PROSPECTUS

FUCINO RMBS S.R.L.

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

Euro 128,915,000.00 Class A Residential Mortgage Backed Floating Rate Notes due December 2060
Issue Price: 100% per cent

Euro 5,997,000.00 Class B Residential Mortgage Backed Floating Rate Notes due December 2060
Issue Price: 100% per cent

This prospectus (the “Prospectus” or the “Offering Circular”) contains information relating to the issue by Fucino RMBS S.r.l., a limited liability company organised under the laws of the Republic of Italy (the “Issuer”) on 15 April 2019 (the “Issue Date”) of the Euro 128,915,000.00 Class A Residential Mortgage Backed Floating Rate Notes due December 2060 (the “Class A Notes” or the “Senior Notes”) and the Euro 5,997,000.00 Class B Residential Mortgage Backed Floating Rate Notes due December 2060 (the “Class B Notes” or the “Mezzanine Notes” and, together with the Senior Notes, the “Notes”). In connection with the issuance of the Notes, the Issuer will issue Euro 14,990,000.00 Class J Notes Residential Mortgage Backed Floating Rate and Additional Return Notes due December 2060 (the “Class J Notes” or the “Junior Notes and, together with the Senior Notes and the Mezzanine Notes, the “Notes”). This Prospectus is a prospectus for the Senior Notes and the Mezzanine Notes for the purposes of article 5.3 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 as amended or superseded, (the “Prospectus Directive”) including any implementing measure in Ireland as well as a Prospectus for the Class J Notes, pursuant to paragraph 5 of Article 130 of the Prospectus Directive, (the “Law 130”) or also the “Securitisation Law”). The Class J Notes are not being offered pursuant to this Prospectus and any information contained herein in relation to the Class J Notes has been included purely to assist potential Noteholders when assessing a potential investment in the Notes.

This Prospectus has been approved by the Central Bank of Ireland (the “Central Bank”), as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive for the purposes of giving information with regard to the issue of the Notes. By approving this Prospectus, the Central Bank assumes no responsibility as to the economic and financial soundness of the transaction and the quality and solvency of the Issuer, Such approval relates only to the Senior Notes and to the Mezzanine Notes which are to be admitted to trading on a regulated market in accordance with the Prospectus Directive 2003/71/EC and any implementing measure in any Member State of the European Economic Area. Application has also been made to the Irish Stock Exchange plc, trading as Euronext Dublin (“Euronext Dublin”) for the Notes to be admitted to its official list (the “Official List”) and to be admitted to its trading regulated market. References in this Prospectus to the Notes being “listed” (and all related references) shall mean that the Rated Notes have been admitted to the Official List and admitted to trading on Euronext Dublin’s regulated market. Euronext Dublin’s regulated market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments. No application has been made to list the Junior Notes on any stock exchange. The Junior Notes are not being offered pursuant to this Prospectus, nor will this Prospectus will be approved by the Central Bank in relation to the Junior Notes.

The net proceeds of the offering of the Notes will be mainly applied by the Issuer to fund the purchase of a portfolio of monetary claims (the “Portfolio” and the “Claims”, respectively) arising under residential mortgage loans originated by Banca del Fucino S.p.A. (“Banca del Fucino” or the “Originator”). The Portfolio has been purchased by the Issuer under the terms of a transfer agreement between the Issuer and the Originator pursuant to the Securitisation Law executed on 25 March 2019, as subsequently amended on or prior to the Issue Date, (the “Transfer Agreement”). The principal source of payment of interest and repayment of principal on the Notes will be collections and recoveries made from or in respect of the Portfolio.

By virtue of the operation of article 3 of the Securitisation Law and the Transaction Documents, the Issuer’s right, title and interest in and to the Portfolio and the other Segregated Assets (as defined below) will be segregated from all other assets of the Issuer (including any other portfolios of receivables purchased by the Issuer pursuant to the Securitisation Law) and any cash-flow deriving therefrom (to the extent identifiable) will be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to any other creditors of the Issuer in respect of any costs, fees and expenses relating to the Transaction, in priority to the Issuer’s obligations to any other creditors.

If the Notes cannot be redeemed in full on the Final Maturity Date following the application of all funds available, as a result of the Issuer having insufficient funds available to it in accordance with the Conditions for application in or towards such redemption, the Issuer will have no other funds available to it to be paid to the Noteholders. If any amounts remain outstanding in respect of the Notes upon expiry of the Final Maturity Date (as defined below), such amounts (and the obligations to make payments in their respect) will be deemed to be released by the Noteholders and the Notes will be cancelled.

The Notes will be subject to mandatory redemption in whole or in part on each Payment Date. Unless previously redeemed in accordance with their applicable terms and conditions (the “Conditions”), the Notes are to be redeemed on the Payment Date falling in December 2060 (the “Final Maturity Date”). The Notes of each Class will be redeemed in the manner specified in Condition 6 (Redemption, Purchase and Cancellation). Before the Final Maturity Date, the Notes may be redeemed at the option of the Issuer at their Principal Amount Outstanding together with accrued interest to the date fixed for redemption under Condition 6.2 (Redemption for Taxation) and Condition 6.4 (Optional Redemption).

Interest on the Notes will accrue from the Issue Date and will be payable on 30 September 2019 (the “First Payment Date”) and thereafter quarterly in arrear on the last calendar day of March, June, September and December in each year (each a “Payment Date”) or if any such day is not a Business Day (as defined in the Condition), the following Business Day (as defined in the Condition). The Notes will bear interest from (and including) a Payment Date to (but excluding) the next following Payment Date (each an “Interest Period”) provided that the first Interest Period (the “Initial Interest Period”) shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date. The Notes of each Class shall bear interest at an annual rate equal to the Euro-Zone Inter-bank offered rate for three months deposits in Euro (the “Three Month Euribor”) (or, in the case of the Initial Interest Period, the rate per annum obtained by linear interpolation of the Euribor for three months and six months deposits in Euro), as determined and defined in accordance with Condition 5 (Interest), plus a margin of: 0.30% per annum for the Class A Notes; 1.20% per annum for the Class B Notes; 2.00% per annum for the Class J Notes. In any case the Interest Rate (being the Three Month Euribor plus the relevant margin) applicable to the Class B Notes shall not be higher than 4.00% per annum and the Interest Rate (being the Three Month Euribor plus the relevant margin) applicable to the Notes shall not be negative. On each Payment Date a Class J Notes Additional Return (each as defined below) may or may not be payable in addition to interest.

All payments of principal and interest on the Notes will be made free and clear of any withholding or deduction for Italian withholding taxes, subject to the requirements of Italian Legislative Decree number 239 of 1 April 1996, as amended and supplemented, unless the Issuer is required by any applicable law to make such a withholding or deduction. If any withholding tax is applicable to the Notes, payments of interest on, and principal of the Notes will be made subject to such withholding tax, without the Issuer or any other Person being obliged to pay any additional amounts to any holder of Notes of any Class as a consequence. For further details see the section entitled “Taxation in the Republic of Italy.”

Both before and after a winding-up of the Issuer, the Issuer’s rights, title and interest in and to the Portfolio, to all amounts deriving therefrom and to the other Segregated Assets will be available exclusively for the purposes of satisfying the Issuer’s obligations to the Noteholders, the other Issuer Creditors and any other party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the securitisation of the Portfolio (the “Transaction”) and to the corporate existence and good standing of the Issuer. The Noteholders will agree that the Issuer Available Funds (as defined below in the Conditions) will be applied by the Issuer in accordance with the Order of Priority of application of the Issuer Available Funds set forth in the Intercreditor Agreement and the Conditions.
The Notes will be held in dematerialized form on behalf of the Noteholders as of the Issue Date until redemption or cancellation thereof by Monte Titoli S.p.A. (“Monte Titoli”), for the account of the relevant Monte Titoli Account Holders. The expression “Monte Titoli Account Holders” means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes any depository banks appointed by Clearstream Banking S.A. (“Clearstream”) and Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”). Monte Titoli shall act as depository for Clearstream and Euroclear. The Notes will at all times be evidenced by book-entries in accordance with the provisions of article 83-bis of Italian Legislative Decree number 58 of 24 February 1998 and with the Regulation jointly issued by Commissione Nazionale per le Società e la Borsa (“CONSOB”) and the Bank of Italy on 13 August 2018, as amended from time to time.

