Loans whose spread, if a floating rate is applicable, is higher than 1% and lower than 3,80 %.

(C) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date falling not prior to 17 March 2017;

(D) Mortgage Loans deriving from Mortgage Loan Agreements which have a fixed or floating rate including:

(x) Mortgage Loan Agreements which provide for the option for the relevant Borrower to modify periodically the interest rate from floating to fixed and/or *viceversa* and, (y) only for Mortgage Loans which originally had a fixed rate, the Mortgage Loan Agreements which provide for the option for the relevant Borrower to modify, at a certain date, the interest rate from fixed to floating;

Excluding:

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

(ii) mortgage loans granted by a pool of banks/credit institutions, including the relevant Originator;

(iii) mortgage loans with reference to which the pre-amortisation period, as at 24 June 2016, had not elapsed;

(iv) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;

(v) mortgage loans whose relevant borrower has been classified as defaulted (*"in sofferenza"*) by banks or credit institutions other than the relevant Originator;

(vi) mortgage loans whose disbursement date is prior to 1 January 2008.

The Specific Criteria with reference to BCC Corinaldo are as follows:

(A) Mortgage Loans whose principal amount outstanding, as at 31 March 2016, is higher than or equal to Euro 30,000 (thirty thousand) and lower than or equal to Euro 285,000 (two hundred eighty five thousand);

(B) Floating rate Mortgage Loans whose spread is higher than and equal to 0,8% or lower than and equal to 5,75 %.

(C) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date falling not prior to 16 December 2016;

(D) Mortgage Loans in relation to which the payment of Instalments is automatically charged on an account opened with the relevant Originator;

(E) Mortgage Loans deriving from Mortgage Loan Agreements which as at 31 March 2016 had no due and unpaid Instalments.

(F) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a "French" reimbursement plan, i.e. a progressive reimbursement method according to which each Instalment consists of the same amount and is composed by an increasing principal component and by an interest component.

excluding

(i) fixed rate mortgage loans;

(ii) mortgage loans granted by a pool of banks/credit institutions, including the relevant Originator;

(iii) mortgage loans with reference to which the pre-amortization period, as at 31 March 2016, had not elapsed;

(iv) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;

(v) mortgage loans whose relevant borrower has been classified as defaulted ("*in sofferenza"*) by banks or credit institutions other than the relevant Originator;

(vi) mortgage loans deriving from mortgage loan agreements which provide for the option for the relevant borrower to modify (periodically or at a certain date) the interest rate from floating to fixed and/or *viceversa*.

The Specific Criteria with reference to BCC Fiumicello are as follows:

(A) Mortgage loans whose principal amount outstanding, as at 24 June 2016, is higher than or equal to Euro 75,000 (seventy five thousand) and lower than or equal to Euro 421,000 (four hundred twenty - one thousand);

(B) Floating rate Mortgage loans whose spread is higher than or equal to 0,75%;

(C) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date falling not prior to 30 June 2016;

(D) Mortgage Loans with a LTV (*loan to value*, calculated as the ratio between the principal amount of the Loan disbursed and the value of the Real Estate Asset as determined by the evaluation

carried out in the context of the granting of the Mortgage Loan) not higher than 95% (ninety-five percent);

(E) Mortgage Loans in relation to which the payment of Instalments is automatically charged on an account opened with the relevant Originator;

(F) Mortgage Loans deriving from Mortgage Loan Agreements which as at 4 March 2016 had no more than one due and unpaid Instalment;

(G) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a "French" reimbursement plan, i.e. a progressive reimbursement method according to which each Instalment consists of the same amount and is composed by an increasing principal component and by an interest component;

excluding:

(i) fixed rate Mortgage loans;

(ii) mortgage loans granted by a pool of banks/credit institutions, including the relevant Originator;

(iii) mortgage loans with reference to which the pre-amortisation period, as at 24 June 2016, had not elapsed;

(iv) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;

(v) mortgage loans whose relevant borrower has been classified as defaulted ("*in sofferenza"*) by banks or credit institutions other than the relevant Originator;

(vi) mortgage loans deriving from mortgage loan agreements which provide for the option for the relevant borrower to modify (periodically or at a certain date) the interest rate from floating to fixed and/or *viceversa*.

The Specific Criteria with reference to BCC Mantovabanca are as follows:

(A) Mortgage Loans whose principal amount outstanding, as at 26 February 2016, is higher than or equal to Euro 35,000 (thirty five thousand) and lower than or equal to Euro 337,000 (three hundred and thirty seven thousand);

(B) Floating rate Mortgage Loans whose spread is higher than 1% and lower than 3%;

(C) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date falling not prior to 30 June 2016;

(D) Mortgage Loans deriving from Mortgage Loan Agreements which as at 26 February 2016 had no due and unpaid Instalments;

Excluding:

(i) fixed rate mortgage loans;

(ii) mortgage loans granted by a *pool* of banks/credit institutions, including the relevant Originator;

(iii) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;

(iv) mortgage loans deriving from mortgage loan agreements providing for a cap to the applicable interest rate which cannot be increased(so-called CAP);

(v) mortgage loans whose relevant borrower has been classified as defaulted ("*in sofferenza*") by banks or credit institutions other than the relevant Originator;

(vi) mortgage loan agreements which provide the option for the relevant borrower to modify (periodically or at a certain date) the interest rate from floating to fixed or *viceversa*.

The Specific Criteria with reference to BCC Monterenzio are as follows:

(A) Mortgage Loans whose principal amount outstanding, as at 30 May 2016, is higher than or equal to Euro 35,000 (thirty five thousand) and lower than or equal to Euro 300,000 (three hundred thousand);

(B) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date falling not prior to 31 December 2016;

(C) Floating rate Mortgage Loans whose spread is higher than 1% or equal to 3%;

(D) Mortgage Loans in relation to which the payment of Instalments is automatically charged on an account opened with the relevant Originator;

(E) Mortgage Loans deriving from Mortgage Loan Agreements which as at 30 May 2016 had no due and unpaid Instalments;

excluding:

(i) fixed rate mortgage loans;

(ii) mortgage loans granted by a *pool* of banks/credit institutions, including the relevant Originator;

(iii) mortgage loans with reference to which the pre-amortization period, as at 30 May 2016, had not elapsed;

(iv) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;

(v) mortgage loans deriving from mortgage loan agreements providing for a cap to the applicable interest rate which cannot be increased (so-called CAP);

(vi) mortgage loans whose relevant borrower has been classified as defaulted ("*in sofferenza*") by banks or credit institutions other than the relevant Originator;

(vii) mortgage loan agreements which provide the option for the relevant borrower to modify (periodically or at a certain date) the interest rate from floating to fixed or *viceversa*.

The Specific Criteria with reference to BCC Marca are as follows:

(A) Mortgage Loans whose principal amount outstanding, as at 30 March 2016, is higher than Euro 45,000 (forty five thousand) and lower than Euro 800,000 (eight hundred thousand).

(B) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date falling not prior to 31 December 2016;

(C) Mortgages Loans, whose spread, if a floating rate is applicable (also following the exercise of an option to modify the rate by the relevant Borrower), is higher than 0,9%;

(D) Mortgage Loans, with fixed or floating rate, including fixed rate Mortgage Loans which provide for the option for the relevant borrower to modify, at a certain date, the fixed interest rate to floating rate;

(E) Mortgage Loans deriving from Mortgage Loan Agreements which as at 30 March 2016 had no more than one due and unpaid Instalment;

(F) Mortgage Loans whose fixed rate, if a fixed rate is applicable (also following the exercise of an option to modify the rate by the relevant Borrower), is no higher than 4%.

excluding:

(i) mortgage loans granted by a *pool* of banks/credit institutions, including the relevant Originator;
(ii) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;
(iii) mortgage loans whose relevant borrower has been classified as defaulted ("*in sofferenza"*) by banks or credit institutions other than the relevant Originator;
(iv) mortgage loans deriving from mortgage agreements which provide for the option for the relevant borrower to modify periodically the interest rate from floating to fixed or *viceversa*.

The Specific Criteria with reference to BCC Piove di Sacco are as follows:

(A) Mortgage Loans whose principal amount outstanding, as at 24 February 2016, is higher than or equal to Euro 50,000 (fifty thousand) and lower than or equal to Euro 400,000 (four hundred thousand);

(B) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date falling not prior to 30 September 2016;

(C) Mortgage Loans whose spread, if a floating rate is applicable, is higher than or equal to 1% and lower than 4%.

(D) Mortgage Loans deriving from Mortgage Loan Agreements which as at 24 February 2016 had no more than one due and unpaid Instalment

(E) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a "French" reimbursement plan, i.e. a progressive reimbursement method according to which each Instalment consists of the same amount and is composed by an increasing principal component and by an interest component.

excluding:

(i) mortgage loans granted by a pool of banks/credit institutions, including the relevant Originator;

(ii) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;

(iii) mortgage loans deriving from mortgage loan agreements providing for a cap to the applicable interest rate which cannot be increased (so-called CAP);

(iv) mortgage loans whose relevant borrower has been classified as defaulted ("*in sofferenza"*) by banks or credit institutions other than the relevant Originator;

(v) mortgage loan agreements which provide for the option for the relevant borrower to modify (periodically or at a certain date) the interest rate from floating to fixed or *viceversa*..

The Specific Criteria with reference to BCC Roana are as follows:

(A) Mortgage Loans whose principal amount outstanding, as at 30 March 2016, is higher than or equal to Euro 15,000 (fifteen thousand) and lower than or equal to Euro 350,000 (three hundred and fifty thousand);

(B) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date falling not prior to 31 December 2016;

(C) Floating rate Mortgage Loans whose spread is higher than or equal to 0,75% and lower than or equal to 5%;

(D) Mortgage Loans deriving from Mortgage Loan Agreements which as at 30 March 2016 had no more than one due and unpaid Instalment.

excluding:

(i) fixed rate mortgage loans;

(ii) mortgage loans granted by a pool of banks/credit institutions, including the relevant Originator;

(iii) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;

(iv) mortgage loans deriving from mortgage loan agreements providing for a cap to the applicable interest rate which cannot be increased (so-called CAP);

(v) mortgage loans whose relevant borrower has been classified as defaulted ("*in sofferenza"*) by banks or credit institutions other than the relevant Originator;

(vi) mortgage loan agreements which provide for the option for the relevant borrower to modify (periodically or at a certain date) the interest rate from floating to fixed or *viceversa.*

The Specific Criteria with reference to BCC San Giorgio are as follows:

(A) Mortgage Loans whose principal amount outstanding, as at 16 February 2016, is higher than or equal to Euro 20,000 (twenty thousand) and lower than Euro 400,000 (four hundred thousand);

(B) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date falling not prior to 16 May 2018;

(C) Mortgage Loans deriving from Mortgage Loan Agreements, with fixed or floating rate, including Mortgage Loan Agreements which provide for the option for the relevant Borrower to modify, periodically, the interest rate from floating to fixed or *viceversa;*

(D) Mortgage Loans deriving from Mortgage Loan Agreements which as at 16 February 2016 had no more than one due and unpaid Instalment;

excluding:

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

(ii) mortgage loans granted by a *pool* of banks/credit institutions, including the relevant Originator;

(iii) mortgage loans with reference to which the pre-amortization period, as at 16 February 2016, had not elapsed;

(iv) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;

(v) mortgage loans whose relevant borrower has been classified as defaulted ("*in sofferenza"*) by banks or credit institutions other than the relevant Originator.

The Specific Criteria with reference to BCC Treviglio are as follows:

(A) Mortgage Loans whose principal amount outstanding, as at 2 March 2016, is higher than Euro 35,000 (thirtyfive thousand) and lower than Euro 500,000 (five hundred thousand);

(B) Floating rate Mortgage Loans whose spread is higher than 1% and lower than 3%;

(C) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date falling not prior to 30 September 2016;

(D) Mortgage Loans in relation to which the payment of Instalments is automatically charged on an account opened with the relevant Originator;

(E) Mortgage Loans deriving from Mortgage Loan Agreements which as at 2 March 2016 had no due and unpaid Instalments

excluding:

(i) fixed rate mortgage loans;

(ii) mortgage loan agreements which provide for the reimbursement through the payment of a final maxi-instalment;

(iii) mortgage loans granted by a pool of banks/credit institutions, including the relevant Originator;

(iv) mortgage loans with reference to which the pre-amortization period, as at 24 June 2016, had not elapsed;

(v) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;

(vi) mortgage loans deriving from mortgage loan agreements providing for a cap to the applicable interest rate which cannot be increased (so-called CAP);

(vii) mortgage loans whose relevant borrower has been classified as defaulted ("*in sofferenza"*) by banks or credit institutions other than the relevant Originator;

(VIII) mortgage loan agreements which provide for the option for the relevant borrower to modify (periodically or at a certain date) the interest rate from floating to fixed or *viceversa*.

The Specific Criteria with reference to BCC Umbria are as follows:

Mortgage loans which:

Y. if granted by the entity named Credito Cooperativo Umbro-BCC Mantignana (now BCC Umbria), meet the following inclusion and exclusion criteria:

(A) Mortgage Loans whose principal amount outstanding, as at 24 June 2016, is higher than or equal to Euro 30,000 (thirty thousand) and lower than Euro 308,000 (three hundred eight thousand);

(B) Mortgage Loans whose spread, if a floating rate is applicable (also following the exercise of an option to modify the rate by the relevant Borrower), is higher than or equal to 0,85% and lower than or equal to 4,5%;

(C) Mortgage Loans whose fixed rate, if a fixed rate is applicable, (also following the exercise of an option to modify the rate by the relevant Borrower), is higher than or equal to 1,5% and lower than 4%

(D) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date falling not prior to 30 September 2016;

(E) Mortgage Loans deriving from Mortgage Loan Agreements, with fixed or floating rate, including Mortgage Loans which provide for the option for the relevant borrower to modify, periodically, the interest rate from floating to fixed or *viceversa*;

(F) Mortgage Loans deriving from Mortgage Loan Agreements which as at 3 March 2016 had no more than two due and unpaid Instalments

(G) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a "French" reimbursement plan, i.e. a progressive reimbursement method according to which each Instalment consists of the same amount and is composed by an increasing principal component and by an interest component.

excluding:

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

(ii) mortgage loans granted by a pool of banks/credit institutions, including the relevant Originator;

(iii) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;

(iv) mortgage loans whose relevant borrower has been classified as defaulted ("*in sofferenza*") by banks or credit institutions other than the relevant Originator;

Z. if granted by the entity named Crediumbria Banca di Credito Cooperativo S.C.(now BCC Umbria), meet the following inclusion and exclusion criteria:

(A) Mortgage Loans whose principal amount outstanding, as at 1 March 2016, is higher than or equal to Euro 30,000 (thirty thousand) and lower than or equal to Euro 365,000 (three hundred sixty five thousand);

(B) Floating rate Mortgage Loans whose spread is higher than 1,45% and lower than 6%;

(C) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date falling not prior to 30 June 2016;

(D) Mortgage Loans deriving from Mortgage Loan Agreements which as at 1 March 2016 had no more than one due and unpaid Instalments;

excluding:

(i) fixed rate mortgage loans

(ii) mortgage loans granted by a pool of banks/credit institutions, including the relevant Originator;

(iii) mortgage loans with reference to which the pre-amortization period, as at 24 June 2016, had not elapsed;

(iv) mortgage loans secured by (i) mortgage on land or (ii) mortgage on real estate assets under construction and not yet registered in the relevant land registry;

(v) mortgage loans whose relevant borrower has been classified as defaulted ("*in sofferenza"*) by banks or credit institutions other than the relevant Originator;

(vi) mortgage loans granted prior to 1 January 2011;

(vii) mortgage loan agreements which provide for the option for the relevant borrower to modify (periodically or at a certain date) the interest rate from floating to fixed or *viceversa*.

The following tables describe the characteristics of the Portfolios compiled from information provided by the Originators in connection with the acquisition of the Claims by the Issuer on 4 October 2016. The information in the following tables reflects the position as at 7 September 2016, 23:59. 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 the Mortgage Loans prior to the Issue Date (in relation to the real property backing the Claims, there has been no revaluation of such properties for the purpose of the issue of the Notes and the valuation quoted are as at the date of the original initial mortgage loan origination).

Unless stated otherwise, in the following range breakdown tables the lower boundary is intended included, the upper boundary is intended excluded.

Statistic	*Value*
No. of Mortgage Loans	6.704,00
Current Balance of Portfolios (€)	660.801.448,47
Original Balance of Portfolios (€)	854.148.527,84
Average Current Loan Amounts (€)	98.568,24
Average Original Loan Amounts (€)	127.408,79
Maximum Current Loan Amounts (€)	697.114,11
Maximum Original Loan Amounts (€)	1.035.000,00
Weighted Average Seasoning (yrs)	4,41
Weighted Average Remaining Maturity (yrs)	16,85
Weighted Average Maturity (yrs)	21,25
Weighted Average Current Loan to Value	64,23%
Weighted Average Original Loan to Value	52,55%
WA spread (current floating)	2,12%
WA interest rate (current fixed)	3,15%
Top 1/10/20 Borrowers (%)	0.11%/0.69%/1,37%

Break-down by Seller

Originator	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
BCC CORINALDO	181,00	2,70%	23.159.842,13	2,71%	17.118.249,51	2,59%
BCC DI PIOVE DI SACCO	231,00	3,45%	30.739.064,22	3,60%	25.713.091,50	3,89%
BANCA DELLA MARCA	937,00	13,98%	122.741.593,04	14,37%	96.758.120,35	14,64%
MANTOVABANCA 1896 CREDITO COOPERATIVO	395,00	5,89%	47.643.701,49	5,58%	37.628.257,01	5,69%
BASSANO BANCA - CREDITO COOPERATIVO	264,00	3,94%	31.541.500,79	3,69%	22.596.474,45	3,42%
BANCA DI ANGHIARI E STIA CREDITO COOPERA	142,00	2,12%	16.396.652,00	1,92%	13.809.253,62	2,09%
BRENDOLA	324,00	4,83%	42.332.132,53	4,96%	36.291.292,20	5,49%
BCC DI FIUMICELLO ED AIELLO DEL FRIULI	260,00	3,88%	35.114.263,90	4,11%	29.621.763,10	4,48%
BANCA DEL CENTROVENETO	382,00	5,70%	57.389.859,48	6,72%	49.337.825,30	7,47%
BANCO COOPERATIVO EMILIANO	681,00	10,16%	93.538.606,69	10,95%	70.024.787,70	10,60%

CENTROMARCA BANCA CREDITO COOPERATI	632,00	9,43%	74.158.403,34	8,68%	53.251.196,36	8,06%
CASSA RURALE ED ARTIGIANA DI ROANA	141,00	2,10%	17.836.448,88	2,09%	13.709.552,57	2,07%
BANCA SAN GIORGIO QUINTO VALLE AGNO	334,00	4,98%	38.988.003,41	4,56%	32.711.369,99	4,95%
CASSA RURALE - BCC TREVIGLIO - S.C.	1.095,00	16,33%	144.121.653,26	16,87%	100.214.902,63	15,17%
B.C.C. DI MONTERENZIO S.C.	215,00	3,21%	29.321.083,28	3,43%	21.184.011,63	3,21%
BCC UMBRIA CREDITO COOPERATIVO	490,00	7,31%	49.125.719,40	5,75%	40.831.300,55	6,18%
Grand Total	**6.704,00**	**100,00%**	**854.148.527,84**	**100,00%**	**660.801.448,47**	**100,00%**

Break-down by interest rate type

Interest Rate Type	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
Fixed	351,00	5,24%	36.782.308,35	4,31%	28.720.556,93	4,35%
Floating for Life	5.920,00	88,31%	765.345.375,09	89,60%	588.175.155,09	89,01%
Floating with Cap	189,00	2,82%	21.948.233,07	2,57%	18.197.501,22	2,75%
Discounted (decrescente rispetto alla scadenza);	1,00	0,01%	151.975,21	0,02%	112.612,83	0,02%
Switch Optionality	169,00	2,52%	19.903.479,69	2,33%	16.101.332,58	2,44%
Switch Optionality	4,00	0,06%	505.000,00	0,06%	389.403,48	0,06%
Floating with Cap	1,00	0,01%	400.000,00	0,05%	313.539,76	0,05%
Fixed rate loan with compulsory future switch to floating (5)	66,00	0,98%	8.876.796,91	1,04%	8.563.220,08	1,30%
Increasing Fixed Rate	3,00	0,04%	235.359,52	0,03%	228.126,50	0,03%

Break-down by Index

Index of loan	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
FISSO	532,00	7,94%	59.339.995,21	6,95%	48.995.199,76	7,41%
EUR 1M	29,00	0,43%	3.932.886,17	0,46%	2.518.317,20	0,38%
EUR 3M	2.997,00	44,70%	390.620.773,48	45,73%	302.547.272,08	45,78%
EUR 6M	3.012,00	44,93%	383.249.812,73	44,87%	292.324.951,35	44,24%
BCE	128,00	1,91%	16.479.439,73	1,93%	13.996.008,32	2,12%
50% EUR 6M + 50% REND STATO	6,00	0,09%	525.620,52	0,06%	419.699,76	0,06%
Grand Total	**6.704,00**	**100,00%**	**854.148.527,84**	**100,00%**	**660.801.448,47**	**100,00%**

Break-down by spread for floating rate contracts

Current Margin Floating	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-0,01	181,00	2,93%	26.653.940,28	3,35%	15.916.200,73	2,60%
0,01-0,02	2.774,00	44,95%	391.678.051,14	49,28%	275.544.906,73	45,04%
0,02-0,03	2.135,00	34,60%	258.662.335,74	32,55%	218.486.602,76	35,72%
0,03-0,04	817,00	13,24%	92.652.094,93	11,66%	80.410.325,85	13,14%
0,04-0,05	209,00	3,39%	20.107.709,54	2,53%	17.132.950,86	2,80%
0,05-0,06	53,00	0,86%	4.712.201,00	0,59%	4.016.019,93	0,66%
0,06-0,07	2,00	0,03%	260.000,00	0,03%	218.609,25	0,04%
Grand Total	**6.171,00**	**100,00%**	**794.726.332,63**	**100,00%**	**611.725.616,11**	**100,00%**

Break-down by current interest rate

Current Interest Rate Type	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
Fixed	533,00	7,43%	59.422.195,21	6,96%	49.075.832,36	7,43%
Floating	6.171,00	92,57%	794.726.332,63	93,04%	611.725.616,11	92,57%
Grand Total	**6.704,00**	**100,00%**	**854.148.527,84**	**100,00%**	**660.801.448,47**	**100,00%**

Break-down by frequency of instalments

Frequency of Installment	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
semi-annually	39,00	0,80%	7.997.428,20	0,94%	5.257.178,75	0,80%
quarterly	26,00	0,49%	5.579.000,00	0,65%	3.217.089,41	0,49%
bimestral	3,00	0,03%	240.000,00	0,03%	206.377,68	0,03%
Monthly	6.636,00	98,69%	840.332.099,64	98,38%	652.120.802,63	98,69%
Grand Total	**6.704,00**	**100,00%**	**854.148.527,84**	**100,00%**	**660.801.448,47**	**100,00%**

Break-down by origination date

Origination Date	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
1.999	4	0,06%	340.861,55	0,04%	86.707,48	0,01%
2.000	3	0,04%	423.494,65	0,05%	193.747,41	0,03%
2.001	9	0,13%	1.133.622,88	0,13%	455.146,41	0,07%
2.002	36	0,54%	5.179.333,37	0,61%	1.717.671,37	0,26%
2.003	67	1,00%	8.989.225,00	1,05%	3.803.048,81	0,58%
2.004	163	2,43%	21.269.000,00	2,49%	9.480.671,64	1,43%
2.005	210	3,13%	29.078.500,00	3,40%	14.803.936,21	2,24%
2.006	264	3,94%	37.095.500,00	4,34%	21.516.544,61	3,26%
2.007	234	3,49%	32.477.500,00	3,80%	20.377.662,75	3,08%
2.008	220	3,28%	30.812.707,31	3,61%	19.978.485,98	3,02%
2.009	476	7,10%	67.663.735,27	7,92%	46.313.686,12	7,01%
2.010	669	9,98%	97.249.393,03	11,39%	69.813.760,22	10,57%
2.011	700	10,44%	97.134.251,29	11,37%	73.769.684,36	11,16%
2.012	641	9,56%	78.818.933,63	9,23%	64.130.864,99	9,71%
2.013	641	9,56%	74.312.297,92	8,70%	62.372.678,67	9,44%
2.014	960	14,32%	109.732.195,11	12,85%	98.569.713,89	14,92%
2.015	1248	18,62%	144.776.317,12	16,95%	136.236.756,08	20,62%
2.016	159	2,37%	17.661.659,71	2,07%	17.180.681,47	2,60%
Grand Total	**6.704,00**	**100%**	**854.148.527,84**	**100%**	**660.801.448,47**	**100%**

Break-down by remaining

Remaining	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-5	231	3,45%	29.199.942,88	3,42%	10.416.439,93	1,58%
5-10	1314	19,60%	149.060.801,08	17,45%	88.416.777,78	13,38%
10-15	1644	24,52%	192.640.852,15	22,55%	144.071.742,41	21,80%
15-20	1952	29,12%	256.736.142,44	30,06%	215.698.846,77	32,64%
20-25	1362	20,32%	194.234.833,29	22,74%	172.335.595,41	26,08%
25-30	201	3,00%	32.275.956,00	3,78%	29.862.046,17	4,52%
Grand Total	**6.704,00**	**100,00%**	**854.148.527,84**	**100,00%**	**660.801.448,47**	**100,00%**

Break-down by seasoning

Seasoning	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-5	3868	57,70%	454.243.004,07	53,18%	400.954.322,38	60,68%
5-10	2184	32,58%	311.256.986,32	36,44%	216.400.975,81	32,75%
10-15	640	9,55%	87.243.774,70	10,21%	42.937.844,82	6,50%
15-20	7	0,10%	934.786,98	0,11%	360.876,97	0,05%
>20	5	0,07%	469.975,77	0,06%	147.428,49	0,02%
Grand Total	**6.704,00**	**100,00%**	**854.148.527,84**	**100,00%**	**660.801.448,47**	**100,00%**

Break-down by current loan balance

Current Loan Balance	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-100000	4051	60,43%	387.364.650,63	45,35%	269.541.781,84	40,79%
100000-200000	2352	35,08%	373.913.176,28	43,78%	313.325.669,56	47,42%
200000-300000	243	3,62%	66.821.096,45	7,82%	56.795.870,75	8,59%
300000-400000	44	0,66%	17.931.291,89	2,10%	14.610.258,19	2,21%
400000-500000	12	0,18%	6.568.312,59	0,77%	5.317.182,66	0,80%
500000-600000	1	0,01%	550.000,00	0,06%	513.571,36	0,08%
600000-700000	1	0,01%	1.000.000,00	0,12%	697.114,11	0,11%
Grand Total	**6.704,00**	**100,00%**	**854.148.527,84**	**100,00%**	**660.801.448,47**	**100,00%**

Break-down by original loan amount

Original Loan Amount	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-100000	2225	33,19%	163.862.639,03	19,18%	131.476.013,83	33,19%
100000-200000	3716	55,43%	492.818.001,18	57,70%	382.022.693,49	55,43%
200000-300000	596	8,89%	134.097.920,40	15,70%	101.952.692,74	8,89%
300000-400000	119	1,78%	38.714.962,75	4,53%	29.060.128,38	1,78%
400000-500000	26	0,39%	11.070.004,48	1,30%	8.171.104,87	0,39%
500000-600000	15	0,22%	7.700.000,00	0,90%	5.811.896,12	0,22%
600000-700000	2	0,03%	1.200.000,00	0,14%	560.400,55	0,03%
800000-900000	2	0,03%	1.650.000,00	0,19%	540.571,21	0,03%
1000000-1100000	3	0,04%	3.035.000,00	0,36%	1.205.947,28	0,04%
Grand Total	**6.704,00**	**100,00%**	**854.148.527,84**	**100,00%**	**660.801.448,47**	**100,00%**

Break-down by SAE code

SAE Code	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
600	6319	94,26%	799.478.298,39	93,60%	621.084.000,05	93,99%
614	141	2,10%	16.688.075,02	1,95%	12.283.348,73	1,86%
615	244	3,64%	37.982.154,43	4,45%	27.434.099,69	4,15%
Grand Total	**6.704,00**	**100,00%**	**854.148.527,84**	**100,00%**	**660.801.448,47**	**100,00%**

Break-down by original loan to value

Original Loan to value	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-0,1	12	0,18%	822.304,16	0,10%	615.849,61	0,18%
0,1-0,2	143	2,13%	11.255.965,97	1,32%	8.445.327,24	2,13%
0,2-0,3	390	5,82%	36.287.590,38	4,25%	27.447.421,97	5,82%
0,3-0,4	618	9,22%	64.758.298,38	7,58%	48.192.666,80	9,22%
0,4-0,5	764	11,40%	91.179.250,13	10,67%	71.392.781,00	11,40%
0,5-0,6	998	14,89%	130.059.119,57	15,23%	101.234.013,36	14,89%
0,6-0,7	1118	16,68%	146.167.228,18	17,11%	113.347.001,70	16,68%
0,7-0,8	1559	23,25%	214.716.360,20	25,14%	169.163.441,92	23,25%
0,8-0,9	652	9,73%	93.852.616,61	10,99%	72.842.979,48	9,73%
0,9-1	297	4,43%	41.851.134,79	4,90%	32.753.446,38	4,43%
1-1,1	110	1,64%	15.527.766,21	1,82%	11.209.849,73	1,64%
1,1-1,2	14	0,21%	2.208.000,00	0,26%	1.254.319,88	0,21%
1,2-1,3	7	0,10%	1.264.000,00	0,15%	583.064,94	0,10%
1,3-1,4	11	0,16%	1.788.893,26	0,21%	1.285.342,73	0,16%
1,4-1,5	5	0,07%	1.025.000,00	0,12%	443.009,87	0,07%
1,5-1,6	2	0,03%	470.000,00	0,06%	156.957,22	0,03%
1,7-1,8	1	0,01%	160.000,00	0,02%	74.754,98	0,01%
1,9-2	2	0,03%	515.000,00	0,06%	279.006,74	0,03%
2-2,1	1	0,01%	240.000,00	0,03%	80.212,92	0,01%
Grand Total	**6.704,00**	**100%**	**854.148.527,84**	**100%**	**660.801.448,47**	**1,00**

Break-down by current loan to value

Current Loan to value	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-0,1	90	1,34%	10.167.309,67	1,19%	3.257.170,62	1,34%
0,1-0,2	469	7,00%	50.236.570,70	5,88%	26.751.771,63	7,00%
0,2-0,3	831	12,40%	92.329.881,64	10,81%	59.238.694,14	12,40%
0,3-0,4	1039	15,50%	130.017.011,53	15,22%	91.389.618,52	15,50%
0,4-0,5	1094	16,32%	138.637.549,05	16,23%	106.661.971,41	16,32%
0,5-0,6	1147	17,11%	156.572.256,15	18,33%	127.239.312,48	17,11%
0,6-0,7	1001	14,93%	135.422.704,51	15,85%	116.964.344,80	14,93%
0,7-0,8	751	11,20%	101.283.145,87	11,86%	92.923.516,78	11,20%
0,8-0,9	178	2,66%	25.315.909,49	2,96%	23.061.168,68	2,66%
0,9-1	91	1,36%	12.218.295,97	1,43%	11.647.376,21	1,36%
1-1,1	4	0,06%	515.000,00	0,06%	457.557,13	0,06%
1,1-1,2	3	0,04%	595.000,00	0,07%	420.513,21	0,04%
1,2-1,3	3	0,04%	493.000,00	0,06%	453.164,06	0,04%
1,3-1,4	3	0,04%	344.893,26	0,04%	335.268,80	0,04%
Grand Total	**6.704,00**	**1,00**	**854.148.527,84**	**1,00**	**660.801.448,47**	**1,00**

Break-down by proprietary region

Property Region	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
TRENTINO-ALTO ADIGE	8	0,12%	1.965.466,00	0,23%	1.389.981,37	0,21%
FRIULI-VENEZIA GIULIA	466	6,95%	62.619.945,65	7,33%	51.545.816,70	7,80%
Lombardia	1527	22,78%	196.828.392,58	23,04%	141.279.392,75	21,38%
Veneto	3039	45,33%	387.024.615,76	45,31%	307.458.373,52	46,53%
Liguria	4	0,06%	480.000,00	0,06%	423.902,45	0,06%
EMILIA-ROMAGNA	836	12,47%	113.860.509,49	13,33%	84.840.171,27	12,84%
UMBRIA	516	7,70%	52.041.277,16	6,09%	43.257.036,38	6,55%
MARCHE	180	2,68%	23.079.842,13	2,70%	17.052.000,45	2,58%
LAZIO	9	0,13%	1.101.000,00	0,13%	945.957,79	0,14%
TOSCANA	109	1,63%	13.580.479,07	1,59%	11.372.454,63	1,72%
SARDEGNA	6	0,09%	1.072.000,00	0,13%	821.898,72	0,12%
SICILIA	1	0,01%	100.000,00	0,01%	87.035,43	0,01%
PUGLIA	1	0,01%	95.000,00	0,01%	85.135,13	0,01%
CAMPANIA	1	0,01%	60.000,00	0,01%	31.114,01	0,00%
ABRUZZO	1	0,01%	240.000,00	0,03%	211.177,87	0,03%
Grand Total	**6.704,00**	**100%**	**854.148.527,84**	**100%**	**660.801.448,47**	**100%**

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 31 August 2016 under the name of Credico Finance 16 S.r.l.. 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 1 October 2016 with No. 35296.3 and is registered with the Companies' Register of Rome under REA number RM – 1487665 and with VAT number 13982771001 and has its registered office at via Barberini, 47 – 00187 Roma (RM) (telephone number: +39 064740400; fax number:+39 0642013819). 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 the 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 Prospectus and in the other Transaction Documents; and (iv) the authorisation by it of the Notes.

The Issuer has no employees. The authorised and issued capital of the Issuer is Euro 10,000 fully paid up as of the date of this Prospectus.

The quotaholder of the Issuer is Special Purpose Entity Management S.r.l., in breve SPE Management S.r.l. which holds a quota equal to Euro 10,000 (the "**Quotaholder**").

Under the terms of a quotaholders' agreement entered into on or prior to the Issue Date among the Quotaholder, the Representative of the Noteholders and the Issuer (the "**Quotaholder's Agreement**") certain rules have been set out in relation to the corporate governance of the Issuer. In particular, the Quotaholder has agreed, *inter alia*, not to pledge, charge or dispose of the quotas of the Issuer without the prior written consent of the Representative of the Noteholders. The Issuer believes that the provisions of the Quotaholder's Agreement between the Issuer and the Quotaholder and of the other Transaction Documents are adequate to ensure that the participation by the Quotaholder in the quota capital of the Issuer is not abused.

The duration of the Issuer is until 31 December 2100. The Quotaholder has limited liability in case the requirements indicated by Italian law are met. To the best of its knowledge, the Issuer is not aware of directly or indirectly ownership or control apart from its Quotaholder.

2. PRINCIPAL ACTIVITIES

The scope of the Issuer, as set out in article 2 of its by-laws (*Statuto*), is exclusively to purchase monetary claims in the context of securitisation transactions and to fund such purchase by issuing asset backed securities or by other forms of limited recourse financing, all pursuant to article 3 of Law 130. The issuance of the Notes was approved by means of a Quotaholder's meeting on 27 September 2016. So long as any of the Notes remains outstanding, the Issuer shall not, without the consent of the Representative of the Noteholders and as provided for in the relevant Conditions, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the Portfolios, issuing the Notes and entering into the Transaction Documents to which it is a party), pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any person or convey or transfer its property or assets to any person (otherwise than as contemplated

in the Conditions) or increase its capital. The Issuer will covenant to observe, *inter alia,* those restrictions which are detailed in the Conditions.

3. DIRECTORS AND AUDITORS

The sole director of the Issuer is Mr. Pierpaolo Guzzo, having his address for the purposes of his title at Via Barberini 47, 47 – 00187 Roma (RM).

Such sole director was appointed on 31 August 2016.

The sole director of the Issuer has the requisite experience and expertise for the management of its business.

No statutory auditors (*sindaci*) have been appointed.

