

BPL Mortgages S.r.l.

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

€ 3,307,300,000 Class A - 2013 Asset-Backed Floating Rate Notes due 2056

Issue price: 100 per cent.

This prospectus (the “**Prospectus**”) contains information relating to the issue by BPL Mortgages S.r.l. (the “**Issuer**”) of the € 3,307,300,000 Class A - 2013 Asset-Backed Floating Rate Notes due 2056 (the “**Class A Notes**”). In connection with the issue of the Class A Notes, the Issuer will also issue the € 1,942,480,000 Class B - 2013 Asset-Backed Notes due 2056 (the “**Junior Notes**” and, together with the Class A Notes, the “**Notes**”). The Notes will be subscribed by Banco Popolare Soc. Coop., having its registered office at via Piazza Nogara, 3, Verona, Italy (“**BP**”) and Credito Bergamasco S.p.A., having its registered office at Largo Porta Nuova, 2, Bergamo, Italy (“**Creberg**” and, together with BP, the “**Originators**” and any of these, the “**Originator**”).

The Issuer is a limited liability company incorporated under the laws of the Republic of Italy under article 3 of Italian law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the “**Securitisation Law**”) having its registered office at via Alfieri, 1, 31015 Conegliano (Treviso), Italy and registered in the register of the special purpose vehicles held by the Bank of Italy (*albo delle società veicolo tenuto dalla Banca d'Italia ai sensi del Provvedimento del Governatore della Banca d'Italia del 29 aprile 2011*) under number 33259.3.

This Prospectus is issued pursuant to article 2, paragraph 3 of the Securitisation Law and constitutes a *prospetto informativo* for all Classes of Notes in accordance with the Securitisation Law. The Junior Notes are not being offered pursuant to this Prospectus.

The proceeds of the issue of the Notes will be applied by the Issuer to fund the purchase of two portfolios of secured and unsecured loans disbursed to entities engaged in an economic activity, irrespective of its legal form, where the reported sales for the entity or if the entity is a part of a consolidated group, for the consolidated group is less than €50 million (“**SMEs**”) in various technical forms (such as *mutui fondiari*, *mutui ipotecari*, *mutui agrari* or *finanziamenti chirografari*) owed to each of the Originators (the “**Claims**”). The Claims have been transferred to the Issuer pursuant to the terms of two transfer agreements dated 22 February 2013, between the Issuer and each of the Originators. The principal source of funds available to the Issuer for the payment of interest on and the repayment of principal of the Notes will be collections received in respect of the Claims.

Interest on the Notes is payable by reference to successive interest periods (each an “**Interest Period**”). Interest on the Notes will accrue on a daily basis and will be payable in arrear in euro semi-annually in arrear on 31 May and 30 November in each year (in each case, subject to adjustment for non-business days as set out in Condition 6 (*Interest*), the first Interest Payment Date (as defined below) being 2 December 2013). Prior to the service of an Issuer Acceleration Notice, the rate of interest applicable to the Class A Notes for each Interest Period shall be the rate offered in the euro-zone inter-bank market (“**EURIBOR**”) for three-month deposits in euro (save that, for the first Interest Period, the rate will be obtained upon linear interpolation of EURIBOR for eight- and nine -month deposits in euro) (as determined in accordance with Condition 6 (*Interest*)), plus a margin equal to 0.60 per cent per annum.

This Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under Directive 2003/71/EC, as amended, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area (the “**Prospectus Directive**”). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. 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. 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. No application has been made to list the Junior Notes on any stock exchange.

The Class A Notes are expected, on issue, to be rated, respectively, “A2(sf)” by Moody’s Italia S.r.l. (“**Moody’s**”, which expression shall include any successors) and “A” by DBRS Ratings Limited (“**DBRS**”, which expression shall include any successors and, together with Moody’s, the “**Rating Agencies**”). **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any one of the Rating Agencies.** The Junior Notes will not be assigned a rating. The credit ratings applicable to the Class A Notes included or referred to in this Prospectus have been issued by Moody’s or DBRS whilst other credit ratings included or referred to in this Prospectus have been issued by Moody’s, DBRS, S&P and Fitch. Each the rating agencies mentioned above is established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the “**CRA Regulation**”). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

Payments under the Notes may be subject to withholding for or on account of tax, or to a substitute tax, in accordance with Italian legislative decree No. 239 of 1 April 1996, as subsequently amended. Upon the occurrence of any withholding for or on account of tax, whether or not in the form of a substitute tax, from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount to any holder of Notes of any Class.

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, the Representative of the Noteholders, the Paying Agent, the Agent Bank, the Interim Account Bank, the Transaction Bank, the Corporate Servicer, the Administrative Servicer, the Computation Agent, the Servicers, the Back-up Servicer Facilitator (each as defined in “*Key features – The principal parties*”), BP (in any capacity), Creberg (in any capacity), the Underwriters or the shareholder of the Issuer. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

The Notes will be issued in dematerialised form (*emesse in forma dematerializzata*) on the terms of, and subject to, the Conditions and will be held in such form on behalf of the beneficial owners, until redemption and cancellation thereof, by Monte Titoli S.p.A. with registered office at Piazza degli Affari, 6, 20123 Milan, Italy (“**Monte Titoli**”) for the account of the relevant Monte Titoli Account Holders. The expression “Monte Titoli Account Holders” means any authorised institution entitled to hold accounts on behalf of their customers with Monte Titoli (and includes any Relevant Clearing System which holds an account with Monte Titoli or any depository banks appointed by the Relevant Clearstream System), Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A./N.V. (“**Euroclear**”). The Notes will be deposited by the Issuer with Monte Titoli on 11 March 2013 (the “**Issue Date**”) and, will at all times be in book entry form, and title to the Notes will be evidenced by book entry in accordance with the provisions of article 83-bis of Italian legislative decree No. 58 of 24 February 1998 and with the regulation issued by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) on 22 February 2008, as subsequently amended. No physical document of title will be issued in respect of the Notes.

The Notes will mature on the Interest Payment Date (as defined below) which falls in November 2056 (the “**Maturity Date**”), subject as provided in Condition 8 (*Payments*). Before the Maturity Date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 7 (*Redemption, purchase and cancellation*)).

The Class A Notes will be redeemed in priority to the Junior Notes. If the Class A Notes and/or the Junior Notes cannot be redeemed in full on the Maturity Date as a result of the Issuer having insufficient funds available to it in accordance with the terms and conditions of the Notes (the “**Conditions**” and each, a “**Condition**”) for application in or towards such redemption, including the proceeds of any sale of Claims or any enforcement of the Note Security (as defined below), any amount unpaid shall remain outstanding and the Conditions shall continue to apply in full in respect of the Notes until the earlier of (i) the date on which the Notes are redeemed in full and (ii) the Cancellation Date (as defined below), at which date any amounts remaining outstanding in respect of principal or interest on the Notes shall be reduced to zero and deemed to be released by the holder of the relevant Notes and the Notes shall be cancelled.

The Issuer has no assets other than the Claims and the Issuer’s Rights (as defined below) as described in this Prospectus as well as the Previous Portfolio (as defined below) and the agreements entered into by the Issuer in relation to the Previous Securitisation (as defined below) which, however, do not constitute collateral for the Notes and are not available to the Noteholders for any purpose.

For a discussion of certain risks and other factors that should be considered in connection with an investment in the Class A Notes, see the section entitled “Risk factors” beginning on page 2.

The date of this Prospectus is 11 March 2013.

This Prospectus comprises a prospectus for the purposes of article 5.3 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and the Notes which according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

None of the Issuer, the Representative of the Noteholders 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 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 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 contains no omission likely to affect the import of such information. The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains or incorporates all information which is material in the context of the issuance and offering of the Notes, that the information contained or incorporated in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

Each of BP (for the BP Claims) and Creberg (for the Creberg Claims) has provided the information under the sections headed “*The Portfolio*”, “*The Originators, Servicers, Interim Account Bank, Transaction Bank and the Administrative Servicer*”, “*The credit and collection policies*” and any other information contained in this Prospectus relating to itself, the collection and underwriting procedures relating to the Portfolio, the relevant Claims and the relevant Loans (each as defined below) and, together with the Issuer, accepts responsibility for the information contained in those sections. Each of BP (for the BP Claims) and Creberg (for the Creberg Claims) has also provided the historical data used as assumptions to make the calculations contained in the section headed “*Estimated weighted average life of the Class A Notes and assumptions*” on the basis of which the information and assumptions contained in the same section have been extrapolated and, together with the Issuer, accepts responsibility for such historical data. The Issuer accepts responsibility for the other information and assumptions contained in such section as described above. To the best of the knowledge of BP and Creberg (having taken all reasonable care to ensure that such is the case) the information and data in relation to which it is responsible as described above are in accordance with the facts and do not contain any omission likely to affect the import of such information and data.

Each of BP and Creberg also accepts responsibility for the information contained in the section of this Prospectus headed “*Article 122a of the Capital Requirements Directive*” (but not, for the avoidance of doubt, any information set out in the sections referred to therein).

BNP Paribas Securities Services, Milan branch has provided the information under the section headed “*The Paying Agent*” and, together with the Issuer, accepts responsibility for the information contained in that section, and to the best of the knowledge and belief of BNP Paribas Securities Services, Milan branch (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and contains no omission likely to affect its import. Save as 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.

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 Representative of the Noteholders, the Issuer, the Corporate Servicer, the Administrative Servicer, the Back-up Servicer Facilitator, the Transaction Bank, the shareholder of the Issuer, BP (in any capacity) and Creberg (in any capacity) or any other person. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, constitute a representation or imply that there has been no change in the affairs of the Issuer or the Originators or in the information contained herein since the date hereof or that the information contained herein is correct as at any time subsequent to the date hereof.

This Prospectus does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

The Representative of the Noteholders has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, expressed or implied, is made and no responsibility or liability is accepted by the Representative of the Noteholders as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer, BP or Creberg in connection with the Notes or their distribution.

The Notes constitute limited recourse obligations of the Issuer. Each Note will be secured, in each case, over certain of the assets of the Issuer pursuant to and as more fully described in the section entitled “*The other Transaction Documents*”. Furthermore, by operation of Italian law, the Issuer’s right, title and interest in and to the Claims will be segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both prior to and following a winding-up of the Issuer, to satisfy the obligations of the Issuer to the holders of the Notes, to pay any costs, fees, expenses and other amounts required to be paid to the Representative of the Noteholders, the Paying Agent, the Agent Bank, the Interim Account Bank, the Transaction Bank, the Corporate Servicer, the Administrative Servicer, the Computation Agent, the Servicers, the Back-up Servicer Facilitator, BP (in any capacity), Creberg (in any capacity), the Underwriters or the shareholder of the Issuer and to any third-party creditor in respect of any costs, fees, expenses or liabilities incurred by the Issuer to such third-party creditor in relation to the securitisation of the Claims contemplated by this Prospectus (the “**Securitisation**”). Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes. Amounts derived from the Claims will not be available to any other creditors of the Issuer and will be applied by the Issuer in accordance with the applicable order of priority for the application of Issuer Available Funds (as defined below).

The distribution of this Prospectus and the offer, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Underwriters 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 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 is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, BP (in any capacity) or Creberg (in any capacity) that any recipient of this Prospectus should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the Claims, the Portfolio and of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), are in bearer form and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered 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). For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this Prospectus, see “*Subscription and sale*” below.

The Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other offering circular nor any prospectus, form of application, advertisement, other offering material nor 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 could allow an offering of the Notes to the public in the Republic of Italy. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus, see “*Subscription and sale*” below.

Each initial and each subsequent purchaser of a Note will be deemed, by its acceptance of such Note, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof as described in this Prospectus and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases. See “*Subscription and sale*”.

All references in this Prospectus to “**Euro**”, “**€**” and “**euro**” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended.

The language of this 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.

Table of contents

	Page
Risk factors	2
Key features	19
Structure diagram	50
Credit structure	51
The Portfolio	53
The Originators, the Servicers, the Interim Account Bank, the Transaction Bank and the Administrative Servicer	59
The credit and collection policies	72
The Issuer's bank accounts	76
Terms and Conditions of the Notes	78
Schedule - Rules of the Organisation of Noteholders	121
Use of proceeds	136
The Issuer	137
The Paying Agent	140
The Agency and Accounts Agreement	141
The Transfer Agreements	148
The Servicing Agreements	159
The Warranty and Indemnity Agreements	165
The other Transaction Documents	168
Estimated weighted average life of the Class A Notes and assumptions	171
Taxation in the Republic of Italy	172
Subscription and sale	179
Article 122a of the Capital Requirements Directive	182
General information	183
Documents incorporated by reference	187
Index of defined terms	189

RISK FACTORS

Investing in the Notes involves certain risks. The Issuer believe that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may, exclusively or concurrently, occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

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. Words and expressions defined in the Conditions or elsewhere in this Prospectus have the same meanings in this section.

Risk factors in relation to the Notes

Suitability

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

Investment in the Notes is only suitable for investors who:

1. have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Notes;
2. have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation;
3. are capable of bearing the economic risk of an investment in the Notes; and
4. recognise that it may not be possible to dispose of the Notes for a substantial period of time, if at all.

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

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

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

Performance of the Portfolio

The Portfolio comprises secured and unsecured loans disbursed to SMEs in various technical forms (such as *mutui fondiari*, *mutui ipotecari*, *mutui agrari* or *finanziamenti chirografari*) which were classified as

performing (*crediti in bonis*) by the Originators in accordance with the Bank of Italy's supervisory regulations as at the Valuation Date. There can be no guarantee that the Borrowers will not default under such Loans or that they will continue to perform thereunder. It should be noted that adverse changes in economic conditions may affect the ability of the Borrowers to repay the Loans.

The recovery of overdue amounts in respect of the Loans will be affected by the length of enforcement proceedings in respect of the Portfolio, 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. 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 Loans and the collateral security interests related thereto; (ii) obtaining title deeds from land registries which are in the process of digitising their records can take up to two or three 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 to seven years from the time lawyers commence enforcement proceedings to the time an auction date is set for the forced sale of any assets.

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 Loans. If the 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 and the collateral security interests related thereto being significantly reduced and, ultimately, may result in losses to the Noteholders.

No independent investigation in relation to the Portfolio

None of the Issuer, the Underwriters or any other party to the Transaction Documents (other than BP and Creberg) has undertaken or will undertake any loan file review, searches or other actions to verify the details of the Claims and the Portfolio, nor has any of such persons undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Borrowers or any other debtor thereunder. There can be no assurance that the assumptions used in modelling the cash flows of the Claims and the Portfolio accurately reflect the status of the underlying Loans.

The Issuer will rely instead on the representations and warranties given by the Originators in the Warranty and Indemnity Agreements 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 relevant Originator indemnifies the Issuer for the damage deriving therefrom or repurchases the relevant Claim. See "*The Warranty and Indemnity Agreements*". There can be no assurance that the relevant Originator will have the financial resources to honour such obligations.

The parties to the each Warranty and Indemnity Agreement have expressly agreed, pursuant to clause 8.5 thereof, that the relevant Warranty and Indemnity Agreement will expire, save as otherwise provided therein, on the day falling on one year and one day after the earlier of (i) the day on which the Notes have been paid in full and (ii) the Cancellation Date and, therefore, claims for a breach of representation or warranty given by each of the Originators may be pursued against the relevant Originator until that term. However, there is a possibility that legal actions initiated for breach of some representations or warranties are nonetheless subject to a one year statutory limitation period if article 1495 of the Italian civil code (which regulates ordinary sales contracts (*contratti di compravendita*)) is held to apply to the Warranty and Indemnity Agreements.

Liquidity and credit risk

The Issuer is subject to the risk of delay arising between the receipt of payments due from Borrowers and the scheduled Interest Payment Dates. The Issuer is also subject to the risk of, *inter alia*, default in payment by the Borrowers and failure by the Servicers to collect or recover sufficient funds in respect of the Claims in

order to enable the Issuer to discharge all amounts payable under the Notes. These risks are mitigated by the liquidity and credit support provided in respect of the Class A Notes, by the Junior Notes and the Cash Reserve.

However, in each case, there can be no assurance that the levels of credit support and liquidity support provided will be adequate to ensure punctual and full receipt of amounts due under the Notes.

Interest rate risk

The Issuer expects to meet its obligations under the Class A Notes primarily from Collections in respect of the Claims. Such Collections may have no correlation to Euribor (as defined in the Conditions).

However, prospective investors' attention is drawn to the fact that, in such circumstances, if the Issuer is not able to make payments due on the Class A Notes, such non-payment could constitute an Event of Default and cause the Representative of the Noteholders to serve to the Issuer an Issuer Acceleration Notice in respect of the Notes.

Noteholders' directions and resolutions in respect of early redemption of the Notes

In a number of circumstances, the Notes may become subject to early redemption. Early redemption of the Notes as a result of some circumstances may be dependent upon receipt by the Representative of the Noteholders of a direction from, or a resolution passed by, a certain majority of the Noteholders. If the economic interest of a Noteholder represents a relatively small proportion of the majority and its individual vote is contrary to the majority vote, its direction or vote may be ignored and, if a determination is made by certain of the Noteholders to redeem the Notes, such minority Noteholders may face early redemption of the Notes held by them.

Limited nature of credit ratings assigned to the Class A Notes

The credit rating assigned to the Class A Notes reflects the Rating Agencies' assessment only of the expectation of default risk, where default risk is defined as the failure to make payment of principal and/or interest under the contractual terms of the rated obligations. These ratings are based, among other things, on the Rating Agencies' determination of the Portfolio, the reliability of the payments on the Portfolio and the availability of credit enhancement.

The ratings do not address the following:

- the adequacy of market price for the Class A Notes; or
- whether an investment in the Class A Notes is a suitable investment for a Noteholder (including without limitation, any accounting and/or regulatory treatment); or
- the tax-exempt nature or taxability of payments made in respect of the Class A Notes.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any one of the Rating Agencies. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in the sole judgement of the Rating Agencies, the credit quality of the Class A Notes has declined or is in question. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the value of the Class A Notes.

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 Class A 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.

Subordination

Payments of interest and repayment of principal under the Class A Notes are subject to certain subordination and ranking provisions. For a more detailed description of the ranking among the various Classes of Notes and the relative subordination provisions see “*Key features - Summary of the Notes – Ranking*” and Condition 3(b) (*Ranking*).

For so long as there are Class A Notes outstanding, interest accruing on the Junior Notes will be deferred until the Interest Payment Date when all the Class A Notes have been redeemed in full.

As a result, to the extent that any losses are suffered by any of the Noteholders, such losses will be borne in the first instance by the Junior Noteholders and then (to the extent that the Class A Notes have not been redeemed) by the holders of the Class A Notes.

Prospective investors in the Class A Notes and the Junior Notes should have particular regard to the sections headed “*Key features - Summary of the Notes – Ranking*” and “*Credit structure*” in determining the likelihood or extent of any shortfall of funds available to the Issuer to meet payments of interest and/or repayment of principal due under the Class A Notes or, as applicable, the Junior Notes.

Limited enforcement rights

The protection and exercise of the Noteholders’ rights and the enforcement of the Note Security is one of the duties of the Representative of the Noteholders. The Conditions limit the ability of individual Noteholders to commence proceedings (including proceedings for a declaration of insolvency) against the Issuer by conferring on the Meeting of the Noteholders the power to determine in accordance with the Rules of the Organisation of Noteholders 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 of the Noteholders has approved such action in accordance with the provisions of the Rules of the Organisation of Noteholders.

Remedies available for the purpose of recovering amounts owed in respect of the Notes shall be limited to actions in respect of the Claims, the Issuer Available Funds and the Note Security (but, for the avoidance of doubt, excluding the Collateral (if any)). In the event that the amounts recovered pursuant to such actions are insufficient, after payment of all other claims ranking in priority to or *pari passu* with amounts due under the Notes of each Class, to pay in full all principal and interest and other amounts whatsoever due in respect of the Class A Notes, the Class A Noteholders will have no further actions available in respect of any such unpaid amounts.

Relationship among Noteholders and between Noteholders and Other Issuer Creditors

The Intercreditor Agreement contains provisions applicable where, in the opinion of the Representative of the Noteholders, there is a conflict between all or any of the interests of one or more Classes of Noteholders or between one or more Classes of Noteholders and any other Issuer Creditors, requiring the Representative of the Noteholders to have regard only to the holders of the Notes of the Most Senior Class (as defined in Condition 1 (*Definitions*)) then outstanding and the Representative of the Noteholders is not required to have regard to the holders of any other Class of Notes then outstanding, nor to the interests of the other Issuer Creditors, except to ensure that the application of the Issuer’s funds is in accordance with the applicable Priority of Payments. In addition, the Intercreditor Agreement contains provisions requiring the Representative of the Noteholders to have regard to the interests of each Class of Noteholders as a class and relieves the Representative of the Noteholders from responsibility for any consequence for individual

Noteholders as a result of such Noteholders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction.

Under Condition 10 (*Events of Default*), if an Event of Default occurs, then (subject to Condition 10(c) (*Consequences of service of an Issuer Acceleration Notice*)), the Representative of the Noteholders may, at its sole discretion, and shall:

- (i) if so directed in writing by the holders of at least 60% of the Principal Amount Outstanding of the Most Senior Class of Notes; or
- (ii) if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes,

give an Issuer Acceleration Notice to the Issuer and to the Servicers declaring the Notes to be due and payable, provided that:

- (A) in the case of the occurrence of any of the events mentioned in Condition 10(a)(ii) (*Breach of other obligations*) and Condition 10(a)(iii) (*Failure to take action*), the service of an Issuer Acceleration Notice has been approved by an Extraordinary Resolution of the holders of the Most Senior Class of Notes; and
- (B) in each case, the Representative of the Noteholders shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities (provided that supporting documents are delivered) to which it may thereby become liable or which it may incur by so doing.

The Intercreditor Agreement contains provisions requiring the Representative of the Noteholders to have regard to the interests of the Other Issuer Creditors as regards all powers, trusts, authorities, duties and discretions of the Representative of the Noteholders (except where expressly provided otherwise), but requiring the Representative of the Noteholders, in the event of a conflict between the interests of the holders of any Class of outstanding Notes and any Other Issuer Creditor, to have regard only (except where specifically provided otherwise) to the interests of the holders of such Class of outstanding Notes, except to ensure that the application of the Issuer's funds is in accordance with the applicable Priority of Payments.

Absence of secondary market and limited liquidity

There is not, at present, a secondary market for the Class A Notes, nor can there be any assurance that a secondary market for the Class A Notes will develop. Even if a secondary market does develop, it may not continue for the life of the Class A Notes or it may leave Class A Noteholders with illiquidity of investment. Illiquidity means that a Class A Noteholder may not be able to find a buyer to buy its Class A Notes readily or at prices that will enable the Class A Noteholder to realise a desired yield. Illiquidity can have a severe adverse effect on the market value of the Class A Notes. Consequently, any sale of Class A Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Class A Notes. Any Class of Notes may experience illiquidity, although generally illiquidity is more likely to occur in respect of Classes that are especially sensitive to prepayment, credit or interest rate risk or that have been structured to meet the investment requirements of limited categories of Noteholders.

In addition, prospective Class A 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 Class A Notes. As a result of the current liquidity crisis, there exist significant additional risks to the Issuer and the investors which may affect the returns on the Class A Notes to investors.

Moreover, the current liquidity crisis has stalled the primary market for a number of financial products including instruments similar to the Class A 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 Class A Notes will recover at the same time or to the same degree as such other recovering global credit market sectors.

There exist significant additional risks for the Issuer and investors as a result of the current crisis.

These risks include, among others, (i) the likelihood that the Issuer will find it harder to dispose of the Claims in accordance with the Transaction Documents, (ii) the possibility that, on or after the Issue Date, the price at which assets can be sold by the Issuer will have deteriorated from their effective purchase price and (iii) the increased illiquidity and price volatility of the Class A Notes as there is currently no secondary trading in asset-backed securities. These additional risks may affect the returns on the Class A Notes to investors.

Class A Notes as eligible collateral for ECB liquidity and/or open market transactions

Following issuance of the Class A Notes application may be made to a central bank in the Eurozone to record the Class A Notes as eligible collateral. The relevant central bank will ultimately assess and confirm whether the Class A Notes qualifies as eligible collateral for liquidity and/or open market operations in accordance with its policies and it will not confirm their eligibility prior to their issuance. However, following admission of the Class A Notes as eligible collateral for liquidity and/or open market operations, the relevant central bank may at any time amend or withdraw any such approval. None of the Issuer, the Originators or the Underwriters gives any representation or warranty as to whether the relevant central bank will ultimately confirm the eligibility of the Class A Notes and none of the Issuer, the Originators or the Underwriters will have any liability or obligation in relation thereto if the Class A Notes are deemed ineligible for such purposes.

Rights of set-off

Under general principles of Italian law, the debtors under the Loans are entitled to exercise rights of set-off in respect of amounts due under any Loan to the Issuer against any amounts payable by the Originators to the relevant Borrower which came into existence (were *crediti esistenti*) prior to the later of: (i) the publication of the notice of assignment of the Claims in the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) and (ii) the registration of such notice in the competent companies' register. Under the terms of the Warranty and Indemnity Agreements, each of the Originators has agreed to indemnify the Issuer in respect of any reduction in amounts received by the Issuer in respect of the Portfolio as a result of the exercise by any Borrower of a right of set-off.

Securitisation Law

As at the date of this Prospectus, limited interpretation of the application of the Securitisation Law has been issued by any Italian governmental or regulatory authority. Consequently, it is possible that such authorities may issue further regulations relating to the Securitisation Law or to the interpretation thereof, the impact of which cannot be predicted by the Issuer or any other party as at the date of this Prospectus.

Servicing of the Portfolio

Each of the BP Portfolio and the Creberg Portfolio has been serviced by, respectively, BP and Creberg up to the transfer of the Claims as the owner of the relevant Claims and, following the transfer of the Claims to the Issuer, as a servicer pursuant to the relevant Servicing Agreement. Consequently, the net cash flows from the Portfolio may be affected by decisions made, actions taken and collection procedures adopted by the Servicers pursuant to the provisions of the applicable Servicing Agreement.

In order to ensure that the Claims are managed and serviced in a uniform and coherent fashion, the Servicing Agreements and the obligations undertaken by each Servicer thereunder are substantially identical. In particular, the collection policies for the management of the Claims have been agreed between the Issuer, on the one hand, and the Servicers, on the other, and have been reproduced in identical terms in each Servicing Agreement (see "*The credit and collection policies*"). However, prospective Noteholders' attention is drawn

to the fact that the scope of activity and, therefore, the responsibility of each Servicer is limited to the Claims transferred by that Servicer to the Issuer and does not extend to the servicing of any other Claims.

Each of the Servicers has been appointed by the Issuer as responsible for the collection of the Claims transferred by it (as Originator) to the Issuer and for the cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*). In accordance with the Securitisation Law, each Servicer is therefore responsible for ensuring that the collection of the Claims serviced by it and the relative cash and payment services comply with Italian law and with this Prospectus.

None of BP and Creberg has undertaken any responsibility for the servicing of Claims other than those originated by it and, in general, for the obligations undertaken by any other Servicer. If a Servicer for any reason fails to perform under the relevant Servicing Agreement or otherwise, the other Servicers will not be bound to perform the obligations of the non-performing Servicer or otherwise co-operate with the Issuer in responding to such non-performance. Prospective Noteholders' attention is also drawn to the fact that none of BP and Creberg, or any other person, has undertaken to monitor the activity of the Servicers on an on-going basis or otherwise or to ensure that the Claims are managed in a uniform and coherent fashion by each Servicer.

Co-mingling risk

The Issuer is subject to the risk that, in the event of insolvency of any one of the Servicers, the Collections then held by the relevant Servicer may be lost or temporarily unavailable to the Issuer.

In order to reduce such risk, the Collections are required to be transferred by each of the Servicers into the relevant Interim Account by no later than the receipt date, for value as at the relevant receipt date in accordance with the procedure described in the Servicing Agreements, provided that, in the case of exceptional circumstances causing an operational delay in the transfer, the Collections are required to be transferred to the relevant Interim Account by no later than the day on which the operational delay in the transfer has been resolved. In particular, payments made (i) through the direct debit mechanism will automatically pass from the current account of the relevant Borrower to the relevant Interim Account; and (ii) by, respectively, cash, inter-banking direct debit of the Borrowers' bank account opened with a bank other than the Originator (*R.I.D. – rimessa interbancaria diretta*) and payment request (*MAV – mediante avviso*) will be credited by the Servicer on the relevant Interim Account through an automatic process.

Pursuant to the Agency and Accounts Agreement, the Interim Account Bank is then required to transfer by 1 pm (London time) on each Business Day all amounts standing to the credit of the Interim Accounts into the Collection Account which is held with the Transaction Bank.

Prospective Noteholders should note that, following the insolvency of the relevant Servicer, 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 or the substitute servicer. The Issuer is subject to the risk that monies paid by the Borrowers to the insolvent Servicer prior to the new instructions being issued may be lost or temporarily unavailable to the Issuer.

Yield and repayment considerations

The yield to maturity of the Notes of each Class will depend, *inter alia*, on the amount and timing of repayment of principal (including prepayments and sale proceeds arising on enforcement of a Loan) on the Loans. Such yield may therefore be adversely affected by a higher or lower than anticipated rate of prepayments on the Loans.

Prepayments may result from the refinancing or sale of properties by Borrowers voluntarily or as a result of enforcement proceedings under the relevant Loans, as well as from the receipt of proceeds from building insurance and life insurance policies.

The rate of prepayment of Loans cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing mortgage loan market interest rates and margins offered by the banking system, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayment that the Loans will experience.

The stream of principal payments received by a Noteholder may not be uniform or consistent. No assurance can be given as to the yield to maturity which will be experienced by a holder of any Notes. See further “*Estimated weighted average life of the Class A Notes and assumptions*”.

Administration and reliance on third parties

The ability of the Issuer to make payments in respect of the Notes will depend upon the due performance by the parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are each a party. In particular, without limitation, the punctual payment of amounts due on the Notes will depend on the ability of each Servicer to service the relevant Portfolio and to recover the amounts relating to the Defaulted Claims (if any). In addition, the ability of the Issuer to make payments under the Notes may depend to an extent upon the due performance by each of the Originators of its obligations under the relevant Warranty and Indemnity Agreement. The performance by such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party. In each case, the performance by the Issuer of its obligations under the Transaction Documents is also dependent on the solvency of, amongst others, BP and Creberg.

In the event of the termination of the appointment of one or more Servicer(s) under the relevant Servicing Agreement(s), it would be necessary for the Issuer to appoint one or more substitute servicer(s) (acceptable to the Representative of the Noteholders). Such substitute servicer(s) would be required to assume responsibility for the services required to be performed under the relevant Servicing Agreement for the Loans. The ability of a substitute servicer to fully perform the required services would depend, *inter alia*, on the information, software and records available at the time of the relevant appointment. There can be no assurance that a substitute servicer will be found or that any substitute servicer will be willing to accept such appointment or that a substitute servicer will be able to assume and/or perform the duties of the relevant Servicer pursuant to the relevant Servicing Agreement. In such circumstances, the Issuer could attempt to sell all, or part of, the Claims, 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. The Representative of the Noteholders has no obligation to assume the role or responsibilities of the relevant Servicer or to appoint a substitute servicer.

Italian Usury law

The interest payments and other remuneration paid by the Borrowers under the Loans are subject to Italian law No. 108 of 7 March 1996 (the “**Usury Law**”), which introduced legislation preventing lenders from applying interest rates equal to, or higher than, rates (the “**Usury Rates**”) set every three months on the basis of a decree issued by the Italian Treasury (the last such decree having been issued on 21 December 2012). In addition, even where the applicable Usury Rates are not exceeded, interest and other benefits and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific situations of the transaction and the average rate usually applied for similar transactions); and (ii) the person who paid or agreed to pay them was in financial and economic difficulties. The provision of usurious interest, benefits or remuneration has the same consequences as non-compliance with the Usury Rates.

The Italian Government, with law decree No. 394 of 29 December 2000 (the “**Usury Law Decree**” and, together with the Usury Law, the “**Usury Regulations**”), converted into law by law No. 24 of 28 February 2001, has established, *inter alia*, that interest is to be deemed usurious only if the interest rate agreed by the parties exceeds the Usury Rate applicable at the time the relevant agreement is reached. The Usury Law

Decree also provides that, as an extraordinary measure due to the exceptional fall in interest rates in the years 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on loans already entered into on the date on which the Usury Law Decree came into force (such date being 31 December 2000) are to be substituted with a lower interest rate fixed in accordance with parameters determined by the Usury Law Decree.

No official or judicial interpretation of the Usury Law Decree is yet available. However, the Italian Constitutional Court has rejected, with decision No. 29/2002 (deposited on 25 February 2002), a constitutional exception raised by the Court of Benevento (2 January 2001) concerning article 1, paragraph 1, of the Usury Law Decree (now reflected in article 1, paragraph 1 of the above-mentioned conversion law No. 24 of 28 February 2001). In so doing, it has confirmed the constitutional validity of the provisions of the Usury Law Decree which hold that interest rates may be deemed to be void due to usury only if they infringe Usury Regulations at the time they are agreed between the borrower and the lender and not at the time such rates are actually paid by the borrower.

Pursuant to the Warranty and Indemnity Agreements, 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 loss or reduction on any interest accrued prior to the Initial Execution Date. If a Loan is found to contravene the Usury Regulations, the relevant Borrower might be able to claim relief on any interest previously paid and to oblige the Issuer to accept a reduced rate of interest, or potentially no interest on such Loan. In such cases, the ability of the Issuer to maintain scheduled payments of interest and principal on the Notes may be adversely affected. For a description of the terms of the Loans, see “*The Portfolio*”.

Compounding of interest (*anatocismo*)

Pursuant to article 1283 of the Italian civil code, accrued interest in respect of a monetary claim or receivable may be capitalised after a period of not less than six months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. 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 financial companies in the Republic of Italy have traditionally capitalised accrued interest on a three-monthly basis on the grounds that such practice could be characterised as a customary practice (*uso normativo*). However, a number of recent judgments from Italian courts (including the judgments from the Italian Supreme Court (*Corte di Cassazione*) No. 2374/1999, No 2594/2003 and No. 21095/2004) have held that such practices are not *uso normativo*. As a result, if customers of the Originator were to challenge this practice and such interpretation of the Italian civil code were to be upheld before other courts in the Republic of Italy, there could be a negative effect on the returns generated from the Loans.

Legal proceedings

Each of BP, Creberg and the *Gruppo Bancario Banco Popolare* are subject to a variety of claims and are party to a large number of legal proceedings arising in the ordinary course of business. Although the outcome of such claims is inherently uncertain and several litigants claim relatively large sums in damages, each of BP and Creberg has represented and warranted that, as of the date of the relevant Warranty and Indemnity Agreement, to its knowledge, it is not involved in any litigation the outcome of which might jeopardise, respectively, BP’s and Creberg’s ability to perform the obligations of each under the Transaction Documents to which each of them is a party.

Prepayments by Borrowers

Pursuant to article 65 (“**Article 65**”) of Royal Decree No. 267 of 16 March 1942 (the “**Bankruptcy Law**”), payments made by a debtor with respect to debts that fall due on or after the date on which the relevant debtor is declared bankrupt are ineffective against the creditors of the relevant debtor, if such payments are made

within the two years prior to the declaration of bankruptcy. Any such ineffective payment may therefore be clawed-back by the bankruptcy receiver of the payor regardless of whether the debtor was insolvent at the time when the payment was made.

While pursuant to article 4, paragraph 3, of the Securitisation Law, payments made by the assigned debtors to the Issuer may not be clawed-back pursuant to article 67 of the Bankruptcy Law in the event of insolvency of the relevant debtor, it is unclear whether the protection given by such provision against the claw-back actions taken pursuant to article 67 of the Bankruptcy Law may be extended in order to provide protection against the claw-back actions taken pursuant to article 65 of such law.

There is therefore a risk that prepayments made by Borrowers who are adjudicated bankrupt in the following two years be declared ineffective and clawed-back thus triggering a corresponding repayment obligation of the Issuer in favour of the bankruptcy estate.

Article 120-ter of the Banking Act

Article 120-ter of the Banking Act provides that any provisions imposing a prepayments penalty in case of early redemption of mortgage loans is null and void with respect to loan agreements entered into, with an individual as borrower for the purpose of purchasing or restructuring real estate properties destined to residential purposes or to carry out the borrower's own professional or business activities.

Prospective Noteholders' attention is drawn to the fact that, as a result of the above-mentioned provision, the rate of prepayment in respect of Loans qualifying as *mutui fondiari*, *mutui ipotecari* and/or *mutui agrari* can be higher than the one traditionally experienced by each of 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.

Article 120-quater of the Banking Act

Article 120-quater of the 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 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.

As a consequence of the above and, as a result of the subrogation, the rate of prepayment of the Loans might materially increase; such event might therefore have an impact on the yield to maturity of the Notes.

Claw-back of the transfer of the Claims

The transfers of the Claims under the Transfer Agreements is subject to claw-back upon bankruptcy of the relevant Originator under article 67 of the Bankruptcy Law, but only in the event that the adjudication of bankruptcy of the relevant Originator occurs within three months or, in cases where paragraph 1 of article 67 applies, within six months of the completion of the securitisation transaction.

Mutui fondiari

Each of BP and Creberg has represented that a portion of the Loans qualify as *mutui fondiari*, as defined in article 38 of the Banking Act. Pursuant to article 39, paragraph 5, of the Banking Act, upon repayment of each

fifth of the original debt, the borrowers under *mutui fondiari* loans are entitled to a proportional reduction of any mortgage related to the loan. Accordingly, the underlying value of the mortgages comprised in the Portfolio may decrease from time to time in connection with the partial repayment of the Loans. In addition, the borrowers have the right to obtain that part of the real estate assets originally constituting security for the Loans are freed from the mortgage, it being understood that, as *mutui fondiari*, the principal amount of each Loan shall not be permitted to exceed 80 per cent. of the value of the real estate assets constituting security for such Loan.

In relation to *mutui fondiari*, the right to prepay the loan is provided for by article 40 of the Banking Act and the prepayment fee is pre-set under the relevant loan agreement.

Moreover, in relation to *mutui fondiari*, special enforcement and foreclosure provisions apply. Pursuant to article 40, paragraph 2 of the Banking Act, a mortgage lender is entitled to terminate a loan agreement and accelerate the loan (*diritto di risoluzione contrattuale*) if the borrower has delayed an instalment payment at least seven times whether consecutively or otherwise. For this purpose, a payment is considered delayed if it is made between 30 and 180 days after the payment due date. Accordingly, the commencement of enforcement proceedings in relation to *mutui fondiari* may take longer than usual. Article 40 of the Banking Act, therefore, prevents each Servicer from commencing proceedings to recover amounts in relation to *mutui fondiari* until the relevant Borrowers have defaulted on at least seven payments.

Tax treatment of the Issuer

Taxable income of the Issuer is determined, without any special rights, in accordance with Italian presidential decree No. 917 of 22 December 1986 as subsequently amended (the Italian Income Taxes Consolidated Code). Pursuant to the regulations issued by the Bank of Italy on 29 March 2000 (*schemi di bilancio delle società per la cartolarizzazione dei crediti*) as confirmed in its regulations issued on 14 February 2006 (*istruzioni per la redazione dei bilanci degli intermediari finanziari iscritti nell'Elenco Speciale, degli Istituti di moneta elettronica, delle Società di gestione del risparmio e delle Società di intermediazione mobiliare*), the assets, liabilities, costs and revenues of the Issuer in relation to the Securitisation will be treated as off-balance sheet assets, liabilities, costs and revenues. Based on the general rules applicable to the calculation of the net taxable income of a company, pursuant to which such taxable income should be calculated on the basis of accounting earnings (i.e. on-balance sheet earnings), subject to such adjustments as are specifically provided for by applicable income tax rules and regulations and according to the guidelines of the Italian tax authorities (circular No. 8/E of 6 February 2003), no taxable income should accrue to the Issuer until the satisfaction of the obligations of the Issuer to the holders of the Notes, to the Other Issuer Creditors and to any third-party creditor in relation to whom the Issuer has incurred costs, liabilities, fees and expenses in relation to the securitisation of the Claims. Future rulings, guidelines, regulations or letters relating to the Securitisation Law issued by the Italian Ministry of Economy and Finance, or other competent authorities, may alter or affect the tax position of the Issuer, as described above.

Pursuant to the Bank of Italy regulations, the accounting information relating to the securitisation of the Claims will be contained in the Issuer's *Nota Integrativa* which, together with the balance sheet and the profit and loss statements, forms part of the financial statements of Italian limited liability companies (*società a responsabilità limitata*).

Withholding tax under the Class A Notes

Where the Class A Notes fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), as defined in “*Taxation in the Republic of Italy*” below, any beneficial owner of an interest payment relating to the Notes of any Class, who is a non-Italian resident without a permanent establishment in Italy to which the Notes are effectively connected and (a) is not resident, for tax purposes, in a country which allows for a satisfactory exchange of information with the Italian tax authorities or an

institutional investor established therein, or (b) has failed to comply with the requirements and procedures set forth in Italian legislative decree No. 239 of 1 April 1996, as subsequently amended (“**Decree 239**”) in order to benefit from an exemption, will receive amounts of interest payable on the Class A Notes net of Italian withholding tax, referred to as a substitute tax (*imposta sostitutiva*). As at the date of this Prospectus, such withholding tax is levied at the rate of 20 per cent. or at the reduced rate provided for by the applicable double tax treaty, if any.

In the event that withholding taxes are imposed in respect of payments to Noteholders of amounts due pursuant to the Notes, whether or not through a substitute tax, the Issuer will not be obliged to gross up any such payments or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of withholding taxes.

Change of law

The structure of the transaction and, inter alia, the issue of the Notes and the rating assigned to the Class A Notes are based on Italian and English law, on 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 as to any possible change to Italian or English law, tax or administrative practice after the Issue Date.

Fixed and floating security

Security given under the English law-governed transaction documents, although expressed as fixed security, may take effect as a floating charge and thus on enforcement certain preferential creditors may rank ahead of the Issuer Secured Creditors.

Projections, forecasts and estimates

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. Forward-looking statements, including estimates, any other projections and forecasts in this Prospectus, are necessarily speculative and subjective in nature and some or all of the assumptions underlying the projections may not materialise or may vary significantly from actual results.

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. Prospective investors are 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.

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Class A Notes are responsible for analysing their own regulatory position and none of the Issuer, the Underwriters nor any other party to the Transaction Documents makes any representation to any prospective investor or purchaser of the Class A Notes regarding the regulatory capital treatment of their investment in the Class A Notes on the Issue Date or at any time in the future.

In particular, investors should be aware of Article 122a of the CRD 2 (and any implementing rules in relation to a relevant jurisdiction) which applies, in general, to newly issued securitisations after 31 December 2010. Article 122a was implemented in Italy on 28 January 2011 pursuant to the amendment to the Bank of Italy's guidelines No. 263 of 27 December 2006 ("*Nuove disposizioni di vigilanza prudenziale per le banche*"). Article 122a restricts an EEA regulated credit institution (including its consolidated entities) from investing in a securitisation unless the originator, sponsor or original lender in respect of that securitisation has explicitly disclosed to the EEA regulated credit institution that it will retain, on an ongoing basis, a net economic interest of not less than 5 per cent. in that securitisation as contemplated by Article 122a. Article 122a also requires an EEA regulated credit institution to be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, the note position it has acquired and the underlying exposures and that procedures have been established for such due diligence to be conducted on an on-going basis. Failure to comply with one or more of the requirements set out in Article 122a may result in the imposition of a penal capital charge with respect to the investment made in the securitisation by the relevant investor.

Article 122a applies in respect of the Class A Notes so investors which are EEA regulated credit institutions should therefore make themselves aware of the requirements of Article 122a (and any implementing rules in relation to a relevant jurisdiction) in addition to any other regulatory requirements applicable to them with respect to their investment in the Class A Notes. Relevant investors are required to independently assess and determine the sufficiency of the information described in this Prospectus and in any servicer's report and/or investor reports made available and/or provided in relation to the Securitisation for the purpose of complying with Article 122a and none of the Issuer, the Underwriters nor any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes.

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

Article 122a of the CRD 2 and any other changes to the regulation or regulatory treatment of the Class A 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.

Political and economic developments in the Republic of Italy and in the European Union

The financial condition, results of operations and prospects of the Republic of Italy and companies incorporated in the Republic of Italy may be adversely affected by events outside their control, namely European law generally, any conflicts in the region or taxation and other political, economic or social developments in or affecting the Republic of Italy generally.

U.S. Foreign Account Tax Compliance Withholding

Pursuant to the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**"), the Issuer and other non-U.S. financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2016 in respect of (i) any Notes issued or materially modified on or after the later of (a) January 1, 2014, and (b) the date that is six months after the date on which the final regulations applicable to "foreign passthru payments" are filed in the Federal Register and (ii) any Notes which are treated as equity for U.S. federal tax purposes, whenever issued. Under existing guidance, this withholding tax may be

triggered on payments on the Notes if (i) the Issuer is a foreign financial institution (“**FFI**”) (as defined in FATCA) which enters into and complies with an agreement with the U.S. Internal Revenue Service (“**IRS**”) to provide certain information on its account holders (making the Issuer a “**Participating FFI**”), (ii) the Issuer is required to withhold on “foreign passthru payments”, and (iii)(a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is subject to withholding under FATCA, or (b) any FFI to or through which payment on such Notes is made is not a Participating FFI or otherwise exempt from FATCA withholding.

The application of FATCA to interest, principal or other amounts paid with respect to the Notes is not clear. In particular, Italy has announced that it intends to enter into an intergovernmental agreement with the United States to help implement FATCA for certain Italian entities. The full impact of such an agreement on the Issuer and the Issuer’s reporting and withholding responsibilities under FATCA is unclear. The Issuer may be required to report certain information on its U.S. account holders to the government of Italy in order (i) to obtain an exemption from FATCA withholding on payments it receives and/or (ii) to comply with any applicable Italian law. It is not yet certain how the United States and Italy will address withholding on “foreign passthru payments” (which may include payments on the Notes) or if such withholding will be required at all.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE HOLDERS IS UNCERTAIN AT THIS TIME. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISOR TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

Risk factors in relation to the Issuer

Source of payments to Noteholders

The Notes will be limited recourse obligations solely of the Issuer and will not be the responsibility of, or be guaranteed by, any other entity. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by, BP (in any capacity), Creberg (in any capacity), the Representative of the Noteholders, the Paying Agent, the Agent Bank, the Interim Account Bank, the Transaction Bank, the Corporate Servicer, the Administrative Servicer, the Computation Agent, the Servicers, the Underwriters, the shareholder(s) of the Issuer or any other person. None of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on the Notes.

As at the date hereof, the Issuer’s principal assets in respect of the Securitisation are the Claims. For a description of the Claims and the Criteria, see “*The Portfolio*” and “*The Transfer Agreements*”.

The Issuer will not have any significant assets, for the purpose of meeting its obligations under this Securitisation, other than the Claims, any amounts and/or securities standing to the credit of the Accounts and its rights under the Transaction Documents to which it is a party.

Consequently, there is no assurance that, over the life of the Notes or at the redemption date of any Notes (whether on maturity, on the Cancellation Date, or upon redemption by acceleration of maturity following service of an Issuer Acceleration Notice or otherwise), there will be sufficient funds to enable the Issuer to pay interest when due on the Notes and/or to repay the outstanding principal on the Notes in full.

The ability of the Issuer to meet its obligations in respect of the Class A Notes will be dependent on, *inter alia*, the timely payment of amounts due under the Loans by the Borrowers, the receipt by the Issuer of Collections received on its behalf by the Servicers in respect of the Loans from time to time in the Portfolio and the receipt of any other amounts required to be paid to the Issuer by the various agents and counterparts of the Issuer pursuant to the terms of the relevant Transaction Documents. The performance by such parties of

their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party. See “*Risk factors - Administration and reliance on third parties*”.

The Notes will be limited recourse obligations solely of the Issuer. If there are not sufficient funds available to the Issuer to pay in full all principal and interest and 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. Following the service of an Issuer Acceleration Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of the Noteholders of the Issuer’s Rights.

Upon enforcement of the Note Security, the Representative of the Noteholders will have recourse only to the Claims and to the assets pledged, charged and assigned pursuant to the Italian Deed of Pledge and the English Deed of Charge and Assignment. Other than as provided in the Warranty and Indemnity Agreements, the Transfer Agreements, the Servicing Agreements and the Letter of Undertaking, the Issuer and the Representative of the Noteholders will have no recourse to BP (in any capacity), Creberg (in any capacity) or to any other entity including, but not limited to, in circumstances where the proceeds received by the Issuer from the enforcement of any particular Loan are insufficient to repay in full the Claim in respect of such Loan.

If, upon default by one or more Borrowers under the Loans and after the exercise by the relevant Servicer of all usual remedies in respect of such Loans, the Issuer does not receive the full amount due from those Borrowers, then Class A Noteholders may receive by way of principal repayment an amount less than the face value of their Class A Notes and the Issuer may be unable to pay in full interest due on the Class A Notes.

Claims of unsecured creditors of the Issuer

Without prejudice to the right of the Representative of the Noteholders to enforce the Note Security, the Conditions contain provisions stating, and each of the Other Issuer Creditors has undertaken pursuant to the Intercreditor Agreement, that no Noteholder or Other Issuer Creditor will petition or begin proceedings for a declaration of insolvency against the Issuer until two years plus one day has elapsed since the day on which any note issued (including the Notes and the Previous Securitisation Notes) or to be issued by the Issuer has been paid in full. There can be no assurance that each and every Noteholder and Other Issuer Creditor will honour its contractual obligation not to petition or begin proceedings for a declaration of insolvency against the Issuer before two years and one day has elapsed after the day on which any note issued (including the Notes and the Previous Securitisation Notes) or to be issued by the Issuer has been paid in full. In addition, under Italian law, any other creditor of the Issuer who is not a party to the Intercreditor Agreement, an Italian public prosecutor (*pubblico ministero*), a director of the Issuer (who could not validly undertake not to do so) or an Italian court in the context of any judicial proceedings to which the Issuer is a party would be able to begin insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt. Such creditors could arise, for example, by virtue of unexpected expenses owed to third parties including those additional creditors that the Issuer will have as a result of the Previous Securitisation or any Further Securitisation (both as defined below). In order to address this risk, the Priority of Payments contains provisions for the payment of amounts to third parties. Similarly, monies to the credit of the Expenses Account may be used for the purpose of paying the ongoing fees, costs, expenses, liabilities and taxes of the Issuer to third parties not being Other Issuer Creditors.

The Issuer is unlikely to have a large number of creditors unrelated to this Securitisation or any other securitisation transaction because the corporate object of the Issuer, as contained in its by-laws (*statuto*), is limited and the Issuer has provided certain covenants in the Intercreditor Agreement which contain restrictions on the activities which the Issuer may carry out with the result that the Issuer may only carry out limited transactions.

No creditors other than the Representative of the Noteholders on behalf of the Noteholders, the Other Issuer Creditors and any third-party creditors having the right to claim for amounts due in connection with this Securitisation would have the right to claim in respect of the Claims, even in a bankruptcy of the Issuer.

Notwithstanding the above, there can be no assurance that, if any bankruptcy proceedings were to be commenced against the Issuer, the Issuer would be able to meet all of its obligations under the Notes.

Previous Securitisation and Further Securitisations

The Issuer's principal assets are the Claims and the Previous Portfolio acquired in the context of the Previous Securitisation.

The Issuer has no assets other than the Claims and the Issuer's Rights as described in this Prospectus as well as the Previous Portfolio and the agreements entered into by the Issuer in relation to the Previous Securitisation which, however, do not constitute collateral for the Notes and are not available to the Noteholders for any purpose.

The Issuer may, by way of a separate transaction, purchase (or finance pursuant to article 7 of the Securitisation Law) and securitise further portfolios of monetary claims in addition to the Claims (each, a "**Further Securitisation**"). Before entering into any Further Securitisation, the Issuer is required to obtain the written consent of the Representative of the Noteholders and to (i) obtain written confirmation from Moody's that the then current ratings of the Class A Notes will not be adversely affected by such Further Securitisation and (ii) notify DBRS thereof.

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction carried out by a company are stated to be segregated from all other assets of the company and from those related to each other securitisation transaction, and, therefore, on a winding-up of such a company, such assets will only be available to holders of the 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. Accordingly, the right, title and interest of the Issuer in and to the Claims should be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to any Further Securitisation) and amounts deriving therefrom should be available on a winding-up of the Issuer only to satisfy the obligations of the Issuer to the Noteholders and the payment of any amounts due and payable to the other Issuer Creditors.

Although the Securitisation Law provides for the assets relating to a securitisation transaction carried out by the Issuer to be segregated and separated from those of the Issuer or of other securitisation transactions carried out by the Issuer, such as the Previous Securitisation or any Further Securitisation, this segregation principle will not extend to the tax treatment of the Issuer and should not affect the applicable methods of calculation of the net taxable income of the Issuer.

Tax treatment of the Issuer

Taxable income of the Issuer is determined, without any special rights, in accordance with Italian presidential decree No. 917 of 22 December 1986 as subsequently amended (the Italian Income Taxes Consolidated Code). Pursuant to the regulations issued by the Bank of Italy on 22 March 2000 (*schemi di bilancio delle società per la cartolarizzazione dei crediti*) and on 14 February 2006 (*istruzioni per la redazione dei bilanci degli intermediari finanziari iscritti nell'Elenco Speciale, degli Istituti di moneta elettronica, delle Società di gestione del risparmio e delle Società di intermediazione mobiliare*), the assets, liabilities, costs and revenues of the Issuer in relation to the Securitisation will be treated as off-balance sheet assets, liabilities, costs and revenues. Based on the general rules applicable to the calculation of the net taxable income of a company, pursuant to which such taxable income should be calculated on the basis of accounting earnings (i.e. on-balance sheet earnings), subject to such adjustments as are specifically provided for by applicable income tax

rules and regulations and according to the guidelines of the Italian tax authorities (circular No. 8/E of 6 February 2003), no taxable income should accrue to the Issuer as a result of the Securitisation until the satisfaction of the obligations of the Issuer to the holders of the Notes, to the Other Issuer Creditors and to any third-party creditor in relation to whom the Issuer has incurred costs, liabilities, fees and expenses in relation to the Securitisation of the Claims. Future rulings, guidelines, regulations or letters relating to the Securitisation Law issued by the Italian Ministry of Economy and Finance, or other competent authorities, may alter or affect the tax position of the Issuer, as described above.

Pursuant to the Bank of Italy regulations, the accounting information relating to the Securitisation of the Claims will be contained in the Issuer's *Nota Integrativa* which, together with the balance sheet and the profit and loss statements, forms part of the financial statements of Italian limited liability companies (*società a responsabilità limitata*).

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 of any such Class of 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 such Classes of interest or principal on such Class A Notes on a timely basis or at all.

KEY FEATURES

The following information is a summary of the transactions and assets underlying the Notes. It has to be read as an introduction to this Prospectus and is qualified in its entirety by reference to the detailed information presented elsewhere in this Prospectus and in the Transaction Documents.

Certain terms used in this section, but not defined, may be found in other sections of this Prospectus, unless otherwise stated. An index of defined terms is contained at the end of this Prospectus, commencing on page 189.

1. The principal parties

Issuer

BPL Mortgages S.r.l., a limited liability company incorporated in the Republic of Italy under article 3 of Italian law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the “**Securitisation Law**”), having its registered office at via Alfieri, 1, 31015 Conegliano (Treviso), Italy, registered with the companies’ register of Treviso under number 04078130269, fiscal code and VAT number 04078130269, registered with the register of the special purpose vehicles held by the Bank of Italy (*albo delle società veicolo tenuto dalla Banca d’Italia ai sensi del Provvedimento del Governatore della Banca d’Italia del 29 aprile 2011*) under number 33259.3 (the “**Issuer**”). The issued equity capital of the Issuer is entirely held by SVM Securitisation Vehicles Management S.r.l.

The Issuer has been established as a special purpose vehicle for the purposes of issuing asset-backed securities. The Issuer may carry out other securitisation transactions in addition to the one contemplated in this Prospectus, subject to certain conditions.