Calculations as to the expected average life of the Class A Notes and the Class B Notes can be made based on certain assumptions as set out in the section “Weighted Average Life of the Rated Notes”, including, but not limited to, the level of the prepayment of the Claims. However, there is no certainty either that the assumptions made will materialise or that the Class A Notes or the Class B Notes will receive their full principal outstanding and all the interest accrued thereon and ultimately the obligations of the Issuer to pay principal and interest on the Class A Notes and the Class B Notes could be reduced as a result of losses incurred in respect of the Portfolio.

The Senior Notes are expected, on issue, to be rated “AA(low)(sf)” by DBRS (as defined below) and “Aa3(sf)” by Moody’s (as defined below) and the Mezzanine Notes are expected, on issue, to be rated “A(low)(sf)” by DBRS and “Ba1(sf)” by Moody’s. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation. As of the date hereof, DBRS and Moody’s are established in the European Union and are registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EC) No. 513/2011 and Regulation (EC) number 462/2013 (the “CRA Regulation”), as it appears from the most updated list published by the European Securities and Markets Authority on the webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs.

The Issuer will be relying on an exclusion or exemption from the definition of “investment company” under the Investment Company Act of 1940, as amended (the “Investment Company Act”) contained in Section 3(c)(7)(C) of the Investment Company Act, although there may be additional exclusions or exemptions available to the Issuer. The Issuer is being structured so as not to constitute a “covered fund” for purposes of the Volcker Rule under the Dodd-Frank Act (both as defined in this Prospectus). No assurance can be given as to the availability of the exclusion or exemption under the Volcker Rule and investors should consult their own legal and regulatory advisors with respect to such matters and assess for themselves the availability of this or other exemptions or exclusions and the legality of their investment in the Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or any other jurisdiction. Accordingly, the Notes are being offered and/or sold only outside the United States in accordance with Regulation S under the Securities Act and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See the section headed “Subscription, Sale and Selling Restrictions”.

U.S. RISK RETENTION – The transaction is not intended to involve the retention by a sponsor for purposes of compliance with the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the “U.S. Risk Retention Requirements”), in reliance on an exemption provided for in Rule 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Accordingly, and notwithstanding the foregoing, the Notes may not be purchased by, or for the account of, any Risk Retention U.S. Person. See the section entitled “Risk Factors - U.S. Risk Retention Requirements”. No assurance can be given as to the availability of the foreign “safe harbor” under the U.S. Risk Retention Rules and investors should consult their own legal and regulatory advisors with respect to such matters.

MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended or superseded, the “MIFID II”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 3(2) of the MIFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended or superseded, the (“IDD”), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPS Regulation”) for offering or selling the Notes will be available to retail investors in the EEA have been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

BENCHMARK REGULATION – Interest amounts payable on the Notes will be calculated by reference to Euribor which is provided by the European Money Markets Institute (“EMMI”). As at the date of this Prospectus, EMMI does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“ESMA”) pursuant to article 36 of the Regulation (EU) No. 2016/1011 (the “Benchmark Regulation”). As far as the Issuer is aware, the transitional provisions in article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation/registration. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Prospectus to reflect any change in the registration status of the administrator.

Under the Intercreditor Agreement and the Notes Subscription Agreement, the Originator has undertaken that it will retain at the origination and maintain on an ongoing basis a material net economic interest of not less than 5% in the securitisation in accordance with option (3)(d) of article 6 of the Regulation (EU) number 2017/2402 (together with any relevant Regulatory Technical Standards and/or any relevant implementing measures or official guidance in relation thereto, in each case, as amended varied or substituted from time to time, the “Securitisation Regulation”). As at the Issue Date, such interest comprised a retention of the first loss tranche (being the Junior Notes), which in total is not less than 5% of the nominal value of the securitised exposures.


The content of any website or webpage mentioned in this Prospectus does not form part of this Prospectus.

For a discussion of certain risks and other factors that should be considered in connection with this Prospectus and an investment in the Notes, see the section headed “Risk Factors”.

This Prospectus is made available in an electronic form. You are reminded that documents made available via this medium may be altered or changed during the process of electronic transmission or access and consequently none of the Issuer, the Arrangers nor the parties to the Transaction or any person who controls any such person or any director, officer, employee or agent of any such person (or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and any hard copy version available to you on request from the Issuer and J.P.
RESPONSIBILITY FOR INFORMATION

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

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

The Originator has provided the information under the sections headed “The Portfolio”, “The Originator, the Collection Account Bank, the Administrative Services Provider and the Servicer” and “Collection Policy and Recovery Procedures” and, together with the Issuer, any other information contained in this Prospectus relating to itself and the Portfolio and accepts responsibility for the information contained in those sections. To the best of the knowledge of the Originator (which has 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 true and accurate in all material respects, are not misleading, are in accordance with the facts and does not omit anything likely to affect the import of such information and data.

130 Finance S.r.l. has provided the information under the section headed “The Representative of the Noteholders and the Security Trustee” and, together with the Issuer, accepts responsibility for the information contained in that section. To the best of the knowledge of 130 Finance S.r.l. (which has taken all reasonable care to ensure that such is the case), such information is true and accurate in all material respects, is not misleading, is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, 130 Finance S.r.l. has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

Centrotrenta Servicing S.p.A. has provided the information under the section headed “The Corporate Services Provider, the Computation Agent and the Back-Up Servicer” and, together with the Issuer, accepts responsibility for the information contained in that section. To the best of the knowledge of Centrotrenta Servicing S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is true and accurate in all material respects, is not misleading, is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, Centrotrenta Servicing S.p.A. has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

BNP Paribas Securities Services, has provided the information under the section headed “The Transaction Bank, the Principal Paying Agent, the Cash Manager and the Listing Agent” and, together with the Issuer, accepts responsibility for the information contained in that section. To the best of the knowledge of BNP
Paribas Securities Services (which has taken all reasonable care to ensure that such is the case), such information is true and accurate in all material respects, is not misleading, is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, BNP Paribas Securities Services has, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

J.P. Morgan AG has provided the information under the section headed “The Swap Counterparty and the EMIR Reporting Agent” and, together with the Issuer, accepts responsibility for the information contained in that section related to itself. To the best knowledge of J.P. Morgan AG (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, J.P. Morgan AG has, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

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

The Notes will be direct, secured, limited recourse obligations solely of the Issuer. By operation of Italian law, the Issuer’s rights, title and interest in and to the Portfolio, to all amounts deriving therefrom and the other Segregated Assets (as defined below) will be segregated from all other assets of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by the Originator (in any capacity), the quotaholder of the Issuer and any Other Issuer Creditor (as defined below). Furthermore, no Person and none of such parties (other than the Issuer) accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

The Issuer’s rights, title and interest in and to the Portfolio, to all amounts deriving therefrom and the other Segregated Assets may not be seized or attached in any form by the creditors of the Issuer other than the Noteholders, the Other Issuer Creditors in accordance with the Transaction Documents and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the Transaction and to the corporate existence and good standing of the Issuer, until full redemption or cancellation of the Notes and full discharge by the Issuer of its obligations vis-à-vis the Noteholders, the Other Issuer Creditors and any such third party. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer to inform themselves about, and to observe, any such restrictions. Neither this Prospectus nor any part of it constitutes an offer, and may not be used for the purpose of an offer, to sell any of the Notes, or a solicitation of an offer to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. This Prospectus can only be used for the purposes for which it has been issued.

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

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or the securities laws of any other jurisdiction. Accordingly, the Notes are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act and may not be offered or sold or delivered directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. See the section entitled “Subscription, Sale and Selling Restrictions” (below).

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

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

Words and expressions in this Prospectus shall, except so far as the context otherwise requires, have the same meanings as those set out in the section headed “Terms and Conditions of the Notes”. These and other terms used in this Prospectus are subject to the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.

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

The language of 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.