4. 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:

5. OFF-BALANCE SHEET ASSETS AND LIABILITIES

Euro 561,700,000 Class A Asset Backed Floating Rate Notes due December 2056;

Euro 6,132,000 Class B1 Asset Backed Floating Rate Notes due December 2056;

Euro 14,559,000 Class B2 Asset Backed Floating Rate Notes due December 2056;

Euro 5,629,000 Class B3 Asset Backed Floating Rate Notes due December 2056;

Euro 3,397,000 Class B4 Asset Backed Floating Rate Notes due December 2056;

Euro 2,110,000 Class B5 Asset Backed Floating Rate Notes due December 2056;

Euro 5,492,000 Class B6 Asset Backed Floating Rate Notes due December 2056;

Euro 2,519,000 Class B7 Asset Backed Floating Rate Notes due December 2056;

Euro 4,422,000 Class B8 Asset Backed Floating Rate Notes due December 2056;

Euro 7,438,000 Class B9 Asset Backed Floating Rate Notes due December 2056;

Euro 10,525,000 Class B10 Asset Backed Floating Rate Notes due December 2056;

Euro 3,185,000 Class B11 Asset Backed Floating Rate Notes due December 2056;

Euro 3,814,000 Class B12 Asset Backed Floating Rate Notes due December 2056;

Euro 7,952,000 Class B13 Asset Backed Floating Rate Notes due December 2056;

Euro 2,010,000 Class B14 Asset Backed Floating Rate Notes due December 2056;

Euro 4,912,000 Class B15 Asset Backed Floating Rate Notes due December 2056;

Euro 15,015,000 Class B16 Asset Backed Floating Rate Notes due December 2056.

TOTAL OFF-BALANCE SHEET INDEBTEDNESS **Euro 660,811,000**

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

6. FINANCIAL STATEMENTS

Since the date of incorporation, the Issuer has not commenced operations and no financial statements have been made up as at the date of this Prospectus.

The next statutory financial statements will be prepared as at 31 December 2016.

The Issuer will produce, and will make available at its registered office, proper accounts (*ordinata contabilità interna*) and audited (to the extent required by applicable law or regulation) financial statements in respect of each financial year (commencing on 1 January and ending on 31 December, the next such accounts to be prepared being those in respect of the financial year ending on 31 December 2016) but will not produce interim financial statements.

THE ORIGINATORS

1. CO-OPERATIVE CREDIT SYSTEM

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

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

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

Nature of the co-operative banks

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

Credit co-operative system structure

The credit co-operative system consists of:

- the BCCs;

- the Local Federations (Federazioni);

- the National Federation (Federcasse - Federazione nazionale delle Banche di Credito Cooperativo (Federcasse);

- the ICCREA Group (as defined below);

- the Co-operative Credit Deposits Insurance Fund (Fondo di Garanzia dei Depositanti del Credito Cooperativo) ("FGD"); and

- the co-operative Bond-holders Insurance Fund (Fondo di Garanzia degli Obbligazionisti del Credito Cooperativo) ("FGO").

- the Co-operative Institutional Garantee Fund (Fondo di Garanzia Istituzionale) (FGI) (in progress)

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

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

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

The ICCREA banking group (the "**ICCREA Group**") is registered in the roll of banking groups kept by the Bank of Italy under No. 8000 and has operated since 1995, when a significant reorganization took place, which separated the credit activities (attributed to ICCREA Banca S.p.A.) and the activities of management and control of the entire ICCREA Group (which had been retained by Iccrea Holding S.p.A., in its capacity as parent company of the ICCREA Group, pursuant to article 60 of the Banking Act). Iccrea Holding had been the parent company of the ICCREA Group until 30th September 2016, when it was merged by incorporation into Iccrea Banca, which, took the role of holding company.

The shareholders of Iccrea BancaS.p.A. are the BCCs, Federcasse, the Local Federations and the two Casse Centrali di Trento e Bolzano, which operate as central cooperative banks within their respective territories.

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

Iccrea BancaImpresa S.p.A. and its subsidiaries BCC Lease S.p.A. and BCC Factoring S.p.A. (leasing, factoring and corporate banking) Banca Sviluppo S.p.A. (retail banking), BCC Risparmio e Previdenza S.g.r.p.A. (asset management), BCC Sistemi Informatici Scarl (computer providing), BCC Gestione

Crediti S.p.A. and its subsidiary FDR Gestione Crediti S.p.A. (debt collection), BCC Credito Consumo S.p.A.(consumer credit), BCC Retail (insurance intermediary), BCC Solutions S.p.A., BCC Beni Immobili (logistics providing and real estate management) and Ventis (services for online selling). Iccrea Banca has also significant interest in BCC Vita, , and BCC Assicurazioni (insurance services).

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

The Italian co-operative banking system includes also a bond-holders' protection scheme which was established in 2004 as a voluntary consortium among banks which are members of the Local Federations of Cooperative Banks. As of today 296 banks are members of the FGO which guarantees 3.803 bond issued for a total amount of about € 25.6 billions.

In 2008 the Co-operative Credit system lunched the project for a new Institutional Protection Scheme (FGI), designed according to the article 80 (8) of the Basel II Directive. In December 2011 its statute obtained the authorization by the Bank of Italy. Full authorization is expected by mid 2013. By adhering to the FGI, BCCs agree – to the greater benefit of their customers – to stricter rules on controls and monitoring and receive in return a series of benefits, amongst which the 0 risk weight for operations with other members of the scheme (once specific authorization has been granted by the Supervisory body), the optimization of the system of controls and of liquidity management. The FGI, moreover, represent a multiplier for a greater development of the system: it accelerates its processes of integration of the associative and productive components, it favors the strengthening of the operational processes – including risk management – and the harmonization of methods and standards.

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

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

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

- moral suasion for the implementation of a recovery plan;

- change in management;

- tutorship between sound BCCs and distressed BCCs;

- mergers between nearby BCCs;

- guarantees provided by the FGD for the implementation of a recovery plan through credit lines granted by other member banks; ;

- coverage transaction provided by the FGD and aimed at balancing assets and liabilities of a distressed BCC in favour of any acquiring bank, in the event of insolvency procedures;

- depositors' refund via the FGD up to a maximum amount of € 100,000 per depositor and provided that

the overall amount of depositors' refunds does not exceed 0.80 per cent of the BCCs' bank deposits which, as at 31th December 2015, were equal to € 1,42 billion.

- Banca Sviluppo S.p.A., owned by Iccrea Banca S.p.A.; it has, among other objectives, the task of acquiring distressed BCCs and can intervene as a very last resort.

Since 1997, the FGD has intervened to recover 60 Member Banks, through:

- the issue of guarantees for a total amount of € 527,000,000 (data as at the 31th December 2015);

- cash contributions for a total amount of € 374,000,000 (data as at the 31th December 2015) .

1.2 The shareholders

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

1.3 The BCCs

The main features of a BCC are as follows:

(i) they are local banks supporting families and businesses inside a defined area;

(ii) they are mutual-purpose, non profit-oriented banks which are supposed to use part of their net income for charitable purposes;

(iii) they are part of the “Co-operative Credit System” and can offer their customers a wide range of financial products and services as economics of scale.

As at 30th June 2016, the Co-operative Credit System included 355 banks and4382 branches, involves a high number of human resources as shown by the following data:

(i) 1,239,001 shareholders;

(ii) 1,637,392 customers (borrowers);

(vi) 31,000 employees.

The BCCs' network covers2,676 towns. As of 30th June 2016, the BCCs recorded the following:

(i) total deposits of EURO *158,0* billion;

(ii) total lending of EURO *133,5* billion;

(iii) shareholders' equity of EURO *20,0* billion.

1.4 The Federations

The Co-operative Credit System includes BCCs, Local Federations, the National Federation (Federcasse), Casse Centrali di Trento e Bolzano, ICCREA Banca S.p.A. and involves other “product

companies" such as ICCREA Banca Impresa, Aureogestioni, etc.

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

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

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

1.5 ICCREA Banca

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

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

(i) Institutional that gathers all Companies that provide products and services exclusively dedicated to Cooperative Credit Banks and Rural Banks. The broad range of solutions include securitization, institutional insurance products, loans to BCC payment systems, equity management, credit recovery service, Web and call center services.

(ii) Corporate that it offers focused solutions to meet an always more exacting and sophisticated corporate demand: ordinary and extraordinary finance, long and medium term loans and foreign services, leasing and factoring, rental and other sophisticated corporate consultation activities.

(iii) Retail segment, made up by Companies that supply products and services to private customers of Cooperative Credit Banks and Rural Banks. The broad range of offers includes asset management, personal loans, mortgages, electronic money and damage claim insurance.

The ICCREA Group includes:

(i) BCC Sistemi Informatici

(ii) BCC Gestione Crediti (Supports BCC-CR in problem loans)

(iii) BCC Solutions (offers specific services for the Group Companies effectiveness);

(iv) Iccrea BancaImpresa (Monitors all business areas of Credito Cooperativo Banks corporate customers);

(v) BCC RISPARMIO & PREVIDENZA SgrpA (Provides professional and regulated investment management);

(vi) BCC Credito Consumo (Supporting family consumption);

(vii) Banca Sviluppo;

(viii) BCC RETAIL

1.6 Operational performance of the ICCREA Group

The consolidated financial statements summarize the operating results of the Iccrea Banking Group during the 2015 accounting period.

The structure of the Group as of 1 October 2016 was as follows:

Parent Company:

- Iccrea Banca S.p.A.

Subsidiary:

- Iccrea BancaImpresa S.p.A.
- Bcc Factoring S.p.A.
- Bcc Lease S.p.A.
- Bcc RISPARMIO&PREVIDENZA SGRPA
- Bcc Beni Immobili srl
- BCC Gestione Crediti S.p.A.
- Bcc Retail scarl
- Bcc Solutions S.p.A.
- BCC Credito consumo S.p.A.
- Banca Sviluppo S.p.A.
- Bcc Sistemi Informatici S.p.A.
- Isitel S.r.l.
- Ventis S.r.l.
- Iccrea Sme cart 2016 S.r.l.
- Federlus factoring

Partneship:

- Hi MTF Sim S.p.A.
- M - Facility S.r.l.
- BCC ACCADEMIA Soc. Cons.
- BCC Vita S.p.A.
- BCC Assicurazioni S.p.A.
- Car Server

2 CO-OPERATIVE BANKS INVOLVED IN CREDICO FINANCE 16'S TRANSACTION

BCC UMBRIA CREDITO COOPERATIVO – SOCIETÀ COOPERATIVA

In July 2016, the merger between Crediumbria Banca Credito Cooperativo Soc. Coop. and Credito Cooperativo Umbro-BCC Mantignana gave birth to BCC Umbria Credito Cooperativo.

Crediumbria Banca di Credito Cooperativo S.C.

Historical Background
CREDIUMBRIA BANCA DI CREDITO COOPERATIVO S.C. is the result of two mergers between three BCC; a first merger in 2000 between the Banca di Credito Cooperativo del Trasimeno and the Banca di Credito Cooperativo di Ficulle that gave birth to the Banca Trasimeno - Orvietano Credito Cooperativo and a new merger in 2007 between the Bank Trasimeno - Orvietano Credito Cooperativo and BCC Terni and Valnerina.

The shareholders figure counts 1.791 units

Organisation
The organization is represented by the Board of Directors and the Statutory Auditors.

Board of Directors	
Giovagnola Palmiro	Chairman
Mescolini Luciano	Vice-Chairman
Campagna Carmelo	Vice-Chairman
Caciotto Michele	Director
Codini Clara	Director
Coscia Roberto	Director
Giardini Cristian	Director
Mechelli Gino	Director
Paolucci Antonella	Director
Sacconi Marica	Director
Verdi Michele	Director

Board of Statutory Auditors	
Mari Libero Mario	Chairman
Lucciola Marta	Auditor
Calzini Ida	Auditor
Busso Andrea	Alternate Auditor
Rocchini Giuseppe Serafino	Alternate Auditor

Main activities and future strategies
The Bank operates in the traditional and innovative banking sector, with respect to retail customers and corporates, through the commercial network and virtual channels, with the support and coordination of central services. The Bank grants the shareholders belonging to specified categories (farmers, new

entrepreneurs, young people, etc..) preferred financing rates for investment or other purposes. Moreover, the Bank operates, on behalf of customers, in different domestic and foreign markets for the execution of transactions in stocks, bonds and derivatives. The Bank offers the most complete range of collection services, payment and funds transfer made through traditional channels, e-money and innovative tools for virtual bank. Through securitization, the bank realized an innovative funding tool to finance the local economy, as the bank loans will be increasingly conditioned by the gradual downsizing of traditional forms of direct funding.

Through the securitization the Bank has implemented one of its main focus: localism, raising financial resources from international markets to be invested in its core business.

The BCC has carried out one securitization in 2012.

Financial Highlights

The tables below set out the main figures of the "CREDIUMBRIA BANCA DI CREDITO COOPERATIVO S.C." over the past 3 years.

Profit and Loss (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Net Interest Income (30)	13.244	13.075	12.232
Gross Income (120)	18.696	23.400	19.306
Operating Expenses (200)	-10.593	-10.789	-11.480
Net income (loss) from financial operations (140)	11.977	11.394	13.381
Net profit (loss) for the period (290)	901	309	1549

Balance sheet

Assets (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Cash and cash equivalent (10)	3.578	3.349	3.372
Due from Banks (60)	26.419	68.686	43.671
Loans (70)	317.288	307.391	320.210
Bond and other securities (20+30+40)	196.924	186.954	183.128
Total Assets	571.949	593115	578323

Liabilities (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Due from Banks (10)	117.709	136.053	121.921
Securities issued (30+40+50)	136.324	131.819	132.456
Shareholders funds (130+140+150+160+170+180)	45.951	46.578	48.017
Total Liabilities	571.949	593.115	578.323

Credito Cooperativo Umbro-BCC Mantignana

Historical Background

The CREDITO COOPERATIVO UMBRO-BCC MANTIGNANA" is the result of the merger, in 2012, between the Banca di Mantignana Credito Cooperativo Umbro and the Banca di Perugia-Credito Cooperativo. Following this merger the bank has taken the name of "Bassano Banca Cred. Coop." In July 2016, the bank merged with Crediumbria Banca Credito Cooperativo Soc. Coop. They presented a merger plan and business plan to the Bank of Italy for the related authorization with retroactive effects from January 2016. In March 2016, Bank of Italy has authorized the merger. The new bank took the name of BCC Umbria Credito Cooperativo.

At the end of 2015, the shareholders of CREDITO COOPERATIVO UMBRO-BCC MANTIGNANA count 1.779 units.

Organisation

The Board of Directors and the Statutory Auditors are the following:

Board of Directors	
Pecetti Luca	Chairman
Mezzasoma Luigi	Vice-Chairman
Ansidei di Catrano Reginaldo	Director
Belardinelli Attilio	Director
Biarella Massimo	Director
Fratini Emilio	Director
Giontella Caterina	Director
Granieri Amanzio	Director
Micucci Alberto	Director
Pieroni Marzio	Director
Ragni Giuseppe	Director

Board of Statutory Auditors	
Guarducci Enrico	Chairman
Cucuzza Marco	Auditor
Trotta Gabriele	Auditor
Gallina Alfredo	Alternate Auditor
Pulcinelli Vittorio	Alternate Auditor

The number of employees involved is 90.

Business Role	Number of employees
Directors	2
Middle Management	20
Clerks	68
Total	90

Main activities and future strategies

The merger between Credito Cooperativo Umbro Bcc Mantignana and Crediumbria.

The most important development of the Bank is the merger mentioned above.
The fundamental reasons that led to this decision have been widely discussed and documented in the "Merger Plan".

Financial Highlights

The tables below set out the main figures of the "CREDITO COOPERATIVO UMBRO-BCC MANTIGNANA" over the past 3 years.

Profit and Loss (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Net Interest Income (30)	10.056	11.571	11.458
Gross Income (120)	15.516	17.947	18.293
Operating Expenses (200)	11.593	11.060	11.925
Net income (loss) from financial operations (140)	13.834	12.859	13.369
Net profit (loss) for the period (290)	1.282	1147	1224

Balance sheet

Assets (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Cash and cash equivalent (10)	5.988	5.833	5.008
Due from Banks (60)	94.550	88.295	52.154
Loans (70)	344.687	341.271	333.746
Bond and other securities (20+30+40)	135.741	160.286	147.873
Total Assets	606.268	620348	562907

Liabilities (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Due from Banks (10)	112.495	110.617	81.898
Securities issued (30+40+50)	97.603	76.732	62.100
Shareholders funds (130+140+150+160+170+180)	33.416	35.772	35.769
Total Liabilities	606.268	620.348	562.907

BANCA DELLA MARCA - CREDITO COOPERATIVO - SOCIETA' COOPERATIVA

Historical Background

The BCC was incorporated in November 2001 as a result of the merger between BCC dell'Altamarca (incorporated in 1977) and the BCC of Orsago (incorporated in 1895). The name actually is "BANCA DELLA MARCA - CREDITO COOPERATIVO - SOCIETA' COOPERATIVA" and the headquarter is in Orsago, nearby Treviso. The merger represented the first step of an industrial project that want transformer the bank into one of the largest mutual banks.

Organisation

The Board of Directors, Board of the Executive Committee and the Statutory Auditors are the following:

Board of Directors	
Michielin Gianpiero	Chairman
Rasera Amerino	Vice-Chairman
Borgo Bruno	Director
Bertazzon Fabrizio	Director
Bonotto Antonio	Director
Dufour Michele	Director
Marcolin Pietro	Director
Maset Giuseppe	Director
Sonego Loris	Director
Pagotto Margherita	Director
Travaini Enrico	Director

Board of the Executive Committee	
Presidente	Chairman
Rasera Amerino	Vice-Chairman
Bertazzon Fabrizio	Director
Maset Giuseppe	Director
Sonego Loris	Director
Rui Pierluigi	Chairman of Board of statutory Auditors
Dalla Vedova Piermatteo	Auditor
Sernaggiotto Claudio	Auditor

Board of Statutory Auditors	
Rui Pierluigi	Chairman
Dalla Vedova Piermatteo	Auditor
Sernaggiotto Claudio	Auditor
Giusti Aldo	Alternate Auditor
Vendramelli Gianni	Alternate Auditor

The number of employees involved is 263.

Business Role	Number of employees

Directors	4
Middle Management	85
Clerks	174
Total	263

Main activities and future strategies

Currently the level of development of the Strategic Plan is in line with expectations. The first quarter 2016 March showed a very positive result.

This securitization is able to complete the strategy to increase and diversify the medium-term sources of funding, in line with past experiences. The Bank closed her first securitizations in 2001 (CF5 and CF6). Later on, the bank participated in the securitizations called CF10 and CF11.

Financial Highlights

The tables below set out the main figures of the "BANCA DELLA MARCA - CREDITO COOPERATIVO - SOCIETA' COOPERATIVA" over the past 3 years.

Profit and Loss (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Net Interest Income (30)	35,504,595	36,864,151	34,344,880
Gross Income (120)	58,191,096	68,159,568	56,737,880
Operating Expenses (200)	37,744,630	22,703,299	37,580,797
Net income (loss) from financial operations (140)	-29,044,525	-29,006,856	-32,014,888
Net profit (loss) for the period (290)	6,414,708	-4959706	4641186

Balance sheet

Assets (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Cash and cash equivalent (10)	7,900,155	7,476,660	6,882,536
Due from Banks (60)	181,241,754	201,710,835	159,052,138
Loans (70)	1,497,844,827	1,449,881,875	1,401,089,083
Bond and other securities (20+30+40)	278,671,753	372,366,625	368,695,376
Total Assets	2,004,352,115	2078520542	1990089485

Liabilities (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Due from Banks (10)	196,169,416	265,549,127	187,224,742
Securities issued (30+40+50)	501,788,827	496,247,285	393,191,060
Shareholders funds (130+140+150+160+170+180)	177,159,977	181,611,471	174,338,246
Total Liabilities	2,004,352,115	2,078,520,542	1,990,089,485

MANTOVABANCA 1896 CREDITO COOPERATIVO

Historical Background

The "Cassa Rurale di depositi e prestiti di Casalmoro " was incorporated in 1896. The "Cassa Rurale di Prestiti e Risparmi di San Giuseppe in Bozzolo" was incorporated in 1908.

The Cassa Rurale ed Artigiana di Casalmoro e Bozzolo is the result of merger between two banks finalised in 1991.
In May 2003, the Cassa Rurale ed Artigiana di Casalmoro e Bozzolo has changed its name into MANTOVABANCA 1896 Credito Cooperativo Società Cooperativa.
The Bank looks after the satisfaction of its shareholders as a strategic objective.
The shareholders are 3.573 at the end of 2015.

Organisation
The bodies are represented by the Board of Directors and the Statutory Auditors

Board of Directors	
Giovanni Fondrieschi	Chairman
Paolo Grossi	Vice-Chairman
Aldo Bovi	Director
Roberto Chizzoni	Director
Alberto Ferrari	Director
Carolina Mari	Director
Oscar Scalmana	Director

Board of Statutory Auditors	
Claudio Boschiroli	Chairman
Andreina Farina	Auditor
Guido Tescaroli	Auditor
Giovanni Castellini	Alternate Auditor

The employees are 150.

Business Role	Number of employees
Directors	1
Middle Management	16
Clerks	133
Total	150

Main activities and future strategies
The transaction represents an innovative tool for funding to finance the local economy.

This transaction will allow to collect low-cost source of funding through the refinancing with the ECB.

Financial Highlights
The tables below set out the main figures of the “MANTOVABANCA 1896 CREDITO COOPERATIVO” over the past 3 years.

Profit and Loss (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Net Interest Income (30)	11.511	11.418	13.218
Gross Income (120)	18.051	20.542	21.503
Operating Expenses (200)	-12.547	-13.532	-16.105
Net income (loss) from financial operations (140)	11.287	14.360	16.560
Net profit (loss) for the period (290)	-1.281	262	274

Balance sheet

Assets (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Cash and cash equivalent (10)	4.225	4.172	3.731
Due from Banks (60)	92.239	85.933	24.767
Loans (70)	683.126	679.450	679.853
Bond and other securities (20+30+40)	222.693	275.683	249.538
Total Assets	1.051.891	1092920	1009745

Liabilities (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Due from Banks (10)	88.797	136.810	83.283
Securities issued (30+40+50)	411.690	372.349	308.116
Shareholders funds (130+140+150+160+170+180)	66.283	65.456	66.310
Total Liabilities	1.051.891	1.092.920	1.009.745

BASSANO BANCA – CREDITO COOPERATIVO DI ROMANO E SANTA CATERINA – SOCIETA' COOPERATIVA PER AZIONI

Historical Background

The "Bassano Banca Cred. Coop." is the result of the merger, on 1995, between the Cassa Rurale di Santa Caterina di Lusiana and the Cassa Rurale di Romano d'Ezzelino. Following to this merger the Bank has taken the name of "Bassano Banca Cred. Coop." The headquarter is in Romano d' Ezzelino and the administrative offices are in Bassano del Grappa. In 2015 the Bank has changed its name in BASSANO BANCA – CRED.COOP.DI ROMANO E SANTA CATERINA, which better reflects his focus on the territory of reference of the Bank. At the end of 2015 the shareholders count 3.224 units.

Organisation

At the end of 2015, the Board of Directors and the Board of Statutory Auditors are the following:

Board of Directors	
Martini Umberto	Chairman
Zen Onorio	Vice-Chairman
Cortese Rudy	Vice-Chairman
Eger Gino	Director
Ferronato Mirko	Director
Novello Piergilio	Director
Ronzani Samuel	Director
Serradura Gianna	Director
Zanella Silvano	Director

Board of Statutory Auditors	
Todesco Plinio	Chairman
Lazzarotto Francesco Gaetano	Auditor
Marin Margherita	Auditor
Campana Alessandro	Alternate Auditor
Dissegna Sergio	Alternate Auditor

As of December 31, 2015, the Bcc incorporates 96 employees, as follows:

Business Role	Number of employees
Directors	1
Middle Management	29
Clerks	66
Total	96

Main activities and future strategies

The Bank operates in the traditional and innovative banking sector, with respect to retail customers and corporates, through the commercial network and virtual channels, with the support and coordination of central services. The Bank grants the shareholders belonging to specified categories (farmers, new entrepreneurs, young people, etc..) preferred financing rates for investment or other purposes. Moreover, the Bank operates, on behalf of customers, in different domestic and foreign markets for the execution

of transactions in stocks, bonds and derivatives. The Bank offers the most complete range of collection services, payment and funds transfer made through traditional channels, e-money and innovative tools for virtual bank.

In the 2011, the Bank carried out two securitizations of performing loans for residential mortgages.

Through securitization, the bank realized an innovative funding tool to finance the local economy, as the bank loans will be increasingly conditioned by the gradual downsizing of traditional forms of direct funding.

Through the securitization the Bank has implemented one of its main focus: localism, raising financial resources from international markets to be invested in its core business.

The reasons described above are the same that led the Bank to the participation to a first securitization transaction, carried out in 2011 called Credico Finance 9 and later in August 2012, to a second securitization, called SME Finance 1.

Financial Highlights

The tables below show the main figures of the Annual Reports of Bassano Banca – Cred. Coop. di Romano e Santa Caterina- SCPA over the past 3 years:

Profit and Loss (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Net Interest Income (30)	11.388	10.589	9.298
Gross Income (120)	17.255	18.797	18.398
Operating Expenses (200)	10.336	10.011	11.090
Net income (loss) from financial operations (140)	12.196	11.317	11.754
Net profit (loss) for the period (290)	1.639	822	578

Balance sheet

Assets (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Cash and cash equivalent (10)	2.806	2.400	2.372
Due from Banks (60)	9.999	17.846	17.773
Loans (70)	337.562	325.001	327.882
Bond and other securities (20+30+40)	191.274	227.141	236.332
Total Assets	559.748	594310	606044

Liabilities (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Due from Banks (10)	114.753	131.752	169.435
Securities issued (30+40+50)	109.085	120.228	95.196
Shareholders funds (130+140+150+160+170+180)	38.973	40.643	40.488
Total Liabilities	559.748	594.310	606.044

BANCA DI ANGHIARI E STIA CREDITO COOPERATIVO S.C.

Historical Background

The BANCA DI ANGHIARI E STIA CREDITO COOPERATIVO is the result of the merger between Banca di Credito Cooperativo di Anghiari, founded in 1905, and the Banca di Credito Cooperativo di Stia, incrporated in 1920. The new Bank has expanded its presence into new geographical areas. The territorial jurisdiction of the Bank area includes the Valtiberina, Toscana and Umbria.

Currently the bank owns the headquarter in Anghiari (Arezzo).

At the 31/12/2015 the shareholders count 6.475 units.

Organisation

The Board of Directors, Board of the Executive Committee and the Statutory Auditors are following:

Board of Directors	
Paolo Sestini	Chairman
Nilo Venturini	Vice-Chairman
Giovanni Fornacini	Director
Stefano Mannelli	Director
Vasco Petruccioli	Director
Stefano Rossi	Director
Marco Salvi	Director
Andrea Trapani	Director
Giovan Battista Donati	Director

Board of the Executive Committee	
Paolo Sestini	Chairman
Nilo Venturini	Adviser
Giovanni Fornacini	Adviser
Andrea Trapani	Adviser
Giovan Battista Donati	Adviser

Board of Statutory Auditors	
Massimo Meozzi	Chairman
Marina Cianfrani	Auditor
Paolo Cenciarelli	Auditor
Giuseppe Mauro Della Rina	Alternate Auditor
Andrea Cerini	Alternate Auditor

The number of employees counts 100 units.

Business Role	Number of employees
Directors	2
Middle Management	16
Clerks	80

Auxiliary	2
Total	100

Main activities and future strategies
Since 2005, the Bank has made four securitizations.

The main advantages obtained are the following:

- Improved matching of assets and liabilities;
- diversification of sources of funding;
- improvement of KPI "ratios";
- optimization of the costs

The bank distributes leasing and factoring financings through “Iccrea Banca Impresa”

Financial Highlights
The tables below set out the main figures of the “BANCA DI ANGHIARI E STIA CREDITO COOPERATIVO” over the past 3 years

Profit and Loss (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Net Interest Income (30)	11.303.484	12.787.241	12.393.234
Gross Income (120)	17.590.113	24.339.716	25.593.189
Operating Expenses (200)	10.896.774	11.304.035	12.163.775
Net income (loss) from financial operations (140)	8.533.648	14.017.278	12.562.090
Net profit (loss) for the period (290)	-1.573.655	1690007	254614

Balance sheet

Assets (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Cash and cash equivalent (10)	2.860.642	2.643.021	2.458.699
Due from Banks (60)	14.095.877	19.396.036	36.035.436
Loans (70)	361.838.509	366.346.314	360.023.949
Bond and other securities (20+30+40)	131.049.773	172.491.842	180.126.089
Total Assets	537.644.150	586503826	609082009

Liabilities (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Due from Banks (10)	67.467.495	90.147.923	139.166.477
Securities issued (30+40+50)	155.870.928	144.076.906	127.719.832
Shareholders funds (130+140+150+160+170+180)	43.825.627	45.333.764	44.113.770
Total Liabilities	537.644.150	586.503.826	609.082.009

CASSA RURALE ED ARTIGIANA DI BRENDOLA CREDITO COOPERATIVO – SOCIETÀ COOPERATIVA

Historical Background

The BCC Brendola was incorporated in 1903 in Brendola, where the bank has constituted the principal place of business. Across the years the Bank has contributed to the development of its territory. On 01/01/2014, the Bank is merged with the BCC di Campiglia, expanding its network to 30 branches and its workforce to 252 employees. At the end of 2015 the shareholders counts 6.082 units.

Organisation

The Board of Director and the Board of Statutory Auditors are the following:

Board of Directors	
Gianfranco Sasso	Chairman
Guido Dalla Vecchia	Vice-Chairman
Domenico Concato	Director
Paolo Doria	Director
Dario Falloppi	Director
Mirco Marcante	Director
Ivano Pelizzari	Director
Francesco Squaquara	Director

Board of Statutory Auditors	
Bruno Fin	Chairman
Francesco Ferronato	Auditor
Giovanni Marchetti	Auditor
Andrea Massimo Mazzotti	Alternate Auditor
Matteo Trambaiolo	Alternate Auditor

The workforce currently incorporates 252 employees.

Business Role	Number of employees
Directors	2
Middle Management	62
Clerks	188
Total	252

Main activities and future strategies

The BCC of Brendola has carried out two securitizations of performing loans.

The main advantages obtained are the following:

- Diversification of sources of funding
- Freeing up regulatory capital under the current regulatory framework;
- Optimization of the cost of collection;

- The improvement of KPI "ratios".

The transactions was called CF4,CF6,CF10,CF12 and CF14.

The Bcc of Campiglia has carried out three transactions: CF4,CF6 and CF10.

Financial Highlights

The tables below set out the main figures of the "CASSA RURALE ED ARTIGIANA DI BRENDOLA – CREDITO COOPERATIVO" over the past 3 years.

Profit and Loss (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Net Interest Income (30)	25.571	29.746	30.607
Gross Income (120)	39.437	51.93	50.597
Operating Expenses (200)	-19.529	-24.211	-26.017
Net income (loss) from financial operations (140)	23.055	28.864	27.845
Net profit (loss) for the period (290)	3.04	3.004	2.031

Balance sheet

Assets (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Cash and cash equivalent (10)	4.778	5.042	5.33
Due from Banks (60)	123.445	123.628	89.407
Loans (70)	780.57	902.471	884.078
Bond and other securities (20+30+40)	493.286	808.779	885.81
Total Assets	1.436.685	1.881.007	1.913.588

Liabilities (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Due from Banks (10)	244.588	511.328	602.495
Securities issued (30+40+50)	451.489	491.927	425.785
Shareholders funds (130+140+150+160+170+180)	119.418	132.702	133.743
Total Liabilities	1.436.685	1.881.007	1.913.588

BANCA DI CREDITO COOPERATIVO CORINALDO

Historical Background
The bank was incorporated in 1911. The headquarter of " BANCA DI CREDITO COOPERATIVO DI CORINALDO" is in Corinaldo (Ancona).

The Mission is the following:

Keep unchanged the image of a local bank, for families and small medium enterprises;

- To contribute to developing and supporting the local economy, even with the objective of safeguarding employment and the consolidation of corporates in financial difficulty;
- To represent a reference point for local bodies, trade associations, companies "no profit", supporting and promoting social and cultural activities in the territory;
- To promote the development of the shareholders;
- To promote the development of cooperation and social cohesion;

The Bank considers the satisfaction of its shareholders as a strategic objective, following this way the corporate policies of the subjects have given rise to the new reality.

In this perspective it should be viewed the continuing growth in the number of economic benefits and social initiatives that the CREDIT BANK OF COOPERATIVE CORINALDO reserves to its shareholders.

The social base, composed in December 2015 of 1,785 units, is characterized by the "Families", which represent the 93.38% of the shareholding.

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

Board of Directors	
Saccinto Rag. Felice	Chairman
Bucci Luca	Vice-Chairman
Aloisi Gilberto	Director
Bartolucci Patrizia	Director
Bizzarri Elena	Director
Bruciati Ivaldo	Director
Sbarbati Raimondo	Director
Scattolini Livio	Director
Spallacci Riccardo	Director

Board of Statutory Auditors	
Paolini Rag. Virgilio	Chairman
Fattorini Prof. Fabio	Auditor
Zandri Dott. Nicola	Auditor
Bruciati Prof. Dario	Alternate Auditor
Vignoli Dott. Loris	Alternate Auditor

The number of employees counts 46units.

Business Role	Number of employees
Directors	1
Middle Management	11
Clerks	33
Auxiliary	1
Total	46

Main activities and future strategies

In the business plan 2015-2017 the main guidelines are the follwing:

- Interest rates: focus on the gap in the active-passive interest rates and the improvement of it;
- Profitability: improvement of trade policy to increase the fees. The bank needs to Increase loans especially in the traditional sectors such as private institution, but also agriculture, trade and tourism;
- Loans: to improve profits with a low risk profile;
- No conforming Matches: special attention to the provisions of policies
- Shareholders: to Increase to 2,000 in three years;
- Reform of the BCC: take into account the developments, new organizational problems and above all the opportunities arising from the reform.

The reasons given above are the same that led the Bank to the preparation of the two previous securitizations called Credico Finance 7 and Credico Finance 12.

Financial Highlights

The tables below set the main figures of the "BANCA DI CREDITO COOPERATIVO DI CORINALDO" over the past 3 years

Profit and Loss (in thousand euro)	31-dec-13	31-dec-14	31-dec-15
Net Interest Income (30)	4.935.713	5.420.654	5.099.848
Gross Income (120)	7.245.761	8.514.248	8.016.799
Operating Expenses (200)	-4.737.778	-4.540.169	-4.784.321
Net income (loss) from financial operations (140)	3.179.903	6.223..519	2.777.265
Net profit (loss) for the period (290)	-1.129.702	1296292	-1628298

Balance sheet

Assets (in thousand euro)	31-dec-13	31-dec-14	31-dec-15
Cash and cash equivalent (10)	1.578.188	1.519.768	1.451.541
Due from Banks (60)	25.410.084	40.027.323	27.302.905
Loans (70)	176.377.153	174.038.370	171.974.715
Bond and other securities (20+30+40)	60.290.181	59.109.766	60.083.833
Total Assets	273.758.183	284162704	271946426

Liabilities (in thousand euro)	31-dec-13	31-dec-14	31-dec-15
Due from Banks (10)	30.138.083	34.135.171	25.212.290

Securities issued (30+40+50)	47.031.328	42.496.607	38.185.257
Shareholders funds (130+140+150+160+170+180)	21.703.426	21.131.021	21.588.884
Total Liabilities	273.758.183	284.162.704	271.946.426

BANCA DI CREDITO COOPERATIVO DI FIUMICELLO ED AIELLO DEL FRIULI (UD) SOCIETA' COOPERATIVA

Historical Background

In 1896 the name of The Banca di Credito Cooperativo di Fiumicello e Aiello del Friuli was "Cassa Rurale di Fiumicello ". The head office of BCC Fiumicello e Aiello is located in Fiumicello (Ud), via Gramsci n. 12. On 1993 carried out a merger between the Cassa Rurale e Artigiana di Aiello del Friuli. At the end of 2015 the shareholders are 3,623.