In accordance with the Securitisation Law, the Issuer is a multi-purpose vehicle and it has already engaged in a securitisation transaction carried out in accordance with the Securitisation Law, completed in December 2012 and involving (i) the acquisition of monetary claims and other connected rights arising from a portfolio of performing mortgage loans acquired from BP and Creberg (the “**Previous Portfolio**”) and (ii) the issue of asset-backed notes in an aggregate amount of € 2,501,918,000 (the “**Previous Securitisation Notes**”). See “*The Issuer*”, below.

Shareholder

SVM Securitisation Vehicles Management S.r.l. is an Italian limited liability company (*società a responsabilità limitata*), having its registered office at via Alfieri, 1, 31015 Conegliano (Treviso), Italy, registered with the companies’ register held in Treviso, Italy, under number 03546650262, fiscal code and VAT number 03546650262.

Originators

Banco Popolare Soc. Coop., a bank incorporated as a co-operative company (*società cooperativa*) organised under the laws of the Republic of Italy, registered with the companies’ register held in Verona, Italy, under number 03700430238, fiscal code and VAT number 03700430238, registered with the register of banks (*albo delle banche*) held by the Bank of Italy pursuant to article 13 of the Italian legislative decree No. 385 of 1 September 1993 (the “**Banking Act**”) under number 5668, parent

company of the “*Gruppo Bancario Banco Popolare*” registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Banking Act, having its registered office at Piazza Nogara, 2, 37121 Verona, Italy (“**BP**”). See “*The Originators, the Servicers, the Interim Account Bank, the Transaction Bank and the Administrative Servicer*”, below.

Credito Bergamasco S.p.A., a bank incorporated as a joint stock company (*società per azioni*) organised under the laws of the Republic of Italy, registered with the companies’ register of Bergamo under number 00218400166, fiscal code and VAT number 00218400166, registered with the register of banks (*albo delle banche*) held by the Bank of Italy pursuant to article 13 of the Banking Act under number 3336.5, belonging to the “*Gruppo Bancario Banco Popolare*” registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Banking Act and directed and co-ordinated (*soggetta all’attività di direzione e coordinamento*) by Banco Popolare Soc. Coop., having its registered office at Largo Porta Nuova, 2, 24122 Bergamo, Italy (“**Creberg**” and, together with BP, the “**Originators**” and any one of them, the “**Originator**”). See “*The Originators, the Servicers, the Interim Account Bank, the Transaction Bank and the Administrative Servicer*”, below.

BP sold the BP Claims to the Issuer pursuant to the terms of a transfer agreement dated 22 February 2013 (the “**Initial Execution Date**”) between the Issuer and BP (the “**BP Transfer Agreement**”). See “*The Transfer Agreements*” below.

Creberg sold the Creberg Claims to the Issuer pursuant to the terms of a transfer agreement dated the Initial Execution Date between the Issuer and Creberg (the “**Creberg Transfer Agreement**”). See “*The Transfer Agreements*” below.

Servicers

BP (in such capacity, the “**Servicer of the BP Portfolio**”) will administer the BP Portfolio on behalf of the Issuer pursuant to the terms of a servicing agreement dated the Initial Execution Date between the Issuer and BP as Servicer of the BP Portfolio (the “**BP Servicing Agreement**”). See “*The Originators, the Servicers, the Interim Account Bank, the Transaction Bank and the Administrative Servicer*” and “*Credit and collection policies*” below.

Creberg (in such capacity, the “**Servicer of the Creberg Portfolio**” and, together with the Servicer of the BP Portfolio, the “**Servicers**” and “**Servicer**” means any one of them) will administer the Creberg Portfolio on behalf of the Issuer pursuant to the terms of a servicing agreement dated the Initial Execution Date between the Issuer and Creberg as Servicer of the Creberg Portfolio (the “**Creberg Servicing Agreement**” and, together with the BP Servicing Agreement, the “**Servicing Agreements**” and, any of them, the “**Servicing Agreement**”). See “*The Originators and Servicers*” and “*Credit and collection policies*” below.

Representative of the

BNP Paribas Securities Services, a French *société en commandite par*

Noteholders	<p><i>actions</i> with capital stock of € 165,279,835, having its registered office at 3, Rue d'Antin, Paris, France, operating for the purpose hereof through its Milan branch offices at Via Ansperto, 5, 20123 Milan, Italy, registered with the companies' register held in Milan, at number 13449250151, fiscal code and VAT number 13449250151, enrolled in register of banks held by the Bank of Italy at number 5483 ("BNPSS Milan Branch"), or any other person for the time being acting as such, is the representative of the holders of the Notes (the "Representative of the Noteholders") pursuant to the Intercreditor Agreement (as defined below) dated 7 March 2013 (the "Signing Date").</p>
Administrative Servicer	<p>BP, or any other person for the time being acting as such, is the administrative services provider to the Issuer (in such capacity, the "Administrative Servicer"). Pursuant to the terms of an administrative services agreement dated the Signing Date (the "Administrative Services Agreement"), the Administrative Servicer has agreed to provide certain administrative services to the Issuer.</p>
Corporate Servicer	<p>Securitisation Services S.p.A., a joint stock company (<i>società per azioni</i>) organised under the laws of the Republic of Italy, registered with the companies' register of Treviso under number 03546510268, fiscal code and VAT number 03546510268, registered with the register pursuant to article 106 of the Banking Act under number 31816 and with the register pursuant to article 107 of the Banking Act, directed and co-ordinated (<i>soggetta all'attività di direzione e coordinamento</i>) by Finanziaria Internazionale Holding S.p.A. and having its registered office at via Alfieri, 1, 31015 Conegliano (Treviso), Italy ("Securitisation Services"), or any other person for the time being acting as such, is the corporate services provider to the Issuer (in such capacity, the "Corporate Servicer"). Pursuant to the terms of a corporate services agreement dated the Signing Date (the "Corporate Services Agreement"), the Corporate Servicer has agreed to provide certain secretarial services to the Issuer.</p>
Computation Agent	<p>BNPSS Milan Branch, or any other person for the time being acting as such, is the computation agent to the Issuer (in such capacity, the "Computation Agent") pursuant to the terms of an agency and accounts agreement dated the Signing Date between the Issuer, the Representative of the Noteholders, the Computation Agent, the Interim Account Bank, the Transaction Bank, the Paying Agent and the Agent Bank (the "Agency and Accounts Agreement").</p>
Transaction Bank	<p>BP, operating for the purpose hereof through its London branch at 1-5 Moorgate, EC2R 6HJ London, United Kingdom, or any other person for the time being acting as such, is the transaction bank to the Issuer in respect of certain additional bank accounts of the Issuer (in such capacity, the "Transaction Bank") pursuant to the terms of the Agency and Accounts Agreement. The Transaction Bank has opened, and will maintain, certain bank accounts in the name of the Issuer and will operate such accounts in the name and on behalf of the Issuer. In addition, the Transaction Bank will perform certain cash management functions on behalf of the Issuer. See "<i>The Originators, the Servicers, the Interim</i></p>

Account Bank, the Transaction Bank and the Administrative Servicer” below.

Interim Account Bank

BP, or any other person for the time being acting as such, is the interim account bank to the Issuer in respect of the Interim Accounts and the Expenses Account (in such capacity, the “**Interim Account Bank**”) pursuant to the terms of the Agency and Accounts Agreement. The Interim Account Bank has opened, and will maintain, the Interim Accounts and the Expenses Account in the name of the Issuer and will operate such accounts in the name and on behalf of the Issuer.

Paying Agent

BNPSS Milan Branch, or any other person for the time being acting as such, will be the paying agent (in such capacity, the “**Paying Agent**”) pursuant to the terms of the Agency and Accounts Agreement. See “*The Paying Agent*” below.

Agent Bank

BNPSS Milan Branch, or any other person for the time being acting as such, will be the agent bank (in such capacity, the “**Agent Bank**”) pursuant to the terms of the Agency and Accounts Agreement.

Subordinated Loan Provider

BP is the subordinated loan provider (in such capacities, the “**Subordinated Loan Provider**”) pursuant to the terms of a subordinated loan agreement dated the Signing Date (the “**Subordinated Loan Agreement**”) between the Issuer and the Subordinated Loan Provider. Pursuant to the Subordinated Loan Agreement, the Subordinated Loan Provider has granted to the Issuer a subordinated loan in an aggregate amount equal to € 151,000,000 (the “**Subordinated Loan**”).

The Subordinated Loan will be repaid in accordance with the applicable Priority of Payments.

The Subordinated Loan will be drawn down by the Issuer on the Issue Date (as defined below) and will be immediately credited to the Cash Reserve Account. See “*Credit structure*” below.

Back-up Servicer Facilitator

Securitisation Services, or any other person for the time being acting as such, is the back-up servicer facilitator (in such capacity, the “**Back-up Servicer Facilitator**”). Pursuant to the terms of the Intercreditor Agreement, the Back-up Servicer Facilitator has agreed to select an entity willing to act as back-up servicer and having the characteristics listed in the Servicing Agreement to replace the Servicer should the Servicing Agreement be terminated for any reason. See “*The Servicing Agreements*” and “*The other Transaction Documents*” below.

2. Summary of the Notes

The Notes

On 11 March 2013 (the “**Issue Date**”), the Issuer will issue:

- (a) € 3,307,300,000 Class A-2013 Asset-Backed Floating Rate Notes due 2056 (the “**Class A Notes**”); and
- (b) € 1,942,480,000 Class B-2013 Asset-Backed Notes due 2056 (the “**Junior Notes**” and, together with the Class A Notes, the “**Notes**”).

The Notes will constitute direct, secured, limited recourse obligations of the Issuer. It is not anticipated that the Issuer will make any profits from this transaction. The Notes will be governed by Italian law.

Form and denomination of the Notes

The authorised denomination of the Class A Notes will be € 100,000. The authorised denomination of the Junior Notes will be € 100,000 and integral multiples of € 1,000 in excess thereof.

The Notes are issued in dematerialised form (*emesse in forma dematerializzata*) on the terms of, and subject to, the Conditions and will be held in such form on behalf of the beneficial owners, until redemption and cancellation thereof, by Monte Titoli S.p.A. for the account of the relevant Monte Titoli Account Holders.

The Notes will be deposited by the Issuer with Monte Titoli on 11 March 2013 and will at all times be in book entry form and title to the Notes will be evidenced by, and title thereto will be transferred by means of, book entries in accordance with: (i) the provisions of article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998; and (ii) the regulation issued by the Bank of Italy and CONSOB on 22 February 2008, as subsequently amended. No physical document of title will be issued in respect of the Notes.

Ranking

In respect of the obligations of the Issuer to pay interest on and repay principal on the Notes, the terms and conditions of the Notes (the “**Conditions**”) and the Intercreditor Agreement provide that:

- (i) in respect of the obligations of the Issuer to pay interest on the Notes prior to the service of an Issuer Acceleration Notice:
 - (A) the Class A Notes will rank *pari passu* and without any preference or priority among themselves, but in priority to the Junior Notes;
 - (B) the Junior Notes will rank *pari passu* and without any preference or priority among themselves, but subordinate to the Class A Notes.
- (ii) In respect of the obligations of the Issuer to repay principal on the Notes, prior to the service of an Issuer Acceleration Notice:
 - (A) the Class A Notes will rank *pari passu* and without any preference or priority among themselves, but subordinate to payment of interest in respect of the Class A Notes and in priority to repayment of principal on the Junior Notes;
 - (B) the Junior Notes will rank *pari passu* and without any preference or priority among themselves, but subordinate to (A) payment of interest on the Class A Notes and (B) repayment of principal on the Class A Notes.
- (iii) In respect of the obligations of the Issuer (a) to pay interest and (b) to repay principal on the Notes following the service of an Issuer Acceleration Notice or, in the event that the Issuer opts for the early redemption of the Notes under Condition 7(e) (*Optional redemption*) or Condition 7(f) (*Optional redemption for taxation*,

legal or regulatory reasons);

- (A) the Class A Notes will rank *pari passu* and without any preference or priority among themselves and in priority to the Junior Notes;
- (B) the Junior Notes will rank *pari passu* and without any preference or priority among themselves, but subordinate to payment in full of all amounts due under the Class A Notes.

Limited recourse nature of the Issuer's obligations under the Notes

The obligations of the Issuer to each of the holders of the Notes will be limited recourse obligations of the Issuer. The Noteholders 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 Intercreditor Agreement and the other Transaction Documents.

Costs

The costs of the transaction (with the exception of certain initial costs of setting up the transaction which will be paid by the Originators pursuant to the Underwriting Agreement) including the amounts payable to the various agents of the Issuer appointed in connection with the issue of the Notes, will be funded from the Issuer Available Funds and will therefore be included in the Priority of Payments.

Interest on the Notes

The Class A Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at a rate equal to EURIBOR (as determined by the Agent Bank in accordance with the Conditions) plus a margin of 0.60 per cent. per annum.

The Junior Notes will bear interest in accordance with Conditions 6(c) (*Rate of interest on the Class A Notes*) and 6(d) (*Interest on the Junior Notes*).

Interest on each Class of Notes will be payable in euro in arrear on each Interest Payment Date subject to the applicable Priority of Payments and subject as provided in Condition 8 (*Payments*).

“**Interest Payment Date**” means (a) prior to the service of an Issuer Acceleration Notice, 31 May and 30 November in each year (or, if any such date is not a Business Day, that date will be the first following day that is a Business Day, the first Interest Payment Date being 2 December 2013) and (b) following the service of an Issuer Acceleration Notice, the day falling 10 Business Days after the Accumulation Date (if any) or any other day on which any payment is due to be made in accordance with the Post-Enforcement Priority of Payments, the Conditions and the Intercreditor Agreement.

“**Business Day**” means a day on which banks are open for business in Milan, Dublin and London and which is a TARGET Settlement Day.

“**Principal Amount Outstanding**” means, on any day:

- (a) in relation to each Class, the aggregate principal amount outstanding of all Notes in such Class; and

- (b) in relation to a Note, the principal amount of that Note upon issue less the aggregate amount of all Principal Payments in respect of that Note which have become due and payable (and which have actually been paid) on or prior to that day.

“**Principal Payment**” has the meaning given in Condition 7(e) (*Mandatory redemption of the Notes*).

Legal maturity date of the Notes

Save as described below and unless previously redeemed in full and cancelled as provided in the Conditions, the Issuer shall redeem the Notes in full at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Interest Payment Date falling in November 2056 (the “**Maturity Date**”).

The Issuer has no assets other than the Claims and the Issuer’s Rights as described in this Prospectus as well as the Previous Portfolio and the agreements entered into by the Issuer in relation to the Previous Securitisation which, however, do not constitute collateral for the Notes and are not available to the Noteholders for any purpose.

Withholding tax on the Notes

A Noteholder who is resident for tax purposes in a country which does not allow for a satisfactory exchange of information with the Italian tax authorities will receive amounts of interest payable on the Notes net of Italian withholding tax referred to as a substitute tax (any such withholding or deduction for or on account of Italian tax under Decree 239, a “**Decree 239 Withholding**”).

Upon the occurrence of any withholding or deduction for or on account of tax, whether or not through a substitute 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 holder of the Notes.

Security for the Notes

By operation of Italian law, the Issuer’s right, title and interest in and to the Claims will be segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both prior to and following a winding-up of the Issuer, to satisfy the obligations of the Issuer to the holders of the Class A Notes (the “**Class A Noteholders**”) and the holders of the Junior Notes (the “**Junior Noteholders**” and, together with the Class A Noteholders, the “**Noteholders**”) each of the Other Issuer Creditors and any third-party creditor to whom the Issuer has incurred costs, fees, expenses or liabilities in relation to the securitisation of the Claims (together, the “**Issuer Creditors**”).

The Issuer will grant the following security:

- (a) an Italian law deed of pledge to be executed on or around the Issue Date (the “**Italian Deed of Pledge**”) pursuant to which the Issuer will create in favour of the Representative of the Noteholders for itself and on behalf of the Noteholders and the other Issuer Secured Creditors, concurrently with the issue of the Notes, an Italian law pledge over all monetary claims and rights and all the amounts (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is entitled from time to

time pursuant to the Italian Law Transaction Documents (other than the Conditions, the Rules of the Organisation of Noteholders, the Italian Deed of Pledge, the provisions of the Agency and Accounts Agreement which are governed by English law and the Mandate Agreement); and

- (b) an English law deed of charge and assignment to be executed on or around the Issue Date (the “**English Deed of Charge and Assignment**” and the security created thereunder, together with the security created under the Italian Deed of Pledge, the “**Note Security**”) pursuant to which the Issuer will grant in favour of the Representative of the Noteholders for itself and as trustee for the Noteholders and the other Issuer Secured Creditors, *inter alia*, (i) an English law charge over the Transaction Accounts, all its present and future right, title and interest in or to the Transaction Accounts and all amounts (including interest) now or in the future standing to the credit of, or accrued or accruing on the Transaction Accounts; (ii) an English law assignment by way of security of all the Issuer’s rights, title, interest and benefit present and future in, to and under each of (a) the Agency and Accounts Agreement (only to the extent it constitutes English Assets) and (b) all other present and future contracts, agreements, deeds and documents governed by English law to which the Issuer is or may become a party in relation to the Notes, the Claims and the Portfolio; and (iii) a floating charge over all of the Issuer’s assets which are subject to the assignments or charges described under (i) and (ii) above and not effectively assigned or charged thereunder.

Intercreditor Agreement

On the Signing Date, the Issuer, the Representative of the Noteholders on its own behalf and on behalf of the Noteholders, the Paying Agent, the Agent Bank, the Computation Agent, the Interim Account Bank, the Transaction Bank, BP (in any capacity), Creberg (in any capacity), the Corporate Servicer, the Administrative Servicer, the Servicers and the Back-up Servicer Facilitator (with the exception of the Issuer and the Noteholders, but including any other entity which will be a party to the Intercreditor Agreement, the “**Other Issuer Creditors**”) have entered into an intercreditor agreement (the “**Intercreditor Agreement**”) pursuant to which the Other Issuer Creditors have agreed to the limited recourse nature of the obligations of the Issuer and to the Priority of Payments described below. The Intercreditor Agreement is governed by Italian law.

Mandate Agreement

Pursuant to the terms of a mandate agreement dated the Signing Date (the “**Mandate Agreement**”), the Representative of the Noteholders is empowered to take such action in the name of the Issuer, following the delivery of an Issuer Acceleration Notice, as the Representative of the Noteholders may deem necessary to protect the interests of the Noteholders and the Other Issuer Creditors. The Mandate Agreement is governed by Italian law.

Purchase of the Notes

The Issuer may not purchase any Notes at any time.

Listing of the Notes

Application has been made for the Class A Notes to be listed on the Irish Stock Exchange. No application has been made to list the Junior Notes on any stock exchange.

Ratings

The Class A Notes are expected, on issue, to be rated, respectively, “A2(sf)” by Moody’s Italia S.r.l. (“**Moody’s**”, which expression shall include any successors) and “A(sf)” by DBRS Ratings Limited (“**DBRS**”, which expression shall include any successors and, together with Moody’s, the “**Rating Agencies**”).

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any one of the Rating Agencies.

Selling restrictions

There are restrictions on the sale of the Notes and on the distribution of information in respect thereof. See “*Subscription and sale*” below.

Governing law

The Notes are governed by, and shall be construed in accordance with, Italian law.

3. The Portfolio

Transfer of the Claims

On the Initial Execution Date, the Issuer acquired from the Originators without recourse (*pro soluto*):

- (a) the monetary claims (the “**BP Claims**”) and other connected rights arising out of a portfolio consisting of secured and unsecured loans disbursed to entities engaged in an economic activity, irrespective of its legal form, where the reported sales for the entity or if the entity is a part of a consolidated group, for the consolidated group is less than €50 million (“**SMEs**”) in various technical forms (such as *mutui fondiari*, *mutui ipotecari*, *mutui agrari* or *finanziamenti chirografari*) (the “**BP Loans**”) owed to BP (the “**BP Portfolio**”); and
- (b) the monetary claims (the “**Creberg Claims**”) and other connected rights arising out of a portfolio consisting of secured and unsecured loans disbursed to SMEs in various technical forms (such as *mutui fondiari*, *mutui ipotecari*, *mutui agrari* or *finanziamenti chirografari*) (the “**Creberg Loans**”) owed to Creberg (the “**Creberg Portfolio**”).

The BP Claims and the Creberg Claims are collectively referred to as the “**Claims**” and the BP Portfolio and the Creberg Portfolio are collectively referred to as the “**Portfolio**” and the BP Loans and the Creberg Loans are collectively referred to as the “**Loans**”. See “*The Portfolio*” and “*The Transfer Agreement*” below.

The payment of the purchase price of the Claims to the Originators will be financed by, and will be limited recourse to, the net proceeds of the issue of the Notes on the Issue Date.

Warranties in relation the Portfolio

On the Initial Execution Date, the Issuer and each of the Originators entered into separate warranty and indemnity agreements (collectively, the “**Warranty and Indemnity Agreements**”), pursuant to which BP and Creberg, respectively, have given certain representations and warranties

in favour of the Issuer in relation to, respectively, the BP Portfolio and the Creberg Portfolio and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Claims.

Pursuant to the Warranty and Indemnity Agreements, the Issuer may, in specific limited circumstances relating to a breach of representations in relation to the Loans, require the relevant Originator to repurchase certain Claims. The Warranty and Indemnity Agreements are governed by Italian law. See “*The Warranty and Indemnity Agreements*” below.

Servicing and collection procedures

Pursuant to the terms of the relevant Servicing Agreements, each of the Servicer of the BP Portfolio and the Servicer of the Creberg Portfolio has agreed to administer and service, respectively, the BP Portfolio and the Creberg Portfolio on behalf of the Issuer and, in particular, to:

- (a) collect amounts due in respect thereof;
- (b) administer relationships with any person who is a borrower under a Loan; and
- (c) commence and pursue any enforcement proceedings in respect of any borrowers who may default.

Any monies paid in respect of (i) the BP Loans (the “**BP Collections**”); and (ii) the Creberg Loans (the “**Creberg Collections**” and, together with the BP Collections, the “**Collections**”) are initially paid to the relevant Servicer. See “*The Servicing Agreements*” below.

The Collections are required to be transferred by the relevant Servicer into the relevant Interim Account by no later than the receipt date, for value as at the relevant receipt date in accordance with the procedure described in the Servicing Agreement. In particular, payments made: (i) through the direct debit mechanism will automatically pass from the current account of the relevant Borrower to the relevant Interim Account; and (ii) by, respectively, cash, inter-banking direct debit of the Borrowers’ bank account opened with a bank other than the Originator (*R.I.D. – rimessa interbancaria diretta*) and payment request (*MAV – mediante avviso*) will be credited by the Servicer on the relevant Interim Account through an automatic process.

“**Collection Date**” means the first calendar day of May and November of each year.

“**Collection Period**” (a) prior to the service of an Issuer Acceleration Notice, each period commencing on (and including) a Collection Date and ending on (but excluding) the next succeeding Collection Date and in the case of the first Collection Period, the period commencing on the Valuation Date (excluded) and ending on the Collection Date falling in November 2013 (excluded); and (b) following the service of an Issuer Acceleration Notice, each period commencing on (but excluding) the last day of the preceding Collection Period and ending on (and including) the immediately following Accumulation Date.

Each of the Servicers have undertaken to prepare and submit to the Computation Agent, the Rating Agencies, the Corporate Servicer, the

Representative of the Noteholders and the Issuer, by no later than seven Business Days immediately following the end of each preceding Collection Period (each such date, a “**Reporting Date**”), semi-annual reports (each, a “**Servicer Report**”) in the form set out in the Servicing Agreements and containing information as to the Portfolio, the Claims and the Collections in respect of the preceding Collection Period.

Servicing fees

In return for the services provided by each of the Servicers in relation to the ongoing management of the Portfolio, on each Interest Payment Date and in accordance with the Priority of Payments, the Issuer will pay to each of the Servicer of the BP Portfolio and the Servicer of the Creberg Portfolio, the following amounts:

- (a) in connection with the collection of the Claims of the relevant Portfolio (other than the *Crediti in Sofferenza* of the relevant Portfolio), 0.50 per cent. (on a yearly basis calculated according to the Act/360 method) of the Collections in respect of the Claims of the relevant Portfolio (other than the *Crediti in Sofferenza* of the relevant Portfolio) in the immediately preceding Collection Period (including VAT where applicable) as specified in the relevant Servicing Agreement;
- (b) in connection with the management of the Claims of the relevant Portfolio (other than the *Crediti in Sofferenza* of the relevant Portfolio), an annual fee of € 10,000 (including VAT where applicable) payable by the Issuer *pro quota* on each Interest Payment Date;
- (c) in connection with the recovery of the *Crediti in Sofferenza* of the relevant Portfolio, 0.25 per cent. of the recoveries in respect of the *Crediti in Sofferenza* the relevant Portfolio collected in the immediately preceding Collection Period, according to the information contained in the relevant Servicer Report (excluding VAT where applicable); and
- (d) in connection with certain compliance and consultancy services provided by the relevant Servicer pursuant to the relevant Servicing Agreement, an annual fee of € 7,500 plus value added tax (to the extent applicable) payable by the Issuer *pro quota* on each Interest Payment Date.

“**Crediti ad Incaglio**” means those Claims (A)(i) under which there are at least (I) 6 (six) Unpaid Instalments (in case of monthly payment) provided that 150 days have elapsed since the due date of the first Instalment which became an Unpaid Instalment or (II) 3 (three) Unpaid Instalments (in case of two-monthly payment) provided that 150 days have elapsed since the due date of the first Instalment which became an Unpaid Instalment or (III) 2 (two) Unpaid Instalments (in case of quarterly payment) provided that 150 days have elapsed since the due date of the first Instalment which became an Unpaid Instalment or (IV) 1 (one) Unpaid Instalment (in case of semi-annual payment) provided that 150 days have elapsed since the due date of the first Instalment which became an Unpaid Instalment or (V) 1 (one) Unpaid Instalment (in case

of annual payment) provided that 150 days have elapsed since the due date of the first Instalment which became an Unpaid Instalment or (ii) which are classified as delinquent (*crediti ad incaglio*) by the relevant Servicer on behalf of the Issuer in accordance with the Bank of Italy's supervisory regulations and the relevant collection policies and (B) which are not yet classified as *Crediti in Sofferenza* yet.

“Crediti in Sofferenza” means those Claims which are classified as such by the relevant Servicer on behalf of the Issuer in accordance with the regulation of the Bank of Italy and the relevant Collection Policies.

“Defaulted Claim” means those Claims (A) under which there are at least (i) 7 (seven) Unpaid Instalments whether consecutive or otherwise (in case of monthly payment) or (ii) 4 (four) Unpaid Instalments whether consecutive or otherwise (in case of two-monthly payment) or (iii) 3 (three) Unpaid Instalments whether consecutive or otherwise (in case of quarterly payment) or (iv) 2 (two) Unpaid Instalments (in case of semi-annual payment) or (v) 1 (one) Unpaid Instalment (in case of annual payment), or (B) are classified as *Crediti in Sofferenza* by the relevant Servicer.

“Unpaid Instalment” means an instalment which, at a given date, is due but not fully paid and remains such for at least 30 calendar days, following the date on which it should have been paid under the terms of the relevant Loan.

4. The accounts of the Issuer

The Accounts

Pursuant to the terms of the Agency and Accounts Agreement, the Issuer has opened with the Interim Account Bank:

- (a) a euro-denominated current account into which, *inter alia*, the Servicer of the BP Portfolio will be required to deposit all the BP Collections as they are collected in accordance with the BP Servicing Agreement (the **“BP Interim Account”**);
- (b) a euro-denominated current account into which, *inter alia*, the Servicer of the Creberg Portfolio will be required to deposit all the Creberg Collections as they are collected in accordance with the Creberg Servicing Agreement (the **“Creberg Interim Account”** and, together with the BP Interim Account, the **“Interim Accounts”** and, any one of them, and **“Interim Account”**);
- (c) a euro-denominated current account into which the Issuer will deposit € 50,000 (the **“Retention Amount”**) on the Issue Date (the **“Expenses Account”** and, together with the Interim Accounts, the **“Italian Accounts”**). The Expenses Account will then be replenished on each Interest Payment Date, in accordance with the Pre-Enforcement Priority of Payments and subject to the availability of sufficient Issuer Available Funds, up to the Retention Amount and such amount will be applied by the Issuer to pay all fees, costs, expenses and taxes required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing

or to comply with applicable legislation.

Pursuant to the terms of the Agency and Accounts Agreement, the Issuer has opened with the Paying Agent a euro-denominated current account into which, *inter alia*, on the Business Day immediately preceding each Interest Payment Date the Issuer will be required to transfer from the other Transaction Accounts the amounts necessary to make the payments due in accordance with the applicable Priority of Payments (the “**Payments Account**”).

Pursuant to the terms of the Agency and Accounts Agreement, the Issuer has opened the following accounts with the Transaction Bank:

- (a) a euro-denominated account with respect to the BP Claims (the “**BP Collection Account**”) into which the Interim Account Bank will be required to transfer, on a daily basis, the balance standing to the credit of the BP Interim Account;
- (b) a euro-denominated account with respect to the Creberg Claims (the “**Creberg Collection Account**”) into which the Interim Account Bank will be required to transfer, on a daily basis, the balance standing to the credit of the Creberg Interim Account; and
- (c) a euro-denominated current account into which the Issuer will be required to deposit, *inter alia*, (i) on the Issue Date, (A) € 151,000,000, being the amounts to be drawn down by the Issuer under the Subordinated Loan Agreement and (B) € 6,493,400.20, being equal to a portion of the aggregate amounts collected under the Loans between the Valuation Date (excluded) and the Signing Date (but excluding those collections constituting repayment of principal and prepayments); and (ii) on each Interest Payment Date, in accordance with the Pre-Enforcement Priority of Payments and subject to the availability of sufficient Issuer Available Funds, the amount (if any) necessary to replenish it so that the balance of the Cash Reserve Account equals the Target Cash Reserve Amount (the “**Cash Reserve Account**” and, together with the BP Collection Account and the Creberg Collection Account, the “**Transaction Accounts**” and any one of them, the “**Transaction Account**” and together with the Italian Accounts and the Payments Account, the “**Accounts**” and any one of them, the “**Account**”).

In accordance with the Securitisation Law, the Issuer is a multi-purpose vehicle and in the context of the issuance of the Previous Securitisation Notes has opened certain bank accounts. The sums standing from time to time to the credit of such bank accounts will not be available to the Issuer Creditors because, pursuant to the Securitisation Law, the assets relating to each securitisation transaction will constitute assets segregated for all purposes from the assets of the Issuer and from the assets relating to other securitisation transactions. The assets relating to a particular securitisation transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to the general creditors of the Issuer.

**Provisions relating to the
Transaction Bank**

The Issuer has also opened with Deutsche Bank S.p.A. a euro-denominated account (the “**Equity Capital Account**”) into which the sum representing 100 per cent of the Issuer’s equity capital (equal to €12,000) has been deposited and will remain deposited therein for so long as all notes issued (including the Previous Securitisation Notes) or to be issued by the Issuer (including the Notes) have been paid in full.

Pursuant to the Agency and Accounts Agreement, the Transaction Bank has agreed to provide the Issuer with certain services in connection with account handling and reporting requirements in relation to the monies and securities, as applicable, from time to time standing to the credit of the Transaction Accounts, including the preparation of statements of account on each Reporting Date (the “**Statement of the Transaction Accounts**”).

If the Transaction Bank ceases to be an Eligible Institution for the purposes of the BP Collection and the Creberg Collection Account,

- (a) the Transaction Bank will notify the Issuer, the Representative of the Noteholders and the Rating Agencies thereof and use, by no later than 30 (thirty) calendar days’ from the date on which the relevant downgrading occurs, its best efforts to select a leading bank:
 - (i) approved by the Representative of the Noteholders and by the Issuer; and
 - (ii) which is an Eligible Institution, willing to act as successor Transaction Bank thereunder for the purposes of the BP Collection and the Creberg Collection Account; and
- (b) the Issuer will, by no later than 30 (thirty) calendar days’ from the date on which the relevant downgrading occurs,
 - (i) appoint that bank specified above as successor Transaction Bank (and will notify in advance the Representative of the Noteholders and the Rating Agencies thereof also in accordance with the Interecreditor Agreement) which, on or before the replacement of the Transaction Bank for the purposes of the BP Collection and the Creberg Collection Account, shall agree to become bound by the provisions of the Agency and Accounts Agreement, the Interc Creditor Agreement and of any other agreement providing for, mutatis mutandis, the same obligations contained in the Agency and Accounts Agreement for the Transaction Bank;
 - (ii) open a replacement BP Collection Account, a replacement Creberg Collection Account and a replacement Expenses Account (if opened in accordance with the Agency and Accounts Agreement) with the successor Transaction Bank specified in (a) above;
 - (iii) transfer the balance standing to the credit of, respectively, the BP Collection Account, the Creberg Collection Account and the Expenses Account (if opened in accordance with the

Agency and Accounts Agreement) to the credit of each of the relevant replacement accounts set out above;

- (iv) close the BP Collection Account, the Creberg Collection Account and the Expenses Account (if opened in accordance with the Agency and Accounts Agreement) once the steps under (i), (ii) and (iii) are completed; and
- (v) terminate the appointment of the Transaction Bank in respect of the BP Collection, the Creberg Collection Account and the Expenses Account (if opened in accordance with the Agency and Accounts Agreement) (and will notify the Representative of the Noteholders and the Rating Agencies thereof also in accordance with the Intercreditor Agreement) once the steps under (i), (ii), (iii) and (iv) are completed,

provided that:

- (A) the administrative costs (which, for the avoidance of doubt, shall not include any fees payable to, or costs and expenses of, the successor Transaction Bank) incurred with respect to the selection of a successor Transaction Bank which will hold the replacement BP Collection Account, the replacement Creberg Collection Account and the replacement Expenses Account (if opened in accordance with the Agency and Accounts Agreement) under (a) above and the transfer of funds referred under (b) above shall be borne by the outgoing Transaction Bank; and
- (B) in case the successor Transaction Bank which will hold the replacement BP Collection Account, the replacement Creberg Collection Account and the replacement Expenses Account (if opened in accordance with the Agency and Accounts Agreement) is not selected within the term under clause (A) above, the Issuer, with the cooperation of the Representative of the Noteholders, will select such successor Transaction Bank being an Eligible Institution for the purposes of the BP Collection and the Creberg Collection Account.

If the Transaction Bank ceases to be an Eligible Institution for the purposes of the Cash Reserve Account,

- (a) the Transaction Bank holding the Cash Reserve Account will notify the Issuer, the Representative of the Noteholders and the Rating Agencies thereof; and
- (b) the Issuer will, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs,
 - (i) appoint the Transaction Bank where the replacement BP Collection Account, the replacement Creberg Collection Account and the replacement Expenses Account (if opened in accordance with the Agency and Accounts Agreement) are (or will be) held (and will notify in advance the Representative of the Noteholders and the Rating Agencies thereof also in accordance with the Intercreditor Agreement);

- (ii) open a replacement Cash Reserve Account with the replacement Transaction Bank specified in (b)(i) above;
- (iii) transfer the balance standing to the credit of the Cash Reserve Account to the credit of the relevant replacement account set out above;
- (iv) close the Cash Reserve Account once the steps under (i), (ii) and (iii) are completed; and
- (v) terminate the appointment of the Transaction Bank in respect of the Cash Reserve Account (and will notify the Representative of the Noteholders and the Rating Agencies thereof also in accordance with the Intercreditor Agreement) once the steps under (i), (ii), (iii) and (iv) are completed,

provided that the administrative costs incurred with respect to the transfer of funds referred under (b) above shall be borne by the outgoing Transaction Bank. See “*The Agency and Accounts Agreement*” below.

**Provisions relating to the
Paying Agent**

If the Paying Agent ceases to be an Eligible Institution,

- (a) the Paying Agent will notify the Issuer, the Representative of the Noteholders and the Rating Agencies thereof and use, by no later than 30 (thirty) calendar days’ from the date on which the relevant downgrading occurs, its best efforts to select a leading bank:
 - (i) approved by the Representative of the Noteholders and by the Issuer; and
 - (ii) which is an Eligible Institution, willing to act as successor Paying Agent thereunder; and
- (b) the Issuer will, by no later than 30 (thirty) calendar days’ from the date on which the relevant downgrading occurs,
 - (i) appoint that bank specified above as successor Paying Agent (and will notify in advance the Representative of the Noteholders and the Rating Agencies thereof also in accordance with the Interecreditor Agreement) which, on or before the replacement of the Paying Agent shall agree to become bound by the provisions of the Agency and Accounts Agreement, the Intercreditor Agreement and of any other relevant agreement providing for, *mutatis mutandis*, the same obligations contained in the Agency and Accounts Agreement for the Paying Agent;
 - (ii) open a replacement Payments Account with the successor Paying Agent specified in (a) above;
 - (iii) transfer the balance standing to the credit of the Payments Account to the credit of the relevant replacement account set out above;
 - (iv) close the Payments Account once the steps under (i), (ii) and (iii) are completed; and
 - (v) terminate the appointment of the Paying Agent (and will notify in advance the Representative of the Noteholders and the Rating Agencies thereof also in accordance with the

Intercreditor Agreement) once the steps under (i), (ii), (iii) and (iv) are completed,

provided that:

- (A) the administrative costs incurred with respect to the selection of a successor Paying Agent (which, for the avoidance of doubt, shall not include any fees payable to, or costs and expenses of, the successor Paying Agent) under (a) above and the transfer of funds referred under (b) above shall be borne by the outgoing Paying Agent; and
- (B) in case the successor Paying Agent is not selected within the term under clause (a) above, the Issuer, with the cooperation of the Representative of the Noteholders, will select such successor Paying Agent being an Eligible Institution. See “*The Agency and Accounts Agreement*” below.

“Eligible Institution” means:

- (I) with respect to any entity (other than BP acting as Transaction Bank),
 - (A) any depository institution organised under the laws of any state which is a member of the European Union or of the United States of America whose long-term unsecured and unsubordinated debt obligations are rated at least:
 - (i) “Baa3” by Moody’s; and
 - (ii) “BBB” by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS) or, in the absence of any rating supplied by DBRS, “BBB” or “Baa2” by at least two of Fitch, S&P or Moody’s (provided that if such public rating is under credit watch negative, or equivalent, then such rating will be considered one notch below);
 - (B) whose obligations under the Transaction Documents to which it is a party are guaranteed by a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America whose long-term unsecured and unsubordinated debt obligations are rated at least:
 - (i) “Baa3” by Moody’s; and
 - (ii) “BBB” by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS) or, in the absence of any rating supplied by DBRS, “BBB” or “Baa2” by at least two of Fitch, S&P or Moody’s (provided that if such public rating is under credit watch negative, or equivalent, then such rating will be considered one notch below);

- (II) with respect to BP acting as Transaction Bank for the purposes of the BP Collection Account and the Creberg Collection Account, BP for so long as its long-term, unsecured and unsubordinated debt obligations are rated at least:
 - (i) “Baa3” by Moody’s; and
 - (ii) “BBB” by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS); and
- (III) with respect to BP acting as Transaction Bank for the purposes of the Cash Reserve Account only, BP for so long as its long-term, unsecured and unsubordinated debt obligations are rated at least:
 - (i) “Ba1” by Moody’s; and
 - (ii) “BBB” by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS).

Computation Agency

Pursuant to the Agency and Accounts Agreement, the Computation Agent has agreed to provide the Issuer with certain calculation, notification and reporting services in relation to the Claims and the Notes. By no later than three Business Days prior to each Interest Payment Date (each such date, a “**Calculation Date**”) or, upon request by the Representative of the Noteholders, following the delivery of an Issuer Acceleration Notice., the Computation Agent will calculate the amounts to be disbursed on the following Interest Payment Date pursuant to the priority of payments as set forth in Condition 3(d) (*Pre-Enforcement Priority of Payments*) and will compile a payments report (the “**Payments Report**”) and will distribute by electronic means and/or fax the Payments Report to the Issuer, the Servicers, the Underwriters, the Corporate Servicer, the Rating Agencies, the Paying Agent, the Interim Account Bank, the Transaction Bank, the Corporate Servicer and the Representative of the Noteholders by no later than 6.00 p.m. (Milan time) on each Calculation Date.

In addition, the Computation Agent will prepare and deliver by no later than five Business Days following each Interest Payment Date to the Issuer, the Servicers, the Underwriters, the Corporate Servicer, the Rating Agencies, the Paying Agent, the Interim Account Bank, the Transaction Bank, the Representative of the Noteholders, any stock exchange on which the Class A Notes are listed, a report containing details of, *inter alia*, the Notes (and any amounts paid thereunder on the immediately preceding Interest Payment Date), the Claims, amounts received by the Issuer from any source during the preceding Collection Period and amounts paid by the Issuer during such Collection Period as well as on the immediately preceding Interest Payment Date (the “**Investor Report**”). The Investor Report will be also made available to the Noteholders and the Issuer Secured Creditors on a semi-annually basis via the Computation Agent’s internet website currently located at <https://gctabsreporting.bnpparibas.com/index.jsp>. The Computation Agent’s internet website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon.

In carrying out its duties, the Computation Agent will be entitled to rely on certain information provided to it by, amongst others, each of the Servicers, the Interim Account Bank, the Transaction Bank, the Agent Bank, the Issuer and the Computation Agent will not be liable for any omission or error in so doing, save as are caused by its own gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

Payments under the Notes

Based on the Payments Report, the Paying Agent will make the payments under the Notes set forth in the relevant Priority of Payments described below.

5. Priority of Payments

Issuer Available Funds

On each Calculation Date, the Computation Agent will calculate the Issuer Available Funds which will be used by the Issuer to make the payments contained in the Priority of Payments set out below.

“**Issuer Available Funds**” means:

(i) as of each Calculation Date prior to the service of an Issuer Acceleration Notice, an amount equal to the sum of:

(a) the amount standing to the credit of the BP Collection Account, the Creberg Collection Account and of the Payments Account as at the end of the Collection Period immediately preceding the relevant Calculation Date consisting of, *inter alia*:

(I) payment of interest and repayment of principal under the Loans,

(II) any collections and/or recovery in respect of Defaulted Claims including any disposal proceeds deriving from the sale of any Defaulted Claims,

(III) any amount received by the Issuer under any of the Transaction Documents during the preceding Collection Period,

(IV) all amounts of interest accrued in respect of any of the Transaction Accounts and paid during the Collection Period immediately preceding such Calculation Date, and

(V) the Prepayment Amounts which have become, during the relevant Collection Period, Available Prepayment Amounts,

but excluding a portion of the amount standing to the credit of the BP Collection Account and the Creberg Collection Account in an amount equal to the Aggregate Prepayment Amounts as at the end of such Collection Period;

- (b) the Cash Reserve as at the relevant Calculation Date;
 - (c) any refund or repayment obtained by the Issuer from any tax authority in respect of the Claims, the Transaction Documents or, otherwise, the Securitisation during the immediately preceding Collection Period; and
 - (d) on the Calculation Date immediately preceding the Final Redemption Date and on any Calculation Date thereafter, the amount standing to the balance of the Expenses Account; and
- (iii) as of each Calculation Date following the service of an Issuer Acceleration Notice, the aggregate of the amounts received or recovered by or on behalf of the Issuer or the Representative of the Noteholders in respect of the Claims, the Note Security and the Issuer's Rights under the Transaction Documents.

“Insurance Premium” means the insurance premia paid by each of the Originators and which are due to the relevant Originator by the Issuer in accordance with the relevant Transfer Agreement.

“Rateo Amounts” an amount equal to all interest accrued but not paid in respect of the relevant Loans as at the Valuation Date (inclusive) being equal to:

- (i) € 10,826,892.65 with respect to BP; and
- (ii) € 2,024,331.98 with respect to Creberg,

which will be paid to the relevant Originator in accordance with the applicable Priority of Payments.

“Originator's Claims” means, collectively, the monetary claims that the relevant Originator may have from time to time against the Issuer under the relevant Transfer Agreement (other than in respect of the relevant Purchase Price) and the relevant Warranty and Indemnity Agreement, and including, without limitation, the relevant Rateo Amounts, the relevant Insurance Premium, the interest on the relevant Purchase Price and all amounts due and payable to the relevant Originator for the repayment of any loan extended to the Issuer under clause 12.4 of the relevant Transfer Agreement and clause 6.4.3 of the relevant Warranty and Indemnity Agreement.

“Servicer's Advance” means those amounts due to the relevant Servicer under clauses 3.8 and 12.5.4 of the relevant Servicing Agreement.

Pre-Enforcement Priority of Payments

Prior to the service of an Issuer Acceleration Notice, the Issuer Available Funds as calculated on each Calculation Date will be applied by the Issuer on the Interest Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority (the **“Pre-Enforcement Priority of Payments”**) but, in each case, only if and to the extent that payments or provisions of a

higher priority have been made in full:

- (i) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
 - (A) any and all outstanding taxes due and payable by the Issuer in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not paid by BP and Creberg under the Letter of Undertaking);
 - (B) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations to third parties (not being Other Issuer Creditors) incurred in the course of the Issuer's business in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not paid by BP and Creberg under the Letter of Undertaking);
 - (C) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with the listing, deposit or ratings of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs);
- (ii) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
 - (A) any and all outstanding fees, costs and expenses of and all other amounts due and payable to the Representative of the Noteholders, or any appointee thereof; and
 - (B) the amount necessary to replenish the Expenses Account up to the Retention Amount;
- (iii) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of the Paying Agent, the Agent Bank, the Computation Agent, the Servicers, the Back-up Servicer Facilitator, the Corporate Servicer, the Administrative Servicer, the Interim Account Bank and the Transaction Bank, each, under the Transaction Document(s) to which it is a party;
- (iv) *fourth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts of interest due and payable on the Class A Notes;

- (v) *fifth*, for so long as there are Class A Notes outstanding, to credit the Cash Reserve Account with the amount required, if any, such that the Cash Reserve equals the Target Cash Reserve Amount;
- (vi) *sixth*, for so long as there are Class A Notes outstanding and following the occurrence of a Servicer Report Delivery Failure Event, but only if on such Interest Payment Date the Servicer Report Delivery Failure Event is still outstanding, to credit the remainder to the BP Collection Account;
- (vii) *seventh*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class A Notes until the Class A Notes are repaid in full;
- (viii) *eighth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to each of the Originators in respect of the relevant Rateo Amounts (if any) under the terms of the Transaction Documents;
- (ix) *ninth*, in or towards satisfaction of all amounts due and payable to each of the Underwriters under the terms of the Underwriting Agreement;
- (x) *tenth*, in or towards satisfaction of all amounts of interest due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;
- (xi) *eleventh*, in or towards satisfaction of all amounts of principal due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;
- (xii) *twelfth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
 - (A) all amounts due and payable to each of the Originators in respect of the relevant Originator's Claims (if any) under the terms of the Transaction Documents;
 - (B) all amounts due and payable to each of the Servicers as Servicer's Advance (if any) under the terms of the relevant Servicing Agreement; and
 - (C) in connection with a limited recourse loan under the Letter of Undertaking;
- (xiii) *thirteenth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to this Securitisation (other than amounts already provided for in this Pre-Enforcement Priority of Payments);
- (xiv) *fourteenth*, upon repayment in full of the Class A Notes, in or towards repayment, *pro rata* and *pari passu*, of the Principal

Amount Outstanding of the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to € 50,000;

- (xv) *fifteenth*, on the Final Redemption Date and on any Interest Payment Date thereafter, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Junior Notes are redeemed in full; and
- (xvi) *sixteenth*, in or towards satisfaction, *pro rata* and *pari passu*, of the Junior Notes Remuneration (if any) due and payable on the Junior Notes.

From time to time, during an Interest Period, the Issuer shall, in accordance with the Agency and Accounts Agreement, be entitled to apply amounts standing to the credit of the Expenses Account in respect of certain monies which properly belong to third parties, other than the Noteholders and the Other Issuer Creditors, in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation, and in payment of sums due to third parties, other than the Noteholders and the Other Issuer Creditors, under obligations incurred in the course of the Issuer's business.

Post-Enforcement Priority of Payments

Following the service of an Issuer Acceleration Notice, or, in the event that the Issuer opts for the early redemption of the Notes under Condition 7(e) (*Optional redemption of the Notes*) or Condition 7(f) (*Optional redemption for taxation, legal or regulatory reasons*), the Issuer Available Funds as calculated on each Calculation Date will be applied by or on behalf of the Representative of the Noteholders on the Interest Payment Date immediately following such Calculation Date in making payments or provisions in the following order (the “**Post-Enforcement Priority of Payments**”) but, in each case, only if and to the extent that payments of a higher priority have been made in full:

- (i) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
 - (A) any and all outstanding taxes to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing and to comply with applicable legislation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not paid by BP and Creberg under the Letter of Undertaking);
 - (B) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not paid by BP and

Creberg under the Letter of Undertaking);

- (ii) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
 - (A) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with the listing, deposit or ratings of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs); and
 - (B) any and all outstanding fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders or any appointee thereof;
- (iii) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of the Paying Agent, the Agent Bank, the Computation Agent, the Servicers, the Back-up Servicer Facilitator, the Corporate Servicer, the Administrative Servicer, the Interim Account Bank and the Transaction Bank, each, under the Transaction Document(s) to which it is a party;
- (iv) *fourth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of interest (including any interest accrued but unpaid) on the Class A Notes at such date;
- (v) *fifth*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class A Notes;
- (vi) *sixth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to each of the Originators in respect of the relevant Rateo Amounts (if any) under the terms of the Transaction Documents;
- (vii) *seventh*, in or towards satisfaction of all amounts due and payable to each of the Underwriters under the terms of the Underwriting Agreement;
- (viii) *eighth*, in or towards satisfaction of all amounts of interest due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;
- (ix) *ninth*, in or towards satisfaction of all amounts of principal due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;
- (x) *tenth*, in or towards satisfaction *pro rata* and *pari passu*, according to the respective amounts thereof;

- (A) all amounts due and payable to each of the Originators in respect of the relevant Originator's Claims (if any) under the terms of the Transaction Documents;
 - (B) all amounts due and payable to each of the Servicers as Servicer's Advance (if any) under the terms of the relevant Servicing Agreement; and
 - (C) in connection with a limited recourse loan under the Letter of Undertaking;
- (xi) *eleventh*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to € 50,000;
 - (xii) *twelfth*, on the Post-Enforcement Final Redemption Date and on any date thereafter, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Junior Notes are redeemed in full; and
 - (xiii) *thirteenth*, up to but excluding the Post-Enforcement Final Redemption Date, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of the Junior Notes Remuneration at such date,

provided, however, that, if the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments above shall be less than 10% of the Principal Amount Outstanding of the Notes, the Representative of the Noteholders may at its discretion invest such monies in some or one of the investments authorised pursuant to the Intercreditor Agreement. The Representative of the Noteholders at its discretion may vary such investments and may accumulate such investments and the resulting income until the immediately following Accumulation Date.

The Issuer is entitled, pursuant to the Intercreditor Agreement, to dispose of the Claims in order to finance the redemption of the Notes following the service of an Issuer Acceleration Notice.

6. Redemption of the Notes

Final redemption

Unless previously redeemed in full and cancelled as provided in Condition 7, the Issuer shall redeem the Notes in full at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Interest Payment Date falling in November 2056 (the "**Maturity Date**"), subject as provided in Condition 8 (*Payments*).

Optional redemption of the Notes

Prior to the service of an Issuer Acceleration Notice, the Issuer may redeem the Notes of all Classes (in whole but not in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Post-Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem all the Notes (or the Class A Notes only, if all the holders of the Junior Notes consent) and to make

all payments ranking in priority thereto, on any Interest Payment Date, subject to the Issuer:

- (a) giving not more than 60 days nor less than 30 days' notice to the Representative of the Noteholders and the holders of the Notes, in accordance with Condition 17 (*Notices*), of its intention to redeem all Classes of Notes (in whole but not in part); and
- (b) having provided, prior to giving such notice, to the Representative of the Noteholders a certificate signed by the chairman of the board or the sole director of the Issuer (as applicable) to the effect that it will have the funds on such Interest Payment Date to discharge all its obligations under the Notes (or the Class A Notes only, if all the holders of the Junior Notes consent) and any obligations ranking in priority thereto.

The Issuer is entitled, pursuant to the Intercreditor Agreement and the Transfer Agreements, to dispose of the Claims in order to finance the redemption of the Notes in the circumstances described above.

**Optional redemption for
taxation, legal or regulatory
reasons**

Prior to the service of an Issuer Acceleration Notice, the Issuer may redeem the Notes of all Classes (in whole but not in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Pre-Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem all the Notes (or the Class A Notes only, if all the holders of the Junior Notes consent) and to make all payments ranking in priority, or *pari passu*, thereto, on any Interest Payment Date, if, by reason of a change in law or the interpretation or administration thereof since the Issue Date:

- (a) the assets of the Issuer in respect of this Securitisation (including the Claims, the Collections and the other Issuer's Rights) become subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any applicable taxing authority having jurisdiction; or
- (b) either the Issuer or any paying agent appointed in respect of the Notes or any custodian of the Notes is required to deduct or withhold any amount (other than in respect of a Decree 239 Withholding) in respect of any Class of Notes, from any payment of principal or interest on such Interest Payment Date 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 political sub-division thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction and provided that such deduction or withholding may not be avoided by appointing a replacement paying agent or custodian in respect of the Notes before the Interest Payment Date following the change in law or the interpretation or administration thereof; or

- (c) any amounts of interest payable on the Loans to the Issuer are required to be deducted or withheld from the Issuer 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 political sub-division thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction; or
- (d) it is or will become unlawful 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,

subject to the Issuer:

- (i) giving not more than 60 days' nor less than 30 days' written notice (which notice shall be irrevocable) to the Representative of the Noteholders and the Noteholders, pursuant to Condition 17 (*Notices*), of its intention to redeem all (but not some only) of the Notes; and
- (ii) providing to the Representative of the Noteholders:
 - (A) a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from a firm of lawyers of international repute (approved in writing by the Representative of the Noteholders) opining on the relevant change in law or interpretation or administration thereof;
 - (B) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) stating that the obligation to make such deduction or withholding or the suffering by the Issuer of such deduction or withholding cannot be avoided or, as the case may be, the events under paragraph (d) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable endeavours; and
 - (C) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) to the effect that it will have the funds on such Interest Payment Date to discharge its obligations under: (i) the Notes (or the Class A Notes only, if all the holders of the Junior Notes consent) and any obligations ranking in priority, or *pari passu*, thereto; and (ii) any additional taxes that will be payable by the Issuer after the Notes are redeemed, by reason of such early redemption of the Notes.

The Issuer is entitled, pursuant to the Intercreditor Agreement, to dispose of the Claims in order to finance the redemption of the Notes in the circumstances described above.

Mandatory redemption

If no Issuer Acceleration Notice has been delivered to the Issuer by the

Representative of the Noteholders and if at the close of business on the Calculation Date immediately preceding the relevant Interest Payment Date there are Issuer Available Funds available for such purpose, the Issuer will apply such Issuer Available Funds on the Interest Payment Date following each such Calculation Date in or towards the mandatory redemption of the Notes of each Class (in whole or in part) in accordance with the Pre-Enforcement Principal Priority of Payments.

Cancellation Date

If the Notes cannot be redeemed in full on the Maturity Date, as a result of the Issuer having insufficient funds for application in or towards such redemption, any amount unpaid shall remain outstanding and the Conditions shall continue to apply in full in respect of the Notes until the earlier of (i) the date on which the Notes are redeemed in full and (ii) the Cancellation Date, at which date, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Issuer, any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, shall be finally and definitively cancelled.

Estimated weighted average life of the Class A Notes and assumptions

The actual weighted average life of the Class A Notes cannot be predicted as the actual rate at which the Loans will be repaid and a number of other relevant factors are unknown. Calculations of the estimated weighted average life of the Class A Notes have been based on certain assumptions including, *inter alia*, the assumptions that the Loans are subject to a constant payment rate as shown in “*Estimated weighted average life of the Class A Notes and assumptions*”.

The estimated weighted average life of the Class A Notes is set out under “*Estimated weighted average life of the Class A Notes and assumptions*”.