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

Investing in the Notes involves certain risks. The Issuer believes 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 herein 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 unknown reasons. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. While the various structural elements described in this Prospectus are intended to lessen some of these risks for holders of the Rated Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Rated Notes of interest or principal on the Rated Notes on a timely basis or at all. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Words and expressions defined in the Conditions or elsewhere in this Prospectus have the same meanings in this section.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

CONSIDERATIONS RELATING TO THE ISSUER

Securitisation Law

The Securitisation Law was enacted in the Republic of Italy in April 1999. As at the date of this Prospectus, only limited interpretation of the application of the Securitisation Law has been issued by any Italian court or governmental or regulatory authority, except for limited regulations issued by the Bank of Italy concerning, inter alia, the accounting treatment of securitisation transactions by special purpose companies incorporated under the Securitisation Law, such as the Issuer, and the duties of the companies which carry out collection and recovery activities in the context of a securitisation transaction. Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer, or any other party to the Transaction Documents as at the date of this Prospectus.

On 24 December 2013, Italian Law Decree no. 145 of 23 December 2013 (“Interventi urgenti di avvio del piano “Destinazione Italia”, per il contenimento delle tariffe elettriche e del gas, per la riduzione dei premi RC-auto, per l’internazionalizzazione, lo sviluppo e la digitalizzazione delle imprese, nonché misure per la realizzazione di opere pubbliche ed EXPO 2015”) (the “Decree 145”), converted with amendments into Law No. 9 of 21 February 2014, came into force introducing certain amendments to the Securitisation Law. In particular, Decree 145 has provided, inter alia, that:

(a) the special purpose vehicles incorporated under the Securitisation Law may open segregated accounts with the servicers for the deposit of the collections received from the debtors and the other amounts paid to the special purpose vehicles under the securitisation transactions; the sums deposited into such accounts will be segregated from the assets of the servicers with which the accounts are held, as well as from those of any other person holding deposits with the servicers, and will be available only to satisfy the obligations of the special purpose vehicles vis-à-vis the noteholders and the other
creditors in relation to the securitisation transactions. In the event that the servicers become subject to any proceeding under Title IV of the Consolidated Banking Act or any insolvency proceeding or restructuring agreement, the sums deposited into such accounts will remain outside the servicers’ estate and will not be subject to suspension of payments;

(b) the servicers or the sub-servicers may open accounts with banks for the deposit of the collections received from the debtors; any action from the creditors of the servicers on the sums deposited into such accounts will be prohibited (save for the amounts in excess of those pertaining to the special purpose vehicles). In the event that the servicers become subject to any insolvency proceeding or restructuring agreement, the sums deposited on such accounts, for an amount equal to the amounts pertaining to the special purpose vehicles, will remain outside the servicer’s estate and will not be subject to suspension of payments;

(c) from the date of publication of the notice of transfer of the receivables in the Official Gazette, the debtors will not be entitled to set-off any claim arisen after such date with the amounts due to the special purpose vehicle in relation to the receivables; and

(d) payments made by debtors in relation to receivables in the framework of a securitisation under the Securitisation Law will not be subject to declaration of ineffectiveness pursuant to article 65 of the Italian Bankruptcy Law.

In addition to that, Law Decree No. 91 of 24 June 2014 (“Disposizioni urgenti per il settore agricolo, la tutela ambientale e l’efficientamento energetico dell’edilizia scolastica e universitaria, il rilancio e lo sviluppo delle imprese, il contenimento dei costi gravanti sulle tariffe elettriche, nonché per la definizione immediata di adempimenti derivanti dalla normativa europea”) converted with amendments into Law No. 116 of 11 August 2014 (the “Law 116/2014”) introduced certain amendments to the Securitisation Law for the purpose of improving the Securitisation Law by granting additional legal benefits to the entities involved in securitisation transactions in Italy and by better clarifying certain provisions of the Securitisation Law. For further details with respect to such amendments, please see the paragraphs headed “Rights of set-off and other rights of Borrowers”, “Risk of Losses Associated with Borrowers” below and the section headed “Selected aspects of Italian Law – The Securitisation Law”.

Issuer’s ability to meet its obligations under the Notes

The Notes constitute direct, secured limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of or guaranteed by any of the Representative of the Noteholders, the Quotaholder, the Collection Account Bank, the Cash Manager, the Computation Agent, the Principal Paying Agent, the Listing Agent, the Transaction Bank, the Back-Up Servicer, the Swap Counterparty, the EMIR Reporting Agent, the Corporate Services Provider, the Subordinated Loan Provider, the Administrative Services Provider, the Servicer, the Originator and the Security Trustee. None of the aforementioned parties, other than the Issuer, accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on the Notes.

The Issuer does not, as of the Issue Date, have any significant assets other than the Portfolio and the other Issuer’s Rights. In addition for so long as any amounts remain outstanding in respect of the Notes, the Issuer has undertaken to carry out further securitisation transactions only in accordance with Condition 3 (Covenants). The assets relating to each further securitisation transaction carried out by the Issuer in accordance with Condition 3 (Covenants) will, by operation of law and of the Transaction Documents, be segregated for all purposes from the Portfolio and the Issuer’s rights under the Transaction Documents (see also the risk factor entitled “Further Securitisations” above).
There is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the service of a Trigger Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Notes, or to repay the Notes in full.

If there are not sufficient funds available to the Issuer to pay in full all principal and interest and any other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. After the Notes have become due and payable following the delivery of a Trigger Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of Noteholders of the Issuer’s rights under the Transaction Documents. In this respect, the net proceeds of the realisation of the Issuer’s rights under the Transaction Documents and the Deed of Charge may be insufficient to pay all amounts due to the Noteholders after making payments to other creditors of the Issuer ranking prior thereto. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets of the Issuer will not be available for payment of, such shortfall, all claims in respect of which shall be extinguished.

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent upon the Issuer’s receipt of collections and recovery made on its behalf by the Servicer with respect to the Portfolio, any payments made by the Swap Counterparty under the Swap Agreement and any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party.

In this regard it shall be considered that each of the Noteholders, the Representative of the Noteholders and the Other Issuer Creditors under the Intercreditor Agreement undertake not to (directly or by means of any other person acting on behalf of them) institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, winding up, re-organisation, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations relating to the Notes or the other documents relating to the issue of the Notes for one year and one day (or two years and one day in case of early redemption of the Notes) after the repayment in full or cancellation of all the Notes.

**Liquidity and credit risk**

The Issuer is subject to the risk of delay arising between the scheduled payment dates and the date of receipt of payments due from the Borrowers. The Issuer is also subject to the risk of, among other things, default in payments by the Borrowers and the failure by the Servicer to collect or recover (as the case may be) sufficient funds in respect of the Portfolio in order to enable the Issuer to discharge all amounts payable under the Notes. With respect to the Rated Notes, these risks are mitigated by the liquidity and credit support provided by the establishment of the Cash Reserve, the excess spread and the credit support provided through the subordination of the Junior Notes.

The amounts standing to the credit of the Cash Reserve Account after replenishment in accordance with the Pre-Acceleration Order of Priority may not be sufficient to make up any shortfalls in the amounts required to pay interest on the Senior Notes in accordance with the relevant Order of Priority.

However in each case, there can be no assurance that the levels of collections and the recoveries received with respect to the Portfolio, together with the credit support and the liquidity support provided by respectively the subordination of the Junior Notes and the Cash Reserve (in the case of the interest of the Senior Notes) will be adequate to ensure punctual and full receipt of amounts due under the Notes.
The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by each of Banca del Fucino and the other parties to the Transaction Documents of its respective obligations under the Transaction Documents to which it is a party. In particular, among other things, the timely payment of amounts due on the Notes will depend upon the Servicer’s ability to service the Portfolio and to recover the amounts due in respect of the defaulted claims, as well as the continued availability of hedging under the Swap Agreement. It is not certain that the Servicer will duly perform at all times its obligations under the Servicing Agreement and that a suitable alternative Servicer could be available to service the Portfolio if Banca del Fucino becomes insolvent or their appointment under the Servicing Agreement is otherwise terminated. In order to mitigate the servicing risk in respect of the Portfolio, the Issuer has appointed the Back-Up Servicer. In addition, the Issuer is subject to the risk that, in the event of insolvency of the Servicer, the collections then held by the Servicer are lost or temporarily unavailable to the Issuer. However, such risk has been mitigated by the recent amendments made to the Securitisation Law in respect to the segregation of the accounts opened in the context of securitisation transactions (please see paragraph “Claims of unsecured creditors of the Issuer” below).