Organisation

At the end of 2015 the Board of Directors, the Board of Statutory Auditors and the Board of Arbitrators are the following:

Board of Directors	
Portelli Tiziano	Chairman
Margarit Maurizio	Vice-Chairman
Avian Giuliano	Director
Budai Edi	Director
Contin Andrea	Director
Pontel Sergio	Director
Stabile Marco	Director

Board of Statutory Auditors	
Cilento Andrea	Chairman
Grassi Oscar	Auditor
Snidero Alessandra	Auditor
Bidut Ilario	Alternate Auditor
Michelin Emanuele	Alternate Auditor

Board of Arbitrators	
Spazzapan Giorgio	Chairman
Bosio Franco	Regular Arbitrator
Galluà Nicola	Regular Arbitrator
Giacomello Giorgio	Probiviro Supplente
Zamparo Giampaolo	Probiviro Supplente

At 31 December 2015, the BCC of Fiumicello e Aiello counts 71 employees, as follows:

Business Role	Number of employees
Directors	1
Middle Management	23
Clerks	47
Total	71

Main activities and future strategies

The Bank operates in the traditional and innovative banking sector, with respect to retail customers and corporates, through the commercial network and virtual channels, with the support and coordination of central services. The Bank grants the shareholders belonging to specified categories (farmers, new entrepreneurs, young people, etc..) preferred financing rates for investment or other purposes. Moreover, the Bank operates, on behalf of customers, over a range of different domestic and foreign markets for the execution of transactions in stocks, bonds and derivatives. The Bank offers the most complete range of collection services, payment and funds transfer made through traditional channels, e-money and innovative tools for virtual bank. Through securitization, the bank realized an innovative funding tool to finance the local economy, as the bank loans will be increasingly conditioned by the gradual downsizing of traditional forms of direct funding.

Through the securitization the Bank has implemented one of its main focus: localism, raising financial resources from international markets to be invested in its core business.

After few years of development, where the number of branches has increased, the Bank will improve its market penetration in areas that had already served.

The reasons described above are the same that led the Bank to the participation to a first securitization transaction, carried out in 2006 called Credico Finance 6 and later in 2012, to a second securitization, called Credico Finance 11.

Financial Highlights

The tables below set out the main figures of the "Banca di Credito Cooperativo di Fiumicello e Aiello del Friuli" over the past 3 years:

Profit and Loss (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Net Interest Income (30)	6.696.374	6.498.746	6.936.340
Gross Income (120)	10.614.246	11.521.781	11.854.604
Operating Expenses (200)	-7.173.843	-8.072.939	-7.473.880
Net income (loss) from financial operations (140)	8.506.446	8.755.821	8.998.203
Net profit (loss) for the period (290)	992.657	1139129	635602

Balance sheet

Assets (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Cash and cash equivalent (10)	2.008.808	1.324.917	1.453.494
Due from Banks (60)	18.430.743	14.679.028	26.534.838
Loans (70)	211.916.331	229.319.120	248.540.560
Bond and other securities (20+30+40)	96.969.540	93.394.791	76.879.746
Total Assets	339.437.166	348519493	363676332

Liabilities (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Due from Banks (10)	64.447.752	51.471.124	48.913.393
Securities issued (30+40+50)	69.628.789	64.911.741	62.072.406
Shareholders funds (130+140+150+160+170+180)	27.299.823	28.955.298	29.758.339
Total Liabilities	339.437.166	348.519.493	363.676.332

BANCA DEL CENTROVENETO CRED. COOP. S.C. - LONGARE

Historical Background

The Bank of Centroveneto was incorporated in 1896 with the name of Cassa Rurale di Prestiti in Costozza. In 1982 there was a merger with Cassa Rurale ed Artigiana di Tramonte Praglia and in 1996 with Banca di Credito Cooperativo di Grantorto.
Currently the bank's name is "BANK OF CENTROVENETO - Credito Cooperativo - Società Cooperativa - Longare.
The shareholders, at 31/12/2015 counts 4.835 units.

Organization

The Board of Directors, the Statutory Auditors, the Board of Arbitrators and the Board of the Executive Committee are the following.

Board of Directors	
Stecca Flavio	Chairman
Marangoni Gaetano	Vice-Chairman
Rigon Diego Agostino	Vice-Chairman
Basso Domenico	Director
Bertinato Giovanni	Director
Biasetto Giovanni	Director
Brazzale Lorenzo	Director
Corradin Dario	Director
La Torre Stefano	Director
Legnaro Anna Rosa	Director
Martini Leonardo	Director
Michielon Michele	Director
Seragiotto Wilma	Director

Board of Statutory Auditors	
Beggiato Gabriele	Chairman
Verlato Mauro Marcello	Auditor
Bottaro Matteo	Auditor
Dal Lago Pierantonio	Alternate Auditor
Pedron Renzo	Alternate Auditor

Board of Arbitrators	
Corgnati Franco	Chairman
Dalla Via Ezio	Auditor
Meneghetti Gioacchino	Auditor
Thiene Maria Letizia	Alternate Auditor
Moscatelli Alessandro	Alternate Auditor

Board of the Executive Committee	
Marangoni Gaetano	Member
Basso Domenico	Member

Biasetto Giovanni	Member
Legnaro Anna Rosa	Member
Martini Leonardo	Member

The employees are 188.

Business Role	Number of employees
Directors	1
Middle Management	40
Clerks	147
Total	188

Main activities and future strategies
Since 2005, the Bank has carried out three securitizations.

The first securitization transaction was closed in 14/12/2005 called Credico Finance 5. The second transaction was carried out in 2011 called Credico Finance 9 and the third transaction was closed in the 25/07/2012 called Credico Finance 11.

The guidelines for the future are:

- Decrement of the non-compliant assets;
- Diversification of sources of founding
- Preventive intervention to limit the liquidity risk;
- Optimization of the cost of funding.

Financial Highlights
The tables below set out the main figures of the "BANCA DEL CENTROVENETO CRED. COOP. S.C. - LONGARE" over the past 3 years.

Profit and Loss (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Net Interest Income (30)	19.476.180	19.373.134	19.189.465
Gross Income (120)	35.719.596	44.362.465	39.527.022
Operating Expenses (200)	18.176.937	21.461.274	20.205.053
Net income (loss) from financial operations (140)	19.154.469	23.766.106	22.537.486
Net profit (loss) for the period (290)	1.151.296	1225405	1842746

Balance sheet

Assets (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Cash and cash equivalent (10)	3.476.785	3.435.490	3.291.282
Due from Banks (60)	108.249.227	152.309.182	101.145.007
Loans (70)	552.093.166	566.643.886	582.019.483
Bond and other securities (20+30+40)	466.685.682	790.806.749	776.740.900
Total Assets	1.170.801.246	1555465154	1505529595

Liabilities (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**

Due from Banks (10)	247.238.265	619.277.484	591.003.818
Securities issued (30+40+50)	380.114.395	368.686.333	291.237.873
Shareholders funds (130+140+150+160+170+180)	83.159.646	92.909.711	93.545.665
Total Liabilities	1.170.801.246	1.555.465.154	1.505.529.595

BANCA DI CREDITO COOPERATIVO BANCOEMILIANO

Historical Background

BANCO COOPERATIVO EMILIANO – CREDITO COOPERATIVO is the result of the merger between Banca di Cavola e Sassuolo – Credito Cooperativo S.C. e Banca Reggiana - Credito Cooperativo S.C. completed in 2013.

The current name was decided by the General Meeting of 24.04.2016 as a variation of the previous name (Banco Emiliano - Credito Cooperativo - Società Cooperativa). The headquarter is in Reggio Emilia, Viale dei Mille 8.

The shareholders count 19.797 units.

Organisation

The Board of Directors, the Statutory Auditors are the following:

Board of Directors	
Alai Giuseppe	Chairman
Malvolti Carlo	Vice-Chairman
Bertolotti Pietro	Director
Boni Mario	Director
Greco Alessandro	Director
Marazzi Sauro	Director
Pizzetti Paola	Director

Board of Statutory Auditors	
Guidetti Vittorio	Chairman
Bellucci Giorgio	Auditor
Giovanardi Stefano	Auditor
Montanari Stefano	Alternate Auditor
Rovani Fernando	Alternate Auditor

The number of employees involved is 285.

Business Role	Number of employees
Directors	2
Middle Management	79
Clerks	204
Total	285

Main activities and future strategies

Through this securitization, the Bank will increase the amount of financing through the European Central Bank and the bank also will try to reduce the average cost of funding.

The Bank operates in the traditional and innovative banking sector, with respect to retail customers and corporates, through the commercial network and virtual channels, with the support and coordination of central services. The Bank grants the shareholders belonging to specified categories (farmers, new

entrepreneurs, young people, etc..) preferred financing rates for investment or other purposes. Moreover, the Bank operates, on behalf of customers, over a wide range of different domestic and foreign markets for the execution of transactions in stocks, bonds and derivatives. The Bank offers the most complete range of collection services, payment and funds transfer made through traditional channels, e-money and innovative tools for virtual bank.

Financial Highlights

The tables below set out the main figures of the "BANCO COOPERATIVO EMILIANO – CREDITO COOPERATIVO" over the past 3 years.

Profit and Loss (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Net Interest Income (30)	16.960.370	21.487.327	21.241.281
Gross Income (120)	30.706.087	44.952.913	39.523.188
Operating Expenses (200)	-22.987.245	-34.094.802	-33.399.126
Net income (loss) from financial operations (140)	24.813.076	16.082.138	19.869.673
Net profit (loss) for the period (290)	1.217.809	-13979750	-11494451

Balance sheet

Assets (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Cash and cash equivalent (10)	7.350.234	6.288.535	5.470.531
Due from Banks (60)	156.118.392	128.234.422	49.577.316
Loans (70)	1.112.623.538	1.109.010.221	1.077.120.734
Bond and other securities (20+30+40)	395.670.643	497.909.002	391.200.853
Total Assets	1.733.045.498	1811706212	1592793440

Liabilities (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Due from Banks (10)	193.476.699	239.988.136	177.609.994
Securities issued (30+40+50)	562.449.776	560.319.519	485.151.237
Shareholders funds (130+140+150+160+170+180)	127.071.354	112.420.171	101.766.239
Total Liabilities	1.733.045.498	1.811.706.212	1.592.793.440

BANCA DI CREDITO COOPERATIVO MONTERENZIO

Historical Background

In 1902 Don Pietro Faggioli founded the Cassa dei Depositi e Prestiti of San Benedetto del Querceto and in 1980 the company name became "Cassa rurale e artigiana di Monterenzio Scrl". Only in 2005 the name has changed in “Banca di Credito Cooperativo di Monterenzio Soc. Coop.”

At the end of 2015 the shareholders figure counts 2.578 units.

Organisation

The Board of Directors, the Board of Statutory Auditors, Board of the Executive Committee and Board of Arbitrators are the following:

Board of Directors	
Andrea Salomoni	Chairman
Giorgio Naldi	Vice-Chairman
Paolo Panzacchi	Director
Luciano Rapezzi	Director
Andrea Rizzoli	Director
Massimiliano Stefanini	Director
Tiziana Tattini	Director

Board of Statutory Auditors	
Leonardo Biagi	Chairman
Claudio Borri	Auditor
Paolo Pagnini	Auditor
Gloria Burzi	Alternate Auditor
Stefano Franchi	Alternate Auditor

Board of the Executive Committee	
Andrea Salomoni	Chairman
Giorgio Naldi	Vice-Chairman
Paolo Panzacchi	Member

Board of Arbitrators	
Daniele Quadrelli	Chairman
Stefano Del Magno	Regular Arbitrator
Stefano Pollice	Regular Arbitrator
Valentino Cattani	Substitute Arbitrator
Silvano Cazzola	Substitute Arbitrator

At 31 December 2015, the BANCA DI CREDITO COOPERATIVO DI MONTERENZIO S.C. counts 169 employees.

Business Role	Number of employees

Directors	1
Middle Management	10
Clerks	38
Total	49

Main activities and future strategies

For the Bank is the first securitization ever. The membership is based on the research of new collection methods and on the impact for future accessions.

Financial Highlights

The tables below set out the main figures of the "BANCA DI CREDITO COOPERATIVO DI MONTERENZIO S.C." over the past 3 years:

Profit and Loss (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Net Interest Income (30)	6.696.374	6.498.746	6.936.340
Gross Income (120)	10.614.246	11.521.781	11.854.604
Operating Expenses (200)	-7.173.843	-8.072.939	-7.473.880
Net income (loss) from financial operations (140)	8.506.446	8.755.821	8.998.203
Net profit (loss) for the period (290)	992.657	1139129	635602

Balance sheet

Assets (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Cash and cash equivalent (10)	2.008.808	1.324.917	1.453.494
Due from Banks (60)	18.430.743	14.679.028	26.534.838
Loans (70)	211.916.331	229.319.120	248.540.560
Bond and other securities (20+30+40)	96.969.540	93.394.791	76.879.746
Total Assets	339.437.166	348519493	363676332

Liabilities (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Due from Banks (10)	64.447.752	51.471.124	48.913.393
Securities issued (30+40+50)	69.628.789	64.911.741	62.072.406
Shareholders funds (130+140+150+160+170+180)	27.299.823	28.955.298	29.758.339
Total Liabilities	339.437.166	348.519.493	363.676.332

BANCA DI CREDITO COOPERATIVO DI PIOVE DI SACCO S.C.

Historical Background

The BCC has been incorporated on the 2nd of September 1894 and it has not carried out any merger with other institutions so far.

Currently the Institute's denomination is " BANCA DI CREDITO COOPERATIVO DI PIOVE DI SACCO s.c." having its head office in Piove di Sacco, nearby Padova .

The Bank looks after the satisfaction of its shareholders and customers as a strategic objective.

At the 31.12.2015, the shareholders figure counts 4.957 units.

Organisation

The Board of Director, the board of the executive Committee and the Statutory Auditors are the following:

Board of Directors	
Toson Leonardo	Chairman
Pavan Bernacchi Fabrizio	Vice-Chairman
Andrighetti Ada	Director
Boscolo Cegion Luigi	Director
Pittarello Fausto	Director
Trevisi Francesca	Director
Mosca Giuliano	Director
Grasso Daniele	Director
Pianazzolo Gianfilippo	Director

Board of the Executive Committee	
Pavan Bernacchi Fabrizio	Chairman
Trevisi Francesca	Vice-Chairman
Boscolo Cegion Luigi	Member
Mosca Giuliano	Member

Board of Statutory Auditors	
Beltramin Alberto	Chairman
Bardelle Federica	Auditor
Lenarduzzi Dario	Auditor
Albertini Carlo	Alternate Auditor
Filippo Fornasiero	Alternate Auditor

At the 31.12.2015 the bank incorporates 187 employees:

Business Role	Number of employees
Directors	2
Middle Management	60

Clerks	125
Total	187

Main activities and future strategies
The BCC has participated to the securitizations called CF7, CF9, CF12 and CF14.

Through securitizations, the bank was an innovative player to finance the local economy.

On the CF7 transaction the bonds were placed on the international markets, while on CF9, CF12 and CF14 the bonds were retained. The senior bonds are still used as collateral in refinancing transaction with the European Central Bank, through Iccrea Bank.

Financial Highlights
The tables below set out the main figures of the "BANCA DI CREDITO COOPERATIVO DI PIOVE DI SACCO S.C." over the past 3 years

Profit and Loss (in thousand euro)	**31-dec-13**	**31–dec-14**	**31–dec-2015**
Net Interest Income (30)	24.237	27.356	25.996
Gross Income (120)	33.792	41.265	41.037
Operating Expenses (200)	22.448	23.133	23.683
Net income (loss) from financial operations (140)	18.512	19.892	21.106
Net profit (loss) for the period (290)	2.629	2154	2060

Balance sheet

Assets (in thousand euro)	**31–dec-13**	**31–dec-14**	**31–dec-15**
Cash and cash equivalent (10)	4.298	4.556	4.288
Due from Banks (60)	76.833	73.784	79.949
Loans (70)	666.146	722.583	736.955
Bond and other securities (20+30+40)	206.980	221.295	230.694
Total Assets	933.369	1023224	1041309

Liabilities (in thousand euro)	**31–dec-13**	**31-dec-14**	**31–dec-15**
Due from Banks (10)	104.685	116.516	110.889
Securities issued (30+40+50)	300.547	302.981	307.778
Shareholders funds (130+140+150+160+170+180)	79.593	86.657	87.763
Total Liabilities	933.369	1.023.224	1.041.309

CENTROMARCA BANCA CREDITO COOPERATIVO DI TREVISO

Historical Background

The CentroMarca Cooperative Credit Bank of Treviso is the result of the merger in 2016 between CentroMarca Banca Credito Cooperativo and the Cassa Rurale ed Artigiana di Treviso Credito Cooperativo.

After this merger, the Bank has changed its name in " CENTROMARCA BANCA CREDITO COOPERATIVO DI TREVISO" having its head office in Treviso.

The merger was the final step of an industrial merger plan of each individual BCC.

In the 2016 the shareholders figure counts 5.295 units.

Organisation

The Board of Directors, the Board of the Executive Committee and the Statutory Auditors, are the following:

Board of Directors	
Cenedese dott. Tiziano	Chairman
Tronchin dott. Elio	Vice-Chairman
De Marchi Giacomo	Vice-Chairman
Pavanetto geom. Renato	Director
Benetello dott. Massimo	Director
Martini dott. Livio	Director
Parolin dott. Michele	Director
Zanatta dott. Emanuele	Director
Volpato Emanuela	Director

Board of the Executive Committee	
Pavanetto geom. Renato	Chairman
Cenedese dott. Tiziano	Member
Tronchin dott. Elio	Member
Parolin dott. Michele	Member

Board of Statutory Auditors	
Calaon dott. Massimo	Chairman
Curtolo rag. Maria Teresa	Auditor
Munarin dott. Giovanni	Auditor
Biasotto Pierantonio	Alternate Auditor
Bianco Monica	Alternate Auditor

At 31 December 2015, the bank counts 192 employees.

Business Role	Number of employees
Directors	2
Middle Management	43
Clerks	147

Total	192

Main activities and future strategies

The aim of the bank is focused on increasing the amount of financial assets eligible for refinancing the structural liquidity of the Bank.

The Bank has made a first step to the securitization in 2009, called "Cassa Centrale Finance 3".

During the year 2012, the Bank has made another securitization, where it was sold a portfolio related to mortgage loan agreements and / or unsecured "commercial" classified as performing, in accordance with supervisory regulations. This transaction was named BCC SME Finance 1.

During the year 2012 the bank has also made the multi-originator securitization sponsored by Iccrea Banca Spa called Credico Finance 10.

The economic and financial situation

The tables below set out the main figures of the "CENTROMARCA BANCA CREDITO COOPERATIVO DI TREVISO" over the past 3 years.

Profit and Loss (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Net Interest Income (30)	17.011	16.911	15.749
Gross Income (120)	30.396	36.316	32.188
Operating Expenses (200)	-20.543	-20.894	-23.787
Net income (loss) from financial operations (140)	15.987	14.855	22.082
Net profit (loss) for the period (290)	-3.265	-4709	-1659

Balance sheet

Assets (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Cash and cash equivalent (10)	4.867	4.484	4.226
Due from Banks (60)	40.544	57.150	29.297
Loans (70)	703.366	675.303	664.527
Bond and other securities (20+30+40)	254.267	320.797	350.339
Total Assets	1.056.122	1112296	1101849

Liabilities (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Due from Banks (10)	171.610	220.907	204.842
Securities issued (30+40+50)	315.569	305.744	274.077
Shareholders funds (130+140+150+160+170+180)	102.273	100.899	94.821
Total Liabilities	1.056.122	1.112.296	1.101.849

BANCA DI CREDITO COOPERATIVO ROANA

Historical Background
In August 1897, the bank was founded as " Cassa Rurale di Prestiti di Roana" . The mission of the Bank was to "improve the moral condition of the shareholders, providing them the money as indicated by the Statute".

In 1937 the name was changed to " Cassa Rurale ed Artigiana di Roana ".

In April 1995, according to the new European guidelines, the Bank has approved the new Statute with the transformation of the name to "Cassa Rurale ed Artigiana di Roana – Credito Cooperativo ".

The shareholders figure counts 1.391 units.

Organisation
The Board of Directors, the Statutory Auditors are the following:

Board of Directors	
Zovi Maurizio	Chairman/Adviser
Pangrazio Luca	Vice-Chairman /Adviser
Costa Ugo	Director
Dal Zotto Paola	Director
Martello Antonio	Director
Panozzo Silvano	Director
Rigoni Luigi	Director

Board of Statutory Auditors	
Busellato Aldo	Chairman
Alzetta Stefano	Auditor
Benetti Fabrizio	Auditor
Faccin Francesco	Alternate Auditor
Azzolini Davide	Alternate Auditor

The number of employees involved is 41.

Business Role	Number of employees
Directors	1
Middle Management	15
Clerks	25
Total	41

Main activities and future strategies
The bank has decided to participate to the transaction following to previous positive experiences (CF9 and CF11) that have contributed significantly to increasing the budget of the Bank's liquidity. The bank is focused on winning the new challenges of this difficult period.

The Bank operates in the traditional and innovative banking sector, with respect to retail customers and corporates, through the commercial network and virtual channels, with the support and coordination of central services. The Bank grants the shareholders belonging to specified categories (farmers, new

entrepreneurs, young people, etc..) preferred financing rates for investment or other purposes. Moreover, the Bank operates, on behalf of customers, over a wide range of different domestic and foreign markets for the execution of transactions in stocks, bonds and derivatives. The Bank offers the most complete range of collection services, payment and funds transfer made through traditional channels, e-money and innovative tools for virtual bank.Through securitization, the bank realized an innovative funding tool to finance the local economy, as the bank loans will be increasingly conditioned by the gradual downsizing of traditional forms of direct funding.

Financial Highlights

The tables below set out the main figures of the "CASSA RURALE ED ARTIGIANA DI ROANA-BANCO DI CREDITO COOPERATIVO" over the past 3 years.

Profit and Loss (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Net Interest Income (30)	5.966	6.232	5.678
Gross Income (120)	11.190	9.531	13.328
Operating Expenses (200)	-5.129	-5.030	-5.912
Net income (loss) from financial operations (140)	5.863	6.289	7.484
Net profit (loss) for the period (290)	509	984	1264

Balance sheet

Assets (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Cash and cash equivalent (10)	2.113	1.868	2.027
Due from Banks (60)	8.277	15.339	18.440
Loans (70)	145.106	144.364	140.916
Bond and other securities (20+30+40)	103.411	130.416	123.303
Total Assets	266.723	300761	293456

Liabilities (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Due from Banks (10)	67.519	91.153	83.300
Securities issued (30+40+50)	79.332	72.925	66.274
Shareholders funds (130+140+150+160+170+180)	21.614	26.958	25.393
Total Liabilities	266.723	300.761	293.456

BANCA SAN GIORGIO QUINTO VALLE AGNO CREDITO COOPERATIVO

Historical Background

Banca San Giorgio Quinto Valle Agno was incorporated in 1896 as "Cassa rurale di prestiti san Giorgio di Perlena" by Don Gaetano Plebs. In 1938, as a result of new laws, the company name has changed into " Cassa Rurale ed Artigiana di S. Giorgio di Fara ". In January 2012, after the approval of the Bank of Italy, Banca San Giorgio Valle Agno incorporated the BCC Quinto Vicentino. The new and current name is "Banca San Giorgio Quinto Valle Agno - Credito Cooperativo - Società Cooperativa".

The shareholders figure counts 11.740 units in December 2015.

Organisation

The Board of Directors and the board of Statutory Auditors are the following:

Board of Directors	
Sandini Giorgio	Chairman
Torresan Egidio	Vice-Chairman
Costa Domenico	Vice-Chairman
Agostini Carlo	Director
Cerin Silvio	Director
De Cao Luigi	Director
Farina Roberto	Director
Lorenzi Villy	Director
Michelon Paolo	Director
Pavan Angelo	Director
Stevan Luigi	Director
Tessarollo Giovanni	Director

Board of Statutory Auditors	
Drapelli Enzo Pietro	Chairman
Bagnara Giancarlo	Auditor
Carlesso Maurizio	Auditor
Cacciavillan Francesco	Alternate Auditor
Cimenti Fidelio	Alternate Auditor

Main activities and future strategies

The Bank adopt a strategy of consolidation of its presence in the market, maintaining the characteristics of local bank.

The main goals are the followings:

• contributions to the territory (culture, sports, information campaigns, assistance and volunteer work, etc.);

• interventions in favour of the shareholder (scholarships, social trips, etc.).

The main strategic objectives of Banca San Giorgio Quinto Agno Valley are the followings:

• improving the performance of the distribution;

• qualitative development of human resources;

• development of the potential customers;

• increase the membership base at the rate of 300 units per year.

The securitization is for Banca San Giorgio Quinto Valle Agno one of the strategic tools devoted to increase their liquidity.

Financial Highlights

The tables below set out the main figures of the "BANCA SAN GIORGIO QUINTO VALLE AGNO CREDITO COOPERATIVO" over the past 3 years

Profit and Loss (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Net Interest Income (30)	30.408.898	30.560.262	23.915.257
Gross Income (120)	53.408.563	66.320.709	51.217.146
Operating Expenses (200)	27.514.864	28.714.159	34.312.476
Net income (loss) from financial operations (140)	-24.837.008	-25.194.648	-30.574.965
Net profit (loss) for the period (290)	2.158.952	2032764	3093963

Balance sheet

Assets (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Cash and cash equivalent (10)	4.689.994	5.459.470	5.604.275
Due from Banks (60)	118.755.021	146.098.538	50.386.960
Loans (70)	952.225.758	968.638.709	967.007.421
Bond and other securities (20+30+40)	854.313.502	884.902.644	915.238.909
Total Assets	1.976.386.934	2049447440	1989957010

Liabilities (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Due from Banks (10)	778.265.351	825.476.730	730.453.933
Securities issued (30+40+50)	443.590.730	364.654.222	330.089.110
Shareholders funds (130+140+150+160+170+180)	110.408.511	120.987.669	124.003.903
Total Liabilities	1.976.386.934	2.049.447.440	1.989.957.010

CASSA RURALE BANCA DI CREDITO COOPERATIVO DI TREVIGLIO

Historical Background
In 2005, The Cassa Rurale BCC Treviglio build the "Fondazione Cassa Rurale" to complement its social activities in the territory.

The current configuration of the BCC Treviglio comes from a long process of development that has also seen the aggregation of other banks of the territory Cassa Rurale Castel Rozzone (1966), Arzago d'Adda (1966), Vailate (1969), Truccazzano (1987) , Misano Gera d'Adda (1995), Calvenzano (1995).

The shareholders figure counts 21.758 units at 31/12/2015.

Organisation
The Board of Directors and the Statutory Auditors are following:

Board of Directors	
Grazioli Giovanni	Chairman
Arzilli Ivan Giovanni(*)	Vice-Chairman
Gatti Renato (*)	Vice-Chairman
Gibellini Dario	Director
Moro Luigi(*)	Director
Carminati Stefano (*)	Director
Invernizzi Marco	Director
Variato Anna Maria Grazia	Director
Fontana Elena	Director
Ferri Marco Daniele	Director
Lena Massimo	Director

(*) componenti del Consiglio di Amministrazione in carica fino alla approvazione del bilancio al 31.12.2016 (Assemblea 2017)

Board of Statutory Auditors	
Mauri Marco	Chairman
Bizioli GianLuigi	Auditor
Medici Massimo	Auditor
Carminati Marco	Alternate Auditor
Zaniboni Fabrizio	Alternate Auditor

Main activities and future strategies
The Bank operates in the traditional and innovative banking sector, with respect to retail customers and corporates, through the commercial network and virtual channels, with the support and coordination of central services. The Bank grants the shareholders belonging to specified categories (farmers, new entrepreneurs, young people, etc..) preferred financing rates for investment or other purposes. Moreover, the Bank operates, on behalf of customers, over a wide range of different domestic and foreign markets for the execution of transactions in stocks, bonds and derivatives. The Bank offers the most complete range of collection services, payment and funds transfer made through traditional channels, e-money and innovative tools for virtual bank.

Financial Highlights

The tables below set out the main figures of the "CASSA RURALE BANCA DI CREDITO COOPERATIVO DI TREVIGLIO" over the past 3 years.

Profit and Loss (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Net Interest Income (30)	28.599	28.437	31.678
Gross Income (120)	46.296	60.502	61.591
Operating Expenses (200)	-35.022	-34.863	-37.766
Net income (loss) from financial operations (140)	15.078	36.759	9.014
Net profit (loss) for the period (290)	-14.564	287,47941	-24283,42517

Balance sheet

Assets (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Cash and cash equivalent (10)	9.889	8.884	8.024
Due from Banks (60)	93.667	121.089	57.751
Loans (70)	1.566.451	1.555.006	1.477.711
Bond and other securities (20+30+40)	582.913	613.963	631.412
Total Assets	2.338.575	2373841,969	2259591,228

Liabilities (in thousand euro)	**31-dec-13**	**31-dec-14**	**31-dec-15**
Due from Banks (10)	232.537	238.546	347.738
Securities issued (30+40+50)	1.002.328	953.592	768.941
Shareholders funds (130+140+150+160+170+180)	190.594	173.728	169.904
Total Liabilities	2.338.575	2.373.842	2.259.591

REGULATORY CAPITAL REQUIREMENTS

In the Intercreditor Agreement, each Originator has undertaken to the Issuer, each other Originator and the Noteholders that it will:

(a) retain at the origination and maintain (on an ongoing basis) a material net economic interest of at least 5% in the Transaction (calculated for each Originator with respect to the Claims comprised in the Relevant Portfolio which has been transferred by it to the Issuer) in accordance with option (1)(c) of Article 405 of the CRR, option (1)(c) of article 51 of the AIFM Level 2 Regulation and option (2)(c) of Article 254 of the Solvency II Regulation (or any permitted alternative method thereafter);

(b) disclose that it continues to fulfil the obligation to maintain the material net economic interest in the Transaction in accordance with the option (1)(c) of Article 405 of the CRR, option (1)(c) of Article 51 of the AIFM Level 2 Regulation and option (2)(c) of Article 254 of the Solvency II Regulation and give relevant information to the Noteholders and prospective investors in this respect on a quarterly basis through the Investors' Report;

(c) ensure that Noteholders and prospective investors have readily available access to all information as it would be necessary to conduct comprehensive and well informed stress tests and to fulfil their monitoring and due diligence duties under articles from 405 to 410 of the CRR, chapter 3, section 5 of the AIFM Regulation and title I, chapter VIII of the Solvency II Regulation; and

(d) notify to the Noteholders any change to the manner in which the material net economic interest set out above is held.

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*", "*Overview of the Transaction*", " *Collection Policy and Recovery Procedures*", "*Description of the Servicing and the Back-up Servicing Agreement*", "*Description of the Warranty and Indemnity Agreement*; and

(b) following the Issue Date, on a quarterly basis, will:

1. on each Investors' Report Date, be included in the Investor Report issued by the Computation Agent, which will:

   (i) 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;

   (ii) include information on the material net economic interest (of at least 5%) in the Transaction maintained by each Originator in accordance with option (1)(d) of article 405 of the CRR, option (1)(d) of article 51 of the AIFM Regulation and option (2)(d) of article 254 of the Solvency II Regulation (or any permitted alternative method thereafter), and

(iii) be generally available to the Noteholders and prospective investors on the Computation Agent's web site being, as at the date hereof, www.accountingpartners.it;

2. with reference to loan by loan information regarding each Mortgage Loan included in the Relevant Portfolio, be made available by each of the Originators, upon request;

3. with reference to the further information which from time to time may be deemed necessary under articles from 405 to 410 of the CRR in accordance with the market practice and not covered under points (1) and (2) above, will be provided, upon request, by the Originator.

Under the Intercreditor Agreement, each Originator has also undertaken that the material net economic interest retained by it in compliance with the above shall not be subject to any credit risk mitigations or any short positions or any other hedge, as and to extent required by article 405 of the CRR, article 51 of the AIFM Regulation and article 254 of the Solvency II Regulation.

Prospective Noteholders are required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with each of Part Five of the CRR (including article 405), Section Five of Chapter III of the AIFM Regulation (including Article 51) and Chapter VIII of the Solvency II Regulation (including article 254) and any corresponding national measure which may be relevant and none of the Issuer, the Originators, the Servicers or any other party to the Transaction Documents makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.

For further information on the requirements referred to above and the corresponding risks (including the risks arising from the current absence of any corresponding final technical standards to assist with the interpretation of the requirements), please refer to the risk factor entitled "Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes".

THE CASH MANAGER, THE AGENT BANK, THE TRANSACTION BANK, THE PRINCIPAL PAYING AGENT

BNP Paribas Securities Services, a wholly-owned subsidiary of the BNP Paribas Group, is a leading global custodian and securities services provider backed by a strong universal bank. It provides integrated solutions to all participants in the investment cycle including the buy-side, sell-side, corporates and issuers.

BNP Paribas Securities Services has a local presence in 34 countries across five continents, effecting global coverage of more than 100 markets.

At 31 December 2015 BNP Paribas Securities Services has USD 8,770 billion of assets under custody, USD 2,074 billion assets under administration; 10,381 administered funds and 9,500 employees.

BNP Paribas Securities Services currently has long-term senior debt ratings of "A" (stable) from S&P's, "A1" (stable) from Moody's and "A+" (stable) from Fitch.

Fitch	Moody's	S&P
Short term F1	Short term Prime-1	Short-term A-1
Long term senior debt A+	Long term senior debt A1	Long term senior debt A
Outlook Stable	Outlook Stable	Outlook Stable

Bnp Paribas Securities Services, Milan Branch shall act as Agent Bank, Transaction Bank, Principal Paying Agent and Cash Manager pursuant to the Cash Administration and Agency Agreement.

The information contained herein relates to and has been obtained from BNP Paribas Securities Services. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of BNP Paribas Securities Services since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

Pursuant to clause 13 of the Cash Administration and Agency Agreement, on the one hand, each of the Agents 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 Principal Paying Agent, to the Principal Paying Agent and the Representative of the Noteholders) provided certain conditions are met; on the other hand, the Issuer may revoke the appointment of each of the Agents, subject to the prior written approval of the Representative of the Noteholders, by giving not less than 60 (sixty) days' notice to it (with a copy to the Representative of the Noteholders and, in the case of an Agent other than the Principal Paying Agent, to the Principal Paying Agent); *provided however that*, in any case, the revocation or the resignation 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 Agents shall terminate (in accordance with article 1456 of the Italian civil code) or be revoked (as applicable under Italian law), 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 case of the Transaction Bank and the Principal Paying Agent the relevant banking license granted to them has been withdrawns 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 Transaction Bank, it ceases to be an Eligible Institution; or **(g)** a just cause (*giusta causa*) occurs (including, among others, the circumstances that any withholding, or deduction for or on account of tax from any payments to be made by the Agent to the Issuer under the Transaction Documents is imposed, only to the extent that both the following conditions are met: (i) such deduction or withholding becomes applicable because of the relevant Agent (including, without limitation, in the event that this is the consequence of the Issuer not being in the position to provide the information required by the relevant competent authority for the purpose of the FATCA Withholding Tax); and (ii) a replacement of the relevant Agent would avoid such application, and it has a substantial economic adverse effect for the Notes and/or the Securitisation)).

In the event that **(i)** each of the Agents gives notice of its resignation in accordance with clause 13.1 of the Cash Administration and Agency Agreement, **(ii)** the Issuer revokes the appointment of each of the Agents in accordance with clauses 13.2 and 13.3 of the Cash Administration and Agency Agreement and **(iii)** by the tenth day before the expiry of such notice, a successor Agent has not been duly appointed in accordance with clause 13.4 of the Cash Administration and Agency Agreement, 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, which, in the case of the Principal Paying Agent, the Operating Bank and the Transaction Bank shall qualify as an Eligible Institution, and shall give notice of such appointment to the Issuer, the Representative of the Noteholders, the remaining Agents and the Rating Agencies, 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 the Cash Administration and Agency Agreement

Upon any resignation or revocation or any termination taking effect under the Cash Administration and Agency Agreement, the relevant agent shall be released and discharged from its obligations under the Cash Administration and Agency Agreement.

THE REPRESENTATIVE OF THE NOTEHOLDERS AND THE COMPUTATION AGENT

Accounting Partners S.r.l. ("**Accounting Partners**") is a company incorporated in Italy specialized in providing services in the securitisation sector, particularly in the accounting management of SPVs (Corporate Administrator) and various agency roles within securitisation transactions (Calculation Agent, Representative of Noteholders). Accounting Partners manages today more than 30 securitisation SPVs with portfolio across a wide range of asset classes (mortgage loans, consumer loans, leasing and trade receivables).