7. Events of Default

Events of Default

Subject to the other provisions of Condition 10, each of the following events shall be treated as an “**Event of Default**”:

- (i) *Non-payment*: the Issuer fails to repay any amount of principal in respect of the Class A Notes within 15 days of the due date for repayment of such principal or fails to pay any Interest Amount in respect of the Most Senior Class of Notes within five days of the relevant Interest Payment Date; or
- (ii) *Breach of other obligations*: the Issuer fails to perform or observe any of its other obligations under or in respect of the Class A Notes, the Intercreditor Agreement or any other Transaction Document to which it is a party and such default is, in the sole opinion of the Representative of the Noteholders, (A) incapable of remedy or (B) capable of remedy, but remains unremedied for 30 days or such longer period as the Representative of the Noteholders may agree (in its sole discretion) after the Representative of the Noteholders has given written notice of such default to the Issuer, certifying that such default is, in the opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Class A Noteholders and requiring the same to be remedied; or

(iii) *Failure to take action*: any action, condition or thing at any time required to be taken, fulfilled or done in order to:

- (A) enable the Issuer to lawfully enter into, exercise its rights and perform and comply with its obligations under and in respect of the Class A Notes and the Transaction Documents to which the Issuer is a party; or
- (B) ensure that those obligations are legal, valid, binding and enforceable,

is not taken, fulfilled or done at any time and the Representative of the Noteholders has given written notice of such default to the Issuer, certifying that such default is, in the opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Class A Noteholders and requiring the same to be remedied; or

(iv) *Insolvency Event*: an *Insolvency Event* occurs in relation to the Issuer or the Issuer becomes Insolvent; or

(v) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Class A Notes or the Transaction Documents to which the Issuer is a party.

Service of an Issuer Acceleration Notice

If an Event of Default occurs, then (subject to Condition 10(c) (*Consequences of service of an Issuer Acceleration Notice*)), the Representative of the Noteholders may, at its sole discretion, and shall:

- (i) if so directed in writing by the holders of at least 60% of the Principal Amount Outstanding of the Most Senior Class of Notes; or
- (ii) if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes,

give written notice (an “**Issuer Acceleration Notice**”) to the Issuer and to the Servicer declaring the Notes to be due and payable, provided that:

- (a) in the case of the occurrence of any of the events mentioned in Conditions 10(a)(ii) (*Breach of other obligations*) and Condition 10(a)(iii) (*Failure to take action*), the service of an Issuer Acceleration Notice has been approved by an Extraordinary Resolution of the holders of the Most Senior Class of Notes; and
- (b) in each case, the Representative of the Noteholders shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all fees, costs, expenses and liabilities (provided that supporting documents are delivered where available) to which it may thereby become liable or which it may incur by so doing.

Consequences of service of an Issuer Acceleration Notice

Upon the service of an Issuer Acceleration Notice as described in Condition 10, (i) the Notes of each Class shall become immediately due and repayable at their Principal Amount Outstanding, together with any interest accrued but which has not been paid on any preceding Interest

Payment Date, without further action, notice or formality; (ii) the Note Security shall become immediately enforceable; and (iii) the Representative of the Noteholders may dispose of the Claims in the name and on behalf of the Issuer by virtue of the power of attorney granted in accordance with the Mandate Agreement. The Noteholders hereby irrevocably appoint, as from the date hereof and with effect on and from the date on which the Notes shall become due and payable following the service of an Issuer Acceleration Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Creditors from and including the date on which the Notes shall become due and payable, such monies to be applied in accordance with the Post-Enforcement Priority of Payments.

8. Credit Structure

Cash Reserve

The Issuer will establish a reserve fund in the Cash Reserve Account.

“**Cash Reserve**” means the monies standing to the credit of the Cash Reserve Account at any given time.

The Cash Reserve Account will be funded on the Issue Date in an amount equal to € 157,493,400.20, by utilising (A) the amounts to be drawn down by the Issuer under the Subordinated Loan Agreement in an amount of € 151,000,000 and (B) a portion of the aggregate amounts collected under the Loans between the Valuation Date (excluded) and the Signing Date (but excluding those collections constituting repayment of principal and prepayments) an amount of € 6,493,400.20.

On each Interest Payment Date, the Cash Reserve will be increased or replenished, as the case may be, up to the Target Cash Reserve Amount out of the Issuer Available Funds and in accordance with the Pre-Enforcement Priority of Payments.

On each Calculation Date, the Cash Reserve (or part of it) will be used to augment the Issuer Available Funds.

“**Target Cash Reserve Amount**” means € 157,493,400.20 (being an amount equal to three per cent. of the aggregate Principal Amount Outstanding of the Notes as at the Issue Date) save that the Target Cash Reserve Amount will be reduced to zero in respect of the Interest Payment Date on which the Class A Notes are redeemed in full.

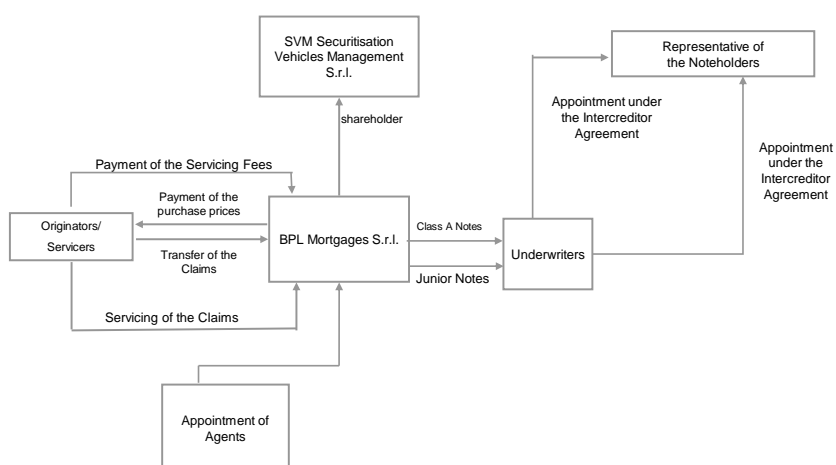
Letter of Undertaking

Pursuant to a letter of undertaking in relation to the Issuer (the “**Letter of Undertaking**”) dated the Signing Date between the Issuer, the Representative of the Noteholders, BP and Creberg (in such capacity, the “**Financing Banks**”), the Financing Banks have undertaken to provide the Issuer with all necessary monies (in any form of financing deemed appropriate by the Representative of the Noteholders, for example by way of a subordinated loan, the repayment of which is effected in compliance with item (xii)(C) of the Pre-Enforcement Priority of Payments or, as the case may be, item (x)(C) of the Post-Enforcement Priority of Payments) in order for the Issuer to pay any losses, costs,

expenses or liabilities in respect of certain exceptional liabilities set out in the Letter of Undertaking.

STRUCTURE DIAGRAM

The following structure diagram does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Words and expressions defined elsewhere in this Prospectus shall have the same meanings in this structure diagram.



CREDIT STRUCTURE

Ratings of the Notes

It is a condition precedent to the issue of the Notes that the Class A Notes will be rated, respectively, “A2(sf)” by Moody’s and “A(sf)” by DBRS.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any one of the Rating Agencies.

The Junior Notes will not be assigned a rating.

The credit ratings applicable to the Class A Notes included or referred to in this Prospectus have been issued by Moody’s or DBRS whilst other credit ratings included or referred to in this Prospectus have been issued by Moody’s, DBRS, S&P and Fitch. Each the rating agencies mentioned above is established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the “**CRA Regulation**”). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

Cash flow through the Accounts

Collections in respect of the Loans will be paid by the Borrowers to each of the Servicers. Under the Servicing Agreement, each Servicer is required to transfer the Collections into the relevant Interim Account by no later than the receipt date, for value as at the relevant receipt date, provided that, in the case of exceptional circumstances causing an operational delay in the transfer, the Collections are required to be transferred to the relevant Interim Account by no later than the day on which the operational delay in the transfer has been resolved.

In particular, payments made (i) through the direct debit mechanism will automatically pass from the current account of the relevant Borrower to the relevant Interim Account; and (ii) by, respectively, cash, inter-banking direct debit of the Borrowers’ bank account opened with a bank other than the Originator (*R.I.D. – rimessa interbancaria diretta*) and payment request (*MAV – mediante avviso*) will be credited by the Servicer on the relevant Interim Account through an automatic process.

The Interim Account Bank is then required to transfer by 1 p.m. (Milan time) on each Business Day all amounts standing to the credit of the BP Interim Account and the Creberg Interim Account into, respectively, the BP Collection Account and the Creberg Collection Account which is held with the Transaction Bank.

Under the Agency and Accounts Agreement, the Transaction Bank has agreed to pay interest on funds on deposit from time to time in the Transaction Accounts at a rate agreed between the Issuer and the Transaction Bank.

Monies standing to the credit of the Equity Capital Account, including interest accruing thereon from time to time, will not constitute Issuer Available Funds and will not be used to pay interest or repay principal on the Notes.

Cash Reserve

The Issuer will establish a reserve fund in the Cash Reserve Account.

“**Cash Reserve**” means the monies standing to the credit of the Cash Reserve Account at any given time.

The Cash Reserve Account will be funded on the Issue Date in an amount equal to € 157.306.314,22, by utilising (A) the amounts to be drawn down by the Issuer under the Subordinated Loan Agreement in an amount of € 151,000,000 and (B) a portion of the aggregate amounts collected under the Loans between the Valuation Date (excluded) and the Signing Date (but excluding those collections constituting repayment of principal and prepayments) an amount of € 6,493,400.20.

On each Interest Payment Date, the Cash Reserve will be increased or replenished, as the case may be, up to the Target Cash Reserve Amount out of the Issuer Available Funds and in accordance with the Pre-Enforcement Priority of Payments.

“**Target Cash Reserve Amount**” means € 157,493,400.20 (being an amount equal to three per cent. of the aggregate Principal Amount Outstanding of the Notes as at the Issue Date) save that the Target Cash Reserve Amount will be reduced to zero in respect of the Interest Payment Date on which the Class A Notes are redeemed in full.

Subordination

Payments of interest and repayment of principal under the Class A Notes are subject to certain subordination and ranking provisions. For a more detailed description of the ranking among the various Classes of Notes and the relative subordination provisions see “*Key features - Summary of the Notes – Ranking*” and Condition 3(b) (*Ranking*).

See “*Key features - Priority of Payments*”, “*Risk factors – Subordination*” and “*Terms and Conditions of the Notes*”.

Note Security

The Notes will be secured by the Note Security. See “*Key features - Summary of the Notes, Security for the Notes*”.

THE PORTFOLIO

On the Initial Execution Date, the Issuer acquired from the Originators without recourse (*pro soluto*):

- (a) the monetary claims (the “**BP Claims**”) and other connected rights arising out of a portfolio consisting of secured and unsecured loans disbursed to SMEs in various technical forms (such as *mutui fondiari*, *mutui ipotecari*, *mutui agrari* or *finanziamenti chirografari*) (the “**BP Loans**”) owed to BP (the “**BP Portfolio**”); and
- (b) the monetary claims (the “**Creberg Claims**”) and other connected rights arising out of a portfolio consisting of secured and unsecured loans disbursed to SMEs in various technical forms (such as *mutui fondiari*, *mutui ipotecari*, *mutui agrari* or *finanziamenti chirografari*) (the “**Creberg Loans**”) owed to Creberg (the “**Creberg Portfolio**”).

The BP Claims and the Creberg Claims are collectively referred to as the “**Claims**”, the BP Portfolio and the Creberg Portfolio are collectively referred to as the “**Portfolio**” and the BP Loans and the Creberg Loans are collectively referred to as the “**Loans**”.

The Claims have characteristics that (taken together with the structural features of the Securitisation and the arrangements entered into or to be entered into in accordance with the Transaction Documents) demonstrate capacity to produce funds to service any payments due and payable on the Class A Notes in accordance with the Conditions. However, regard should be had both to the characteristics of the Portfolio and the other assets and rights available to the Issuer under the Securitisation and the risks to which the Issuer and the Noteholders may be exposed. Prospective holders of the Notes should consider the detailed information set out elsewhere in this Prospectus, including without limitation under the section “*Risk factors*”, above.

The Loans comprising the Portfolio have been selected as at 17 February 2013 (the “**Valuation Date**”) on the basis of certain criteria which are summarised under “*The Transfer Agreements*” below and which were published on 28 February 2013 in No. 25 *Part II* of the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) and registered with the competent companies’ register as required under the Securitisation Law. See “*The Transfer Agreements*”.

All information and statistical data contained in this section, on the other hand, are representative of the characteristics of the Portfolio as of the Valuation Date.

As at the Valuation Date:

- (i) the BP Portfolio consisted of 40,168 BP Loans extended to the borrowers under the BP Loans (the “**BP Borrowers**”). As at the Valuation Date, the aggregate outstanding principal balance of the BP Claims was € 4,319,427,751.80; and
- (ii) the Creberg Portfolio consisted of 8,716 Creberg Loans extended to the borrowers under the Creberg Loans (the “**Creberg Borrowers**”). As at the Valuation Date, the aggregate outstanding principal balance of the Creberg Claims was € 943,203,479.42.

The BP Borrowers and the Creberg Borrowers are collectively referred to as the “**Borrowers**”.

As at the Valuation Date, the BP Claims met the BP Criteria and the Creberg Claims met the Creberg Criteria. See “*Transfer Agreements*” below.

Main characteristics of the Portfolio

All information and statistical data contained below in this section are representative of the characteristics of the Portfolio as at the Valuation Date. Accordingly, the information in relation to the Portfolio set out below does not necessarily reflect the composition of the Portfolio on the Issue Date.

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

1. Breakdown of the Portfolio by current balance for each Originator

The following table shows the breakdown of the Loans disbursed to one or more individuals by current balance for each Originator.

Originator		Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
Creberg	3336	8,716	17.83%	941,179,147	17.93%
Banco Popolare	5034	40,168	82.17%	4,308,600,859	82.07%
		-	0.00%	-	0.00%
Total		48,884	100%	5,249,780,007	100.00%

2. Breakdown of the Portfolio by interest rate type

The following table shows the breakdown of the Loans disbursed to one or more individuals by interest rate type.

Interest type		Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
fisso		4,732	9.68%	273,852,283	5.22%
variabile		44,152	90.32%	4,975,927,724	94.78%
		-	0.00%	-	0.00%
Total		48,884	100.00%	5,249,780,007	100.00%

3. Breakdown of the Portfolio by type of parameter

The following table shows the breakdown of the Loans disbursed to one or more individuals by parameter.

Base Index type (Floating loans)		Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
Eur 1m		1,473	3.01%	229,198,053	4.37%
Eur 3m		41,368	84.62%	4,420,679,083	84.21%
Eur 6m		1,291	2.64%	325,390,416	6.20%
Total		44,132	90.28%	4,975,267,553	94.77%

4. Breakdown of the Portfolio by region of the property location

The following table shows the breakdown of the Loans disbursed to one or more individuals by region of the property location*.

Property Region	Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)		
ABRUZZO	18	0.04%	3,305,325	0.09%	NORD	74.52%
BASILICATA	6	0.01%	2,369,923	0.06%	CENTRO	19.47%
CALABRIA	9	0.02%	1,366,653	0.04%	SUD	6.01%
CAMPANIA	243	0.50%	49,434,947	1.35%		100.00%
EMILIA ROMAGNA	1,191	2.44%	443,707,306	12.15%		
FRIULI VENEZIA GIULIA	45	0.09%	15,222,635	0.42%		
LAZIO	607	1.24%	189,849,282	5.20%		
LIGURIA	655	1.34%	154,045,118	4.22%		
LOMBARDIA	3,646	7.46%	1,278,077,960	34.99%		
MARCHE	11	0.02%	1,812,748	0.05%		
MOLISE	35	0.07%	9,658,172	0.26%		
PIEMONTE	1,156	2.36%	298,297,386	8.17%		
PUGLIA	47	0.10%	29,579,553	0.81%		
SARDEGNA	64	0.13%	25,749,490	0.70%		
SICILIA	508	1.04%	101,263,017	2.77%		
TOSCANA	1,706	3.49%	501,482,635	13.73%		
TRENTINO ALTO ADIGE	43	0.09%	16,051,343	0.44%		
UMBRIA	58	0.12%	14,638,520	0.40%		
UNKNOWN	-	0.00%	-	0.00%		
VALLE D'AOSTA	32	0.07%	9,168,850	0.25%		
VENETO	1,637	3.35%	507,440,492	13.89%		
no/data	-	0.00%	-	0.00%		
	-	0.00%	-	0.00%		
Total	11,717	23.97%	3,652,521,355	100.00%		

5. Breakdown of the Portfolio by date of origination

The following table shows the breakdown of the Loans disbursed to one or more individuals by date of origination.

Date of Origination	Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
<=31/12/2001	208	0.43%	13,549,690	0.26%
>=01/01/2002 <=31/12/2002	146	0.30%	13,098,839	0.25%
>=01/01/2003 <=31/12/2003	323	0.66%	27,922,944	0.53%
>=01/01/2004 <=31/12/2004	525	1.07%	62,396,754	1.19%
>=01/01/2005 <=31/12/2005	611	1.25%	100,602,281	1.92%
>=01/01/2006 <=31/12/2006	826	1.69%	149,940,945	2.86%
>=01/01/2007 <=31/12/2007	1,104	2.26%	265,532,364	5.06%
>=01/01/2008 <=31/12/2008	1,653	3.38%	247,150,176	4.71%
>=01/01/2009 <=31/12/2009	4,412	9.03%	620,991,282	11.83%
>=01/01/2010 <=30/06/2010	5,063	10.36%	747,892,451	14.25%
>=01/07/2010 <=31/12/2010	5,877	12.02%	716,860,668	13.66%
>=01/01/2011 <=30/06/2011	5,587	11.43%	699,807,559	13.33%
>=01/07/2011 <=31/12/2011	4,741	9.70%	500,543,033	9.53%
>=01/01/2012 <=30/06/2012	5,260	10.76%	409,566,263	7.80%
>=01/07/2012 <=31/12/2012	10,936	22.37%	571,872,328	10.89%
>=01/01/2013	1,612	3.30%	102,052,430	1.94%
Total	48,884	100%	5,249,780,007	100%

6. Breakdown of the Portfolio by maturity

The following table shows the breakdown of the Loans disbursed to one or more individuals by maturity.

Date of Maturity	Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
<=31/12/2012	-	0.00%	-	0.00%
>=01/01/2013 <=31/12/2016	36,296	74.25%	1,413,069,329	26.92%
>=01/01/2017 <=31/12/2020	5,482	11.21%	1,215,758,658	23.16%
>=01/01/2021 <=31/12/2024	3,791	7.76%	1,418,493,296	27.02%
>=01/01/2025 <=31/12/2028	1,887	3.86%	753,433,038	14.35%
>=01/01/2029 <=31/12/2031	580	1.19%	219,059,351	4.17%
>=01/01/2032 <=31/12/2035	381	0.78%	136,394,114	2.60%
>=01/01/2036 <=31/12/2039	274	0.56%	53,146,291	1.01%
>=01/01/2040 <=31/12/2043	183	0.37%	39,106,356	0.74%
>=01/01/2044 <=31/12/2047	10	0.02%	1,319,574	0.03%
>=01/01/2048	-	0.00%	-	0.00%
Total	48,884	100.00%	5,249,780,007	100.00%

7. Breakdown of the Portfolio by original balance

The following table shows the breakdown of the Loans disbursed to one or more individuals by original balance (in Euro).

Original Loan Amount		Number of Loans	% of Total Number of Loans	Original Balance (€)	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
	<=20000	10,337	21.15%	143,759,473	104,762,686	2.00%
>20000	<=40000	12,276	25.11%	346,295,373	217,127,584	4.14%
>40000	<=60000	6,627	13.56%	328,770,627	196,843,869	3.75%
>60000	<=80000	3,027	6.19%	214,156,784	130,243,440	2.48%
>80000	<=100000	2,890	5.91%	273,274,588	168,825,397	3.22%
>100000	<=300000	9,021	18.45%	1,600,165,473	1,016,969,151	19.37%
>300000	<=400000	1,107	2.26%	399,240,249	261,323,939	4.98%
>400000	<=500000	874	1.79%	412,414,065	265,030,694	5.05%
>500000	<=600000	396	0.81%	224,857,837	143,774,951	2.74%
>600000	<=700000	293	0.60%	194,717,210	125,866,505	2.40%
>700000	<=800000	301	0.62%	230,507,665	141,194,158	2.69%
>800000	<=900000	162	0.33%	140,362,816	92,300,068	1.76%
>900000	<=1000000	302	0.62%	297,622,100	199,711,348	3.80%
>1000000	<=2000000	786	1.61%	1,136,435,059	757,496,498	14.43%
>2000000	<=3000000	267	0.55%	673,800,755	482,740,561	9.20%
>3000000	<=4000000	96	0.20%	341,049,118	241,002,822	4.59%
>4000000	<=5000000	43	0.09%	196,091,230	147,229,987	2.80%
>5000000		79	0.16%	710,036,379	557,336,349	10.62%
Total		48,884	100.00%	7,863,556,801	5,249,780,007	100.00%

8. Breakdown of the Portfolio by current balance

The following table shows the breakdown of the Loans disbursed to one or more individuals by current balance (in Euro).

Current Loan Outstanding		Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
	<=20000	21,287	43.55%	246,003,956	4.69%
>20000	<=40000	9,629	19.70%	270,866,119	5.16%
>40000	<=60000	4,252	8.70%	207,959,216	3.96%
>60000	<=80000	2,578	5.27%	179,684,440	3.42%
>80000	<=100000	2,035	4.16%	183,322,167	3.49%
>100000	<=200000	4,361	8.92%	618,640,456	11.78%
>200000	<=300000	1,647	3.37%	403,895,182	7.69%
>300000	<=400000	773	1.58%	267,801,718	5.10%
>400000	<=500000	523	1.07%	235,825,062	4.49%
>500000	<=600000	289	0.59%	158,609,181	3.02%
>600000	<=700000	227	0.46%	147,236,856	2.80%
>700000	<=800000	177	0.36%	133,190,085	2.54%
>800000	<=900000	139	0.28%	118,324,539	2.25%
>900000	<=1000000	157	0.32%	150,238,374	2.86%
>1000000	<=2000000	506	1.04%	721,399,256	13.74%
>2000000	<=3000000	164	0.34%	402,913,204	7.67%
>3000000	<=4000000	58	0.12%	203,377,807	3.87%
>4000000	<=5000000	28	0.06%	127,411,340	2.43%
>5000000		54	0.11%	473,081,049	9.01%
Total		48,884	100.00%	5,249,780,007	100.00%

9. Breakdown of the Portfolio by loan seasoning (years)

The following table shows the breakdown of the Loans disbursed to one or more individuals by loan seasoning (years).

Seasoning		Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)	Weighted Average Seasoning (Years)
<=2	<=2	26,494	54.20%	2,104,833,512	40.09%	1.04
>2	<=4	16,846	34.46%	2,241,792,544	42.70%	2.77
>4	<=6	2,790	5.71%	518,191,384	9.87%	5.05
>6	<=7	874	1.79%	154,192,546	2.94%	6.50
>7	<=8	617	1.26%	96,020,163	1.83%	7.44
>8	<=9	541	1.11%	76,173,308	1.45%	8.43
>9	<=10	357	0.73%	31,345,115	0.60%	9.50
>10		365	0.75%	27,231,436	0.52%	11.52
Total		48,884	100.00%	5,249,780,007	100.00%	2.66

10. Breakdown of the Portfolio by remaining term (years)

The following table shows the breakdown of Loans disbursed to one or more individuals by remaining term.

Remaining Term		Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)	Weighted Average Remaining Term (Years)
<=5	<=5	38,633	79.03%	1,690,882,303	32.21%	2.50
>5	<=10	5,892	12.05%	1,858,536,781	35.40%	7.85
>10	<=15	2,732	5.59%	1,175,305,209	22.39%	12.30
>15	<=20	973	1.99%	371,658,265	7.08%	17.39
>20	<=25	371	0.76%	99,502,864	1.90%	22.42
>25	<=30	273	0.56%	52,575,010	1.00%	27.58
>30		10	0.02%	1,319,574	0.03%	32.57
Total		48,884	100.00%	5,249,780,007	100.00%	8.28

11. Breakdown of the Portfolio by payment frequency

The following table shows the breakdown of the Loans disbursed to one or more individuals by payment frequency.

Frequency		Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
Monthly	MENSILE	40,078	81.99%	2,808,682,153	53.50%
Quarterly	TRIMESTRALE	5,419	11.09%	1,432,562,210	27.29%
Semi annual	SEMESTRALE	3,350	6.85%	1,003,063,185	19.11%
Annual	ANNUALE	36	0.07%	5,275,875	0.10%
Fourmonthly	QUADRIMESTRALE	1	0.00%	196,584	0.00%
Total		48,884	100.00%	5,249,780,007	100.00%

12. Breakdown of the Portfolio by payment method

The following table shows the breakdown of the Loans disbursed to one or more individuals by payment method.

Method of Payment		Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
C/C		47,724	97.63%	5,075,109,164	96.67%
MAV		7	0.01%	567,980	0.01%
PER CASSA		653	1.34%	140,586,362	2.68%
RID		499	1.02%	33,508,684	0.64%
Altro		1	0.00%	7,816	0.00%
Total		48,884	100.00%	5,249,780,007	100.00%

13. Breakdown of the Portfolio by interest rate

The following table shows the breakdown of the Loans disbursed to one or more individuals by interest rate (rate of last instalment due and paid).

Interest Rate (rate of last instalment due and paid)		Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
<=2	<=2	8,242	16.86%	1,853,242,061	35.30%
>2	<=3	9,544	19.52%	1,541,058,792	29.35%
>3	<=4	6,548	13.39%	552,605,168	10.53%
>4	<=5	4,659	9.53%	468,199,121	8.92%
>5	<=6	5,832	11.93%	394,662,379	7.52%
>6	<=7	6,556	13.41%	263,541,065	5.02%
>7	<=8	3,847	7.87%	99,228,004	1.89%
>8		3,656	7.48%	77,243,417	1.47%
Total		48,884	100.00%	5,249,780,007	100.00%

14. Breakdown of the Portfolio by type of Loans

The following table shows the breakdown of the Loans by type of Loans:

AIECO		Number of Loans	% of Total Number of Loans	Outstanding Principal Amount (€)	Outstanding Principal Amount (%)
682001	LOCAZIONE IMMOBILIARE DI BENI PROPRI	3,111	6.36%	931,186,864	17.74%
412000	COSTRUZIONE DI EDIFICI RESIDENZIALI E NON F	2,891	5.91%	533,901,760	10.17%
411000	SVILUPPO DI PROGETTI IMMOBILIARI SENZA CO	1,487	3.04%	503,903,935	9.60%
681000	COMPRAVENDITA DI BENI IMMOBILI EFFETTUA	1,372	2.81%	450,068,467	8.57%
15000	COLTIVAZIONI AGRICOLE ASSOCIATE ALL'ALLE	465	0.95%	95,633,903	1.82%
11110	COLTIVAZIONE DI CEREALI (ESCLUSO IL RISO)	541	1.11%	94,559,238	1.80%
12100	COLTIVAZIONE DI UVA	356	0.73%	77,600,557	1.48%
11910	COLTIVAZIONE DI FIORI IN PIENA ARIA	539	1.10%	75,485,584	1.44%
14100	ALLEVAMENTO DI BOVINI E BUFALAE DA LATTE	353	0.72%	68,606,887	1.31%
551000	ALBERGHI	506	1.04%	64,599,175	1.23%
561011	RISTORAZIONE CON SOMMINISTRAZIONE	1,189	2.43%	58,536,988	1.12%
494100	TRASPORTO DI MERCI SU STRADA	1,095	2.24%	49,925,402	0.95%
563000	BAR E ALTRI ESERCIZI SIMILI SENZA CUCINA	1,212	2.48%	42,910,531	0.82%
351100	PRODUZIONE DI ENERGIA ELETTRICA	73	0.15%	42,045,840	0.80%
432101	INSTALLAZIONE DI IMPIANTI ELETTRICI IN EDI	839	1.72%	37,932,139	0.72%
871000	STRUTTURE DI ASSISTENZA INFERMIERISTICA R	141	0.29%	35,197,868	0.67%
256200	LAVORI DI MECCANICA GENERALE	666	1.36%	34,313,628	0.65%
642000	ATTIVITA' DELLE SOCIETA' DI PARTECIPAZIONI	77	0.16%	33,351,430	0.64%
11140	COLTIVAZIONI MISTE DI CEREALI, LEGUMI DA C	185	0.38%	33,058,481	0.63%
477110	COMMERCIO AL DETTAGLIO DI CONFEZIONI PEI	712	1.46%	29,415,724	0.56%
421200	COSTRUZIONE DI LINEE FERROVIARIE E METROI	203	0.42%	26,415,101	0.50%
432201	INSTALLAZIONE DI IMPIANTI IDRAULICI, DI RIS	578	1.18%	21,484,964	0.41%
237010	SEGAGIONE E LAVORAZIONE DELLE PIETRE E DI	162	0.33%	21,105,415	0.40%
702209	ALTRE ATTIVITA' DI CONSULENZA IMPRENDITC	334	0.68%	21,005,378	0.40%
692020	ATTIVITA' DELLE SOCIETA' DI REVISIONE E CER	396	0.81%	20,953,942	0.40%
452010	RIPARAZIONI MECCANICHE DI AUTOVEICOLI	626	1.28%	20,806,090	0.40%
701000	ATTIVITA' DELLE HOLDING IMPEGNATE NELLE	74	0.15%	20,170,643	0.38%
381100	RACCOLTA DEI RIFIUTI SOLIDI NON PERICOLOSI	77	0.16%	20,129,820	0.38%
233200	FABBRICAZIONE DI MATTONI, TEGOLE ED ALTF	11	0.02%	19,542,319	0.37%
14600	ALLEVAMENTO DI SUINI	56	0.11%	19,293,847	0.37%
11310	COLTIVAZIONE DI ORTAGGI (INCLUSI I MELONI)	201	0.41%	19,044,101	0.36%
683100	ATTIVITA' DI MEDIAZIONE IMMOBILIARE	251	0.51%	17,717,416	0.34%
477310	FARMACIE	222	0.45%	17,537,862	0.33%
243301	FABBRICAZIONE DI PANNELLI STRATIFICATI IN	360	0.74%	17,153,527	0.33%
451101	COMMERCIO ALL'INGROSSO E AL DETTAGLIO DI	211	0.43%	17,046,718	0.32%
960201	SERVIZI DEI SALONI DI BARBIERE E PARRUCCHIE	631	1.29%	16,894,048	0.32%
433901	ATTIVITA' NON SPECIALIZZATE DI LAVORI EDIL	384	0.79%	16,722,521	0.32%
649910	ATTIVITA' DI INTERMEDIAZIONE MOBILIARE	2	0.00%	15,896,772	0.30%
255000	FUCINATURA, IMBUTITURA, STAMPAGGIO E PRI	104	0.21%	15,562,065	0.30%
360000	RACCOLTA, TRATTAMENTO E FORNITURA DI A	19	0.04%	15,326,264	0.29%
467322	COMMERCIO ALL'INGROSSO DI ALTRI MATERIALI	167	0.34%	15,210,642	0.29%
711100	ATTIVITA' DEGLI STUDI DI ARCHITETTURA	254	0.52%	14,965,443	0.29%
471120	SUPERMERCATI	64	0.13%	13,989,891	0.27%
12200	COLTIVAZIONE DI FRUTTA DI ORIGINE TROPICA	153	0.31%	13,686,061	0.26%
472600	COMMERCIO AL DETTAGLIO DI GENERI DI MON	361	0.74%	13,625,183	0.26%
466919	COMMERCIO ALL'INGROSSO DI ALTRI MEZZI ED	196	0.40%	13,439,490	0.26%
14700	ALLEVAMENTO DI POLLAME	64	0.13%	13,403,822	0.26%
477700	COMMERCIO AL DETTAGLIO DI OROLOGI, ARTIC	172	0.35%	13,154,683	0.25%
282500	FABBRICAZIONE DI ATTREZZATURE DI USO NON	102	0.21%	13,045,134	0.25%
631111	ELABORAZIONE ELETTRONICA DI DATI CONTAI	308	0.63%	12,838,121	0.24%
Altro		24,331	49.77%	1,440,378,324	27.44%
Total		48,884	100.00%	5,249,780,007	100.00%

THE ORIGINATORS, THE SERVICERS, THE INTERIM ACCOUNT BANK, THE TRANSACTION BANK AND THE ADMINISTRATIVE SERVICER

BANCO POPOLARE - SOCIETÀ COOPERATIVA

Overview

Banco Popolare Società Cooperativa (“BP” or “**Banco Popolare**”) was incorporated on 1 July 2007 as a result of the merger (the “**Merger**”) between Banco Popolare di Verona e Novara società cooperativa a responsabilità limitata (“BPVN”) and Banca Popolare Italiana – Banca Popolare di Lodi Società Cooperativa (“BPI”), which came into effect on 1 July 2007. Banco Popolare, together with its subsidiaries, is referred to as the “**Banco Popolare Group**” or the “**Group**”.

The Merger and the incorporation of BP were approved at meetings of the respective shareholders of BPVN and BPI, each held on 10 March 2007. The Merger involved: (i) the establishment of Banco Popolare as a new company, with ordinary shares listed on the Italian Stock Exchange; (ii) the contribution of part of BPI’s business, comprising the BPI branch network located predominantly in areas where BPI originated and all controlling interests in other banks that constitute the BPI Group, into a newly incorporated joint stock company (Banca Popolare di Lodi S.p.A.) wholly owned by Banco Popolare, with its registered office and administrative head office in Lodi; (iii) the contribution of part of BPVN’s business, comprising the BPVN branch network located mainly in the areas where BPVN originated, into a newly incorporated joint stock company (Banca Popolare di Verona – San Geminiano e San Prospero S.p.A.) wholly owned by Banco Popolare, with registered office and administrative head office in Verona; and (iv) finally, the registration with the relevant companies registers (i.e. Lodi and Verona) of the deed of merger with effect from 1 July 2007.

The deed of merger contains all the information required by Italian law for the Merger to take place and to incorporate Banco Popolare as a new company. The contribution of part of the business of BPVN to Banca Popolare di Verona – S. Geminiano e S. Prospero S.p.A. and of BPI to Banca Popolare di Lodi S.p.A. described above took place immediately before the Merger came into effect.

According to Article 2504-bis of the Italian Civil Code, Banco Popolare, as the company resulting from the Merger, has assumed all rights and liabilities of BPVN and BPI as at the date of the Merger and has replaced BPVN and BPI in all their respective contractual relationships and judicial proceedings commenced before the Merger.

On 15 July 2011, the Supervisory Board and the Management Board of Banco Popolare approved the guidelines of the project aimed at the realisation of a new model of major “*banca popolare*” at the service of the territory, resulting from the integration process – by way of mergers by incorporation – in Banco Popolare of the following so-called territory banks: Banca Popolare di Verona–S. Geminiano e S. Prospero, Banca Popolare di Novara, Banca Popolare di Lodi, Cassa di Risparmio di Lucca Pisa Livorno, Banca Popolare di Cremona and Banca Popolare di Crema. Credito Bergamasco S.p.A. maintains its status as a listed company under the control, direction and coordination of Banco Popolare.

Banco Popolare, maintaining its legal status of cooperative company, takes on the role of operational bank organised on the basis of a territorial model which provides for the creation of divisions in the traditional areas where the Territorial Divisions have been operating and have been representing a reference point for the local communities. In particular, it is envisaged the creation of Territorial Divisions which will be fully integrated within the parent company of the Group and which will be mainly equivalent to the areas of the traditional brands “Banca Popolare di Verona-Banco S. Geminiano e S. Prospero”, “Banca Popolare di Lodi”, “Cassa di

Risparmio di Lucca Pisa Livorno” and “Banca Popolare di Novara”, whose operations will also extend to the central and southern regions of Italy.

The project is fully consistent with the business plan approved in June 2011, in terms of envisaged objectives of organisational simplification and reinforcement of the retail presence on the territory.

At the conclusion of the project:

- the Territorial Division of Banca Popolare di Verona will have approximately 560 branches located in the North-East (Veneto, Emilia Romagna, Trentino Alto Adige, Friuli Venezia Giulia) and in Lombardy (Mantua) with more than 3,200 employees;
- the Territorial Division of Banca Popolare di Novara will have approximately 590 branches located in the North-West (Valle d’Aosta, Piedmont, western part of Liguria), in Lombardy (Milan and Pavia), in Lazio and in Southern Italy, with approximately 3,200 employees;
- the Territorial Division of Banca Popolare di Lodi will have approximately 580 branches mainly located in Lombardy, eastern part of Liguria, Tuscany and Umbria, with approximately 3,400 employees;
- the Territorial Division of Credito Bergamasco will have approximately 270 branches located in Lombardy (Bergamo, Brescia, Como, Cremona, Monza Brianza, Varese) and in Lazio (Rome), with more than 1,600 employees.

This reorganisation essentially removes all the territorial overlapping among the divisions of Banca Popolare di Verona, Banca Popolare di Novara and Banca Popolare di Lodi.

The project confirms the traditional territorial vocation and the territorial rootedness of the Group, also providing for a considerable increase in the local branches in comparison to the current model.

The business model regarding high net worth individuals is confirmed and they will continue to be followed by Banca Aletti.

The simplification of the current operational model of the Group will allow to obtain relevant and structural economic benefits, further to those envisaged by the 2011-2013/2015 business plan, in terms of cost savings, higher marketing power, improved local presence, simplification of the internal governance, decisional and operational processes with a relevant reduction in the execution risk connected to the initiatives set forth in the business plan.

On 11 October 2011, the Bank of Italy authorised the merger in line with the schedule which expected the finalisation of the mergers by the end of the fiscal year 2011 with accounting and fiscal effects backdated to 1 January 2011.

On 28 October 2011, the project of merger by incorporation of Banco Banca Popolare di Verona – S. Geminiano e S. Prospero, Banca Popolare di Lodi, Banca Popolare di Novara, Cassa di Risparmio di Lucca Pisa Livorno, Banca Popolare di Cremona and Banca Popolare di Crema into Banco Popolare, drawn up pursuant to articles 2501-ter and following of the Italian Civil Code, was registered in the relevant Companies Registries.

The Board of Directors of Banco Popolare dated 29 November 2011 and the Shareholders’ Meetings of the Territorial Divisions, except for Credito Bergamasco S.p.A., approved the merger plans by incorporation of the above mentioned banks in Banco Popolare on the basis of the respective balance sheet as at 30 June 2011.

The incorporations of Banca Popolare di Verona – S. Geminiano e S. Prospero, Banca Popolare di Lodi, Banca Popolare di Novara and Banca Popolare di Crema have been carried out pursuant to the simplified procedure

for wholly owned companies pursuant to article 2505 of the Italian Civil Code. The shares of these companies have been cancelled without any exchange.

In this respect, on 24 November 2011 Banco Popolare purchased from the Associazione Popolare Crema per il Territorio the 1,735,412 preference shares of Banca Popolare di Crema held by it, for an amount equal to € 11.3 million (partly settled in cash and partly settled in Italian government bonds); therefore, at the time of the merger, Banco Popolare held in aggregate 100 per cent. of the share capital of Banca Popolare di Crema.

On the contrary, the incorporations of Cassa di Risparmio di Lucca Pisa Livorno and of Banca Popolare di Cremona were carried out pursuant to the provisions of article 2505-*bis* in the Italian Civil Code.

In this case, while the shares owned by Banco Popolare were cancelled without swap, the shares which were not owned by Banco Popolare were swapped with newly issued ordinary shares, on the basis of an exchange *ratio*, which does not provide for cash adjustment, of 0.35 ordinary shares of Banco Popolare per one share of Cassa di Risparmio di Lucca Pisa e Livorno and 1.5 ordinary shares of Banco Popolare per one share of Banca Popolare di Cremona.

In this respect it is specified that on 16 December 2011 Banco Popolare purchased from Fondazione Cassa di Risparmio di Lucca Pisa Livorno the 4,800,000 shares of Cassa di Risparmio di Lucca Pisa Livorno held by it, for an amount equal to € 7.8 million; following this transaction and other minor purchases, at the time of the merger Banco Popolare held in aggregate 99.99 per cent. of the share capital of Cassa di Risparmio di Lucca Pisa Livorno.

Finally, in respect of Banca Popolare di Cremona, Banco Popolare held in aggregate, at the time of the merger, 99.662 per cent. of its share capital.

With reference to the merger of Cassa di Risparmio di Lucca Pisa Livorno and of Banca Popolare di Cremona it is reported that minority shareholders were awarded, in addition to the right to withdrawal, the right to sell (the “**Right to Sell**”) their shares to the incorporating company for an amount calculated pursuant to the criteria provided for the case of withdrawal by article 2437-*ter* of the Italian Civil Code.

In particular, in respect of Cassa di Risparmio di Lucca Pisa Livorno, the Right to Sell was exercised in respect of 4,807,834 shares in aggregate, equal to 0.681 per cent. of the share capital, for a price of € 1.63 per share and for an overall amount of € 7.8 billion, while no shareholder exercised its withdrawal right; in respect of Banca Popolare di Cremona the Right to Sell was exercised in respect of 4,906 shares in aggregate, equal to 0.0146 per cent. in the share capital, for a price of € 7.50 per share and for an overall amount of € 36,795, also in this case no shareholder exercised its withdrawal right.

Therefore, in compliance with the merger plans and with the resolution of the Board of Directors of Banco Popolare dated 29 November 2011, Banco Popolare increased its share capital of € 474,498.15, by the issuance of 194,890 ordinary shares without nominal value, to be assigned to the shareholders of Cassa di Risparmio di Lucca Pisa Livorno (24,691 shares for an overall amount of € 60,115.32) and of Banca Popolare di Cremona (170,199 shares for an overall amount of € 414,382.83).

The mergers were effective from an accounting and tax perspective from 1 January 2011; on the contrary, the mergers are legally effective from 27 December 2011, when the merger deeds were registered at the relevant Companies Registries.

Banco Popolare Società Cooperativa is incorporated as a cooperative bank under enrolment number 03700430238 at the Register of Companies at the Chamber of Commerce of Verona and operates subject to the Banking Act.

Banco Popolare has its registered office and head office in Verona, Piazza Nogara 2, 37121, Italy, with telephone number +39 045 867 5537. The administrative and institutional functions are based in Verona.

Banco Popolare core business

The object of BP is to collect saving funds and issue loans and credit, in its various forms, for the benefit of both its shareholders and non-shareholders, inspired by the principles of cooperative credit (*credito cooperativo*). BP may undertake all banking, financial and insurance activities, transactions and services in compliance with applicable provisions of law and subject to the prior obtainment of prescribed authorisations, including the establishment and management of open or closed-end pension funds, and other activities permitted for credit institutions including bond issues, the extension of financing facilities governed by special laws, and the sale and purchase of corporate credit (factoring).

BP may undertake any other transaction that is instrumental or in any case connected to the achievement of its corporate object. In order to achieve its objectives, BP may join associations and consortia.

BP, in its capacity as bank exercising management and coordination control over the Banco Popolare Group, pursuant to Article 61, paragraph four, of Legislative Decree No. 385 of 1 September 1993, issues directives to the companies of the Group, including for the purpose of implementing instructions issued by Supervisory Authorities and in the interest of Group stability.

In its role as operative bank, Banco Popolare is organized according to a model based on territorial divisions operating in the traditional historical areas of presence and reference for local communities. In particular, the Territorial Divisions are fully integrated within the Banco Popolare as parent company and mainly correspond to the territories of the historical brands “Banca Popolare di Verona / S. Geminiano and S. Prospero”, “Banca Popolare di Lodi” / “Cassa di Lucca, Pisa, Livorno” and “Banca Popolare di Novara”, with this latter operating also in the whole central and southern Italy. Credito Bergamasco S.p.A. is part of the new business model as well, but it remains a distinct legal entity part of the Group.

Banco Popolare is the operative parent company of the Banco Popolare Group, with functions of guidance, governance and control of the Group, and exercises the functions of direction and coordination.

In its role as parent company Banco Popolare performs, among others, the following functions:

- direction, coordination and control, by determining the strategic plans of the Group, the industrial and financial planning, the definition of the budget and the consolidated business plan, the organizational structure, the administration, accounting and management guidelines, the credit policies and the human resources management, the management and control of the risks arising from the Group’s activities of single business areas;
- treasury management, coordination and control of the management policies relating to the credit and debt account items of Banco Popolare itself and of the other Group’s companies, aimed at optimizing the fund available, identifying the funding operations and strategies for the Group, by means of transactions on the domestic and international markets, in addition to the protection of the liquidity need and its dynamics;

offering, directly or through its subsidiary companies, control, direction and support services over the activities of the Banco Popolare Group, with a view to facilitating the development of business and enable an effective customer service and, by optimizing operating costs, the pursuit of economies of scale and the best standard service level.

Principal shareholders

Italian law (Article 30 of the Italian Banking Act) limits the aggregate amount of ordinary shares that can be held by a shareholder in a cooperative bank to a maximum of 0.50 per cent. of the share capital. In the event that this threshold is exceeded, the relevant shareholder must sell the amount of shares in excess of such limit within one year of notice being given by Banco Popolare of the breach of this limit. However, higher limits apply to certain funds and other entities that invest in securities on behalf of groups of investors (*organismi d'investimento collettivo in valori mobiliari*).

In addition, pursuant to Article 120 of Italian legislative decree No. 58 of 24 February 1998, as amended shareholders who hold more than 2 per cent. of the share capital of a listed company are obliged to notify that company and the Italian regulator, CONSOB, of their holding.

As at 30 November 2012 (source: CONSOB), the shareholders holding, directly or indirectly, a stake of over 2 per cent. of the ordinary share capital of Banco Popolare are as follows:

	% of the Ordinary Shareholder Share Capital
Norges Bank	2.181
Dimensional Fund Advisor LP	2.001

Corporate Governance System

The corporate governance of Banco Popolare is based on a “traditional” corporate governance system based on a Board of Directors and a Board of Statutory Auditors¹.

The Board of Directors governs the company’s management with the help of an Executive Director, the Chief Executive Officer and the Management Team, which includes a General Manager and Co-General Manager.

The Executive Committee, which is vested with a series of delegated powers in respect of the day-to-day operations, consists of six members, including by right the Chairman of the Board of Directors, the two Vice Chairman and the CEO. The remaining two members are chosen from among the Company’s executive directors.

The Board of Statutory Auditors is appointed by the Shareholders meetings based on a list of nominees. The nomination mechanism requires that the Chairman of the Board of Statutory Auditors be drawn from the minority list.

Board of Directors

The Board of Directors of Banco Popolare is currently composed of the following members:

Office	Name
Chairman	Carlo Fratta Pasini (*)
Vice Chairman	Guido Duccio Castellotti (*)

¹ On 26 November 2011, the Extraordinary and General Meeting of the Shareholders of Banco Popolare approved the amendments to its by-laws (*Statuto*) that enable the transition from the dualistic system of corporate governance (*i.e.*, Supervisory Board and Management Board) to the traditional corporate governance system based on a Board of Directors and a Board of Statutory Auditors.

Vice Chairman	Maurizio Comoli (*)
Director	Alberto Bauli
Director	Angelo Benelli
Director	Pietro Buzzi
Director	Giovanni Francesco Curioni
Director	Gianni Filippa
Director	Andrea Guidi
Director	Maurizio Marino
Director	Enrico Perotti
Director	Gian Luca Rana
Director	Claudio Rangoni Machiavelli
Director	Fabio Ravanelli
Director	Sandro Veronesi
Director	Cristina Zucchetti
Director	Vittorio Coda
C.E.O.	Pier Francesco Saviotti (*)
Director	Maurizio Faroni (*)
Director	Domenico De Angelis (*)
Director	Valter Lazzari
Director	Andrea Sironi
Director	Aldo Civaschi
Director	Tommaso Zanini

(*) Member of the Executive Committee.

The business address of each member of the Board of Directors is Piazza Nogara No. 2, 37121 Verona, Italy.

Board of Statutory Auditors

The Board of Statutory Auditors is currently composed of the following members:

Office	Name
Chairman	Pietro Manzonetto
Standing Auditor	Giuliano Buffelli
Standing Auditor	Maurizio Calderini

Standing Auditor	Gabriele Camillo Erba
Standing Auditor	Alfonso Sonato
Alternate Auditor	Marco Bronzato
Alternate Auditor	Carlo Sella

The business address of each member of the Board of Statutory Auditors is Piazza Nogara No.2, 37121 Verona, Italy.

Group Financial Highlights and Ratios

Financial highlights

Shown below are the reclassified Group's main financial highlights extracted from the audited annual consolidated financial statements of BP for the year ended 31 December 2011 and 31 December 2010 (prepared in accordance with IFRS/IAS).

	31 Dec. 2011	31 Dec. 2010 (*)	Changes
	<i>(millions of Euro)</i>		
Income statement figures			
Financial margin.....	1,802.6	1,854.7	-2.8%
Net fee and commission income.....	1,273.4	1,266.8	0.5%
Operating income.....	3,816.6	3,719.0	2.6%
Operating expenses.....	2,406.6	2,448.9	-1.7%
Income (loss) from operations.....	1,410.0	1,270.1	11.0%
Income (loss) before tax from continuing operations.....	560.9	178.0	215.1%
Net income (loss) for the year.....	(2,257.3)	308.0	

(*) The figures were reclassified in 2011 to comply with IFRS 5.

	31 Dec. 2011	31 Dec. 2010	Changes
	<i>(millions of Euro)</i>		
Balance sheet figures			
Total assets.....	134,126.7	135,155.7	-0.8%
Loans to customers (gross).....	97,509.6	98,559.6	- 1.1%
Financial assets and hedging derivatives.....	19,425.2	17,726.3	9.6%
Shareholders' equity.....	9,037.4	11,527.5	-21.6%
Customer financial assets			
Direct deposits.....	100,200.0	104,523.7	-4.1%
Indirect deposits.....	64,396.7	76,235.9 (*)	-15.5%
– Assets management.....	26,511.1	31,444.6	-15.7%
– Mutual funds and Sicavs.....	7,137.6	9,205.2	-22.5%
– Securities and fund management.....	7,168.5	9,445.0	-24.1%

– Insurance policies.....	12,205.0	12,794.4	-4.6%
– Administrated assets.....	37,885.6	44,791.3	-15.4%

Information on the organisation

Average number of employees and other staff(**).....	19,280	19,872 (*)	–
Number of bank branches.....	2,092	2,119	–

(*) Restated data for homogeneity comparison

(**) Arithmetic average calculated on a monthly basis which does not include the Directors and Statutory Auditors of Group companies.

Financial and economic ratios and other Group figures

Shown below are the Group's main financial ratios calculated on figures extracted from the audited annual consolidated financial statements of BP for the year ended 31 December 2011.

	31 Dec. 2011	31 Dec. 2010
Profitability ratios (%)		
ROE.....	-20.0%	2.7%
Financial margin / Operating income.....	47.2%	49.8%
Net fee and commission income / Operating.....	33.4%	34.0%
Operating expenses / Operating income.....	63.1%	65.9%
Operational productivity figures (thousands of Euro)		
Loans to customers (gross) per employee.....	5,057.6	4,959.7
Operating income per employee.....	198.0	187.2
Operating expenses per employee (*).....	124.8	123.4
Credit risk ratios (%)		
Net doubtful loans / Loans to customers (net).....	3.93%	3.05%
Net substandard loans / Loans to customers (net).....	4.11%	4.59%
Net doubtful loans / Shareholders' equity.....	40.57%	24.98%

(*) Arithmetic average calculated on a monthly basis which does not include the Directors and Statutory Auditors of Group companies.

CREDITO BERGAMASCO S.P.A.

Overview

Credito Bergamasco S.p.A. (“**Creberg**”) is a joint-stock company incorporated under Italian law, registered in the Company Register of Bergamo with tax code and VAT number No. 00218400166 and enrolled with the Register of banks under No 3336.5; the company belongs to the Banking Group Banco Popolare Group under registration number deed No. 5034.4 and is subject to supervision and coordination of Parent Bank Banco Popolare; it is also a member of the Interbank Guarantee Fund and of the Interbank Deposit Protection Fund.

Creberg head office and General Management is in Bergamo (Italy) – Largo Porta Nuova, 2.

Creberg, established in 1891, is a core subsidiary of the group Banco Popolare Group, acting in every sector of credit and financial brokerage and organised in specialised companies. Together with the standard activities of credit and customers’ funding, Creberg offers to its clients a full range of products and services like asset management, merchant banking, bankassurance and leasing.

During its over 100 year old history, the bank has been characterised by strong territorial roots and has reached considerable dimensions and an important role in the Italian bank system. Up 90 per cent. of Creberg’s branches are located in Lombardy. However the bank is also placed in other regions such as Piemonte, Liguria, Veneto, Emilia Romagna and Lazio.

Creberg’s shares, before quoted at Mercato Ristretto, have been listed on Borsa Italiana since 1994. Standard & Poor’s attributed to Creberg “BBB-” as long-term debt rating, and “A-3” as short term debt rating with negative credit watch of Creberg’s branches are located in Lombardy. However the bank is also placed in other regions such as Piemonte, Liguria, Veneto, Emilia Romagna and Lazio.

Creberg’s shares, before quoted at Mercato Ristretto, have been listed on Borsa Italiana since 1994. Standard & Poor’s attributed to Creberg “BBB-” as long-term debt rating, and “A-3” as short term debt rating with negative credit watch.

Creberg core business

Creberg, whose customer base is made up of individuals and small-to-medium sized enterprises, operates as credit intermediary offering:

- granting of credit, such as current account credit lines, advances with recourse (*pro-solvendo*) advances against invoices, securities and goods, commercial and financial discount, loans, promissory loans, import and export loans, personal loans;
- raising and management of savings, such as the opening of current accounts and savings deposit accounts, execution of repurchase agreement transactions, issue of bonds and deposit certificates, the opening and administration of securities dossiers, collection of orders on securities and currencies; and
- collection and payment and electronic money services, such as transfer of funds in Italy and abroad, negotiation of bills, cheques and other payment instruments, issue and negotiation of credit and debit cards, installation and activation of POS terminals and supply of payment services for those active in commerce.

Creberg also places with customers the products and services provided by the Group companies and by other companies, within the scope of the following activities:

- parabanking, such as leasing and consumer credit;
- asset management such as mutual investment funds, SICAV, Hedge Funds and managed portfolios. In this regard it is pointed out that, as from 1 January 2005, Creberg – as part of a rationalisation of the Group activities – transferred the asset management business line to Banca Aletti & C. S.p.A., taking on the role of “placer” of the management of investment portfolios;
- merchant banking, export finance, forfeiting transactions, project finance and the creation of joint ventures, above all through advice services with solutions tailor-made to the customer’s specific requirements or to the project specifications; and
- bankassurance such as pension funds, life and non life insurance products. For this purpose the Bank is enrolled in section D “Banks, Financial Intermediaries, Stock Brokerage Companies, Poste Italiane-Divisione Bancoposta” of the *Registro Unico Elettronico degli Intermediari Assicurativi e Riassicurativi (RUI)* (Electronic Register of Insurance and Reinsurance Intermediaries) with identification code no. D000107964.

Creberg has also delegated to Banco Popolare, the activity of managing the treasury and the own securities portfolio.

This traditional distribution system is also integrated by the Group’s electronic services, such as internet banking and phone banking.

There were 302 branches in the Creberg network as at 31 December 2011.

Majority Shareholder

Creberg’s majority Shareholder is Banco Popolare Società Cooperativa.