In order to reduce such risk, under the Servicing Agreement the Servicer has undertaken to transfer to the Collection Account the Collections related to the Claims comprised in the Portfolio on a daily basis in accordance with the Servicing Agreement. Prospective Noteholders should further note that, following the insolvency of the 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. The Issuer is subject to the risk that monies paid by the Borrowers to the insolvent Servicer prior to the new instructions being issued are lost or temporarily unavailable to the Issuer. In order to reduce such risk, the Issuer has appointed the Back-Up Servicer (so that the risk of delay in the replacement of the initial Servicer should be minimised). It should be noted however that such risk has been mitigated by the recent amendments made to the Securitisation Law in respect to the segregation of the accounts opened in the context of securitisation transactions (please see paragraph “Claims of unsecured creditors of the Issuer” below).

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

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

In some circumstances (including after service of a Trigger Notice), the Issuer could attempt to sell the Portfolio, 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.

**Counterparty risk**
The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by the Originator and the Servicer, the other parties to the Transaction Documents and the Insurance Companies of their respective obligations under the Transaction Documents to which they are parties or the Insurance Policies. Whereas all of the above-mentioned counterparties may be affected by the general economic conditions which, in turn, will affect their ability to provide the services, the timely payment of amounts due on the Notes will depend, in particular, on the ability of the Servicer to service the Portfolio and to recover the amounts relating to Defaulted Claims (if any). The performance of such parties and the Insurance Companies of their respective obligations respectively under the relevant Transaction Documents or the Insurance Policies is dependent on the solvency of each relevant party.

The Issuer’s ability to make payments in respect of the Notes may depend to an extent upon the Originator’s performance under the Transaction Documents. In particular, in the event that the Originator becomes subject to insolvency or similar proceedings, it would no longer be in a position to meet its obligations under the Transaction Documents including *inter alia* the relevant obligations (i) as Servicer, (ii) to indemnify the Issuer under the Warranty and Indemnity Agreement and the Notes Subscription Agreement, and (iii) the relevant obligations to make the payments due to the Issuer in order to adjust the Claims purchase price (i.e. to take into account the additional payment or the reimbursement to be made for any such Claim) in the event that, following the entering into of the Transfer Agreement, it appears that one or more Claims listed under the schedule A thereto do not meet the Criteria as at the Valuation Date (or the specific date referred to in the relevant criterion) and therefore do not fall within the scope of the assignment under the Transfer Agreement. In addition, any payment made by the Originator as an indemnity under the Warranty and Indemnity Agreement and the Notes Subscription Agreement, or as an indemnity for the renegotiation of the Claims under the Servicing Agreement or as repurchase price of the Claims, may be subject to the ordinary claw back regime under Italian law (other than the shorter claw back period that applies to the transfer of the Claims to the Issuer).

In addition to the above, it is not certain that, if Banca del Fucino becomes insolvent or its appointment as Servicer under the Servicing Agreement is otherwise terminated, a suitable alternative servicer could be found to service the Portfolio. If such an alternative servicer were to be found it is not certain whether it would service the Portfolio on the same terms as those provided for in the Servicing Agreement.

It is to be noted that Banca del Fucino and Igea Banca have commenced an integration project (the “Integration Project” as better described in the section headed “The Originator, the Collection Account Bank, the Administrative Services Provider and the Servicer” below) aimed, through the integration of the two credit institutions, primarily at the recapitalisation of Banca del Fucino. Prospective Noteholders should note that, should the Integration Project not be completed, Banca del Fucino may not be in a position to meet its obligations under the Transaction Documents, including its obligations as Servicer. In order to mitigate the servicing risk in respect of the Portfolio, on or about the Issue Date, the Issuer, Banca del Fucino and the Back-up Servicer entered into the Back-up Servicing Agreement pursuant to which the Back-up Servicer has agreed, upon termination of the appointment of Banca del Fucino as Servicer, to replace the Servicer under the Servicing Agreement. However, prospective Noteholders should bear in mind that there can be no assurance in the Back-up Servicer being able to service the Portfolio at the same level as the Servicer. This in turn could result in the failure of, or a delay to, the processing of payments on the Claims and, ultimately, could adversely affect payments of interest and principal being made on the Notes.

In addition, given the recent conversion of Decree 145 into law and in the absence of official interpretations and/or implementing rules, it is not possible to assess precisely whether the Issuer would be exempted from any risk that, in the event of insolvency of the Servicer, any Collection held by the Servicer is lost or frozen (see the risk factor entitled “Commingling Risk”). In order to mitigate any possible risk of commingling, under the Servicing Agreement the Servicer has undertaken to transfer, within 1 (one) Business Day from the relevant receipt the Collections in the Collection Account held by the Collection Bank. Furthermore, in
case of termination of its appointment pursuant to the Servicing Agreement, the Servicer has undertaken to notify the Borrowers to pay any amount due in respect of the Claims directly into replacement collection account opened with an Eligible Institution. However, there is no assurance that the Servicer will timely issue the new payment instructions and the Collections paid by the Borrowers may be lost or temporarily unavailable to the Issuer. (For other risks relating to the Originator, please see the paragraphs entitled “Servicing of the Portfolio”, “Claw back of the sale of the Portfolio”, “Commingling Risk” and “Bank Recovery and Resolution Directive” and section entitled “The Originator, The Administrative Services Provider, the Collection Account Bank and the Servicer”).

However it is to be noted that according to the Transfer Agreement, the Originator has provided the Issuer in respect of the Portfolio with a (i) a solvency certificate in the form attached to the Transfer Agreement, (ii) a certificate of the competent companies’ register, stating that no insolvency proceeding is pending against the Originator.

Furthermore, in some circumstances (including following the delivery of a Trigger Notice), the Issuer could attempt to sell the Portfolio to third parties. However, there is no assurance that a purchaser could be found nor that the net proceeds of the sale of the Portfolio would be sufficient to pay in full all amounts due to the Noteholders.

More generally, the inability of any of the above-mentioned third parties to provide their services to the Issuer may ultimately affect the Issuer’s ability to make payments on the Notes.

**Eligible Investments**

Funds on deposit in the Accounts may be invested in Eligible Investments by the Cash Manager (as directed by the Servicer) through the Investment Accounts. The investments must have appropriate ratings depending on the term of the investment and the term of the investment instrument, as provided by the Eligible Investment definition. However, it may be that, irrespective of any such rating, such investments will be irrecoverable due to the insolvency of the debtor under the investment.

None of the Servicer and/or any other party will be responsible for any loss or shortfall deriving therefrom.

However such risk is mitigated by the provisions that in case of downgrade of an Eligible Institution below the rating allowed with respect to DBRS or Moody’s, as the case may be, the Issuer shall (i) in case of Eligible Investments being securities, sell the securities, if it could be achieved without a loss, otherwise the relevant security shall be allowed to mature, and (ii) in case of Eligible Investments being deposits, transfer within 30 days the deposits to another account opened with an Eligible Institution in Italy, England or Wales (and in case such account will be held in England or Wales, subject to the Issuer having created thereon a valid, binding and enforceable security and obtained a legal opinion in this respect in accordance with applicable law and jurisdiction).

**Servicing of the Portfolio**

Pursuant to the Servicing Agreement, the Portfolio is serviced by Banca del Fucino. The Servicer will carry out the administration, collection and enforcement of the Portfolio in accordance with the Servicing Agreement and the Collection Policies. Such Collection Policies may change over time and no assurance can be given that such changes will not have an adverse effect on the Issuer’s ability to make payments on the Notes. In any case, it shall be considered that, under the Servicing Agreement, any material change to the Collection Policies proposed by the Servicer is subject to the prior consent of the Issuer and the prior notice to the Representative of the Noteholders and the Rating Agencies.
The net cash flows from the Portfolio may be affected by decisions made and actions taken and the collection procedures adopted by the Servicer pursuant to the Servicing Agreement (or any permitted successors or assignees appointed under the Servicing Agreement). In addition, no assurance can be given that the Servicer will promptly forward all amounts collected from Borrowers in respect of the Claims to the Issuer in respect of a particular Collection Period in accordance with the Servicing Agreement (however, it should be noted that the Issuer may in such case terminate the Servicer’s appointment – see for further details “Description of the Transaction Documents - The Servicing Agreement”).