The firm registered offices are located in Corso Re Umberto, 8 and also operate through the office located at Via Statuto, 13 in Milan.

The information contained herein relates to and has been obtained from Accounting Partners. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Accounting Partners, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Accounting Partners 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, Accounting Partners 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.

Pursuant to clause 13 of the Cash Administration and Agency Agreement, on the one hand, the Computation Agent may resign its appointment upon not less than 90 (ninety) days' notice to the Issuer (with a copy to the Principal Paying Agent and the Representative of the Noteholders) provided certain conditions are met; on the other hand, the Issuer may revoke the appointment of each of the Computation Agent subject to the prior written approval of the Representative of the Noteholders, by giving not less than 60 (sixty) days' notice to it (with a copy to the Representative of the Noteholders and to the Principal Paying Agent); *provided however that*, in any case, the revocation or the resignation 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 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) 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 of the Cash Administration and Agency Agreement, by the tenth day before the expiry of such notice a successor has not been duly appointed in accordance with clause 13.4 of the Cash Administration and Agency Agreement, the resigning agent may itself, following consultation with the Issuer and the Representative of the Noteholders as is practicable in the circumstances, appoint as its successor any reputable and experienced financial institution, and shall give notice of such appointment to the Issuer, the Representative of the Noteholders and the remaining agents, whereupon the Issuer, the remaining agents and such successor shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis*

mutandis of this Agreement.

Upon any resignation or revocation or any termination taking effect under the Cash Administration and Agency Agreement, the relevant agent shall be released and discharged from its obligations under the Cash Administration and Agency Agreement.

THE OPERATING BANK AND THE BACK-UP SERVICER

ICCREA Banca S.p.A. - Istituto Centrale del Credito Cooperativo (Credit Co-operative Central Bank), is a bank operating in the form of a joint stock company (*società per azioni*) with registered office at Via Lucrezia Romana 41-47, 00178, Rome, Italy, registered at No. 5251 in the register of banks held by the Bank of Italy pursuant to article 13 of the Banking Act.

Its share capital is € 1,151,045,403.55 fully paid in, as of October 1st 2016.

Iccrea Banca supports and boosts the overall acitivities of its BCC-CR clients by supporting them in payment services: it regulates domestic and international flows as Bank of Intermediation for its clients, it is direct acquirer and issuer for the "Ottomila" circuit, identifying the full line of domestic and international debt and credit cards. Iccrea Banca also backs the Banks in their External trade activities.

As " Central Financial Institute" of the Group, it works for the benefit of its client Banks and implements state-of-the-art negotiation and funding techniques, also taking care of regulating and administrating securities and Banca Corrispondente (Custodian and Correspondent Bank).
It supports BCC-CRs in the self-evaluation of their assets and in the optimization of their risk/return through advanced ALM (Application Lifecycle Management) services.

ICCREA Banca S.p.A. was incorporated on 30 November, 1963, as Istituto di Credito delle Casse Rurali ed Artigiane S.p.A., by the representatives of around 190 banche di credito cooperativo (the banche di credito cooperativo or co-operative banks are hereinafter referred to as the "**BCCs**" and each a "**BCC**"). According to its current corporate purpose (oggetto sociale), ICCREA Banca S.p.A. "renders the activities of the credit co-operative banks more complete, intense and effective, supporting and helping them to expand their operations through the supply of credit, banking services and financial aid in all its forms". Therefore, it performs a range of activities on behalf of the BCCs.
It trades directly in all financial instruments (equities, bonds and derivatives) on the Milan Stock Exchange and OTC. It is a primary dealer in the wholesale market for government bonds and has sole responsibility for market trading within the ICCREA Group (as defined below).ICCREA Banca S.p.A. has several branches throughout the country (Milano, Padova, Bologna, Firenze, Salerno and Palermo), the role of which is to provide assistance to, and promote its products and services among, the BCCs that operate in those areas.

2. INTERNAL STRUCTURE

ICCREA Banca S.p.A. had 887 employees as of October 1st, 2016.

Currently, the Board of Directors consists of 15 members as indicated in the table below

Board of Directors

Name	as
Magagni Giulio	President
Maino Giuseppe	Vice President Vicario
Alfieri Lucio	Director
Azzi Alessandro	Director
Carri Francesco	Director
Colombo Annibale	Director
Ferrarini Franco	Director

Feruglio Carlo Antonio	Director
Liberati Francesco	Vice President
Moretti Mara	Director
Porro Angelo	Director
Ricci Secondo	Director
Saporito Salvatore	Director
Stra Pierpaolo	Director
Toson Leonardo	Director

The **Board of Statutory Auditors** is composed of the following:

Gaspari Luigi	President
Rondina Romualdo	Regular auditor
Sbarbati Fernando	Regular auditor
Andriolo Riccardo	Alternate auditor
Fellegara Annamaria	Alternate auditor

The General Director is Dott. Leonardo Rubattu.

The information contained herein relates to and has been obtained from ICCREA Banca S.p.A. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by ICCREA Banca S.p.A, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of ICCREA Banca S.p.A. since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

THE BACK-UP SERVICER FACILITATOR

Zenith Service S.p.A. ("**Zenith**") a joint stock company (società per azioni) incorporated under the laws of the Republic of Italy, with registered office at Via Guidubaldo del Monte 61, 00197 - Rome, Italy and administrative offices at Via A. Pestalozza 12/14, 20131 Milan, Italy, fully paid share capital of Euro 2.000.000, fiscal code and enrolment with the companies register of Rome number 02200990980, enrolled in the New register of financial intermediaries ("**Albo Unico**") held by Bank of Italy pursuant to articles 106 of the Consolidated Banking Act, ABI Code 32590.2.

Under the Intercreditor Agreement, Zenith has undertaken in any case it is necessary, pursuant to the Servicing Agreement and/or the Back-up Servicing Agreement, (i) to appoint a new Back-up Servicer or a *Sostituto del Servicer* (as defined in the Back-up Servicer Agreement): (ii) to use its best efforts to select an entity to be appointed as Back-up Servicer or *Sostituto del Servicer*, as the case may be; and (iii) to cooperate with the relevant Servicer, the Issuer, as the case may be, for the appointment of such Back-up Servicer or *Sostituto del Servicer*.

The information contained herein relates to Zenith has been obtained from it. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Zenith since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

COLLECTION POLICY AND RECOVERY PROCEDURES

1. CREDIT POLICY

Although each Originator has its own characteristics and procedures for the administration of its banking activity, it is possible to give a general overview of the credit policy – origination and risk management - based on the factors common to the thirty-five Originators.

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

(i) a general preliminary phase;

(ii) a specific origination phase;

(iii) an administrative phase; and

(iv) a decisional phase.

The preliminary phase includes all the activities necessary to learn and understand the customers' needs. This activity of origination is carried out, with different procedures, by each Originator.

The credit process is made up of different stages, some of which are common to all types of loans, whilst others are specific according to the type of loan.

The origination of the loans is carried out in constant contact with the customer. An initial interview with the customer is carried out to identify the customer's particular financial needs and to offer the best financial product (type of loan, amount, maturity, form). Once an agreement is reached with the customer on a specific product, the customer fills in an application form generally at the branch and then is required to submit all the documents necessary for the loan.

During the evaluation process of the loan request several inquiries are carried out such as:

(i) analysis of the banking relationship with the customer;

(ii) analysis of the customer's assets and its financial situation;

(iii) analysis of the business sector in which the customer operates;

(iv) analysis of the guarantees given by the customer and analyses if they are appropriate for the loan required;

(v) if considered necessary, the analysis may be extended to the family of the customer.

The evaluation is made to verify the customer's earning capacity, financial stability and financial ability to repay the loan in order to decide whether the customer is creditworthy. Other interviews with the customer will follow during the origination phase, leading to the registration of the customer's data on the Originator's database, the opening of current accounts in his/her name and the acquisition of the customer's signature on the application form.

The lending activity is assigned to the risk management committee, as each Originator's branch has limited decisional powers. The lending decision is ultimately based on the analysis of the customer's credit worthiness.

All the Originators implement a subdivision of responsibility between the department in charge of the credit origination and proposal (the branches) and the bodies that authorise the financing (head office). The centralisation of lending decisions is intended to build up uniform assessment and evaluation methods.

2. RISK MANAGEMENT

The following is a general overview of the common structures and procedures of the banks.

In every Originator there are two levels of control which can be recognised: primary or ordinary controls and higher or extraordinary controls.

The responsibility of the different levels of control is strictly separate, as the primary controls are carried out by the organisational structures known as "in-line offices" (branches, credit department, *etc*.) while the extraordinary controls are carried out by central structures known as "staff offices" (legal department, risk controller, risk management committee, *etc*.).

All the risk management activities are fully supported electronically and fully automatic through EDP systems. EDP transmissions with codified information between branches and their respective head-office are continuous and telephone contact is ensured.

All the Originators base their activity on a regular system of written reports, thus providing immediate communication to the management on the relevance of all problem loans.

The Originators issue a series of verbal and written reminders before involving their respective legal departments. The first contact after the first overdue instalment is generally made by the branch in a personal, courteous way. If no positive answer is received from the customer and according to the importance of the risk position, a second reminder is made either by the branch or by the head office. A last reminder is generally sent by the head office before the full involvement of the legal department.

For the monitoring the loans the Originators take into consideration both subjective elements (professional valuers' valuations of the customer's assets and of the property guaranteeing the loan; direct knowledge) and objective elements (balance sheet analysis, analysis of the banking relationship, payment anomalies)

In particular, problem loans with payment anomalies are kept under stricter monitoring and are classified on the basis of the following criteria:

"**Watch List**": when there are serious anomalies but it is assumed that the relevant relationship will go back to regularity and there is no need of special activity;

"**Delinquent**": a loan extended to a customer who is experiencing temporary financial difficulties and which it is foreseen it will overcome within a certain period of time, with no need of going through a credit recovery proceeding but subject to close scrutiny;

"**Non-performing**": when the customer is a state of insolvency, even if not ascertained, for which a legal proceeding has been commenced or is in severe financial distress.

The board of directors or eventually the general management decides whether the loan should be registered either as a delinquent or as a defaulted loan.

3. CREDIT RECOVERY POLICY

The credit recovery activities of all the BCC's are assigned to an external legal counsel which remains in constant contact with the bank's legal department or the relevant department. Both the external counsel and the legal department are directly involved in any legal action. The departments involved submit periodic reports to the general management and/or the board of directors on the status of credit recovery activities.

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

USE OF PROCEEDS

The net proceeds from the issue of the Notes, being Euro 660,801,448.47 of which Euro 561,700,000 of the Class A Notes, and Euro 99,111,000 of the Class B Notes will be applied by the Issuer on the Issue Date to finance the Purchase Price of the Portfolios and the Cash Reserves in accordance with the Subscription Agreement and the Cash Administration and Agency Agreement.

DESCRIPTION OF THE TRANSFER AGREEMENTS

The description of the Transfer Agreements set out below is a summary of certain features of the Transfer Agreements and is qualified in its entirety by reference to the detailed provisions of the Transfer Agreements. Prospective Noteholders may inspect a copy of the Transfer Agreements upon request at the registered offices of the Representative of the Noteholders or at the Specified Office of the Principal Paying 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 16 transfer agreements, each signed on 4 October 2016 and entered into force on the Transfer Date between the Issuer and an Originator (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 Umbria is referred to as Portfolio No. 1, the Portfolio sold by BCC Marca is referred to as Portfolio No. 2, the Portfolio sold by BCC Mantovabanca is referred to as Portfolio No. 3, the Portfolio sold by BCC Bassano Banca is referred to as Portfolio No. 4, the Portfolio sold by BCC Anghiari e Stia is referred to as Portfolio No. 5, the Portfolio sold by BCC DI Brendola is referred to as Portfolio No. 6, the Portfolio sold by BCC Corinaldo is referred to as Portfolio No. 7, the Portfolio sold by BCC di Fiumicello ed Aiello del Friuli is referred to as Portfolio No. 8, the Portfolio sold by BCC Centroveneto is referred to as Portfolio No. 9, the Portfolio sold by BCC Banco Emiliano is referred to as Portfolio No. 10, the Portfolio sold by BCC Monterenzio is referred to as Portfolio No. 11, the Portfolio sold by BCC di Piove di Sacco is referred to as Portfolio No. 12, the Portfolio sold by BCC Centromarca is referred to as Portfolio No. 13, the Portfolio sold by BCC Roana is referred to as Portfolio No. 14, the Portfolio sold by BCC San Giorgio e Valle Agno is referred to as Portfolio No. 15 and the Portfolio sold by BCC di Treviglio is referred to as Portfolio No. 16.

Under clause 7.2 of the Transfer Agreements, each Originator has undertaken to deliver on the date of the execution of such agreements: (a) a certificate issued by the competent Chamber of Commerce 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 each Originator dated not earlier than 5 Business Days before the date of the entering into of the relevant Transfer Agreement; and, (c) except where the issuance of the certificate is not permitted by the internal rules applied by the relevant court, also a solvency certificate issued by the bankruptcy court (*tribunale fallimentare*) stating that no insolvency proceedings (also in the last five years in case of such information is given by the competent Court) 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:

(1) BCC Umbria a price equal to Euro 40,831,300.55; (2) BCC Marca a price equal to Euro 96,758,120.35; (3) BCC Mantovabanca a price equal to Euro 37,628,257.01; (4) BCC Bassano Banca a price equal to Euro 22,596,474.45; (5) BCC Anghiari e Stia a price equal to Euro 13,809,253.62; (6) BCC DI Brendola a price equal to Euro 36,291,292.20; (7) BCC Corinaldo a price equal to Euro 17,118,249.51; (8) BCC di Fiumicello ed Aiello del Friuli a price equal to Euro 29,621,763.10; (9) BCC Centroveneto a price equal to Euro 49,337,825.30; (10) BCC Banco Emiliano a price equal to Euro 70,024,787.70; (11) BCC Monterenzio a price equal to

Euro 21,184,011.63; (12) BCC di Piove di Sacco a price equal to Euro 25,713,091.50; (13) BCC Centromarca a price equal to Euro 53,251,196.36; (14) BCC Roana a price equal to Euro 13,709,552.57; (15) BCC San Giorgio e Valle Agno a price equal to Euro 32,711,369.99; and (16) BCC di Treviglio a price equal to Euro 100,214,902.63 (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 section headed "*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 but 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 on which such amount has been paid 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; plus (iii) documented costs and expenses (included, for example, legal costs plus VAT); less (iv) the aggregate of all sums recovered and collected by the Issuer in respect of such Claim after the Transfer Date. It remains understood that, should the amount calculated according to the items above be negative, it shall be deemed equal to zero.

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

4. APPLICABLE LAW AND JURISDICTION

The Transfer Agreements and all non contractual obligations arising out or in connection with the Transfer Agreements are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Transfer Agreements and all non contractual obligations arising out or in connection with the Transfer Agreements, the Parties have agreed to 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 or at the Specified Office of the Principal Paying 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 4 October 2016 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 cooperativa per azioni* or *società cooperativa a responsabilità limitata*, as the case may be, 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 to which it is a party 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 to which it is a party 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) all authorizations, approvals, consents, notifications or registrations required for the

signing and execution of the Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing Agreement and the other Transaction Documents to which it is a party as well as all other documents to be signed in accordance with them and all operations referred to herein and for the validity or effectiveness of the transfer of the Claims to the Issuer according to the relevant Transfer Agreement, have been duly obtained;

(e) 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;

(f) The financial statements as of 31 December 2015 and approved by the shareholders' meeting represents a true and fair view of the financial position of the relevant Originator up to that date (excluding BCC Umbria, which was incorporated through the merger dated 24 June 2016 and for which no financial statements have been drafted till the present date) and of the results of the activities of the same Originator for the financial year ended on that date, all in accordance with generally accepted and consistently applied accounting principles in Italy. Since 31 December 2015 there were no material adverse changes in the economic and financial conditions of the Originator (excluding BCC Umbria, which was incorporated through the merger dated 24 June 2016 and for which no financial statements have been drafted till the present date) that may adversely affect the ability of the same Originator to fulfill its obligations under the Warrant and Indemnity Agreement and the other Transaction Documents to which it is party or the operations described therein;

(g) 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;

(h) 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;

(i) 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;

(j) no Originator has got derivatives outstanding with its Borrowers as of the Signing Date;

(k) each Mortgage secures the whole principal amount and interest (within the limits of article 2855 of the Italian Civil Code), and any other ancillary amount of the related Loan.

1.2 The Claims, the Real Estate Assets, the Mortgages 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) or private deed (scrittura privata autenticata) before a notary public (notaio);

(c) each Mortgage 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) there are no clauses in the Mortgage Loans, under which it is attributed to the Borrowers the faculty to plead against the Issuer, notwithstanding the applicable provisions of law, the setoff of the Claims of the Issuer against the Borrowers with claims arising in favor of the Borrowers against the Originator after the transfer of the Claim;

(e) 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;

(f) 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;

(g) 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;

(h) the insurance policies in relation to the Claims are valid and effective and are held for the benefit of the relevant Originator;

(i) to the best knowledge of each Originator, there are no other Claims to which the relevant Originator has title or access which meet the relevant Criteria and therefore should be included in the Claims listed under Annex A of the relevant Transfer Agreement;

(j) for the purposes of the effectiveness and enforceability of the assignment of the Claims against the Borrowers, it is not necessary the fulfillment of the formalities required by public law applicable to the transfer of receivables (such as execution by public deed/authenticated private deed, notification with data certa, expiration of the term for the silent consent of the borrower). Any authorization, approval or consent and any other fulfillment necessary or appropriate for the purposes of the validity of the assignment of the Claims has been duly obtained or undertaken by the relevant Originator;

(k) to the knowledge of each of BCC Umbria, BCC Marca, BCC Mantovabanca, BCC

Bassano Banca, BCC Anghiari e Stia, BCC Brendola, BCC Corinaldo, BCC di Fiumicello ed Aiello del Friuli, BCC Centroveneto, BCC Banco Emiliano, BCC Monterenzio, BCC Piove di Sacco, BCC Centromarca, BCC Roana, BCC San Giorgio e Valle Agno, BCC di Treviglio respectively not less than 100%, 100%, 100%, 100%, 100%, 100%, 100%, 100%, 100%, 100%, 100%, 100%, 100%, 100%, 100% and 99.90%, of the relevant Mortgage Loan Agreements provide as method of payment as follows: (i) payment by R.I.D., (ii) direct debit, or (iii) MAV;

(l) Real Estate Assets are located in Italy and have been entirely built;

(m) each of the Real Estate Assets complies with applicable laws, rules and regulations concerning health and safety and environmental protection;

(n) 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;

(o) each of the Real Estate Assets is duly registered with the competent land registry; meets the legal requirements for agibilitá; and complies with all applicable laws and regulations;

(p) no Mortgage Loan could be classified as structured loan, syndicated loan or leveraged loan pursuant to the Guidelines of the European Central Bank, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral;

(q) the Mortgage Loans do not include at the signing date of the Warranty and Indemnity Agreement and will not include at the Issue Date, non performing loans or "crediti ristrutturati" pursuant to the Guidelines of the European Central Bank issued on 20 March 2013, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral;

(r) no Mortgage Loan Agreement could be classified as leasing agreement;

(s) each Originator has not entered into any Mortgage Loan Agreements or disbursed any Mortgage Loans which provided for financial incentives, discounts or reductions relating to the principal and/or interest in favor of the Borrowers and/or the Guarantors;

(t) all the Borrowers who are individuals are resident in Italy;

(u) all the guarantors of the Borrowers are (a) individuals resident in or domiciled in a country being a member of the European Economic Area or (b) entities (persone giuridiche) incorporated in and have their registered office in a country being a member of the European Economic Area;

(v) all the Mortgages, the Mortgage Loans, the Mortgage Loan Agreements and the Claims are existing and regulated by the Italian law;

(w) the Mortgages, the Mortgage Loans, the Mortgage Loan Agreements, the Real Estate Assets and the Claims have the characteristics required in order for the Class A Notes to be used as eligible collateral for ECB liquidity transaction;

(x) None of the Borrower is a public administration (pubblica amministrazione), a public entity (ente pubblico) or an ecclesiastical entity (ente ecclesiastico);

(y) to the best knowledge of the relevant Originator, no Borrower is a company directly owned by the relevant Originator;

(z) at least 84.27% of the Mortgage Loans transferred by the same Originator were granted on presentation of documentary evidence of the sources of income of the relevant borrowers;

(aa) all Mortgage Loans were granted to the Borrowers against whom there were no reports in the "Centrale dei Rischi Finanziari" at the time of disbursement of the relevant Mortgage Loan;

(bb) the Mortgage Loans were executed by the relevant Originator on its own or on its own behalf and not as agent for third parties;

(cc) each Originator is not in breach of any agreement to which it is a party, except for any default in respect of which, or as a result of which, there would be no adverse effect on its ability to diligently observe and fulfill all the obligations it assumed under the Warranty and Indemnity Agreement and any other Transaction Documents to which it is or will become a party;

(dd) as of the Valuation Date, at least 1 installment of the Mortgage Loan was duly paid;

(ee) none of the Borrowers has the right to suspend payment of the installments of the related Mortgage Loans, pursuant to law or interbank agreements;

(ff) all Mortgages are (i) first legal degree; or (ii) first economic degree, meaning with it: (a) a mortgage of a degree after the first legal degree in case, on the Valuation Date, the obligations secured by mortgage/mortgages of previous degree had been fully met; (b) a mortgage of the next degree to the first legal degree in the event that all mortgages with previous degree (except for any mortgages of previous degree whose secured obligations were fully satisfied as of the Valuation Date) are registered in favor of the relevant Originator to secure the claims which meet all other Criteria with regard to the same Originator; and there are no recordings, transcripts, records or inscriptions relating to the relevant Real Estate Assets, which may result in any prejudice to the Mortgages themselves.

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, *inter alia*:

(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;

(f) the failure to collect or recover the Claims by the Issuer as a result the exercise of a termination, annulment or rescission right in relation to a Mortgage Loan Agreement, an Ancillary Guarantee and every other ancillary deed or document.

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 are 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 have agreed to submit to the exclusive jurisdiction of the Courts of Rome, Italy.

DESCRIPTION OF THE SERVICING AGREEMENT AND THE BACK-UP SERVICING AGREEMENT

The description of the Servicing Agreement and the Back-Up Servicing Agreement set out below is a summary of certain features of the Servicing Agreement and the Back-Up Servicing Agreement and is qualified in its entirety by reference to the detailed provisions of the Servicing Agreement and the Back-Up Servicing Agreement, as the case may be. Prospective Noteholders may inspect a copy of the Servicing Agreement and the Back-Up Servicing Agreement upon request at the registered offices of the Representative of the Noteholders or at the Specified Office of the Principal Paying 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 and the Back-Up Servicing Agreement, as the case may be.

Under a servicing agreement entered into on 4 October 2016 between, *inter alios*, 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 Relevant 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 Claims in default (the "**Management of the Claims in Default**"); each of the Servicers has undertaken to perform such services with respect to the Relevant Portfolio which it has sold to the Issuer under the relevant Transfer Agreement and therefore as follows:

BCC Umbria with respect to Portfolio No. 1, BCC Marca with respect to Portfolio No. 2, BCC Mantovabanca with respect to Portfolio No. 3, BCC Bassano Banca with respect to Portfolio No. 4, BCC Anghiari e Stia with respect to Portfolio No. 5, BCC DI Brendola with respect to Portfolio No. 6, BCC Corinaldo with respect to Portfolio No. 7, BCC di Fiumicello ed Aiello del Friuli with respect to Portfolio No. 8, BCC Centroveneto with respect to Portfolio No. 9, BCC Banco Emiliano with respect to Portfolio No. 10, BCC Monterenzio with respect to Portfolio No. 11, BCC di Piove di Sacco with respect to Portfolio No. 12, BCC Centromarca with respect to Portfolio No. 13, BCC Roana with respect to Portfolio No. 14, BCC San Giorgio e Valle Agno with respect to Portfolio No. 15 and BCC di Treviglio with respect to Portfolio No. 16.

The receipt of cash collections in respect of the Portfolios is the responsibility of the relevant Servicer who will be the *soggetto incaricato della riscossione dei crediti ceduti e responsabile della verifica della conformità delle operazioni alla legge e al prospetto informativo* pursuant to article 2(3)(c) and (6)-*bis* of the Law 130 and accordingly is responsible for ensuring that such operations comply with the provisions of the law and of this Offering Circular.

Pursuant to the Servicing Agreement, the Servicers shall comply with certain collection policies specified in the Servicing Agreement (the "**Collection Policies**") in relation to the collection and recovery activities carried out on behalf of the Issuer and shall provide, *inter alia*, the Issuer with monthly and quarterly reports (the "**Monthly Servicing Report**" and the "**Quarterly Servicing Report**"). The Servicers shall also ensure that the Collections do not include usurious interest in accordance with the anti-usury laws and regulations applicable from time to time. The Servicers shall be entitled to settle and renegotiate the Claims only in accordance with the Servicing Agreement.

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 is not higher than the 10% of the outstanding principal amount of the Claims of the Relevant Portfolio as of the Effective Date, *provided however that* the relevant Servicer is entitled to make offers that exceed the abovementioned limit with respect to Claims in relation to which a duty of renegotiation is imposed by law. 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 terms set out in 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 Claims in Default with respect to the Relevant Portfolio. Each of the Servicers 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 relevant Information Technology Services Provider shall be borne by the relevant 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 Servicers, the Issuer will pay to each of the Servicers on each Payment Date:

(a) as compensation for the Administration of the Portfolio (with the exclusion of the activities to be performed by the relevant Servicer for the Management of the Claims in Default), a fee equal to 0.003% on an annual basis of the Outstanding Principal of the Claims (comprised in the Relevant Portfolio) as at the Collection Date immediately preceding such Collection Period; and

(b) as compensation for the Management of the Claims in Default, 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,

(the fees listed under letter (a) and (b) above are, collectively, the "**Servicing Fee**").

Should a Substitute Servicer be appointed, the Issuer will pay on each Payment Date to such substitute (as new servicer in relation to the Portfolio or the Portfolios for which it has been appointed):

(a) as compensation for the Administration of the Portfolio (with the exclusion of the activities to be performed by the relevant Servicer for the Management of the Claims in Default) for the Collection Period immediately preceeding such Payment Date, a fee equal to 0.3% on an annual basis of the Outstanding Principal of the Claims (comprised in the Relevant Portfolio) as at the Collection Date immediately preceding such Collection Period; and

(b) as compensation for the Management of the Claims in Default, 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,

(the fees listed under letter (a) and (b) above are, collectively, the "**Substitue Servicing Fee**").

Each of the Servicers has expressly waived its rights to compensation 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, *provided that* the repayment by the Issuer to the Servicers of any amount due and payable to the relevant Servicer, as restitution of any sum unduly paid by any of the Servicers to the Issuer in respect of the Relevant Portfolio, may be made by way of set-off with the amount due by the relevant Servicer, *provided further that* such set-off shall be made in the same Collection Period in which the relevant overpayment has been made.

3. UNDERTAKINGS OF EACH 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 Claims in Default 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 and the Representative of the Noteholders;

(d) to ensure adequate identification and segregation of the collections and recoveries and other amounts related to the Claims from all other funds of the Servicers;

(e) to ensure that the Transaction is consistent with the law and this Prospectus;

(f) to comply with all authorisations, approvals, licenses and consents required for the fulfilment of its obligations under the Servicing Agreement.

The Servicers undertake to cooperate, for a reasonable period of time, with the Back-up Servicer and to make available to it any resource belonging to, or service carried out, in its internal departments in order to allow the Back-up Servicer to have a knowledge of (i) the Originators' devices which are used with respect to the Issuer and (ii) the report procedures which are used in the context of the Securitization, in order for the Back-up Servicer to be able to use such devices and report procedures in case of replacement of the Servicer.

In 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 Claims in Default, 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 Servicers, (ii) a breach of the Servicing Agreement which remains unremedied for a period of longer than 10 (ten) days after a written demand of compliance sent by the Issuer and/or the Representative of the Noteholders, and (iii) a failure by such Servicer to pay or transfer to the Issuer any amount due which remains unremedied for more than 10 (ten) days after the relevant statutory request of payment (except in case such failure is due to technical reason). In addition, such Servicer may resign at any time after 24 months 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 are 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 have agreed to submit to the exclusive jurisdiction of the Courts of Rome, Italy.

6. BACK-UP SERVICING AGREEMENT

Under a back-up servicing agreement among the Issuer, the Servicers and the Back-up Servicer (the "**Back-up Servicing Agreement**") entered into on 4 October 2016, the Back-up Servicer has agreed, 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.

In addition, under the Back Up Servicing Agreement, the Back-up Servicer has undertaken to prepare:

(i) a simplified servicing report in case any of the Servicers fail to deliver their Quarterly Servicing Report; and

(ii) upon failure of the Corporate Services Provider to prepare the Consolidated Servicing Report (as defined below), a simplified Consolidated Servicing Report, in accordance with clause 6.5 of the Cash Administration and Agency Agreement.

The Back-up Servicing Agreement and all non contractual obligations arising out or in connection with the Back-up Servicing Agreement are 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 have agreed to 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 or at the Specified Office of the Principal Paying 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 entered into on 4 October 2016 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, among others, (i) the book-keeping of the documentation in relation to the meetings of the Issuer's quotaholders, directors and auditors (if any) and the meetings of the Noteholders; (ii) maintaining the quotaholders' register; (iii) preparing tax and accounting records, (iv) preparing documents necessary for the Issuer's annual financial statements and liaising with the Representative of the Noteholders; and (v) preparing, on the basis of the information provided by each of the Servicers in the relevant Quarterly Servicing Report, the consolidated servicing report for the overall portfolio, substantially in the form attached to the Cash Administration and Agency Agreement (the "**Consolidated Servicing Report**"). The parties to the Corporate Services Agreement have also agreed to share certain costs and expenses of the Issuer arising in the context of the Transaction.

The Corporate Services Agreement and all non contractual obligations arising out or in connection with the Corporate Services Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Corporate Services Agreement and all non contractual obligations arising out or in connection with the Corporate Services Agreement, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Rome, Italy.

2. 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 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 pursuant to article 1331 of the Italian civil code an option right (the "**Clean Up Option**"), subject to certain conditions, to purchase in each period starting from 60 (sixty) calendar days prior the Clean Up Option Date and ending on such Clean Up Option Date the respective Claims of 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, the purchase price of such claims 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 all the Notes (or the Class A Notes only if the Junior Noteholders consent) and any amounts required under the Intercreditor Agreement and the Conditions to be paid in priority to or pari passu with the Class A Notes.

The Clean Up Option shall concern all the Portfolios outstanding at the relevant Clean Up Option Date and each of the Originators shall exercise the relevant option on all the respective Claims outstanding at the same date and pay to the Issuer a proportional quota of the purchase price determined pursuant to subparagraph (ii) above. The transfer of the Claims to the Originators pursuant to Clause 11 (*Clean Up Option*) of the Intercreditor Agreement shall be subject to the payments to the Issuer of the relevant purchase prices and shall be notified to the Rating Agencies. Each Originator has undertaken to each other that in case the at least 6 (six) Originators intend to exercise the Clean Up Option, also the remaining Originators shall, at the same time, exercise the Clean Up Option, subject to the provisions of the Intercreditor Agreement and the Conditions.

The Intercreditor Agreement and all non contractual obligations arising out or in connection with the Intercreditor Agreement are 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 have agreed to submit to the exclusive jurisdiction of the Courts of Rome, Italy.

3. THE CASH ADMINISTRATION AND AGENCY AGREEMENT

Under an agreement to be entered into on or prior to the Issue Date among, *inter alios*, the Issuer, the Servicers, the Transaction Bank, the Operating Bank, the Cash Manager, the Computation Agent, the Principal Paying Agent, the Representative of the Noteholders, the Back-Up Servicer and the Agent Bank (the "**Cash Administration and Agency Agreement**"):

(a) the Principal Paying Agent will perform certain services in relation to the Notes, including arranging for the payment of principal and interest to the Monte Titoli Account Holders;

(b) the Agent Bank will calculate the amount of interest payable on the Class A Notes on each Interest Determination Date; the Computation Agent will perform certain other calculations

in respect of the Notes and set out, in a payment report, the payments due to be made by the Issuer on each Payment Date in accordance with the applicable Order of Priority and to prepare investors' reports providing information on the performance of the Portfolios; and

(c) the Operating Bank, the Transaction Bank 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 Principal Paying Agent, to the Principal 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) 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 and such successor has entered into the Intercreditor Agreement and the other relevant Transaction Documents, 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 Principal Paying Agent, to the Principal Paying Agent); provided however that such revocation shall not take effect until a Successor has been duly appointed in accordance with clauses 13.4 and 13.5 of the Cash Administration and Agency Agreement, notice of such appointment has been given in writing to Monte Titoli and such Successor has entered into the Intercreditor Agreement and the other relevant Transaction Documents.

The appointment of any Agent shall terminate (in accordance with article 1456 of the Italian civil code) if **(a)** with regard to each of the Transaction Bank, the Operating Bank and the Principal Paying Agent, such Agent becomes incapable of acting also in light of the provision of article 2, paragraph 6, of the Law 130 or 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 Transaction Bank and the Operating Bank (only in the event of a Successor of ICCREA Banca) it ceases to be an Eligible Institution; or **(g)** a just cause (giusta causa) occurs (which includes (A) any change (i) to the Specified Office of the Principal Paying 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 this 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, or (D) the circumstance that any withholding or deduction for or on account of tax from any payments to be made by any Agent to the Issuer under the Transaction Documents is imposed, only to the extent that both the following conditions are met: (i) such deduction or withholding becomes applicable because of the relevant Agent (including, without limitation, in the event that this is the consequence of the Issuer not being in the position to provide the information required by the relevant competent authority for the purpose of the FATCA Withholding Tax); and (ii) a replacement of the relevant Agent would avoid such application, and it has a substantial economic adverse effect for the Notes and/or the Transaction); or **(h)** with regard to the Operating Bank, it becomes subject to any of the measures under article 70 or 76 of the Consolidated Banking Act; provided however that such termination or revocation shall not take effect until a Successor has been duly appointed in accordance with Clause 13.3 or Clause 13.4 of the Cash Administration and Agency Agreement, notice of such appointment has been given in writing to Monte Titoli and such Successor has entered into the Intercreditor Agreement and the other relevant Transaction Documents.

The Cash Administration and Agency Agreement and all non contractual obligations arising out or in connection with the Cash Administration and Agency Agreement are 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 have agreed to submit to the exclusive jurisdiction of the Courts of Rome, Italy.

4. THE NOTES SUBSCRIPTION AGREEMENT

Pursuant to a subscription agreement entered into on or prior the Issue Date among, *inter alios*, the Issuer, the Representative of the Noteholders, the Co-Arrangers, the Subscribers 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 are 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 have agreed to submit to the exclusive jurisdiction of the Courts of Rome, Italy.

5. THE LIMITED RECOURSE LOAN AGREEMENT

Each of the Originators is a subordinated loan provider (each a "**Limited Recourse Loan Provider**" and collectively, the "**Limited Recourse Loan Providers**"), pursuant to a limited recourse loan agreement to be entered into on or prior to the Issue Date between the Originators and the Issuer (the "**Limited Recourse Loan Agreement**"), pursuant to which: (i) BCC Umbria

grants to the Issuer a subordinated loan in the amount of Euro 1,388,000; (ii) BCC Marca grants to the Issuer a subordinated loan in the amount of Euro 3,288,000; (iii) BCC Mantovabanca grants to the Issuer a subordinated loan in the amount of Euro 1,280,000; (iv) BCC Bassano Banca grants to the Issuer a subordinated loan in the amount of Euro 768,000; (v) BCC Anghiari e Stia grants to the Issuer a subordinated loan in the amount of Euro 468,000; (vi) BCC DI Brendola grants to the Issuer a subordinated loan in the amount of Euro 1,232,000; (vii) BCC Corinaldo grants to the Issuer a subordinated loan in the amount of Euro 584,000; (viii) BCC di Fiumicello ed Aiello del Friuli grants to the Issuer a subordinated loan in the amount of Euro 1,008,000; (ix) BCC Centroveneto grants to the Issuer a subordinated loan in the amount of Euro 1,676,000; (x) BCC Banco Emiliano grants to the Issuer a subordinated loan in the amount of Euro 2,380,000; (xi) BCC Monterenzio grants to the Issuer a subordinated loan in the amount of Euro 720,000; (xii) BCC di Piove di Sacco grants to the Issuer a subordinated loan in the amount of Euro 876,000; (xiii) BCC Centromarca grants to the Issuer a subordinated loan in the amount of Euro 1,812,000; (xiv) BCC Roana grants to the Issuer a subordinated loan in the amount of Euro 468,000; (xv) BCC San Giorgio e Valle Agno grants to the Issuer a subordinated loan in the amount of Euro 1,112,000; (xvi) BCC di Treviglio grants to the Issuer a subordinated loan in the amount of Euro 3,408,000 (each a "**Limited Recourse Loan**" and together the "**Limited Recourse Loans**"). The Limited Recourse Loans will be repaid in accordance with the applicable Order of Priority. Each Limited Recourse Loan will be drawn down by the Issuer on the Issue Date in order to fund the relevant Cash Reserve.