Creberg financial highlights

<i>(in millions Euro)</i>	31/12/2011	31/12/2010	% chg
<u>Balance sheet:</u>			
- Total assets	15.764,9	15.488,8	+1,8%
- Loans to customers (gross)	14.196,5	13.173,8	+7,8%
- Direct customer funds	12.298,5	10.883,0	+13,0%
- Indirect customer funds	10.806,1	10.745,1	+0,6%
- Shareholders' equity	1.381,5	1.360,1	+1,6%
<u>Income statement:</u>			
- Net interest , dividend and similar income	365,7	350,0	+4,5%
- Net commission income	200,4	190,9	+5,0%
- Total income	573,5	549,6	+4,4%
- Operating costs	(282,0)	(273,6)	+3,1%
- Profit from operations	291,5	276,0	+5,6%

- Income before tax from continuing operations	165,7	150,7	+9,9%
- Net profit	106,3	97,8	+8,7%
<u>Operational structure:</u>			
- Number of employees	2.052	1.984	
- Bank branches	302	251	

Board of Directors

The Bank's Board of Directors consists of the following members:

Chairman:	Cesare Zonca
Deputy Vice Chairmans:	Mario Ratti
	Carlo Fratta Pasini
CEO:	Bruno Pezzoni
Directors:	Giuseppe Ambrosi
	Vittorio Armani
	Massimo Cincera
	Giovanni Dotti
	Maurizio Faroni
	Enrico Fusi
	Giacomo Gnutti
	Romolo Lombardini
	Paolo Longhi
	Alberto Motta
	Claudia Rossi
	Monica Santini

Board of Statutory Auditors

The members of the Board of Statutory Auditors are:

Chairman:	Giovanni Tantini
Standing Auditors:	Fabio Bombardieri
	Paolo Moro
	Renato Salerno
	Antonio Zini
Alternate Auditors:	Enrico Locatelli
	Giuliano Longhi

Majority Shareholder

Creberg's majority Shareholder is Banco Popolare Società Cooperativa

THE CREDIT AND COLLECTION POLICIES

Set out below is a summary of the main features of the credit and collection policies adopted by the Servicers for the granting and servicing of the Loans. Prospective Noteholders may inspect a copy of the credit and collection policies upon request at the registered office of the Issuer, the Representative of the Noteholders and at the Specified Offices of the Paying Agent. For a description of the Portfolio, see “The Portfolio”. For a description of the obligations undertaken by the Servicers under the Servicing Agreements, see “The Servicing Agreements”. For a description of the representations and warranties given and the obligations undertaken by each of BP and Creberg under the relevant Warranty and Indemnity Agreement, see “The Warranty and Indemnity Agreements”.

Credit policies

Mortgage loans are entered into by each Originator as *mutui fondiari* and *mutui ordinari ipotecari*.

The Borrowers pay either a monthly, quarterly and semi-annually loan instalment by direct debit from their accounts, or by cash payment or by MAV.

The decision to enter into and advance a Mortgage Loan is taken at the appropriate decision-making level in the relevant Originator.

The relevant Originator’s internal rules call for a maximum loan amount of 80 per cent. with reference to “*mutui residenziali*” of the property value (unless the borrower provides the relevant Originator with further guarantees) and a mortgage over real estate properties (which is first ranking in an economic sense) double than the loan amount.

After the approval, the preparation of the documentation and the conclusion of the mortgage Loans are delegated to the Special Credits Back Office Department (*Funzione Back Office Crediti Speciali*), which:

- enter the transaction in the internal mortgage procedure;
- appoint a surveyor to value the property;
- verify that the property insurance is in favour of the relevant Originator;
- prepare the minutes of the mortgage loan;
- check property documentation received by the notary; and
- allow mortgage loans improvement through the mortgage procedure system.

Once the notary stipulates the mortgage agreement, relevant documents are sent to the Special Credits Back Office Department that stores them.

The Special Credits Back Office Department, based on the necessary feasibility analyses and in compliance with the applicable credit/authorization decision, is also responsible for:

- waiver of economic conditions;
- issuance of specific certifications requested by the borrowers, in particular the certifications concerning the amount of interest to be paid/expenses sustained;
- pre-payment of the Mortgage Loans, which involves the reduction to nil of the outstanding balance of the loan and is often accompanied by a request for the release of the Mortgage;
- preparation of amendments and other acts ancillary to the Mortgage Loans Agreements, such as:

- the extension of the Mortgage Loan, following a restructuring of the transaction or an extension of payments;
- the taking over (*accollo*) of the loan, customarily requested by the purchaser of the Real Estate Asset, as a method to pay part of the purchase price;
- the reduction/cancellation of the Mortgage, or the partial or total release of the Mortgage; and
- any request made to the insurance companies for the release of the *vincolo* on the insurance policies.

Collection policies

The payment of each instalment is notified, in advance, to the director of the branch where the borrower's account is held, who will then verify the presence of the funds in the client's current account.

In relation to the Mortgage Loans, a report detailing the missing payments is available to the director of the branch. It is therefore the responsibility of the director of the branch to contact the client in order to verify the reasons for the missed or partial payment.

After missing a payment:

the debtors have three days to make the payment. If the payment is done within such period, default interest will not be applied. Nevertheless, the customer will be debited for value date as per the day on which the instalment was initially due.

As of the fourth day following the missing payment, default interest contractually set out starts to accrue from the instalment due date, subject to the thresholds set out by the provisions governing usury. The "usury" interest rate is defined by a decree of the Ministry for Economy and Finance quarterly.

In case of an enforcement proceeding (*procedura esecutiva*) (either for bankruptcy or as an individual proceeding), the priority of the mortgage is, subject to the mortgage annotation having been made also *vis-à-vis* interests, extended to the agreed interest rates (set out in the mortgage agreement) relating to two years prior and to the year current to the date of the enforcement and/or seizure (article 2855 of the Italian civil code and articles 54 and 55 of the Bankruptcy Law). With reference to the following years, and up to the sale date, the priority is extended to legal interests as set out by law (article 1284 of the Civil Code).

Insofar as the whole principal is not declared delinquent (further to a rescission of the agreement), any arrear interest will accrue exclusively on the overdue, unpaid, instalments (principal + interests). Then, interests accrue on the totality of the delinquent amount (overdue, unpaid, instalments and delinquent principal). As a consequence, once the client is in litigation, there is no accounting difference between the overdue, unpaid, instalments and the mortgage principal).

The centralized system of the Group Special Credits Department periodically sends notifications to the debtors for each instalment due but not paid. These automatic notifications are sent the last business day of the same month the instalment is overdue as long as the instalment date is at least three working days prior to the end of the month; otherwise notifications will be sent the last working day of the month following the instalment overdue date.

At the same time the branch manager or personnel of *Area Affari* contacts either by phone or in person the client appearing in default.

At the beginning of the third quarter 2009 Banco Popolare Banking Group introduced a new process for delinquency management: monitoring of the loans begins at the first unpaid instalment, the activity is

supported by specific software, direct contact with borrowers, use of contact centre or other credit collection company.

In support of credit monitoring activity an internal software called “Gestione Andamentale” is also available; this is able to grab credit quality information such as internal rating score, credit position control and other flows of information. In case certain pre-determined anomaly levels are exceeded, the system opens an automatic proposal of delinquency.

Bank of Italy’s regulations (*Manuale della Matrice dei Conti*) set out that Claims to be switched to delinquency only in specified cases as at the point B.2 of the “Avvertenze Generali” of the “Manuale della Matrice dei Conti” (“Incagli Oggettivi”). In addition to the rules specified by the regulator, Banco Popolare adopted the following automatic classification for delinquent position:

- credit classified for two consecutive months as “problematic claims” and with all indicators still in the alarm situations
- if (i) mortgages loans which have nine instalments in arrears (if monthly payment) and 240 days of arrears or (ii) unsecured loans which have six instalments in arrears and 150 days of arrears

The term “Delinquent Receivable” (*Incaglio*) identifies a temporary difficult situation for the borrower that requires the bank to be particularly careful in managing the matter and to evaluate the risks associated with the exposure.

As soon as the above-mentioned difficulties will be considered as definitive and no longer temporary, the position will be classified as non-performing and transferred to the Credit Recovery Department (Servizio Recupero Crediti) in order to commence any necessary legal action for the recovery of the amount due. However, in case prejudicial events arise, the client’s position will be immediately catalogued as non-performing.

Delinquency positions in relation to loans with approved amount not exceeding a fixed amount will be managed directly by the Areas (*Aree Affari*), positions with amount exceeding that fixed amount are managed by the Deteriorated and Problematic Loans Department (*Funzione Credito Problematico e Deteriorato*) located in the relevant Areas.

The Delinquent Loans Department (*Funzione Incagli*) will be responsible for the evaluation of alternative routes whereby the defaulting client may go back to being *in bonis*. In particular, one of the following alternatives will be proposed to the borrower:

- (i) immediate payment of the expired instalments;
- (ii) an amortizing schedule plan for the expired instalments previously approved by one of the decision-making committees;
- (iii) an amortizing schedule plan for the expired instalments with the cancellation of the deferred interest. The bank will continue to charge interest at the rate established in the contract on the amount in arrears; and
- (iv) finally Banco Popolare can propose the restructuring of the Mortgage Loan.

The Delinquent Loans Department (*Funzione Incagli*) will also seek the support of contact centre and recovery firms in the contest of GE.MO. (*Gestione Morosità*), already enable in the preview phases.

The Delinquent Loans Department (*Funzione Incagli*) analytically forecasts, for each Mortgage Loan, the potential loss each time a debtor is unable to fulfil its own financial obligations. The authorized office will approve the decision regarding the loss forecasts on the basis of delegated powers.

Sometimes, depending on the amount of the debt, Banco Popolare, through the Delinquent Loans Department decides upon the update of the property valuation.

On average, delinquent positions remains in charge of the Delinquent Loans Department for so long as a strategy to solve the problem is implemented (normally within 12 months).

In the event that the client accepts one of the proposals, the Delinquent Loans Department will verify that the client fulfils its financial obligations before the relevant decision making board authorizes the transfer/"return" to *in bonis*.

In the event that:

- the client refuses to accept the proposals of the Delinquent Loans Department; or
- the relevant Originator doubts the debtor's ability to fulfil its obligations,

the Delinquent Loans Department will declare the position overdue, as of this moment the debtor is notified to the *centrale dei rischi* of Bank of Italy.

At this moment the position is managed by the Credit Recovery Department (Servizio Recupero Crediti)

The first act of the recovery procedure consists in sending a letter to the debtor suggesting an out of court settlement of the transaction. Then a writ of enforcement (*precetto*) will be notified. In this notification the debtor will be asked to settle the debt within 10 days.

Credit Recovery Department will explore every possibility for obtaining an out of court settlement. Credit Recovery Department and its competent bodies, with the cooperation of professional and experienced external legal advisers (who are mandated to carry out the enforcement activities at minimum charges), will contact the client, the client's legal advisers, and any possible guarantors so as to be able to obtain an out of court settlement of the litigation.

Thereafter, the debtor is notified of the seizure (such notification is to be received within 90 days of the enforcement writ). The borrower may not be classified as *in bonis*.

All banks may access the information contained in the central database and verify any enforcement proceeding laid *vis-à-vis* the borrower.

THE ISSUER'S BANK ACCOUNTS

Pursuant to the terms of the Agency and Accounts Agreement, the Issuer has opened with:

- (a) the Interim Account Bank the following accounts:
 - (i) a euro-denominated current account into which, *inter alia*, the Servicer of the BP Portfolio will be required to deposit all the BP Collections as they are collected in accordance with the BP Servicing Agreement (the “**BP Interim Account**”);
 - (ii) a euro-denominated current account into which, *inter alia*, the Servicer of the Creberg Portfolio will be required to deposit all the Creberg Collections as they are collected in accordance with the Creberg Servicing Agreement (the “**Creberg Interim Account**” and, together with the BP Interim Account, the “**Interim Accounts**” and, any one of them, and “**Interim Account**”); and
 - (iii) a euro-denominated current account into which the Issuer will deposit € 50,000 (the “**Retention Amount**”) on the Issue Date (the “**Expenses Account**” and, together with the Interim Accounts, the “**Italian Accounts**” and any one of them, the “**Italian Account**”). The Expenses Account will then be replenished on each Interest Payment Date, in accordance with the Pre-Enforcement Priority of Payments and subject to the availability of sufficient Issuer Available Funds, up to the Retention Amount and such amount will be applied by the Issuer to pay all fees, costs, expenses and taxes required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation;
- (b) the Paying Agent, a euro-denominated current account into which, *inter alia*, on the Business Day immediately preceding each Interest Payment Date the Issuer will be required to transfer from the other Transaction Accounts the amounts necessary to make the payments due in accordance with the applicable Priority of Payments (the “**Payments Account**”);
- (c) the Transaction Bank, the following accounts:
 - (i) a euro-denominated account with respect to the BP Claims (the “**BP Collection Account**”) into which the Interim Account Bank will be required to transfer, on a daily basis, the balance standing to the credit of the BP Interim Account;
 - (ii) a euro-denominated account with respect to the Creberg Claims (the “**Creberg Collection Account**”) into which the Interim Account Bank will be required to transfer, on a daily basis, the balance standing to the credit of the Creberg Interim Account;
 - (iii) a euro-denominated current account into which the Issuer will be required to deposit, *inter alia*, (i) on the Issue Date, (A) € 151,000,000, being the amounts to be drawn down by the Issuer under the Subordinated Loan Agreement and (B) € 6,493,400.20, being equal to a portion of the aggregate amounts collected under the Loans between the Valuation Date (excluded) and the Signing Date (but excluding those collections constituting repayment of principal and prepayments); and (ii) on each Interest Payment Date, in accordance with the Pre-Enforcement Priority of Payments and subject to the availability of sufficient Issuer Available Funds, the amount (if any) necessary to replenish it so that the balance of the Cash Reserve Account equals the Target Cash Reserve Amount (the “**Cash Reserve Account**” and, together with the BP Collection Account and the Creberg Collection Account, the “**Transaction Accounts**” and any one of them, the “**Transaction Account**” and together with the Italian Accounts and the Payments Account, the “**Accounts**” and any one of them, the “**Account**”).

In accordance with the Securitisation Law, the Issuer has been established as a special purpose vehicle for the purposes of issuing asset-backed securities. The sums standing from time to time to the credit of such bank accounts will not be available to the Issuer Creditors because, pursuant to the Securitisation Law, the assets relating to each securitisation transaction will constitute assets segregated for all purposes from the assets of the Issuer and from the assets relating to other securitisation transactions. The assets relating to a particular securitisation transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to the general creditors of the Issuer.

The Issuer has also opened with Deutsche Bank S.p.A. a euro-denominated account (the “**Equity Capital Account**”) into which the sum representing 100 per cent. of the Issuer’s equity capital (equal to €12,000) has been deposited and will remain deposited therein for so long as all notes issued (including the Previous Securitisation Notes) or to be issued by the Issuer (including the Notes) have been paid in full.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes (the “**Conditions**”).

The € 3,307,300,000 Class A – 2013 Asset-Backed Floating Rate Notes due 2056 (the “**Class A Notes**”) and the € 1,942,480,000 Class B – 2013 Asset-Backed Notes due 2056 (the “**Junior Notes**” and, together with the Class A Notes, the “**Notes**”) will be issued by BPL Mortgages S.r.l. (the “**Issuer**”) on 11 March 2013 (the “**Issue Date**”) in order to finance the purchase of the Claims (as defined below). The Issuer is a company incorporated with limited liability under the laws of the Republic of Italy in accordance with the Securitisation Law, having its registered office at via Alfieri, 1, 31015 Conegliano (Treviso), Italy. The Issuer is registered in the register of the special purpose vehicles held by the Bank of Italy (*albo delle società veicolo tenuto dalla Banca d'Italia ai sensi del Provvedimento del Governatore della Banca d'Italia del 29 aprile 2011*) under number 33259.3, and in the companies' register held in Treviso under number 04078130269.

The Notes are subject to and with the benefit of an agency and accounts agreement (the “**Agency and Accounts Agreement**”) dated 7 March 2013 (the “**Signing Date**”) between the Issuer, Banco Popolare Soc. Coop. as interim account bank (in such capacity, the “**Interim Account Bank**”, which expression includes any successor interim account bank appointed from time to time in respect of the Notes), BNP Paribas Securities Services, Milan Branch, as paying agent, computation agent, agent bank and representative of the holders of the Notes (in such capacities, respectively, the “**Paying Agent**”, the “**Computation Agent**”, the “**Agent Bank**”, which expressions include any successor paying agent, computation agent and agent bank respectively appointed from time to time in respect of the Notes, and the “**Representative of the Noteholders**”, which expression includes any successor or additional representative of the Noteholders appointed from time to time) and Banco Popolare Soc. Coop., London Branch, as transaction bank (in such capacity, the “**Transaction Bank**”, which expression includes any successor transaction bank appointed from time to time in respect of the Notes and, together with the Paying Agent, the Agent Bank, the Interim Account Bank and the Computation Agent, the “**Agents**”).

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 (the “**Rules of the Organisation of Noteholders**”) which constitute an integral and essential part of these Conditions. The Rules of the Organisation of Noteholders are attached hereto as a schedule. The rights and powers of the Representative of the Noteholders and the Noteholders may be exercised only in accordance with these Conditions, the Intercreditor Agreement (as defined below) and the Rules of the Organisation of Noteholders.

Certain of the statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency and Accounts Agreement, the Intercreditor Agreement and the other Transaction Documents (as defined below). Any reference in these Conditions to a particular Transaction Document is a reference to such Transaction Document as from time to time created and/or modified and/or supplemented in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time so amended and/or modified and/or supplemented.

The holders of the Class A Notes (the “**Class A Noteholders**”) and the holders of the Junior Notes (the “**Junior Noteholders**” and, together with the Class A Noteholders, the “**Noteholders**” and each a “**Noteholder**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency and Accounts Agreement, the Rules of the Organisation of Noteholders, the Intercreditor Agreement and the other Transaction Documents applicable to them. In particular, each Noteholder, by reason of holding one or more Notes, recognises the Representative of the Noteholders as its representative, acting in its name and on its behalf, and agrees to be bound by the terms of the Transaction Documents to which the Representative of the Noteholders is a party as if such Noteholder was itself a signatory thereto. Copies of the

Agency and Accounts Agreement, the Rules of the Organisation of Noteholders, the Intercreditor Agreement and the other Transaction Documents are available for inspection during normal business hours by the Noteholders at the Specified Offices of the Representative of the Noteholders and the Paying Agent.

The Issuer has published to prospective Noteholders the *prospetto informativo* required by article 2 of Italian law No. 130 of 30 April 1999 (*disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the “**Securitisation Law**”). Copies of the *prospetto informativo* will be available, upon request, to the holder of any Note during normal business hours at the Specified Office of the Representative of the Noteholders and the Paying Agent.

Any references to a “**Class**” of Notes or a “**Class**” of Noteholders will be a reference to the Class A Notes or the Junior Notes, as the case may be, or to the respective holders thereof, respectively. References to “**Noteholders**” or to the “**holders**” of Notes are to the beneficial owners of the Notes.

The principal source of funds available to the Issuer for the payment of amounts due on the Notes will be collections and recoveries made in respect of the Claims. The Claims will be segregated from all other assets of the Issuer by operation of the Securitisation Law and, pursuant to the Intercreditor Agreement, 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, to pay costs, fees and expenses due to the Other Issuer Creditors under the Transaction Documents and to pay any other creditor of the Issuer in respect of costs, liabilities, fees or expenses payable to any such other creditor in relation to the securitisation of the Claims by the Issuer through the issuance of the Notes (the “**Securitisation**”).

Each Servicer shall ensure the proper segregation of the Issuer’s accounting and property from its own activities and each Servicer, as “*soggetto incaricato della riscossione dei crediti e dei servizi di cassa e pagamento*” pursuant to article 2, paragraph 6-bis, of the Securitisation Law, shall be responsible for verifying that the transactions to be carried out pursuant to article 2, paragraph 3, point (c), of the Securitisation Law and in connection with the Securitisation comply with applicable laws and are consistent with the contents of the Prospectus.

Under the terms of the Mandate Agreement and the Intercreditor Agreement, the Issuer has, *inter alia*, granted a mandate to the Representative of the Noteholders, pursuant to which, *inter alia*, following service of an Issuer Acceleration Notice, the Representative of the Noteholders shall be authorised under article 1723, second paragraph, of the Italian civil code, to exercise, in the name of the Issuer but in the interest and for the benefit of the Noteholders and the Other Issuer Creditors, all the Issuer’s contractual rights arising out of the Transaction Documents to which the Issuer is a party and in respect of the Claims, including the right to sell them in whole or in part, in the interest of the Noteholders and the Other Issuer Creditors.

1. Definitions

(a) In these Conditions:

“**Accounts**” means, collectively, the Italian Accounts, the Transaction Accounts and the Payments Account and “**Account**” means any one of them;

“**Accumulation Date**” means, following the service of an Issuer Acceleration Notice, the earlier of: (i) each date on which the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments to be made in accordance with the Post-Enforcement Priority of Payments shall be equal to at least 10 per cent. of the aggregate Principal Amount Outstanding of the Notes and (ii) each day falling 10 Business Days before the day that, but for the service of an Issuer Acceleration Notice, would have been an Interest Payment Date;

“**Administrative Servicer**” means Banco Popolare Soc. Coop., or any successor corporate servicer appointed from time to time in respect of this Securitisation;

“**Administrative Services Agreement**” means the agreement dated the Signing Date between the Administrative Servicer, the Representative of the Noteholders and the Issuer;

“**Affected Loans**” means those Loans which were disbursed to one or more joint stock companies (*società per azioni*), limited liability companies (*società a responsabilità limitata*), partnerships (*società in nome collettivo* and *società in accomandita semplice*) having their registered office in Italy;

“**Aggregate Prepayment Amounts**” means the aggregate of all Prepayment Amounts from time to time collected by the Issuer *minus* the aggregate of all Prepayment Amounts which have become, from time to time, Available Prepayment Amounts provided that the Aggregate Prepayment Amounts shall not, at any time, be higher than € 52,435,438. For the avoidance of doubt, if, at any point in time, the actual Aggregate Prepayment Amounts are higher than € 52,435,438, the excess will be treated as Available Prepayment Amounts and will be used to augment the Issuer Available Funds;

“**Available Prepayment Amounts**” means, as at the end of each Collection Period, (i) the aggregate of those Prepayment Amounts in respect of which the relevant Borrower has not been adjudicated bankrupt (or otherwise been subject to other insolvency or insolvency-like proceedings) and at least two years have elapsed since the date on which such amounts have been received by the Issuer *plus* (ii) to the extent that the Aggregate Prepayment Amounts as at the end of such Collection Period would be higher than € 52,435,438, the excess above such amount *plus* (iii) the aggregate of those Prepayment Amounts in respect of which the relevant Borrower has been adjudicated bankrupt (or otherwise been subject to other insolvency or insolvency-like proceedings) in the two years since the date on which such amounts have been received by the Issuer to the extent that such payments have not been, and are no longer capable of being, declared ineffective for the purposes of article 65 of the Italian royal decree No. 267 of 16 March 1942, as subsequently amended;

“**Back-up Servicer Facilitator**” means Securitisation Services S.p.A., or any successor back-up servicer facilitator appointed from time to time in respect of this Securitisation;

“**Banco Popolare**” means Banco Popolare Soc. Coop., or any permitted successor or assignee thereof;

“**Basic Terms Modification**” has the meaning given to it in the Rules of the Organisation of Noteholders;

“**Borrowers**” means, collectively, the borrowers under the Loans and “**Borrower**” means any one of them;

“**BP**” means Banco Popolare Soc. Coop., or any permitted successor or assignee thereof;

“**BP Claims**” has the meaning given to the term “*Crediti*” in the BP Transfer Agreement, which term identifies the debt claims arising from the BP Loans comprised in the BP Portfolio;

“**BP Collection Account**” means a euro-denominated current account opened by the Issuer with the Transaction Bank, as better identified in the Agency and Accounts Agreement;

“**BP Collection Policies**” means the servicing and collection policies set out in schedule 1 to the BP Servicing Agreement;

“**BP Collections**” means any monies from time to time paid, as of (but excluding) the Valuation Date, in respect of the BP Loans and the related BP Claims;

“**BP Interim Account**” means a euro-denominated current account opened by the Issuer with the Interim Account Bank, as better identified in the Agency and Accounts Agreement, or any other account as may replace it in accordance with the Agency and Accounts Agreement;

“**BP Loans**” means, from time to time, the aggregate of the secured and unsecured loans disbursed to SMEs in various technical forms (such as *mutui fondiari*, *mutui ipotecari*, *mutui agrari* or *finanziamenti chirografari*) comprised in the BP Portfolio, the BP Claims in respect of which have been transferred to the Issuer in accordance with the BP Transfer Agreement and “**BP Loan**” means any one of these;

“**BP Portfolio**” means the aggregate of all BP Loans;

“**BP Servicing Agreement**” means the servicing agreement dated the Initial Execution Date between the Issuer and the Servicer of the BP Portfolio;

“**BP Transfer Agreement**” means a transfer agreement dated the Initial Execution Date between the Issuer and BP;

“**BP Warranty and Indemnity Agreement**” means a warranty and indemnity agreement dated the Initial Execution Date between the Issuer and BP;

“**Business Day**” means a day on which banks are open for business in Milan, Dublin and London and which is a TARGET Settlement Day;

“**Calculation Amount**” means € 1,000 in Principal Amount Outstanding upon issue;

“**Calculation Date**” means three Business Days prior to each Interest Payment Date;

“**Cancellation Date**” means the later of (i) the last Business Day in November 2058; (ii) the date when the Portfolio Outstanding Amount will have been reduced to zero; and (iii) the date when all the Claims then outstanding will have been entirely written off by the Issuer;

“**Cash Reserve**” means the monies standing to the credit of the Cash Reserve Account at any given time;

“**Cash Reserve Account**” means a euro-denominated account opened by the Issuer with the Transaction Bank, as better identified in the Agency and Accounts Agreement;

“**Claims**” means, collectively, the BP Claims and the Creberg Claims and “**Claim**” means any one of these;

“**Class A Rate of Interest**” has the meaning given in Condition 6(c) (*Rate of interest on the Class A Notes*);

“**Clearstream, Luxembourg**” means Clearstream Banking, *société anonyme*;

“**Collection Date**” means the first calendar day of May and November of each year;

“**Collection Period**” (a) prior to the service of an Issuer Acceleration Notice, each period commencing on (and including) a Collection Date and ending on (but excluding) the next succeeding Collection Date and in the case of the first Collection Period, the period commencing on the Valuation Date (excluded) and ending on the Collection Date falling in November 2013 (excluded); and (b) following the service of an Issuer Acceleration Notice, each period commencing on (but excluding) the last day of the preceding Collection Period and ending on (and including) the immediately following Accumulation Date;

“**Collection Policies**” means, collectively, the BP Collection Policies and the Creberg Collection Policies;

“**Collections**” means, collectively, the BP Collections and the Creberg Collections;

“**CONSOB**” means the *Commissione Nazionale per le Società e la Borsa*;

“**Corporate Servicer**” means Securitisation Services S.p.A. or any successor corporate servicer appointed from time to time in respect of this Securitisation;

“**Corporate Services Agreement**” means the agreement dated the Signing Date between the Corporate Servicer, the Representative of the Noteholders and the Issuer;

“**Creberg**” means Credito Bergamasco S.p.A., or any permitted successor or assignee thereof;

“**Creberg Claims**” has the meaning given to the term “*Crediti*” in the Creberg Transfer Agreement, which term identifies the debt claims arising from the Creberg Loans comprised in the Creberg Portfolio;

“**Creberg Collection Account**” means a euro-denominated current account opened by the Issuer with the Transaction Bank, as better identified in the Agency and Accounts Agreement;

“**Creberg Collection Policies**” means the servicing and collection policies set out in schedule 1 to the Creberg Servicing Agreement;

“**Creberg Collections**” means any monies from time to time paid, as of (but excluding) the Valuation Date, in respect of the Creberg Loans and the related Creberg Claims;

“**Creberg Interim Account**” means a euro-denominated current account opened by the Issuer with the Interim Account Bank, as better identified in the Agency and Accounts Agreement, or any other account as may replace it in accordance with the Agency and Accounts Agreement;

“**Creberg Loans**” means, from time to time, the aggregate of the secured and unsecured loans disbursed to SMEs in various technical forms (such as *mutui fondiari*, *mutui ipotecari*, *mutui agrari* or *finanziamenti chirografari*) comprised in the Creberg Portfolio, the Creberg Claims in respect of which have been transferred to the Issuer in accordance with the Creberg Transfer Agreement and “**Creberg Loan**” means any one of these;

“**Creberg Portfolio**” means the aggregate of all Creberg Loans;

“**Creberg Servicing Agreement**” means the servicing agreement dated the Initial Execution Date, as amended on the Signing Date, between the Issuer and the Servicer of the Creberg Portfolio;

“**Creberg Transfer Agreement**” means a transfer agreement dated the Initial Execution Date between the Issuer and Creberg;

“**Creberg Warranty and Indemnity Agreement**” means a warranty and indemnity agreement dated the Initial Execution Date, as amended on the Signing Date, between the Issuer and Creberg;

“**Cash Reserve**” means the monies standing to the credit of the Cash Reserve at any given time;

“**Crediti ad Incaglio**” means those Claims (A)(i) under which there are at least (I) 6 (six) Unpaid Instalments (in case of monthly payment) provided that 150 days have elapsed since the due date of the first Instalment which became an Unpaid Instalment or (II) 3 (three) Unpaid Instalments (in case of two-monthly payment) provided that 150 days have elapsed since the due date of the first Instalment which became an Unpaid Instalment or (III) 2 (two) Unpaid Instalments (in case of quarterly payment)

provided that 150 days have elapsed since the due date of the first Instalment which became an Unpaid Instalment or (IV) 1 (one) Unpaid Instalment (in case of semi-annual payment) provided that 150 days have elapsed since the due date of the first Instalment which became an Unpaid Instalment or (V) 1 (one) Unpaid Instalment (in case of annual payment) provided that 150 days have elapsed since the due date of the first Instalment which became an Unpaid Instalment or (ii) which are classified as delinquent (*crediti ad incaglio*) by the relevant Servicer on behalf of the Issuer in accordance with the Bank of Italy's supervisory regulations and the relevant collection policies and (B) which are not yet classified as *Crediti in Sofferenza* yet;

“**Crediti in Sofferenza**” means those Claims which are classified as such by the relevant Servicer on behalf of the Issuer in accordance with the regulation of the Bank of Italy and the relevant Collection Policies;

“**Criteria**” means the objective common criteria listed in exhibit 1 of each Transfer Agreement;

“**DBRS**” means DBRS Ratings Limited;

“**Debtor**” means any Borrower, any person having granted any Guarantee to the Originator or any person who is liable for the payment or repayment of amounts due under a Loan;

“**Decree 239**” means Italian legislative decree No. 239 of 1 April 1996, as subsequently amended;

“**Decree 239 Withholding**” means any withholding or deduction for or on account of “*imposta sostitutiva*” under Decree 239;

“**Defaulted Claims**” means those Claims (A) under which there are at least (i) 7 (seven) Unpaid Instalments whether consecutive or otherwise (in case of monthly payment) or (ii) 4 (four) Unpaid Instalments whether consecutive or otherwise (in case of two-monthly payment) or (iii) 3 (three) Unpaid Instalments whether consecutive or otherwise (in case of quarterly payment) or (iv) 2 (two) Unpaid Instalments (in case of semi-annual payment) or (vi) 1 (one) Unpaid Instalment (in case of annual payment), or (B) are classified as *Crediti in Sofferenza* by the relevant Servicer;

“**Eligible Institution**” means:

- (I) with respect to any entity (other than BP acting as Transaction Bank),
 - (A) any depository institution organised under the laws of any state which is a member of the European Union or of the United States of America whose long-term unsecured and unsubordinated debt obligations are rated at least:
 - (i) “Baa3” by Moody’s; and
 - (ii) “BBB” by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS) or, in the absence of any rating supplied by DBRS, “BBB” or “Baa2” by at least two of Fitch, S&P or Moody’s (provided that if such public rating is under credit watch negative, or equivalent, then such rating will be considered one notch below);
 - (B) whose obligations under the Transaction Documents to which it is a party are guaranteed by a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America whose long-term unsecured and unsubordinated debt obligations are rated at least:
 - (i) “Baa3” by Moody’s; and

- (ii) “BBB” by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS) or, in the absence of any rating supplied by DBRS, “BBB” or “Baa2” by at least two of Fitch, S&P or Moody’s (provided that if such public rating is under credit watch negative, or equivalent, then such rating will be considered one notch below);
- (II) with respect to BP acting as Transaction Bank for the purposes of the BP Collection Account and the Creberg Collection Account, BP for so long as its long-term, unsecured and unsubordinated debt obligations are rated at least:
 - (i) “Baa3” by Moody’s; and
 - (ii) “BBB” by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS);
- (III) with respect to BP acting as Transaction Bank for the purposes of the Cash Reserve Account only, BP for so long as its long-term, unsecured and unsubordinated debt obligations are rated at least:
 - (i) “Ba1” by Moody’s; and
 - (ii) “BBB” by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS);

“**English Assets**” means in relation to the Issuer, all of its undertaking, property, assets, rights and revenues whatsoever present and future situated in England and Wales including all of the Issuer’s rights, title interest present and future in and under the Agency and Accounts Agreement which are situated in England and Wales;

“**English Deed of Charge and Assignment**” means the deed of charge and assignment dated on the Signing Date between the Issuer and the Representative of the Noteholders and governed by English law;

“**English Law Transaction Documents**” means the provisions of the Agency and Accounts Agreement which are governed by English law and the English Deed of Charge and Assignment;

“**Equity Capital Account**” means a euro-denominated deposit account opened with Deutsche Bank S.p.A. or any other account as may replace it in accordance with the Agency and Accounts Agreement into which the sum representing 100 per cent. of the Issuer’s equity capital (equal to € 12,000) has been deposited and will remain deposited therein for so long as all notes issued (including the Previous Securitisation Notes) or to be issued by the Issuer (including the Notes) have been paid in full;

“**EURIBOR**” means:

- (i) prior to the service of an Issuer Acceleration Notice and in respect of each Interest Period, the rate offered in the euro-zone interbank market for three-month deposits in euro (save that, for the first Interest Period, the rate will be obtained upon linear interpolation of EURIBOR for eight- and nine-month deposits in euro) which appears on the Reuters-Euribor01 page or (A) such other page as may replace the Reuters-Euribor01 page on that service for the purpose of displaying such information or (B) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Representative of the Noteholders) as may replace the Reuters-Euribor01 page (the “**Screen Rate**”) at or about 11.00 a.m. (Brussels

- time) on the Interest Determination Date falling immediately before the beginning of such Interest Period; or
- (ii) following the service of an Issuer Acceleration Notice and in respect of each Interest Period, the rate offered in the euro-zone interbank market for deposits in euro applicable in respect of such Interest Period which appears on the Screen Rate nominated and notified by the Agent Bank for such purpose or, if necessary, the relevant linear interpolation, as determined by the Agent Bank in accordance with the Agency and Accounts Agreement at or about 11.00 a.m. (Brussels time) on the Interest Determination Date which falls immediately before the end of the relevant Interest Period; or
 - (iii) if the Screen Rate is unavailable at such time for deposits in euro in respect of the relevant period, then the rate for any relevant period shall be the arithmetic mean (rounded to four decimal places with the mid-point rounded upwards) of the rates notified to the Agent Bank at its request by each of the Reference Banks as the rate at which deposits in euro in respect of the relevant period in a representative amount are offered by that Reference Bank to leading banks in the euro-zone interbank market at or about 11.00 a.m. (Brussels time) on the relevant Interest Determination Date; or
 - (iv) if, at that time, the Screen Rate is unavailable and only two or three of the Reference Banks provide such offered quotations to the Agent Bank, the relevant rate determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations; or
 - (v) if, at that time, the Screen Rate is unavailable and only one or none of the Reference Banks provides the Agent Bank with such an offered quotation, the rate in effect for the immediately preceding period to which paragraph (i) or (ii) above shall have applied;

“**Euro**” or “**euro**” or “**€**” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended;

“**Euroclear**” means Euroclear Bank S.A./N.V. as operator of the Euroclear System;

“**Event of Default**” has the meaning given to it in Condition 10 (*Events of Default*);

“**Expenses Account**” means the euro-denominated current account opened by the Issuer with the Interim Account Bank, as better identified in the Agency and Accounts Agreement, or any other account as may replace it in accordance with the Agency and Accounts Agreement;

“**Extraordinary Resolution**” has the meaning given to it in the Rules of the Organisation of Noteholders;

“**Final Redemption Date**” means the Interest Payment Date immediately following the earlier of: (i) the date when the Portfolio Outstanding Amount will have been reduced to zero; and (ii) the date when all the Claims then outstanding will have been entirely written off by the Issuer;

“**Financing Banks**” means, collectively, BP and Creberg in their capacities as financing banks under the Letter of Undertaking or any permitted successor or assignee thereof;

“**Fitch**” means Fitch Ratings Limited or any of its affiliates.

“**Guarantee**” means, in respect of any Claim, any personal guarantee granted by or formed onto the Originator, in relation to a Loan Agreement or a Claim;

“Initial Execution Date” means 22 February 2013;

“Initial Portfolio Outstanding Amount” means the aggregate Outstanding Principal of all the Claims as at the Valuation Date, being equal to € 5,249,780,006.59;

“Insolvent” means that the Issuer is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due or is insolvent;

“Insurance Premia” means the insurance premia paid by each of the Originators and which are due to the relevant Originator by the Issuer in accordance with the relevant Transfer Agreement;

“Intercreditor Agreement” means an intercreditor agreement dated the Signing Date between the Issuer, the Noteholders (represented by the Representative of the Noteholders) and the Other Issuer Creditors;

“Interest Amount” means:

- (a) in respect of the Class A Notes, the amount of interest accrued during the relevant Interest Period in respect of the relevant Class as determined in accordance with Condition 6(e) (*Determination of amount of interest*); and/or
- (b) in respect of the Junior Notes, the Junior Notes Remuneration accrued on the Junior Notes during the relevant Interest Period;

“Interest Amount Arrears” means the portion of the relevant Interest Amount for the Class A Notes, calculated pursuant to Condition 6(e) (*Determination of amount of interest*), which remains unpaid on the relevant Interest Payment Date;

“Interest Determination Date” means:

- (a) prior to the service of an Issuer Acceleration Notice, in respect of each Interest Period, the date falling two TARGET Settlement Days prior to the Interest Payment Date at the beginning of such Interest Period;
- (b) following the service of an Issuer Acceleration Notice, in respect of each Interest Period, the Calculation Date immediately prior to the Interest Payment Date at the end of such Interest Period;

“Interest Payment Date” means (a) prior to the service of an Issuer Acceleration Notice, 31 May and 30 November in each year (or, if any such date is not a Business Day, that date will be the first following day that is a Business Day, the first Interest Payment Date being 2 December 2013) and (b) following the service of an Issuer Acceleration Notice, the day falling 10 Business Days after the Accumulation Date (if any) or any other day on which any payment is due to be made in accordance with the Post-Enforcement Priority of Payments, the Conditions and the Intercreditor Agreement;

“Interest Period” has the meaning given to it in Condition 6(a) (*Interest Payment Dates and Interest Periods*);

“Interim Accounts” means, collectively, the BP Interim Account and the Creberg Interim Account and

“Interim Account” means any one of them;

“Irish Stock Exchange” means Irish Stock Exchange Limited;

“Issuer” means BPL Mortgages S.r.l.;

“Issuer Acceleration Notice” has the meaning given to it in Condition 10(b) (*Service of an Issuer Acceleration Notice*);

“Issuer Available Funds” means:

- (i) as of each Calculation Date prior to the service of an Issuer Acceleration Notice, an amount equal to the sum of:
 - (a) the amount standing to the credit of the BP Collection Account, the Creberg Collection Account and of the Payments Account as at the end of the Collection Period immediately preceding the relevant Calculation Date consisting of, inter alia:
 - (I) payment of interest and repayment of principal under the Loans,
 - (II) any collections and/or recovery in respect of Defaulted Claims including any disposal proceeds deriving from the sale of any Defaulted Claims,
 - (III) any amount received by the Issuer under any of the Transaction Documents during the preceding Collection Period,
 - (IV) all amounts of interest accrued in respect of any of the Transaction Accounts and paid during the Collection Period immediately preceding such Calculation Date, and
 - (V) the Prepayment Amounts which have become, during the relevant Collection Period, Available Prepayment Amounts,but excluding a portion of the amount standing to the credit of the BP Collection Account and the Creberg Collection Account in an amount equal to the Aggregate Prepayment Amounts as at the end of such Collection Period;
 - (b) the Cash Reserve as at the relevant Calculation Date;
 - (c) any refund or repayment obtained by the Issuer from any tax authority in respect of the Claims, the Transaction Documents or, otherwise, the Securitisation during the immediately preceding Collection Period; and
 - (d) on the Calculation Date immediately preceding the Final Redemption Date and on any Calculation Date thereafter, the amount standing to the balance of the Expenses Account; and
- (ii) as of each Calculation Date following the service of an Issuer Acceleration Notice, the aggregate of the amounts received or recovered by or on behalf of the Issuer or the Representative of the Noteholders in respect of the Claims, the Note Security and the Issuer’s Rights under the Transaction Documents;

“Issuer Creditors” means (i) the Noteholders (represented, as the case may be, by the Representative of the Noteholders); (ii) the Other Issuer Creditors; and (iii) any other third-party creditors in respect of any taxes, costs, fees, liabilities or expenses incurred by the Issuer in relation to the Securitisation;

“Issuer Secured Creditors” means the Noteholders, the Representative of the Noteholders, the Computation Agent, the Servicers, the Back-up Servicer Facilitator, the Paying Agent, the Agent Bank, the Interim Account Bank, the Underwriters, the Transaction Bank, the Corporate Servicer, the

Administrative Servicer, the Subordinated Loan Provider, BP (in respect of any monetary obligation due to it by the Issuer under the Letter of Undertaking, the BP Transfer Agreement and the BP Warranty and Indemnity Agreement) and Creberg (in respect of any monetary obligation due to it by the Issuer under the Letter of Undertaking, the Transfer Agreement and the Warranty and Indemnity Agreement);

“Issuer’s Rights” means the Issuer’s right, title and interest in and to the Claims, any rights that the Issuer has acquired under the Transaction Documents and any other rights that the Issuer has acquired against the Originator, any Other Issuer Creditors (including any applicable guarantors or successors) or third parties for the benefit of the Noteholders in connection with the securitisation of the Claims;

“Italian Accounts” means, collectively, the Interim Accounts and the Expenses Account and **“Italian Account”** means any one of them;

“Italian Deed of Pledge” means a deed of pledge under Italian law to be executed on the Signing Date between the Issuer and the Representative of the Noteholders acting on its own behalf and on behalf of the other Issuer Secured Creditors;

“Italian Law Transaction Documents” means the Transfer Agreements, the Servicing Agreements, the Warranty and Indemnity Agreements, the Corporate Services Agreement, the Administrative Services Agreement, the Intercreditor Agreement, the Agency and Accounts Agreement (other than the provisions of the Agency and Accounts Agreement which are governed by English law), the Italian Deed of Pledge, the Mandate Agreement, the Shareholder’s Commitment, the Letter of Undertaking, the Underwriting Agreement, these Conditions and the Rules of the Organisation of Noteholders;

“Junior Notes Remuneration” means, on each Interest Payment Date:

- (a) prior to the service of an Issuer Acceleration Notice, the Issuer Available Funds to be applied on such Interest Payment Date *minus* all payments or provisions to be made under the Pre-Enforcement Priority of Payments under items (i) to (xv); or
- (b) following the service of an Issuer Acceleration Notice or in the event the Issuer opts for the early redemption of the Notes under Condition 7(e) (*Optional redemption of the Notes*) or Condition 7(f) (*Optional redemption for taxation, legal or regulatory reasons*), the Issuer Available Funds to be applied on such Interest Payment Date *minus* all payments or provisions to be made under the Post-Enforcement Priority of Payments under items (i) to (xii);

“Letter of Undertaking” means a letter of undertaking dated the Signing Date between the Issuer, the Representative of the Noteholders and the Financing Banks;

“Limited Recourse Loan” means any limited recourse loan, or other form of financing, advanced by the Originator to the Issuer pursuant to the terms of clause 2 (*Impegno a finanziare*) of the Letter of Undertaking;

“Loans” means, collectively, the BP Loans and the Creberg Mortgage Loans and **“Loan”** means any one of these;

“Local Business Day” has the meaning given to it in Condition 8(c) (*Payments on Business Days*);

“Mandate Agreement” means a mandate agreement dated the Signing Date between the Issuer and the Representative of the Noteholders;

“Maturity Date” has the meaning given to it in Condition 7(a) (*Final redemption*);

“Meeting” has the meaning given to it in the Rules of the Organisation of Noteholders;

“**Monte Titoli**” means Monte Titoli S.p.A.;

“**Monte Titoli Account Holder**” means any authorised institution entitled to hold accounts on behalf of their customers with Monte Titoli (and includes any Relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System);

“**Moody’s**” means Moody’s Italia S.r.l.;

“**Most Senior Class**” means, at any time, without prejudice to any applicable Priority of Payments:

- (a) the Class A Notes (for so long as there are Class A Notes outstanding); or
- (b) if no Class A Notes are then outstanding, the Junior Notes;

“**Note Security**” has the meaning given thereto in Condition 4 (*Note Security*);

“**Organisation of Noteholders**” means the organisation of the Noteholders created by the issue and subscription of the Notes and regulated by the Rules of the Organisation of Noteholders attached hereto as a schedule;

“**Originators**” means, collectively, BP and Creberg or any permitted successor or assignee thereof and “**Originator**” means any one of these;

“**Originator’s Claims**” means, collectively, the monetary claims that the relevant Originator may have from time to time against the Issuer under the relevant Transfer Agreement (other than in respect of the relevant Purchase Price) and the relevant Warranty and Indemnity Agreement, and including, without limitation, the relevant Rateo Amounts, the relevant Insurance Premia, the interest on the relevant Purchase Price and all amounts due and payable to the relevant Originator for the repayment of any loan extended to the Issuer under clause 12.4 of the relevant Transfer Agreement and clause 6.4.3 of the relevant Warranty and Indemnity Agreement;

“**Other Issuer Creditors**” means, collectively, the Representative of the Noteholders, BP (in any capacity), Creberg (in any capacity), the Servicers, the Back-up Servicer Facilitator, the Transaction Bank, the Underwriters, the Corporate Servicer, the Administrative Servicer, the Interim Account Bank, the Computation Agent, the Paying Agent, the Agent Bank, together with any entity which has become or will become, from time to time, a party to the Intercreditor Agreement

“**Outstanding Principal**” means, in respect of a Claim, the aggregate of the principal amount of the relevant Mortgage Loan from time to time;

“**Payments Account**” means a euro-denominated current account opened by the Issuer with the Paying Agent, as better identified in the Agency and Accounts Agreement, or any other account as may replace it in accordance with the Agency and Accounts Agreement;

“**Portfolio**” means, collectively, the BP Portfolio and the Creberg Portfolio;

“**Portfolio Outstanding Amount**” means, on each Interest Payment Date, the aggregate Outstanding Principal of all the Claims as at the end of the immediately preceding Collection Period;

“**Post-Enforcement Final Redemption Date**” means the earlier to occur between: (i) the date when the Notes are due for payment under Condition 7(e) (*Optional redemption of the Notes*) or Condition 7(f) (*Optional redemption for taxation, legal or regulatory reasons*) in the event that the Issuer opts for the early redemption of the Notes in accordance therewith, (ii) the date when the Portfolio Outstanding Amount will have been reduced to zero, and (iii) the date when all the Claims then outstanding will have been entirely written off by the Issuer;

“Post-Enforcement Priority of Payments” means the provisions relating to the order of priority of payments as set out in Condition 3(e) (*Post-Enforcement Priority of Payments*);

“Pre-Enforcement Priority of Payments” means the provisions relating to the order of priority of payments as set out in Condition 3(d) (*Pre-Enforcement Priority of Payments*);

“Prepayment Amount” means, in respect of each Affected Mortgage Loan, any amount collected by the Issuer as a result of a repayment, in whole or in part, of such Affected Mortgage Loan prior to the relevant due date;

“Previous Securitisation” means the securitisation transactions carried out by the Issuer in accordance with the Securitisation Law completed in December 2012;

“Previous Securitisation Notes” means the asset-backed notes issued in an aggregate amount of € 2,501,918,000 in connection with the Previous Securitisation;

“Previous Transaction Documents” means the documents, deeds and agreements defined as “Transaction Documents” in the prospectus related to the Previous Securitisation;

“Principal Amount Outstanding” means, on any day:

- (a) in relation to each Class, the aggregate principal amount outstanding of all Notes in such Class; and
- (b) in relation to a Note, the principal amount of that Note upon issue less the aggregate amount of all Principal Payments in respect of that Note which have become due and payable (and which have actually been paid) on or prior to that day;

“Principal Factor” means, at any time and in respect of a Class of Notes, the fraction expressed as a decimal to the sixth point of which the numerator is the aggregate Principal Amount Outstanding of the relevant Class of Notes at such time and the denominator is the aggregate Principal Amount Outstanding of the relevant Class of Notes upon issue;

“Principal Payments” has the meaning given in Condition 7(d) (*Principal Payments and Principal Amount Outstanding*);

“Priority of Payments” means, as the case may be, any of the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments;

“Prospectus” means the prospectus dated 11 March 2013 and published by the Issuer in connection with the issue of the Notes, and which constitutes a *prospetto informativo* for all Classes of Notes in accordance with the Securitisation Law;

“Purchase Price” has the meaning given to the term “*Prezzo di Acquisto*” in the relevant Transfer Agreement, which term identifies the purchase price:

- (A) for all the BP Claims, equal to € 4,319,427,000; and
- (B) for all the Creberg Claims, equal to € 943,203,000,

and **“Purchase Prices”** means the aggregate of the Purchase Price of each Transfer Agreement;

“Rateo Amounts” means an amount equal to all interest accrued but not paid in respect of the relevant Mortgage Loans as at the Valuation Date (inclusive) being equal to:

- (i) € 10,826,892.65 with respect to BP; and

(ii) € 2,024,331.98 with respect to Creberg,

which will be paid to the relevant Originator in accordance with the applicable Priority of Payments;

“Reference Banks” means, initially, Barclays Bank PLC, Lloyds TSB Bank plc and HSBC Bank plc, each acting through its principal London office and, if the principal London office of any such bank is unable or unwilling to continue to act as a Reference Bank, the principal London office of such other bank as the Issuer shall appoint and as may be approved in writing by the Representative of the Noteholders to act in its place;

“Relevant Clearing System” means Euroclear and/or Clearstream, Luxembourg;

“Relevant Day-Count Fraction” means, in relation to an Interest Period, the actual number of days in the relevant Interest Period divided by 360;

“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 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 17 (*Notices*);

“Reporting Date” means the date falling no later than seven Business Days immediately following the end of each preceding Collection Period, the first Reporting Date being 12 November 2013;

“Retention Amount” means the amount of € 50,000;

“S&P” means Standard & Poor’s Credit Market Services Italy S.r.l. or any of its affiliates;

“Secured Amounts” means all the amounts due, owing or payable by the Issuer, whether present or future, actual or contingent, to the Noteholders under the Notes and the other Issuer Secured Creditors pursuant to the relevant Transaction Documents;

“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;

“Servicer of the BP Portfolio” means BP as servicer of the BP Portfolio or any successor servicer of the BP Portfolio appointed from time to time in respect of this Securitisation;

“Servicer of the Creberg Portfolio” means Creberg as servicer of the Creberg Portfolio or any successor servicer of the Creberg Portfolio appointed from time to time in respect of this Securitisation;

“Servicer Report” means the report prepared and submitted by the relevant Servicer to on each Reporting Date in the form set out in the relevant Servicing Agreement and containing information as to the relevant Portfolio and the relevant Collections in respect of the preceding Collection Period;

“Servicers” means, collectively, the Servicer of the BP Portfolio and the Servicer of the Creberg Portfolio and **“Servicer”** means any one of these;

“Servicer’s Advance” means those amounts due to the relevant Servicer under clauses 3.8 and 12.5.4 of the relevant Servicing Agreement;

“**Servicing Agreements**” means, collectively, the BP Servicing Agreement and the Creberg Servicing Agreement and “**Servicing Agreement**” means any one of these;

“**Shareholder’s Commitment**” means the shareholder’s commitment in relation to the Issuer dated the Signing Date between the Issuer, SVM Securitisation Vehicles Management S.r.l. and the Representative of the Noteholders;

“**SMEs**” means entities engaged in an economic activity, irrespective of its legal form, where the reported sales for the entity or if the entity is a part of a consolidated group, for the consolidated group is less than €50 million;

“**Specified Offices**” has the meaning given in Condition 17(d) (*Initial Specified Offices*);

“**Subordinated Loan**” means the subordinated loan granted by the Subordinated Loan Provider in connection with the Subordinated Loan Agreement;

“**Subordinated Loan Agreement**” means the subordinated loan agreement entered into on the Signing Date between the Issuer, the Subordinated Loan Provider and the Representative of the Noteholders;

“**Subordinated Loan Provider**” means BP, and includes any successor subordinated loan provider appointed from time to time under the Subordinated Loan Agreement;

“**Target Cash Reserve Amount**” means € 157,493,400.20 (being an amount equal to three per cent. of the aggregate Principal Amount Outstanding of the Notes as at the Issue Date) save that the Target Cash Reserve Amount will be reduced to zero in respect of the Interest Payment Date on which the Class A Notes are redeemed in full;

“**TARGET Settlement Day**” means any day on which the TARGET system is open;

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto;

“**Transaction Accounts**” means the BP Collection Account, the Creberg Collection Account, the replacement Expenses Account (if opened with the Transaction Bank in accordance with the Agency and Accounts Agreement) and the Cash Reserve Account and “**Transaction Account**” means any one of them;

“**Transaction Documents**” means, collectively, the Italian Law Transaction Documents and the English Law Transaction Documents;

“**Transfer Agreements**” means, collectively, the BP Transfer Agreement and the Creberg Transfer Agreement and “**Transfer Agreement**” means any one of these;

“**Underwriters**” means Banco Popolare Soc. Coop. and Credito Bergamasco S.p.A.;

“**Underwriting Agreement**” means the subscription agreement in respect of the Notes dated the Signing Date between the Underwriters, the Originators, the Issuer and the Representative of the Noteholders;

“**Unpaid Instalment**” means an instalment which, at a given date, is due but not fully paid and remains such for at least 30 calendar days, following the date on which it should have been paid under the terms of the relevant Loan;

“**Valuation Date**” means 17 February 2013;

“**Warranty and Indemnity Agreements**” means, collectively, the BP Warranty and Indemnity Agreement and the Creberg Warranty and Indemnity Agreement and “**Warranty Agreement**” means any one of these; and

“**Written Resolution**” means a resolution in writing signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting of such holders of Notes in accordance with the Rules of the Organisation of Noteholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of Notes.

- (b) In these Conditions, the following events are deemed to have occurred as set out below:

an “**Insolvency Event**” will have occurred in respect of the Issuer if:

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

a “**Servicer Report Delivery Failure Event**” will have occurred upon any of the Servicers’ failure to deliver the relevant Servicer Report within three Business Days from the relevant Reporting Date provided that such event will cease to be outstanding when such Servicer delivers the relevant Servicer Report.

- (c) In this Conditions, the expressions (i) “relevant Originator”, (ii) “relevant Transfer Agreement”, (iii) “relevant Warranty and Indemnity Agreement”, (iv) “relevant Servicing Agreement”, (v) “relevant Claims”, (vi) “relevant Loans”, (vii) “relevant Borrowers”, (viii) “relevant Portfolio”, indicate respectively: (a) BP as originator of the BP Portfolio or Creberg as originator of the Creberg Portfolio; (b) the Transfer Agreement entered into by the relevant Originator; (c) the Warranty and Indemnity Agreement entered into by the relevant Originator; (d) the BP Servicing Agreement entered into by BP as Servicer of the BP Portfolio or the Creberg Servicing Agreement entered into by Creberg as Servicer of the Creberg Portfolio; (e) the BP Claims or the Creberg Claims; (f) the BP Loans or the Creberg Loans; (g) the borrowers under the relevant Loans; and (h) the BP Portfolio or the Creberg Portfolio.

2. Form, denomination and title

(a) *Form*

The Notes are issued in dematerialised form (*emesse in forma dematerializzata*) and will be wholly and exclusively deposited with Monte Titoli in accordance with article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, through the authorised institutions listed in article 83-quater of such legislative decree.

(b) *Denomination*

The authorised denomination of the Class A Notes will be € 100,000. The authorised denomination of the Junior Notes will be € 100,000 and integral multiples of € 1,000 in excess thereof.

(c) *Title*

The Notes will be held by Monte Titoli on behalf of the Noteholders until redemption and cancellation for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream, Luxembourg and Euroclear. The Notes will at all times be in book entry form and title to the Notes will be evidenced by, and title thereto will be transferred by means of, book entries in accordance with: (i) the provisions of article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998; and (ii) the regulation issued by the Bank of Italy and CONSOB on 22 February 2008, as subsequently amended. No physical document of title will be issued in respect of the Notes.