The Servicer has undertaken to prepare and submit to, inter alios, the Issuer, the Back-Up Servicer, the Computation Agent, the Swap Counterparty, the Representative of the Noteholders, the Corporate Services Provider, the Administrative Services Provider and the Rating Agencies on each Quarterly Report Date the Quarterly Servicer Report in the form set forth in the Servicing Agreement. Such reports shall provide information regarding, inter alia, the amounts collected in relation to the Portfolio, the Delinquent Claims, the Delinquent 60 Claims, the Delinquent 90 Claims and as well as the Servicer’s activity during the preceding Collection Period.

In addition, under the Servicing Agreement, the Servicer has the power to renegotiate the Loans at certain terms and conditions. See for further details “Description of the Transaction Documents - The Servicing Agreement”.

Replacement of the Servicer

Following the occurrence of a termination event of Banca del Fucino as Servicer, the performance of Banca del Fucino’s obligations under the Servicing Agreement will be undertaken by the Back-Up Servicer in accordance with the terms of the Back-Up Servicing Agreement. There can be no assurance that the Back-Up Servicer will be able to provide the servicing of the Portfolio at the same level as the Servicer.

The failure to appoint a replacement servicer in the event that the Servicer can no longer perform its agreed function (in the event a replacement back-up servicer has not been appointed upon termination of the Back-Up Servicer or failing the Back-Up Servicer to assume performance of the services provided under the Servicing Agreement) may result in a shortfall in funds available to make payments on the Notes. In addition, the substitute servicer may be entitled to receipt a servicing fee greater than that charged by the Servicer.

The Back-Up Servicer

If the appointment of the Back-Up Servicer under the Back-Up Servicing Agreement is terminated, there can be no assurance that a replacement back-up servicer would be found or, if found, it would be willing and able to service the Claims. The ability of any entity acting as replacement back-up servicer to fully perform the required services would depend, among other things, on the information, software and records available to them at the time of the appointment. Any delay or inability to appoint a replacement back-up servicer may affect payments being made on the Notes.

The failure of the Back-Up Servicer to assume performance of the services provided under the Servicing Agreement following the termination of the appointment of the Servicer in accordance with the terms of the Servicing Agreement and the Back-Up Servicing Agreement could result in the failure of or delay in the processing of payments on the Claims and ultimately could adversely affect payments of interest and principal on the Notes.

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

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

Moreover, the provisions of article 3 of the Securitisation Law concerning the patrimonio separato are not likely to apply in circumstances where the cash-flow referred to above is commingled with the assets of a party other than the Issuer (such as, for example, the Servicer – see in this respect the section entitled “Liquidity and credit risk”). Thus, if any such party becomes insolvent, any such cash-flow held by it could not be included in the patrimonio separato.

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

In any case, the corporate purpose of the Issuer as contained in its by-laws is limited and the Issuer has also agreed to certain covenants in the Intercreditor Agreement and the Conditions restricting the activities that may be carried out by the Issuer and has furthermore covenanted not to enter into any transaction that is not contemplated in the Transaction Documents. To the extent that the Issuer has creditors not being party to the Transaction Documents, the Issuer has established the Expenses Account and the funds therein may be used for the purposes of paying the ongoing fees, costs, expenses and taxes of the Issuer to third parties, excluding the Other Issuer Creditors, in respect of the Transaction, to the extent that payment of such fees, costs, expenses and taxes is not deferrable to the immediately succeeding Payment Date.

Sharing with other creditors

The proceeds of enforcement and collection of the security created by the Issuer under the Deed of Charge in favour of the Security Trustee (for its own account and as a trustee for the Other Issuer Creditors) will be used in accordance with the Acceleration Order of Priority to satisfy claims of all the Noteholders and the Other Issuer Creditors thereunder.

Pursuant to the Acceleration Order of Priority the claims of certain Other Issuer Creditors will rank senior to the claims of the Noteholders. To this extent, payments by the Issuer of amounts due to the Noteholders under the Transaction Documents will be paid in accordance with such Acceleration Order of Priority.
Further securitisations

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

The implementation by the Issuer of any such further securitisation is subject to the conditions specified under Condition 3.10 (Covenants - Further Securitisation). According to such condition, it is a condition precedent, inter alia, to any such securitisation that (i) the Rating Agencies have been notified in writing of the Issuer’s intention to carry out a Further Securitisation; and (ii) the Issuer shall not affect the qualification of the Senior Notes as eligible collateral (if applicable), within the meaning of the Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60), as subsequently amended and supplemented, and Guideline ECB/2014/31 of the European Central Bank of 9 July 2014 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9, as subsequently amended and supplemented). See Condition 3 (Covenants).

CONSIDERATIONS RELATING TO THE NOTES

Subordination

The rights of the Noteholders to receive payments of interest and repayment of principal are subordinated to the payment of certain costs, expenses, fees, taxes and other amounts and to the rights of the Representative of the Noteholders and other parties to receive certain amounts due under the Transaction Documents.

In respect of the obligation of the Issuer to pay interest on the Notes before the delivery of a Trigger Notice (as defined in Condition 9 (Trigger Events)): (i) the Class A Notes will rank pari passu without preference or priority amongst themselves and in priority to the payment of interest on the Class B Notes, the repayment of principal on the Class A Notes, the repayment of principal on the Class B Notes, the payment of interest and repayment of principal on the Class J Notes, the payment of the Class J Notes Additional Return (if any); (ii) the Class B Notes will rank pari passu without preference or priority amongst themselves and in priority to the repayment of principal on the Class A Notes, the repayment of principal on the Class B Notes, the payment of interest and repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest on the Class A Notes, provided that, upon the occurrence of a Class B Notes Interest Subordination Event payment of interest on the Class B Notes will become subordinated to the repayment of principal on the Class A Notes, on the immediately following Payment Date and on any Payment Date thereafter until the Class A Notes are redeemed in full; (iii) the Class J Notes will rank pari passu without preference or priority amongst themselves and in priority to the repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest on the Class A Notes, the payment of interest on the Class B Notes, the repayment of principal on the Class A Notes and the repayment of principal on the Class B Notes.

In respect of the obligation of the Issuer to repay principal on the Notes before the delivery of a Trigger Notice: (i) the Class A Notes will rank pari passu without preference or priority amongst themselves and in priority to the repayment of principal on the Class B Notes, the payment of interest and repayment of
principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest on the Class A Notes and the payment of interest on the Class B Notes provided that, upon the occurrence of a Class B Notes Interest Subordination Event payment of interest on the Class B Notes will become subordinated to the repayment of principal on the Class A Notes, on the immediately following Payment Date and on any Payment Date thereafter until the Class A Notes are redeemed in full; (ii) the Class B Notes will rank pari passu without preference or priority amongst themselves and in priority to the payment of interest and repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest on the Class A Notes, the payment of interest on the Class B Notes and the repayment of principal on the Class A Notes; (iii) the Class J Notes will rank pari passu without preference or priority amongst themselves and in priority to the payment of interest and repayment of principal on the Class A Notes, the payment of interest on the Class B Notes, the repayment of principal on the Class A Notes, the repayment of principal on the Class B Notes, and the payment of interest on the Class J Notes.

In respect of the obligation of the Issuer to pay interest on the Notes following the delivery of a Trigger Notice: (i) the Class A Notes will rank pari passu without preference or priority amongst themselves and in priority to the repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any); (ii) the Class B Notes will rank pari passu without preference or priority amongst themselves and in priority to the repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest and repayment of principal on the Class A Notes; (iii) the Class J Notes will rank pari passu without preference or priority amongst themselves and in priority to the repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest and repayment of principal on the Class A Notes and the payment of interest and repayment of principal on the Class B Notes.

In respect of the obligation of the Issuer to repay principal on the Notes following the delivery of a Trigger Notice: (i) the Class A Notes will rank pari passu without preference or priority amongst themselves and in priority to the payment of interest and the repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest on the Class A Notes; (ii) the Class B Notes will rank pari passu without preference or priority amongst themselves and in priority to the payment of interest and the repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest and repayment of principal on the Class A Notes and the payment of interest on the Class B Notes; (iii) the Class J Notes will rank pari passu without preference or priority amongst themselves but subordinated to the payment of interest and repayment of principal on the Class A Notes, the payment of interest and repayment of principal on the Class B Notes and the payment of interest on the Class J Notes and the payment of the Class J Notes Additional Return (if any). As long as the Rated Notes are outstanding, unless notice has been given to the Issuer declaring the Rated Notes immediately due and payable, the Junior Notes shall not be declared immediately due and payable and the holders of the Rated Notes shall be entitled to determine the remedies to be exercised in accordance with the Rules of the Organisation of the Noteholders. Remedies pursued by the holders of the Rated Notes could be adverse to the interests of the Junior Noteholders.