6. THE QUOTAHOLDER'S AGREEMENT

Under the terms of a quotaholders' agreement entered into on or prior to the Issue Date among the Quotaholder, the Representative of the Noteholders and the Issuer (the "**Quotaholder's Agreement**") certain rules shall be set out in relation to the corporate governance of the Issuer.

In particular, the Quotaholder has agreed, *inter alia*, not to pledge, charge or dispose of the quotas of the Issuer without the prior written consent of the Representative of the Noteholders. The Issuer believes that the provisions of the Agreement between the Issuer and the Quotaholder and of the other Transaction Documents are adequate to ensure that the participation by the Quotaholder in the quota capital of the Issuer is not abused.

The Quotaholder's Agreement and all non contractual obligations arising out or in connection with the Quotaholder's Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Quotaholder's Agreement and all non contractual obligations arising out or in connection with the Quotaholder's Agreement, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Rome, Italy.

WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES

Under the Conditions, the Final Maturity Date of the Notes is the Payment Date falling in December 2056 and the Notes will be subject to mandatory redemption in full or in part on the First Payment Date and on each Payment Date falling 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 Notes may also be subject to optional redemption in full under certain circumstances.

The tables below show the expected average life of the Senior Notes on the basis of various assumptions regarding prepayment rates. The assumptions used to calculate the expected average life of the Notes hereunder are based on the historical performance of the loans originated by each of the Originators having the same characteristics as those of the Claims.

Moreover, the following assumptions have been made:

(i) the Issuer will exercise its option to redeem the Notes under Condition 6.4 (*Optional Redemption*);

(ii) there are no delinquencies or defaults in respect of the Portfolios;

(iii) no Trigger Event has occurred in respect of the Notes; and

(iv) no redemption for taxation under Condition 6.2 (*Redemption for Taxation*) has occurred in respect of the Notes.

COSTANT PREPAYMENT RATE	Class A Notes	
% PER ANNUM	Expected Average Life	Expected Maturity
0%	7,51	16/12/2032
3%	5,89	16/12/2029
5%	5,15	16/09/2028
7%	4,59	16/09/2027

The base case assumptions above reflect the current expectations of the Issuer but no assurance can be given that the redemption of the Class A 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 life of the Class A 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 Notes 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 and a Class B Noteholder are to the ultimate owners of the Class A Notes and the Class B Notes, as the case may be, issued in dematerialised form and evidenced as book entries with Monte Titoli S.p.A. ("**Monte Titoli**") in accordance with the provisions of (i) article 83-bis of the Legislative Decree No. 58 of 24 February 1998 and (ii) regulation of 22 February 2008 jointly issued by the Commissione Nazionale per le Societá 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 561,700,000 Class A Asset Backed Floating Rate Notes due December 2056 (the "**Class A Notes**" or the "**Senior Notes**"); Euro 6,132,000 Class B1 Asset Backed Floating Rate Notes due December 2056 (the "**Class B1 Notes**"); Euro 14,559,000 Class B2 Asset Backed Floating Rate Notes due December 2056 (the "**Class B2 Notes**"); Euro 5,629,000 Class B3 Asset Backed Floating Rate Notes due December 2056 (the "**Class B3 Notes**"); Euro 3,397,000 Class B4 Asset Backed Floating Rate Notes due December 2056 (the "**Class B4 Notes**"); Euro 2,110,000 Class B5 Asset Backed Floating Rate Notes due December 2056 (the "**Class B5 Notes**"); Euro 5,492,000 Class B6 Asset Backed Floating Rate Notes due December 2056 (the "**Class B6 Notes**"); Euro 2,519,000 Class B7 Asset Backed Floating Rate Notes due December 2056 (the "**Class B7 Notes**"); Euro 4,422,000 Class B8 Asset Backed Floating Rate Notes due December 2056 (the "**Class B8 Notes**"); Euro 7,438,000 Class B9 Asset Backed Floating Rate Notes due December 2056 (the "**Class B9 Notes**"); Euro 10,525,000 Class B10 Asset Backed Floating Rate Notes due December 2056 (the "**Class B10 Notes**"); Euro 3,185,000 Class B11 Asset Backed Floating Rate Notes due December 2056 (the "**Class B11 Notes**"); Euro 3,814,000 Class B12 Asset Backed Floating Rate Notes due December 2056 (the "**Class B12 Notes**"); Euro 7,952,000 Class B13 Asset Backed Floating Rate Notes due December 2056 (the "**Class B13 Notes**"); Euro 2,010,000 Class B14 Asset Backed Floating Rate Notes due December 2056 (the "**Class B14 Notes**"); Euro 4,912,000 Class B15 Asset Backed Floating Rate Notes due December 2056 (the "**Class B15 Notes**"); Euro 15,015,000 Class B16 Asset Backed Floating Rate Notes due December 2056 (the "**Class B16 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 and the Class B15 Notes, the "**Class B Notes**"; the Class A Notes and the Class B Notes, together the "**Notes**"), are issued by Credico Finance 16 S.r.l. (the "**Issuer**") on 14 November 2016 (the "**Issue Date**") in the context of a securitisation transaction (the "**Transaction**") to finance the purchase of portfolios (collectively, the "**Portfolios**") of monetary claims and connected rights arising under the mortgage loans (the "**Claims**") from BCC Umbria Credito Cooperativo – Società Cooperativa ("**BCC Umbria**"), Banca della Marca Credito Cooperativo - Soc. Coop. ("**BCC Marca**"), Mantovabanca 1896 Credito Cooperativo ("**BCC Mantovabanca**"), Bassano Banca – Credito Cooperativo di Romano e Santa Caterina – Societa' Cooperativa per Azioni ("**BCC Bassano Banca**"), Banca di Anghiari e Stia Credito Cooperativo S.C. ("**BCC Anghiari e Stia**"), Cassa Rurale ed Artigiana di Brendola Credito Cooperativo – Società Cooperativa ("**BCC di Brendola**"), Banca di Credito Cooperativo di Corinaldo – Società Cooperativa ("**BCC Corinaldo**"), Banca di Credito Cooperativo di Fiumicello ed Aiello del Friuli (UD) Societa' Cooperativa ("**BCC di Fiumicello ed Aiello del Friuli**"), Banca del Centroveneto Credito Cooperativo – Società Cooperativa – Longare ("**BCC Centroveneto**"), Banco Cooperativo Emiliano – Credito Cooperativo – Società Cooperativa ("**BCC Banco Emiliano**"), Banca di Credito Cooperativo di Monterenzio – Societa' Cooperativa ("**BCC Monterenzio**"), Banca di Credito Cooperativo Di Piove Di Sacco S.C. ("**BCC di Piove di Sacco**"), Centromarca Banca Credito Cooperativo di Treviso Societa' Cooperativa per Azioni ("**BCC Centromarca**"), Cassa Rurale ed Artigiana di Roana – Credito Cooperativo Società Cooperativa ("**BCC Roana**"), Banca San

Giorgio Quinto Valle Agno Società Cooperativa ("**BCC San Giorgio e Valle Agno**"), Cassa Rurale – Banca di Credito Cooperativo di Treviglio ("**BCC di Treviglio**" and together with BCC Umbria, BCC Marca, BCC Mantovabanca, BCC Bassano Banca, BCC Anghiari e Stia, BCC di Brendola, BCC Corinaldo, BCC di Fiumicello ed Aiello del Friuli, BCC Centroveneto, BCC Banco Emiliano, BCC Monterenzio, BCC di Piove di Sacco, BCC Centromarca, BCC Roana, BCC San Giorgio e Valle Agno, 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 16 transfer agreements each signed on 4 October 2016 and entered into force on the Transfer Date, 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 4 October 2016 (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 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**" and the "**Class B16 Noteholders**" are to the beneficial owners of respectively the Class B1 Notes, the Class B2 Notes, the Class B3 Notes, the Class B4 Notes, the Class B5 Notes, the Class B6 Notes, the Class B7 Notes, the Class B8 Notes, the Class B9 Notes, the Class B10 Notes, the Class B11 Notes, the Class B12 Notes, the Class B13 Notes, the Class B14 Notes, the Class B15 Notes and the Class B16 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 rights, title and interest in and to the Portfolios, the other Issuer's Rights (as defined below) and all the amounts deriving therefrom will be segregated from all the other assets of the Issuer and amounts deriving therefrom will be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors (as defined below) in accordance with the applicable Order of Priority (as set out in Condition 4 (*Orders of Priority*). the Issuer's rights, title and interest in and to the Portfolios, the other Issuer's Rights (as defined below) and to all the amounts deriving therefrom 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 4 October 2016 (the "**Servicing Agreement**") among, *inter alios*, the Issuer, the Back-up Servicer (as defined below), the Operating Bank (as defined below) 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 among the Issuer, the Originators, the Subscribers, the Co-Arrangers and the Representative of the Noteholders (the "**Notes Subscription Agreement**"), the Subscribers shall subscribe and pay for the Class A Notes upon the terms and subject to the conditions thereof and shall appoint Accounting Partners S.r.l. to act as the representative of the Class A Noteholders (the "**Representative of the Noteholders**"). BCC Umbria shall subscribe and pay for the Class B1 Notes, BCC Marca shall subscribe and pay for the Class B2

Notes, BCC Mantovabanca shall subscribe and pay for the Class B3 Notes, BCC Bassano Banca shall subscribe and pay for the Class B4 Notes, BCC Anghiari e Stia shall subscribe and pay for the Class B5 Notes, BCC di Brendola shall subscribe and pay for the Class B6 Notes, BCC Corinaldo shall subscribe and pay for the Class B7 Notes, BCC di Fiumicello ed Aiello del Friuli shall subscribe and pay for the Class B8 Notes, BCC Centroveneto shall subscribe and pay for the Class B9 Notes, BCC Banco Emiliano shall subscribe and pay for the Class B10 Notes, BCC Monterenzio shall subscribe and pay for the Class B11 Notes, BCC di Piove di Sacco shall subscribe and pay for the Class B12 Notes, BCC Centromarca shall subscribe and pay for the Class B13 Notes, BCC Roana shall subscribe and pay for the Class B14 Notes, BCC San Giorgio e Valle Agno shall subscribe and pay for the Class B15 Notes and BCC di Treviglio shall subscribe and pay for the Class B16 Notes. Each of the Subscribers 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**") among the Issuer, Accounting Partners S.r.l. as Representative of the Noteholders and computation agent (the "**Computation Agent**"), the Originators, the Servicers, BNP Paribas Securities Services, Milan Branch as principal paying agent (the "**Principal Paying Agent**"), agent bank (the "**Agent Bank**"), cash manager (the "**Cash Manager**") and transaction bank (the "**Transaction Bank**") and ICCREA Banca S.p.A. as operating bank (the "**Operating Bank**"), (i) the Principal 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 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 F2A 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 back-up servicing agreement entered into on or prior to the Issue Date (the "**Back-up Servicing Agreement**"), among the Issuer, the Servicers and Iccrea Banca S.p.A (the "**Back-up Servicer**"), the Back-up Servicer has agreed, 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.

Under the terms of a limited recourse loan agreement to be entered into on or prior to the Issue Date (the "**Limited Recourse Loan Agreement**"), between the Issuer and the Originators as limited recourse loan providers (each a "**Limited Recourse Loan Provider**"), each Limited Recourse Loan Provider will grant the Issuer a limited recourse loan (the "**Limited Recourse Loan**") in order to fund the Relevant Cash Reserve. Specifically, pursuant to the Limited Recourse Loan Agreement: BCC Umbria will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,388,000 (the "**BCC Umbria Limited Recourse Loan**"), (ii) BCC Marca will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 3,288,000 (the "**BCC Marca Limited Recourse Loan**"), (iii) BCC Mantovabanca will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,280,000 (the "**BCC Mantovabanca Limited Recourse Loan**"), (iv) BCC Bassano Banca will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 768,000 (the "**BCC Bassano Banca Limited Recourse Loan**"), (v) BCC Anghiari e Stia will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 468,000 (the "**BCC Anghiari e Stia Limited Recourse Loan**"), (vi) BCC di Brendola will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,232,000 (the "**BCC di Brendola Limited Recourse Loan**"), (vii) BCC Corinaldo will advance to the Issuer on the

Issue Date a limited recourse loan for an amount of Euro 584,000 (the "**BCC Corinaldo Limited Recourse Loan**"), (viii) BCC di Fiumicello ed Aiello del Friuli will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,008,000 (the "**BCC di Fiumicello ed Aiello del Friuli Recourse Loan**"), (ix) BCC Centroveneto will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,676,000 (the "**BCC Centroveneto Recourse Loan**"), (x) BCC Banco Emiliano will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 2,380,000 (the "**BCC Banco Emiliano Limited Recourse Loan**"), (xi) BCC Monterenzio will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 720,000 (the "**BCC Monterenzio Limited Recourse Loan**"), (xii) BCC di Piove di Sacco will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 876,000 (the "**BCC di Piove di Sacco Limited Recourse Loan**"), (xiii) BCC Centromarca will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,812,000 (the "**BCC Centromarca Limited Recourse Loan**"), (xiv) BCC Roana will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 468,000 (the "**BCC Roana Limited Recourse Loan**"), (xv) BCC San Giorgio e Valle Agno will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,112,000 (the "**BCC San Giorgio e Valle Agno Limited Recourse Loan**") and (xvi) BCC di Treviglio will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 3,408,000 (the "**BCC di Treviglio Limited Recourse Loan**"), (collectively, the "**Limited Recourse Loans**") which will be deposited into the relevant Cash Reserve Account to fund each Relevant Cash Reserve, for an aggregate amount of Euro 22,468,000 (equal to 4% of the Principal Amount Oustanding of the Class A Notes as of the Issue Date) necessary to fund the Cash Reserves as at the Issue Date.

Under an intercreditor agreement to be entered into on or prior to the Issue Date (the "**Intercreditor Agreement**") among 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 Operating Bank, the Computation Agent, the Servicers, the Principal Paying Agent, the Back-up Servicer, the Cash Manager, the Limited Recourse Loan Providers, the Originators, the Subscribers and the Back-Up Servicer Facilitator, the application of the Single Portfolio Available Funds and the Issuer Available Funds (each as defined below) has been set out. The Representative of the Noteholders has been appointed to exercise certain rights in relation to the Portfolios and in particular will be conferred the exclusive right (and the necessary powers) to make demands, give notices, exercise or refrain from exercising rights and take or refrain from taking actions (also through the Servicers) in relation to the recovery of the Claims in the name and on behalf of the Issuer.

Under a quotaholder's agreement to be entered into on or prior to the Issue Date among Special Purpose Entity Management S.r.l., in breve SPE Management S.r.l. as quotaholder (the "**Quotaholder**"), the Issuer and the Representative of the Noteholders (the "**Quotaholder's Agreement**") certain rules has been 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) 16 cash reserve accounts (the "**Cash Reserve Accounts**") into which the relevant Subordinated Loans shall be deposited pursuant to the Limited Recourse Loan Agreement; and

(iv) a cash and securities account (the "**Investment Account**") into which, *inter alia*, all amounts and securities standing to the credit of the Accounts (other than the Transitory Collections and

Recoveries Accounts, the Expenses Account and the Quota Capital Account) will be transferred for the purpose of investment in Eligible Investments.

The Issuer may establish the following accounts with the Transaction Bank:

(i) an account (the "**Reserve Account**") into which, *inter alia*, the Reserve Amount, if any, shall be paid; and

(ii) 16 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) 16 accounts (the "**Transitory Collections and Recoveries Accounts**") identified with respect to each Portfolio into which, *inter alia*, all amounts received by the Issuer under the Portfolios from the relevant Servicer shall be paid;

(ii) an account (the "**Expenses Account**") into which, *inter alia*, the Retention Amount shall be paid and out of which certain payments with respect to the Issuer's corporate expenses shall be made; and

(iii) an account (the "**Quota Capital Account**") into which, *inter alia*, the sums contributed by the Quotaholder will be credited and held.

These Conditions include summaries of, and are subject to, the detailed provisions of the Transfer Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Back-up Servicing Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Notes Subscription Agreement, the Cash Administration and Agency Agreement, the Limited Recourse Loan Agreement and the Quotaholder's Agreement (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 ("**Recitals**") and the exhibits (the "**Exhibits**") hereto constitute an integral and essential part of these Conditions and shall have the force of and shall take effect as covenants by the Issuer.

In these Conditions:

"**2010 PD Amending Directive**" means Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010, as amended from time to time.

"**Acceleration Order of Priority**" means the order in which the Issuer Available Funds shall be applied on each Payment Date following the service of a Trigger Notice in accordance with the Conditions and the Intercreditor Agreement.

"**Accounts**" means collectively the Payments Account, the Collections and Recoveries Account, the Transitory Collections and Recoveries Accounts, the Investment Account, the Principal Amortisation Reserve Accounts, the Expenses Account, the Reserve Account, the Cash Reserve Accounts and the Quota Capital Account.

"**A&F S.A.** (**ADVISORY & FINANCE**)" means a company whose registered office is at 4, rue Albert Borschette L-1246 Luxembourg, GD Luxembourg acting through its offices at Milan, Via Statuto, 10 ("**A&F**" and together with ICCREA Banca, the "**Co-Arrangers**").

"**Agents**" means the Principal Paying Agent, the Agent Bank, the Computation Agent, the Cash Manager, the Transaction Bank and the Operating Bank, collectively; and "**Agent**" means any of them.

"**Agent Bank**" means BNP Paribas Securities Services, Milan Branch, whose registered office is at Via Ansperto, 5, 20123 Milan, Italy, or any other person from time to time acting as Agent Bank.

"**AIFM**" means Directive 2011/61/EU of 8 June 2011 on Alternative Investment Fund Managers, as the same may be amended from time to time.

"**AIFM Level 2 Regulation**" means the Commission Delegated Regulation (EU) no. 231/2013, as the same may be amended from time to time.

"**Article 405**" means the article 405 of the CRR.

"**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.

"**Back-Up Servicer**" means ICCREA Banca or any other person acting from time to time as back-up servicer.

"**Back-up Servicing Agreement**" means the back-up servicing agreement entered into on or prior to the Issue Date, among the Issuer, the Servicers and the Back-Up Servicer pursuant to which the Back-up Servicer has agreed, 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.

"**Back-Up Servicer Facilitator**" means Zenith Service S.p.A.or any other person acting from time to time as back-up servicer facilitator.

"**Bankruptcy Law**" means the Italian Royal Decree No. 267 of 16 March 1942 (*Disciplina del fallimento, del concordato preventivo e della liquidazione coatta amministrativa*), as amended and supplemented from time to time.

"**Bankruptcy Proceedings**" means any bankruptcy or similar proceeding applicable to any company or other organisation or enterprises and in particular as for Italian law, the following procedures: *fallimento, concordato preventivo, liquidazione coatta amministrativa, amministrazione straordinaria,* and the proceedings as set forth by article 182 *bis* and article 67, paragraph 3, of the Bankruptcy Law.

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

"**Business Day**" means, with reference to and for the purposes of any payment obligation provided for under the Transaction Documents, 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 and, with reference to any other provision specified under the Transaction Documents, any day (excluding Saturday and Sunday) on which banks are open for business in Dublin, London, Milan, and Rome and Luxembourg.

"**Calculation Date**" means the date falling 10 (ten) calendar days before each Payment Date.

"**Cancellation Date**" means the earlier date 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).

"**Capital Requirements Regulation**" or "**CRR**" means the Regulation (EU) No. 575/2013, as the same may be amended from time to time.

"**Cash Administration and Agency Agreement**" means the cash administration and agency agreement entered into in respect to the Transaction on or prior to the Issue Date among the Issuer, the Representative of the Noteholders, the Computation Agent, the Originators, the Servicers, the Principal Paying Agent, the Agent Bank, the Cash Manager, the Transaction Bank and the Operating Bank.

"**Cash Manager**" means BNP Paribas Securities Services, Milan Branch or any other person acting from time to time as cash manager.

"**Cash Reserve Accounts**" means collectively 16 accounts denominated with reference to each Relevant Portfolio 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.

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

"**Cash Reserve Excess**" has the meaning ascribed to it in Condition 4.10.

"**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**" means the Class A Notes or the Class B Notes, as the case may be and "**Classes**" means all of them.

"**Class A Noteholders**" means the holder of the Class A Notes.

"**Class A Disequilibrium Event**" has the meaning ascribed to it in Condition 4.2.

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

Final Maturity Date the Class A Notes Principal Payment Amount will be equal to the aggregate of all Single Portfolio Class A Notes Principal Amount Outstanding.

"**Class B Noteholders**" means the holder of the Class B Notes.

"**Class B Notes Aggregate Amount**" means the aggregate amount of the Class B Notes equal to Euro 99,111,000.00.

"**Clean Up Option Date**" means any Payment Date following the earlier of: (a) the Collection Date on which the aggregate principal amount outstanding of all the Notes is equal to or less than 19% of the Purchase Price (as calculated by the Computation Agent and resulting from the Payments Report); and (b) the Payment Date on which the Class A Notes have been redeemed in full.

"**Clearstream**" means Clearstream Banking, Société Anonyme, located at 42 Avenue JF Kennedy L-1855 Luxembourg.

"**Co-Arrangers**" means ICCREA Banca and A&F collectively; and "**Co-Arranger**" means any of them.

"**Collection and Recoveries Account**" means the account with IBAN No. IT38C0347901600000802089817 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.

"**Collection Date**" means 31 January, 30 April, 31 July and 31 October in each year. The First Collection Date is 31 January 2017.

"**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.

"**Computation Agent**" means Accounting Partners S.r.l. or any other person acting from time to time as computation agent.

"**CONSOB**" means *Commissione Nazionale per le Società e la Borsa*.

"**Consolidated Banking Act**" means Legislative Decree No. 385 of 1 September 1993 as subsequently amended.

"**Consolidated Servicing Report**" means the consolidated servicing report for the overall portfolio (substantially in the form attached to the Cash Administration and Agency Agreement), to be prepared by the Corporate Services Provider and containing all the information relating to the servicing activities carried out by each of the Servicers in the immediately preceding Collection Period and prepared on the basis of the information provided by each of the Servicers in the relevant Quarterly Servicing Report (or by the Back-Up Servicer pursuant to the Back-Up Servicing Agreement).

"**Corporate Services Provider**" means F2A S.p.A. or any other person acting from time to time as corporate services provider

"**CRA Regulation**" means Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011.

"**Criteria**" means collectively the General Criteria and the Specific Criteria.

"**Cross Collateral Event**" has the meaning ascribed to it in Condition 10 ("*Cross Collateral Event*").

"**Cross Collateral Notice**" has the meaning ascribed to it in Condition 10 ("*Cross Collateral Event*").

"**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 Ratings Limited is established in the European Union and was registered on 31 October 2011 in accordance with CRA Regulation and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the ESMA Website (for the avoidance of doubt, such website does not constitute part of this Prospectus).

"**DBRS Equivalent Rating**" means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

DBRS	**Moody's**	**S&P**	**Fitch**
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

"**DBRS Minimum Rating**" means: (a) if a Fitch public rating, a Moody's public rating and an S&P public rating (each, a "**Public Long Term Rating**") are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded); and (b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Equivalent Rating will be the lower of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and (c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Equivalent Rating will be such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below). If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

"**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 relation to Claims with semi-annual Instalments; and (vi) 1 (one) Unpaid Instalment in case of Claims with annual Instalment, remained unpaid for at least 6 (six) 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 Effective Date, and (ii) the Outstanding Principal of the Claims as at the Effective Date.

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

"**ECB**" means the European Central Bank.

"**Effective Date**" means 23:59 of 7 September 2016.

"**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 and having at least the following ratings:

(i) with respect to Moody's: at least a "Baa2" long-term rating by Moody's or, in the event of a depository institution which does not have a long-term rating by Moody's, at least a "P-2" short-term rating by Moody's; and

(ii) with respect to DBRS:

(1) at least "A" by DBRS in respect of long-term debt public rating; or

(2) if there is no such public rating, a private rating supplied by DBRS of at least "A". In the event of a depository institution which does not have a private rating nor a public

rating from DBRS, then for DBRS the Eligible Institution will mean a depository institution which has the DBRS Minimum Rating of "A";

or such other rating being compliant with the Moody's and DBRS published criteria applicable from time to time.

It remains uerstoond that if any of the Principal Paying Agent, the Transaction Bank and the Operating Bank ceases to be an Eligible Institution, it shall promptly give notice of such event to the other parties and it shall be required to procure on behalf of the Issuer, within 30 (thirty) calendar days, that another Eligible Institution (subject to written consent of the Representative of the Noteholders) assume its role upon the terms of the Cash Administration and Agency Agreement, agreeing to become a party to the Intercreditor Agreement and to any other relevant Transaction Document or, if not practicable, agreeing to act upon terms that shall not prejudice the interests of the Noteholders. It remains understood that any cost in respect of the replacement of an Agent shall be borne by such replaced Agent.

"**Eligible Investments**" means any Euro denominated senior (unsubordinated) dematerialised debt security, bank account deposit (including for the avoidance of doubt time deposit) or other debt instrument (but excluding for avoidance of any doubt, the money market funds) or repurchase transactions on such debt instruments with the followings characteristics:

(A) with respect to Moody's, the dematerialised debt securities or other debt instruments shall be rated, or in the case of bank account deposits shall be held with an institution whose unsecured and unsubordinated debt obligations are rated, at least as follows: either (i) "Baa2" long-term rating by Moody's or, in the event of an investment which does not have a long-term rating by Moody's, "P-2" short-term rating by Moody's, with regard to investments having a maturity of less than or equal to one month; or (ii) "Baa1" by Moody's in respect of long term debt, with regard to investments having a maturity between one and three months, or (iii) such other lower rating being compliant with the criteria established by Moody's from time to time; and

(B) with respect to DBRS, the dematerialised debt securities or other debt instruments are issued by, or in the case of bank account deposits or time deposits are held with, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations are rated at least as follows:

(1) with regard to investments having a maturity of less than, or equal to, 30 (thirty) calendar days, (a) if the issuer or the guarantor (on the basis of an unconditional, irrevocable, independent first demand guarantee) of such investments are rated "A" by DBRS in respect of long-term debt or "R-1 (middle)" in respect of short-term debt, or (b) if the issuer or the guarantor (on the basis of an unconditional, irrevocable, independent first demand guarantee) of such investments are not rated by DBRS, the issuer or the guarantor of such investments has the DBRS Minimum Rating of "A" in respect of long term debt;

(2) with regard to investments having a maturity between 31 calendar days and 90(ninety) calendar days, (a) if the issuer or the guarantor (on the basis of an unconditional, irrevocable, independent first demand guarantee) of such investments are rated by DBRS "AA (low)" in respect of long-term debt or "R-1 (middle)" in respect of short-term debt, or (b) if the issuer or the guarantor (on the basis of an unconditional, irrevocable, independent first demand guarantee) of such investments are not rated by DBRS, the issuer or the guarantor of such investments has the DBRS Minimum Rating of "AA(low)" in respect of long term debt; or

(3) which has such other rating being compliant with the DBRS' published criteria applicable from time to time;

It remains understood that in the case of clauses (A) and (B) above, such Euro denominated senior (unsubordinated) dematerialised debt security, bank account deposit (including for the avoidance of doubt time deposit) or other debt instrument or repurchase transactions on such debt instruments:

(x) shall be immediately repayable on demand, disposable without penalty, cost or loss or have 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 have, in any case, 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;

(y) shall provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested; or

(z) in the case of bank account or deposit (including for the avoidance of doubt time deposit), such bank account or deposit is opened in the name of the Issuer and held in Italy, England or Wales with an Eligible Institution *provided that* in case such account are opened in England or Wales (a) a legal, valid and binding security interest substantially in the form of a deed of charge is created thereon and (b) a legal opinion is provided to the Issuer confirming the validity and the enforceability of the security created thereon.

provided that,

(I) in no case such investment under (i) and (ii) above shall be made, in whole or in part, actually or potentially, in (A) tranches of other asset-backed securities; or (B) credit-linked notes, swaps or other derivatives instruments, or synthetic securities; or (C) any other instrument not allowed by the European Central Bank monetary policy regulations applicable from time to time for the purpose of qualifying the Class A Notes as eligible collateral;

(II) in case of downgrade below the rating allowed with respect to DBRS or Moody's, as the case may be, the Issuer shall:

(a) in case of Eligible Investments being securities or time deposits, sell the securities or terminate in advance the time deposit, if it could be achieved without a loss, otherwise the relevant security or time deposit shall be allowed to mature; or

(b) in case of Eligible Investments being bank deposits, transfer within 30 calendar days the deposits to another account opened in Italy, England or Wales in the name of the Issuer with an institution being and Eligible Institution, at no costs for the Issuer *provided that* in case such account are opened in England or Wales (a) a legal, valid and binding security interest substantially in the form of a deed of charge is created thereon and (b) a legal opinion is provided to the Issuer confirming the validity and the enforceability of the security created thereon.

(III) in any case, if such investments under (i) and (ii) above consisting of repurchase transactions, shall have a maturity not longer than 60 days and provided that in any case the maturity of such investment shall fall not later

than the second Business Day preceding the Payment Date following the date on which such investment was made and shall be made with a repo counterparty being an Eligible Institution; and

(IV) in any case, the Eligible Investments being securities shall be held directly with the Transaction Bank (excluding, for avoidance of any doubt, sub-custodians) and through Euroclear or Clearstream or other clearing systems and registered in the name of the Issuer.

"**ESMA Website**" means the website of the European Securities and Markets Authority (currently located at the following website address http://www.esma.europa.eu/page/List-registered-and-certified-CRAs, for the avoidance of doubt, such website does not constitute part of this Prospectus).

"**Expenses Account**" means the account with IBAN No. IT32B0800003200000800031139 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.

"**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.

"**Euribor**" means the Euro-Zone Inter-bank offered rate.

"**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.

"**FATCA**" means Sections 1471 to 1474 (inclusive) of the Code and any regulations thereunder or official interpretations thereof;

"**FATCA Withholding Tax**" means any withholding required pursuant to FATCA or any agreement described in Section 1471(b) of the Code;

"**Final Maturity Date**" means the Payment Date falling on December 2056.

"**First Collection Date**" means 31 January 2017.

"**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 16 March 2017.

"**General Criteria**" means the general criteria used as a basis for the selection of the Claims.

"**ICCREA Banca**" means ICCREA Banca S.p.A.

"**Impaired Claims**" (*Crediti Incagliati*) means the Claims which are classified as "*unlikely to pay*" by each Servicer pursuant to its Collection Policy and in compliance with the applicable rules "*Istruzioni di Vigilanza*" of the Bank of Italy.

"**Information Technology Services Provider**" means:

(a) BCC Sistemi Informatici, Via Rivoltana, 95 - 20096 Pioltello (MI) with respect to BCC Umbria, BCC Mantovabanca, BCC Anghiari e Stia, BCC di Brendola, BCC di Fiumicello ed Aiello del Friuli, BCC Piove di Sacco and BCC Treviglio;

(b) Federazione Banche di Credito Cooperativo delle Marche, via dell'Agricoltura n. 1, 60127 Ancona (AN) with respect to BCC di Corinaldo;

(c) Phoenix Informatica Bancaria S.p.A., via Segantini n. 16/18, 38122 Trento with respect to BCC Marca, BCC Bassano Banca, BCC Centroveneto,BCC Centromarca, BCC Roana e BCC San Giorgio;

(d) Cedecra Informatica Bancaria S.r.l Via Trattati Comunitari Europei 1957-2007, 15 40127 Bologna (BO) with respect to BCC Monterenzio and BCC Banco Emiliano;

and any other successor and assignee of the Information Technology Services Provider listed under letters (a), (b), (c) and (d) above.

"**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 in respect of the Transaction on or prior to the Issue Date among 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 Operating Bank, the Computation Agent, the Servicers, the Principal Paying Agent, the Back-up Servicer, the Cash Manager, the Limited Recourse Loan Providers, the Notes Subscribers, the Originators and the Back-Up Servicer Facilitator.

"**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 57804,57, with respect to Portfolio No. 1, Euro 119245,84; with respect to Portfolio No. 2, Euro 17414,89; with respect to Portfolio No. 3, Euro 18769,81; with respect to Portfolio No. 4, Euro 26246,79; with respect to Portfolio No. 5, Euro 34007,48; with respect to Portfolio No. 6, Euro 27676,33; with respect to Portfolio No. 7, Euro 33829,44; with respect to Portfolio No. 8, Euro 46335,04; with respect to Portfolio No. 9, Euro 55747,05; with respect to Portfolio No. 10, Euro 21345,39; with respect to Portfolio No. 11, Euro 28443,33; with respect to Portfolio No. 12, Euro 39705,25; with respect to Portfolio No. 13, Euro 12323,71; with respect to Portfolio No. 14, Euro 35568,96; with respect to Portfolio No. 15 and Euro 73860,4; with respect to Portfolio No. 16.

"**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 interests 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 (*Interest*).

"**Investment Account**" means the cash account with IBAN IT15D0347901600000802089818 and the securities account n. 2089800 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.

"**Investors' Report Date**" means 15 (fifteen) Business Days after each Payment Date.

"**Issue Date**" means 14 November 2016.

"**Issue Price**" means the 100% of the principal amount of the Class A Notes and the Class B Notes at which the Class A Notes and the Class B Notes will be issued.

"**Issue Price Difference**" means the amounts indicated in Schedule 5(B) of the Subscription Agreement to be credited on the Issue Date, by the relevant Subscriber, on the relevant Cash Reserve Account.

"**Issuer**" means Credico Finance 16 S.r.l, a limited liability company with a sole quotaholder, 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 regulation dated 30 September 2014 with No. 35296.3, whose registered office is at Via Barberini, 47, 00187 Rome, Italy, fiscal code and VAT No. 13982771001, with paid-in share capital of Euro 10,000.

"**Issuer Available Funds**" means, in respect of each Payment Date, the aggregate (without duplication) of:

(x) all Collections received by the Issuer through the Servicers, during the immediately preceding Collection Period;

(xi) all other amounts transferred during the immediately preceding Collection Period from the Transitory Collections and Recoveries Accounts into the Collections and Recoveries Account;

(xii) all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for 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;

(xiii) all amounts paid into the Principal Amortisation Reserve Accounts in the immediately preceding Payment Date (or the corresponding amount credited to the Investment Account pursuant to the Cash Administration and Agency Agreement);

(xiv) 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;

(xv) any other amounts paid into the Payments Account during the immediately preceding Collection Period other than the Issuer Available Funds utilised on the immediately preceding Payment Date;

(xvi) 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 (or the corresponding amount credited to the Investment Account pursuant to the Cash Administration and Agency Agreement);

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

(a) the amount of the Cash Reserves (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement) necessary to pay amount due under items from (*First*) to (*Sixth*) (included) of the Acceleration Order of Priority, or the Cross Collateral Order of Priority (as applicable) in the event of a shortfall of the Issuer Available Funds in respect of such amounts on such Payment Date,

(b) the amount equal to the difference (if positive) between (i) the amount of the Cash Reserves (including any amount to be credited on the Cash Reserve Accounts in accordance with item (*Seventh*) of the Cross Collateral Order of Priority on such Payment Date and each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement) available after making the payments under letter (a) above, and (ii) an amount equal to 20% of the sums of each Target Cash Reserve Amounts as at the day following the immediately preceding Payment Date, in respect of payments ranking as item (*Eighth*) of the Cross Collateral Order of Priority, in the event of a shortfall of the Issuer Available Funds in respect of such amounts on such Payment Date;

(c) only on the Payment Date on which the amount under item (ii) of the Class A Notes Principal Payment Amount is to be utilised towards redemption of the Class A Notes, a corresponding amount of the Cash Reserves (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement), and

(d) on the earlier of the Final Maturity Date and the first Payment Date on which the Acceleration Order of Priority applies, the amount of the Cash Reserves necessary to redeem in full the Class A Notes (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement);

(xviii) the Cash Reserve Excess of all Portfolios.