(d) *Holder Absolute Owner*

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Noteholders and the Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the Monte Titoli Account Holder, whose account is at the relevant time credited with a Note, as the absolute owner of such Note for the purposes of payments to be made to the holder of such Note (whether or not the Note is overdue and notwithstanding any notice to the contrary, any notice of ownership or writing on the Note or any notice of any previous loss or theft of the Note) and shall not be liable for doing so.

3. Status, ranking and priority

(a) *Status*

The Notes constitute direct and unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 16 (*Limited recourse and non-petition*). The Notes are secured over certain assets of the Issuer pursuant to the Note Security. The Noteholders acknowledge that the limited-recourse nature of the Notes produces the effects of a *contratto aleatorio* under Italian law and they accept the consequences thereof, including but not limited to, the provisions of article 1469 of the Italian civil code. The rights arising from the Note Security are included in each Note.

(b) *Ranking*

- (i) In respect of the obligations of the Issuer to pay interest on the Notes prior to the service of an Issuer Acceleration Notice:
 - (A) the Class A Notes will rank *pari passu* and without any preference or priority among themselves, but in priority to the Junior Notes;
 - (B) the Junior Notes will rank *pari passu* and without any preference or priority among themselves, but subordinate to the Class A Notes.
- (ii) In respect of the obligations of the Issuer to repay principal on the Notes, prior to the service of an Issuer Acceleration Notice:
 - (A) the Class A Notes will rank *pari passu* and without any preference or priority among themselves, but subordinate to payment of interest in respect of the Class A Notes and in priority to repayment of principal on the Junior Notes;
 - (B) the Junior Notes will rank *pari passu* and without any preference or priority among themselves, but subordinate to (A) payment of interest on the Class A Notes and (B) repayment of principal on the Class A Notes.
- (iii) In respect of the obligations of the Issuer (a) to pay interest and (b) to repay principal on the Notes following the service of an Issuer Acceleration Notice or, in the event that the Issuer opts for the early redemption of the Notes under Condition 7(e) (*Optional redemption*) or Condition 7(f) (*Optional redemption for taxation, legal or regulatory reasons*):
 - (A) the Class A Notes will rank *pari passu* and without any preference or priority among themselves and in priority to the Junior Notes;
 - (B) the Junior Notes will rank *pari passu* and without any preference or priority among themselves, but subordinate to payment in full of all amounts due under the Class A Notes.
- (iv) The Intercreditor Agreement and the Rules of the Organisation of Noteholders provide that the Representative of the Noteholders shall have regard to the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is a conflict between the interests of the Class A Noteholders and the interests of the Junior Noteholders, the Representative of the Noteholders is required under the Intercreditor Agreement and the Rules of the Organisation of Noteholders to have regard only to the interests of the Class A Noteholders, until the Class A Notes have been entirely redeemed.

(c) *Sole obligations*

The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other parties to the Transaction Documents.

(d) *Pre-Enforcement Priority of Payments*

Prior to the service of an Issuer Acceleration Notice, the Issuer Available Funds as calculated on each Calculation Date will be applied by the Issuer on the Interest Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority (the “**Pre-**

Enforcement Priority of Payments”) but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (i) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
 - (A) any and all outstanding taxes due and payable by the Issuer in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not paid by BP and Creberg under the Letter of Undertaking);
 - (B) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations to third parties (not being Other Issuer Creditors) incurred in the course of the Issuer’s business in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not paid by BP and Creberg under the Letter of Undertaking);
 - (C) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with the listing, deposit or ratings of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs);
- (ii) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
 - (A) any and all outstanding fees, costs and expenses of and all other amounts due and payable to the Representative of the Noteholders, or any appointee thereof; and
 - (B) the amount necessary to replenish the Expenses Account up to the Retention Amount;
- (iii) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of the Paying Agent, the Agent Bank, the Computation Agent, the Servicers, the Back-up Servicer Facilitator, the Corporate Servicer, the Administrative Servicer, the Interim Account Bank and the Transaction Bank, each, under the Transaction Document(s) to which it is a party;
- (iv) *fourth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts of interest due and payable on the Class A Notes;
- (v) *fifth*, for so long as there are Class A Notes outstanding, to credit the Cash Reserve Account with the amount required, if any, such that the Cash Reserve equals the Target Cash Reserve Amount;
- (vi) *sixth*, for so long as there are Class A Notes outstanding and following the occurrence of a Servicer Report Delivery Failure Event, but only if on such Interest Payment Date the Servicer Report Delivery Failure Event is still outstanding, to credit the remainder to the BP Collection Account;
- (vii) *seventh*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class A Notes until the Class A Notes are repaid in full;

- (viii) *eighth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to each of the Originators in respect of the relevant Rateo Amounts (if any) under the terms of the Transaction Documents;
- (ix) *ninth*, in or towards satisfaction of all amounts due and payable to each of the Underwriters under the terms of the Underwriting Agreement;
- (x) *tenth*, in or towards satisfaction of all amounts of interest due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;
- (xi) *eleventh*, in or towards satisfaction of all amounts of principal due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;
- (xii) *twelfth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
 - (A) all amounts due and payable to each of the Originators in respect of the relevant Originator's Claims (if any) under the terms of the Transaction Documents;
 - (B) all amounts due and payable to each of the Servicers as Servicer's Advance (if any) under the terms of the relevant Servicing Agreement; and
 - (C) in connection with a limited recourse loan under the Letter of Undertaking;
- (xiii) *thirteenth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to this Securitisation (other than amounts already provided for in this Pre-Enforcement Priority of Payments);
- (xiv) *fourteenth*, upon repayment in full of the Class A Notes, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to € 50,000;
- (xv) *fifteenth*, on the Final Redemption Date and on any Interest Payment Date thereafter, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Junior Notes are redeemed in full; and
- (xvi) *sixteenth*, in or towards satisfaction, *pro rata* and *pari passu*, of the Junior Notes Remuneration (if any) due and payable on the Junior Notes.

From time to time, during an Interest Period, the Issuer shall, in accordance with the Agency and Accounts Agreement, be entitled to apply amounts standing to the credit of the Expenses Account in respect of certain monies which properly belong to third parties, other than the Noteholders and the Other Issuer Creditors, in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation, and in payment of sums due to third parties, other than the Noteholders and the Other Issuer Creditors, under obligations incurred in the course of the Issuer's business.

(e) *Post-Enforcement Priority of Payments*

Following the service of an Issuer Acceleration Notice, or, in the event that the Issuer opts for the early redemption of the Notes under Condition 7(e) (*Optional redemption of the Notes*) or Condition 7(f) (*Optional redemption for taxation, legal or regulatory reasons*), the Issuer Available Funds as calculated on each Calculation Date will be applied by or on behalf of the Representative of the

Noteholders on the Interest Payment Date immediately following such Calculation Date in making payments or provisions in the following order (the “**Post-Enforcement Priority of Payments**”) but, in each case, only if and to the extent that payments of a higher priority have been made in full:

- (i) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
 - (A) any and all outstanding taxes to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing and to comply with applicable legislation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not paid by BP and Creberg under the Letter of Undertaking);
 - (B) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not paid by BP and Creberg under the Letter of Undertaking);
- (ii) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
 - (A) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with the listing, deposit or ratings of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs); and
 - (B) any and all outstanding fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders or any appointee thereof;
- (iii) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of the Paying Agent, the Agent Bank, the Computation Agent, the Servicers, the Back-up Servicer Facilitator, the Corporate Servicer, the Administrative Servicer, the Interim Account Bank and the Transaction Bank, each, under the Transaction Document(s) to which it is a party;
- (iv) *fourth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of interest (including any interest accrued but unpaid) on the Class A Notes at such date;
- (v) *fifth*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class A Notes;
- (vi) *sixth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to each of the Originators in respect of the relevant Rateo Amounts (if any) under the terms of the Transaction Documents;
- (vii) *seventh*, in or towards satisfaction of all amounts due and payable to each of the Underwriters under the terms of the Underwriting Agreement;
- (viii) *eighth*, in or towards satisfaction of all amounts of interest due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;

- (ix) *ninth*, in or towards satisfaction of all amounts of principal due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;
- (x) *tenth*, in or towards satisfaction *pro rata* and *pari passu*, according to the respective amounts thereof:
 - (A) all amounts due and payable to each of the Originators in respect of the relevant Originator's Claims (if any) under the terms of the Transaction Documents;
 - (B) all amounts due and payable to each of the Servicers as Servicer's Advance (if any) under the terms of the relevant Servicing Agreement; and
 - (C) in connection with a limited recourse loan under the Letter of Undertaking;
- (xi) *eleventh*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to € 50,000;
- (xii) *twelfth*, on the Post-Enforcement Final Redemption Date and on any date thereafter, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Junior Notes are redeemed in full; and
- (xiii) *thirteenth*, up to but excluding the Post-Enforcement Final Redemption Date, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of the Junior Notes Remuneration at such date,

provided, however, that, if the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments above shall be less than 10% of the Principal Amount Outstanding of the Notes, the Representative of the Noteholders may at its discretion invest such monies in some or one of the investments authorised pursuant to the Intercreditor Agreement. The Representative of the Noteholders at its discretion may vary such investments and may accumulate such investments and the resulting income until the immediately following Accumulation Date.

The Issuer or the Representative of the Noteholders on the Issuer's behalf is entitled, pursuant to the Intercreditor Agreement, to dispose of the Claims in order to finance the redemption of the Notes following the service of an Issuer Acceleration Notice.

(f) *Expenses*

From time to time, during an Interest Period, the Issuer shall, in accordance with the Agency and Accounts Agreement, be entitled to apply amounts standing to the credit of the Expenses Account in respect of certain monies which properly belong to third parties, other than the Noteholders and the Other Issuer Creditors in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation, and in payment of sums due to third parties, other than the Noteholders and the Other Issuer Creditors, under obligations incurred in the course of the Issuer's business.

4. Note Security

As security for the discharge of the Secured Amounts, the Issuer will create, pursuant to the Italian Deed of Pledge and the English Deed of Charge and Assignment, the following security (together, the "**Note Security**"):

- (i) concurrently with the issue of the Notes, in favour of the Representative of the Noteholders for itself and on behalf of the Noteholders and the other Issuer Secured Creditors an Italian law pledge over all

monetary claims and rights and all the amounts (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is entitled from time to time pursuant to the Italian Law Transaction Documents (other than the Conditions, the Rules of the Organisation of Noteholders, the Italian Deed of Pledge, the provisions of the Agency and Accounts Agreement which are governed by English law and the Mandate Agreement);

- (ii) concurrently with the issue of the Notes, in favour of the Representative of the Noteholders for itself and as trustee for the Noteholders and the other Issuer Secured Creditors:
 - (A) an English law charge over the Transaction Accounts, all its present and future right, title and interest in or to the Transaction Accounts and all amounts (including interest) now or in the future standing to the credit of, or accrued or accruing on the Transaction Accounts;
 - (B) an English law assignment by way of security of all the Issuer's rights, title, interest and benefit present and future in, to and under each of (a) the Agency and Accounts Agreement (only to the extent it constitutes English Assets) and (b) all other present and future contracts, agreements, deeds and documents governed by English law to which the Issuer is or may become a party in relation to the Notes, the Claims and the Portfolio; and
 - (C) a floating charge over all of the Issuer's assets which are subject to the assignments or charges described under (A) and (B) above and not effectively assigned or charged thereunder.

The rights arising from the Note Security in favour of the Noteholders which are incorporated in each of the Notes are transferred together with the transfer of any Note at the time of transfer of such Note. Each holder of any of the Notes from time to time will have the benefit of such rights.

In addition, by operation of Italian law, the Issuer's right, title and interest in and to the Claims is segregated from all other assets of the Issuer and amounts deriving therefrom will be available both prior to and following a winding-up of the Issuer only to satisfy the obligations of the Issuer to the Noteholders and the other Issuer Creditors in accordance with the Priority of Payments.

5. Covenants

(a) *Covenants*

For so long as any Note remains outstanding, the Issuer, save with the prior written consent of the Representative of the Noteholders or as provided in or envisaged by these Conditions or any of the Transaction Documents, shall not, nor shall cause or permit (to the extent permitted by Italian law), shareholders' meetings to be convened in order to:

(i) *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 Securitisation or undertakings (other than under the Note Security) or sell, lend, part with or otherwise dispose of all or any part of the Claims, or any part thereof or any of its present or future business, undertaking, assets or revenues relating to this Securitisation whether in one transaction or in a series of transactions;

(ii) *Restrictions on activities*

- (A) without prejudice to Condition 5(b) (*Further Securitisations and corporate existence*) below, 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;

(B) have any subsidiary (*società controllata*) or affiliate company (*società collegata*) (as defined in article 2359 of the Italian civil code) or any employees or premises;

(C) at any time approve or agree or consent to any act or thing whatsoever which is materially prejudicial to the interests of the Noteholders under the Transaction Documents or do, or permit to be done, any act or thing in relation thereto which is materially prejudicial to the interests of the Noteholders under the Transaction Documents; or

(D) become the owner of any real estate asset;

(iii) *Dividends or distributions*

pay any dividend or make any other distribution or return or repay any equity capital to its shareholder or increase its equity capital;

(iv) *Borrowings*

without prejudice to Condition 5(b) (*Further Securitisations and corporate existence*) below, incur any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of any indebtedness or of any obligation of any person other than for the purposes of the Securitisation;

(v) *Merger*

consolidate or merge with any other person or convey or transfer any of its properties or assets substantially as an entirety to any other person;

(vi) *Waiver or consent*

permit any of the Transaction Documents (i) to be amended, terminated or discharged, if such amendment, termination or discharge may negatively affect the interests of the holders of the Notes of the Most Senior Class or (ii) to become invalid or ineffective or the priority of the Security Interests created thereby to be reduced or consent to any variation thereof or exercise any powers of consent, direction or waiver pursuant to the terms of any of the Transaction Documents or permit any party to the Transaction Documents or any other person whose obligations form part of the Note Security to be released from its respective obligations in a way which may negatively affect the interests of the holders of the Notes of the Most Senior Class;

(vii) *Loans*

agree to any request by any of the Servicers to change the rate of interest on any Loan or to waive any of its rights under any Loan;

(viii) *Bank accounts*

with the exception of the Equity Capital Account and such other accounts that the Issuer may have opened or may open in the future in the context of securitisation transactions other than this Securitisation and without prejudice to Condition 5(b) (*Further securitisations and corporate existence*), have an interest in any bank account other than the Accounts, unless such account is opened in an EU Member State and is pledged, charged or ringfenced, by operation

of law or otherwise, in favour of the Issuer Secured Creditors on terms acceptable to the Representative of the Noteholders;

(ix) *Statutory documents*

amend, supplement or otherwise modify its by-laws (*statuto*), except where such amendment, supplement or modification is required by any compulsory provision of Italian law or by the competent regulatory authorities;

(x) *Corporate records, financial statements and books of account*

permit or consent to any of the following occurring:

- (i) its books and records being maintained with or co-mingled with those of any other person or entity;
- (ii) its bank accounts and the debts represented thereby being co-mingled with those of any other person or entity;
- (iii) its books and records (if any) relating to the Securitisation being maintained with or co-mingled with those relating to any other securitisation transaction perfected by the Issuer; or
- (iv) 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

(xi) *Residency and centre of main interests*

do any act or thing, the effect of which would be to make the Issuer resident, including without limitation for tax purposes, in any jurisdiction other than the Republic of Italy or cease to be managed and administered in the Republic of Italy or cease to have its centre of main interests in the Republic of Italy; or

(xii) *Compliance with corporate formalities*

cease to comply with all necessary corporate formalities.

None of the covenants in this Condition 5(a) (*Covenants*) shall prohibit the Issuer from (i) performing its obligations under the Previous Transactions Documents in accordance with their terms or (ii) carrying out any activity which is incidental to maintaining its corporate existence and complying with laws and regulations applicable to it.

(b) *Further Securitisations and corporate existence*

None of the covenants in Condition 5(a) (*Covenants by the Issuer*) 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 Securitisation, further portfolios of monetary claims in addition to the Claims either from the Originator or from any other entity (the “**Further Portfolios**”) or entering into one or more bridge loans for the purposes of purchasing Further Portfolios provided that such bridge loans are repaid through, and limited recourse to, the proceeds arising from the Further Notes (as defined below);
- (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 Originator 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) (i) Moody’s gives written confirmation to the Representative of the Noteholders that neither the acquisition or financing, as the case may be, of such Further Portfolio nor the issue of such Further Notes would adversely affect the then current rating of the Class A Notes and (ii) DBRS is notified thereof;
- (E) the Issuer confirms in writing to the Representative of the Noteholders that the Rating Agencies have released the necessary confirmations for the purposes of paragraph (D) above and 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 proviso;
- (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

August 2012 (*Additional temporary measures relating to European refinancing operation and eligibility of collateral*), 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 confirms that it is satisfied that conditions (A) to (E) of this proviso have been satisfied.

In confirming that conditions (A) to (E) of this proviso have been satisfied, 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 Condition 5(a) (*Covenants by the Issuer*) above 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.

6. Interest

(a) *Interest Payment Dates and Interest Periods*

Each Class A Note will bear interest on its Principal Amount Outstanding from (and including) the Issue Date at the rate per annum (expressed as a percentage) equal to the Class A Rate of Interest and such interest will be payable in euro in arrears on each Interest Payment Date subject to the applicable Priority of Payments and subject as provided in Condition 8 (*Payments*). The Junior Notes will accrue interest, for each Interest Period, in accordance with Condition 6(d) (*Interest on the Junior Notes*) and subject as provided in Condition 8 (*Payments*). The Interest Amount payable in respect of each Class of Notes shall be determined in accordance with Conditions 6(c) (*Rate of interest on the Class A Notes*) and 6(e) (*Determination of amount of interest*). In these Conditions, the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date is called an “**Interest Period**”. The first Interest Payment Date will be the Interest Payment Date falling in November 2013.

(b) *Accrual of interest*

Interest will cease to accrue on each Note on the due date for final redemption unless payment is improperly withheld or refused. In such event, it shall continue to accrue in accordance with this Condition 6 (both before and after judgment) 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 Cancellation Date.

(c) *Rate of interest on the Class A Notes*

The rate of interest payable from time to time in respect of the Class A Notes (the “**Class A Rate of Interest**”) for each Interest Period will be determined by the Agent Bank on the basis of the following provisions:

- (i) the Agent Bank will determine the EURIBOR as defined in Condition 1 (*Definitions*); and
- (ii) the Class A Rate of Interest for such Interest Period shall be the sum of:

- (A) 0.60 per cent. per annum; and
- (B) the EURIBOR or (as the case may be) the arithmetic mean as determined above.

(d) *Interest on the Junior Notes*

The Junior Noteholders shall be entitled, for each Interest Period, to the payment of an amount equal to the Junior Notes Remuneration calculated on each Calculation Date upon repayment of the Class A Notes and which will be payable on the next Interest Payment Date.

(e) *Determination of amount of interest*

The Computation Agent will calculate, on the Calculation Date immediately preceding the Interest Payment Date in relation to each Interest Period:

- (i) in respect of the Class A Notes, the amount of interest payable per Calculation Amount for the relevant Interest Period. The determination of the amount of interest payable per Calculation Amount by the Computation Agent shall (in the absence of manifest error) be final and binding upon all parties;
- (ii) the Junior Notes Remuneration accrued in respect of the Junior Notes on such Interest Payment Date.

(f) *Publication of amounts of interest payable per Calculation Amount*

For the Class A Notes, the Computation Agent will cause the amount of interest payable per Calculation Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Representative of the Noteholders, the Paying Agent and the Irish Stock Exchange, for so long as such Notes are listed on such stock exchange, and to be notified to Noteholders in accordance with Condition 17 (*Notices*) as soon as possible after their determination, but in no event later than the fourth Business Day thereafter. For the Class A Notes, the amount of interest payable per Calculation Amount for each Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Representative of the Noteholder by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Class A Notes become due and payable under Condition 10 (*Events of Default*), the accrued interest per Calculation Amount payable in respect of each Class of Notes shall nevertheless continue to be calculated as previously by the Computation Agent in accordance with this Condition 6, but no publication of the amounts of interest payable per Calculation Amount so calculated need be made unless the Representative of the Noteholders or the rules of the Irish Stock Exchange, for so long as such Notes are listed on such stock exchange, otherwise require.

(g) *Determination or calculation by the Representative of the Noteholders*

If the Computation Agent does not at any time for any reason in respect of the Class A Notes calculate the amount of interest payable per Calculation Amount for an Interest Period, the Representative of the Noteholders shall do so and such determinations or calculations shall be deemed to have been made by the Computation Agent. In doing so, the Representative of the Noteholders shall apply the foregoing provisions of this Condition 6, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(h) *Calculation of interest in respect of the Class A Notes*

Interest in respect of the Class A Notes shall be calculated per Calculation Amount. The amount of interest payable per Calculation Amount in respect of the Class A Notes for any Interest Period shall be an amount equal to the product of:

$$R \times CA \times PF \times DCF$$

(where “R” is the applicable Rate of Interest for the Class A Notes, “CA” is the Calculation Amount, “PF” is the applicable Principal Factor for the Class A Notes on the first day of such Interest Period after any repayments of principal made on such day and “DCF” is the Relevant Day-Count Fraction) rounded down to the nearest cent. The amount of interest payable per each Note for any period shall be an amount equal to the product of:

$$RA \times (D/CA)$$

(where “RA” is the amount of interest payable per Calculation Amount in respect of the Class A Notes for such Interest Period, “D” is the denomination of the Class A Notes and “CA” is the Calculation Amount in respect of the Class A Notes).

(i) *Calculation of interest in respect of the Junior Notes*

The Junior Notes Remuneration payable in respect of the Junior Notes on any Interest Payment Date shall be calculated per Calculation Amount and shall be an amount equal to such proportion of the amount required as at that Interest Payment Date to be applied towards payment of the Junior Notes Remuneration equal to the proportion that the Calculation Amount in respect of the Junior Notes bears to the aggregate Principal Amount Outstanding of all the Junior Notes upon issue, rounded down to the nearest cent. The amount of interest payable per Junior Note on any Interest Payment Date shall be an amount equal to the product of:

$$JNR \times (D/CA)$$

(where “JNR” is the Junior Notes Remuneration payable per Calculation Amount in respect of the Junior Notes on such Interest Payment Date, “D” is the denomination of the Junior Notes and “CA” is the Calculation Amount in respect of the Junior Notes).

(j) *Interest Amount Arrears*

Without prejudice to the right of the Representative of the Noteholders to serve to the Issuer an Issuer Acceleration Notice pursuant to Condition 10(a)(i) (*Non-payment*), prior to the service of an Issuer Acceleration Notice, in the event that on any Interest Payment Date there are any Interest Amount Arrears, such Interest Amount Arrears shall be deferred on the following Interest Payment Date or on the day an Issuer Acceleration Notice is served to the Issuer, whichever comes first. Any such Interest Amount Arrears shall not accrue additional interest. A *pro rata* share of such Interest Amount Arrears shall be aggregated with the amount of, and treated for the purpose of this Condition as if it were, interest due, subject to this paragraph, on each Class A Note on the next succeeding Interest Payment Date.

(k) *Notification of Interest Amount Arrears*

If, on any Calculation Date, the Computation Agent determines that any Interest Amount Arrears in respect of the Class A Notes will arise on the immediately succeeding Interest Payment Date, notice to this effect shall be given or procured to be given by the Issuer to the Representative of the Noteholders, the Paying Agent, Monte Titoli, the Irish Stock Exchange, for so long as such Notes are listed on such

stock exchange, and (if so required by the rules of such stock exchange) to the Noteholders in accordance with Condition 17 (*Notices*), specifying the amount of the Interest Amount Arrears to be deferred on such following Interest Payment Date in respect of the Class A Notes.

7. Redemption, purchase and cancellation

(a) *Final redemption*

Unless previously redeemed in full and cancelled as provided in this Condition, the Issuer shall redeem the Notes in full at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Interest Payment Date falling in November 2056 (the “**Maturity Date**”), subject as provided in Condition 8 (*Payments*).

(b) *Cancellation Date*

If the Notes cannot be redeemed in full on the Maturity Date, as a result of the Issuer having insufficient funds for application in or towards such redemption, any amount unpaid shall remain outstanding and these Conditions shall continue to apply in full in respect of the Notes until the earlier of (i) the date on which the Notes are redeemed in full and (ii) the Cancellation Date, at which date, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Issuer, any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, shall be finally and definitively cancelled.

(c) *Mandatory redemption*

If no Issuer Acceleration Notice has been delivered to the Issuer by the Representative of the Noteholders and if at the close of business on the Calculation Date immediately preceding each Interest Payment Date (starting from the first Interest Payment Date falling in November 2013) there are Issuer Available Funds available for such purpose, the Issuer will apply such Issuer Available Funds on the Interest Payment Date following each such Calculation Date in or towards the mandatory redemption of the Notes of each Class (in whole or in part) in accordance with the Pre-Enforcement Priority of Payments

(d) *Principal Payments and Principal Amount Outstanding*

The principal amount payable in respect of the Notes of a particular Class on any Interest Payment Date under Condition 7(c) (*Mandatory redemption*) (each a “**Principal Payment**”) shall be calculated per Calculation Amount and shall be an amount equal to such proportion of the amount required as at that Interest Payment Date to be applied towards redemption of such Class of Notes equal to the proportion that the Calculation Amount in respect of such Class of Notes bears to the aggregate Principal Amount Outstanding of all the Notes of such Class upon issue, rounded down to the nearest cent, provided that no amount of principal payable in respect of a Note may exceed the Principal Amount Outstanding of such Note. The amount of principal payable per Note of a particular Class on any Interest Payment Date shall be an amount equal to the product of:

$PP \times (D/CA)$

(where “PP” is the Principal Payment payable per Calculation Amount in respect of such Class of Notes on such Interest Payment Date, “D” is the denomination of such Notes and “CA” is the Calculation Amount in respect of such Class of Notes).

(e) *Optional redemption of the Notes*

Prior to the service of an Issuer Acceleration Notice, the Issuer may redeem the Notes of all Classes (in whole but not in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Post-Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem all the Notes (or the Class A Notes only, if all the Junior Noteholders consent) and to make all payments ranking in priority thereto, subject to the Issuer:

- (a) giving not more than 60 days nor less than 30 days' notice to the Representative of the Noteholders and the Noteholders, in accordance with Condition 17 (*Notices*), of its intention to redeem all Classes of Notes (in whole but not in part); and
- (b) having provided, prior to giving such notice, to the Representative of the Noteholders a certificate signed by the chairman of the board or the sole director of the Issuer (as applicable) to the effect that it will have the funds on such Interest Payment Date to discharge its obligations under the Notes (or the Class A Notes only, if all the Junior Noteholders consent) and any obligations ranking in priority, or *pari passu*, thereto.

The Issuer is entitled, pursuant to the Intercreditor Agreement, to dispose of the Claims in order to finance the redemption of the Notes in the circumstances described above.

For so long as any of the Class A Notes are listed on the Irish Stock Exchange, the Issuer will give notice of any optional redemption of the Notes in accordance with this Condition 7(e) (*Optional redemption of the Notes*) to the Irish Stock Exchange.

(f) *Optional redemption for taxation, legal or regulatory reasons*

Prior to the service of an Issuer Acceleration Notice, the Issuer may redeem the Notes of all Classes (in whole but not in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Post-Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem all the Notes (or the Class A Notes only, if all the Junior Noteholders consent) and to make all payments ranking in priority, or *pari passu*, thereto, on any Interest Payment Date if, by reason of a change in law or the interpretation or administration thereof since the Issue Date:

- (a) the assets of the Issuer in respect of this Securitisation (including the Claims, the Collections and the other Issuer's Rights) become subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any applicable taxing authority having jurisdiction; or
- (b) either the Issuer or any paying agent appointed in respect of the Class A Notes or any custodian of the Class A Notes is required to deduct or withhold any amount (other than in respect of a Decree 239 Withholding) in respect of any Class of Class A Notes, from any payment of principal or interest on such Interest Payment Date 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 political sub-division thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction and provided that such deduction or withholding may not be avoided by appointing a replacement paying agent or custodian in respect of the Class A Notes before the Interest Payment Date following the change in law or the interpretation or administration thereof; or
- (c) any amounts of interest payable on the Loans to the Issuer are required to be deducted or withheld from the Issuer 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 political sub-division thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction; or

- (d) it is or will become unlawful 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;

subject to the Issuer:

- (i) giving not more than 60 days' nor less than 30 days' written notice (which notice shall be irrevocable) to the Representative of the Noteholders and the Noteholders, pursuant to Condition 17 (*Notices*), of its intention to redeem all (but not some only) the Notes; and
- (ii) providing to the Representative of the Noteholders:
 - (A) a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from a firm of lawyers of international repute (approved in writing by the Representative of the Noteholders) opining on the relevant change in law or interpretation or administration thereof;
 - (B) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) stating that the obligation to make such deduction or withholding or the suffering by the Issuer of such deduction or withholding cannot be avoided or, as the case may be, the events under paragraph (d) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable endeavours; and
 - (C) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) to the effect that it will have the funds on such Interest Payment Date to discharge its obligations under: (i) the Notes (or the Class A Notes only, if all the Junior Noteholders consent) and any obligations ranking in priority, or *pari passu*, thereto; and (ii) any additional taxes payable by the Issuer by reason of such early redemption of the Notes.

The Issuer is entitled, pursuant to the Intercreditor Agreement, to dispose of the Claims in order to finance the redemption of the Notes in the circumstances described above.

For so long as any of the Class A Notes are listed on the Irish Stock Exchange, the Issuer will give notice of any optional redemption of the Notes in accordance with this Condition 7(f) (*Optional redemption for taxation, legal or regulatory reasons*) to the Irish Stock Exchange.

- (g) *Calculation of Issuer Available Funds, Principal Payments, interest payments and Principal Amount Outstanding*

On each Calculation Date, the Issuer will procure that the Computation Agent determines, in accordance (where applicable) with Condition 3 (*Status, ranking and priority*):

- (i) the Issuer Available Funds;
- (ii) the Principal Payments (if any) due on the Notes of each Class on the next following Interest Payment Date;
- (iii) the Interest Amounts (if any) due on the Notes of each Class on the next following Interest Payment Date;
- (iv) the Junior Notes Remuneration (if any);

- (v) the Principal Amount Outstanding of each Class of Notes on the next following Interest Payment Date;
- (vi) the Principal Amount Outstanding of the Notes of all Classes on the next following Interest Payment Date;
- (vii) the interest payable (if any) in respect of the Class A Notes on the next following Interest Payment Date;
- (viii) the amount of the Cash Reserve after draw-down and replenishment on the immediately following Interest Payment Date;
- (ix) the Interest Amount Arrears, if any, that will arise in respect of the Class A Notes on the immediately following Interest Payment Date;
- (x) the amount to be credited to the Cash Reserve Account in accordance with the Pre-Enforcement Priority of Payments;
- (xi) the Target Cash Reserve Amount;
- (xii) the interest payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;
- (xiii) the amount equal to the difference (if positive) between (a) the sum of amounts which would be payable on the relevant Interest Payment Date, if the Issuer had sufficient funds to make the corresponding payments, under items (i) to (v) of the Pre-Enforcement Interest Priority of Payments, *minus* (b) the Issuer Available Funds that would be available to make the corresponding payments; and
- (xiv) the payments (if any) to be made to each of the parties to the Intercreditor Agreement under the relevant Transaction Document,

and will determine how the Issuer's funds available for distribution pursuant to these Conditions shall be applied, on the immediately following Interest Payment Date, pursuant to the applicable Priority of Payments, and will deliver to the Paying Agent and the Interim Account Bank a report setting forth such determinations and amounts.

(h) *Calculations final and binding*

Each determination by or on behalf of the Issuer under Condition 7(f) (*Calculation of Issuer Available Funds, Principal Payments, interest payments and Principal Amount Outstanding*) will in each case (in the absence of wilful misconduct, bad faith or manifest error) be final and binding on all persons.

(i) *Notice of determination and redemption*

The Issuer will cause each determination of any Principal Payments per Calculation Amount (if any), Principal Factor and Principal Amount Outstanding per Calculation Amount to be notified immediately after the calculation to the Representative of the Noteholders, the Agents, Monte Titoli and, for so long as any of the Class A Notes are listed on the Irish Stock Exchange, the Irish Stock Exchange and will immediately cause details of each such determination to be published in accordance with Condition 17 (*Notices*) by no later than one Business Day prior to such Interest Payment Date if required by the rules of the Irish Stock Exchange.

(j) *Notice irrevocable*

Any such notice of redemption given pursuant to this Condition 7 shall be irrevocable and the Issuer shall be bound to redeem the relevant Notes to which such notice refers (in whole or in part, as applicable) in accordance with this Condition.

(k) *Determinations by the Representative of the Noteholders*

If the Issuer or the Computation Agent on its behalf does not at any time for any reason make or cause to be made the calculations set out in Condition 7(f) (*Calculation of Issuer Available Funds, Principal Payments, interest payments and Principal Amount Outstanding*), the same may be fulfilled by the Representative of the Noteholders directly or, in the case of an activity which can be carried out only by banks, through such bank which the Representative of the Noteholders will appoint for such purpose, in accordance with the Agency and Accounts Agreement and each such activity will be deemed to have been made by the Issuer without the Representative of the Noteholders incurring any liability for any omission or error in so doing, save as are caused by its own gross negligence or wilful default. The making of any such calculation in accordance with this Condition shall (in the absence of manifest error) be final and binding upon all the parties.

(l) *No purchase by the Issuer*

The Issuer will not purchase any of the Notes.

(m) *Cancellation*

All Notes redeemed in full will forthwith be cancelled upon redemption and accordingly may not be reissued or resold.

8. Payments

(a) *Payments through Monte Titoli, Euroclear and Clearstream, Luxembourg*

Payments of principal and interest in respect of the Notes deposited with Monte Titoli will be credited, according to the instructions of Monte Titoli, by or on behalf of the Issuer to the accounts with Monte Titoli of the banks and authorised brokers whose accounts are credited with those Notes, and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes. Payments made by or on behalf of the Issuer according to the instructions of Monte Titoli to the accounts with Monte Titoli of the banks and authorised brokers whose accounts are credited with those Notes will relieve the Issuer *pro tanto* from the corresponding payment obligations under the Notes.

Alternatively, the Paying Agent may arrange for payments of principal and interest in respect of the Notes to be made to the Noteholders through Euroclear and Clearstream, Luxembourg to be credited to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of the Notes, in accordance with the rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Payments made by or on behalf of the Issuer to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of the Notes, in accordance with the rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg will relieve the Issuer *pro tanto* from the corresponding payment obligations under the Notes.

(b) *Payments subject to tax laws*

Payments of principal and interest in respect of the Notes are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws to which the

Issuer or its Agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 9 (*Taxation in the Republic of Italy*).

(c) *Payments on Business Days*

If the due date for any payment of principal and/or interest in respect of any Note is not a day on which banks are open for general business (including dealings in foreign currencies) in the place in which the relevant Monte Titoli Account Holder is located (in each case, the “**Local Business Day**”), the holder of the relevant Note will not be entitled to payment of the relevant amount until the immediately succeeding Local Business Day and will not be entitled to any further interest or other payment in consequence of any such delay.

(d) *Notification to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 6 (*Interest*) or Condition 7 (*Redemption, purchase and cancellation*), whether by the Reference Banks (or any of them), the Paying Agent, the Agent Bank, the Computation Agent or the Representative of the Noteholders, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents, all Noteholders and all Other Issuer Creditors and (in the absence of wilful default, bad faith or manifest error) no liability to the Representative of the Noteholders, the Noteholders or the Other Issuer Creditors shall attach to the Reference Banks, the Paying Agent, the Agent Bank, the Computation Agent or the Representative of the Noteholders in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under Condition 6 (*Interest*) or Condition 7 (*Redemption, purchase and cancellation*).

9. Taxation in the Republic of Italy

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Republic of Italy or any authority therein or thereof having power to tax, other than a Decree 239 Withholding or unless such withholding or deduction is required by law. In that event, the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be deducted. Neither the Issuer, nor the Paying Agent nor any other person shall be obliged to make any additional payments to the Noteholders in respect of such withholding or deduction. Any such deduction shall not constitute an Event of Default under Condition 10 (*Events of Default*).

10. Events of Default

(a) *Events of Default*

Subject to the other provisions of this Condition, each of the following events shall be treated as an “**Event of Default**”:

- (i) *Non-payment*: the Issuer fails to repay any amount of principal in respect of the Class A Notes within 15 days of the due date for repayment of such principal or fails to pay any Interest Amount in respect of the Class A Notes within five days of the relevant Interest Payment Date; or
- (ii) *Breach of other obligations*: the Issuer fails to perform or observe any of its other obligations under or in respect of the Class A Notes, the Intercreditor Agreement or any other Transaction Document to which it is a party and such default is, in the sole opinion of the Representative of

the Noteholders, (A) incapable of remedy or (B) capable of remedy, but remains unremedied for 30 days or such longer period as the Representative of the Noteholders may agree (in its sole discretion) after the Representative of the Noteholders has given written notice of such default to the Issuer, certifying that such default is, in the opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Class A Noteholders and requiring the same to be remedied; or

- (iii) *Failure to take action*: any action, condition or thing at any time required to be taken, fulfilled or done in order to:

(A) enable the Issuer to lawfully enter into, exercise its rights and perform and comply with its obligations under and in respect of the Class A Notes and the Transaction Documents to which the Issuer is a party; or

(B) to ensure that those obligations are legal, valid, binding and enforceable,

is not taken, fulfilled or done at any time and the Representative of the Noteholders has given written notice of such default to the Issuer, certifying that such default is, in the opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Class A Noteholders and requiring the same to be remedied; or

- (iv) *Insolvency Event*: an Insolvency Event occurs in relation to the Issuer or the Issuer becomes Insolvent; or

- (v) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Class A Notes or the Transaction Documents to which the Issuer is a party.

(b) *Service of an Issuer Acceleration Notice*

If an Event of Default occurs, then (subject to Condition 10(c) (*Consequences of service of an Issuer Acceleration Notice*)), the Representative of the Noteholders may, at its sole discretion, and shall:

- (i) if so directed in writing by the holders of at least 60% of the Principal Amount Outstanding of the Most Senior Class of Notes; or

- (ii) if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, give written notice (an “**Issuer Acceleration Notice**”) to the Issuer and to the Servicers declaring the Notes to be due and payable, provided that:

(A) in the case of the occurrence of any of the events mentioned in Condition 10(a)(ii) (*Breach of other obligations*) and Condition 10(a)(iii) (*Failure to take action*), the service of an Issuer Acceleration Notice has been approved by an Extraordinary Resolution of the holders of the Most Senior Class of Notes; and

(B) in each case, the Representative of the Noteholders shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities (provided that supporting documents are delivered) to which it may thereby become liable or which it may incur by so doing.

(c) *Consequences of service of an Issuer Acceleration Notice*

Upon the service of an Issuer Acceleration Notice as described in this Condition, (i) the Notes of each Class shall become immediately due and repayable at their Principal Amount Outstanding, together

with any interest accrued but which has not been paid on any preceding Interest Payment Date, without further action, notice or formality; (ii) the Note Security shall become immediately enforceable; and (iii) the Representative of the Noteholders may dispose of the Claims in the name and on behalf of the Issuer by virtue of the power of attorney granted in accordance with the Mandate Agreement. The Noteholders hereby irrevocably appoint, as from the date hereof and with effect on and from the date on which the Notes shall become due and payable following the service of an Issuer Acceleration Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Creditors from and including the date on which the Notes shall become due and payable, such monies to be applied in accordance with the Post-Enforcement Priority of Payments.

11. Enforcement

(a) *Proceedings*

Without prejudice to the Intercreditor Agreement, the Representative of the Noteholders may, at its discretion and without further notice, institute such proceedings as it thinks fit at any time after the service of an Issuer Acceleration Notice to enforce repayment of the Notes and payment of accrued interest thereon or at any time to enforce any other obligation of the Issuer under the Notes or any Transaction Document, but, in either case, it shall not be bound to do so unless it shall have been:

- (i) so requested in writing by the holders of at least 25% of the Principal Amount Outstanding of the Most Senior Class of Notes; or
- (ii) so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes;

and, in any such case, only if it shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities (provided that supporting documents are delivered) to which it may thereby become liable or which it may incur by so doing.

(b) *Restrictions on disposal of Issuer's assets*

If an Issuer Acceleration Notice has been served by the Representative of the Noteholders other than by reason of non-payment of any amount due in respect of the Notes, the Representative of the Noteholders will not be entitled to dispose of the assets of the Issuer or any part thereof unless either:

- (i) a sufficient amount would be realised to allow payment in full of all amounts owing to the holders of each Class of the Class A Notes after payment of all other claims ranking in priority to the Class A Notes in accordance with the Post-Enforcement Priority of Payments; or
- (ii) the Representative of the Noteholders is of the opinion, which shall be binding on the Noteholders and the other Issuer Secured Creditors, reached after considering at any time and from time to time the advice of a merchant or investment bank or other financial adviser selected by the Representative of the Noteholders (and if the Representative of the Noteholders is unable to obtain such advice having made reasonable efforts to do so, this Condition 11(b)(ii) shall not apply), that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts due in respect of the Class A Notes of each Class after payment of all other claims ranking in priority to the Class A Notes in accordance with the Post-Enforcement Priority of Payments; and

the Representative of the Noteholders shall not be bound to make the determination contained in Condition 11(b)(ii) unless the Representative of the Noteholders shall have been indemnified and/or

secured to its satisfaction against all fees, costs, expenses and liabilities (provided that supporting documents are delivered) to which it may thereby become liable or which it may incur by so doing.

12. Representative of the Noteholders

(a) *Legal representative*

The Representative of the Noteholders is BNP Paribas Securities Services, Milan Branch at its offices at Via Ansperto, 5, 20123 Milan, and is the legal representative (*rappresentante legale*) of the Noteholders in accordance with these Conditions, the Rules of the Organisation of Noteholders and the other Transaction Documents.

(b) *Powers of the Representative of the Noteholders*

The duties and powers of the Representative of the Noteholders are set forth in the Rules of the Organisation of Noteholders.

(c) *Meetings of Noteholders*

The Rules of the Organisation of Noteholders contain provisions for convening Meetings of Noteholders as well as the subject matter of the Meetings and the relevant quorums.

(d) *Individual action*

The Rules of the Organisation of Noteholders contain 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. In particular, such actions will be subject to the Meeting of the Noteholders approving by way of Extraordinary Resolution such individual action or other remedy. No individual action or remedy can be taken or sought by a Noteholder to enforce his or her rights under the Notes before the Meeting of the Noteholders has approved such action or remedy in accordance with the provisions of the Rules of the Organisation of Noteholders.

(e) *Resolutions binding*

The resolutions passed at any Meeting of the Noteholders under the Rules of the Organisation of Noteholders will be binding on all Noteholders whether or not they are absent or dissenting and whether or not voting at the Meeting.

(f) *Written Resolutions*

A Written Resolution will take effect as if it were an Extraordinary Resolution passed at a Meeting of the Noteholders.

(g) *Instructions from Noteholders*

For the purposes of these Conditions, the Representative of the Noteholders will be deemed to have received instructions from the Noteholders of the relevant Class if such instructions are either set out in a Written Resolution of the Noteholders of the relevant Class or have been duly approved by way of a resolution passed in a duly convened and quorate Meeting of the Noteholders of the relevant Class.

13. Modification and waiver

(a) *Modification*

The Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Creditors and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, concur with the Issuer and any other relevant parties in making:

- (i) any amendment or modification to these Conditions (other than in respect of a Basic Terms Modification) or any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it may be proper to make and will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes; or
- (ii) any amendment or modification to these Conditions or to any of the Transaction Documents, if, in the opinion of the Representative of the Noteholders, such amendment or modification is expedient to make, is of a formal, minor or technical nature, is made to correct a manifest error or an error which, in the opinion of the Representative of the Noteholders, is proven or is necessary or desirable for the purposes of clarification.

(b) *Waiver*

In addition, the Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Creditor (other than those which are a party to the relevant Transaction Document) and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, authorise or waive any proposed breach or breach of the Notes (including an Event of Default) or of the Intercreditor Agreement or of any other Transaction Document, if, in the opinion of the Representative of the Noteholders, the interests of the holders of the Most Senior Class of Notes will not be materially prejudiced by such authorisation or waiver.

(c) *Restriction on power of waiver*

The Representative of the Noteholders shall not exercise any powers conferred upon it by Condition 13(b) (*Waiver*) in contravention of any express direction by an Extraordinary Resolution (as defined in the Rules of the Organisation of Noteholders) or of a request in writing made by the holders of not less than 25% in aggregate Principal Amount Outstanding of the Most Senior Class of Notes (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any proposed breach or breach relating to a Basic Terms Modification.

(d) *Notification*

Unless the Representative of the Noteholders agrees otherwise, any such authorisation, waiver, modification or determination shall be notified to the Noteholders, in accordance with Condition 17 (*Notices*), as soon as practicable after it has been made.

14. Representative of the Noteholders and Agents

(a) *Organisation of Noteholders*

The Organisation of Noteholders is created by the issue and subscription of the Notes and will remain in force and effect until full repayment and cancellation of the Notes.

(b) *Appointment of Representative of the Noteholders*

Pursuant to the Rules of the Organisation of Noteholders, for as long as any Note is outstanding, there will at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of Noteholders and the Intercreditor Agreement. However, the initial Representative of the Noteholders has been appointed at the time of issue of the Notes by the Underwriters pursuant to the Intercreditor Agreement. Each Noteholder is deemed to accept such appointment.

(c) *Agents solely agents of Issuer*

In acting under the Agency and Accounts Agreement and in connection with the Notes, the Paying Agent and the Computation Agent act solely as agents of the Issuer and (to the extent provided therein) the Representative of the Noteholders and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders

(d) *Representative of the Noteholders*

The Representative of the Noteholders shall not be deemed to be a person responsible for the collection, cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*) for the purposes of article 2, paragraph 6-bis, of the Securitisation Law and the relevant implementing regulations from time to time in force including, without limitation, the relevant guidelines of the Bank of Italy.

(e) *Paying Agent, Agent Bank, Computation Agent, Transaction Bank and Interim Account Bank sole agent of Issuer*

In acting under the Agency and Accounts Agreement and in connection with the Notes, the Paying Agent, the Computation Agent, the Transaction Bank, the Interim Account Bank and the Agent Bank act as agents solely of the Issuer and (to the extent provided therein) the Representative of the Noteholders and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

(f) *Initial Agents*

The initial Paying Agent, the Computation Agent, the Transaction Bank, the Interim Account Bank and the Agent Bank and their Specified Offices are listed in Condition 17 (*Notices*) below. The Issuer reserves the right (with the prior written approval of the Representative of the Noteholders) at any time to vary or terminate the appointment of the Paying Agent, the Computation Agent, the Transaction Bank, the Interim Account Bank and the Agent Bank and to appoint a successor paying agent, computation agent, transaction bank, interim account bank or agent bank and additional or successor paying agents at any time, in accordance with the terms of the Agency and Accounts Agreement and these Conditions.

(g) *Maintenance of Agents*

The Issuer undertakes that it will ensure that it maintains:

- (i) at least one paying agent having its specified office in a European city, a computation agent, an interim account bank (acting through an office or branch located in the Republic of Italy), a transaction bank (acting through an office or branch located in the United Kingdom) and an agent bank unless otherwise provided for by in the Transaction Documents; and
- (ii) a paying agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any termination or appointment change in the Paying Agent, the Agent Bank, the Computation Agent, the Interim Account Bank and the Transaction Bank of any changes in the Specified Offices shall promptly be given to the Noteholders by the Issuer in accordance with Condition 17 (*Notices*).

15. Statute of limitation

Claims against the Issuer for payments in respect of the Notes will be barred and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the Relevant Date in respect thereof.

16. Limited recourse and non-petition

(a) *Limited recourse*

Notwithstanding any other provision of these Conditions, the obligation of the Issuer to make any payment, at any given time, under the Notes shall be equal to the lesser of (i) the nominal amount of such payment which, but for the operation of this Condition and the applicable Priority of Payments, would be due and payable at such time; and (ii) the Issuer Available Funds which the Issuer or the Representative of the Noteholders is entitled, at such time, to apply in accordance with the applicable Priority of Payments and the terms of the Intercreditor Agreement, in satisfaction of such payment and neither the Representative of the Noteholders nor any 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.

(b) *Amounts to remain outstanding*

Subject always to Condition 7(b) (*Cancellation Date*), Condition 11 (*Enforcement*) and Condition 16(d) (*Non-petition*), any amount due under the Notes and not payable or paid by the Issuer in accordance with Condition 16(a) (*Limited recourse*) will nevertheless continue to be regarded as being outstanding for the purposes of making any demand under, or of enforcing, the Note Security, and so that any interest, default interest, indemnity payments and other similar amounts payable in accordance with these Conditions will continue to accrue thereon.

(c) *Insufficient recoveries*

If, or to the extent that, after the Note Security has been enforced and the Issuer's Rights have been realised as fully as is practicable and the proceeds thereof have been applied in accordance with the Post-Enforcement Priority of Payments, the Issuer Available Funds are insufficient to pay or discharge amounts due from the Issuer to the Noteholders in full for any reason, the Issuer will have no liability to pay or otherwise make good any such insufficiency.

(d) *Non-petition*

Without prejudice to the right of the Representative of the Noteholders to enforce the Note Security or to exercise any of its other rights, and subject as set out in the Rules of the Organisation of Noteholders, no Noteholder shall be entitled to cause, initiate or join any other person in initiating an Insolvency Event in relation to the Issuer or any other legal actions against the Issuer that can result in such proceedings until two years plus one day have elapsed since the day on which any note issued (including the Notes and the Previous Securitisation Notes) or to be issued by the Issuer has been paid in full.

17. Notices

(a) *Valid notices*

All notices to the Noteholders, as long as the Notes are held through Monte Titoli and/or by a common depository for Euroclear and/or Clearstream, Luxembourg, shall be deemed to have been validly given if delivered to Monte Titoli and/or Euroclear and/or Clearstream, Luxembourg for communication by

them to the entitled accountholders and any such notice shall be deemed to have been given on the date on which it was delivered to Monte Titoli, Clearstream, Luxembourg and Euroclear, as applicable. In addition, so long as the Class A Notes are listed on the Irish Stock Exchange and the rules of that exchange so require, all notices will also be given on the website of the Irish Stock Exchange.

The Issuer shall also ensure, through the Paying Agent, that notices are duly published in a manner which complies with the rules and regulations of the Irish Stock Exchange, for so long as such Notes are listed on such stock exchange.

(b) *Date of publication*

Any 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 date of the first publication.

(c) *Other methods*

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to the Noteholders or to a Class or category of them, if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the Irish Stock Exchange, for so long as such Notes are listed on such stock exchange, and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

(d) *Initial Specified Offices*

The Specified Offices of the Interim Account Bank, the Paying Agent, the Agent Bank, the Computation Agent, the Transaction Bank and the Representative of the Noteholders, are as follows:

- (i) in relation to the Interim Account Bank: Banco Popolare Soc. Coop., via Polenghi Lombardo, 13, 26900 Lodi, Italy;
- (ii) in relation to the Computation Agent, Agent Bank, Paying Agent and the Representative of the Noteholders: BNP Paribas Securities Services, Milan Branch, via Ansperto, 5, Milan, Italy; and
- (iii) in relation to the Transaction Bank: Banco Popolare Soc. Coop., London Branch, 1-5 Moorgate, London EC2R 6JH, United Kingdom.

18. Governing law and jurisdiction

(a) *Governing law*

The Notes, these Conditions, the Rules of the Organisation of Noteholders and the Italian Law Transaction Documents and any non-contractual obligations arising out of, or in connection with, them are governed by, and shall be construed in accordance with, Italian law. The English Law Transaction Documents and any non-contractual obligations arising out of, or in connection with, them are governed by, and shall be construed in accordance with, English law.

(b) *Jurisdiction*

- (i) The Courts of Milan are to have exclusive jurisdiction to settle any disputes that may arise out of, or in connection with, the Notes, these Conditions, the Rules of the Organisation of Noteholders and (with the exception of certain disputes under the Warranty and Indemnity Agreement which are resolved through arbitration) the Italian Law Transaction Documents (including a dispute relating to non-contractual obligations arising out of or in connection with any Italian Law Transaction Document or a dispute regarding the existence, validity or

termination of any Italian Law Transaction Document) and, accordingly, any legal action or proceedings arising out of, or in connection with, any Notes, these Conditions, the Rules of the Organisation of Noteholders or any Italian Law Transaction Document may be brought in such courts. The Issuer has, in each of the Italian Law Transaction Documents (other than the Warranty and Indemnity Agreement with regard to certain disputes), irrevocably submitted to the jurisdiction of such courts.

- (ii) The Courts of England and Wales are to have jurisdiction to settle any disputes that may arise out of or in connection with the English Law Transaction Documents (including a dispute relating to non-contractual obligations arising out of or in connection with any English Law Transaction Document or a dispute regarding the existence, validity or termination of any English Law Transaction Document) and, accordingly, any legal action or proceedings arising out of or in connection with any English Law Transaction Document may be brought in such courts. The Issuer has, in each of the English Law Transaction Documents, irrevocably submitted to the jurisdiction of such courts.

(c) *Service of process*

The Issuer has in the English Deed of Charge and Assignment, agreed, *inter alia*, at all times to maintain an agent for service of process in England. The Issuer appoints Banco Popolare Soc. Coop. London Branch, at its offices at 1-5 Moorgate, London EC2R 6JH, United Kingdom, as such agent. Any writ, judgment or other notice of legal process issued out of the English Courts in respect of any English Law Transaction Document shall be sufficiently served on the Issuer if delivered to such agent at its address for the time being. The Issuer undertakes not to revoke the authority of the above agent, and if, for any reason, such agent no longer serves as process agent of the Issuer to receive service of process, the Issuer shall promptly appoint another such agent and advise the Representative of the Noteholders of the details of such new agent.

SCHEDULE - RULES OF THE ORGANISATION OF NOTEHOLDERS

TITLE I GENERAL PROVISIONS

Article 1

General

The Organisation of Noteholders is created by the issue and by the subscription of the Notes, and shall remain in force and in effect until full repayment and cancellation of the Notes.

The contents of these rules are deemed to form part of each Note issued by the Issuer.