The “anti-deprivation” principle
The validity of contractual priorities of payments (such as the Order of Priorities contemplated in this Prospectus) has been challenged in the English and U.S. courts. The hearings arose due to the insolvency of a secured creditor (in that case a hedging counterparty) and considered whether such priorities of payments breach the “anti-deprivation” principle under English and U.S. insolvency law. This principle prevents a party from agreeing to a provision that deprive its creditors of an asset upon its insolvency. It was argued that, where a secured creditor subordinates itself to noteholders in the event of its insolvency, that secured creditor effectively deprives its own creditors. The Court of Appeal in Perpetual Trustee Co Ltd v BNY Corporate Trustee Services Ltd 2009 EWCA Civ 1160 dismissed this argument and upheld the validity of similar priorities of payments, stating that the anti-deprivation principle was not breached by such provisions. In Belmont Park Investments PTY Limited v BNY Corporate Trustee Services Ltd and Lehman Brothers Special Financing Inc (2011) UKSC 38, the Supreme Court of the United Kingdom unanimously upheld the decision of the Court of Appeal in Perpetual and stated that, provided that such priority provisions were part of a complex commercial transaction entered into in good faith without any intention to evade insolvency law in which the changing priority of payments by the parties thereto was an essential part of the transaction understood by the parties, these provisions did not contravene the anti-deprivation principle.

In parallel proceedings, the U.S. Bankruptcy Court for the Southern District of New York has granted Lehman Brothers Special Financing Inc’s (“LBSF”) motion for summary judgement to the effect that the provisions do infringe the anti-deprivation principle in a U.S. insolvency. The Court acknowledged that this has resulted in the U.S. courts coming to a decision “directly at odds with the judgement of the English Courts”. BNY Mellon Corporate Trustee Services Ltd was granted leave to appeal but the case subsequently settled out of court. The decision of the U.S. Bankruptcy Court remains inconsistent with the decision reached by the Supreme Court of the United Kingdom in the Belmont case as referred to above and there is uncertainty as to how a conflict of the type referred to above would be resolved by the courts. In February 2012, Belmont Park Investments PTY Limited and others commenced proceedings in the U.S. Bankruptcy Court in relation to LBSF seeking an order recognising and enforcing the English judgment on noteholder priority and seeking the withdrawal of the reference from the U.S. Bankruptcy Court, requesting that the complaint be heard instead by the U.S. District Court. However, bankruptcy proceedings in relation to LBSF were closed by the U.S. Bankruptcy Court in June 2013 and there has been no further action in relation to the district court proceedings. Given the current state of U.S. and English law, this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

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

**Limited Recourse nature of the Notes**

The Notes will be limited recourse obligations solely of the Issuer. The Noteholders will receive payment in respect of principal and interest on the Notes only if and to the extent that the Issuer has sufficient Issuer Available Funds to make such payments in accordance with the applicable Order of Priority. If, upon the delivery of a Trigger Notice or, if no Trigger Notice has been delivered, on the Final Maturity Date, the Issuer Available Funds are not sufficient to pay such obligations in full, the relevant Class of Noteholders shall be entitled to receive payments in respect of such obligations to the extent of the available funds (if any) and any shortfall (including, without limitation, in such case, any shortfall in respect of interest or
principal on the Rated Notes) will not be due and payable, will be deemed to be released by the relevant Noteholders and will be cancelled.

**Yield and payment considerations**

The yield to maturity, the amortisation plan and the weighted average life of the Notes will depend upon, *inter alia*, the amount and timing of repayment of principal (including prepayments) on the Loans and on the actual date of exercise (if any) of the optional redemption rights of the Issuer pursuant to Condition 6.4 (Optional Redemption) or Condition 6.2 (Redemption for Taxation). Such yield, amortisation plan and weighted average life of the Notes may be adversely affected by a number of factors including, without limitation, a higher or lower rate of prepayment, delinquency and default on the Loans, the exercise by the Originator of its faculty to partially repurchase the Claims and/or by the Servicer to renegotiate the terms and conditions of the Loan Agreements and/or to grant the suspension of payments of the relevant instalments in accordance with the provisions of the Servicing Agreement. See further section headed “Description of the Transaction Documents – The Transfer Agreement - The Servicing Agreement”.

The level of prepayment, delinquency and default on payment of the relevant instalments or request for suspension or renegotiation under the Loans cannot be predicted and is influenced by a wide variety of economic, market industry, social and other factors, including prevailing mortgage market interest rates and margin offered by the banking system, the availability of alternative financing, local and regional economic conditions as well as special legislation that may affect refinancing terms. Prepayments may also arise in connection with refinancing, repurchases, sales of properties by Borrowers voluntarily or as a result of enforcement proceedings under the relevant Loans, as well as the receipt of proceeds from the insurance policies assisting the Claims.

The impact of the above on the yield at maturity and weighted average life of the Notes cannot be predicted. Based, *inter alia*, on assumed rates of prepayment, the approximate average lives of the Rated Notes are set out in the section entitled “Weighted Average Life of the Rated Notes and relevant assumptions”. However, the actual characteristics and performance of the Loans will differ from such assumptions and any difference will affect the percentages of the initial amount outstanding of the Notes which are outstanding over time and the weighted average lives of the Notes.

**Limited secondary market and liquidity risk**

There is not at present an active and liquid secondary market for the Rated Notes. The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Although an application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin for the Rated Notes to be listed on its official list and to be admitted to trading on its regulated market, there can be no assurance that a secondary market for the Rated Notes will develop or, if a secondary market does develop in respect of any of the Rated Notes, that it will provide the holders of such Rated Notes with the liquidity of investments or that it will continue until the final redemption or cancellation of such Rated Notes. Consequently, any purchaser of any of the Rated Notes must be prepared to hold such Senior Notes and Mezzanine Notes to maturity.

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

Prospective Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. Since the referendum occurred on 23 June 2016, where the United Kingdom voted to leave the European Union (“UK Referendum”), there has been increased volatility and disruption of the capital, currency and credit markets, including the market for securities similar to the Notes.

Potential investors should be aware that these prevailing market conditions affecting securities similar to the Notes could lead to reductions in the market value and/or a severe lack of liquidity in the secondary market for instruments similar to the Notes. Such falls in market value and/or lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the Portfolio.

Moreover, the current liquidity crisis has stalled the primary market for a number of financial products, including instruments similar to the Notes. While it is possible that the current liquidity crisis may soon alleviate for certain sectors of the global credit markets, there can be no assurance that the market for securities similar to the Notes will recover at the same time or to the same degree as such other recovering global credit market sectors. In particular, the secondary market for residential mortgage-backed securities is continuing to experience disruptions resulting from, among other factors, reduced investors demand for such securities. This has had a materially adverse impact on the market value of residential mortgage-backed securities and resulted in the secondary market for residential mortgage-backed securities experiencing very limited liquidity. Structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities have been experiencing funding difficulties and have been forced to sell residential mortgage-backed securities into the secondary market. The price of credit protection on residential mortgage-backed securities through credit derivatives has risen materially. Limited liquidity in the secondary market may continue to have an adverse effect on the market value of residential mortgage-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, whilst these market conditions continue to persist, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to Noteholders.

There exists a significant additional risk 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 Notes as there is not at present an active and liquid secondary market for asset-backed securities. These additional risks may affect the returns on the Notes to investors.