"**Issuer's Rights**" means any monetary right arising out in favour of the Issuer against the Borrowers and any other monetary right arising out in favour of the Issuer in the context of the Transaction, including the Collections and the Eligible Investments acquired with the Collections.

"**Junior Noteholders**" means the Class B Noteholders.

"**Junior Notes**" means the Class B Notes.

"**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**" means the limited recourse loans granted to the Issuer by the each of the Limited Recourse Loan Provider in order to fund the Relevant Cash Reserve, pursuant to the terms of

the Limited Recourse Loan Agreement.

"**Limited Recourse Loan Agreement**" means a limited recourse loan agreement to be entered into on or prior to the Issue Date between the Issuer and the Limited Recourse Loan Provider, pursuant to which each Limited Recourse Loan Provider will grant the Issuer the Limited Recourse Loan in order to fund the Relevant Cash Reserve.

"**Limited Recourse Loan Providers**" means, collectively, BCC Umbria, BCC Marca, BCC Mantovabanca, BCC Bassano Banca, BCC Anghiari e Stia, BCC di Brendola, BCC Corinaldo, BCC di Fiumicello ed Aiello del Friuli, BCC Centroveneto, BCC Banco Emiliano, BCC Monterenzio, BCC di Piove di Sacco, BCC Centromarca, BCC Roana, BCC San Giorgio e Valle Agno and BCC di Treviglio.

"**Monte Titoli**" means Monte Titoli S.p.A, which registered office is located at Piazza degli Affari, 6, 20123 Milano (Italy).

"**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 10th calendar day of each month, or, if such day is not a Business Day, the next following Business Day.

"**Moody's**" means Moody's Investors Service Inc. and/or Moody's Investors Service Ltd and/or Moody's Italia S.r.l., as the case may be. In particular:

(1) Moody's Investors Service Inc. is not established in the European Union. The use in the European Union of credit ratings issued in the United States of America has been endorsed according to a decision by the European Securities and Markets Authority ("**ESMA**") pursuant to article 4(3) of the CRA Regulation; and

(2) Moody's Investors Service Ltd and Moody's Italia S.r.l. are established in the European Union, have been registered in compliance with the requirements of the CRA Regulation, and are included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the ESMA.

"**Mortgage**" means the mortgage securities created on the Real Estate Assets pursuant to Italian law in order to secure the Mortgage Loans.

"**Mortgage Loan**" means each loan, secured by a Mortgage, granted to a Borrower and classified as performing and meeting the Criteria, the receivables in respect of which have been transferred by each of the Originators to the Issuer pursuant to the relevant Transfer Agreement, and "**Mortgage Loans**" means all of them.

"**Mortgage Loan Agreement**" means each agreement by which a Mortgage Loan has been granted.

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

"**Noteholders**" means the Class A Noteholders and the Class B Noteholders.

"**Notes**" means the Class A Notes and the Class B Notes.

"**Notes Subscription Agreement**" means a subscription agreement entered into on or prior to the Issue Date among the Issuer, the Originators, the Subscribers, the Co-Arrangers and the Representative of the Noteholders.

"**Official Gazette**" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"**Operating Bank**" means ICCREA Banca S.p.A. or any other person acting from time to time as operating bank.

"**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, collectively, BCC Umbria, BCC Marca, BCC Mantovabanca, BCC Bassano Banca, BCC Anghiari e Stia, BCC DI Brendola, BCC Corinaldo, BCC di Fiumicello ed Aiello del Friuli, BCC Centroveneto, BCC Banco Emiliano, BCC Monterenzio, BCC di Piove di Sacco, BCC Centromarca, BCC Roana, BCC San Giorgio e Valle Agno and BCC di Treviglio.

"**Other Issuer Creditors**" means the Originators, the Servicers, the Representative of the Noteholders, the Agent Bank, the Operating Bank, the Transaction Bank, the Principal Paying Agent the Back-up Servicer, the Corporate Services Provider, the Cash Manager, the Computation Agent, the Limited Recourse Loan Providers, the Subscribers and the Back-Up Servicer Facilitator.

"**Outstanding Balance**" means with respect to a Claim the aggregate of the (i) Outstanding Principal and (ii) all due and unpaid Principal Instalments.

"**Outstanding Notes Ratio**" means with respect to any Payment Date and to each Portfolio, the ratio, calculated as at the immediately preceding Collection Date, between: (x) the relevant Single Portfolio Notes Principal Amount Outstanding, and (y) the Principal Amount Outstanding of all the Notes.

"**Outstanding Principal**" means, with respect to any Claim on any date, the aggregate of all Principal Instalments owing by the relevant Borrower and scheduled to be paid on and/or after such date.

"**Payment Account**" means the account with IBAN No. IT92W0347901600000802089800 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.

"**Payment Date**" means the 16 th day of March, June, September and December in each year or, if any of such a date does not fall on a Business Day, the following Business Day, until the Final Maturity Date.

"**Payments Report**" means the report to be prepared by the Computation Agent pursuant to clause 6.3.1 of the Cash Administration and Agency Agreement.

"**Portfolio Negative Balance**" means with respect to any Payment Date and until full repayment of the Class A Notes, the difference, if positive, between:

(a) all amounts due to be paid by the Issuer on such Payment Date under items from (*First*) to (*Seventh*) (included) of the Acceleration Order of Priority, or items from (*First*) to (*Sixth*)

(included) of the Cross Collateral Order of Priority (as applicable) as well as, on the earlier of (i) the Final Maturity Date (following delivery of a Cross Collateral Notice) and (ii) the Payment Date on which the Single Portfolio Class A Notes Principal Amount Outstanding of each Portfolio may be redeemed in full by utilising for each Portfolio the Cash Reserves (available on such Payment Date following payment in full of all items ranking higher in the Cross Collateral Order of Priority), item (*Eighth*) of the Cross Collateral Order of Priority, and

(b) the Issuer Available Funds with respect to such Payment Date but excluding the amounts under item (viii) of the Issuer Available Funds.

"**Portfolio No. 1**" means the portfolio of Claims which are sold to the Issuer by BCC Umbria pursuant to the relevant Transfer Agreement.

"**Portfolio No. 2**" means the portfolio of Claims which are sold to the Issuer by BCC Marca pursuant to the relevant Transfer Agreement.

"**Portfolio No. 3**" means the portfolio of Claims which are sold to the Issuer by BCC Mantovabanca pursuant to the relevant Transfer Agreement.

"**Portfolio No. 4**" means the portfolio of Claims which are sold to the Issuer by BCC Bassano Banca pursuant to the relevant Transfer Agreement.

"**Portfolio No. 5**" means the portfolio of Claims which are sold to the Issuer by BCC Anghiari e Stia pursuant to the relevant Transfer Agreement.

"**Portfolio No. 6**" means the portfolio of Claims which are sold to the Issuer by BCC di Brendola pursuant to the relevant Transfer Agreement.

"**Portfolio No. 7**" means the portfolio of Claims which are sold to the Issuer by BCC Corinaldo pursuant to the relevant Transfer Agreement.

"**Portfolio No. 8**" means the portfolio of Claims which are sold to the Issuer by BCC di Fiumicello ed Aiello del Friuli pursuant to the relevant Transfer Agreement.

"**Portfolio No. 9**" means the portfolio of Claims which are sold to the Issuer by BCC Centroveneto pursuant to the relevant Transfer Agreement.

"**Portfolio No. 10**" means the portfolio of Claims which are sold to the Issuer by BCC Banco Emiliano pursuant to the relevant Transfer Agreement.

"**Portfolio No. 11**" means the portfolio of Claims which are sold to the Issuer by BCC Monterenzio pursuant to the relevant Transfer Agreement.

"**Portfolio No. 12**" means the portfolio of Claims which are sold to the Issuer by BCC di Piove di Sacco pursuant to the relevant Transfer Agreement.

"**Portfolio No. 13**" means the portfolio of Claims which are sold to the Issuer by BCC Centromarca pursuant to the relevant Transfer Agreement.

"**Portfolio No. 14**" means the portfolio of Claims which are sold to the Issuer by BCC Roana pursuant to the relevant Transfer Agreement.

"**Portfolio No. 15**" 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. 16**" means the portfolio of Claims which are sold to the Issuer by BCC di Treviglio 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 (i) prior to the service of a Cross Collateral Notice or a Trigger Notice, (ii) in case of Optional Redemption or (iii) in case of Redemption for Taxation 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.

"**Prevailing Real Estate Assets**" means the real estate asset having the higher valuation as resulting from a survey, in case of Mortgage Loans secured by one or more Mortgages on more than one Real Estate Asset.

"**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 Amortisation Reserve Accounts**" means the 16 accounts (identified with respect to each Portfolio) that the Issuer may establish with the Transaction Bank and into which, *inter alia*, the Principal Amortisation Reserve Amounts, if any, shall be paid.

"**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 BNP Paribas Securities Services, Milan Branch or any other person acting from time to time as principal paying agent.

"**Principal Payment**" means the principal amount in respect of each Note as determined in accordance with Condition 6.7 (*Principal Payments and Principal Amount Outstanding*).

"**Purchase Price**" means the price to be paid by the Issuer for the purchase of the Portfolios under the terms of the Transfer Agreements, calculated as the Outstanding Principal of the Claims as at the Effective Date, which is equal to the aggregate of: (i) Euro 40,831,300.55, to be paid to BCC Umbria, for the purchase of Portfolio No. 1; (ii) Euro 96,758,120.35, to be paid to BCC Marca, for the purchase of Portfolio No. 2; (iii) Euro 37,628,257.01, to be paid to BCC Mantovabanca, for the purchase of Portfolio No. 3; (iv) Euro 22,596,474.45, to be paid to BCC Bassano Banca, for the purchase of Portfolio No. 4; (v) Euro 13,809,253.62, to be paid to BCC Anghiari e Stia, for the purchase of Portfolio No. 5; (vi) Euro 36.291.292.2, to be paid to BCC di Brendola, for the purchase of Portfolio No. 6; (vii) Euro 17,118,249.51, to be paid to BCC Corinaldo, for the purchase of Portfolio No. 7; (viii) € 29,621,763.1, to be paid to BCC di Fiumicello ed Aiello del Friuli, for the purchase of Portfolio No. 8; (ix) Euro 49,337,825.3, to be paid to BCC Centroveneto, for the purchase of Portfolio No. 9; (x) Euro 70,024,787.7, to be paid to BCC Banco Emiliano, for the purchase of Portfolio No. 10; (xi) Euro 21,184,011.63, to be paid to BCC Monterenzio, for the purchase of

Portfolio No. 11; (xii) Euro 25,713,091.5, to be paid to BCC di Piove di Sacco, for the purchase of Portfolio No. 12; (xiii) Euro 53,251,196.36, to be paid to BCC Centromarca, for the purchase of Portfolio No. 13; (xiv) Euro 13,709,552.57, to be paid to BCC Roana, for the purchase of Portfolio No. 14; (xv) Euro 32,711,369.99, to be paid to BCC San Giorgio e Valle Agno, for the purchase of Portfolio No. 15; and (xvi) Euro 100,214,902.63, to be paid to BCC di Treviglio, for the purchase of Portfolio No. 16.

"**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 10th calendar day following the end of each Collection Period or if such a day is not a Business Day, the next following Business Day.

"**Quotaholder**" means Special Purpose Entity Management S.r.l., in breve SPE Management S.r.l..

"**Quotaholder's Agreement**" means the quotaholder's agreement entered into among the Issuer, the Representative of the Noteholders and the Quotaholder.

"**Quota Capital Account**" means the account with IBAN No. IT55A0800003200000800031138 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.

"**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.

"**Reference Banks**" has the meaning ascribed to it in Condition 5.7 (*Reference Banks and Agent Bank*).

"**Relevant**" when applied to the term "**Portfolio**" with respect to a Series of Class B Notes, means the Portfolio sold by the Originator that subscribes for such Series of Class B Notes pursuant to the Notes Subscription Agreement and *vice versa* when applied to the term "**Series of Class B Notes**" with respect to a Portfolio, means the Series of Class B Notes subscribed for by the Originator that sold such Portfolio and in general, "**Relevant Portfolio**" means the Portfolio sold by the relevant Originator; the same rule of interpretation shall apply to any other term which contains the words "**Portfolio**" or respectively "**Series of Class B Notes**" or which is directly and univocally linked to any of them.

"**Relevant Cash Reserve**" means with respect to the Portfolio of each Limited Recourse Loan Provider and with reference to any given Payment Date and Calculation Date, the monies standing from time to time to the credit of the relevant Cash Reserve Account (including amounts to be credited on the relevant Cash Reserve Account on such Payment Date and increased, as the case may be, by the amount made available by the other relevant Cash Reserves pursuant to the terms of the Cash Administration and Agency Agreement), on the immediately preceding Payment Date (after application of the Single Portfolio Available Funds or the Issuer Available Funds, in accordance with the applicable Order of Priority) except for each Issue Price Difference.

"**Relevant Cash Reserve Available Amount**" means, with respect to any Payment Date and each Originator:

(i) in relation to calculations under Clauses 15.2 (ii), 15.3 and 15.4

(a) with respect to the First Payment Date, the amount standing to the credit of the relevant Cash Reserve Account on the Issue Date; and

(b) with respect to any Payment Date thereafter, (1) the amount standing to the credit of the relevant Cash Reserve Account on the immediately preceding Payment Date (after application of the amount standing to the credit of the Relevant Cash Reserve Account in accordance with the applicable Order of Priority) plus (2) with respect to payments under Clauses 15.1(A)(ii) and 15.3 (ii), the amounts credited to the Relevant Cash Reserve Account on the same Payment Date; and

(ii) in relation to calculations under Clauses 15.2 (x) and (y), the difference, if positive, between:

(a) the amount indicated under item (i) above, and

(b) any payments made under Clause 15.1(A)(i) and (ii).

"**Relevant Cash Reserve Individual Proportion**" means

(i) on any Payment Date on which the Pre-Acceleration Order of Priority applies and until full repayment of the Class A Notes, the ratio between:

(x) the sum of the Relevant Cash Reserve Uncovered Amount related to all the Originators; and

(y) the sum of the Relevant Cash Reserve Available Amount (under item (ii) of the relevant definition) related to all the Originators as at such Payment Date;

(ii) on any Payment Date on which any of the Cross Collateral Order of Priority or the Acceleration Order of Priority applies and until full repayment of the Class A Notes, the ratio between:

(x) the Portfolio Negative Balance calculated as at the Calculation Date immediately preceding such Payment Date; and

(y) the sum of the Relevant Cash Reserve Available Amount (under item (i) of the relevant definition) related to all the Originators as at such Payment Date.

"**Relevant Cash Reserve Uncovered Amount**" has the meaning ascribed to it in clause 15.2 of the Cash Administration and Agency Agreement.

"**Relevant Date**" has the meaning ascribed to it pursuant to Condition 14 (*Prescription*).

"**Relevant Margin**" means 0,30% per annum.

"**Representative of the Noteholders**" means Accounting Partners S.r.l. or any other person acting from time to time as representative of the Noteholders.

"**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, as the case may be, 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) Euro 22,468,000.00; and

(ii) the amount standing to the credit of the Reserve Account as at the Collection Date immediately preceding such Payment Date.

"**Retention Amount**" means an amount equal to Euro 50.000,00.

"**Screen Rate**" has the meaning ascribed to such term in Condition 5.2.1.

"**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 Noteholders**" means the Class A Noteholders.

"**Senior Notes**" means the Class A Notes.

"**Servicing Agreement**" means the servicing agreement entered into on 4 October 2016 among the Issuer, the Back-up Servicer, the Originators and the Servicers, pursuant to which each Servicer agreed to provide the Issuer with administration, collection and recovery services in respect of each Portfolio and shall verify that the payment services to be provided in relation to the Transaction comply with Italian law.

"**Servicer**" means each of (i) BCC Umbria with respect to Portfolio No. 1, (ii) BCC Marca with respect to Portfolio No. 2, (iii) BCC Mantovabanca with respect to Portfolio No. 3, (iv) BCC Bassano Banca with respect to Portfolio No. 4, (v) BCC Anghiari e Stia with respect to Portfolio No. 5, (vi) BCC di Brendola with respect to Portfolio No. 6, (vii) BCC Corinaldo with respect to Portfolio No. 7, (viii) BCC di Fiumicello ed Aiello del Friuli with respect to Portfolio No. 8, (ix) BCC Centroveneto with respect to Portfolio No. 9, (x) BCC Banco Emiliano with respect to Portfolio No. 10, (xi) BCC Monterenzio with respect to Portfolio No. 11, (xii) BCC di Piove di Sacco with respect to Portfolio No. 12, (xiii) BCC Centromarca with respect to Portfolio No. 13, (xiv) BCC Roana with respect to Portfolio No. 14 BCC San Giorgio e Valle Agno (xv) BCC Roana with respect to Portfolio No. 15; and BCC di Treviglio (xvi) BCC Roana with respect to Portfolio No. 16 or any other person acting from time to time as servicer.

"**Single Portfolio Amortised Principal**" means, with respect to each Payment Date and to each Portfolio, an amount equal to the aggregate of:

(x) 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);

(xi) the aggregate amount of the Principal Instalments of the relevant Pre-paid Claims that have been prepaid during the immediately preceding Collection Period;

(xii) the Outstanding Principal of the relevant Claims that have become Defaulted Claims during the immediately preceding Collection Period, as of the date when such Claims became Defaulted Claims;

(xiii) any amount received by the Issuer during the immediately preceding Collection Period from the Originator of the relevant Claims pursuant to the relevant Transfer Agreement and/or the Warranty and Indemnity Agreement and any amount received by the Issuer from the relevant Originator as indemnities in respect of the renegotiations of the

Mortgage Loan Agreements of the Relevant Portfolio in accordance with the Servicing Agreement;

(xiv) any repurchase price of the relevant Claims received in the immediately preceding Collection Period (or at any time upon exercise of the Optional Redemption or the Redemption for Taxation);

(xv) (a) upon any of the Originators becoming subject to an insolvency proceeding, any amount not received by the Issuer in the immediately preceding Collection Period as a result of the set-off by any Borrower between its claims towards such Originator (in respect of the Borrower's deposits with such Originator) and the Claims; and (b) (without any duplication with the amount under points (i) and (ii) hereabove) upon any of the Servicers becoming subject to an insolvency proceeding any amount collected by such Servicer and not duly transferred to the Issuer in accordance with the Servicing Agreement

(xvi) the relevant Single Portfolio Amortised Principal unpaid at the previous Payment Date;

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

(xviii) unless a Cross Collateral Notice or a Trigger Notice has been served on the Issuer, upon the occurrence of a Class A Disequilibrium Event with respect to one or more Portfolios, any relevant Single Portfolio Available Fund left after payment of item (*Seventh*), included, of the Pre-Acceleration Order of Priority, provided that such payment will be done exclusively with reference to the Portfolio/s in relation to which a Class A Disequilibrium Event has occurred.

"**Single Portfolio Available Funds**" means, in respect of each Payment Date and each Portfolio, the aggregate (without duplication) of:

(xi) 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;

(xii) all other amounts transferred during the immediately preceding Collection Period from the relevant Transitory Collections and Recoveries Account into the Collections and Recoveries Account;

(xiii) 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 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;

(xiv) all amounts paid into the credit of the relevant Principal Amortisation Reserve Account in the immediately preceding Payment Date (or the corresponding amount credited to the Investment Account pursuant to the Cash Administration and Agency Agreement);

(xv) 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;

(xvi) the relevant Outstanding Notes Ratio of any other amounts paid into the Payments Account during the immediately preceding Collection Period other than the Single Portfolio Available Funds utilised on the immediately preceding Payment Date, and in relation to the First Payment Date only, the relevant Issue Price Difference;

(xvii) the amounts paid into the Reserve Account in the preceding Payment Date out of the relevant Single Portfolio Available Funds (or the corresponding amount credited to the Investment Account pursuant to the Cash Administration and Agency Agreement);

(xviii) until full repayment of the Class A Notes

(a) the amount of the Relevant Cash Reserve (increased, if necessary, by the amount made available on such Payment Date by the other Relevant Cash Reserves pursuant to the terms of the Cash Administration and Agency Agreement) necessary exclusively to pay amount due under items from (*First*) to (*Sixth*) of the Pre-Acceleration Order of Priority, in the event of a shortfall of the relevant Single Portfolio Available Funds in respect of such amounts on such Payment Date, and

(b) the amount equal to the difference (if positive) between (i) the amount of the Relevant Cash Reserve (including amounts to be credited on the Relevant Cash Reserve Account on such Payment Date and increased as the case may be by the amount made available by the other Relevant Cash Reserves pursuant to the terms of the Cash Administration and Agency Agreement) available after making the payments under letter (a) above, and (ii) an amount equal to 20% of the relevant Target Cash Reserve Amount as at the day following the immediately preceding Payment Date, in respect of payments ranking as items (*Eighth*) and (*Tenth*) of the Pre-Acceleration Order of Priority, in the event of a shortfall of the relevant Single Portfolio Available Funds in respect of such amounts on such Payment Date,

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

(d) on the Final Maturity Date or, if earlier, on the Payment Date in which the Class A Notes are redeemed in full, the amount of the Relevant Cash Reserve necessary to pay in full the relevant Single Portfolio Class A Notes Principal Amount Outstanding;

(xix) the Cash Reserve Excess of the Relevant Portfolio;

any amount received on the same Payment Date under item (*Tenth*) of the Pre-Acceleration Order of Priority of each of the other Portfolios..

"**Single Portfolio Class A Notes Principal Amount Outstanding**" means, with respect to each Payment Date and to each Relevant 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 in respect of the Relevant Portfolio to the relevant 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 lower of: (i) the relevant Single Portfolio Amortised Principal with respect to such Payment Date; and (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the immediately preceding Collection Date; *provided that* on the Final Maturity Date each Single Portfolio Class A Notes Principal Payment Amount will be equal to the relevant Single Portfolio Class A Notes Principal Amount Outstanding.

"**Single Portfolio 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 6.18% of the Class A Notes, equal to Euro 34,700,000.00; (ii) with respect to Portfolio No. 2 the Principal Amount Outstanding as at the Issue Date of 14.63% of the Class A Notes, equal to Euro 82,200,000.00; (iii) with respect to Portfolio No. 3 the Principal Amount Outstanding as at the Issue Date of 5.70% of the Class A Notes, equal to Euro 32,000,000.00; (iv) with respect to Portfolio No. 4 the Principal Amount Outstanding as at the Issue Date of 3.42% of the Class A Notes, equal to Euro 19,200,000.00; (v) with respect to Portfolio No. 5 the Principal Amount Outstanding as at the Issue Date of 2.08% of the Class A Notes, equal to Euro 11,700,000.00; (vi) with respect to Portfolio No. 6 the Principal Amount Outstanding as at the Issue Date of 5.48% of the Class A Notes, equal to Euro 30,800,000.00; (vii) with respect to Portfolio No. 7 the Principal Amount Outstanding as at the Issue Date of 2.60% of the Class A Notes, equal to Euro 14,600,000.00; (viii) with respect to Portfolio No. 8 the Principal Amount Outstanding as at the Issue Date of 4.49% of the Class A Notes, equal to Euro 25,200,000.00; (ix) with respect to Portfolio No. 9 the Principal Amount Outstanding as at the Issue Date of 7.46% of the Class A Notes, equal to Euro 41,900,000.00; (x) with respect to Portfolio No. 10 the Principal Amount Outstanding as at the Issue Date of 10.59% of the Class A Notes, equal to Euro 59,500,000.00; (xi) with respect to Portfolio No. 11 the Principal Amount Outstanding as at the Issue Date of 3.205% of the Class A Notes, equal to Euro 18,000,000.00; (xii) with respect to Portfolio No. 12 the Principal Amount Outstanding as at the Issue Date of 3.90% of the Class A Notes, equal to Euro 21,900,000.00; (xiii) with respect to Portfolio No. 13 the Principal Amount Outstanding as at the Issue Date of 8.065% of the Class A Notes, equal to Euro 45,300,000.00; (xiv) with respect to Portfolio No. 14 the Principal Amount Outstanding as at the Issue Date of 2.08% of the Class A Notes, equal to Euro 11,700,000.00; (xv) with respect to Portfolio No. 15 the Principal Amount Outstanding as at the Issue Date of 4.95% of the Class A Notes, equal to Euro 27,800,000.00; (xvi) with respect to Portfolio No. 16 the Principal Amount Outstanding as at the Issue Date of 15.17% of the Class A Notes, equal to Euro 85,200,000.00.

"**Single Portfolio Negative Balance**" means with respect to any Payment Date on which the Pre-Acceleration Order of Priority applies and until full repayment of the Class A Notes, an amount calculated as the difference, if positive, between:

(c) all amounts due to be paid by the Issuer on such Payment Date under items from (*First*) to (*Sixth*) (included) and (*Eighth*) of the Pre-Acceleration Order of Priority, and

(d) the Single Portfolio Available Funds with respect to such Payment Date but excluding the amounts under item (viii) of the Single Portfolio Available Funds.

"**Single Portfolio Notes Principal Amount Outstanding**" means with respect to each Payment Date:

(xvii) 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;

(xviii) 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;

(xix) 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;

(xx) 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;

(xxi) 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;

(xxii) 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;

(xxiii) 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;

(xxiv) 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;

(xxv) 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;

(xxvi) 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;

(xxvii) 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;

(xxviii) 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;

(xxix) 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;

(xxx) 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;

(xxxi) 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;

(xxxii) 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;

in each case as at the immediately preceding Collection Date..

"**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:

(iii) 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

(iv) 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 f Date immediately preceding such Payment Date, equal (without duplication) to:

(i) the aggregate of all Interest Instalments accrued on the Claims of the Relevant Portfolio in the immediately preceding Collection Period (excluding Interest Accruals); *plus*

(ii) the aggregate of all fees for prepayment paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; *plus*

(iii) the aggregate of all interest for late payments (*interessi di mora*) paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; *plus*

(iv) all amounts received or recovered by the Issuer in the immediately preceding Collection Period with respect to the Claims of the Relevant Portfolio which are or have been Defaulted Claims; *plus*

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

(vi) the relevant Outstanding Notes Ratio of all profit and accrued interest (if any) received under the Eligible Investments made in respect of the immediately preceding Collection Period; *plus*

(vii) (a) the amounts credited on the immediately preceding Payment Date on the relevant Principal Amortisation Reserve Account; and (b) the amounts credited on the immediately preceding Payment Date on the Reserve Account out of the Claims of the Relevant Portfolio, but in any case other than the portion of such amounts deriving from Principal Instalments on the Claims; ; *minus*

(viii) the difference between (i) the Single Portfolio Amortised Principal due on the immediately preceding Payment Date and (ii) the amount paid under item (*Eight*) and (*Tenth*) of the Pre- Acceleration Order of Priority at such immediately preceding Payment Date; *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*) to (*Sixth*) of the Pre Acceleration Order of Priority, or

(b) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date under item (*Fifth*) of the Acceleration Order of Priority to the Servicer (or the Back-up Servicer) of the Relevant Portfolio, plus the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items (*First*), (*Second*), (*Third*), (*Fourth*), (*Sixth*) and (*Ninth*) of the Acceleration Order of Priority, or

(c) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date under item (*Fifth*) of the Cross Collateral Order of Priority to the Servicer (or the Back-up Servicer) of the Relevant Portfolio, plus the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items (*First*), (*Second*), (*Third*) (*Fourth*), (*Sixth*), (*Seventh*) and (*Eleventh*) of the Cross Collateral Order of Priority; *minus*

(x) (a) the amounts credited on such Payment Date on the relevant Principal Amortisation Reserve Account; and (b) the amounts credited on such Payment Date on the Reserve Account out of the Claims of the Relevant Portfolio, but in any case other than the portion of such amounts deriving from Principal Instalments on the Claims; *minus*

the Outstanding Balance of all the Claims of the Relevant Portfolio which have become Defaulted Claims during the immediately preceding Collection Period calculated as at the immediately preceding Collection Date.

"**Specific Criteria**" means the specific criteria used for the selection of the Claims for each Originator.

"**Specified Office**" means the office of the Principal Paying Agent at Via Ansperto, 5, 20123, Milan Italy, or such other address as the Principal Paying Agent may from time to time specify pursuant to Cash Administration and Agency Agreement.

"**Subscribers**" means collectively BCC Umbria, BCC Marca, BCC Mantovabanca, BCC Bassano Banca, BCC Anghiari e Stia, BCC di Brendola, BCC Corinaldo, BCC di Fiumicello ed Aiello del Friuli, BCC Centroveneto, BCC Banco Emiliano, BCC Monterenzio, BCC di Piove di Sacco, BCC Centromarca, BCC Roana, BCC San Giorgio e Valle Agno and BCC di Treviglio.

"**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 the relevant Transaction Document or to which under such laws the same have been transferred.

"**Target Cash Reserve Amount**" means: (i) with respect to Portfolio 1 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (ii) with respect to Portfolio 2 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (iii) with respect to Portfolio 3 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1

(one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (iv) with respect to Portfolio 4 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (v) with respect to Portfolio 5 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (vi) with respect to Portfolio 6 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (vii) with respect to Portfolio 7 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (viii) with respect to Portfolio 8 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (ix) with respect to Portfolio 9 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (x) with respect to Portfolio 10 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (xi) with respect to Portfolio 11 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (xii) with respect to Portfolio 12 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (xiii) with respect to Portfolio 13 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (xiv) with respect to Portfolio 14 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (xv) with respect to Portfolio 15 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; (xvi) with respect to

Portfolio 16 on each Payment Date an amount equal to the higher of (a) 4% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding calculated 1 (one) Business Day following the immediately preceding Payment Date (and, with reference to the first Payment Date, on the Issue Date), and (b) 3% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the Issue Date; *provided that* each Target Cash Reserve Amount will be equal to 0 (zero) on the earlier of the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter) and the Final Maturity Date.

"**Three Month EURIBOR**" means Euribor for three months deposits calculated as provided for in Condition 5.2.1.

"**Transaction Bank**" means BNP Paribas Securities Services, Milan Branch or any other person acting from time to time as transaction bank.

"**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 Notes Subscription Agreement, the Cash Administration and Agency Agreement, the Limited Recourse Loan Agreement, the Quotaholder's Agreement and the Conditions.

"**Transitory Collections and Recoveries Accounts**" means the 16 accounts 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.

"**Transfer Agreements**" means collectively the 16 transfer agreements entered into on 4 October 2016, each between the Issuer and an Originator, pursuant to which the Portfolios have been purchased by the Issuer.

"**Transfer Date**" means 4 October 2016.

"**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 (*Trigger Events*).

"**Trigger Notice**" has the meaning ascribed to it in Condition 9 (*Trigger Events*).

"**Unpaid Instalment**" means any Instalment in relation to which the principal quota and interest quota have not been fully paid for a period longer than 5 (five) days from the relevant the scheduled date for payment, with respect to Loans with monthly, bi-monthly, quarterly, four-monthly, semi-annually and annually instalments.

"**Usury Law**" means Italian Law No. 108 of 7 March 1996 (*Disposizioni in materia di usura*), as subsequently amended and supplemented.

"**Valuation Date**" means the 23:59 of 24 June 2016.

"**Warranty and Indemnity Agreement**" means the warranty and indemnity agreement entered into between the Issuer and the Originators on 4 October 2016 pursuant to which, inter alios, representations and warranties in respect of the Portfolios have been made by the Originators in favour of the Issuer.

1. FORM, DENOMINATION, STATUS

(1) The Notes will be held in dematerialised form on behalf of the beneficial owners as of

the Issue Date, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear.

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

(3) Class A Notes shall be issued in denominations of Euro 100,000. Each Series of Class B Notes will be issued in denominations of Euro 1,000.

(4) The Issuer has elected Ireland as Home Member State for the purpose of the Transparency Directive.

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 Portfolios and the other Issuer's Rights. Notwithstanding any other provision of these Conditions, the obligation of the Issuer to make any payment under the Notes shall be equal to the lesser of (a) the nominal amount of such payment and (b) the Issuer Available Funds and the Single Portfolio Available Funds which may be applied for the relevant purpose, in accordance with the applicable Order of Priority and the terms of the Intercreditor Agreement and neither the Representative of the Noteholders nor any relevant Noteholder may take any further steps against the Issuer or any of its assets to recover any unpaid sum and the Issuer's liability for any unpaid sum will be extinguished. The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the consequences thereof, including but not limited to the provisions under article 1469 of the Italian Civil Code. Without prejudice to the acknowledgement that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*", any payment obligations of the Issuer under the Notes as have remained unpaid to the extent referred to above upon the earlier of (i) following the completion of any proceedings for the recovery of all Claims, the date on which such recoveries (if any) are paid in accordance with the applicable Order of Priority, (ii) following the sale (if any) of the then outstanding Portfolios, the date on which the proceeds of such sale 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) By operation of the Securitisation Law, the Issuer's rights, title and interest in and to the Portfolio and the other Issuer's Rights will be segregated from all other assets of the Issuer and amounts deriving therefrom 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, the Other Issuer Creditors in accordance with the applicable Order of Priority set forth in Condition 4 *(Orders 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 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 two years plus one day have 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 (*Further Securitisations*) 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 (*Further Securitisations*) 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 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 the 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 (*Redemption for Taxation*), 6.4 (*Optional Redemption*) and 6.5 (*Sale of the Portfolios*); 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 (or successor 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 30 September 2014, 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; or

3.7 No variation or waiver

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, if such amendment, termination or discharge may negatively affect the interest of the Class A Noteholders or, if no Class A Notes are outstanding, the Class B Noteholders; or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is a party, in a way which may negatively affect the interest of the Class A Noteholders or, if no Class A Notes are outstanding, the Class B Noteholders; or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations thereunder, if such release may negatively affect the interest of the Class A Noteholders or, if no Class A Notes are outstanding, the Class B Noteholders; or

3.8 Bank Accounts

without prejudice to Condition 3.10 (*Further Securitisations*), 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 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

None of the covenants in this Condition 3 (*Covenants*) shall prohibit the Issuer from:

(i) acquiring, or financing pursuant to article 7 of the Securitisation Law, by way of separate transactions unrelated to this Transaction, further portfolios of monetary claims in addition to the Claims either from the Originators or from any other entity (the "**Further Portfolios**");

(ii) securitising such Further Portfolios (each, a "**Further Securitisation**") through the issue of further debt securities additional to the Notes (the "**Further Notes**");

(iii) entering into agreements and transactions, with the Originators or any other entity, that are incidental to or necessary in connection with such Further Securitisation including, *inter alia*, the ring-fencing or the granting of security over such Further Portfolios and any right, benefit, agreement, instrument, document or other asset of the Issuer relating thereto to secure such Further Notes (the "**Further Security**"), provided that:

(A) the Issuer confirms in writing to the Representative of the Noteholders that such Further Security does not comprise or extend over any of the Claims or any of the other Issuer's Rights;

(B) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of the Further Notes contain provisions to the effect that the obligations of the Issuer whether in respect of interest, principal, premium or other amounts in respect of such Further Notes, are limited recourse obligations of the

Issuer, limited to some or all of the assets comprised in such Further Security;

(C) the Issuer confirms in writing to the Representative of the Noteholders that each party to such Further Securitisation agrees and acknowledges that the obligations of the Issuer to such party in connection with such Further Securitisation are limited recourse obligations of the Issuer, limited to some or all of the assets comprised in such Further Security and that each creditor in respect of such Further Securitisation or the representative of the holders of such Further Notes has agreed to limitations on its ability to take action against the Issuer, including in respect of insolvency proceedings relating to the Issuer, on terms in all significant respects equivalent to those contained in the Intercreditor Agreement;

(D) the Issuer has notified in advance the Rating Agencies of its intention to carry out a Further Securitisation and provided that any such Further Securitisation would not adversely affect the then current ratings of the Class A Notes;

(E) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of such Further Notes will include: (I) covenants by the Issuer in all significant respects equivalent to those covenants provided in paragraphs (A) to (D) above; and (II) provisions which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to this provision;

(F) such further securitisation shall not affect the qualification of the Class A Notes as eligible collateral (if applicable), within the meaning of the guidelines issued by the European Central Bank in September 2011 (*The implementation of monetary policy in the Euro area*) and on March 2013*(Additional temporary measures relating to Eurosystem refinancing operation and eligibility of collateral and amending Guideline ECB/2007/9*), as subsequently amended and supplemented, for liquidity and/or open market transactions carried out with a central bank in the Eurozone; and

(G) the Representative of the Noteholders is satisfied that conditions (A) to (F) of this provision have been satisfied.