Article 2

Definitions

In these rules, the following terms shall have the following meanings:

“24 Hours” means a period of 24 hours, including all or part of a day upon which banks are open for business in the place where the Meeting of the holders of the Relevant Class(es) of Notes is to be held and in the place where the 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 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 two consecutive periods of 24 Hours;

“Basic Terms Modification” means:

- (a) a modification of the date of maturity of one or more Relevant Classes of Notes;
- (b) a modification which would have the effect of cancelling or postponing any date for payment of interest in respect of one or more Relevant Classes of Notes;
- (c) provided that an amendment of the fees, costs and expenses of the Paying Agent, the Agent Bank, the Computation Agent, the Servicers, the Back-up Servicer Facilitator, the Corporate Servicer, the Administrative Servicer, the Interim Account Bank and the Transaction Bank in accordance with the terms of the relevant Transaction Documents will not constitute a Basic Terms Modification;
- (d) a modification which would have the effect of altering the method of calculating the amount of interest or such other amounts payable in respect of one or more Relevant Classes of Notes;
- (e) a modification which would have the effect of altering the majority required to pass a specific resolution or the quorum required at any Meeting;
- (f) a modification which would have the effect of altering the currency of payment of one or more Relevant Classes of Notes or any alteration of the date or priority of payment or redemption of one or more Relevant Classes of Notes;
- (g) a modification which would have the effect of altering the authorisation or consent by the Noteholders, as pledges, to applications of funds as provided for in the Transaction Documents;
- (h) the appointment and removal of the Representative of the Noteholders; and
- (i) an amendment to this definition;

“Block Voting Instruction” means, in relation to any Meeting, a document issued by the Paying Agent:

- (a) certifying that the Blocked Notes have been blocked in an account with the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian and will not be released until the conclusion of the Meeting;
- (b) certifying that the holder of each Blocked Note or a duly authorised person on its behalf has instructed the Paying Agent that the votes attributable to such Blocked Note are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48 Hours before the time fixed for the Meeting, such instructions may not be amended or revoked;
- (c) listing the total number of the Blocked Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and

(d) appointing one or more Proxies to vote in respect of the Blocked Notes in accordance with such instructions;

“**Blocked Notes**” means the Notes which have been blocked in an account with the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian for the purposes of obtaining a Voting Certificate or a Block Voting Instruction and will not be released until the conclusion of the Meeting;

“**Chairman**” means, in relation to any Meeting, the individual who takes the chair in accordance with Article 9 (*Chairman of the Meeting*);

“**Extraordinary Resolution**” means a resolution of a Meeting of the holders of the Relevant Class(es) of Notes, duly convened and held in accordance with the provisions contained in these rules on any of the subjects covered by Article 21 (*Powers exercisable by Extraordinary Resolution*) by a majority of at least three-quarters of votes cast;

“**Meeting**” means a meeting of the holders of the Relevant Class(es) of Notes (whether originally convened or resumed following an adjournment);

“**Proxy**” means, in relation to any Meeting, a person appointed to vote under a Block Voting Instruction;

“**Relevant Class of Notes**” means:

- (a) the Class A Notes; or
- (b) the Junior Notes,

as the context requires;

“**Relevant Fraction**” means:

- (a) for all business other than voting on an Extraordinary Resolution, one-tenth of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or one-tenth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes);
- (b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, two-thirds of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or two-thirds of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and
- (c) 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 Notes of the relevant Class of Notes;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

- (i) for all business other than voting on an Extraordinary Resolution relating to a Basic Terms Modification, the fraction of the Principal Amount Outstanding of the Notes of that Class of Notes represented or held by the Voters actually present at the Meeting (in case of a Meeting of a particular Class of Notes), or the fraction of the Principal Amount Outstanding of the Notes of all relevant Classes represented or held by the Voters actually present at the Meeting (in the case of a joint Meeting of a combination of Classes of Notes); and
- (ii) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), one-third of the Principal Amount Outstanding of the Notes of the relevant Class represented or held by the Voters actually present at the Meeting;

“**Voter**” means, in relation to any Meeting, the holder of a Voting Certificate or a Proxy;

“**Voting Certificate**” means, in relation to any Meeting, a certificate requested by the interested Noteholder and issued by the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian, as the case may be, and dated, stating:

- (a) that the Blocked Notes have been blocked in an account with the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian and will not be released until the earlier of (i) the conclusion of the Meeting and (ii) the surrender of the certificate to the clearing system or the Monte Titoli Account Holder or the relevant custodian who issued the same;
- (b) details of the Meeting concerned and the number of the Blocked Notes; and
- (c) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Blocked Notes.

Capitalised terms not defined herein shall have the meaning attributed to them in the terms and conditions of the Notes;

Article 3

Organisation purpose

Each holder of the Notes is a member of the Organisation of Noteholders.

The purpose of the Organisation of Noteholders is to co-ordinate the exercise of the rights of the Noteholders and the taking of any action for the protection of their interests.

In these rules, any reference to Noteholders shall be considered as a reference to the Class A Noteholders and/or the Junior Noteholders, as the case may be.

TITLE II

THE MEETING OF NOTEHOLDERS

Article 4

General

Any resolution passed at a Meeting of the holders of the Relevant Class(es) of Notes, duly convened and held in accordance with these rules, shall be binding upon all the Noteholders of such Class of Notes, whether or not present at such Meeting and whether or not voting.

Subject to the proviso of Article 21 (*Powers exercisable by Extraordinary Resolution*), any resolution passed at a Meeting of the Class A Noteholders, duly convened and held as aforesaid, shall also be binding upon all the Junior Noteholders and all the Noteholders of the Relevant Class of Notes, whether or not absent or dissenting, shall be bound by such resolution irrespective of its effect upon such Noteholders and such 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, *provided*, however that, to the extent that any Class A Note is then outstanding, no resolution of the Junior 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 or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by a resolution of the Class A Noteholders.

Notice of the result of every vote on a resolution duly passed by the Noteholders shall be published by and at the expense of the Issuer in accordance with Condition 17 (*Notices*) and given to the Paying Agent (with a copy to the Issuer and the Representative of the Noteholders) within 14 days of the conclusion of the Meeting but failure to do so shall not invalidate the resolution.

Subject to the provisions of these rules and the Conditions, joint Meetings of the Class A Noteholders and the Junior Noteholders may be held to consider the same resolution and/or, as the case may be, the same Extraordinary Resolution and the provisions of these rules shall apply *mutatis mutandis* thereto.

The following provisions shall apply while Notes of two or more Relevant Classes of Notes are outstanding:

- (I) business which involves the passing of an Extraordinary Resolution involving a Basic Terms Modification shall be transacted at a separate Meeting of the Noteholders of all Relevant Classes of Notes;
- (II) business which, in the opinion of the Representative of the Noteholders, affects only one Relevant Class of Notes shall be transacted at a separate Meeting of the holders of Notes of such Relevant Class of Notes;
- (III) business which, in the opinion of the Representative of the Noteholders, affects more than one Relevant Class of Notes but does not give rise to an actual or potential conflict of interest between the holders of one such Relevant Class of Notes and the holders of any other Relevant Class of Notes shall be transacted either at separate Meetings of the holders of each such Relevant Class of Notes or at a single Meeting of the holders of each of such Relevant Classes of Notes, as the Representative of the Noteholders shall determine in its absolute discretion;
- (IV) business which, in the opinion of the Representative of the Noteholders, affects more than one Relevant Class of Notes and gives rise to an actual or potential conflict of interest between the holders of one such Relevant Class of Notes and the holders of any other Relevant Class of Notes shall be transacted at separate Meetings of the holders of each Relevant Class of Notes; and
- (V) in the case of separate Meetings of the holders of each Relevant Class of Notes, these rules shall be applied as if references to the Notes and the Noteholders were to the Notes of the Relevant Class of Notes and to the holders of such Notes and, in the case of joint Meetings, as if references to the Notes and the Noteholders were to the Notes of each of the Relevant Classes of Notes and to the respective holders of the Notes.

In this paragraph “business” includes (without limitation) the passing or rejection of any resolution.

For the avoidance of doubt, amendments or modifications which do not affect the payment of interest and/or the repayment of principal in respect of any of the Class A Notes and/or any other rights of the Class A Noteholders may be passed at a Meeting of the Junior Noteholders without any sanction being required by the holders of any other Relevant Class of Notes.

Article 5

Issue of Voting Certificates and Block Voting Instructions

Noteholders may obtain a Voting Certificate from the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian, as the case may be, or require the Paying Agent to obtain a Block Voting Instruction by arranging for their Notes to be blocked in an account with the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian at least 48 Hours before the time fixed for the Meeting of the holders of the Relevant Class(es) of Notes, providing to the Paying Agent, where appropriate, evidence that the Notes are so blocked. The Noteholders may obtain such evidence by, *inter alia*, requesting the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian to release a certificate in accordance with, as the case may be: (i) the practices and procedures of the relevant clearing system; or (ii) articles 21 and 22 of the regulation issued by the Bank of Italy and the CONSOB on 22 February 2008, as subsequently amended and supplemented. A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates. So long as a Voting Certificate or Block Voting Instruction is valid, the bearer thereof (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Block Voting Instruction) shall be deemed to be the holder of the Blocked Notes to which it relates for all purposes in connection with the Meeting. A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

Article 6

Validity of Block Voting Instructions

A Block Voting Instruction shall be valid only if it is deposited at the Specified Office of the Representative of the Noteholders, or at some other place approved by the Representative of the Noteholders, at least 24 Hours before the time fixed for the Meeting of the holders of the Relevant Class(es) of Notes, and, if not deposited before such deadline, the Block Voting Instruction shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Noteholders so requires, a notarised copy of each Block Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Representative of the Noteholders shall not be obliged to investigate the validity of any Block Voting Instruction or the authority of any Proxy.

Article 7

Convening of Meeting

The Issuer or the Representative of the Noteholders may convene a Meeting at any time, and the Representative of the Noteholders shall be obliged to do so upon the request in writing by, and at the costs of, the Noteholders holding not less than one-tenth of the Principal Amount Outstanding of the Relevant Class of Notes.

Whenever any one of the Issuer or the Representative of the Noteholders is about to convene any such Meeting, it shall immediately give notice in writing to, respectively, the Representative of the Noteholders and the Issuer (as the case may be) of the date thereof and of the nature of the business to be transacted thereat.

Every such Meeting shall be held at such time and place as the Representative of the Noteholders may designate or approve, provided that it is in an EU Member State.

Unless the Representative of the Noteholders decides otherwise pursuant to Article 4 (*General*), each Meeting shall be attended by Noteholders of the Relevant Class of Notes.

Article 8

Notice

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Noteholders and the Paying Agent (with a copy to the Issuer and to the Representative of the Noteholders). Any notice to Noteholders shall be given in accordance with Condition 17 (*Notices*).

The notice shall specify the nature of the resolutions to be proposed and shall explain how Noteholders may appoint Proxies, obtaining Voting Certificates and use Block Voting Instructions and the details of the time limits applicable.

Article 9

Chairman of the Meeting

Any individual (who may, but need not to, be a Voter) nominated in writing by the Representative of the Noteholders may take the chair at any Meeting but if: (i) no such nomination is made; or (ii) the individual nominated is not present within 15 minutes of the time fixed for the Meeting; then, the Voters shall choose 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 co-ordinates matters to be transacted at the Meeting and monitors the fairness of the Meeting's proceedings.

Article 10

Quorum

The quorum at any Meeting shall be at least one Voter representing or holding not less than the Relevant Fraction relative to (i) that Relevant Class of Notes (in the case of a Meeting of one Relevant Class of Notes) or (ii) the Relevant Classes of Notes (in the case of a joint Meeting). No business (except choosing a Chairman, if requested) shall be transacted at a Meeting unless a quorum is present at the commencement of business.

Article 11

Adjournment for want of quorum

If, within 15 minutes of the time fixed for any Meeting a quorum is not present, then:

- (a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and
- (b) in the case of any other Meeting, it shall be adjourned (i) until such date (which shall be not less than 14 days and not more than 42 days later) and to such place as the Chairman determines or (ii) on the date and at the place indicated in the notice convening the Meeting (if such notice sets out the date and place of any adjourned Meeting); provided, however, that in any case:
 - (i) the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders so decides; and
 - (ii) no Meeting may be adjourned by resolution of a Meeting that represents less than the Relevant Fraction applicable in the case of Meetings which have been resumed after adjournment for want of quorum.

Article 12

Adjourned Meeting

Without prejudice to Article 11 (*Adjournment for want of quorum*), the Chairman may, with the prior consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, but 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 (*Notice*) shall apply to any Meeting adjourned for want of quorum, save that:

- (a) at least 10 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 given; and
- (b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes; and
- (c) it shall not be necessary to give notice of the convening of an adjourned Meeting (i) if the notice given in respect of the first Meeting already sets the time and place for an adjourned Meeting and specifies the quorum requirements which will apply when the Meeting resumes; or (ii) if the Meeting 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 representative and the Paying Agent;
- (c) the financial advisers to the Issuer;
- (d) the Representative of the Noteholders;
- (e) the legal counsel to each of the Issuer, the Representative of the Noteholders, and the Paying Agent; and

- (f) such other person as may be resolved by the Meeting and as may be approved by the Representative of the Noteholders.

Article 15

Passing of resolution

A resolution is validly passed when (i) in respect of an Extraordinary Resolution only, three-quarters of votes cast by the Voters attending the relevant Meeting have been cast in favour of it or (ii) in respect of any resolution other than an Extraordinary Resolution, the majority of votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

Article 16

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 of the show of hands 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 17

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 holding or representing at least 2% of (i) the Principal Amount Outstanding of that Relevant Class of Notes (in the case of a meeting of a particular Relevant Class of Notes), or (ii) the Principal Amount Outstanding of the Relevant Classes of Notes (in the case of a joint Meeting). 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.

Article 18

Votes

Every Voter shall have:

- (a) on a show of hands, one vote; and
- (b) on a poll, one vote in respect of each € 1,000 in principal amount of Note(s) represented by the Voting Certificate produced by such Voter or in respect of which he is a Proxy.

In the case of equality of votes, the Chairman shall, both on a show of hands and on a poll, have a casting vote in addition to the votes (if any) to which he may be entitled as a Voter.

Unless the terms of any Block Voting Instruction 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 19

Vote by Proxies

Any vote cast by a Proxy in accordance with the relevant Block Voting Instruction shall be valid even if such Block Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, provided that the Representative of the Noteholders or the Issuer has not been notified by the Paying Agent in writing of such amendment or revocation by the time being 24 Hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Block Voting Instruction in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment.

Article 20

Exclusive powers of the Meeting

The Meeting shall have exclusive powers on the following matters:

- (a) to approve any Basic Terms Modification;
- (b) to approve any proposal by the Issuer for any alteration, abrogation, variation or compromise of the rights of the Representative of the Noteholders or the Noteholders under any Transaction Document, the Notes or the Conditions 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 direct the Representative of the Noteholders to serve an Issuer Acceleration Notice under Condition 10(b) (*Service of an Issuer Acceleration Notice*);
- (e) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any Transaction Document or any act or omission which might otherwise constitute an Event of Default;
- (f) to direct the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any resolution of the Noteholders;
- (g) 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, other than in accordance with the Transaction Documents; and
- (h) to appoint and remove the Representative of the Noteholders.

Article 21

Powers exercisable by Extraordinary Resolution

Without limitation to the exclusive powers of the Meeting listed in Article 20 (*Exclusive powers of the Meeting*), each Meeting shall have the following powers exercisable only by way of an Extraordinary Resolution:

- (a) approval of any Basic Terms Modification;
- (b) approval of any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Representative of the Noteholders or 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, the Conditions, or otherwise;
- (c) approval of any scheme or proposal for the exchange or substitution of any of the Notes for, or the conversion of the Notes into, or the cancellation of the Notes 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, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;
- (d) to appoint and remove the Representative of the Noteholders;
- (e) approval of the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;
- (f) without prejudice to the Conditions, approval of any alteration of the provisions contained in these rules, the Notes, the Conditions, the Intercreditor 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;
- (g) discharge or exoneration of the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may have become responsible under or in relation to these rules, the Notes, the Conditions or any other Transaction Document;
- (h) giving any direction or granting any authority or sanction which under the provisions of these rules, the Conditions or the Notes is required to be given or granted by Extraordinary Resolution;
- (i) authorisation and sanctioning of actions of the Representative of the Noteholders under these rules, the Notes, the Conditions, the terms of the Intercreditor Agreement or any other Transaction Documents and in particular power to sanction the release of the Issuer by the Representative of the Noteholders; and
- (j) authorising and directing the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution,

provided, however, that:

- (i) no Extraordinary Resolution involving a Basic Terms Modification passed by the holders of the Relevant Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Relevant Classes of Notes (to the extent that Notes of each such Relevant Classes of Notes are then outstanding); and
- (ii) no Extraordinary Resolution of the Junior 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 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 there are Class A Notes then outstanding).

Article 22

Challenge of resolution

Any Noteholder can challenge a resolution which is not passed in conformity with the provisions of these rules.

Article 23

Minutes

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be conclusive evidence of the resolutions and proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at such meeting shall be deemed to have been duly passed or transacted.

Article 24

Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

Article 25

Individual actions and remedies

The right of each Noteholder to bring individual actions or seek other individual remedies to enforce his or her rights under the Notes will be subject to the Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

- (a) the Noteholder intending to enforce his or her rights under the Notes will notify the Representative of the Noteholders in writing of his or her intention;
- (b) the Representative of the Noteholders will, within 30 days of receiving such notification, convene a Meeting of the Noteholders of the Relevant Class(es) of Notes in accordance with these rules at the expense of such Noteholder;
- (c) if the Meeting does not pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be prevented from seeking such enforcement or remedy (provided that the same matter can be submitted again to a further Meeting after a reasonable period of time has elapsed); and
- (d) if the Meeting does pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be permitted to seek such individual enforcement or remedy in accordance with the terms of the Extraordinary Resolution.

No individual action or remedy can be sought by a Noteholder to enforce his or her rights under the Notes unless a Meeting of Noteholders has been held to resolve on such action or remedy and in accordance with the provisions of this Article 25.

TITLE III THE REPRESENTATIVE OF THE NOTEHOLDERS

Article 26

Appointment, removal and remuneration

Each appointment of a Representative of the Noteholders must be approved by an Extraordinary Resolution of the holders of each Relevant Class of Notes in accordance with the provisions of this Article 26, save in respect of the appointment of the first Representative of the Noteholders, which will be BNP Paribas Securities Services, Milan Branch.

Save for BNP Paribas Securities Services, Milan Branch as first Representative of the Noteholders, 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, in either case provided it is licensed to conduct banking business in Italy; or
- (b) a financial institution registered under article 106 of the Banking Act; or
- (c) any other entity which may be permitted to act in such capacity by any 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.

It is further understood and agreed that directors, auditors, employees (if any) of the Issuer and those who fall in any of the conditions set out in article 2399 of the Italian civil code cannot be appointed as the Representative of the Noteholders.

The Representative of the Noteholders shall be appointed for an unlimited term and can be removed by way of an Extraordinary Resolution of the holders of each Relevant Class of Notes at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until (1) acceptance of the appointment by the Issuer of a substitute Representative of the Noteholders designated among the entities indicated in paragraph (a), (b) or (c) above, and, provided that a Meeting of the holders of each Relevant Class of Notes has not appointed such a substitute within 60 days of such termination, such Representative of the Noteholders may appoint such a substitute and (2) such substitute Representative of the Noteholders having entered into or acceded to the Intercreditor Agreement and the other Transaction Documents to which the terminated Representative of the Noteholders was a party. The powers and authority of the 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.

Each of the Noteholders, by reason of holding the relevant Note(s), will recognise the power of the Representative of the Noteholders, hereby granted, to appoint its own successor and recognise the Representative of the Noteholders so appointed as its representative.

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders as from the date hereof. Such remuneration shall be payable in accordance with the Intercreditor Agreement and the Priority of Payments up to (and including) the date when the Notes have been repaid in full and cancelled in accordance with the Conditions.

Article 27

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 directions of a Meeting of Noteholders and for representing the interests of the Noteholders as a class of Notes *vis-à-vis* the Issuer. The Representative of the Noteholders has the right to attend Meetings. The Representative of the Noteholders may convene a Meeting in order to obtain the authorisation or directions of the Meeting in respect of any action proposed to be taken by the Representative of the Noteholders.

All actions taken by the Representative of the Noteholders in the execution and exercise of its powers and authorities and of the discretions 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 it expedient (in its absolute discretion), whether by power of attorney or otherwise, delegate to any person(s) all or any of its duties, powers, authorities or discretions 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 in the interests of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the proceedings of any such delegate or sub-delegate and shall not be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of such delegate’s misconduct or default, unless the Representative of the Noteholders has been negligent in the selection of the 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 of any renewal, extension or termination of such appointment, and shall make it a condition of any such delegation 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 be authorised to represent the Organisation of Noteholders in judicial proceedings, including proceedings involving the Issuer in creditors’ agreement (*concordato preventivo*), forced liquidation (*fallimento*) or compulsory administrative liquidation (*liquidazione coatta amministrativa*).

The Representative of the Noteholders shall have regard to the interests of all the Issuer Secured Creditors as regards the exercise and performance of all powers, authorities, duties and discretions of the Representative of the Noteholders under these rules, the Intercreditor Agreement or under the Mandate Agreement (except where expressly provided otherwise), but, notwithstanding the foregoing, the Representative of the Noteholders shall have regard to the interests only: (i) of the Most Senior Class of Notes outstanding, and (ii) subject to item (i), of whichever Issuer Secured Creditor ranks higher in the Priority of Payments hereof for the payment of the amounts therein specified if, in its opinion, there is or may be a conflict between all or any of the interests of the holders of one or more Relevant Class of Notes or between the holders of one or more Relevant Class of Notes and any other Issuer Secured Creditors. The foregoing provision shall not affect the payment order set forth in the applicable Priority of Payments.

Each Noteholder by acquiring title to a Note is deemed to agree and acknowledge that:

- (a) the Representative of the Noteholders has entered into the Italian Deed of Pledge and the English Deed of Charge and Assignment for itself and, for the purposes of the Italian Deed of Pledge, as agent and, for the purposes of the English Deed of

Charge and Assignment, as trustee in the name of and on behalf of each Noteholder from time to time and each of the other Issuer Secured Creditors thereunder;

- (b) by virtue of the transfer to it of the relevant Note, each Noteholder shall be deemed to have granted to the Representative of the Noteholders, as its agent and, for the purposes of the English Deed of Charge and Assignment, as trustee, the right (i) to exercise in such manner as the Representative of the Noteholders in its sole opinion deems appropriate, on behalf of such Noteholder, all of that Noteholder's rights under the Securitisation Law in respect of the Portfolio and all amounts and/or other assets of the Issuer arising from the Portfolio and the Transaction Documents not subject to the Note Security and (ii) to enforce its rights as an Issuer Secured Creditor for and on its behalf under the Italian Deed of Pledge and the English Deed of Charge and Assignment and in relation to the Note Security;
- (c) the Representative of the Noteholders, in its capacity as agent in the name of and on behalf of the holders of each Relevant Class of Notes, shall be the only person entitled under the Conditions and under the Transaction Documents to institute proceedings against the Issuer and/or to enforce or to exercise any rights in connection with the Note Security or to take any steps against the Issuer or any of the other parties to the Transaction Documents for the purposes of enforcing the rights of the holders of each Relevant Class of Notes with respect to the other Transaction Documents and recovering any amounts owing under the Notes or under the Transaction Documents;
- (d) the Representative of the Noteholders shall have exclusive rights under the Italian Deed of Pledge and the English Deed of Charge and Assignment to make demands, give notices, exercise or refrain from exercising any rights and to take or refrain from taking any action (including, without limitation, the release or substitution of security) in respect of the Note Security;
- (e) no Noteholder shall be entitled to proceed directly against the Issuer nor take any steps or pursue any action whatsoever for the purpose of recovering any debts due or owing to it by the Issuer or take, or join in taking, steps for the purpose of obtaining payment of any amount expressed to be payable by the Issuer or the performance of any of the Issuer's obligations under these Conditions and/or the Transaction Documents or petition for or procure the commencement of insolvency proceedings or the winding-up, insolvency, extraordinary administration or compulsory administrative liquidation of the Issuer or the appointment of any kind of insolvency official, administrator, liquidator, trustee, custodian, receiver or other similar official in respect of the Issuer for any, all, or substantially all the assets of the Issuer or in connection with any reorganisation or arrangement or composition in respect of the Issuer, pursuant to the Banking Act or otherwise, unless (in each case under paragraphs (b), (c) and (d) above) an Issuer Acceleration Notice shall have been served or an Insolvency Event shall have occurred and the Representative of the Noteholders, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, (provided that any such failure shall not be conclusive per se of a default or breach of duty by the Representative of the Noteholders), provided that the Noteholder may then only proceed subject to the provisions of the Conditions and provided that this proviso shall not prejudice the right of any Noteholder to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party;
- (f) no Noteholder shall at any time exercise any right of netting, set-off or counterclaim in respect of its rights against the Issuer such rights being expressly waived or exercise any right of claim of the Issuer by way of a subrogation action (*azione surrogatoria*) pursuant to article 2900 of the Italian civil code; and
- (g) the provisions of this Clause 27 shall survive and shall not be extinguished by the redemption (in whole or in part) and/or cancellation of the Notes and waives to the greatest extent permitted by law any rights directly to enforce its rights against the Issuer.

Article 28

Resignation of the Representative of the Noteholders

The Representative of the Noteholders may resign at any time, upon giving not less than three calendar months' notice in writing to the Issuer, without assigning any reason therefor and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a Meeting of the holders of each Relevant Class of Notes has appointed a new Representative of the Noteholders, provided that, if a new Representative of the Noteholders has not been so appointed within 60 days of the date of such notice of resignation, the Representative of the Noteholders may appoint a new Representative of the Noteholders. The appointment of the new Representative of the Noteholders under this Article 28 shall become effective as soon as such new Representative of the Noteholders enters into or accedes to the Intercreditor Agreement and the other Transaction Documents to which the resigned Representative of the Noteholders was a party

Article 29

Exoneration of the Representative of the Noteholders

The Representative of the Noteholders shall not assume, and shall not be responsible for, any other obligations in addition to those expressly provided herein and in the other Transaction Documents to which it is a party.

Without limiting the generality of the foregoing, the Representative of the Noteholders:

- (a) shall not be under any obligation to take any steps to ascertain whether an Event of Default 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 or any Noteholder 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 Event of Default or such other event, condition or act has occurred;
- (b) shall not be under any obligation to monitor or supervise the observance or performance by the Issuer or any other party to the Transaction Documents of the provisions of, and its obligations under, these rules, the Notes, the Conditions or any other Transaction Document, and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each such other party is observing and performing all such provisions and obligations;
- (c) shall not be under any obligation to give notice to any person of the execution of these rules, the Notes, the Conditions or any of the Transaction Documents or any transaction contemplated hereby or thereby;
- (d) shall not be responsible for, or for investigating, the legality, validity, effectiveness, adequacy, suitability or genuineness of these rules, the Notes, the Conditions, any Transaction Document or any other document, or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility 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 or any other party to the Transaction Documents; (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 or with any Transaction Document; (iii) the suitability, adequacy or sufficiency of any collection or recovery procedures operated by the Servicers or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Claims; or (v) any accounts, books, records or files maintained by the Issuer, the Servicers, the Paying Agent or any other person in respect of the Claims;
- (e) shall not be 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;
- (f) shall have no responsibility for the maintenance of any rating of the Notes by the Rating Agencies or any other credit or rating agency or any other person;
- (g) shall not be 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 in any Transaction Document;
- (h) shall not be 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 Claims 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;
- (i) shall not be liable for any failure, omission or defect in registering or filing, or procuring registration or filing of, or otherwise protecting or perfecting, these rules, the Notes or any Transaction Document;
- (j) shall not be under any obligation to insure the Claims or any part thereof;
- (k) shall not be responsible for (except as otherwise provided in the Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Claims, the Notes and any other payment to be made in accordance with the Priority of Payments;
- (l) shall not have regard to the consequences of any modification or waiver of these rules, the Notes, the Conditions or any of the Transaction Documents for individual 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; and
- (m) shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person 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, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information.

The Representative of the Noteholders, notwithstanding anything to the contrary contained in these rules:

- (i) may, without the consent of the Noteholders or any Other Issuer Creditors and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, concur with the Issuer and any other relevant parties in making any amendment or modification to these rules, the Conditions (other than a Basic Terms Modification) or to any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it is expedient to make, or is of a formal, minor or

technical nature to correct a manifest error or an error which is, in the opinion of the Representative of the Noteholders, proven or is necessary or desirable for the purposes of clarification or is made to comply with a mandatory provision of law. Any such amendment or modification shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall cause such amendment or modification to be notified to the Noteholders as soon as practicable thereafter;

- (ii) may, without the consent of the Noteholders, concur with the Issuer and any other relevant parties in making any amendment or modification (other than in respect of a Basic Terms Modification) to these rules, the Conditions or to any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it may be proper to make, provided that the Representative of the Noteholders is of the opinion that such amendment or modification will not be materially prejudicial to the interests of the holders of the Most Senior Class;
- (iii) may, without the consent of the Noteholders or any Other Issuer Creditor, authorise or waive any proposed breach or breach of the Notes (including an Event of Default) or of the Intercreditor Agreement or any other Transaction Document if, in the opinion of the Representative of the Noteholders, the interests of the Most Senior Class will not be materially prejudiced by such authorisation or waiver; provided that the Representative of the Noteholders shall not exercise any of such powers in contravention of any express direction by an Extraordinary Resolution, or of a request in writing made by the holders of not less than 25% in aggregate Principal Amount Outstanding of the Most Senior Class (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any proposed breach or breach relating to a Basic Terms Modification;
- (iv) may act on the advice, certificate, opinion (whether or not such opinion is addressed to the Representative of the Noteholders and whether or not such opinion contains a monetary or other limit on the liability of the provider of such opinion) or information (whether or not addressed to the Representative of the Noteholders) obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert of international repute, whether obtained by the Issuer, the Representative of the Noteholders or 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 incurred by so acting. Any such advice, certificate, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission 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, certificate, opinion or information contained in, or purported to be conveyed by, any such letter, telex, telegram, facsimile transmission or cable, notwithstanding any error contained therein or the non-authenticity of the same;
- (v) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter or as to the expediency of any dealing, transaction, step or thing, a certificate duly signed by or on behalf of the sole director or the chairman of the board of directors of the Issuer, as the case may be, 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 as a result of acting on such certificate;
- (vi) save as expressly otherwise provided herein, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by these rules, the Notes, any Transaction Document or by operation of law, and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise, or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful misconduct (*dolo*);
- (vii) shall be at liberty to leave in custody these rules, the Transaction Documents and any other documents relating thereto or to the Notes in any part of the world with any bank, financial institution or company of international repute whose business includes undertaking the safe custody of documents, or with any lawyer or firm of lawyers of international 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;
- (viii) in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, is entitled to convene a Meeting of the Noteholders of any or all Relevant Classes of Notes in order to obtain instructions as to 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. The Representative of the Noteholders shall not be obliged to take any action in respect of these rules, the Notes, the Conditions or any Transaction Document unless it is indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities (provided that supporting documents are delivered) which it may incur by taking such action;
- (ix) in connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting upon any resolution purported to have been passed at any Meeting of holders of any Relevant Class of Notes in respect of which minutes have been drawn up and signed notwithstanding that subsequent to so 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 relevant Noteholders;

- (x) may call for, and shall be at liberty to accept and place full reliance on 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 principal amount of Notes;
- (xi) may certify whether or not an Event of Default is, in its opinion, materially prejudicial to the interests of the Noteholders or the holders of the Most Senior Class of Notes and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other relevant person;
- (xii) may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these rules, the Notes, the Conditions or any other Transaction Document is capable of remedy and, if the Representative of the Noteholders certifies that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any relevant person;
- (xiii) may assume, without enquiry, that no Notes are for the time being held by, or for the benefit, of the Issuer;
- (xiv) shall be entitled to 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, any Other Issuer Creditor or any of the Rating Agencies in respect of any matter and circumstance for which a certificate is expressly provided for hereunder or under any Transaction Document or in respect of the ratings of the Notes 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 incurred by its failing to do so; and
- (xv) may, in determining whether the exercise of any power, authority, duty or discretion under or in relation hereto or to the Notes, the Conditions or any Transaction Document, is materially prejudicial to the interests of the Noteholders, contact the Rating Agencies so to assess whether the then current ratings of the Class A Notes would not be downgraded, withdrawn or qualified and have regard to any other confirmation which it considers, in its sole and absolute discretion, as necessary and/or appropriate.

Any consent or approval given by the Representative of the Noteholders under these rules, the Notes, the Conditions or any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders thinks fit and, notwithstanding anything to the contrary contained herein, in the Conditions or in any Transaction Document, such consent or approval may be given retrospectively.

No provision of these rules, the Notes, the Conditions or any Transaction Document shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations, 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 powers or discretions, and the Representative of the Noteholders may refrain from taking any action if it has reasonable grounds to believe that it will not be reimbursed for any funds, or that it will not be indemnified or pre-funded against any loss or liability which it may incur as a result of such action.

Article 30

Note Security

The Representative of the Noteholders shall be entitled to exercise all the rights granted by the Issuer in favour of the Representative of the Noteholders on behalf of the Noteholders and the other Issuer Secured Creditors under the Note Security.

The Representative of the Noteholders, acting on behalf of the Issuer Secured Creditors, is entitled to:

- (a) prior to enforcement of the Note Security, appoint and entrust the Issuer to collect, in the interest of the Issuer Secured Creditors and on their behalf, any amounts deriving from the Note Security and may instruct, jointly with the Issuer, the obligors whose obligations form part of the Note Security to make any payments to be made thereunder to an Account of the Issuer;
- (b) agree that the Accounts shall be operated in compliance with the provisions of the Agency and Accounts Agreement and the Intercreditor Agreement;
- (c) agree that all funds credited to the Accounts from time to time shall be applied prior to the enforcement of the Note Security, in accordance with the Conditions and the Intercreditor Agreement; and
- (d) agree that cash deriving from time to time from the Note Security and the amounts standing to the credit of the Accounts shall be applied prior to enforcement of the Note Security, in and towards satisfaction not only of amounts due to the Issuer Secured Creditors, but also of such amounts due and payable to the other Issuer Creditors that rank *pari passu* with, or higher than, the Issuer Secured Creditors, according to the applicable Priority of Payments and, to the extent that all amounts due and payable to the Issuer Secured Creditors have been paid in full, also towards satisfaction of amounts due to the other Issuer Creditors that rank below the Issuer Secured Creditors. The Issuer Secured Creditors irrevocably waive any right which they may have hereunder in respect of cash deriving from time to time from the Note Security and amounts standing to the credit of the

Accounts which is not in accordance with the foregoing. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the Note Security, under the Note Security, except in accordance with the foregoing, the Conditions and the Intercreditor Agreement.

Article 31

Indemnity

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Intercreditor Agreement to reimburse, pay or discharge (on a full indemnity basis) on demand, to the extent not already reimbursed, paid or discharged by any of the Other Issuer Creditors (provided that the Representative of the Noteholders shall not be regarded as having been reimbursed, paid or discharged if it has received monies on the account of, or has been pre-funded by, any of the Other Issuer Creditors), all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders, or by any person appointed by it to whom the Representative of the Noteholders, or by any persons appointed by it to whom any power, authority or discretion may be delegated by it (provided, in each case, that supporting documents are delivered where available) in relation to the preparation and execution of, the exercise or the purported exercise of its powers, authority and discretion and performance of its duties under, and in any other manner in relation to, these rules, the Notes, the Conditions, the Intercreditor Agreement or any other Transaction Document, including, but not limited to, legal and travelling expenses (properly incurred and duly documented) and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders or such appointed person in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders or such appointed person pursuant to these rules, the Notes, the Conditions or any other Transaction Document, or against the Issuer or any other person for enforcing any obligations under these rules, the Notes, the Conditions, the Intercreditor Agreement or the Transaction Documents, except insofar as the same are incurred as a result of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders or the above-mentioned appointed person.

TITLE IV

THE ORGANISATION OF NOTEHOLDERS UPON SERVICE OF AN ISSUER ACCELERATION NOTICE

Article 32

Powers

It is hereby acknowledged that, upon service of an Issuer Acceleration Notice and/or failure by the Issuer to exercise its rights, the Representative of the Noteholders shall, pursuant to the Mandate Agreement, be entitled, in its capacity as legal representative of the Organisation of Noteholders, also in the interest and for the benefits of the Other Issuer Creditors, pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Claims. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of Noteholders, will be authorised, also pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer 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 particular and without limiting the generality of the foregoing, following the service of an Issuer Acceleration Notice, the Representative of the Noteholders will be entitled, until the Notes have been repaid in full or cancelled in accordance with the Conditions:

- (a) to request the Interim Account Bank to transfer all monies standing to the credit of the BP Interim Account, the Creberg Interim Account and the Expenses Account to, respectively, the BP Collection Account, the Creberg Collection Account and a replacement Expenses Account opened for such purpose by the Representative of the Noteholders with the Transaction Bank;
- (b) to request the Transaction Bank holding the BP Collection Account and the Creberg Collection Account to transfer all monies standing to the credit the BP Collection Account, the Creberg Collection Account and the replacement Expenses Account (if opened with the Transaction Bank in accordance with the Agency and Accounts Agreement) to, respectively, a replacement BP Collection Account, a replacement Creberg Collection Account and a replacement Expenses Account opened for such purpose by the Representative of the Noteholders with a replacement Transaction Bank which is an Eligible Institution for the purposes of the BP Collection Account and the Creberg Collection Account ;
- (c) to request the Transaction Bank holding the Cash Reserve Account to transfer all monies standing to the credit the Cash Reserve Account to a replacement Cash Reserve Account opened for such purpose by the Representative of the Noteholders with the Transaction Bank holding (or which will hold) the BP Collection Account and the Creberg Collection Account which is an Eligible Institution for the purposes of the Cash Reserve Account;

- (d) to request the Principal Paying Agent to transfer all monies standing to the credit of the Payments Account to a replacement Payments Account opened for such purpose by the Representative of the Noteholders with a replacement Principal Paying Agent which is an Eligible Institution;
- (e) to require performance by any Issuer Creditor of its obligations under the relevant Transaction Document to which such Issuer Creditor is a party, to bring any legal actions and exercise any remedies in the name and on behalf of the Issuer that are available to the Issuer under the relevant Transaction Document against such Issuer Creditor in case of failure to perform and generally to take such action 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 Portfolio, the Claims and the Issuer's Rights;
- (f) to instruct the Servicers in respect of the recovery of the Issuer's Rights;
- (g) to take possession, as an agent of the Issuer and to the extent permitted by applicable laws, of all Collections (by way of a power of attorney granted hereunder in respect of the relevant Accounts) and of the Claims and to sell or otherwise dispose of the Claims or any of them in such manner and upon such terms and at such price and such time or times as the Representative of the Noteholders shall, in its discretion, deem appropriate and to apply the proceeds in accordance with the Post-Enforcement Priority of Payments; provided, however, that if the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments above shall be less than 10% of the Principal Amount Outstanding of all Classes of Notes, the Representative of the Noteholders may, at its discretion, invest such monies (or cause such monies to be invested) in some or one of the investments authorised pursuant to the Intercreditor Agreement. The Representative of the Noteholders at its discretion may vary such investments (or cause such investments to be varied) and may accumulate such investments and the resulting income until the immediately following Accumulation Date. Any monies, which under this Intercreditor Agreement or the Conditions may be invested, may be invested, or caused to be invested, by the Representative of the Noteholders in the name or under the control of the Representative of the Noteholders in any investments or other assets in any part of the world, whether or not they produce income or by placing the same on deposit in the name or under the control of the Representative of the Noteholders at such bank or other financial institution and in such currency as the Representative of the Noteholders may think fit. The Representative of the Noteholders may at any time vary any such investments, or cause any such investment to be varied, for or into other investments or convert any monies so deposited, or cause any such monies to be converted, into any other currency and shall not be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise, except insofar as such loss is incurred as a result of its gross negligence (*colpa grave*) or wilful misconduct (*dolo*); and
- (h) to distribute the monies from time to time standing to the credit of the Accounts and such other accounts as may be opened by the Representative of the Noteholders pursuant to paragraphs (a) and (b) above to the Noteholders in accordance with the applicable Priority of Payments.

TITLE V GOVERNING LAW AND JURISDICTION

Article 33

Governing law and jurisdiction

These rules and any non-contractual obligations arising out of, or in connection with, them are governed by, and will be construed in accordance with, the laws of Italy.

All disputes arising out of or in connection with these rules and any non-contractual obligations arising out of, or in connection with, them, including those concerning their validity, interpretation, performance and termination, shall be exclusively settled by the Courts of Milan.

USE OF PROCEEDS

Monies available to the Issuer on the Issue Date consisting of:

- (i) the amounts to be drawn down by the Issuer under the Subordinated Loan Agreement in an amount of € 151,000,000; and
- (ii) a portion of the aggregate amounts collected under the Loans between the Valuation Date (excluded) and the Signing Date (but excluding those collections constituting repayment of principal and prepayments) an amount of € 6,493,400.20,

will be applied by the Issuer on the Issue Date:

- (a) to credit € 50,000 to the Expenses Account; and
- (b) to credit € 157,493,400.20 to the Cash Reserve Account.

The amount payable by the Underwriters to the Issuer on the Issue Date as consideration for the subscription of the Notes under the Underwriting Agreement, being € 4,308,600,000 in respect of BP and € 941,179,000 in respect of Creberg, will be set-off against a portion (of equal amount) of the purchase price payable by the Issuer to, respectively, BP and Creberg on the Issue Date as consideration for the purchase of the relevant Claims pursuant to the relevant Transfer Agreement.

THE ISSUER

Introduction

BPL Mortgages S.r.l. (the “**Issuer**”) is a limited liability company with sole shareholder (*società a responsabilità limitata con socio unico*) incorporated in the Republic of Italy under article 3 of Italian law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the “**Securitisation Law**”) on 30 June 2006 with the name of “Giano Finance S.r.l.”. By way of an extraordinary shareholder’s resolution held on 11 May 2007, the corporate name of the Issuer was changed from “Giano Finance S.r.l.” into “BPL Mortgages S.r.l.”.

“BPL Mortgages S.r.l.” is currently the Issuer’s legal name and the Issuer has no commercial name. In accordance with the Issuer’s by-laws (*statuto*) as amended by way of an extraordinary shareholder’s resolution held on 12 December 2008, the corporate duration of the Issuer is limited to 31 December 2060 and may be extended by shareholders’ resolution. The Issuer is registered with the companies’ register of Treviso under number 04078130269 and in the register of the special purpose vehicles held by the Bank of Italy (*albo delle società veicolo tenuto dalla Banca d’Italia ai sensi del Provvedimento del Governatore della Banca d’Italia del 29 aprile 2011*) under number 33259.3 and its tax identification number (*codice fiscale*) and VAT number is 04078130269. The registered office of the Issuer is at via Alfieri, 1, 31015 Conegliano (Treviso), Italy. The telephone number of the registered office is +39 0438 360 459. The Issuer has no employees.

Previous securitisation

The Issuer is currently engaged in another securitisation transaction carried out in accordance with the Securitisation Law, completed in December 2012 and involving (i) the acquisition of monetary claims and other connected rights arising from a portfolio of performing mortgage loans acquired from BP and Creberg (the “**Previous Portfolio**”) and (ii) the issue of asset-backed notes in an aggregate amount of € 2,501,918,0002 (the “**Previous Securitisation Notes**”). The Issuer has been engaged in other securitisation transactions which were closed as at the date of this Prospectus.

Pursuant to the Securitisation Law the assets relating to each securitisation transaction will constitute assets segregated for all purposes from assets of the Issuer and from the assets relating to other securitisation transactions. The assets relating to a particular securitisation transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to the general creditors of the Issuer.

Shareholding

The authorised equity capital of the Issuer is €12,000. The issued and paid-up equity capital of the Issuer is € 12,000 entirely held by SVM Securitisation Vehicles Management S.r.l. No other amount of equity capital has been agreed to be issued.

Pursuant to a shareholder’s commitment dated the Signing Date between the Issuer, the Representative of the Noteholders and SVM Securitisation Vehicles Management S.r.l. (the “**Shareholder’s Commitment**”), SVM Securitisation Vehicles Management S.r.l. has agreed certain provisions in relation to the management of the Issuer. The Shareholder’s Commitment also provides that SVM Securitisation Vehicles Management S.r.l., in its capacity as sole shareholder of the Issuer, will not approve the payment of any dividends or any repayment or return of capital by the Issuer prior to the date on which all amounts of principal and interest on the Notes have been paid in full. The Shareholder’s Commitment is governed by Italian law.

Italian company law combined with the holding structure of the Issuer, the covenants made by the Issuer and SVM Securitisation Vehicles Management S.r.l. in the Shareholder’s Commitment and the role of the

Representative of the Noteholders are together intended to prevent any abuse of control of the Issuer. To the best of its knowledge, the Issuer is not aware of direct or indirect ownership or control apart from SVM Securitisation Vehicles Management S.r.l.

Special purpose vehicle

The Issuer has been established as a special purpose vehicle for the purposes of issuing asset-backed securities. The Issuer may carry out other securitisation transactions in addition to the one contemplated in this Prospectus, subject to certain conditions.

Accounting treatment of the Portfolio

Pursuant to the Bank of Italy's regulations, the accounting information relating to the securitisation of the Claims will be contained in the explanatory notes to the Issuer's accounts (*nota integrativa*). The explanatory notes, together with the balance sheet and the profit and loss statements, form part of the financial statements of Italian limited liability companies (*società a responsabilità limitata*).

Accounts of the Issuer

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the exception of the first fiscal year which started on 30 June 2006 and ended on 31 December 2006. Consequently, the first financial statements of the Issuer of the Issuer are those relating to the fiscal year ended in December 2006 and approved on 14 March 2007.

Principal activities

The principal corporate objectives of the Issuer, as set out in article 3 of its by-laws (*statuto*), include the acquisition of monetary receivables for the purposes of securitisation transactions and the issuance of asset-backed securities.

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 in the Conditions and the Transaction Documents, incur any other indebtedness for borrowed monies, engage in any activities except pursuant to the Transaction Documents, pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any other person, convey or transfer its property or assets to any person, or increase its equity capital.

The Issuer will covenant to observe, *inter alia*, those restrictions which are detailed in Condition 5 (*Covenants*).

Sole director of the Issuer

The sole director of the Issuer is Claudia Calcagni, having her address for the purposes of her title at via V. Alfieri, 1, 31015 Conegliano (TV).

Capitalisation and indebtedness statement

The capitalisation and indebtedness of the Issuer as at the date of this Prospectus, adjusted for the issue of the Notes on the Issue Date, are as follows:

	€
<i>Issued equity capital</i>	
€12,000 fully paid up	12,000
	<hr/>
	12,000
<i>Borrowings</i>	
€ 2,585,300,000 Class A – 2012 Mortgage-Backed Floating Rate Notes due 2058	1,701,300,000
€ 1,216,618,000 Class B – 2012 Mortgage-Backed Notes due 2058	800,618,000
€ 60,000,000 subordinated loan	60,000,000
€ 3,307,300,000 Class A – 2013 Asset-Backed Floating Rate Notes due 2056	3,307,300,000
€ 1,942,480,000 Class B – 2013 Asset-Backed Notes due 2056	1,942,480,000
€ 151,000,000 subordinated loan	151,000,000
Total	<hr/>
	7,962,710,000

Save for the foregoing, at the Issue Date the Issuer will not have 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.

THE 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 June 2012 BNP Paribas Securities Services has USD 6,366 billion of assets under custody, USD 1,187 billion assets under administration; as of December 2011 it has 7,044 administered funds and 7700 employees.

BNP Paribas Securities Services currently has long-term senior debt ratings of "A+" (negative) from S&P's, "A2" (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 A2	Long term senior debt A+
Outlook Stable	Outlook Stable	Outlook Negative

BNP Paribas Securities Services, Milan Branch shall act as Paying Agent, Agent Bank, Computation Agent and Representative of the Noteholders pursuant to the Agency and Accounts 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.

THE AGENCY AND ACCOUNTS AGREEMENT

The description of the Agency and Accounts Agreement set out below is a summary of certain features of such Transaction Document and is qualified in its entirety by reference to the detailed provisions of such Agency and Accounts Agreement. Prospective Noteholders may inspect a copy of the Agency and Accounts Agreement upon request at the Specified Offices of, respectively, the Representative of the Noteholders and the Paying Agent.

Pursuant to the Agency and Accounts Agreement, the Issuer has appointed:

- (a) BNP Paribas Securities Services, Milan Branch, as (i) the Paying Agent, for the purposes of, *inter alia*, making payment of interest and the repayment of principal in respect of the Notes and establishing and maintaining the Payments Account; (ii) the Agent Bank, for the purpose of, *inter alia*, determining the rate of interest payable in respect of the Notes and (iii) the Computation Agent, for the purpose of, *inter alia*, determining certain of the Issuer's liabilities and the funds available to pay the same (subject to the receipt of certain information and in reliance thereon as set forth herein) and managing certain payment services in relation to the Transaction Accounts;
- (b) Banco Popolare Soc. Coop., as the Interim Account Bank, for the purposes of establishing and maintaining the Italian Accounts; and
- (c) Banco Popolare Soc. Coop., London Branch, acting through its Specified Office, as the Transaction Bank, for the purposes of, *inter alia*, establishing and maintaining the Transaction Accounts.

Duties of the Interim Account Bank

Pursuant to the Agency and Accounts Agreement, the Issuer has opened and will maintain the Italian Accounts with the Interim Account Bank.

The Interim Account Bank will operate each of the Italian Accounts in the name of, and on behalf of, the Issuer under a power of attorney given to it by the Issuer.

For a description of the operation of the Italian Accounts and the cash flows through the Italian Accounts, see "*Credit structure – Cash flow through the Accounts*" and "*The Issuer's bank accounts*".

Duties of the Transaction Bank

Pursuant to the Agency and Accounts Agreement, the Issuer has opened and will maintain the Transaction Accounts with the Transaction Bank.

The Transaction Bank will operate each of the Transaction Accounts in the name of, and on behalf of, the Issuer.

For a description of the operation of the Transaction Accounts and the cash flows through the Transaction Accounts, see "*Credit structure – Cash flow through the Accounts*" and "*The Issuer's bank accounts*".

In performing its obligations, the Transaction Bank may rely upon on the instructions and determinations of the Issuer (or any other person acting in the name and on behalf of the Issuer), Monte Titoli, the Representative of the Noteholders and the Computation Agent and will not be liable for any omission or error in so doing, except in case of their own gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

If the Transaction Bank ceases to be an Eligible Institution for the purposes of the BP Collection and the Creberg Collection Account,

- (a) the Transaction Bank will notify the Issuer, the Representative of the Noteholders and the Rating Agencies thereof and use, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs, its best efforts to select a leading bank:
 - (i) approved by the Representative of the Noteholders and by the Issuer; and
 - (ii) which is an Eligible Institution, willing to act as successor Transaction Bank thereunder for the purposes of the BP Collection and the Creberg Collection Account; and
- (b) the Issuer will, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs,
 - (i) appoint that bank specified above as successor Transaction Bank (and will notify in advance the Representative of the Noteholders and the Rating Agencies thereof also in accordance with the Intercreditor Agreement) which, on or before the replacement of the Transaction Bank for the purposes of the BP Collection and the Creberg Collection Account, shall agree to become bound by the provisions of the Agency and Accounts Agreement, the Intercreditor Agreement and of any other agreement providing for, mutatis mutandis, the same obligations contained in the Agency and Accounts Agreement for the Transaction Bank;
 - (ii) open a replacement BP Collection Account, a replacement Creberg Collection Account and a replacement Expenses Account (if opened in accordance with the Agency and Accounts Agreement) with the successor Transaction Bank specified in (a) above;
 - (iii) transfer the balance standing to the credit of, respectively, the BP Collection Account, the Creberg Collection Account and the Expenses Account (if opened in accordance with the Agency and Accounts Agreement) to the credit of each of the relevant replacement accounts set out above;
 - (iv) close the BP Collection Account, the Creberg Collection Account and the Expenses Account (if opened in accordance with the Agency and Accounts Agreement) once the steps under (i), (ii) and (iii) are completed; and
 - (v) terminate the appointment of the Transaction Bank in respect of the BP Collection, the Creberg Collection Account and the Expenses Account (if opened in accordance with the Agency and Accounts Agreement) (and will notify the Representative of the Noteholders and the Rating Agencies thereof also in accordance with the Intercreditor Agreement) once the steps under (i), (ii), (iii) and (iv) are completed,

provided that:

- A. the administrative costs (which, for the avoidance of doubt, shall not include any fees payable to, or costs and expenses of, the successor Transaction Bank) incurred with respect to the selection of a successor Transaction Bank which will hold the replacement BP Collection Account, the replacement Creberg Collection Account and the replacement Expenses Account (if opened in accordance with the Agency and Accounts Agreement) under (a) above and the transfer of funds referred under (b) above shall be borne by the outgoing Transaction Bank; and
- B. in case the successor Transaction Bank which will hold the replacement BP Collection Account, the replacement Creberg Collection Account and the replacement Expenses Account (if opened in accordance with the Agency and Accounts Agreement) is not selected within the term under clause (A) above, the Issuer, with the cooperation of the Representative of the

Noteholders, will select such successor Transaction Bank being an Eligible Institution for the purposes of the BP Collection and the Creberg Collection Account.

If the Transaction Bank ceases to be an Eligible Institution for the purposes of the Cash Reserve Account,

- (a) the Transaction Bank holding the Cash Reserve Account will notify the Issuer, the Representative of the Noteholders and the Rating Agencies thereof; and
- (b) the Issuer will, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs,
 - (i) appoint the Transaction Bank where the replacement BP Collection Account, the replacement Creberg Collection Account and the replacement Expenses Account (if opened in accordance with the Agency and Accounts Agreement) are (or will be) held (and will notify in advance the Representative of the Noteholders and the Rating Agencies thereof also in accordance with the Intercreditor Agreement);
 - (ii) open a replacement Cash Reserve Account with the replacement Transaction Bank specified in (b)(i) above;
 - (iii) transfer the balance standing to the credit of the Cash Reserve Account to the credit of the relevant replacement account set out above;
 - (iv) close the Cash Reserve Account once the steps under (i), (ii) and (iii) are completed; and
 - (v) terminate the appointment of the Transaction Bank in respect of the Cash Reserve Account (and will notify the Representative of the Noteholders and the Rating Agencies thereof also in accordance with the Intercreditor Agreement) once the steps under (i), (ii), (iii) and (iv) are completed,

provided that the administrative costs incurred with respect to the transfer of funds referred under (b) above shall be borne by the outgoing Transaction Bank. See "*The Agency and Accounts Agreement*" below.

Duties of the Paying Agent

Pursuant to the Agency and Accounts Agreement, the Issuer has opened and will maintain the Payments Account with the Paying Agent.

The Transaction Bank will operate each of the Transaction Accounts in the name of, and on behalf of, the Issuer.

For a description of the operation of the Transaction Accounts and the cash flows through the Transaction Accounts, see "*Credit structure – Cash flow through the Accounts*" and "*The Issuer's bank accounts*".

If the Paying Agent ceases to be an Eligible Institution,

- (a) the Paying Agent will notify the Issuer, the Representative of the Noteholders and the Rating Agencies thereof and use, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs, its best efforts to select a leading bank:
 - (i) approved by the Representative of the Noteholders and by the Issuer; and
 - (ii) which is an Eligible Institution, willing to act as successor Paying Agent thereunder; and
- (b) the Issuer will, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs,

- (i) appoint that bank specified above as successor Paying Agent (and will notify in advance the Representative of the Noteholders and the Rating Agencies thereof also in accordance with the Intercreditor Agreement) which, on or before the replacement of the Paying Agent shall agree to become bound by the provisions of the Agency and Accounts Agreement, the Intercreditor Agreement and of any other relevant agreement providing for, mutatis mutandis, the same obligations contained in the Agency and Accounts Agreement for the Paying Agent;
- (ii) open a replacement Payments Account with the successor Paying Agent specified in (a) above;
- (iii) transfer the balance standing to the credit of the Payments Account to the credit of the relevant replacement account set out above;
- (iv) close the Payments Account once the steps under (i), (ii) and (iii) are completed; and
- (v) terminate the appointment of the Paying Agent (and will notify in advance the Representative of the Noteholders and the Rating Agencies thereof also in accordance with the Intercreditor Agreement) once the steps under (i), (ii), (iii) and (iv) are completed,

provided that:

- A. the administrative costs incurred with respect to the selection of a successor Paying Agent (which, for the avoidance of doubt, shall not include any fees payable to, or costs and expenses of, the successor Paying Agent) under (a) above and the transfer of funds referred under (b) above shall be borne by the outgoing Paying Agent; and
- B. in case the successor Paying Agent is not selected within the term under clause (a) above, the Issuer, with the cooperation of the Representative of the Noteholders, will select such successor Paying Agent being an Eligible Institution.

Duties of the Agent Bank

On each Interest Determination Date, the Agent Bank will, in accordance with Condition 6 (Interest) determine the Euribor and the Rate of Interest applicable to the following Interest Period, as well as the Interest Amount and the Interest Payment Date in respect of such Interest Period, all subject to and in accordance with the Conditions. On or as soon as practicable after the determination of each Rate of Interest and the applicable Euribor, Interest Amount and Interest Payment Date, the Agent Bank will give notice of such Rate of Interest and the applicable Euribor, Interest Amount and Interest Payment Date by facsimile and/or e-mail to the Issuer, the Representative of the Noteholders, the Underwriters, the Corporate Servicer, the Paying Agent, the Computation Agent, the Servicers and, with exclusive regard to the Class A Notes, the Irish Stock Exchange and Bloomberg.