Certain material interests

Certain parties to the Transaction may perform multiple roles. In particular: (i) Banca del Fucino is, in addition to being the Originator, also the Servicer, the Collection Account Bank, the Administrative Services Provider and the initial subscriber of the Notes; (ii) BNP Paribas Securities Services, Milan Branch is, in addition to being the Principal Paying Agent, also the Transaction Bank, and the Cash Manager; (iii) Centotrenta Servicing S.p.A. is, in addition to being the Corporate Services Provider also the
Computation Agent and the Back-Up Servicer; (iv) 130 Finance S.r.l. is, in addition to being the Representative of the Noteholders also the Security Trustee; (v) Igea Banca S.p.A. is, in addition to being the Subordinated Loan Provider, also an Arranger (vi) J.P. Morgan Securities plc is an Arranger, while J.P. Morgan AG, an indirect wholly owned subsidiary of JPMorgan Chase & Co., is the Swap Counterparty and EMIR Reporting Agent; J.P. Morgan Securities plc is a global financial institution that provides a wide range of financial services to a diversified global client base. As such, it may be involved in a broad range of transactions both for its own account and that of other persons which may result in actual or potential conflicts of interest arising in the ordinary course of business.

These parties will have only those duties and responsibilities expressly agreed to by them in the relevant agreement and will not, by virtue of their or any of their affiliates acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each agreement to which they are a party.

Accordingly, conflicts of interest may exist or may arise as a result of parties to this transaction: (a) having previously engaged or in the future engaging in transactions with other parties to the transaction; (b) having multiple roles in this transaction; and/or (c) carrying out other transactions for third parties.

The Originator in particular may hold and/or service claims against the Borrowers other than the Claims. The interests or obligations of the aforementioned parties, in their respective capacities with respect to such other roles may in certain aspects conflict with the interests of the Noteholders. The aforementioned parties may engage in commercial relationships, in particular, be lender, and provide general banking, investment and other financial services to the Borrowers and other parties. In such relationships the aforementioned parties are not obliged to take into account the interests of the Noteholders. In addition, Banca del Fucino in its capacity as, present or future, holders of any Notes, may exercise the relevant voting rights in respect of the Notes held by it also in a manner that may be prejudicial to other Noteholders. Prospective investors should note that, for the purposes of the right to vote at any Meeting of Noteholders convened to transact certain Business in relation to which may exist a conflict of interest between, in particular, the holders of the Rated Notes (in such capacity) and the Originator in any other role under the Transaction, those Rated Notes which are for the time being held by the Originator shall (unless and until ceasing to be so held) be deemed not to remain “outstanding”, subject to and in accordance with the rules and the procedures set out for the Meeting of each Class of Notes under the “Rules of the Organisation of the Noteholders” attached to the Conditions. It remains, furthermore, understood that the above restriction on voting rights does not apply in case the then outstanding Rated Notes are entirely held by the Originator and to the Originator as holder of the Junior Notes. For further details, see section entitled “Rules of the Organisation of the Noteholders” (in particular, see Article 4—“General”).

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

None of the Issuer or any other party to the Transaction Documents (other than the Originator) has undertaken or will undertake any investigation, search or other action to verify the details of the Portfolio (including the Loan Agreements, the Mortgages and the origination procedures of the Claims) sold by the Originator to the Issuer or to establish the creditworthiness of any Borrower.

None of the Issuer or any other party to the Transaction Documents (other than the Originator) has carried out any due diligence in respect of the Loan Agreements in order to, without limitation, ascertain whether or not the Loan Agreements contain provisions limiting the transferability of the Claims.

The Issuer will rely instead on the representations and warranties given by the Originator in the Warranty and Indemnity Agreement and in the Transfer Agreement. The Originator has, pursuant to the Warranty
and Indemnity Agreement, made certain representations and warranties, and undertaken related indemnification obligations, in respect, *inter alia*, of: (i) the validity and existence of the Claims; (ii) the validity, effectiveness and proper execution of the Loan Agreements; (iii) the perfection of the Mortgages; and (iv) the validity of the assignment to the Issuer by the Originator of their rights under the insurance policies entered into in connection with the Loan Agreements. Please see the section headed “Description of the Transaction Documents”.

The indemnification obligations undertaken by the Originator under the Warranty and Indemnity Agreement are unsecured claims of the Issuer and no assurance can be given that Banca del Fucino can or will pay the relevant amounts if and when due.

**Interest rate risk**

The Claims have or may have interest payments calculated on a fixed rate basis or a floating rate basis (which may be different from the Euribor applicable under the Rated Notes, have a different fixing mechanism than the Euribor applicable under the Rated Notes and may be capped or floored at a certain maximum level), whilst the Rated Notes will bear interest at a rate based on Three Month Euribor determined on each Interest Determination Date, subject to and in accordance with the Conditions. As a result, there could be a rate mismatch between interest accruing on the Rated Notes and on the Portfolio and an increase in the level of Three Month Euribor could adversely impact the ability of the Issuer to make payments on the Rated Notes.

To reduce the effect of such interest rate mismatch, the Issuer has entered into three Swap Transactions pursuant to the Swap Agreement, namely a fixed-floating interest rate swap transaction, a Three Month Euribor basis swap transaction and a Six Month Euribor basis swap transaction.

The notional amount with respect to each Swap Transaction will be calculated by reference to the Principal Instalments of the relevant Claims (other than the amount of any Principal Instalments due but unpaid, or that have been prepaid or repurchased, at the relevant Collection Date and any Principal Instalments relating to Defaulted Claims) as of the Collection Date immediately preceding the beginning of each Calculation Period (as such term is defined in the Swap Agreement). For each Calculation Period, the notional amount in respect of each Swap Transaction will be the lower of the amount of such Principal Instalments and the Scheduled Maximum Notional Amount set forth in that Swap Transaction (or, in case no Quarterly Servicer Report is delivered with respect to a Calculation Period, the lower of the scheduled maximum notional amount and the notional amount for the immediately preceding Calculation Period). In addition, under each of the Swap Transactions on each Payment Date, the Swap Fixed Amount will be due by the Issuer to the Swap Counterparty. Netting will apply to all payments under the Swap Transactions, including the Swap Fixed Amount.

The notional amount with respect to the fixed-floating interest rate Swap Transaction will be calculated by reference to the Principal Instalments of the Claims accruing interest at a fixed rate. The notional amount with respect to the Three Month Euribor basis Swap Transaction will be calculated with reference to the Principal Instalments of the Claims accruing interest at a floating rate linked to Three Month Euribor. The notional amount with respect to the Six Month Euribor basis Swap Transaction will be calculated with reference to the Principal Instalments of the Claims accruing interest at a floating rate linked to Six Month Euribor.

The notional amount of the Swap Transactions under which the Claims accruing interest at a fixed rate are hedged shall not take into account any Claims for which the applicable interest rate has been renegotiated from a fixed rate to a floating rate (with or without a cap or a floor), by the Originator (in its capacity as
Servicer) in accordance with the Servicing Agreement but shall take into account Claims arising under Loans which have been renegotiated from a floating rate (with or without a cap or without a floor) to a fixed rate.

The notional amount of the basis Swap Transaction under which the Claims accruing interest at a floating rate are hedged shall not take into account any Claims where the interest rate has been renegotiated from a floating rate without a cap to a fixed rate.

Accordingly, the notional amount of each Swap Transaction will be adjusted to include and exclude (as applicable) any renegotiated Claims but subject always to the Scheduled Maximum Notional Amount applicable to such Swap Transaction.

Under the Servicing Agreement, the Servicer, among other things

(i) has the ability to renegotiate the interest rate on the Claims:
   (a) from fixed rate, or variable interest rate with cap, to a variable interest rate or to a variable interest rate with a floor; or
   (b) from variable interest rate or variable interest rate with cap or variable interest rate with a floor to a fixed rate; or
   (c) by means of reduction of the interest rate or the spread applicable (in case no variation of the nature of the interest rate applicable to the relevant Loan Agreement has been carried out); or
   (d) with specific regard to Loan Agreements with a variable interest rate with a floor, by modifying the applicable floor;

but do not have the ability to renegotiate the interest rate applicable to the Claims to an optional interest rate or to a variable rate with cap,

(ii) may enter into renegotiations providing the reduction of the interest rate or the spread applicable to the relevant Loan Agreements (in case no variation of the nature of the interest rate applicable to the relevant Loan Agreement has been carried out);

(iii) may enter into renegotiations providing for any modification of the amortisation plan of the Loan Agreements permitted by the Servicing Agreement, provided that such modification shall not result in a switch to an amortisation plan different from the so called “French amortisation plan”.