In giving any consent to the foregoing, the Representative of the Noteholders may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (as may itself consent thereto on behalf of the Noteholders) or may impose such other conditions or requirements as the Representative of the Noteholders may deem expedient (in its absolute discretion) in the interests of the Noteholders and may rely on any written confirmation from the Issuer as to the matters contained therein.

None of the covenants in this Condition 3 (*Covenants*) shall prohibit the Issuer from carrying out any activity which is incidental to maintaining its corporate existence and complying with laws and regulations applicable to it.

4. ORDERS OF PRIORITY

4.1 Pre-Acceleration Order Of Priority

In each of the following cases: (i) prior to the delivery of a Trigger Notice or of a Cross Acceleration Notice, (ii) in case of Optional Redemption, or (iii) in case of Redemption for Taxation, 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 (i) of all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with the applicable legislation and regulations or to fulfill payment obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Transaction to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Expenses Account (ii) all costs and taxes required to be paid to maintain the rating of the Class A Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

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

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

Fourth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, the Principal Paying Agent, the Corporate Services Provider and the Back-Up Servicer Facilitator;

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

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

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

Eighth, to pay to the Class A Noteholders the relevant Single Portfolio Class A Notes Principal Payment Amount;

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

any amount already paid under this item in any preceding Payment Date).

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

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

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

Fourteenth, to pay (*pari passu* and *pro rata* according to the amounts then due) to (a) 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) and pursuant to the Subscription Agreement, and (b) the relevant Subscriber or the relevant Originator any amount due by the Issuer pursuant to the Subscription Agreement;

Fifteenth, 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;

Sixteenth, 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;

Seventeenth, 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);

Eighteenth, 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;

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

4.2 On each Payment Date with respect to which the Pre-Acceleration Order of Priority applies, following a written notice from the Computation Agent to the Issuer and the Representative of the Noteholders that a Class A Disequilibrium Event with respect to one or more Portfolios has occurred, the Issuer shall (i) apply the relevant Single Portfolio Available Funds left after payment of item (*Seventh*), included, of the Pre-Acceleration Order of Priority as relevant Single Portfolio Amortised Principal, provided that such payment shall be drawn only in respect of the Portfolio/s in relation to which a Class A Disequilibrium Event has occurred; and (ii) pay the relevant Principal Amortisation Reserve Amount into the relevant Principal

Amortisation Reserve Account in accordance with the Pre-Acceleration Order of Priority; provided that such Principal Amortisation Reserve Amount shall be drawn only from the Portfolios in relation to which a Class A Disequilibrium Event has not occurred. A Class A Disequilibrium Event shall occur with respect to a Portfolio if on any Payment Date the Single Portfolio Available Funds relating to such Portfolio are not sufficient to reduce to zero the relevant Single Portfolio Class A Notes Principal Amount Outstanding while the Single Portfolio Available Funds relating to all or some of the other Portfolios are sufficient to reduce to zero the relevant Single Portfolio Class A Notes Principal Amount Outstanding.

4.3 On each Payment Date with respect to which the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority applies, but excluding any Payment Date in relation to which a Class A Disequilibrium Event has occurred, following a written notice from the Computation Agent to the Issuer and the Representative of the Noteholders that a Detrimental Event has occurred, the Issuer shall be obliged to credit the Reserve Amount into the Reserve Account with respect to each Portfolio having enough funds available for such purpose in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority.

A Detrimental Event shall occur with respect to a Payment Date (other than a Payment Date on which the Class A Notes are redeemed in full) when the Cash Reserve (calculated taking into account any amount to be paid into and out of the Cash Reserve Accounts on such Payment Date) is less than 80% (eighty per cent) of the aggregate of the Target Cash Reserve Amounts.

4.4 Acceleration Order of Priority

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

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

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

Fourth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, , the Principal Paying Agent, the Corporate Services Provider and the Back-Up Servicer Facilitator;

Fifth, to pay to each Servicer all the fees and expenses pursuant to the Servicing Agreement (*pro rata* according to the performance of the Relevant Portfolio) and/or to the Back-up Servicer pursuant to the Back-up Servicing Agreement, as the case may be,

to the extent not expressly included in any following item;

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

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

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

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

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

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

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

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

Fourteenth, to pay the Single Series Class B Notes Interest Payment Amount due and payable on each Series of Class B Notes (*pari passu* and *pro rata* to the extent of the respective amounts thereof);

Fifteenth, following full redemption of the Class A Notes, to redeem the Principal

Amount Outstanding of each Series of Class B Notes in the maximum amount of the relevant Single Series Available Class B Notes Redemption Funds *(pari passu* and *pro rata* to the extent of the respective amounts thereof);

Sixteenth, 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, Cash Reserve Account and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account, the Collections and Recoveries Account, Reserve Account and Expenses Account to each relevant Originator.

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.

4.5 Cross Collateral Order of Priority

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

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

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

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

Fourth, to pay *(pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, the Principal Paying Agent, the Corporate Services Provider and the Back-Up Servicer Facilitator;

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

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

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

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

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

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

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

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

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

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

Sixteenth, following full redemption of the Class A Notes, to redeem the Principal Amount Outstanding of the relevant Series of Class B Notes in the maximum amount of

the relevant Single Series Available Class B Notes Redemption Funds;

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

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

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

(d) firstly, shall provide support (being included in the relevant Single Portfolio Available Funds) with respect to the Relevant Portfolio in respect of payments under items (*First*) to (*Sixth*) of the Pre-Acceleration Order of Priority;

(e) secondly, shall provide support (being included in the relevant Single Portfolio Available Funds) with respect to the Relevant Portfolio in respect of payments under item (*Eighth*) of the Pre-Acceleration Order of Priority for an amount not higher than the difference (if positive) between the amount of the Relevant Cash Reserve available after making the payments under letter (a) above, and 20% of the relevant Target Cash Reserve Amount as at the day following the immediately preceding Payment Date;

(f) thereafter, (to the extent not utilised under item (a) and (b) above and Condition 4.7 below and in any case taking into account for each Cash Reserve its relevant limit under item (b) above) shall increase the Single Portfolio Available Funds in respect of the other Portfolios, pursuant to the terms of the Cash Administration and Agency Agreement, in case any of the other Relevant Cash Reserves is not sufficient to meet the Single Portfolio Negative Balance of the Relevant Portfolio.

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

4.8 In the event that any of the Cross Collateral Order of Priority or the Acceleration Order of Priority becomes applicable and until full repayment of the Class A Notes, the Cash Reserves (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement), in case of a Portfolio Negative Balance:

a. firstly, shall provide support (being included in the Issuer Available Funds) with respect to all Portfolios in respect of payments under items (*First*) to (*Sixth*) of the Cross Collateral

Order of Priority or the Acceleration Order of Priority (as applicable);

b. secondly, shall provide support (being included in the Issuer Available Funds) with respect to the aggregate of all the Portfolios in respect of payments under item (*Eighth*) of the Cross Collateral Order of Priority, for an amount not higher than the difference (if positive) between the amount of the Cash Reserve available after making the payments under letter (a) above, and 20% of the sums of each Target Cash Reserve Amounts as at the day following the immediately preceding Payment Date.

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

4.10 If, on any Calculation Date, it is verified that (i) a Relevant Cash Reserve (net of the amounts to be paid on the immediately following Payment Date as per paragraphs (A) and/or (B) above (if any) is higher than the relevant Cash Reserve Target Amount, the corresponding amounts shall form part of the Single Portfolio Available Funds of the Relevant Portfolio or the Issuer Available Funds, as applicable; (ii) the Target Cash Reserve Amount with reference to each of the Cash Reserve Accounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date, each amount standing to the credit of each relevant Cash Reserve Account on the Business Day following the immediately preceding Payment Date (less any amount which shall be used on the Payment Date on which the Class A Notes are redeemed in full to make such redemption) (if any) shall, on the Payment Date on which the Class A Notes are redeemed in full form part of the Single Portfolio Available Funds of the Relevant Portfolio or the Issuer Available Funds, as applicable (each relevant amount under letter (i) and (ii) above the "**Cash Reserve Excess**".

5. INTEREST

5.1 Payment Dates and Interest Periods

Each of the Class A Notes bears interest on its Principal Amount Outstanding from (and including) the Issue Date at an annual rate equal to the lower of (i) Three Month EURIBOR (as defined below), (or in the case of the Initial Interest Period, the linear interpolation between the Euribor for 3 month and 6 month deposits in Euro) plus the following relevant margin 0,30% per annum in respect of the Class A Notes and (ii) 7% per annum.

Save as provided for in Condition 5.8 (*Unpaid Interest*), interest in respect of the Class A Notes is payable quarterly in arrears on each Payment Date in Euro.

Interest in respect of each Series of the Class B Notes is payable quarterly in arrears on each Payment Date in Euro in an amount equal to the relevant Single Series Class B Notes Interest Payment Amount as determined by the Computation Agent on the relevant Calculation Date.

Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.

Interest shall cease to accrue on any part of the Principal Amount Outstanding of the Notes as from (and including) the due date for redemption of such part unless payment of principal due but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal (after as well as before judgment) at the rate from time to time applicable to the Notes until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Note up to that date are received by or on behalf of the relevant Noteholder; and

(ii) the date on which the relevant Notes are cancelled in accordance with the Conditions.

5.2 Interest Rate

The rate of interest applicable from time to time in respect of the Class A Notes ("**Interest Rate**") will be determined by the Agent Bank on the relevant Interest Determination Date.

The Interest Rate applicable to the Class A Notes for each Interest Period shall be the lower of:

5.2.1 the aggregate of the Relevant Margin; and (A) EURIBOR for three month deposits in Euro calculated as the arithmetic mean of the offered quotations to leading banks (rounded to three decimal places with the mid-point rounded up) for three month Euro deposits in the Euro-zone inter-bank market which appear on Bloomberg page "EUR003M" index (or, in the case of the first Interest Determination Date only, the linear interpolation between the Screen Rate for Euribor for 3 month and 6 month Euro deposits (the "**Additional Screen Rate**")) or (i) such other page as may replace page "EUR003M" 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 Bloomberg Page) (the "**Screen Rate**"), at or about 11:00 a.m. (Milan time) on the relevant Interest Determination Date; or

5.2.2 (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 3 month and 6 month Euro deposits) in a representative amount are offered by that Reference Bank to leading banks in the Euro-zone inter-bank market at or about 11.00 a.m. (Milan time) on the relevant Interest Determination Date. If, on any such Interest Determination Date, only two of the Reference Banks provide such quotations to the Agent Bank, the rate for the relevant Interest Period shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If, on any such Interest Determination Date, only one or none of the Reference Banks provides the Agent Bank with such quotation, the Agent Bank shall forthwith consult with the Representative of the Noteholders and the Issuer for the purpose of agreeing one additional bank (or, where none of the Reference Banks provides such a quotation, two additional banks) to provide such a quotation or quotations to the Agent Bank (which bank or banks is or are in the opinion of the Representative of the Noteholders suitable for such purpose) and the rate for the relevant Interest Period shall be determined, as aforesaid, on the basis of the offered quotations of such banks (or, as the case may be, the offered quotations of such bank and the relevant Reference Bank). If no such bank (or banks) is (or are) so

agreed or such bank (or banks) as agreed does not (or do not) provide such a quotation (or quotations), then the rate for the relevant Interest Period shall be the rate in effect for the last preceding Interest Period to which sub-paragraph (A) of this Condition 5.2.1 shall have applied (the "**Three Month EURIBOR**"); and

5.2.3 7 % per annum.

It remains understood that, for the above purposes, if the algebraic sum of the applicable Three Month EURIBOR and the relevant margin results in a negative rate, the applicable Interest Rate shall be deemed to be zero.

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 Class A Notes for 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, Monte Titoli, Euroclear, Clearstream, the Principal Paying Agent 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 (*Determination of the Interest Rate, calculation of the Interest Amount and Single Series Class B Notes Interest Payment Amount above, the Representative of the Noteholders*), the Representative of the Noteholders shall determine the Interest Rate at such rate as (having regard to the procedure described in Condition 5.2 (*Interest Rate*) 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 (*Determination of the Interest Rate, calculation of the Interest Amount and Single Series Class B Notes Interest Payment Amount above, the Representative of the Noteholders*) 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 (*Publication of the Interest Rate and the Interest Amount*).

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 (*Interest*), whether by the Reference Banks (or any of them), the Agent Bank, the Computation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default (*dolo*) or gross negligence (*colpa grave*) be binding on the Reference Banks, the Agent Bank, the Computation Agent, the Issuer, the Representative of the Noteholders and all the Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Reference Banks, the Agent Bank, the Computation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

5.7 Reference Banks and Agent Bank

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be three reference banks (the "**Reference Banks**") and the Agent Bank. The initial Reference Banks shall be Société Générale, Banca Imi S.p.A. and RBS – The Royal Bank of Scotland. In the event of any such bank is unable or unwilling to continue to act as a Reference Bank or that any of the merge with another Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Representative of the Noteholders to act as such. The Issuer shall insure that at all times an Agent Bank is appointed. If a new Agent Bank is appointed, a notice will be published in accordance with Condition 13 (*Notices*).

5.8 Unpaid Interest

Without prejudice to Condition 2 (1) (*Status, Priority and Segregation)* and to the right of the Representative of the Noteholder to serve to the Issuer a Trigger Notice pursuant to Condition 9.1(a) (*Non Payment*), in the event that the Single Portfolio Available Funds or the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the Pre-Acceleration Order of Priority, the Cross Collateral Order of Priority or the Acceleration Order of Priority, as applicable) for the payment of interest on the Class A Notes on such Payment Date are not sufficient to pay in full the relevant Interest Amount, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the Interest Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of these Conditions as if it were, Interest Amount accrued on the Class A Notes on the immediately following Payment Date. Any such unpaid amount shall not accrue additional interest.

The Issuer shall arrange for notice to be given forthwith by the Agent Bank to Monte Titoli, the Irish Stock Exchange (and to any other stock exchange on which the Class A Notes are listed), the Representative of the Noteholders, the Principal Paying Agent and the Computation Agent and will cause notice to that effect to be given to the Noteholders in accordance with Condition

13 (*Notices*), no later than three Business Days prior to any Payment Date, of any Payment Date on which, pursuant to this Condition 5.8 (*Unpaid Interest*), 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 (*Redemption, Purchase and Cancellation)*, 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 this Conditions 6.2 (*Redemption for Taxation*), 6.3 (*Mandatory Redemption*), 6.4 (*Optional Redemption*) or 6.5 (*Sale of the Portfolios*) 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) (also through the Issuer's Agent) 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 by any applicable authority having jurisdiction (or that amounts payable to the Issuer in respect of the Portfolios would be subject to withholding or deduction); or

(B) would incur increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation;

and in each case will have the necessary funds (not subject to the interests of any other person) to discharge all of its outstanding liabilities with respect to the Notes (or with the consent of the Class B Noteholders the Class A Notes only) and any amounts required under the Intercreditor Agreement to be paid in priority to, or *pari passu* with, each Notes (together with any additional taxes payable by the Issuer by reason of such early redemption of the Notes), the Issuer may, on the first Payment Date on which such necessary funds become available to it, redeem the Notes in whole but not in part (or only the Class A Notes in whole, if all the Class B Noteholders consent) at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to and including the relevant Payment Date and together with all payments ranking in priority or pari passu with the relevant Notes to be redeemed, in accordance with the Pre-Acceleration Order of Priority, 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, the Servicers and 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 of the Class A Notes

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

(a) on each Payment Date, other than the Payment Dates under letter (b) below, in a maximum amount equal to their Class A Notes Principal Payment Amount with respect to such Payment Date;

(b) on any Payment Date: (i) following the delivery of a Trigger Notice pursuant to Condition 9.1 (*Trigger Events*); (ii) in the case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*); or (iii) in the case of the Issuer exercising the Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), 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

Provided that no Trigger Notice has been served on the Issuer, the Issuer may redeem the Notes in whole but not in part (or only the Class A Notes in whole, if all the Class B Noteholders consent) at their Principal Amount Outstanding, together with interest accrued and unpaid up to the date fixed for redemption, if at the preceding Collection Date the aggregate principal outstanding amount of the Notes is equal to or less than 19% of the the Purchase Price (as calculated by the Computation Agent and resulting from the Payments Report) (such relevant Payment Date the "**Clean Up Option Date**").

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

6.5 Sale of the Portfolios

In the following circumstances:

(i) in case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*),

(ii) in case of Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*),

(iii) after a Trigger Notice has been served on the Issuer (with a copy to the Servicers) pursuant to Condition 9 (*Trigger Events*) if an Extraordinary Resolution of the holders of the Class A Notes resolve to request the Issuer to sell all (or part only) the Portfolios to one or more third parties,

the Issuer will be authorised to search for potential purchasers of all (or part only) of the Portfolios. Such potential purchaser shall in any case deliver to the Issuer and the Representative of the Noteholders on the relevant purchase date of the Portfolios (the

"**Purchase Date**") (I) a certificate of good standing issued by the competent Chamber of Commerce (*certificato di vigenza della Camera di Commercio*) dated not later than 10 (ten) days before the relevant Purchase Date; (II) a solvency certificates signed by a duly authorised representative of such potential purchaser dated the relevant Purchase Date; and (III), except where the issuance of the certificate is not permitted by the internal rules applied by the relevant court, also a certificate from the appropriate bankruptcy court confirming that no insolvency petitions have been filed against such potential purchaser dated not later than 10 (ten) days before the relevant Purchase Date.

The transfer of the Portfolios pursuant to this Condition 6.5 (*Sale of the Portfolios*) shall be construed as a "*vendita a rischio e pericolo del compratore*" pursuant to article 1488, second paragraph, of the Italian civil code with express derogation by the relevant parties of article 1266 of the Italian civil code with reference to the guarantee, granted by the transferor, of the existence of the claims and article 1448 of the Italian civil code shall not apply. The transfer of the relevant Portfolios shall be subject to payments to the Issuer of the relevant purchase price, provided that all the documentation listed in this Condition 6.5 (*Sale of the Portfolios*) has been timely delivered to the Issuer.

In addition, following the delivery of a Trigger Notice, the Representative of the Noteholders shall be entitled to sell the Portfolios acting in accordance with the provisions of the Intercreditor Agreement.

In any case, neither the Issuer nor the Representative of the Noteholders will be allowed to sell the Portfolio in case a bankruptcy or similar proceeding has been commenced against the Issuer or in any other case such a sale would be prohibited under Italian law.

Should such a sale of the Portfolios take place, the proceeds of such sale shall be treated by the Issuer as 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 Pre-Acceleration Order of Priority. Prior written notice of the sale of the Portfolios shall be given to the Rating Agencies.

No authorisation to the sale of the Portfolios shall be necessary in case of exercise of the option by the Originators pursuant to clause 10 (*Limited Recourse*) of the Intercreditor Agreement.

6.6 Notice of Redemption

Any such notice as is referred to in Condition 6.2 (*Redemption for Taxation*) and 6.4 (*Optional Redemption*) 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 (*Redemption, Purchase and Cancellation)*. The Issuer or the Representative of the Noteholder, as the case may be, will give a prior notice to the Rating Agencies of the redemption of the Class A Notes pursuant to Conditions 6.2 (*Redemption for Taxation*), 6.3 (*Mandatory Redemption*) or 6.4 (*Optional Redemption*).

6.7 Principal Payments and Principal Amount Outstanding

6.7.1 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 Issuer Available Funds and the Single Series Available Class B Notes Redemption Funds (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;

(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);

(ii) the amount of the relevant Single Portfolio Class A Notes Principal Amount Outstanding;

(iii) the Single Portfolio Class A Notes Principal Payment Amount;

(iv) the Single Portfolio Notes Principal Amount Outstanding, and

(v) the Principal Amount Outstanding of the Relevant Series of the Class B Notes;

(f) determine the amount of the Principal Amortisation Reserve Amounts, Reserve Amount (if any), the Target Cash Reserve Amounts, each Cash Reserve Excess and the amount of each Cash Reserve that shall be utilized to increase the Issuer Available Funds and the Single Portfolio Available Funds; any calculation in respect to the Cash Reserves shall be made by the Computation Agent in accordance with clause 14 (*Utilisation of the Cash Reserves*) of the Cash Administration and Agency Agreement; and

6.7.2 the Computation shall, at least 5 (five) Business Days prior to each Payment Date (the "**Payments Report Date**"), deliver to the Representative of the Noteholders, the Servicers, the Corporate Services Provider, the Operating Bank, the Transaction Bank, the Principal Paying Agent and the Rating Agencies a payments report setting out all such payments in the form which shall be agreed by the Parties (the "**Payments Report**"); *provided that* in case the Payments Report is not received by the Principal Paying Agent, the Principal Paying Agent shall promptly notify the Representative of the Noteholders of the occurrence of such event within 1 (one) Business Day following the Payments Report Date (the "**Principal Paying Agent Notice**"). Upon receiving such notice the Representative of the Noteholders shall promptly inform the Rating Agencies.

6.7.3 Each determination by or on behalf of the Issuer of the Principal Payment on each Note, the Principal Amount Outstanding of each Note and on each Class of Notes shall in each case (in the absence of wilful default or gross negligence) be final and binding on all persons.

6.7.4 The Issuer shall, no later than three 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 **(i)** by the Computation Agent to the Representative of the Noteholders, the Servicers, the Transaction Bank and the Principal Paying Agent and **(ii)** by the Agent Bank to Euroclear, Clearstream, the Irish Stock Exchange 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*).

6.7.5 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 (*Principal Payments and Principal Amount Outstanding*), such principal payment or Principal Amount Outstanding of the Notes shall be determined by the Computation Agent in accordance with this Condition 6.7 (*Principal Payments and Principal Amount Outstanding*) 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 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 the Principal Paying Agent and to appoint additional or other paying agents including the Principal Paying Agent provided that (as long as the Class A Notes are listed on the 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 Principal Paying Agent or their registered offices in accordance with Condition 13 (*Notices*).

8. TAXATION

All payments in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature other than a Law 239 Deduction or any other withholding or deduction required to be made by applicable law (including, for the avoidance of doubt, any withholding or deduction required pursuant to U.S. Foreign Account Tax Compliance Act, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto). 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 (A) the relevant Interest Amount on the Class A Notes (in case the Most Senior Class of Notes are the Class A Notes) or (B) the relevant Single Series Class B Notes Interest Payment Amount on the Class B Notes (in case the Most Senior Class of Notes are 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* and *accordi di ristrutturazione*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous

proceedings under the law of the jurisdiction in which the Issuer is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, receivership, arrangement, adjustment, protection or relief of debtors) or similar proceedings or the whole or any substantial part of the undertaking or assets of the Issuer are subject to a *pignoramento* or similar procedure having a similar effect (other than any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success;

(ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by the Issuer or the same proceedings are otherwise initiated against the Issuer and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success;

(iii) the Issuer takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments;

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

(e) *Unlawfulness:*

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

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

(i) shall, in the case of the Trigger Event set out under point (a) above;

(ii) shall if so requested in writing by an Extraordinary Resolution of the holders of the Most Senior Class of 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 Most Senior Class of Notes in case of any other Trigger Event,

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

Following the delivery of a Trigger Notice, without any further action or formality, on the immediately following Payment Date, and on each Payment Date thereafter, all payments of

principal, interest and other amounts due with respect to the Notes and to the Other Issuer Creditors shall be made in accordance with the Acceleration Order of Priority.

10. CROSS COLLATERAL EVENTS

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

(a) *Disequilibrium Event*

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

(b) *Default Ratio*

The Default Ratio, as at any Collection Date, is higher than 6%; or

(c) *Cash Reserve*

On any Calculation Date, with reference to the immediately following Payment Date, the aggregate of the Single Portfolio Negative Balances (but excluding item (*Eighth*) of the Pre-Acceleration Order of Priority) with respect to such Payment Date is equal to or exceeds the Cash Reserves;

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 to the Rating Agencies) 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 (*Trigger Events*) above or this Condition 11 (*Enforcement*), 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 106 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) (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, 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 (ten) years (in the case of principal) or 5 (five) years (in the case of interest) from the Relevant Date in respect thereof, unless a case of interruption or suspension of the statute of limitation applies in accordance with Italian law.

"**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 and all non-contractual obligations arising out or in connection with them are governed by and shall be construed in accordance with Italian law.

15.2 All the Transaction Documents and all non-contractual obligations arising out or in connection with them are governed by Italian law.

15.3 The Courts of Rome shall have exclusive jurisdiction to settle any disputes (including all non contractual obligations arising out or in connection with the Notes) that may arise out of or in connection with the Notes.

EXHIBIT 1 - 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:

"**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 or principal 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) the appointment and removal of the Representative of the Noteholders;

(8) 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, as the case may be.

"**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 BNP Paribas Securities Services, Milan Branch or any other person acting from time to time as principal paying agent.

"**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 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 Accounting Partners S.r.l., 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.

"**Specified Office**" means the office of the Principal Paying Agent at Via Ansperto, 5, 20123, Milan Italy, or such other address as the Principal Paying Agent may from time to time specify pursuant to Cash Administration and Agency Agreement.

"**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, at 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 resolutions)

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 the votes cast by the Voters attending the relevant Meeting has 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 Issuer and Principal Paying Agent have 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 Accounting Partners S.r.l.

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 106 or 107 of the Consolidated Banking Act (or any other relevant register held from time to time by the Bank of Italy); or

(3) any other entity which may be permitted to act in such capacity by any applicable provisions of Italian law.

The Representative of the Noteholders shall be appointed for unlimited term and can be removed by the Meeting at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, the Representative of the Noteholders shall remain in office until acceptance of appointment by the substitute Representative of the Noteholders designated among the entities indicated in (1), (2) and (3) above and until such substitute Representative of the Noteholders has entered into the Intercreditor Agreement and the other relevant Transaction Documents; should said acceptance of appointment by the substitute Representative of the Noteholders not occur within thirty days after such termination, the terminated Representative of the Noteholders shall be entitled to appoint, in the name and on behalf of the Issuer, its own successor, convening a fee not higher than the fee that such terminated Representative of the Noteholders agreed with the Issuer, provided that any such successor shall satisfy all the conditions set out above; and the powers and authority of Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

The directors, auditors (if any) 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 against 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 the Issuer as a consequence of 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 and the Rating Agencies without giving any reason therefore and without being responsible for any costs occasioned by such resignation. The resignation of the Representative of the Noteholders shall not become effective until the Meeting has appointed a new representative of the Noteholders and until such new representative of the Noteholders has entered into the Intercreditor Agreement and the other relevant Transaction Documents. If a new representative of the Noteholders is not appointed by the Meeting within sixty days after such notice of resignation, the resigning Representative of the Noteholders will be entitled to appoint its own successor, in the name and on behalf of the Issuer and convening a fee not higher than the fee that the resigning Representative of the Noteholders agreed with the Issuer, *provided that* any such successor shall satisfy with the conditions of Article 25 (*Appointment, Removal and Remuneration*) 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.

1. 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 Servicers the Principal Paying Agent, the Corporate Services Provider 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 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.

2. 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*) 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.

3. 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 Noteholders and the Other Issuer Creditors, take into account, amongst other things, any written confirmation from the Rating Agencies that the then current ratings of the Notes would not be adversely affected by such exercise;

(c) convene a Meeting of the Noteholders of the relevant Class or Classes of Notes, in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, in order to obtain from them instructions upon how the Representative of the Noteholders should exercise such discretion *provided that* nothing herein shall be construed so as to oblige the Representative of the Noteholders to convene such a Meeting. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request at the Meeting to be indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by taking such action.

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained herein, or in other Transaction Document, such consent or approval may be given retroactively and shall be, in any case, notified to the Rating Agencies.

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
(*Indemnity*)

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Subscription 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 adequately documented costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (the "**Requests**" 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 any Person to whom any power, authority or discretion has been delegated by the Representative of the Noteholders, 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 as a result of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders. It remains in any case understood that: (i) in case any of the obligation hereunder are incurred as a result of any negligence of the Representative of the Noteholders, the amount that shall be paid by the Issuer shall be lowered considering (a) the level of negligence (*gravità della colpa*) of the Representative of the Noteholders and (b) the amount of Requests which have been caused by such negligence of the Representative of the Noteholders; and (ii) no amounts shall be paid by the Issuer for Requests that would have been avoided had the Representative of the Noteholders acted with professional care and diligence.

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 - DISPUTES RESOLUTIONS

Article 32 (*Law and Jurisdiction*)

These Rules and all non-contractual obligations arising out or in connection with them are governed by, and will be construed in accordance with, the laws of Italy.

Any disputes arising out of or in connection with these Rules, including those concerning its validity, interpretation, performance and termination, as well as all non contractual obligations arising out or in connection with these Rules, shall be submitted to the exclusive jurisdiction of the courts of Rome, Italy.

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 in respect of the claims 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. It should be noted that Law Decree No. 145 of 23 December 2013 ("*Interventi urgenti di avvio del piano "Destinazione Italia", per il contenimento delle tariffe elettriche e del gas, per la riduzione dei premi RC-auto, per l'internazionalizzazione, lo sviluppo e la digitalizzazione delle imprese, nonché misure per la realizzazione di opere pubbliche ed EXPO 2015*"), converted with amendments into Law No. 9 of 21 February 2014 ("**Law 9/2014**") and Italian Law Decree no. 91 of 24 June 2014 ("*Disposizioni urgenti per il settore agricolo, la tutela ambientale e l'efficientamento energetico dell'edilizia scolastica e universitaria, il rilancio e lo sviluppo delle imprese, il contenimento dei costi gravanti sulle tariffe elettriche, nonché per la definizione immediata di adempimenti derivanti dalla normative europea*") converted with amendments into Law No. 116 of 11 August 2014, ("**Law 116/2014**") introduced certain amendments to the Law 130 to the purpose of improving the Law 130 by granting additional legal benefits to the entities involved in the securitisation transactions in Italy and better clarifying certain provisions of the Law 130. In particular, the following main changes have been introduced by such laws in respect of the Law 130:

(1) the assigned debtors in securitisation transactions shall not be entitled to exercise any set-off between the amounts due by them under the assigned receivables and their claims arisen after the date of publication in the Official Gazette of the notice of transfer of the relevant portfolio or the date certain at law ("**data certa**") on which the relevant purchase price (even if partial) has been paid;

(2) payments made by assigned debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to Article 65 of the Bankruptcy Law;

(3) the assignment of receivables owed by public entities made under the Law 130 will now be subject only to the formalities contemplated by the Law 130 (i.e., the publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled) and no other formalities shall apply;

(4) where the Notes issued by the special purpose vehicle are subscribed by qualified investors, the underwriter can also be a sole investor;

(5) if the servicer, the sub-servicer or the depositary bank, with which the accounts for the deposit of the collections received from the assigned debtors of securitisation

transactions have been opened, becomes subject to insolvency proceedings, the amounts credited on such accounts will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan;

(6) securitisation companies established under the Law 130 are allowed to grant direct financings to entities which are not individuals or so called micro-companies, subject to certain conditions;

(7) certain consequential changes are made to the Law 130 to reflect such new possibility;

(8) the segregation principle set out in the second paragraph of article 3 of the Law 130 is widened to include any right arising in favour of the securitisation company in the context of the relevant securitisation transaction, the relevant collections and the financial assets acquired with such collections.

2. THE ASSIGNMENT

The assignment of the claims under Securitisatio Law is governed by article 58, paragraphs 2, 3 and 4, of the Consolidated Banking Act. The prevailing interpretation of such provisions, which view has been strengthened by article 4 of Law 130, is that the assignment can be perfected against the originator, assigned debtors and third party creditors by way of publication of the relevant notice in the Official Gazette and registration in the companies' register where the Issuer is enrolled, so avoiding the need for notification to be served on each assigned debtor.

Upon compliance with the formalities set forth by the Law 130, the assignment becomes enforceable against:

(a) the assigned debtors and any creditors of the originator who have not, prior to the date of publication of the notice of assignment in the Official Gazette and registration of the assignment in the register of companies where the assignee is enrolled, commenced enforcement proceedings in respect of the relevant claims;

(b) (i) the liquidator or any other bankruptcy officials of the assigned debtors (so that any payments made by an assigned debtor to the purchasing company may not be subject to any claw-back action according to article 67 of Italian Royal Decree No. 267 of 16 March 1942 (*Disciplina del fallimento, del concordato preventivo e della liquidazione coatta amministrativa*) (the "**Bankruptcy Law**"); and (ii) the liquidator of the originator (provided that the originator has not been subjected to insolvency proceeding prior to the date of publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled); and

(c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled.

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned claims will automatically be transferred to and perfected with the same priority in favour of the company which has purchased the claims, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette and registration of the assignment in the register of companies where the assignee is enrolled, no legal action may be brought against the claims assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant claims and to meet the costs of the transaction.

Notices of the assignments of the Claims pursuant to the Transfer Agreements were published in the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) No. 122 *Parte Seconda* on 13 October 2016 and registered (*iscritto*) in the companies' register of Rome on 11 October 2016.

3. RING-FENCING OF THE ASSETS

Under the terms of article 3 of the Law 130, the assets 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 receivables. Prior to and on a winding-up of such a company such assets will be available only to holders of notes issued to finance the acquisition of the relevant receivables 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.

In addition to the above, it should be noted that, pursuant to the amendments recently introduced to the Law 130 by Law 9/2014 and Law 116/2014, it has been provided for that *inter alia*:

(i) the amounts credited into the accounts opened by companies incorporated as special purpose vehicles pursuant to article 3 of Law 130 with the servicers or with the depositary bank of securitisation transactions, on which the amounts paid by the assigned debtors as well as any other amount due to the relevant special purpose vehicle under the securitisation may be credited, may be utilized only to fulfil the obligations of the relevant special purpose vehicle against the noteholders and the other creditors under the securitisation and to pay the expenses to be borne in connection with the securitisation. Should any proceeding under Title IV of the Consolidated Banking Act, or any other insolvency procedure apply to the relevant servicer or depositary bank, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan; and

(ii) in respect of the accounts opened by the servicers and the sub-servicers with banks, and into which the amounts paid by the assigned debtors may be credited, the creditors of the relevant servicer or sub-servicer may exercise claims only in respect of the amounts credited on such accounts that exceed the amounts due to the relevant special purpose vehicle. Should any insolvency procedure apply to the relevant servicer or sub-servicer, the amounts credited on such segregated accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan. Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

4. CLAW-BACK OF THE SALE OF THE PORTFOLIOS

The sale of the Portfolios by the Originators to the Issuer may be clawed back by a receiver of the relevant Originator under article 67, paragraphs 1(4) and 2 of the Bankruptcy Law but only in the event that the relevant Originator was insolvent when the assignment was entered into and the assignment was executed within three months of the admission of the relevant Originator to compulsory liquidation (*liquidazione coatta amministrativa*) pursuant to Title IV, Heading I, Section III of the Consolidated Banking Act or in cases where paragraph 1(1), 1(2) and 1(3) of article 67 of the Bankruptcy Law applies, within six months of the admission to compulsory liquidation. Under the Warranty and Indemnity Agreement, each of the Originators has represented and warranted that it was solvent as of the Transfer Date and on the Issue Date.

5. CLAW-BACK ACTION AGAINST THE PAYMENTS MADE TO COMPANIES INCORPORATED UNDER LAW 130

Pursuant to Article 4 of the Law 130, as recently amended by Law 9/2014 and Law 116/2014, the payments made by an assigned debtor to the Issuer may not be subject to any claw-back action pursuant 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 "suspect period" (i.e. the period leading up to the bankruptcy or compulsory liquidation declaration) prior to the date on which such party has been declared bankrupt or has been admitted to the compulsory liquidation ("*liquidazione coatta amministrativa*") may be subject to claw-back action according to Article 67 of the Bankruptcy Law. The relevant payment will be set aside and clawed back if the receiver gives evidence that the recipient of the payments had knowledge of the state of insolvency when the payments were made. The question as to whether or not the Issuer had actual or constructive knowledge of the state of insolvency at the time of the payment is a question of fact with respect to which a court may in its discretion consider all relevant circumstances.