Duties of the Computation Agent

The duties of the Computation Agent include the making of certain calculations in respect of the Securitisation. The Computation Agent will make such calculations based on, *inter alia*:

- (a) the Statement of the Italian Accounts prepared by the Interim Account Bank on the Reporting Dates;
- (b) the Statement of the Transaction Accounts prepared by the Transaction Bank on the Reporting Dates;
- (c) the Statement of the Payments Account prepared by the Paying Agent on the Reporting Dates;

- (d) the Servicer Reports prepared by each of the Servicers by the Reporting Dates or, if a Servicer Report Delivery Failure Event occurs, any other information made available to the Computation Agent by the Servicers in connection with the immediately preceding Collection Period;
- (e) the determinations received from the Agent Bank concerning the Rate of Interest, Interest Amount and Interest Payment Date; and
- (f) the instructions and determinations of the Issuer, Monte Titoli and the Corporate Servicer,

and the Computation Agent will not be liable for any omission or error in so doing, save as to the extent caused by its own gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

The Computation Agent will calculate, *inter alia*, on each Calculation Date:

- (i) the Issuer Available Funds;
- (ii) the Principal Payments (if any) due on the Notes of each Class on the next following Interest Payment Date;
- (iii) the Interest Amounts (if any) due on the Notes of each Class on the next following Interest Payment Date;
- (iv) the Junior Notes Remuneration (if any);
- (v) the Principal Amount Outstanding of each Class of Notes on the next following Interest Payment Date;
- (vi) the Principal Amount Outstanding of the Notes of all Classes on the next following Interest Payment Date;
- (vii) the interest payable (if any) in respect of the Class A Notes on the next following Interest Payment Date;
- (viii) the amount of the Cash Reserve after draw-down and replenishment on the immediately following Interest Payment Date;
- (ix) the Interest Amount Arrears, if any, that will arise in respect of the Class A Notes on the immediately following Interest Payment Date;
- (x) the Principal Shortfall;
- (xi) the amount to be credited to the Cash Reserve Account in accordance with the Pre-Enforcement Priority of Payments;
- (xii) the Target Cash Reserve Amount; and
- (xiii) the amounts payable to the Subordinated Loan Provider under the Subordinated Loan Agreement; and
- (xiv) the payments (if any) to be made to each of the parties to the Intercreditor Agreement under the relevant Transaction Document,

and will determine how the Issuer's funds available for distribution pursuant to the Agency and Accounts Agreement shall be applied, on the immediately following Interest Payment Date, pursuant to the Pre-Enforcement Priority of Payments, and will deliver to the Paying Agent, the Servicers and the Interim Account Bank a report setting forth such determinations and amounts.

On each Calculation Date, the Computation Agent will calculate the amounts to be disbursed on the following Interest Payment Date pursuant to the priority of payments as set forth in Condition 3(d) (*Pre-Enforcement Priority of Payments*) and will compile a payments report (the "**Payments Report**"). The Computation Agent

will distribute by electronic means and/or fax the Payments Report to the Issuer, the Servicers, the Underwriters, the Corporate Servicer, the Rating Agencies, the Paying Agent, the Interim Account Bank, the Transaction Bank, the Corporate Servicer and the Representative of the Noteholders by no later than 6.00 p.m. (Milan time) on each Calculation Date.

Upon occurrence of Servicer Report Delivery Failure Event, based on the information available as of such date, the Computation Agent will calculate:

- (a) the interest payable in respect of the Class A Notes on the immediately following Interest Payment Date;
- (b) the fees payable to the Servicer on the immediately following Interest Payment Date pursuant to item (iii) of the Pre-Enforcement Interest Priority of Payments which shall be assumed to be equal to the amount specified in the last available Servicer Report; and
- (c) without duplication of (b) above, the payments (if any) to be made on the immediately following Interest Payment Date pursuant to items from (i) to (v) of the Pre-Enforcement Interest Priority of Payments,

and, based on the information listed above, will compile a provisional payments report.

Following the delivery of an Issuer Acceleration Notice and upon request by the Representative of the Noteholders, the Computation Agent will calculate the amounts to be disbursed pursuant to the priority of payments as set forth in Condition 3(e) (*Post-Enforcement Priority of Payments*) and will compile the relevant Payments Report.

In addition, the Computation Agent will prepare and deliver by no later than five Business Days following each Interest Payment Date to the Issuer, the Servicers, the Underwriters, the Corporate Servicer, the Rating Agencies, the Paying Agent, the Interim Account Bank, the Transaction Bank, the Representative of the Noteholders and the Irish Stock Exchange for so long as the Class A Notes are listed on such stock exchange a report containing details of, *inter alia*, the Notes (and any amounts paid thereunder on the immediately preceding Interest Payment Date), the Claims, amounts received by the Issuer from any source during the preceding Collection Period and amounts paid by the Issuer during such Collection Period as well as on the immediately preceding Interest Payment Date (the “**Investor Report**”). The Investor Report will be also made available to the Noteholders and the Issuer Secured Creditors on a semi-annually basis via the Computation Agent’s internet website currently located at <https://gctabsreporting.bnpparibas.com/index.jsp>. The Computation Agent’s internet website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon.

Duties of the Paying Agent

The Paying Agent will, on each Interest Payment Date, receive from the Transaction Bank, acting in the name and on behalf of the Issuer, the monies necessary to make the payments due on the Notes on the same Interest Payment Date and will apply such funds in or towards such payments as specified in the Payments Report. The Paying Agent will provide the Issuer and the Corporate Servicer with the data necessary to maintain and update the Noteholders’ register (*registro degli obbligazionisti*) in accordance with Italian law and any other applicable law.

The Paying Agent will act as intermediary between the Noteholders and the Issuer for certain purposes and make available for inspection during normal business hours at its Specified Office such documents as may from time to time be required by the rules of the Irish Stock Exchange and, upon reasonable request, will allow copies of such documents to be taken.

The Paying Agent will keep a record of all Notes and of their redemption, purchase, cancellation and repayment and will make such records available for inspection, and copies thereof obtainable, during normal business hours by the Issuer, the Representative of the Noteholders and the Computation Agent.

In performing their obligations, the Paying Agent may rely on the instructions and determinations of the Issuer, Monte Titoli and the Computation Agent, and will not be liable for any omission or error in so doing, except in case of their own gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

General provisions

Each of the Agents will act as agents solely of the Issuer and will not assume any obligation towards, or relationship of agency or trust for or with, any of the Noteholders. Each of the Issuer and the Representative of the Noteholders has agreed that it will not consent to any amendment to the Conditions that materially affects the obligations of any of the Agents without such Agent's prior written consent (such consent not to be unreasonably withheld).

The Issuer has undertaken to indemnify each of the Agents and its respective directors, officers, employees and controlling persons against all losses, liabilities, costs, claims, actions, damages, expenses or demands which any of them may incur or which may be made against any of them as a result of or in connection with the appointment of or the exercise of the powers and duties by any Agent, except as may result from its gross negligence (*colpa grave*) or wilful misconduct (*dolo*), or that of its directors, officers, employees or controlling persons or any of them, or breach by it of the terms of the Agency and Accounts Agreement.

In return for the services so provided, the Agents will receive commissions in respect of the services of such Agents agreed on or around the Signing Date between the Issuer and the Agents, payable by the Issuer in accordance with the Priority of Payments, except that certain fees may be paid up-front on or around the Issue Date.

The appointment of any Agent may be terminated by the Issuer (with the prior written approval of the Representative of the Noteholders) upon 30 days' written notice or upon the occurrence of certain events of default or insolvency or of similar events occurring in relation to such Agent.

If any of the Agents resigns, the Issuer will promptly and in any event within 30 days appoint a successor approved by the Representative of the Noteholders. If the Issuer fails to appoint a successor within such period, the resigning Agent may select a leading bank approved by the Representative of the Noteholders to act as the relevant Agent and the Issuer will appoint that bank as the successor Agent.

The Agency and Accounts Agreement, save for certain provisions which are governed by English law, is governed by Italian law.

THE TRANSFER AGREEMENTS

The description of the Transfer Agreements 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 the relevant Transfer Agreements. Prospective Noteholders may inspect a copy of each Transfer Agreement upon request at the Specified Offices of, respectively, the Representative of the Noteholders and the Paying Agent.

Transfer of the Claims

On 22 February 2013 (the “**Initial Execution Date**”), the Issuer and each of BP and Creberg entered into two separate transfer agreements (each of them, respectively, the “**BP Transfer Agreement**” and the “**Creberg Transfer Agreement**” and, collectively, the “**Transfer Agreements**”), pursuant to which the Issuer acquired from the Originators without recourse (*pro soluto*):

- (a) the monetary claims (the “**BP Claims**”) and other connected rights arising out of a portfolio consisting of secured and unsecured loans disbursed to SMEs in various technical forms (such as *mutui fondiari*, *mutui ipotecari*, *mutui agrari* or *finanziamenti chirografari*) (the “**BP Loans**”) owed to BP (the “**BP Portfolio**”); and
- (b) the monetary claims (the “**Creberg Claims**”) and other connected rights arising out of a portfolio consisting of secured and unsecured loans disbursed to SMEs in various technical forms (such as *mutui fondiari*, *mutui ipotecari*, *mutui agrari* or *finanziamenti chirografari*) (the “**Creberg Loans**”) owed to Creberg (the “**Creberg Portfolio**”).

The BP Claims and the Creberg Claims are collectively referred to as the “**Claims**”, the BP Portfolio and the Creberg Portfolio are collectively referred to as the “**Portfolio**” and the BP Loans and the Creberg Loans are collectively referred to as the “**Loans**”.

Under each Transfer Agreement, the relevant Originator passed title to the relevant Claims to the Issuer on the Initial Execution Date but with economic effect as of the Valuation Date (excluded). Schedule 1 to the relevant Transfer Agreement contains a list of the Loans and the Claims arising thereunder which have been transferred under the relevant Transfer Agreement.

The information concerning the Loans and the Claims (e.g. the outstanding balance, accrued interest etc.) contained in schedule 1 to each Transfer Agreement reflects the composition of the Portfolio as at the Valuation Date.

BP Criteria

Pursuant to the BP Transfer Agreement, the BP Claims comprise all the monetary claims and other connected rights arising out of secured loans (including mortgage loans which qualify as *mutui fondiari*, *mutui ipotecari* and *mutui agrari*) and unsecured loans (*mutui chirografari*) owed to BP which, as at 17 February 2013 (included) (or at the other date otherwise specified), met the following objective criteria (such criteria must be seen as cumulative, unless expressly otherwise provided) (the “**BP Criteria**”):

- 1. loans originally disbursed by Banco Popolare Soc. Coop. or by other banks which were subsequently transferred to Banco Popolare Soc. Coop. either by way of merger (*fusione*), de-merger (*scissione*), contribution of going concern (*conferimento di ramo d’azienda*) or transfer of going concern (*cessione di ramo d’azienda*);
- 2. loans the principal debtors of which are (also in case of novation (*accollo*) or apportionment (*frazionamento*) of the relevant loan):
 - a) one or more individuals (including individual firms) who are resident in Italy; or

- b) one or more entities (including partnerships) incorporated pursuant to Italian law and having their registered office in Italy;
- 3. loans the principal debtors of which are entities engaged in an economic activity, irrespective of its legal form, where the reported sales for the entity or if the entity is a part of a consolidated group, for the consolidated group is less than € 50,000,000;
- 4. loans the principal debtor of which belongs to one of the following categories of *Settore Attività Economica*, according to the criteria set out by the Bank of Italy in the *circolare* No.140 of 11 February 1991, as subsequently amended and supplemented (*Istruzioni relative alla classificazione della clientela per settori e gruppi di attività economica*): No. 166 (*Enti Produttori Di Servizi Assistenziali, Ricreativi e Culturali*), No. 256 (*Holding Finanziarie Private*), No. 268 (*Altre finanziarie*), No. 280 (*Mediatori, agenti e consulenti di assicurazione*), No. 283 (*Promotori finanziari*), No. 284 (*Altri ausiliari finanziari*), No. 430 (*Imprese produttive*), No. 431 (*Holding private*), No. 450 (*Associazioni fra imprese non finanziarie*), No. 480 (*Quasi-società non finanziarie artigiane - Unità o società con 20 o più addetti*), No. 481 (*Quasi-società non finanziarie artigiane - Unità o società con più di 5 e meno di 20 addetti*), No. 482 (*Quasi-società non finanziarie artigiane - Società con meno di 20 addetti*), No. 490 (*Quasi-società non finanziarie altre - Unità o società con 20 o più addetti*), No. 491 (*Quasi-società non finanziarie altre - Unità o società con più di 5 e meno di 20 addetti*), No. 492 (*Quasi-società non finanziarie altre - Società con meno di 20 addetti*), No. 501 (*istituz./enti finalita' di assist, benef, istruz, cult, sind, polit, sport, ricr e sim*), No. 614 (*Artigiani*), No. 615 (*Altre famiglie produttrici*). In order to assess as to whether the relevant loan is identified by such criterion, each borrower is entitled to require the branch being the addressee of the relevant payment due which category listed above is applicable to such loan and whether such loan has been classified as a loan entered into for business purposes;
- 5. loans which are entirely disbursed and in relation to which there is no obligation or possibility to make additional disbursements;
- 6. loans which are denominated in Euro (or originally disbursed in a different currency and subsequently re-denominated in Euro);
- 7. mortgage loans which are governed by Italian law;
- 8. loans falling within one of the following categories:
 - a) “fixed rate loans”, being those loans whose interest rate is not subject to any variation throughout the remaining duration of the loan;
 - b) “floating rate loans”, being those loans whose interest rate is linked to the relevant index determined by contract, subject to any variation throughout the remaining duration of the loan;
 - c) “mixed rate loans”, being those loans in respect of which interest accrues at a fixed rate for a specified period of time determined by contract and at the floating rate of the relevant index thereafter (and *vice versa*);
 - d) “modular rate loans” which contemplate the right, that can be exercised one or more times during the life of the loan, of the relevant borrower to switch from (A) a floating rate to (B) a fixed rate determined as aggregate of (i) the interest rate swap applicable to the relevant remaining term (IRS) and (ii) the spread, pre-determined by contract, over the relevant index as determined pursuant to the paragraph (i) above, and *vice versa*;
- 9. loans falling within one of the following categories:

- (i) *ipotecari* mortgage loans, other than those listed in (ii) and (iii) below, entered into between (and including) 29 September 1998 and (and including) 8 August 2012;
 - (ii) *fondari* mortgage loans entered into in accordance with the provisions of article 38 et seq. of the legislative decree No. 385 of 1 September 1993 between (and including) 5 August 1997 and (and including) 17 January 2013;
 - (iii) *agrari* mortgage loans entered into in accordance with articles 43, 44 e 45 of the legislative decree 1 September 1993, No. 385 between (and including) 19 May 1998 and (and including) 30 June 2012;
 - (iv) unsecured loans entered into between (and including) 31 December 1998 and (and including) 30 January 2013;
10. loans:
- (i) having the first instalment falling after the Valuation Date; or
 - (ii) which, as at 18 January 2013, have all due instalments which have been paid in whole;
11. loans providing for instalment due dates which occur on a monthly, bimonthly, quarterly, four-monthly, semi-annual or yearly basis;
12. loans having a principal outstanding amount equal to, or higher than, € 5,000;
13. loans having a principal outstanding amount equal to, or lower than, € 40,000,000;
14. in respect of the loans which do not qualify as unsecured loans, loans secured by real estate assets located within the territory of the Republic of Italy.

The BP Claims do not comprise those claims arising out of loans meeting the criteria set out above but which also meet as of the same date (unless otherwise provided) one or more of the following criteria:

- A. loans:
- (i) the principal debtors of which are (also in case of novation (accollo) or apportionment (frazionamento) of the relevant loan) one or more individuals;
 - (ii) having the first instalment falling due before the Valuation Date;
 - (iii) whose instalments fallen due on the Valuation Date have been in whole;
 - (iv) (A) (I) secured by mortgage on real estate assets located within the territory of the Italian Republic, classified on the execution date of the relevant mortgage loan as “residential” mortgage loan according to the following cadastral categories: A1, A2, A3, A4, A5, A6, A7, A8, A9, A11 and (II) having a ratio between (X) the outstanding amount of the loan as at the Valuation Date and (Y) the value, as appraised on the execution date of the relevant mortgage loan, of the mortgaged real estate asset not exceeding 80 per cent; or (B) (I) secured by mortgage on real estate assets located within the territory of the Italian Republic classified on the execution date of the relevant mortgage as “commercial” mortgage loan according to the following cadastral categories: A-10, B-1, B-2, B-4, B-5, B-7, B-8, C-1, C-2, C-3, C-4, C-5, C-6, C-7, D-1, D-2, D-3, D-4, D-5, D-6, D-7, D-8, D-9, D-10, D-11, D-12, E-1, E-2, E-3, E-4, E-5, E-9, F-3, F-4, F-10 and (II) having a ratio between (X) the outstanding amount of the loan as at the Valuation Date and (Y) the value, as appraised on the execution date of the relevant mortgage loan, of the mortgaged real estate asset not exceeding 60 per cent. For the purposes of such criterion, “the appraised value of the mortgaged real estate asset” means the

appraised value determined on the basis of certain economic and technical parameters applied by the lender in the context of the monitoring process of the real estate value. In order to assess as to whether the relevant mortgage loan is identified by such criterion, each borrower is entitled, unless otherwise available, to require the relevant appraised value to the branch being the addressee of the relevant payment due; and

- (v) loans falling within one of the following categories:
 - (a) “fixed rate loans” pursuant to the definition of paragraph 8 (a) above, whose interest rate is equal to, or higher than, one per cent on a yearly basis and not exceeding nine point two per cent on a yearly basis;
 - (b) “floating rate loans” pursuant to the definition of paragraph 8 (b) above, whose relevant index is the euribor index or the Prime Rate ABI or the interest rate from time to time determined by the Governing Council of the European Central Bank on the main refinancing operations:
 - (I) whose spread over the relevant index is equal to, or higher than zero on a yearly basis or equal to, or lower than four on a yearly basis; or
 - (II) with a cap over interests;
 - (c) “mixed rate loans” pursuant to the definition of paragraph 8 (c) above; or
 - (d) “modular rate loans” pursuant to the definition of paragraph 8 (d) above;
- B. loans granted, to individuals who as at the Valuation Date were employees of Banco Popolare Soc. Coop. or of any other company of the “Gruppo Bancario Banco Popolare Soc. Coop.” (including those circumstances where the relevant loan was granted to two or more individuals, one of which was not an employee of Banco Popolare Soc. Coop. or of any other company of the “Gruppo Bancario Banco Popolare Soc. Coop.”);
- C. loans advanced under any applicable law or regulation providing for financial support of any kind with regard to principal and/or interest to the relevant borrower (so-called *mutui agevolati*);
- D. loans disbursed to public entities, public administrations or ecclesiastical entities;
- E. loans having one or more instalments, which have not fallen due, which result, as at the Valuation Date, already paid in whole or in part;
- F. loans which do not comply with the requirements set out by the *Circolare* No. 263 of 27 December 2006 of the Bank of Italy (*Titolo II, Cap. I, Parte Prima, Sez. IV*). In order to assess as to whether the relevant loan is identified by such criterion, each borrower is entitled, unless otherwise available, to require to the branch being the addressee of the relevant payment due whether the relative loan complies with such requirements;
- G. loans in respect of which (i) the relevant borrower has accepted, by mail delivery or through the delivery at a branch of the lending bank, the renegotiation proposal made pursuant to law decree No. 93 of 27 May 2008 converted into law No. 126 of 24 July 2008 and the convention entered into between the *Ministero dell'Economia e delle Finanze* (Minister of Economy and Finance) and the *ABI* (Italian Banking Association) providing for the procedures for the renegotiation of the floating rate loans and (ii) such renegotiation is pending as at the Valuation Date;
- H. loans in respect of which (a) a payment holiday is provided for by primary or secondary mandatory provisions or applicable regulation of the competent supervisory authority or (b) the relevant borrower

has obtained a payment holiday and, in both the cases, (c) such payment holiday is pending as at the Valuation Date. In order to assess as to whether the relevant loan is identified by such criterion, each borrower is entitled, unless otherwise available, to require the branch being the addressee of the relevant payment due whether such loan benefits from the above-mentioned payment holiday.

In relation to the BP Criteria listed above, “execution date” means the original and effective execution date of the relevant loan without taking into any consideration any novation (*accollo*) perfected after such date or, in relation to loans arising from the apportionment (*frazionamento*), the date of the relevant apportionment.

Creberg Criteria

Pursuant to the Creberg Transfer Agreement, the Creberg Claims comprise all the monetary claims and other connected rights arising out of secured loans (including mortgage loans which qualify as *mutui fondiari*, *mutui ipotecari* and *mutui agrari*) and unsecured loans (*mutui chirografari*) owed to Creberg which, as at the 17 February 2013 (or at the other date otherwise specified), met the following objective criteria (such criteria must be seen as cumulative, unless expressly otherwise provided) (the “**Creberg Criteria**”):

1. loans originally disbursed by Credito Bergamasco S.p.A. or by other banks which were subsequently transferred to Credito Bergamasco S.p.A. either by way of merger (*fusione*), de-merger (*scissione*), contribution of going concern (*conferimento di ramo d'azienda*) or transfer of going concern (*cessione di ramo d'azienda*);
2. loans the principal debtors of which are (also in case of novation (*accollo*) or apportionment (*frazionamento*) of the relevant loan):
 - a) one or more individuals (including individual firms) who are resident in Italy; or
 - b) one or more entities (including partnerships) incorporated pursuant to Italian law and having their registered office in Italy;
3. loans the principal debtors of which are entities engaged in an economic activity, irrespective of its legal form, where the reported sales for the entity or if the entity is a part of a consolidated group, for the consolidated group is less than € 50,000,000;
4. loans the principal debtor of which belongs to one of the following categories of *Settore Attività Economica*, according to the criteria set out by the Bank of Italy in the *circolare* No.140 of 11 February 1991, as subsequently amended and supplemented (*Istruzioni relative alla classificazione della clientela per settori e gruppi di attività economica*): No. 166 (*Enti Produttori Di Servizi Assistenziali, Ricreativi e Culturali*), No. 256 (*Holding Finanziarie Private*), No. 268 (*Altre finanziarie*), No. 280 (*Mediatori, agenti e consulenti di assicurazione*), No. 283 (*Promotori finanziari*), No. 284 (*Altri ausiliari finanziari*), No. 430 (*Imprese produttive*), No. 431 (*Holding private*), No. 450 (*Associazioni fra imprese non finanziarie*), No. 480 (*Quasi-società non finanziarie artigiane - Unità o società con 20 o più addetti*), No. 481 (*Quasi-società non finanziarie artigiane - Unità o società con più di 5 e meno di 20 addetti*), No. 482 (*Quasi-società non finanziarie artigiane - Società con meno di 20 addetti*), No. 490 (*Quasi-società non finanziarie altre - Unità o società con 20 o più addetti*), No. 491 (*Quasi-società non finanziarie altre - Unità o società con più di 5 e meno di 20 addetti*), No. 492 (*Quasi-società non finanziarie altre - Società con meno di 20 addetti*), No. 501 (*istituz./enti finalita' di assist, benef, istruz, cult, sind, polit, sport, ricr e sim*), No. 614 (*Artigiani*), No. 615 (*Altre famiglie produttrici*). In order to assess as to whether the relevant loan is identified by such criterion, each borrower is entitled to require the branch being the addressee of the relevant payment due which category listed above is applicable to such loan and whether such loan has been classified as a loan entered into for business purposes;

5. loans which are entirely disbursed and in relation to which there is no obligation or possibility to make additional disbursements;
6. loans which are denominated in Euro (or originally disbursed in a different currency and subsequently re-denominated in Euro);
7. mortgage loans which are governed by Italian law;
8. loans falling within one of the following categories:
 - a) “fixed rate loans”, being those loans whose interest rate is not subject to any variation throughout the remaining duration of the loan;
 - b) “floating rate loans”, being those loans whose interest rate is linked to the relevant index determined by contract, subject to any variation throughout the remaining duration of the loan;
 - c) “mixed rate loans”, being those loans in respect of which interest accrues at a fixed rate for a specified period of time determined by contract and at the floating rate of the relevant index thereafter (and *vice versa*);
 - d) “modular rate loans” which contemplate the right, that can be exercised one or more times during the life of the loan, of the relevant borrower to switch from (A) a floating rate to (B) a fixed rate determined as aggregate of (i) the interest rate swap applicable to the relevant remaining term (IRS) and (ii) the spread, pre-determined by contract, over the relevant index as determined pursuant to the paragraph (i) above, and *vice versa*;
9. loans falling within one of the following categories:
 - (i) *ipotecari* mortgage loans, other than those listed in (ii) and (iii) below, entered into between (and including) 3 March 1999 and (and including) 2 August 2012;
 - (ii) *fondiacari* mortgage loans entered into in accordance with the provisions of article 38 et seq. of the legislative decree No. 385 of 1 September 1993 between (and including) 2 August 1999 and (and including) 14 January 2013;
 - (iii) *agrari* mortgage loans entered into in accordance with articles 43, 44 e 45 of the legislative decree 1 September 1993, No. 385 between (and including) 29 July 1999 and (and including) 18 March 2011;
 - (iv) unsecured loans entered into between (and including) 7 May 1999 and (and including) 30 January 2013;
10. loans:
 - (i) having the first instalment falling after the Valuation Date; or
 - (ii) which, as at 18 January 2013, have all due instalments which have been paid in whole;
11. loans providing for instalment due dates which occur on a monthly, bimonthly, quarterly, four-monthly, semi-annual or yearly basis;
12. loans having a principal outstanding amount equal to, or higher than, € 5,000;
13. loans having a principal outstanding amount equal to, or lower than, € 40,000,000;

14. in respect of the loans which do not qualify as unsecured loans, loans secured by real estate assets located within the territory of the Republic of Italy.

The Creberg Claims do not comprise those claims arising out of loans meeting the criteria set out above but which also meet as of the same date (unless otherwise provided) one or more of the following criteria:

A. loans:

- (i) the principal debtors of which are (also in case of novation (*accollo*) or apportionment (*frazionamento*) of the relevant loan) one or more individuals;
- (ii) having the first instalment falling due before the Valuation Date;
- (iii) whose instalments fallen due on the Valuation Date have been in whole;
- (iv) (A) (I) secured by mortgage on real estate assets located within the territory of the Italian Republic, classified on the execution date of the relevant mortgage loan as “residential” mortgage loan according to the following cadastral categories: A1, A2, A3, A4, A5, A6, A7, A8, A9, A11 and (II) having a ratio between (X) the outstanding amount of the loan as at the Valuation Date and (Y) the value, as appraised on the execution date of the relevant mortgage loan, of the mortgaged real estate asset not exceeding 80 per cent; or (B) (I) secured by mortgage on real estate assets located within the territory of the Italian Republic classified on the execution date of the relevant mortgage as “commercial” mortgage loan according to the following cadastral categories: A-10, B-1, B-2, B-4, B-5, B-7, B-8, C-1, C-2, C-3, C-4, C-5, C-6, C-7, D-1, D-2, D-3, D-4, D-5, D-6, D-7, D-8, D-9, D-10, D-11, D-12, E-1, E-2, E-3, E-4, E-5, E-9, F-3, F-4, F-10 and (II) having a ratio between (X) the outstanding amount of the loan as at the Valuation Date and (Y) the value, as appraised on the execution date of the relevant mortgage loan, of the mortgaged real estate asset not exceeding 60 per cent. For the purposes of such criterion, “the appraised value of the mortgaged real estate asset” means the appraised value determined on the basis of certain economic and technical parameters applied by the lender in the context of the monitoring process of the real estate value. In order to assess as to whether the relevant mortgage loan is identified by such criterion, each borrower is entitled, unless otherwise available, to require the relevant appraised value to the branch being the addressee of the relevant payment due; and
- (v) loans falling within one of the following categories:
 - (a) “fixed rate loans” pursuant to the definition of paragraph 8 (a) above, whose interest rate is equal to, or higher than, one per cent on a yearly basis and not exceeding nine point two per cent on a yearly basis;
 - (b) “floating rate loans” pursuant to the definition of paragraph 8 (b) above, whose relevant index is the euribor index or the Prime Rate ABI or the interest rate from time to time determined by the Governing Council of the European Central Bank on the main refinancing operations:
 - (I) whose spread over the relevant index is equal to, or higher than zero on a yearly basis or equal to, or lower than four on a yearly basis; or
 - (II) with a cap over interests;
 - (c) “mixed rate loans” pursuant to the definition of paragraph 8 (c) above; or
 - (d) “modular rate loans” pursuant to the definition of paragraph 8 (d) above;

- B. loans granted, to individuals who as at the Valuation Date were employees of Credito Bergamasco S.p.A. or of any other company of the “Gruppo Bancario Banco Popolare Soc. Coop.” (including those circumstances where the relevant loan was granted to two or more individuals, one of which was not an employee of Credito Bergamasco S.p.A. or of any other company of the “Gruppo Bancario Banco Popolare Soc. Coop.”);
- C. loans advanced under any applicable law or regulation providing for financial support of any kind with regard to principal and/or interest to the relevant borrower (so-called *mutui agevolati*);
- D. loans disbursed to public entities, public administrations or ecclesiastical entities;
- E. loans having one or more instalments, which have not fallen due, which result, as at the Valuation Date, already paid in whole or in part;
- F. loans which do not comply with the requirements set out by the *Circolare* No. 263 of 27 December 2006 of the Bank of Italy (*Titolo II, Cap. I, Parte Prima, Sez. IV*). In order to assess as to whether the relevant loan is identified by such criterion, each borrower is entitled, unless otherwise available, to require to the branch being the addressee of the relevant payment due whether the relative loan complies with such requirements;
- G. loans in respect of which (i) the relevant borrower has accepted, by mail delivery or through the delivery at a branch of the lending bank, the renegotiation proposal made pursuant to law decree No. 93 of 27 May 2008 converted into law No. 126 of 24 July 2008 and the convention entered into between the *Ministero dell'Economia e delle Finanze* (Minister of Economy and Finance) and the *ABI* (Italian Banking Association) providing for the procedures for the renegotiation of the floating rate loans and (ii) such renegotiation is pending as at the Valuation Date;
- H. loans in respect of which (a) a payment holiday is provided for by primary or secondary mandatory provisions or applicable regulation of the competent supervisory authority or (b) the relevant borrower has obtained a payment holiday and, in both the cases, (c) such payment holiday is pending as at the Valuation Date. In order to assess as to whether the relevant loan is identified by such criterion, each borrower is entitled, unless otherwise available, to require the branch being the addressee of the relevant payment due whether such loan benefits from the above-mentioned payment holiday.

In relation to the Creberg Criteria listed above, “execution date” means the original and effective execution date of the relevant loan without taking into any consideration any novation (*accollo*) perfected after such date or, in relation to loans arising from the apportionment (*frazionamento*), the date of the relevant apportionment.

Purchase price

The individual purchase price for each Claim (the “**Individual Purchase Price**”) is equal to the outstanding principal amount under the relevant Loan, as at the Valuation Date, and is listed in schedule 1 to the relevant Transfer Agreement.

The purchase price payable by the Issuer:

- (a) for all the BP Claims, as at the Initial Execution Date, amounts € 4,319,427,000; and
- (b) for all the Creberg Claims as at the Initial Execution Date, amounts to € 943.203.000,

calculated as the aggregate of the relevant Individual Purchase Prices (rounded down to the amount equal to the minimum denomination of the Notes).

The relevant purchase price is required to be paid in full to the relevant Originator, on the Issue Date or, if subsequent to the Issue Date, on the later of (i) the date of publication in the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) of the notice of assignment as described in the relevant Transfer Agreement and (ii) the date of registration (*iscrizione*) with the competent companies' register of the notice of assignment as described in the relevant Transfer Agreement.

Interest will accrue on the relevant purchase price from (but excluding) the Valuation Date to (and including) the Issue Date calculated at a yearly rate equal to Euribor (the “**Purchase Price Interest Amount**”) and shall be payable to the relevant Originator in accordance with the applicable Priority of Payments commencing from the first Interest Payment Date.

The payment of the Purchase Prices will be financed by, and will be limited recourse to, the net proceeds of the issue of the Notes.

Economic effects

Under the relevant Transfer Agreement, each Originator passed title to the relevant Claims to the Issuer on the Initial Execution Date. However, each Originator and the Issuer have agreed that the economic effects of the relevant Transfer Agreement will take effect as of (but excluding) the Valuation Date. Accordingly, each Originator will pay to the Issuer within the day preceding the Issue Date, an amount equal to the sum of any amount received by the relevant Originator in respect of the relevant Claims before (and including) the Valuation Date, if such amount was not correctly deducted when the outstanding principal amount of the relevant Claims was calculated as at the Valuation Date, plus any interest accrued on such amount from (and including) the Valuation Date to the date on which such amount will be effectively paid to the Issuer at a rate equal to Euribor.

Purchase price adjustment

Each Transfer Agreement provides that if, at any time after the Initial Execution Date, it transpires that any Loan from which a Claim arises does not meet the Criteria set out in the relevant Transfer Agreement and was therefore erroneously transferred to the Issuer, then the relevant Claim relating to such Loan (the “**Excluded Claim**”) will be deemed not to have been assigned and transferred to the Issuer pursuant to the relevant Transfer Agreement, and the relevant Originator will pay to the Issuer an amount equal to the sum of:

- (i) the Individual Purchase Price of the relevant Claim relating to such Loan (as specified in schedule 1 of the relevant Transfer Agreement); *plus*
- (ii) the interest accrued on such Individual Purchase Price from (but excluding) the Valuation Date to the Interest Payment Date on which principal on the Notes may be paid immediately succeeding the day on which the parties agree on the existence of such Excluded Claim at a rate equal to interest rate applicable to such Excluded Claim; *minus*
- (iii) an amount equal to the aggregate of all the Collections recovered or collected by the Issuer (also through the relevant Originator) after the Valuation Date in relation to such Excluded Claims; *minus*
- (iv) an amount equal to the interests accrued on the amount set out in (iii) above from the relevant collection date to the date on which those amounts related to the relevant Excluded Claim are paid to the Issuer at a rate equal to the rate of interest from time to time applicable to the relevant Interim Account, net of any withholding provided by any applicable law.

Each Transfer Agreement further provides that if, at any time after the Initial Execution Date, it transpires that a loan which met the Criteria set out in the relevant Transfer Agreement was not included in the relevant Portfolio then the claims under such loan (the “**Additional Claim**”) shall be deemed to have been assigned and transferred to the Issuer by the relevant Originator on the Initial Execution Date. In respect of such

Additional Claims, the Issuer shall pay to the relevant Originator, in accordance with the Priority of Payments, an amount equal to:

- (i) the purchase price of the Additional Claim, calculated adopting the same method used to calculate the Individual Purchase Price of the Claims (including reference to the Valuation Date); *minus*
- (ii) any principal amount collected from (and excluding) the Valuation Date onwards by the relevant Originator under the relevant Additional Claim; *minus*
- (iii) interest accrued on the amount under (ii) above, at a rate equal to the rate of interest paid on the date of collection on the loan from which the relevant Additional Claim derives, from the date of collection of any such amount to the date of the collection of the amount under (i) above,

(each such amount, at any time due to the relevant Originator, the “**Additional Claims Purchase Price**”).

Rateo Amounts

Moreover, the Issuer will pay to each Originator a sum equal to the interest accrued on the relevant Loans up to the Valuation Date (inclusive) but not yet due (the “**Rateo Amounts**”).

The Rateo Amounts are equal to:

- (i) € 10,826,892.65 with respect to BP; and
- (ii) € 2,024,331.98 with respect to Creberg;

The Rateo Amounts shall be payable to the Originator in accordance with the applicable Priority of Payments commencing from the first Interest Payment Date.

Settlement expenses

Each Transfer Agreement further provides for an out-of-court settlement procedure in the case of a dispute arising between the Issuer and the relevant Originator concerning the qualification of certain claims as Excluded Claims or as Additional Claims. In such circumstance, the costs and fees of the deciding arbitrator, appointed pursuant to the relevant Transfer Agreement, shall be borne by the relevant Originator even if the Issuer is the succumbent. Should the Issuer succumb, the relevant Originator shall advance to the latter the fees and costs of the deciding panel (the “**Settlement Expenses Amount**”). The Issuer shall then reimburse the Settlement Expenses Amount on the next subsequent Interest Payment Date, in accordance with the Priority of Payments.

Additional provisions

Each Transfer Agreement contains certain representations and warranties made by the relevant Originator in respect of the relevant Claims and the relevant Loans. The principal representations and warranties given by each Originator to the Issuer in connection with the transfer of the relevant Claims in relation to the Portfolio are contained in the relevant Warranty and Indemnity Agreement (see “*The Warranty and Indemnity Agreements*”).

Each Transfer Agreement provides that the representations and warranties made by the relevant Originator in respect of the relevant Claims are deemed to be given and repeated on the Initial Execution Date and on the Issue Date.

Each Transfer Agreement also contains a number of undertakings by the relevant Originator in respect of its activities relating to the Claims. Each Originator has undertaken, *inter alia*, to refrain from carrying out activities with respect to the relevant Claims which may prejudice the validity or recoverability of any of such Claims or the relevant related security and not to assign or transfer the relevant Claims to any third party or to

create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the relevant Claims in the period of time between the Initial Execution Date and the later of (i) the date of publication of the notice of the transfer in the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) and (ii) the date of registration (*iscrizione*) with the competent companies' register of the notice of assignment as described in the relevant Transfer Agreement.

Insurance policies

In connection with the Insurance Policies, each Originator has, *inter alia*, undertaken to ensure, with reference to the insurance policies executed by the relevant Borrowers and in respect of which the Borrowers have undertaken to pay to the relevant insurance company the relevant premia, that the real estate assets will continue to have the benefit of the insurance coverage until the related Loan is fully repaid. Thus, should a Borrower fail to pay the insurance premia as they fall due, the relevant Originator will (upon becoming aware of the Borrower's failure) make the relevant payment (the “**Insurance Premia**”) to the relevant insurance company in lieu of the relevant Borrower.

Each Originator will be entitled to a reimbursement from the Issuer of the Insurance Premia thus paid by it in accordance with the applicable Priority of Payments.

Repurchase of the Claims

Pursuant to the Transfer Agreements, the Originators have been given the right on any Interest Payment Date to purchase from the Issuer the Claims. The purchase price payable by the Originators to the Issuer for the repurchase of the Claims may not exceed (A) the outstanding principal amount of the Claims to be repurchased, provided that none of such Claims qualify as *Crediti ad Incaglio* or Defaulted Claims or (B) the aggregate of: (I) the fair value of the Claims which are classified as *Crediti ad Incaglio* or as Defaulted Claims (if any), as determined by one or more third-party experts independent from the Originators and their banking group in accordance with the Transfer Agreements; and (II) the outstanding principal of the Claims which are classified neither as *Crediti ad Incaglio* nor as Defaulted Claims.

In addition, the Originators have been given the right to repurchase the Claims which are not classified as *Crediti ad Incaglio* or as Defaulted Claims subject to certain conditions set out in the relevant Transfer Agreement.

Payments by the Issuer

The Purchase Price Interest Amount, the Additional Claims Purchase Price (if ever due), the Settlement Expenses Amount, the Insurance Premia and any other amount owed to the Originators from time to time by the Issuer pursuant to the terms of the Transfer Agreements, with the exception of the Purchase Price, will be treated as “Originator's Claims” will be paid by the Issuer to the Originators accordingly under the applicable Priority of Payments and subject to the Intercreditor Agreement commencing from the first Interest Payment Date.

The Transfer Agreements are governed by Italian law.

THE SERVICING AGREEMENTS

The description of the Servicing Agreements 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 the relevant Servicing Agreement. Prospective Noteholders may inspect a copy of each Servicing Agreement upon request at the Specified Offices of, respectively, the Representative of the Noteholders and the Paying Agent.

On the Initial Execution Date, the Issuer appointed:

- (a) BP (in such capacity, the “**Servicer of the BP Portfolio**”) as servicer of the BP Portfolio pursuant to the terms of a servicing agreement dated the Initial Execution Date, as amended on the Signing Date, between the Issuer and BP as Servicer of the BP Portfolio (the “**BP Servicing Agreement**”); and
- (b) Creberg (in such capacity, the “**Servicer of the Creberg Portfolio**” and, together with the Servicer of the BP Portfolio, the “**Servicers**” and “**Servicer**” means any one of them) as servicer of the Creberg Portfolio on behalf of the Issuer pursuant to the terms of a servicing agreement dated the Initial Execution Date, as amended on the Signing Date, between the Issuer and Creberg as Servicer of the Creberg Portfolio (the “**Creberg Servicing Agreement**” and, together with the BP Servicing Agreement, the “**Servicing Agreements**” and “**Servicing Agreement**” means any of them).

Pursuant to the terms of the relevant Servicing Agreement, each of the Servicers has agreed to administer and service the relevant Portfolio on behalf of the Issuer and, in particular, to:

- (a) collect amounts due in respect thereof;
- (b) administer relationships with any person who is a borrower under a Loan; and
- (c) commence and pursue any enforcement proceedings in respect of any borrowers who may default.

Duties of the Servicers

Each Servicer is responsible for the receipt of cash collections in respect of the relevant Loans and related Claims and for cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*) pursuant to the Securitisation Law. Within the limits of article 2, paragraph 6-bis of the Securitisation Law, each Servicer is responsible for verifying that the transactions to be carried out in connection with the Securitisation comply with applicable laws and are consistent with the contents of the Prospectus.

Each Servicer has undertaken in relation to each of the relevant Loans and related Claims, *inter alia*:

- (a) to collect the relevant Collections and to credit them into the relevant Interim Account by no later than the receipt date, for value as at the relevant receipt date in accordance with the procedure described in the Servicing Agreement. In particular, payments made (i) through the direct debit mechanism will automatically pass from the current account of the relevant Borrower to the relevant Interim Account; and (ii) by, respectively, cash, inter-banking direct debit of the Borrowers’ bank account opened with a bank other than the Originator (*R.I.D. – rimessa interbancaria diretta*) and payment request (*MAV – mediante avviso*) will be credited by the relevant Servicer on the relevant Interim Account through an automatic process. In case of exceptional circumstances causing an operational delay in the transfer, the relevant Collections are required to be transferred to the relevant Interim Account by the day on which the operational delay in the transfer has been resolved. Each Servicing Agreement provides that if monies already transferred to the relevant Interim Account are identified as having not been paid, in whole or in part, by the relevant Borrower, following the verification activity carried out by the

relevant Servicer, such Servicer may deduct those unpaid amounts from the relevant Collections not yet transferred to the Issuer;

- (b) to strictly comply with the relevant Servicing Agreement and the relevant servicing and collection policy described in “*credit and collection policies*” above (the “**Collection Policy**”);
- (c) to carry out the administration and management of such Claims and to manage any possible legal proceedings (*procedura giudiziale*) against the relative Borrower or related guarantor in respect thereof, if any (the “**Judicial Proceedings**”), and any possible bankruptcy or insolvency proceedings against any Borrower (“**Debtor Insolvency Proceedings**”, and, together with Judicial Proceedings, the “**Proceedings**”);
- (d) to initiate any Proceedings in respect of such Claims, if necessary;
- (e) to comply with any requirements of laws and regulations applicable in the Republic of Italy in carrying out activities under the relevant Servicing Agreement;
- (f) to maintain effective accounting and auditing procedures so as to ensure compliance with the provisions of the relevant Servicing Agreement;
- (g) save where otherwise provided for in the relevant Collection Policy or other than in certain limited circumstances specified in the relevant Servicing Agreement, not to consent to any waiver or cancellation of or other change prejudicial to the Issuer’s interests in or to such Claims, the mortgage and any other real or personal security or remedy under or with respect to such Loan unless it is ordered to do so by an order of a competent judicial or other authority or authorised to do so by the Issuer and the Representative of the Noteholders;
- (h) on behalf of the Issuer, operate an adequate supervision and information disclosure system with respect to the relevant Claims and an adequate database maintenance system as provided for under any laws relating to money laundering, by keeping and maintaining any books, records, documents, magnetic media and IT systems as may be useful for, or relevant to, the implementation of a data disclosure system to permit the Issuer to operate in full compliance with all applicable laws and regulations in matters of supervision, reporting procedures or money laundering;
- (i) interpret, consider and manage autonomously any issue arising out of the application of the Usury Act from time to time. Each Servicer has undertaken, in carrying out such tasks and its functions pursuant to the relevant Servicing Agreement, and in particular in the collection of the relevant Claims, not to breach the Usury Act; and
- (j) maintain and implement administrative and operating procedures (including, without limitation, copying recordings in case of destruction thereof), keep and maintain all books, records and all the necessary or advisable documents (i) in order to collect all the relevant Claims and all the other amounts which are to be paid for any reason whatsoever in connection with the relevant Claims (including, without limitation, records which make it possible to identify the nature of any payment and the precise allocation of payment and collected amounts to capital and interest), and (ii) in order to check the amount of all the relevant Collections received.

The Issuer and the Representative of the Noteholders have the right to inspect and copy the documentation and records relating to the relevant Claims in order to verify the activities undertaken by each Servicer pursuant to the relevant Servicing Agreement, provided that the relevant Servicer has been informed at least two Business Days in advance of any such inspection.

Pursuant to the terms of each Servicing Agreement, the relevant Servicer will indemnify the Issuer from and against any and all damages and losses incurred or suffered by the Issuer as a consequence of a default by the

relevant Servicer of any obligation of the relevant Servicer under the relevant Servicing Agreement. Each Servicer has acknowledged and accepted that, pursuant to the terms of the relevant Servicing Agreement, it will not have any recourse against the Issuer for any damages, claims, liabilities or costs incurred by it as a result of the performance of its activities under the relevant Servicing Agreement except as may result from the Issuer's wilful default (*dolo*) or gross negligence (*colpa grave*).

Delegation of activities

Each Servicer is entitled to delegate, to one or more companies fulfilling the prerequisites set forth in the relevant Servicing Agreement, certain activities entrusted to it as servicer pursuant to the relevant Servicing Agreement. The relevant Servicer will remain directly responsible for the performance of all duties and obligations delegated to any such company and will be liable for the conduct of all of them.

Delegation of activities to BP

The Servicer of the Creberg Portfolio is entitled to delegate to BP the management, administration, collection and recovery activities in respect of those Claims which qualify as Defaulted Claims. The Servicer of the Creberg Portfolio will remain directly responsible for the performance of all duties and obligations delegated to BP and will be liable for its conduct.

Delegation of activities to other entities belonging to the Banco Popolare banking group

The Servicer is entitled to delegate certain management, administration and collection activities of certain Claims to other banks or financial intermediaries registered in the register held by the Bank of Italy pursuant to article 106 of the Banking Act belonging to the Banco Popolare banking group. The Servicer will remain directly responsible for the performance of all duties and obligations delegated to such entities and will be liable for their respective conduct.

Reporting requirements

Each of the Servicers have undertaken to prepare and submit to the Computation Agent, the Rating Agencies, the Representative of the Noteholders, the Underwriters, the Corporate Servicer, the Administrative Servicer and the Issuer by no later than each Reporting Date semi-annual reports (each, a “**Servicer Report**”) in the form set out in the relevant Servicing Agreement and containing information as to the Portfolio and any Collections in respect of the preceding Collection Period.

Moreover, each Servicer has undertaken to furnish, in a reasonable period of time taking into consideration the nature of the relevant request, to the Issuer, to the Rating Agencies, to the Representative of the Noteholders, the Administrative Servicer, the Corporate Servicer and to the Computation Agent such further information as the Issuer and/or the Computation Agent and/or the Rating Agencies and/or the Administrative Servicer and/or the Corporate Servicer and/or the Representative of the Noteholders may reasonably request with respect to the relevant Claims and/or the related Proceedings.

Remuneration of the Servicers

In return for the services provided by each Servicer in relation to the ongoing management of the relevant Portfolio, on each Interest Payment Date and in accordance with the Priority of Payments, the Issuer will pay to each of the Servicers, the following amounts:

- (i) in connection with the collection of the Claims of the relevant Portfolio (other than the *Crediti in Sofferenza* of the relevant Portfolio), 0.50 per cent. (on a yearly basis calculated according to the Act/360 method) of the Collections in respect of the Claims of the relevant Portfolio (other than the *Crediti in Sofferenza* of the relevant Portfolio) in the immediately preceding Collection Period (including VAT where applicable) as specified in the relevant Servicing Agreement;

- (ii) in connection with the management of the Claims of the relevant Portfolio (other than the *Crediti in Sofferenza* of the relevant Portfolio), an annual fee of € 10,000 (including VAT where applicable) payable by the Issuer pro quota on each Interest Payment Date;
- (iii) in connection with the recovery of the *Crediti in Sofferenza* of the relevant Portfolio, 0.25 per cent. of the recoveries in respect of the *Crediti in Sofferenza* the relevant Portfolio collected in the immediately preceding Collection Period, according to the information contained in the relevant Servicer Report (excluding VAT where applicable); and
- (iv) in connection with certain compliance and consultancy services provided by the relevant Servicer pursuant to the relevant Servicing Agreement, an annual fee of € 7,500 plus value added tax (to the extent applicable) payable by the Issuer pro quota on each Interest Payment Date.

In addition to the above, the Issuer will pay to each Servicer, in accordance with the applicable Priority of Payments and provided that supporting documents are provided, the expenses and fees of external counsels and the judicial expenses and taxes reasonably incurred during each Collection Period by the relevant Servicer in connection with its servicing activities concerning the Claims classified as *Credito in Sofferenza* (VAT excluded where applicable).

Subordination and limited recourse

Each Servicer has agreed that the obligations of the Issuer under the relevant Servicing Agreement are subordinated and limited recourse obligations and will be payable only in accordance with the applicable Priority of Payments.

Termination and resignation of the Servicers and withdrawal of the Issuer

The Issuer may terminate the appointment of each Servicer (*revocare il mandato*), pursuant to article 1725 of the Italian civil code, or withdraw from the relevant Servicing Agreement (*recesso unilaterale*), pursuant to article 1373 of the Italian civil code, upon the occurrence of one of any of the following events:

- (a) the Bank of Italy has proposed to the Minister of Finance to admit the relevant Servicer to any insolvency proceeding or a request for the judicial assessment of the insolvency of the relevant Servicer has been filed with the competent office or the relevant Servicer has been admitted to the procedures set out in articles 74 and 76 of the Banking Act, or a resolution is passed by the relevant Servicer with the intention of applying for such proceedings to be initiated;
- (b) failure on the part of the relevant Servicer to deliver and pay any amount due under the relevant Servicing Agreement within five Business Days from the date of receipt of a notice claiming that such amount became due and payable and has not been duly paid;
- (c) failure on the part of the entity, once a 10-day notice period has elapsed, to observe or perform in any respect any of its obligations under the relevant Servicing Agreement, the relevant Warranty and Indemnity Agreement, the relevant Transfer Agreement or any of the Transaction Documents to which it is a party which could affect the fiduciary relationship between the relevant Servicer and the Issuer;
- (d) a representation given by the relevant Servicer pursuant to the terms of the relevant Servicing Agreement is verified to be false or misleading and this could have a material negative effect on the Issuer and/or the Securitisation;
- (e) the relevant Servicer changes significantly the departments and/or the resources in charge of the management of the relevant Claims and the relevant Proceedings and such change reasonably renders more burdensome to the relevant Servicer the fulfilment of its obligations under the relevant Servicing Agreement; or

- (f) the relevant Servicer does not meet the requirements provided by law or by the Bank of Italy for the entities appointed as servicer in a securitisation transaction or the relevant Servicer does not meet any further requirement which may be requested in the future by either the Bank of Italy or any other competent authority.

The Issuer is obliged to notify the relevant Servicer of its intention to terminate the relevant Servicing Agreement with prior written notice to the Representative of the Noteholders and the Rating Agencies.

Moreover, the relevant Servicer is entitled to resign from the relevant Servicing Agreement at any time after a 12-month period has elapsed from the Initial Execution Date by giving at least 12 months' prior written notice to that effect to the Issuer, the Representative of the Noteholders and the Rating Agencies. Following the resignation of the relevant Servicer, the Issuer shall promptly commence procedures necessary to appoint a substitute servicer.

The termination and the resignation of the relevant Servicer shall become effective after fifteen Business Days have elapsed from the date specified in the notice of the termination or of the resignation, or from the date, if successive, of the appointment of the substitute servicer.

The Issuer may appoint, with the cooperation of the Back-up Servicer Facilitator, a substitute servicer, only with the prior written approval of the Representative of the Noteholders and prior written notice to the Rating Agencies. The substitute servicer shall be either the Back-up Servicer or:

- (a) a bank operating for at least three years and having one or more branches in the territory of the Republic of Italy having specific expertise in the management of claims similar to the Claims; or
- (b) a financial intermediary registered pursuant to article 106 of the Banking Act having specific expertise in the management of claims similar to the Claims, operating for at least three years and having one or more branches in the territory of the Republic of Italy, which has software that is compatible with the management of the Loans and adequate assets to ensure that its activities are carried out effectively and on a constant basis.

The Issuer has undertaken to appoint, with the cooperation of the Back-up Servicer Facilitator, a back-up servicer, within 45 calendar days of the date on which the relevant Servicer's long-term, unsecured and unsubordinated debt obligations cease to be rated at least (A) "Ba2" by Moody's or (B)(I) "BB" by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS) or, in the absence of any rating supplied by DBRS, 'BB' or equivalent by at least two of Fitch, S&P or Moody's, an entity having the characteristics listed under (a) or (b) above to replace the relevant Servicer should the relevant Servicing Agreement be terminated for any reason (the "**Back-up Servicer**"). The Back-up Servicer shall, *inter alia*, undertake to enter into a back-up servicing agreement substantially in the form of the relevant Servicing Agreement and assume all duties and obligations applicable to it as set forth in the Transaction Documents. The Issuer shall notify the Representative of the Noteholders and the Rating Agencies of such appointment.

Each Servicing Agreement further provides for an out-of-court settlement procedure in the case of a dispute arising between the Issuer and the relevant Servicer concerning the termination of the appointment of the relevant Servicer. In such circumstance, the costs and fees of the deciding arbitrator, appointed pursuant to the relevant Servicing Agreement, shall be borne by the succumbent. Should the Issuer succumb, the relevant Servicer shall advance to the latter the fees and costs of the deciding arbitrator (the "**Servicing Settlement Expenses Amount**"). The Issuer shall reimburse the Servicing Settlement Expenses Amount on the next subsequent Interest Payment Date in accordance with the Priority of Payments.

The substitute servicer must execute a servicing agreement with the Issuer substantially in the form of the relevant Servicing Agreement and must accept all the provisions and obligations set out in the Intercreditor Agreement.

Other provisions

Following the classification of a Claim as Defaulted Claims, each Servicer, subject to certain conditions set out in the relevant Servicing Agreement, may also enter into settlement agreements (as an alternative to judicial proceedings against the relevant Borrower) in the context of which it may modify the original amortising plan and discharge the Borrower in relation to a portion of the amount still due.

Ultimately, each Servicer may, if the sale of Defaulted Claims procures an advantage to the Noteholders, sell the Defaulted Claims at a price indicated under the relevant Servicing Agreement subject however to certain other conditions set out in the same Servicing Agreement.

The Servicing Agreements are governed by Italian law.

THE WARRANTY AND INDEMNITY AGREEMENTS

The description of the Warranty and Indemnity Agreements 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 the relevant Warranty and Indemnity Agreement. Prospective Noteholders may inspect a copy of each Warranty and Indemnity Agreement upon request at the Specified Offices of, respectively, the Representative of the Noteholders and the Paying Agent.

On the Initial Execution Date, the Issuer and each of the Originators entered into separate warranty and indemnity agreements, as amended on the Signing Date (collectively, the “**Warranty and Indemnity Agreements**” and, any one of them, a “**Warranty and Indemnity Agreement**”), pursuant to which BP and Creberg, respectively, have given certain representations and warranties in favour of the Issuer in relation to, respectively, the BP Portfolio and the Creberg Portfolio.

Prospective Noteholders should note that each Originator has given representations and warranties only in respect of the Claims respectively transferred to the Issuer. Below is a description of the provisions of the Warranty and Indemnity Agreements which are substantially identical.

Each Warranty and Indemnity Agreement contains representations and warranties by the relevant Originator in respect of, *inter alia*, the following categories:

1. the relevant Loans, the relevant Claims and any collateral security related thereto;
2. the real estate assets which have been mortgaged to secure the relevant Claims;
3. the disclosure of information; and
4. the Securitisation Law and article 58 of the Banking Act.

In particular, each of the Originators has represented and warranted with respect to itself and the Claims it sold to the Issuer under the relevant Transfer Agreement that, amongst others:

- (i) all the Loans were disbursed to SMEs;
- (ii) the Claims and the Loans are existing and denominated in Euro (or granted in a different currency and subsequently redenominated in Euro);
- (iii) the Loans, the Claims and collateral security interests related thereto are governed by Italian law;
- (iv) in relation to each Claim and each collateral security related thereto have been assigned to the Issuer pursuant to the relevant Transfer Agreement;
- (v) none of the Borrowers or the grantors of a collateral security related to the Claims is a public entities, a public administration or an ecclesiastical entity;
- (vi) all the Borrowers and the grantor of a collateral security related to the Claims are (i) individuals (*persone fisiche*) resident in Italy, or (ii) legal entities incorporated under Italian law and having their registered office in Italy;
- (vii) to the best knowledge of the relevant Originator none of the Borrowers has been classified as “*in sofferenza*” or “*incaglio*” by the relevant Originator pursuant to the regulations issued by the Bank of Italy (*istruzioni di vigilanza*);
- (viii) as at the relevant Valuation Date each Claim has been classified as in bonis pursuant to the regulations issued by the Bank of Italy (*istruzioni di vigilanza*) and the relevant Loan does not include as at the transfer date of the Claims or the Signing Date non performing loans pursuant to the guidelines issued

by the European Central Bank on the 2 August 2012 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral;

- (ix) no Loan Agreement could be classified as a leasing agreement;
- (x) no Loan Agreement could be qualified as structured loan, syndicated loan or leveraged loan pursuant to the Guidelines issued by the European Central Bank on the 2 August 2012 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral; and
- (xi) each real estate asset securing the Loans is located in Italy.

All representations and warranties set forth in the Warranty and Indemnity Agreements shall be deemed to be given or repeated:

- (a) on the Initial Execution Date;
- (b) on the Signing Date; and
- (c) on the Issue Date;

with reference to the facts and circumstances then existing, as if made at each such time; provided, however, that the representations and warranties referring to a Transaction Document executed after the date hereof shall be deemed to be made or repeated at the time of the execution of such Transaction Document and on the Issue Date, in each case with reference to the facts and circumstances then existing as if made at each such time.

Pursuant to each Warranty and Indemnity Agreement, the relevant Originator has agreed to indemnify and hold harmless the Issuer, its officers, agents or employees or any of its permitted assignees and the Representative of the Noteholders from and against any and all duly documented damages, losses, claims, liabilities, costs and expenses (including, without limitation, fees and legal expenses as well as any VAT if applicable) awarded against or incurred by the Issuer or any of the other foregoing persons arising from, inter alia, any default by the relevant Originator in the performance of any of its obligations under the relevant Warranty and Indemnity Agreement or any of the other Transaction Documents or any representations and/or warranties made by the relevant Originator thereunder or being false, incomplete or incorrect.

Each Originator has also agreed to indemnify and hold harmless the Issuer, its officers, agents or employees or any of its permitted assignees and the Representative of the Noteholders from and against any and all damages, losses, claims, liabilities, costs and expenses awarded against or incurred by it arising out of, inter alia, the application of the Usury Law to any interest accrued on any Loans.

Moreover, each Warranty and Indemnity Agreement provides that, in the event of a misrepresentation or a breach of any of the representations and warranties made by the relevant Originator under the relevant Warranty and Indemnity Agreement, which materially and adversely affects the value of one or more Claims or the interest of the Issuer in such Claims, and such misrepresentation or breach is not cured, whether by payment of damages or indemnification or otherwise, by the Originator within a period of 30 days from receipt of a written notice from the Issuer to that effect (the “**Cure Period**”), the Issuer has the option, pursuant to article 1331 of the Italian civil code, to assign and transfer to the relevant Originator all of the Claims affected by any such misrepresentation or breach (the “**Affected Claims**”). The Issuer will be entitled to exercise the put option by giving to the relevant Originator, at any time during the period commencing on the Business Day immediately following the last day of the Cure Period and ending on the day which is 180 days after such Business Day, written notice to that effect (the “**Put Option Notice**”).

The relevant Originator will be required to pay to the Issuer, within 10 Business Days from the date of receipt by the relevant Originator of the Put Option Notice, an amount equal to:

- (i) the Individual Purchase Price of the relevant Claim relating to such Loan (as specified in schedule 1 of the relevant Transfer Agreement); *plus*
- (ii) the interest accrued on such Individual Purchase Price from (but excluding) the Valuation Date to the Interest Payment Date on which principal on the Notes may be paid immediately succeeding the day on which the parties agree on the existence of such Excluded Claim at a rate equal to interest rate applicable to such Excluded Claim; *minus*
- (iii) an amount equal to the aggregate of all the Collections recovered or collected by the Issuer (also through the relevant Originator) after the Valuation Date in relation to such Excluded Claims; *minus*
- (iv) an amount equal to the interests accrued on the amount set out in (iii) above from the relevant collection date to the date on which those amounts related to the relevant Claim are paid to the Issuer at a rate equal to the rate of interest from time to time applicable to the relevant Interim Account, net of any withholding provided by any applicable law.

Each Warranty and Indemnity Agreement provides that, notwithstanding any other provision of such agreement, the obligations of the Issuer to make any payment thereunder shall be equal to the lesser of the nominal amount of such payment and the amount which may be applied by the Issuer in making such payment in accordance with the Priority of Payments. Each Originator has acknowledged that the obligations of the Issuer contained in the relevant Warranty and Indemnity Agreement will be limited to such sums as aforesaid and that it will have no further recourse to the Issuer in respect of such obligations.

The Warranty and Indemnity Agreements are governed by Italian law.

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. Prospective Noteholders may inspect a copy of such Transaction Documents upon request at the Specified Offices of, respectively, the Representative of the Noteholders and the Paying Agent.

The Corporate Services Agreement

Under an agreement denominated “Corporate Services Agreement” dated the Signing Date between the Issuer, the Corporate Servicer and the Representative of the Noteholders (the “**Corporate Services Agreement**”), the Corporate Servicer has agreed to provide certain corporate administration and management services to the Issuer. The services will include the safekeeping of the documents pertaining to the meetings of the Issuer's shareholders, directors and auditors and of the Noteholders, maintaining the shareholders' register and liaising with the Representative of the Noteholders.

Under the terms of the Corporate Services Agreement in the event of a termination of the appointment of the Corporate Servicer for any reason whatsoever, the Issuer shall appoint a substitute Corporate Servicer.

In the context of the Previous Securitisation, the Issuer, has already appointed Securitisation Services S.p.A. as “Corporate Services Provider” to provide, *inter alia*, certain corporate administration and secretarial services to the Issuer pursuant to separate agreements denominated “Corporate Services Agreement” and dated 20 December 2012.

The Corporate Services Agreement is governed by Italian law.

The Administrative Services Agreement

Under an agreement denominated “*Contratto di Servizi Amministrativi*” dated the Signing Date between the Issuer, the Administrative Servicer and the Representative of the Noteholders (the “**Administrative Services Agreement**”), the Administrative Servicer has agreed to provide certain accounting services to the Issuer. The services will include, amongst others, preparing tax and accounting records and preparing the Issuer's annual financial statements.

Under the terms of the Administrative Services Agreement in the event of a termination of the appointment of the Administrative Servicer for any reason whatsoever, the Issuer shall appoint a substitute Administrative Servicer.

In the context of the Previous Securitisation, the Issuer has already appointed Banco Popolare Soc. Coop. as “Administrative Services Provider” to provide, *inter alia*, certain corporate administration and secretarial services to the Issuer pursuant to separate agreements each denominated “*Contratto di Servizi Amministrativi*” and dated 20 December 2012.

The Administrative Services Agreement is governed by Italian law.

The English Deed of Charge and Assignment

Pursuant to an English law deed of charge to be executed on or around the Issue Date (the “**English Deed of Charge and Assignment**”), the Issuer will grant in favour of the Representative of the Noteholders for itself and as trustee for the Noteholders and the other Issuer Secured Creditors, *inter alia*, (i) an English law charge over the Transaction Accounts, all its present and future right, title and interest in or to the Transaction Accounts and all amounts (including interest) now or in the future standing to the credit of, or accrued or accruing on the Transaction Accounts; (ii) an English law assignment by way of security of all the Issuer's rights, title, interest and benefit present and future in, to and under each of (a) the Agency and Accounts Agreement (only to the extent it constitutes English Assets) and (b) all other present and future contracts,

agreements, deeds and documents governed by English law to which the Issuer is or may become a party in relation to the Notes, the Claims and the Portfolio; and (iii) a floating charge over all of the Issuer's assets which are subject to the assignments or charges described under (i) and (ii) above and not effectively assigned or charged thereunder.

The Intercreditor Agreement

Pursuant to an intercreditor agreement dated the Signing Date between the Issuer, the Representative of the Noteholders on its own behalf and on behalf of the Noteholders, the Paying Agent, the Agent Bank, the Computation Agent, the Interim Account Bank, the Transaction Bank, BP (in any capacity), Creberg (in any capacity), the Corporate Servicer, the Administrative Servicer, the Servicers and the Back-up Servicer Facilitator (the “**Intercreditor Agreement**”), provision has been made as to the application of the proceeds of collections in respect of the Claims and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Claims. The Intercreditor Agreement also sets out the order of priority for payments to be made by the Issuer in connection with the securitisation transaction.

Pursuant to the Intercreditor Agreement, the Other Issuer Creditors have agreed that, until two years plus one day has elapsed since the day on which any note issued (including the Notes and the Previous Securitisation Notes) or to be issued by the Issuer has been paid in full, no Other Issuer Creditor 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.

Pursuant to the Intercreditor Agreement, following the service of an Issuer Acceleration Notice, the Representative of the Noteholders will be entitled (as an agent of the Issuer and to the extent permitted by applicable laws), until the Notes have been repaid in full or cancelled in accordance with the Conditions, to take possession of all Collections and of the Claims and to sell or otherwise dispose of the Claims or any of them in such manner and upon such terms and at such price and such time or times as the Representative of the Noteholders shall, in its absolute discretion, deem appropriate and to apply the proceeds in accordance with the Post-Enforcement Priority of Payments.

The Intercreditor Agreement is governed by Italian law.

The Italian Deed of Pledge

Pursuant to a deed of pledge (the “**Italian Deed of Pledge**”) to be executed on or around the Issue Date between the Issuer and the Representative of the Noteholders (acting on its own behalf and on behalf of the other Issuer Secured Creditors), the Issuer will create in favour of the Representative of the Noteholders for itself and on behalf of the Noteholders and the other Issuer Secured Creditors, concurrently with the issue of the Notes, an Italian law pledge over all monetary claims and rights and all the amounts (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is entitled from time to time pursuant to the Italian Law Transaction Documents (other than the Conditions, the Rules of the Organisation of Noteholders, the Italian Deed of Pledge, the provisions of the Agency and Accounts Agreement which are governed by English law and the Mandate Agreement).

The Italian Deed of Pledge will be governed by Italian law.

The Mandate Agreement

Pursuant to the terms of a mandate agreement dated the Signing Date between the Issuer and the Representative of the Noteholders (the “**Mandate Agreement**”), the Representative of the Noteholders is empowered to take such action in the name of the Issuer, *inter alia*, following the service of an Issuer Acceleration Notice, as the Representative of the Noteholders may deem necessary to protect the interests of the Noteholders and the Other Issuer Creditors.

The Mandate Agreement is governed by Italian law.

The Shareholder's Commitment

The shareholder's commitment dated the Signing Date between the Issuer, the Representative of the Noteholders and SVM Securitisation Vehicles Management S.r.l. (the "**Shareholder's Commitment**") contains, *inter alia*, provisions in relation to the management of the Issuer.

The Shareholder's Commitment also provides that SVM Securitisation Vehicles Management S.r.l. in its capacity as shareholder of the Issuer, will not approve the payment of any dividends or any repayment or return of capital by the Issuer prior to the date on which all amounts of principal and interest on the Notes have been paid in full.

In the context of the Previous Securitisation the shareholder of the Issuer has agreed certain obligations concerning the management of the Issuer pursuant to a separate shareholder's commitment dated 20 December 2012 (the "**Previous Shareholder's Commitment**").

The Shareholder's Commitment is governed by Italian law.

The Letter of Undertaking

Pursuant to a letter of undertaking dated the Signing Date (the "**Letter of Undertaking**") between the Issuer, the Representative of the Noteholders and BP and Creberg (in such capacity, the "**Financing Banks**"), the Financing Banks have undertaken to provide the Issuer with all necessary monies (in any form of financing deemed appropriate by the Representative of the Noteholders, for example by way of a subordinated loan, the repayment of which is effected in compliance with item (xii)(C) of the Pre-Enforcement Priority of Payments or, as the case may be, item (x)(C) of the Post-Enforcement Priority of Payments) in order for the Issuer to pay any losses, costs, expenses or liabilities in respect of certain exceptional liabilities set out in the Letter of Undertaking.

Prospective Noteholders' attention is drawn to the fact that the Letter of Undertaking does not and will not constitute a guarantee by any of BP and Creberg or any of the shareholders of the Issuer of any obligation of a Borrower or the Issuer.

The Letter of Undertaking is governed by Italian law.

The other Transaction Documents

For a description of the Transfer Agreements, see "*The Transfer Agreements*". For a description of the Servicing Agreements, see "*The Servicing Agreements*". For a description of the Warranty and Indemnity Agreements, see "*The Warranty and Indemnity Agreements*". For a description of the Agency and Accounts Agreement, see "*The Agency and Accounts Agreement*".

ESTIMATED WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES AND ASSUMPTIONS

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in reduction of principal of such security (assuming no losses). The weighted average life of the Class A Notes will be influenced by, among other things, the actual rate of redemption of the Loans which may be in the form of scheduled amortisation, prepayments, or enforcement proceeds. The weighted average life of the Class A Notes cannot be predicted as the actual rate at which the Loans will be repaid and a number of other relevant factors are unknown. Calculations of possible average life of the Class A Notes can be made under certain assumptions. The table below sets out the expected weighted average life of the Class A Notes in the event that redemption pursuant to Condition 7(c) (*Optional Redemption of the Notes*) does not occur and has been calculated based on the characteristics of the Loans included in the Portfolio as of the Valuation Date and on the assumptions that:

- (a) no Event of Default occurs in respect to the Notes;
- (b) the Loans are subject to a constant prepayment rate of five per cent.;
- (c) the fees referred to in the relevant Transaction Documents are not increased;
- (d) no default by the parties to the Transaction Documents occur;
- (e) the Issuer will not exercise the option to redeem the Notes pursuant to Condition 7(c) (*Optional redemption of the Notes*);
- (f) the Class A Notes will commence amortisation on the first Interest Payment Date;
- (g) no defaults and no delinquencies in payments in relation to the Loans occur.

Assumption (b) above is stated as an average annualised prepayment rate since the prepayment rate for one Interest Period may be substantially different from that for another. The constant prepayment rate assumed is purely illustrative.

The weighted average lives of the Class A Notes are subject to factors outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates set forth above will be realised.

Notes	Expected weighted average life (years)
Class A	1.74

The actual characteristics and performances of the Loans may differ from the assumptions used in constructing the table set forth above, which are hypothetical in nature.

TAXATION IN THE REPUBLIC OF ITALY

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. This summary will not be updated by the Issuer after the Issue Date to reflect changes in laws after the Issue Date and, if such a change occurs, the information in this summary could become invalid.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Tax treatment of the Notes

Italian legislative decree No. 239 of 1 April 1996, as subsequently amended (“**Decree 239**”), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from the Notes.

Italian resident Noteholders

Where an Italian resident Noteholder is (i) an individual (unless he has opted for the application of the *risparmio gestito regime* – see under “*Capital gains tax*” below – where applicable); (ii) a partnership (other than *società in nome collettivo*, *società in accomandita semplice* or a similar partnership), de facto partnerships not carrying out commercial activities and professional associations; (iii) a public and private entity (other than a company) and trust not carrying out commercial activities; or (iv) an investor exempt from Italian corporate income taxation, interest (including the difference between the redemption amount and the issue price), premium and other income relating to the Notes, accrued during the relevant holding period, are subject to an *imposta sostitutiva*, levied at the rate of 20 per cent.

If the Noteholders described under (i) or (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted from the income tax due.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy, to which the Notes are effectively connected, of a non-Italian resident entity and the Notes are deposited with an authorised intermediary, interest (including the difference between the redemption amount and the issue price), premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder’s income tax return and are therefore subject to ordinary Italian corporate taxation (and, in certain circumstances, depending on the “status” of the Noteholder, also to IRAP – the regional tax on productive activities).

Payments of interests (including the difference between the redemption amount and the issue price), premiums or other proceeds in respect of the Notes, deposited with an authorised intermediary, made to Italian real estate investment funds (the “**Italian Real Estate Fund**”), are subject neither to substitute tax nor to any other income tax in the hands of the real estate investment fund. A withholding tax may apply in certain circumstances at the rate of up to 20 per cent on distributions made by Italian Real Estate Funds and, in certain cases, a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate Fund owning more than 5 per cent of the fund’s units.

Where an Italian resident Noteholder is an Italian open-ended or a closed-ended investment fund (“**Fund**”) or a *società d’investimento a capitale variabile* (“**SICAV**”) and the Notes are deposited with an authorised intermediary, interest (including the difference between the redemption amount and the issue price), premium and other income relating to the Notes are subject neither to substitute tax nor to any other income tax in the hands of the Fund. A withholding tax may apply in certain circumstances at the rate of up to 20% on distributions made by the Fund or SICAV.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by article 17 of Italian legislative decree No. 252 of 5 December 2005, as subsequently amended, “**Italian Pension Fund**”) and the Notes are deposited with an authorised intermediary, interest (including the difference between the redemption amount and the issue price), premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent substitute tax.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (“**SIMs**”), fiduciary companies, *società di gestione del risparmio* (“**SGRs**”), stockbrokers and other entities identified by a decree of the Ministry of Finance (each an “**Intermediary**”). An Intermediary must (i) be resident in Italy or a permanent establishment in Italy of a non-Italian resident financial intermediary; and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change in the ownership of the relevant Notes or a transfer of the Notes to another deposit or account held with the same or another Intermediary.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the intermediary paying interest to a Noteholder (or by the Issuer, should the interest be paid directly by the latter).

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are effectively connected, an exemption from the *imposta sostitutiva* applies, provided that the non-Italian resident beneficial owner is either (i) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy (the “**White List States**”); (ii) an international body or entity set up in accordance with international agreements which has entered into force in Italy; (iii) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) an institutional investor which is incorporated in a White List State, even if it is not subject to income tax therein.

White List States are currently identified by Ministerial Decree of 4 September 1996. However, once the provisions introduced by Law 24 December 2007 No. 244 affecting the regime described above become effective, non-Italian resident beneficial owners of the Notes, without a permanent establishment in Italy to which the Notes are effectively connected, will not be subject to the substitute tax on interest, premium and other income, provided that the non-Italian beneficial owners are resident in countries included in the forthcoming Ministerial Decree (the “**Decree**”) that allow an adequate exchange of information with the Italian Tax Authorities. The list of countries included in the above-mentioned Decree to be issued will become effective as of the tax period following the one in which the Decree will be enacted. For the five years starting on the date of publication of the Decree in the Official Gazette, States and territories that are not included in the current black - lists set forth by Ministerial Decrees of 4 May 1999, 21 November 2001 and 23 January 2002 nor in the current white list set forth by Ministerial Decree of 4 September 1996 are deemed to be included in the new white - list.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (i) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or a SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; and (ii) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked and in which the Noteholder declares itself to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is requested neither for the international bodies or entities set up in accordance with international agreements which have entered into force in Italy, nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by the Ministerial Decree dated 12 December 2001.

The *imposta sostitutiva* will be applicable at the rate of 20 per cent (or at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders which are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy or for which the above-mentioned provisions are not met.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the “status” of the Noteholder, also as part of the net value of production for IRAP purposes) if realised by (a) Italian resident companies; (b) Italian resident commercial partnerships; (c) permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; or (d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of the commercial activity carried out.

Where an Italian resident Noteholder is an individual holding the Notes not in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 20 per cent, pursuant to Legislative Decree No. 461 of 21 November 1997 (“**Decree 461**”).

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the standard regime for Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of 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 the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato regime*). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* regime being

made punctually in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes, net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, 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 declare the capital gains in its annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called “*risparmio gestito*” regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 20 per cent substitute tax to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year-end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by a Noteholder which is an Italian Real Estate Fund concurs to the year-end appreciation of the managed assets, which is exempt from any income tax according to the real estate investment fund tax treatment described above. A withholding tax may apply in certain circumstances at the rate of 20 per cent on distributions made by Italian Real Estate Funds and, in certain cases, a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate Fund owning more than 5 per cent of the fund’s units.

Capital gains realised by a Noteholder which is a Fund or a SICAV will not be subject neither to substitute tax nor to any other income tax in the hands of the Fund or the SICAV. A withholding tax may apply in certain circumstances at the rate of up to 20 per cent on distributions made by the Fund or SICAV to certain categories of investors.

Any capital gains realised by a Noteholder which is an Italian Pension Fund will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent substitute tax.

The 20 per cent final *imposta sostitutiva* on capital gains may be payable on capital gains realised upon sale for consideration or redemption of the Notes by non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy if the Notes are traded on a regulated market in Italy or abroad and, in certain cases, subject to timely filing of required documentation (in particular, a self-declaration not to be resident in Italy for tax purposes), even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

In case the Notes are not traded on a regulated market in Italy or abroad, pursuant to the provisions of article 5 of Decree 461, non-Italian resident beneficial owners of the Notes without a permanent establishment in Italy to which the Notes are effectively connected are exempt from *imposta sostitutiva* in Italy on any capital gains realised, upon sale for consideration or redemption of the Notes, if they are resident, for tax purposes, in a White List State as defined above.

In such case, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected hold the Notes with an Italian authorised financial intermediary, in order to benefit from exemption from Italian taxation on capital gains, such non-Italian residents may be required to timely file with the authorised financial intermediary an appropriate self-declaration stating they are resident for tax purposes in a White List State.

Exemption from Italian *imposta sostitutiva* on capital gains realised upon disposal of Notes not listed on a regulated market also applies to non-Italian residents who are (a) international bodies and organisations established in accordance with international agreements ratified in Italy; (b) certain foreign institutional investors established in White List States, even if not subject to income tax therein; and (c) Central Banks or other entities, managing also official State reserves.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of Notes.

In such case, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected hold the Notes with an Italian authorised financial intermediary, in order to benefit from exemption from Italian taxation on capital gains, such non-Italian residents may be required to timely file, with the authorised financial intermediary, appropriate documents which include, *inter alia*, a certificate of residence issued by the competent tax authorities of the country of residence of the non-Italian residents.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-resident persons and entities in relation to Notes deposited for safekeeping or administration at Italian banks, SIMs and other eligible entities, but non-resident noteholders retain the right to waive this regime. Such waiver may also be exercised by non-resident intermediaries in respect of safekeeping, administration and deposit accounts held in their names in which third parties' financial assets are held.

Italian inheritance and gift tax

Under Law Decree No. 262 of 3 October 2006 (converted with amendments into Law No. 286 of 24 November 2006), as subsequently amended, transfers of any valuable asset (including shares, bonds or other securities) as a result of death or gift or gratuities are taxed as follows:

- (a) transfers in favour of spouses, direct ascendants or descendants are subject to an inheritance and gift tax applied at a rate of 4 per cent on the entire value of the inheritance or the gift exceeding Euro 1,000,000.00 for each beneficiary;
- (b) transfers in favour of relatives within the fourth degree, ascendants or descendants relatives in law or other relatives in law within the third degree are subject to an inheritance and gift tax at a rate of 6 per cent on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent inheritance and gift tax on the entire value of the inheritance or the gift exceeding Euro 100,000.00 for each beneficiary; and
- (c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding € 1,500,000.00.

Moreover, an anti-avoidance rule is provided for in case of gift of assets, such as the Notes, whose sale for consideration would give rise to capital gains to be subject to the *imposta sostitutiva* provided for by legislative decree No. 461 of 21 November 1997, as subsequently amended. In particular, if the donee sells the Notes for consideration within five years from their receipt as a gift, the donee is required to pay the relevant *imposta sostitutiva* as if the gift had never taken place.

Transfer tax

Transfer tax has been repealed by Law Decree No. 248 of 31 December 2007, converted in law by Law No 31 of 28 February 2008. The transfer deed may be subject to registration tax at a fixed amount of € 168.

Wealth tax

According to Article 19 of Decree of 6 December 2011, No. 201 (“**Decree No. 201/2011**”), converted with Law of 22 December 2011, No. 214, Italian resident individuals holding financial assets – including the Notes – outside of the Italian territory are required to pay a wealth tax at the rate of 0.15 per cent. The tax applies on the market value at the end of the relevant year or – in the lack of the market value – on the nominal value or redemption value of such financial assets held outside of the Italian territory. Taxpayers are enabled to deduct from the tax a tax credit equal to any wealth taxes paid in the State where the financial assets are held (up to the amount of the Italian wealth tax due).

Stamp duty

According to Article 19 of Decree No. 201/2011, a proportional stamp duty applies on a yearly basis at the rate of 0.15 per cent on the market value or – in the lack of a market value – on the nominal value or the redemption amount of any financial product or financial instruments. The stamp duty cannot be lower than € 34.2 and, for investors other than individuals, cannot exceed the amount of Euro 4.500,00. Based on the wording of the law and the implementing decree issued by the Italian Ministry of Finance on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

EU Savings Directive and implementation in Italy

Legislative decree No. 84 of 18 April 2005 (“**Decree 84**”) implemented in Italy, as of 1 July 2005, the European Council Directive No. 2003/48/EC on the taxation of savings income. Under the Directive, Member States, if a number of important conditions are met, are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within their jurisdiction to an individual resident in that other Member State. However, 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 other countries). 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. Belgium announced that it had decided to apply information exchange as per the EC Council Directive 2003/48/EC as 1 January 2010. Therefore, with regard to Belgium, the transitional period ended on 31 of December 2009.

Under Decree 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in

another Member State, Italian qualified paying agents shall report to the Italian tax authorities details of the relevant payments and personal information on 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.

SUBSCRIPTION AND SALE

The Notes will be purchased and subscribed by BP and Creberg (in such capacity, the “**Underwriters**”). The Underwriters have, pursuant to an underwriting agreement dated the Signing Date between the Issuer, the Underwriters and the Representative of the Noteholders (the “**Underwriting Agreement**”), agreed to subscribe and pay for, or procure the subscription and payment for, each class of Notes at the issue price of 100 per cent. of the aggregate principal amount of Notes.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person except in accordance with Regulation S or in transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the regulations thereunder.

Each Underwriter has represented, warranted and agreed that it has not offered or sold the Notes and will not offer or sell any Notes constituting part of its allotment within the United States or to, or for the benefit of, a U.S. person except in accordance with Rule 903 of Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Underwriter has represented and agreed that neither it, nor its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and that it has and they have complied and will comply with the offering restrictions requirements of Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until the expiration of 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer, distributor or other person (whether or not participating in this offering) may violate the requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Republic of Italy

The offering of the Notes has not been registered with *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) (the Italian securities and exchange commission) pursuant to Italian securities legislation and, accordingly, each Underwriter has represented and agreed, pursuant to the Underwriting Agreement executed on the Signing Date, that it has not offered, sold or distributed, and will not offer, sell or distribute, any Notes or any copy of this Prospectus or any other offer document in the Republic of Italy by means of an offer to the public of financial products under the meaning of article 1, paragraph 1, letter t) of Italian legislative decree No. 58 of 24 February 1998 (the “**Financial Services Act**”), unless an exemption applies. Accordingly, the Notes shall only be offered, sold or delivered and copies of this Prospectus or of any other offering material relating to the Notes may only be distributed in Italy:

- (a) to “qualified investors” (*investitori qualificati*), pursuant to article 100 of the Financial Services Act and article 34-ter, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “**CONSOB Regulation**”); or

- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under article 100 of the Financial Services Act and article 34-ter of the CONSOB Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, the Banking Act and CONSOB Regulation 16190 of 29 October 2007, all as amended;
- (ii) in compliance with article 129 of the Banking Act and with the implementing instructions of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the offering or issue of securities in the Republic of Italy; and
- (iii) in accordance with any other applicable laws and regulations, including all relevant Italian securities, tax and exchange controls, laws and regulations and any limitations which may be imposed from time to time, *inter alia*, by CONSOB or the Bank of Italy.

Notwithstanding the above, in no event may the Junior Notes be sold or offered for sale (on the Issue Date or at any time thereafter) to individuals (*persone fisiche*) residing in the Republic of Italy.

United Kingdom

Each Underwriter has represented and agreed with the Issuer that:

- (a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the “FSMA”) with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

- (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) 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, subject to obtaining the prior consent of the Underwriters for any such offer; or
- (iii) in any other circumstances falling within article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or the Underwriters to publish a prospectus pursuant to article 3 of the Prospectus Directive or supplement a prospectus pursuant to article 16 of the Prospectus Directive.

For the purposes hereof, the expression “**an offer of 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 to the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and 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 each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

General

Each Underwriter has represented, warranted and undertaken that no action has been taken by it that would, or is intended to, permit a public offer of the Notes or possession or distribution of the Prospectus or any other offering or publicity material relating to the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, pursuant to the Underwriting Agreement to which each of them is a party, each Underwriter has undertaken that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish this Prospectus or any prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

ARTICLE 122A OF THE CAPITAL REQUIREMENTS DIRECTIVE

Please refer to paragraph entitled “Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes” of the section entitled “Risk Factors” for further information on the implications of Article 122a for certain investors in the Notes.

Retention statement

The Originators will retain a material net economic interest of at least 5% in the securitisation in accordance with Article 122a of CRD 2. As at the Issue Date, such interest will be comprised of an interest in the Junior Notes which is not less than 5% of the nominal value of the securitized exposures. Any change to this manner in which this interest is held will be notified to investors.

Investors to assess compliance

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 122a and none of the Issuer nor the Underwriters or the other parties to the Transaction Documents make any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes. In addition each prospective Noteholder should ensure that they comply with the implementing provisions in respect of Article 122a in their relevant jurisdiction. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

GENERAL INFORMATION

Authorisation

The issue of the Notes has been authorised by resolutions of the shareholder's meeting of the Issuer passed on 12 February 2013.

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Funds available to the Issuer

The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be from collections made in respect of the Portfolio.

Listing

This Prospectus has been approved by the Central Bank, as competent authority under Directive 2003/71/EC, as amended, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area (the "**Prospectus Directive**"). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Class A Notes to be admitted to the Official List and to trading on its regulated market. Approval by the Central Bank 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.

Clearing systems

The Class A Notes have been accepted for clearance through Monte Titoli by Euroclear and Clearstream, Luxembourg. Monte Titoli shall act as depository for Euroclear and Clearstream, Luxembourg. The ISIN and the Common Codes for the Class A Notes are as follows:

	Class A Notes
Common Code:	090037188
ISIN:	IT0004898539

The address of Monte Titoli is piazza degli Affari, 6, 20123 Milan, Italy, the address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

No significant change

Save as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Issuer since 31 December 2011.

No material contracts or arrangements, other than those disclosed in this Prospectus, have been entered into by the Issuer since the date of its incorporation.

Legal and arbitration proceedings

The Issuer is not involved in any legal, governmental or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had, since its incorporation, significant effects on the financial position or profitability of the Issuer.

Conflicts of interest

There are no restrictions on the Underwriters, *inter alia*, acquiring the Class A Notes and/or financing to or for third parties. Consequently, conflicts of interest may exist or may arise as a result of the Underwriters having different roles in this transaction and/or carrying out other transactions for third parties.

Accounts

The Issuer will produce, and will make available at its registered office, proper accounts (*ordinata contabilità interna*) and audited (to the extent required) financial statements in respect of each financial year (commencing on 1 January and ending on 31 December) but will not produce interim financial statements.

The auditors of the Issuer are Reconta Ernst & Young S.p.A., with offices at via Isonzo, 11, 37126 Verona Milan, belonging to ASSIREVI — *Associazione Italiana Revisori Contabili* and registered in the register for auditors (*registro dei revisori legali*) held by the Minister of Economy and Finance in accordance with legislative decree No. 39 of 27 January 2010 as implemented by the decrees of Minister of Economy and Finance No. 144 of 20 June 2012, No. 145 of 20 June 2012 and No. 146 of 25 June 2012. They have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in Italy for the financial years ended on, respectively, 31 December 2010 and 31 December 2011.

Borrowings

Save as disclosed in this Prospectus, as at the date of this Prospectus, 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.

Post issuance reporting

Under the terms of the Agency and Accounts Agreement, the Computation Agent shall prepare and deliver by no later than five Business Days following each Interest Payment Date to the Issuer, the Servicers, the Underwriters, the Corporate Servicer, the Rating Agencies, the Paying Agent, the Interim Account Bank, the Transaction Bank, the Representative of the Noteholders and the Irish Stock Exchange for so long as the Class A Notes are listed on such stock exchange the Investor Reports, containing details of, *inter alia*, the Notes (and any amounts paid thereunder on the immediately preceding Interest Payment Date), the Claims, amounts received by the Issuer from any source during the preceding Collection Period, amounts paid by the Issuer during such Collection Period and amounts paid by the Issuer on the immediately preceding Interest Payment Date.

Each released Investor Report shall be available for collection at the registered office of the Representative of the Noteholders and at the registered offices of the Paying Agent. The Investor Report will be also made available to the Noteholders and the Issuer Secured Creditors on a semi-annually basis via the Computation Agent's internet website currently located at <https://gctabsreporting.bnpparibas.com/index.jsp>. The Computation Agent's internet website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon.

Documents

As long as the Class A Notes are listed on the Irish Stock Exchange, copies of the following documents (and, with regard to the documents listed under paragraphs (a) and (b) below, the English translations thereof) will, when published, be available (and, in respect of paragraphs (a), (b), (c), (d)(1) and (d)(15) below, for collection and free of charge) in electronic means during usual business hours on any weekday (Saturdays and public holidays excepted) from the registered office of the Issuer, the registered office of the Representative of the Noteholders and the Specified Offices of the Paying Agent (as set forth in Condition 17 (*Notices*)):

- (a) the by-laws (*statuto*) and the deed of incorporation (*atto costitutivo*) of the Issuer;
- (b) the annual audited (to the extent required) financial statements of the Issuer for the last two financial years ended on 31 December 2010 and 31 December 2011, respectively. The financial statements and the financial reports are drafted in Italian. The Issuer does not publish statutory interim accounts;
- (c) the Servicer Reports setting forth the performance of the Claims and Collections made in respect of the Claims prepared by the Servicers; and
- (d) copies of the following documents:
 - 1. the Underwriting Agreement;
 - 2. the Agency and Accounts Agreement;
 - 3. the Mandate Agreement;
 - 4. the Intercreditor Agreement;
 - 5. the Italian Deed of Pledge;
 - 6. the English Deed of Charge and Assignment;
 - 7. the Corporate Services Agreement;
 - 8. the Shareholder's Commitment;
 - 9. the Letter of Undertaking;
 - 10. the Transfer Agreements;
 - 11. the Servicing Agreements;
 - 12. the Warranty and Indemnity Agreements;
 - 13. the Subordinated Loan Agreement;
 - 14. the Investor Reports; and
 - 15. a copy of this Prospectus.

The Prospectus will be published on the websites of, respectively, the Irish Stock Exchange (www.ise.ie) and the Central Bank (www.centralbank.ie).

Any references to websites and website addresses (and the contents thereof) do not form part of this Prospectus.

Notes freely transferable

The Class A Notes shall be freely transferable.

Annual fees

The estimated annual fees and expenses payable by the Issuer in connection with the transaction described herein (inclusive of the total expenses related to the admission to trading, being equal to € 1,800) amount to approximately € 81,500, excluding all fees payable to the Servicers under the Servicing Agreements, plus any VAT if applicable.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2010 and 31 December 2011, respectively, together in each case with the audit report thereon, which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Irish Stock Exchange. Such documents shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Those parts of the documents incorporated by reference in this Prospectus which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the Class A Notes or the relevant information is included elsewhere in this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of documents deemed to be incorporated by reference in this Prospectus (i) may be obtained (without charge), during usual office hours on any weekday, from the registered office of the Issuer and the Specified Offices of, respectively, the Representative of the Noteholders and the Paying Agent (as set forth in Condition 17 (*Notices*)) and (ii) are included in the prospectus dated 21 December 2012 prepared by the Issuer in the context of the Previous Securitisation and published on the website of the Irish Stock Exchange at http://www.ise.ie/debt_documents/Prospectus%20-%20Standalone_1455457a-8909-4318-a6a5-db44425c0d9c.pdf.

Any non incorporated parts of the prospectus dated 21 December 2012 prepared by the Issuer in the context of the Previous Securitisation are either not relevant for the investors or are covered elsewhere within the Prospectus.

The table below sets out the relevant page references for the financial statements of the Issuer for the financial years ended 31 December 2010 and 31 December 2011, respectively, together in each case with the audit report thereon. Information contained in the documents incorporated by reference other than information listed in the table below is for information purposes only, and does not form part of this Prospectus.

Documents	Information contained	Page
Financial statements as at 31 December 2010	Report on the management	78
	Balance sheet	83
	Income statement	83
Auditors' report	Report of the auditors on the financial statements of the Issuer as at 31 December 2010	129

Documents	Information contained	Page
Financial statements as at 31 December 2011	Report on the management	133
	Balance sheet	139
	Income statement	141
Auditors' report	Report of the auditors on the financial statements	141

of the Issuer as at 31 December 2011

INDEX OF DEFINED TERMS

€	iii, 85	BP Borrowers.....	53
2010 PD Amending Directive.....	181	BP Claims	27, 53, 80, 148
24 Hours	121	BP Collection Account.....	31, 76, 80
48 Hours	121	BP Collection Policies	80
Account.....	31, 76, 79	BP Collections	28, 80
Accounts	31, 76, 79	BP Criteria	148
Accumulation Date	79	BP Interim Account	30, 76, 81
Additional Claim	156	BP Loan	81
Additional Claims Purchase Price	157	BP Loans.....	27, 53, 81
Administrative Servicer	21, 80	BP Portfolio	27, 53, 81, 148
Administrative Services Agreement	21, 80, 168	BP Servicing Agreement.....	20, 81, 159
Affected Claims	166	BP Transfer Agreement.....	20, 81, 148
Affected Loans.....	80	BP Warranty and Indemnity Agreement	81
Agency and Accounts Agreement	21, 78	BPI.....	59
Agent Bank	22, 78	BPL Loans	148
Agents.....	78	BPVN.....	59
Aggregate Prepayment Amounts	80	Business Day	24, 81
Article 65	10	Calculation Amount	81
Available Prepayment Amounts.....	80	Calculation Date	36, 81
Back-up Servicer	163	Cancellation Date.....	81
Back-up Servicer Facilitator	22, 80	Cash Reserve	48, 52, 81, 82
Banco Popolare.....	80	Cash Reserve Account	31, 76, 81
Banco Popolare Group.....	59	Central Bank	i
Banking Act	19	Chairman	122
Basic Terms Modification.....	80, 121	Claim	81
Block Voting Instruction	121	Claims.....	i, 27, 53, 81, 148
Blocked Notes.....	122	Class	79
BNPSS Milan Branch	20	Class A Noteholders.....	25, 78
Borrower	80	Class A Notes.....	i, 22, 78
Borrowers	53, 80	Class A Rate of Interest.....	81, 104
BP	i, 19, 80	Clearstream, Luxembourg.....	i, 81

Collection Date	28, 81	Debtor	83
Collection Period	28, 81	Debtor Insolvency Proceedings	160
Collection Policies	82	Decree	173
Collection Policy	160	Decree 239	13, 83, 172
Collections	28, 82	Decree 239 Withholding	25, 83
Computation Agent	21, 78	Decree 461	174
Condition	i	Decree 84	177
Conditions	i, 23, 78	Decree No. 201/2011	177
CONSOB	i, 82, 179	Defaulted Claim	30
CONSOB Regulation	179	Defaulted Claims	83
Corporate Servicer	21, 82	Eligible Institution	35, 83
Corporate Services Agreement	21, 82, 168	English Assets	84
CRA Regulation	i, 51	English Deed of Charge and Assignment	25, 84, 168
Creberg	i, 20, 68, 82	English Law Transaction Documents	84
Creberg Borrowers	53	Equity Capital Account	32, 77, 84
Creberg Claims	27, 53, 82, 148	EURIBOR	i, 84
Creberg Collection Account	31, 76, 82	euro	iii, 85
Creberg Collection Policies	82	Euro	iii, 85
Creberg Collections	28, 82	Euroclear	i, 85
Creberg Criteria	152	Event of Default	46, 85, 112
Creberg Interim Account	30, 76, 82	Excluded Claim	156
Creberg Loan	82	Expenses Account	30, 76, 85
Creberg Loans	27, 53, 82, 148	Extraordinary Resolution	85, 122
Creberg Portfolio	27, 53, 82, 148	Final Redemption Date	85
Creberg Servicing Agreement	20, 82, 159	Financial Services Act	179
Creberg Transfer Agreement	20, 82, 148	Financing Banks	48, 85, 170
Creberg Warranty and Indemnity Agreement	82	Fitch	85
<i>Crediti ad Incaglio</i>	29, 82	FSMA	180
<i>Crediti in Sofferenza</i>	30, 83	Fund	173
Criteria	83	Further Notes	103
Cure Period	166	Further Portfolios	103
DBRS	i, 27, 83	Further Securitisation	17, 103

Further Security	103	Italian Law Transaction Documents	88
Group	59	Italian Pension Fund	173
Guarantee	85	Italian Real Estate Fund	172
holders	79	Judicial Proceedings	160
Individual Purchase Price	155	Junior Noteholders.....	25, 78
Initial Execution Date	20, 86, 148	Junior Notes	i, 22, 78
Initial Portfolio Outstanding Amount	86	Junior Notes Remuneration	88
Insolvency Event	93	Letter of Undertaking	48, 88, 170
Insolvent	86	Limited Recourse Loan.....	88
Insurance Premia	38, 86, 158	Loan	88
Intercreditor Agreement.....	26, 86, 169	Loans	27, 53, 88, 148
Interest Amount	86	Local Business Day	88, 112
Interest Amount Arrears.....	86	Mandate Agreement.....	26, 88, 169
Interest Determination Date.....	86	Maturity Date.....	i, 25, 43, 88, 107
Interest Payment Date.....	24, 86	Meeting	88, 122
Interest Period.....	i, 86, 104	Merger	59
Interim Account	30, 76, 86	Monte Titoli	i, 89
Interim Account Bank.....	22, 78	Monte Titoli Account Holder	89
Interim Accounts.....	30, 76, 86	Moody's	i, 27, 89
Intermediary.....	173	Most Senior Class	89
Investor Report	36, 146	Note Security	25, 89, 99
Irish Stock Exchange	86	Noteholder	78
Issue Date	i, 22, 78	Noteholders.....	25, 78, 79
Issuer.....	i, 19, 78, 86, 137	Notes.....	i, 22, 78
Issuer Acceleration Notice	47, 87, 113	Organisation of Noteholders	89
Issuer Available Funds	37, 87	Originator.....	i, 20, 89
Issuer Creditors	25, 87	Originator's Claims.....	38, 89
Issuer Secured Creditors	87	Originators	i, 20, 89
Issuer's Rights	88	Other Issuer Creditors.....	26, 89
Italian Account.....	76, 88	Outstanding Principal	89
Italian Accounts	30, 76, 88	Paying Agent.....	22, 78
Italian Deed of Pledge.....	25, 88, 169	Payments Account	31, 76, 89

Payments Report.....	36, 145	Relevant Fraction.....	122
Portfolio	27, 53, 89, 148	Relevant Implementation Date	180
Portfolio Outstanding Amount.....	89	Relevant Member State.....	180
Post-Enforcement Final Redemption Date	89	Relevant Provisions	129
Post-Enforcement Priority of Payments.....	41, 90, 98	Reporting Date.....	28, 91
Pre-Enforcement Priority of Payments	38, 90, 96	Representative of the Noteholders	20, 78
Prepayment Amount	90	Retention Amount	30, 76, 91
Previous Portfolio	19, 137	Right to Sell	61
Previous Securitisation	90	Rules of the Organisation of Noteholders.....	78
Previous Securitisation Notes	19, 90, 137	S&P.....	91
Previous Shareholder's Commitment	170	Screen Rate	84
Previous Transaction Documents.....	90	Secured Amounts	91
Principal Amount Outstanding.....	24, 90	Securities Act	ii
Principal Factor.....	90	Securitisation	ii, 79
Principal Payment	25, 107	Securitisation Law	i, 19, 79, 137
Principal Payments	90	Securitisation Services.....	21
Priority of Payments	90	Security Interest	91
Proceedings.....	160	Servicer	20, 91, 159
Prospectus	i, 90	Servicer of the BP Portfolio	20, 91, 159
Prospectus Directive	i, 181, 183	Servicer of the Creberg Portfolio	20, 91, 159
Proxy.....	122	Servicer Report	28, 91, 161
Purchase Price.....	90	Servicer Report Delivery Failure Event.....	93
Purchase Price Interest Amount	156	Servicer's Advance	38, 91
Purchase Prices	90	Servicers	20, 91, 159
Put Option Notice	166	Servicing Agreement	20, 92, 159
Rateo Amounts.....	38, 90, 157	Servicing Agreements.....	20, 92, 159
Rating Agencies	i, 27	Servicing Settlement Expenses Amount	163
Reference Banks	91	Settlement Expenses Amount	157
Relevant Class of Notes.....	122	SGRs.....	173
Relevant Clearing System.....	91	Shareholder's Commitment	92, 137, 170
Relevant Date.....	91	SICAV	173
Relevant Day-Count Fraction	91	Signing Date	20, 78

SIMs	173	Underwriters	92, 179
SMEs	i, 27, 92	Underwriting Agreement	92, 179
Specified Offices.....	92	Unpaid Instalment.....	30, 92
Statement of the Transaction Accounts	32	Usury Law	9
Subordinated Loan.....	22, 92	Usury Law Decree	9
Subordinated Loan Agreement	22, 92	Usury Rates.....	9
Subordinated Loan Provider	22, 92	Usury Regulations	9
Target Cash Reserve Amount.....	48, 52, 92	Valuation Date	53, 92
TARGET Settlement Day	92	Voter.....	122
TARGET System	92	Voting Certificate.....	122
Transaction Account	31, 76, 92	Warranty Agreement	93
Transaction Accounts.....	31, 76, 92	Warranty and Indemnity Agreement	165
Transaction Bank	21, 78	Warranty and Indemnity Agreements	27, 93, 165
Transaction Documents	92	White List States.....	173
Transfer Agreement	92	Written Resolution	93
Transfer Agreements	92, 148		
€	iii, 85	Agents.....	78
2010 PD Amending Directive.....	181	Aggregate Prepayment Amounts	80
24 Hours	121	Article 65	10
48 Hours	121	Available Prepayment Amounts.....	80
Account.....	31, 76, 79	Back-up Servicer	163
Accounts	31, 76, 79	Back-up Servicer Facilitator	22, 80
Accumulation Date	79	Banco Popolare.....	80
Additional Claim	156	Banco Popolare Group.....	59
Additional Claims Purchase Price	157	Banking Act	19
Administrative Servicer	21, 80	Basic Terms Modification.....	80, 121
Administrative Services Agreement	21, 80, 168	Block Voting Instruction	121
Affected Claims	166	Blocked Notes.....	122
Affected Loans.....	80	BNPSS Milan Branch	20
Agency and Accounts Agreement	21, 78	Borrower	80
Agent Bank	22, 78	Borrowers	53, 80

BP	i, 19, 80	Collection Date	28, 81
BP Borrowers.....	53	Collection Period	28, 81
BP Claims	27, 53, 80, 148	Collection Policies	82
BP Collection Account.....	31, 76, 80	Collection Policy	160
BP Collection Policies	80	Collections	28, 82
BP Collections	28, 80	Computation Agent.....	21, 78
BP Criteria	148	Condition	i
BP Interim Account	30, 76, 81	Conditions.....	i, 23, 78
BP Loan	81	CONSOB	i, 82, 179
BP Loans.....	27, 53, 81	CONSOB Regulation.....	179
BP Portfolio	27, 53, 81, 148	Corporate Servicer	21, 82
BP Servicing Agreement.....	20, 81, 159	Corporate Services Agreement	21, 82, 168
BP Transfer Agreement.....	20, 81, 148	CRA Regulation.....	i, 51
BP Warranty and Indemnity Agreement	81	Creberg	i, 20, 68, 82
BPI.....	59	Creberg Borrowers.....	53
BPL Loans	148	Creberg Claims	27, 53, 82, 148
BPVN.....	59	Creberg Collection Account.....	31, 76, 82
Business Day	24, 81	Creberg Collection Policies	82
Calculation Amount	81	Creberg Collections	28, 82
Calculation Date	36, 81	Creberg Criteria	152
Cancellation Date.....	81	Creberg Interim Account	30, 76, 82
Cash Reserve	48, 52, 81, 82	Creberg Loan	82
Cash Reserve Account	31, 76, 81	Creberg Loans.....	27, 53, 82, 148
Central Bank	i	Creberg Portfolio	27, 53, 82, 148
Chairman	122	Creberg Servicing Agreement.....	20, 82, 159
Claim	81	Creberg Transfer Agreement.....	20, 82, 148
Claims.....	i, 27, 53, 81, 148	Creberg Warranty and Indemnity Agreement	82
Class	79	<i>Crediti ad Incaglio</i>	29, 82
Class A Noteholders.....	25, 78	<i>Crediti in Sofferenza</i>	30, 83
Class A Notes.....	i, 22, 78	Criteria	83
Class A Rate of Interest.....	81, 104	Cure Period	166
Clearstream, Luxembourg.....	i, 81	DBRS.....	i, 27, 83

Debtor	83	Further Security	103
Debtor Insolvency Proceedings	160	Group	59
Decree	173	Guarantee	85
Decree 239	13, 83, 172	holders	79
Decree 239 Withholding	25, 83	Individual Purchase Price	155
Decree 461	174	Initial Execution Date	20, 86, 148
Decree 84	177	Initial Portfolio Outstanding Amount	86
Decree No. 201/2011	177	Insolvency Event	93
Defaulted Claim	30	Insolvent	86
Defaulted Claims	83	Insurance Premia	38, 86, 158
Eligible Institution	35, 83	Intercreditor Agreement	26, 86, 169
English Assets	84	Interest Amount	86
English Deed of Charge and Assignment	25, 84, 168	Interest Amount Arrears	86
English Law Transaction Documents	84	Interest Determination Date	86
Equity Capital Account	32, 77, 84	Interest Payment Date	24, 86
EURIBOR	i, 84	Interest Period	i, 86, 104
euro	iii, 85	Interim Account	30, 76, 86
Euro	iii, 85	Interim Account Bank	22, 78
Euroclear	i, 85	Interim Accounts	30, 76, 86
Event of Default	46, 85, 112	Intermediary	173
Excluded Claim	156	Investor Report	36, 146
Expenses Account	30, 76, 85	Irish Stock Exchange	86
Extraordinary Resolution	85, 122	Issue Date	i, 22, 78
Final Redemption Date	85	Issuer	i, 19, 78, 86, 137
Financial Services Act	179	Issuer Acceleration Notice	47, 87, 113
Financing Banks	48, 85, 170	Issuer Available Funds	37, 87
Fitch	85	Issuer Creditors	25, 87
FSMA	180	Issuer Secured Creditors	87
Fund	173	Issuer's Rights	88
Further Notes	103	Italian Account	76, 88
Further Portfolios	103	Italian Accounts	30, 76, 88
Further Securitisation	17, 103	Italian Deed of Pledge	25, 88, 169

Italian Law Transaction Documents	88	Payments Report.....	36, 145
Italian Pension Fund	173	Portfolio	27, 53, 89, 148
Italian Real Estate Fund	172	Portfolio Outstanding Amount	89
Judicial Proceedings	160	Post-Enforcement Final Redemption Date	89
Junior Noteholders.....	25, 78	Post-Enforcement Priority of Payments.....	41, 90, 98
Junior Notes	i, 22, 78	Pre-Enforcement Priority of Payments	38, 90, 96
Junior Notes Remuneration	88	Prepayment Amount	90
Letter of Undertaking	48, 88, 170	Previous Portfolio	19, 137
Limited Recourse Loan.....	88	Previous Securitisation	90
Loan	88	Previous Securitisation Notes	19, 90, 137
Loans	27, 53, 88, 148	Previous Shareholder's Commitment	170
Local Business Day	88, 112	Previous Transaction Documents.....	90
Mandate Agreement.....	26, 88, 169	Principal Amount Outstanding.....	24, 90
Maturity Date.....	i, 25, 43, 88, 107	Principal Factor.....	90
Meeting.....	88, 122	Principal Payment	25, 107
Merger	59	Principal Payments	90
Monte Titoli	i, 89	Priority of Payments	90
Monte Titoli Account Holder	89	Proceedings.....	160
Moody's	i, 27, 89	Prospectus	i, 90
Most Senior Class	89	Prospectus Directive	i, 181, 183
Note Security	25, 89, 99	Proxy.....	122
Noteholder	78	Purchase Price.....	90
Noteholders.....	25, 78, 79	Purchase Price Interest Amount	156
Notes.....	i, 22, 78	Purchase Prices	90
Organisation of Noteholders	89	Put Option Notice	166
Originator.....	i, 20, 89	Rateo Amounts.....	38, 90, 157
Originator's Claims.....	38, 89	Rating Agencies	i, 27
Originators	i, 20, 89	Reference Banks	91
Other Issuer Creditors	26, 89	Relevant Class of Notes	122
Outstanding Principal	89	Relevant Clearing System.....	91
Paying Agent.....	22, 78	Relevant Date.....	91
Payments Account	31, 76, 89	Relevant Day-Count Fraction	91

Relevant Fraction.....	122	SIMs	173
Relevant Implementation Date	180	SMEs	i, 27, 92
Relevant Member State.....	180	Specified Offices.....	92
Relevant Provisions	129	Statement of the Transaction Accounts.....	32
Reporting Date	28, 91	Subordinated Loan.....	22, 92
Representative of the Noteholders	20, 78	Subordinated Loan Agreement	22, 92
Retention Amount.....	30, 76, 91	Subordinated Loan Provider	22, 92
Right to Sell	61	Target Cash Reserve Amount.....	48, 52, 92
Rules of the Organisation of Noteholders.....	78	TARGET Settlement Day	92
S&P.....	91	TARGET System	92
Screen Rate	84	Transaction Account	31, 76, 92
Secured Amounts	91	Transaction Accounts.....	31, 76, 92
Securities Act	ii	Transaction Bank	21, 78
Securitisation	ii, 79	Transaction Documents	92
Securitisation Law	i, 19, 79, 137	Transfer Agreement	92
Securitisation Services	21	Transfer Agreements	92, 148
Security Interest	91	Underwriters	92, 179
Servicer	20, 91, 159	Underwriting Agreement	92, 179
Servicer of the BP Portfolio	20, 91, 159	Unpaid Instalment.....	30, 92
Servicer of the Creberg Portfolio	20, 91, 159	Usury Law	9
Servicer Report	28, 91, 161	Usury Law Decree	9
Servicer Report Delivery Failure Event.....	93	Usury Rates.....	9
Servicer's Advance	38, 91	Usury Regulations	9
Servicers	20, 91, 159	Valuation Date	53, 92
Servicing Agreement	20, 92, 159	Voter.....	122
Servicing Agreements	20, 92, 159	Voting Certificate.....	122
Servicing Settlement Expenses Amount	163	Warranty Agreement	93
Settlement Expenses Amount	157	Warranty and Indemnity Agreement	165
SGRs.....	173	Warranty and Indemnity Agreements	27, 93, 165
Shareholder's Commitment	92, 137, 170	White List States.....	173
SICAV.....	173	Written Resolution	93
Signing Date	20, 78		

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