6. INEFFECTIVENESS OF PREPAYMENTS BY BORROWERS

Pursuant to article 65 of the Bankruptcy Law, in the event that a Borrower (to the extent the same is subject to the Bankruptcy Law) is declared bankrupt, any payment made by the Borrower during the two-year period prior to the declaration of bankruptcy in respect of any amount which falls due and payable on or after the date of declaration of bankruptcy (including accordingly, any prepayments made under the relevant Mortgage Loan Agreement) are ineffective *vis-à-vis* the Issuer. In this regard, it has to be noted that a 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.

The Law 130, as amended by Law 9/2014, provides that **(i)** the 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 and **(ii)** the payments made by assigned debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law. For further details with respect to the Law 9/2014, please see the section headed "*Selected aspects of Italian Law – The Securitisation Law*".

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, 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. RECOVERY PROCEEDINGS

a. *Ordinary enforcement proceedings*

Mortgages may be "voluntary" ("*ipoteche volontarie*") if granted by a borrower or a third party guarantor by way of a deed or "judicial" ("*ipoteche giudiziarie*") if registered in the appropriate land registry ("*Conservatoria dei Registri Immobiliari*") following a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

A mortgage lender (whose debt is secured by a mortgage) may commence enforcement proceedings by seeking a court order or injunction for payment in the form of an enforcement order ("*titolo esecutivo*") from the court in whose jurisdiction the mortgaged property is located. This court order or injunction must be served on the debtor.

If the mortgage loan was executed in the form of a public deed, a mortgage lender can serve a copy of the mortgage loan agreement, stamped by a notary public with an order for the execution thereof ("*formula esecutiva*") directly on the debtor without the need to obtain an enforcement order ("*titolo esecutivo*") from the court. A writ of execution ("*atto di precetto*") is notified to the debtor together with either the enforcement order ("*titolo esecutivo*") or the loan agreement, as the case may be.

Within (10) ten days of filing, but not later than (90) ninety days from the date on which notice of the writ of execution ("*atto di precetto*") is served, the mortgage lender may

request the attachment of the mortgaged property. The property will be attached by a court order, which must then be filed with the appropriate land registry ("*Conservatoria dei Registri Immobiliari"*). The court will, at the request of the mortgage lender, appoint a custodian to manage the mortgaged property in the interest of the mortgage lender. If the mortgage lender does not make such a request, the debtor will automatically become the custodian of such property.

The mortgage lender is required to search the land registry to ascertain the identity of the current owner of the property and must then serve notice of the request for attachment on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been previously notified to the mortgage lender. Not earlier than ten days and not later than ninety days after serving the attachment order, the mortgage lender may request the court to sell the mortgaged property. The court may delay its decision in respect of the mortgage lender's request in order to hear any challenge by the debtor to the attachment.

Technical delays may be caused by the need to append to the mortgage lender's request for attachment copies of the relevant mortgage and cadastral (*i.e.* land registry) certificates ("*certificati catastali"*), which usually take some time to obtain. Law No. 302 should reduce the duration of the enforcement 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 proceeds with the auction ("*vendita con incanto"*) of the mortgaged property, it will usually appoint an expert to value the property and, on the basis of the expert's evaluation, the court shall determine the minimum bid price for the property at the auction.

If an auction fails to result in the sale of the property, the court will arrange a new auction with a lower minimum bid price. The courts have discretion to decide whether, and to what extent, the bid price should be reduced (the maximum permitted reduction being one-fifth of the minimum bid price of the previous auction). In practice, the courts tend to apply the one-fifth reduction. In the event that no offer is made during an auction, the mortgage lender may apply to the court for a direct assignment of the mortgaged property to the mortgage lender itself. In practice, however, the courts tend to hold auctions until the mortgaged property is sold.

The sale proceeds, after deduction of the expenses of the enforcement proceedings and any expenses for the cancellation of the mortgages, will be applied in satisfaction of the claims of the mortgage lender in priority to the claims of any other creditor of the debtor (except for the claims for taxes due in relation to the mortgaged property and for which the collector of taxes participates in the enforcement proceedings).

Upon payment in full of the purchase price by the purchaser within the specified time period, title to the property will be transferred after the court issues an official decree ordering the transfer. In the event that proceedings have been commenced by creditors other than the mortgage lender, the mortgage lender will have priority over such other creditors in having recourse to the assets of the borrower during such proceedings, such recourse being limited to the value of the mortgaged property.

The average length of enforcement proceedings from the court order or injunction of payment to the final sharing out is between six and seven years. In the medium-sized central and northern Italian cities, it can be significantly less whereas in major cities or in southern Italy, the duration of the procedure can significantly exceed the average. Law

No. 302 has been passed with the aim of reducing the duration of enforcement proceedings.

Italian Law No. 302 of 3 August 1998, Italian Law No. 80 of 15 May 2005, Italian Law No. 263 of 28 December 2005 and the Italian Code of Civil Procedure as amended thereby have introduced certain rules according to which some of the activities to be carried on in a foreclosure procedure may be entrusted to a notary public, lawyers or chartered accountants duly registered with the relevant register as kept and updated from time to time by the chairman of the competent court (Presidente del Tribunale).

In particular, if requested by a creditor, the notary public may issue a notarial certificate attesting the results of the searches with the "catasto" and with the appropriate land registry (Conservatoria dei Registri Immobiliari). Such notarial certificate replaces several documents that are usually required to be attached to the motion for the auction and reduces the timing normally required to obtain the documentation from the relevant public offices. Moreover, if appointed by the foreclosure judge, the notary public may execute the sale by auction by: (a) determining the value of the property; (b) deciding on the offers received after the auction and concerning the payment of the relevant price; (c) initiating further auctions or transfer; (d) executing certain formal documents relating to the registration and filing with the land registry of the transfer decree prepared by the same notary public and issued by the foreclosure judge; and (e) preparing the proceeds' distribution plan and forwarding the same to the foreclosure judge.

With regard to the above, the involvement of a notary public by the foreclosure judge is permitted when: (a) the foreclosure judge has not yet decided on the motion for an auction; (b) a sale without auction has not been performed successfully and the foreclosure judge after consultation with the creditors decides to proceed with an auction; and (c) a possible receivership has ceased and the foreclosure judge decides to proceed with a sale by auction. On the other hand, the involvement of a notary public does not seem to be possible both when a decree providing for the sale without auction has already been issued and when an auction before the foreclosure judge has already been fixed. If the auction is concluded without a sale, it is possible that the foreclosure judge may delegate the power to execute further auctions to the notary public.

b. *Mutui fondiari enforcement proceedings*

The Mortgage Financings include *inter alia* mortgage loans qualifying as "*mutui fondiari"*. Enforcement proceedings in respect of "*mutui fondiari"* commenced after 1 January 1994 are currently regulated by article 38 *et seq.* of the Consolidated Banking Act in which several exceptions to the rules applying to enforcement proceedings in general are provided for. In particular, there is no requirement to serve a copy of the loan agreement directly on the borrower and the mortgage lender of mutui fondiari is entitled to commence or continue enforcement proceedings after the debtor is declared insolvent or insolvency proceedings have been commenced.

Moreover, the custodian appointed to manage the mortgaged property in the interest of the "*fondiario"* 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, the Issuer will be entitled to benefit from such procedural advantages which apply in favour of a lender of a *mutuo fondiario* loan.

Enforcement proceedings for mutui fondiari commenced on or before 31 December 1993 are regulated by the Royal Decree No. 646 of 16 July 1905, which confers on the mutuo fondiario lender rights and privileges that are not provided for by the Consolidated Banking Act with respect to enforcement proceedings on mutui fondiari commenced on or after 1 January 1994. Such additional rights and privileges include the right of the bank to commence enforcement proceedings against the borrower even after the real estate has been sold to a third party who has taken the place of the borrower as debtor under the mutuo fondiario provided that the name of such third party has not been notified to the lender. Further rights include the right of the bank to apply for the real estate to be valued by the court after commencement of enforcement proceedings, at the value indicated in the mutuo fondiario agreement without having to have a further expert appraisal.

c. *Insolvency proceedings*

A company or individual qualifying as commercial entrepreneur ("*imprenditore che esercita un'attività commerciale"*) qualifying under article 1 of the Bankruptcy Law may be subject to insolvency proceedings ("*procedure concorsuali"*). Insolvency proceedings ("*procedure concorsuali"*) under Bankruptcy Law may take the form of, *inter alia*, bankruptcy ("*fallimento"*) or a composition with creditors ("*concordato preventivo"*).

Bankruptcy proceedings are applicable to commercial entrepreneurs (companies or individuals) that are in state of insolvency ("*stato di insolvenza"*) pursuant to Article 5 of the Bankruptcy Law. A debtor can be declared bankrupt ("*fallito"*) (either by its own initiative or upon the initiative of any of its creditors) if it is not able to timely and duly fulfil its obligations. The debtor loses control over all its assets and of the management of its business which is taken over by a court-appointed receiver ("*curatore fallimentare"*).

Once judgment has been made by the court on the basis of the evidence of the creditors and the opinion of the court-appointed receiver ("*curatore fallimentare"*, and the creditors' claims have been approved, the sale of the borrower's property is conducted in a manner similar to foreclosure proceedings or forced sale of goods, as the case may be. After insolvency proceedings are commenced, no legal action can be taken against the debtor and no foreclosure proceedings or forced sale proceedings may be initiated. Moreover, all action taken and proceedings already initiated by creditors are automatically suspended.

An entrepreneur that is in a crisis situation (*stato di crisi*) may propose, pursuant to Articles 160 and following of the Bankruptcy Law, as recently amended, to its creditors a creditors composition ("*concordato preventivo"*). The proposed composition plan may provide for the restructuring of debt and terms for the satisfaction of creditors, the transfer of business activities, the grouping of creditors in classes and their proposed treatment. The proposed composition plan must be accompanied by specific documentation relating to, *inter alia*, the financial situation of the enterprise and a report by an expert certifying that the data relating to the enterprise are true and the proposed composition plan is feasible. Generally, the proposed composition plan must ensure the payment of at least 20% of the unsecured receivables.

A proposal for a composition plan is approved if it receives the favourable vote of creditors representing the majority of the claims admitted to vote; in case of classes of creditors, such majority shall be verified also in respect of the majority of the classes. If an approved composition plan is not challenged in court, the court will validate the composition plan by decree; such decree terminates the procedure.

Pursuant to the Italian Law 27 January 2012, No. 3 (*Disposizioni in materia di usura e di estorsione, nonchè di composizione delle crisi da sovraindebitamento*), a debtor who is not eligible to be adjudicated bankrupt under the Bankruptcy Law is entitled to file to the competent court a restructuring plan, to be approved by its creditors representing at least 60% of the outstanding debts, in order to request, among others, up to a one-year suspension of the payments of the outstanding debts and a rescheduling of any other payments.

9. PRIORITY OF INTEREST CLAIMS

Pursuant to article 2855 of the Italian Civil Code, the claims of a mortgage lender in respect of interest may be satisfied in priority to the claims of all other unsecured creditors in an amount equal to the aggregate of (i) the interest accrued at the contractual rate in the calendar year in which the initial stage of the enforcement proceedings are taken and in the two preceding calendar years; and (ii) the interest accrued at the legal rate (currently 0.2%) from the end of the calendar year in which the initial stage of the enforcement proceeding is commenced to the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy the claims of any other creditor participating in the enforcement proceedings. The mortgage lender will be entitled to participate in the distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

10. ARTICLE 120 TER OF THE CONSOLIDATED BANKING ACT

Article 120 ter of the Consolidated Banking Act provides that any provision imposing a prepayment penalty in case of early redemption of mortgage loans is null and void with respect to mortgage loan agreements entered into, with an individual as borrower, for the purpose of purchasing or restructuring real estate properties destined to residential purposes or to carry out the borrower's own professional and business 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.

11. ARTICLE 120 QUATER OF THE CONSOLIDATED BANKING ACT

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

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

12. CANCELLATION OF MORTGAGES

Art. 40-bis of the Consolidated Banking Act and Law decree No. 7 of 31 January 2007 (the "**Bersani Decree**") as converted into law by Law No. 40 of 2 April 2007, as applicable, set out certain provisions relating to mortgage loans which include, *inter alia*, simplified procedures meant to allow a more prompt cancellation of mortgages securing loans granted by banks or financial intermediaries in the event of a documented repayment in full by the debtors of the amounts due under the loans. While such provisions do not impact on the monetary rights of the lenders under the loans (lenders retain the right to oppose the cancellation of a mortgage), the impact on the servicing procedures in relation to the applicable loan agreements cannot be entirely assessed at this time.

13. RECENT AMENDMENT TO ENFORCEMENT AND BANKRUPTCY PROCEEDINGS

On June 30, 2016, the Italian Parliament approved Law no. 119 ("**Conversion Law**"), which converts law decree no. 59/2016, published on the Official Gazette no. 102, on May 3, 2016 introducing "*urgent provisions relating to the enforcement and insolvency proceedings, as well as in favor of investors of banks subject to winding up*" ("**Law Decree**"). The Conversion Law has been published on the Official Gazette no. 153 dated July 2, 2016 and entered into force on July 3, 2016. The Conversion Law confirmed almost in full the content of the Law Decree, with certain amendments and integrations. The Law Decree has been adopted with the aim of improving the efficiency of the civil justice system and the insolvency proceedings, with particular regard to the safeguard and the valorization of credits recovery. The main relevant changes introduced by the Law Decree and by the Conversion Law relate to:

1. the enforcement proceedings regulated by the Italian Code of Civil Procedure;

2. the insolvency proceedings regulated by the Bankruptcy Law.

For some of the changes introduced by the Law Decree, especially in relation to forced expropriation issues, a transitory period is provided. More in particular, the Law Decree provides that certain provisions shall apply:

- only to enforcement proceedings commenced after the entry into force of the Conversion Law;

- also to enforcement proceedings already pending, but only to the extent that the enforcement acts subject to the provisions amended by the Law Decree shall be carried out once a certain period of time has elapsed (which varies between 30 and 90 days) following the entry into force of the Conversion Law.

The Law Decree demonstrates the attention paid to enterprises and investors in relation to the difficulties that, for a long time, have been affecting the civil justice system. Two significant bills concerning the civil process and the insolvency proceedings system are in any case subject to the parliamentary scrutiny and may introduce more important changes in such context, and in accordance with the improvements already adopted.

However, the guidelines of the reform project are the following:

- to optimize the overall functioning of the judicial offices with a progressive implementation of their computerization - especially with respect to the enforcement proceedings some case the duty) to perform procedural steps by digital means;

- to ensure more transparency to investors and economic subjects in relation to relevant information concerning their debtors, if such debtors are parties to enforcement or insolvency proceedings or if they made recourse to other instruments aimed at the management of the business crisis;

- to reduce the duration of recovery proceedings, both individual and insolvency ones, and consequently to fasten the timing of credit recovery, through the restriction of the terms of certain procedural steps (e.g., introduction of a term for the opposition against the enforcement, introduction of a limit in the number of sales attempts in the context of expropriation procedures concerning movable assets together with the introduction of a time limit for their performance, etc.), the disempowering of the specious initiatives of the debtors and the optimization of the negotiation of the pledged assets;

- to increase the instruments aimed at safeguarding the creditors providing more flexible securities which allow a faster credit recovery and, in some cases, without the need to make recourse to the judicial authorities.

With respect to the provisions concerning the use of digital instruments, their actual application will require the adoption of ministerial implementing provisions. As of today, the timing for the actual entry into functioning of such systems remains unknown.

TAXATION IN THE REPUBLIC OF ITALY

The following is a general description 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 description 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 description 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.

TAX TREATMENT OF THE CLASS A NOTES

1. Income Tax

Under the current legislation, pursuant to the combined provision of Article 6, paragraph 1, of Law 130, Articles 1 and 2 of Legislative Decree No. 239 of 1 April 1996, as amended and restated ("**Law 239**") and Law Decree No. 66 of 24 April 2014 converted into Law No. 89 of 23 June 2014 ("**Decree 66/2014**"), payments of interest and other proceeds in respect of the Class A Notes:

(i) will be subject to *imposta sostitutiva* at the rate of 26 per cent. in the Republic of Italy levied as final tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships; (iii) Italian resident public and private entities, other than companies, not carrying out commercial activities as their exclusive or principal purpose (including the Italian State and public entities); and (iv) Italian resident entities exempt from corporate income tax.

Payments of interest and other proceeds in respect of the Class A Notes will not be included in the general taxable base of the above mentioned individuals, partnerships and entities.

The imposta sostitutiva will be levied by the Italian resident qualified financial intermediaries that will intervene, in any way, in the collection of interest and other proceeds on the Class A Notes or in the transfer of the Class A Notes;

(ii) will be subject to *imposta sostitutiva* at the rate of 26 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* 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 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 the Ministerial Decree of 4 September 1996 (pursuant to Article 1-*bis* of such Ministerial Decree, the Ministry of Economy and Finance holds the right to test the actual compliance of each country included in the list with exchange of information obligation and, in case of reiterated violations, to remove from the list the uncooperative countries), 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 26 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 an annual substitute tax levied at the rate of 26 per cent. (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 Senior 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**").

Where the holder of the Class A Notes is an Italian resident investment fund subject to the tax regime provided by Law No. 77 of 23 March 1983 ("**Fund**"), interest payments relating to the Senior Notes are not subject to *imposta sostitutiva* but must be included in the management results of the Fund accrued at the end of each tax period. The Fund will not be subject to taxation on such result, but a substitutive tax, up to 26 per cent., will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Italian resident pension funds are subject to a 20 per cent. annual substitute tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year.

Any positive difference between the nominal redeemable amount of the Class A Notes and their issue price is deemed to be interest for capital income (*redditi di capitale*) tax purposes. In general terms, income from capital is treated as a separate classification of tax liability only for tax-payers who are not engaged in entrepreneurial activities.

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 the holders of the Class A Notes (and, in certain cases, depending on the status of the holders of the Class A Notes, 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 the holders of the Class A Notes who are:

(a) Italian resident corporations;

(b) Italian resident commercial partnerships;

(c) permanent establishments in Italy of foreign corporations to which the Class A Notes are effectively connected; or

(d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of their commercial activity.

Pursuant to Legislative Decree No. 461 of 21 November 1997, any capital gain realised by Italian resident individuals holding Class A Notes not in connection with an entrepreneurial activity and by certain other persons upon the sale for consideration or redemption of the Class A Notes would be subject to an *imposta sostitutiva* at the rate of 26 per cent.. Under the tax declaration regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity, *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by Italian resident individual noteholders holding Class A Notes not in connection with an entrepreneurial activity pursuant to all disposals on Class A Notes carried out during any given fiscal year. These individuals must report the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax declaration to be filed with the Italian tax authority for such year and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

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, net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authority on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the noteholder. Under the *Risparmio Amministrato* regime, where a sale or redemption of Class A Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised in the same tax year or in the following tax years up to the fourth. 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 calculation 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.

Any capital gains realised by an holder of Class A Notes which is a Fund (as defined above) will be included in the results of the relevant portfolio accrued at the end of the tax period. The Fund will not be subject to taxation on such result, but a substitutive tax, up to 26 per cent., will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Any capital gains realised by the holders of the Class A Notes who are Italian resident pension funds will be included in the calculation of the taxable basis of Pension Fund Tax.

The 26 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 the Ministerial Decree of 4 September 1996 (pursuant to Article 1-*bis* of such Ministerial Decree, the Ministry of Economy and Finance holds the right to test the actual compliance of each country included in the list with exchange of information obligation and, in case of reiterated violations, to remove from the list the uncooperative countries), 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 5, letter a) of Italian Legislative Decree No. 461 of 21 November 1997); in this case, if non Italian residents without a permanent establishment in Italy to which the Class A Notes are effectively connected have opted for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirements indicated above; and

(2) in any event, non Italian resident persons or entities without a permanent establishment in Italy to which the Class A Notes are effectively connected that may benefit from a double taxation treaty with the Republic of Italy, providing that capital gains realised upon the sale or redemption of the Class A Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of Class A Notes; in this case, if non Italian residents without a permanent establishment in Italy to which the Class A Notes are effectively connected have opted for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon the condition that they file in due course with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement issued by the competent tax authorities of the country of residence of the non Italian residents.

3. Anti - Abuse Provisions and General Abuse of Law Doctrine

With Legislative Decree 5 August 2015, no. 128, the Italian Government introduced a new definition of "abuse of law or tax avoidance" ("*abuso del diritto o elusione fiscale*") that replaces all definitions and doctrines previously developed by the Italian tax authorities and endorsed by case law. Under the new definition, abuse of law occurs when one or more transactions, formally compliant with tax law, instead are lacking economic substance and are essentially aimed at obtaining undue tax advantages. There is no abuse of law when a transaction is justified by sound and material non-tax reasons, including managerial and organizational ones, aimed at improving the structure or the functionality of the business. 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 Directives on the Taxation of Savings Income and on Administrative Cooperation in the Field of Taxation

On June 3, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income (the "**Savings Directive**") 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 Savings Directive, to an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain Third Countries). A number of non-EU countries and territories, including Switzerland, have agreed to adopt similar measures. Luxembourg and Austria may however elect to introduce automatic exchange of information during the transitional period, in which case they will no longer apply the withholding tax. Based on the available information, Luxembourg announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive. On March 24, 2014, the European Council adopted a revised version of the Savings Directive.

On 10 November 2015, the Council of the European Union adopted the Council Directive 2015/2060/EU repealing the Savings Directive from 1 January 2016 in case of all Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates) and from 1 January 2017 in the case of Austria. This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on administrative cooperation in the field of taxation (the "**Cooperation Directive**"), as amended by Council Directive 2014/107/EU. The Cooperation Directive is aimed at broadening the scope of the operational mechanism of intra-EU automatic exchange of information in order to combat cross-border tax fraud and tax evasion. The new regime

under the Cooperation Directive is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. The Cooperation Directive is generally broader in scope than the Savings Directive, although it should not impose withholding taxes.

The Savings Directive was implemented in Italy by Legislative Decree No. 84 of 18 April 2005 ("**Decree No. 84**").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. Law No. 122 of 7 July 2016 implemented in Italy the Cooperation Directive and abolished the Decree No. 84 (subject to on-going requirements to fulfil some reporting communications and administrative obligations for the whole of 2016).

Prospective investors resident in a Member State of the European Union should consult their own legal or tax advisers regarding the consequences of the Savings Directive and the Cooperation 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, during 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). This obligation is also provided for those individuals who are not direct holders ("*possessori diretti*") of foreign investments or foreign financial activities but who are the beneficial owners ("*titolari effettivi*") of such investments or financial activities.

7. Stamp Duty

Article 13, paragraph 2-*ter*, of the First Part of the Tariff attached to Presidential Decree No. 642 of 26 October 1972 ("Stamp Duty Law"), as amended by Law Decree No. 201 of 6 December 2011, converted into Law No. 214 of 22 December 2011, and by Law No. 147 of 27 December 2013 introduced a stamp duty on the value of the financial products and/or financial instruments included in the statement sent to the clients as of 1 January 2012 ("Statement Duty"). The statement is deemed to be sent to the clients once a year, irrespective of any legal or contractual obligation to do so. The Statement Duty is levied at the rate of 0.2 per cent. (but in any case not exceeding € 14,000.00. This cap is not applied to individuals). According to a literal interpretation of the amended Article 13, the Statement Duty seems to be applicable to the value of the Notes included in any statement sent to the clients, as the Notes are to be characterized for tax purposes as "financial instruments". The relevant taxable basis shall be determined as of the sending of each periodic statement and, therefore, shall be liquidated taking into account the period of the relevant statement.

The stamp duty must be levied on:

(i) whoever executes or takes advantage (in Italian known as the "caso d'uso") of the document included in the Tariff, as the main obligors (*obbligati in via principale*);

(ii) whoever signs, receives, accepts or negotiates the document included in the Tariff, if the stamp duty has not already been properly paid, as the joint obligors (*obbligati in via solidale*).

The Italian Ministerial Decree dated May 24, 2012 stated that the Stamp Duty has to be applied by the financial intermediary which has the relationship with the clients and qualified it as an "*ente gestore*" (managing entity). Such "*ente gestore*", according to the law, is the financial intermediary that has direct or indirect contact with the clients for the purposes of periodical reports relating to the relationship in place and the statement made in any form.

The Issuer seems not to fall within the list of the obligors, as set forth in the Stamp Duty Law, neither in the definition of "*ente gestore*". However, the lack of an interpretation by the Italian tax authority with respect to securitisation transactions and the broad scope of the Statement Duty could lead the Italian tax authority to a different interpretation and may induce the authority to include the Issuer among the obligors.

SUBSCRIPTION AND SALE

Pursuant to the Notes Subscription Agreement to be entered into on or about the Issue Date among the Originators, the Subscribers, the Issuer, the Co-Arrangers and the Representative of the Noteholders, the Subscribers agree to subscribe and pay the Issuer for the Notes at the issue price of one hundred per cent. (100%) of their respective principal amount and shall appoint the Representative of the Noteholders to act as the representative of the Noteholders.

The Notes Subscription Agreement will be subject to a number of conditions and may be terminated in certain circumstances prior to the payment of the Issue Price to the Issuer.

UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of this Offering Circular, an offer or sale of the Notes within the United States by a dealer (whether or not participating in this Offering Circular) may violate the registration requirements of the Securities Act.

REPUBLIC OF ITALY

Each of the Issuer and the Originators under the Notes Subscription Agreement, has acknowledged that no action has or will be taken by it, its affiliates or any other person acting on its behalf which would allow an offering (or an "*offerta al pubblico di prodotti finanziari*") of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations. Individual sales of the Notes to any Persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations.

Each of the Issuer and the Originators under the Notes Subscription Agreement has acknowledged that no application has been made by it to obtain an authorisation from CONSOB for the public offering of the Notes in the Republic of Italy.

Accordingly, each of the Issuer and the Originators, has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, and has not distributed and will not distribute and has not made and will not make available in the Republic of Italy the Notes, this Offering Circular nor any other offering material relating to the Notes other than to qualified 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), as amended by 2010 PD Amending Directive (as defined below), 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 by art. 34-*ter* of 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 qualified investors in accordance with the Securitisation Law. Additionally the Class B Notes may not be offered to any investor qualifying as "*cliente al dettaglio*" pursuant to CONSOB regulation No. 16190 of 29 October 2007.

Any offer, sale or delivery of the Notes 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, the Consolidated Financial Act, CONSOB Regulation No. 16190 of 29 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 requires to comply also on the secondary market with the public offering rules and disclosure requirements set forth under the Consolidated Financial Act and relevant CONSOB implementing regulations, unless the above subsequent distribution is exempted from those rules and requirements according to the Consolidated Financial Act and relevant CONSOB implementing regulations.

FRANCE

This Offering Circular has not been prepared in the context of a public offering in France within the meaning of article L.411-1 of the *Code monétaire et financier* and Title I of Book II of the *Règlement Général of the Autorité des marchés financiers* (the "**AMF**") and therefore has not been approved by, or registered or filed with the AMF. Consequently, neither this Offering Circular 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 not 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 of the French Code monétaire et financier; or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) as defined in article L. 411-2 acting for their own account; or (iii) providers of investment services relating to portfolio management for the account of third parties as mentioned in article L. 411-2 of the *Code monétaire et financier* (together the "**Investors**").

Offers and sales of the Notes in the Republic of France will be made on the condition that (i) this Offering Circular shall not be circulated or reproduced (in whole or in part) by the Investors and (ii) the Investors undertake not to transfer the Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular articles L.411-1, L.411-2, L.412-1 and L.621-8 of the *Code monétaire et financier*).

UNITED KINGDOM

It has been represented and agreed under the Notes Subscription Agreement, that:

(i) financial promotion: any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of such Notes has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(ii) general compliance: there has been and there will be compliance with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from

or otherwise involving the United Kingdom.

REGULATORY CAPITAL REQUIREMENTS

Each Originator has undertaken to the Issuer and the Noteholders (and to the Representative of the Noteholders on behalf of the Noteholders) for the benefit of each subsequent financial institution investing in one or more Notes, that it will (i) retain at the origination and maintain (on an ongoing basis) a material net economic interest of at least 5% in the Transaction (calculated for each Originator with respect to the Claims comprised in the Relevant Portfolio which has been transferred by it to the Issuer) in accordance with option (1)(c) of Article 405 of the CRR, option (1)(c) of article 51 of the AIFM Level 2 Regulation and option (2)(c) of Article 254 of the Solvency II Regulation (or any permitted alternative method thereafter); (ii) disclose that it continues to fulfil the obligation to maintain the material net economic interest in the Transaction in accordance with the option (1)(c) of Article 405 of the CRR, option (1)(c) of Article 51 of the AIFM Level 2 Regulation and option (2)(c) of Article 254 of the Solvency II Regulation and give relevant information to the Noteholders and prospective investors in this respect on a quarterly basis through the Investors' Report; (iii) ensure that Noteholders and prospective investors have readily available access to all information as it would be necessary to conduct comprehensive and well informed stress tests and to fulfil their monitoring and due diligence duties under articles from 405 to 410 of the CRR, chapter 3, section 5 of the AIFM Regulation and title I, chapter VIII of the Solvency II Regulation; and (iv) notify to the Noteholders any change to the manner in which the material net economic interest set out above is held.

As at the Issue Date, such retention requirement will be satisfied by the Originators holding the first loss tranche (comprising the Class B Notes) as required by article 405 of the CRR, option (1)(c) of article 51 of the AIFM Level 2 Regulation and option (2)(c) of Article 254 of the Solvency II Regulation (or any permitted alternative method thereafter). Any change to the manner in which such interest is held will be notified to the Noteholders in accordance with the Conditions.

GENERAL RESTRICTIONS

The Issuer and the Noteholders shall comply with all applicable laws and regulations in each jurisdiction in or which it may offer or sell Notes. Furthermore, there will not be, directly or indirectly, offer, sell or deliver of any Notes or distribution or publication of any prospectus, form of application, prospectus (including this Offering Circular), advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise herein provided, no action will be taken to obtain permission for public offering of the Notes in any country where action would be required for such purpose.

EEA STANDARD SELLING RESTRICTION

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), under the Notes Subscription Agreements it is represented and agreed that there has not been and there will not be an offer of the Notes to the public in that Relevant Member State other than on the basis of an approved prospectus in conformity with the Prospectus Directive or:

1. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

2. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or

3. in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of the Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

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 27 September 2016.

(3) Save as disclosed in this Prospectus, after the issuance 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 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 Principal Paying Agent.

(5) The proceeds arising from the issue of the Class A Notes amount to Euro 561,700,000. The Issuer estimates that its aggregate ongoing expenses in connection with the Transaction (excluding any fees and expenses in relation to the Servicers) will be equal approximately to Euro 318,420.00 (exclusive of any value added tax) per annum.

(6) 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. The expenses for admission to trading of the Class A Notes is equal to Euro 3,241.20.

(7) The Notes have been accepted for clearance through Monte Titoli by Euroclear and Clearstream, Luxembourg. Monte Titoli will act as depository for Euroclear and Clearstream, Luxembourg. The ISIN for the Notes and the Common Codes for the Class A Notes are as follows:

	ISIN No.	**Common Code**
Class A	IT0005219230	151730710
Class B1	IT0005219248	
Class B2	IT0005219255	
Class B3	IT0005219263	
Class B4	IT0005219271	
Class B5	IT0005219289	
Class B6	IT0005219297	
Class B7	IT0005219305	
Class B8	IT0005219313	
Class B9	IT0005219321	
Class B10	IT0005219339	

Class B11	IT0005219347
Class B12	IT0005219362
Class B13	IT0005219370
Class B14	IT0005219354
Class B15	IT0005219388
Class B16	IT0005219396

(8) 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 or at the Specified Office of the Principal Paying Agent at any time after the Issue Date and so long as any of the Class A Notes remain listed on the Irish Stock Exchange:

(a) the *Statuto* and *Atto Costitutivo* of the Issuer;

(b) the Transfer Agreements;

(c) the Warranty and Indemnity Agreement;

(d) the Cash Administration and Agency Agreement;

(e) the Notes Subscription Agreement;

(f) the Servicing Agreement;

(g) the Back-up Servicing Agreement;

(h) the Intercreditor Agreement;

(i) the Corporate Services Agreement;

(j) the Quotaholder's Agreement;

(k) the Limited Recourse Loan Agreement;

(9) This Prospectus will be available in electronic form to the public during usual business hours at the Specified Offices of the Principal Paying Agent and at the registered office of 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.

(10) The websites referred to in this Prospectus and the information contained in such web-sites do not form part of this Prospectus. Neither the Issuer nor any of the parties listed under this prospectus take responsibility for the further information available in the websites referred to in this Prospectus.

(11) **Post issuance reporting.** Under the terms of the Cash Administration and Agency Agreement, the Computation Agent shall submit to the Issuer, the Corporate Services Provider, the Representative of the Noteholders, the Principal Paying Agent, the Servicers and the Rating Agencies not later than 15 (fifteen) Business Days after each Payment Date, an investors' report providing information on the performance of the Portfolios. This report will describe the trend of the Portfolios in terms of default, delinquency and prepayments. Each Investors Report will be made available to the Noteholders on a quarterly basis at the offices

of the Principal Paying Agent and via the Computation Agent's internet website currently located at www.accountingpartners.it (for the avoidance of doubt, such website does not constitute part of this Prospectus).

(12) Save as disclosed in this Prospectus, there has been no material adverse change in the financial position, trading and prospects of the Issuer since the date of its incorporation.

(13) **Home Member State for the purpose of the Transparency Directive**. The Issuer will elect Ireland as Home Member State for the purpose of the Transparency Directive.

THE ISSUER
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Via Barberini, 47– 00187 Roma, Italy

ORIGINATORS, SERVICERS AND LIMITED RECOURSE LOAN PROVIDERS

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Piazza IV Novembre 31
06100 Perugia (PG)
Italy

Banca della Marca Credito Cooperativo - Soc. Coop.
Via Giuseppe Garibaldi, 46
31010 Orsago (TV)
Italy

Mantovabanca 1896 Credito Cooperativo
Viale della Vittoria 1
46041 Asola (MN)
Italy

Bassano Banca – Credito Cooperativo di Romano e Santa Caterina – Societa' Cooperativa per Azioni
Via G. Giardino n. 3
36060 Romano d'Ezzelino (VI)
Italy

Banca di Anghiari e Stia Credito Cooperativo S.C.
Via Mazzini 17
52031 Anghiari (AR)
Italy

Cassa Rurale ed Artigiana di Brendola Credito Cooperativo – Società Cooperativa
Piazza del Mercato n. 23
36040 Brendola (VI)
Italy

Banca di Credito Cooperativo di Corinaldo – Società Cooperativa
Via del Corso 45
60013 Corinaldo (AN)
Italy

Banca di Credito Cooperativo di Fiumicello ed Aiello del Friuli (UD) Societa' Cooperativa
Via Gramsci N. 12 – 33050 Fiumicello (UD)
Italy

Banca del Centroveneto Credito Cooperativo – Società Cooperativa – Longare
Via Ponte Costozza n. 12
36023 Longare (VI)
Italy

Banco Cooperativo Emiliano – Credito Cooperativo – Società cooperativa
Viale dei Mille 8
42121 Reggio dell'Emilia (RE)
Italy

Banca di Credito Cooperativo di Monterenzio – Societa' Cooperativa
Via Centrale N. 13
40050 Monterenzio (BO), localita' San Benedetto del Querceto,
Italy

Banca di Credito Cooperativo di Piove di Sacco s.c.
via A. Valerio, 78
35028 Piove di Sacco (PD)
Italy

Centromarca Banca Credito Cooperativo di Treviso Societa' Cooperativa per Azioni
Via Riccardo Selvatico 2
31100 Treviso
Italy

Cassa Rurale ed Artigiana di Roana – Credito Cooperativo Società Cooperativa
Piazza S.Giustina, 47
36010 Roana (VI)
Italy

Banca San Giorgio Quinto Valle Agno Società Cooperativa
Via Perlena n.78
36030 Fara Vicentino (VI)
Italia

Cassa Rurale – Banca di Credito Cooperativo di Treviglio – Società Cooperativa
Via Carlo Carcano 6
Treviglio (BG) – Italia

CO-ARRANGER, BACK-UP SERVICER and OPERATING BANK
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20124 Milan
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