In addition clause 9 of the Servicing Agreement sets out certain limits for the power of renegotiations of the Servicer and in particular such clause provides that, in case the Servicer intends to enter into the renegotiations under paragraph (i)(b) above:

(i) the Servicer shall verify that, for each Collection Period, the sum of the principal amount outstanding of the Loan Agreements subject of such renegotiation does not exceed, in relation to the Swap Transaction pursuant to which the relevant Loan Agreement will be hedged after such renegotiation, an amount equal to the difference between:

   1. the Scheduled Maximum Notional Amount in such Swap Transaction as applicable to the following Interest Period; and
2. the Swap Outstanding Principal Amount in such Swap Transaction as calculated at the beginning of the Collection Period in which such renegotiation is made;

(ii) the Swap Agreement and a swap agreement hedging the same risks hedged by means of the Swap Agreement between Igea Banca (or any of its successor) and the Swap Counterparty are valid and binding.

The Swap Agreement does not completely eliminate the interest rate risk related to the Rated Notes as, *inter alia*, Claims may become unhedged following a variation of the relevant interest rate or renegotiation of any of the terms of the Loans.

**Changes or uncertainty in respect of EURIBOR and/or other interest rate benchmarks may affect the value or payment of interest under the Rated Notes**

Various interest rate benchmarks (including Euribor) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented including the Benchmark Regulation.

Under the Benchmark Regulation, which applied from 1 January 2018 in general, new requirements were introduced with respect to the provision of a wide range of benchmarks (including Euribor), the contribution of input data to a benchmark and the use of a benchmark within the European Union.

In particular, the Benchmark Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

Additionally, in March 2017, the EMMI published a position paper referring to certain proposed reforms to Euribor, which reforms aim to clarify the Euribor specification, to develop a transaction-based methodology for Euribor and to align the relevant methodology with the Benchmark Regulation, the IOSCO’s proposed Principles for Financial Market Benchmarks (July 2013) and other regulatory recommendations. The EMMI has since indicated that there has been a “change in market activity as a result of the current regulatory requirements and a negative interest rate environment” and “under the current market conditions it will not be feasible to evolve the current Euribor methodology to a fully transaction-based methodology following a seamless transition path”. It is the current intention of the EMMI to develop a hybrid methodology for Euribor.

These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

Based on the foregoing, prospective investors should in particular be aware that:

(a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including EURIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;
(b) if EURIBOR or any other relevant interest rate benchmark is discontinued or is otherwise unavailable, then the rate of interest on the Notes will be determined for a period by the relevant fallback provisions, although such provisions, being dependent in part upon the provision by reference banks of offered quotations for leading banks (in the Euro-zone interbank market in the case of EURIBOR), may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time); and

(c) if EURIBOR or any other relevant interest rate benchmark is discontinued, there can be no assurance that the applicable fall-back provisions under the Swap Agreement would operate to allow the transactions under the Swap Agreement to effectively mitigate interest rate risk in respect of the Notes.

The Swap Agreement contains provisions whereby the Calculation Agent (as defined in the Swap Agreement) shall make required adjustments as are necessary to ensure the legal and commercial efficacy of the Swap Agreement. Such adjustments may include changing the Floating Rate Option (as defined in the Swap Agreement). There can be no assurance that any such adjustments will result in the Floating Rate Option (as defined in the Swap Agreement) under the Swap Agreement being the same as the modified reference rate for the Notes. In addition, the Calculation Agent shall make a running adjustment to the Spread (as defined in the Swap Agreement) that the Calculation Agent determines is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one party to the other as a result of any adjustments made to the Swap Agreement in these circumstances. When making any such adjustments, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

If at any time the benchmark rate used to calculate the interest on the Notes is different from the Floating Rate (as defined in the Swap Agreement) then the Issuer is permitted to terminate the Swap Agreement.

Any amendments deemed necessary to change the Screen Rate applicable to the Notes (and any related or consequential amendments thereto) as a direct or indirect result of the Benchmark Regulation will need to be made in accordance with the provisions regarding amendments to the Transaction Documents contained in the Conditions and the Rules of the Organisation of the Noteholders. There can be no assurance however, that any such amendment (if made) would mitigate the interest rate risk or result in an effective replacement methodology for determining the reference rate on the Notes.

These reforms and other pressures may cause such benchmarks to disappear entirely or to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted. Generally, any such modification or potential consequence of the discontinuation of Euribor could have a material adverse effect on the value of and return on any of the Notes.

Based on the foregoing, prospective investors should in particular be aware that any of the reforms or pressures described above or any other changes to a relevant interest rate benchmark (including Euribor) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be.

Under Condition 5.2 (Interest Rate), if the Screen Rate is unavailable at the relevant time, then the fall-back rate for the relevant Interest Period will be the arithmetic mean of the rates provided by each of the Reference Banks (as defined below) to the Principal Paying Agent as the rate at which three month Euro deposits in a representative amount are offered by that Reference Bank to leading banks in the Euro-zone inter-bank market at the relevant time on that date. In certain circumstances, where none of the Reference
Banks (or any reference banks which have been selected in accordance with Condition 5.2) provides the Principal Paying Agent with an offered quotation, the Interest Rate (as defined below) for the relevant Interest Period will be the rate in effect for the immediately preceding Interest Period when the Screen Rate (as defined below) was available.

In the event that any such fall back positions become applicable, any of the above described matters or any other significant change to the setting or existence of Euribor could affect the ability of the Issuer to meet its obligations under the Rated Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Rated Notes. Changes in the manner of administration of Euribor could result in adjustment to the Conditions, early redemption, delisting or other consequences in relation to the Rated Notes. No assurance may be provided that relevant changes will not occur with respect to Euribor and/or that such benchmark will continue to exist. Investors should consider these matters when making their investment decision with respect to the Rated Notes.

Pursuant to article 20 of the Benchmark Regulation and to Regulation (EU) 2016/1368 of 11 August 2016, EURIBOR has been considered a critical benchmark, and it is therefore subject to mandatory administration, in accordance with article 21 of the Benchmark Regulation. Accordingly, the administrator of EURIBOR shall become part of the register of benchmark administrators referred to in article 36 of the Benchmark Regulation. However, as at the date of this Prospectus, the administrators of EURIBOR are not included in ESMA’s register of administrators under article 36 of the Benchmark Regulation. As far as the Issuer is aware, the transitional provisions in article 51 including its paragraphs 1 and 3, of the Benchmark Regulation apply, such that the administrators of EURIBOR are not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

**Termination of the Swap Agreement**

The benefits of the Swap Agreement may not be achieved in the event of the early termination of one or more of the Swap Transactions pursuant to the terms of the Swap Agreement, including termination upon the failure of the Swap Counterparty to perform its obligations thereunder.

The Swap Agreement contains certain limited termination events and events of default which will entitle either party to terminate the Swap Transactions (see for further details “Description of the Transaction Documents”). In case of an early termination of the Swap Agreement, unless one or more comparable interest rate swaps are entered into, the Issuer may have insufficient funds to make payment under the Notes and/or this may result in a downgrading of the rating of the Rated Notes.

Any collateral transferred to the Issuer by the Swap Counterparty pursuant to the Swap Agreement and any Replacement Swap Premium received by the Issuer from a replacement swap counterparty will not generally be available to the Issuer to make payments to the Noteholders and the Other Issuer Creditors and shall only be paid or transferred (as applicable) in accordance with the Collateral Account Priority of Payments.

In the event of the insolvency of the Swap Counterparty, the Issuer will be treated as a general and unsecured creditor of the Swap Counterparty in respect of any claim it has for a termination amount due from the Swap Counterparty under the Swap Agreement. Consequently, the Issuer will be subject to the credit risk of the Swap Counterparty in addition to the risk of the debtors of the Claims.

An early termination of the Swap Agreement could result in the Issuer being obliged to make a termination payment to the Swap Counterparty. Except where the Swap Counterparty has caused the Swap Agreement
to terminate by its own default, any termination payment due to the Swap Counterparty will rank ahead of payments of interest and/or principal on the Notes and may substantially reduce the funds available for payments to the Noteholders. Where the Swap Counterparty has caused the Swap Agreement to terminate by its own default, any termination payment due to the Swap Counterparty will rank junior to payments of interest and/or principal on the Notes to the extent the amount of such termination payment exceeds the Swap Fixed Termination Amounts.

The Swap Counterparty is required to have certain ratings. Although contractual remedies are provided in the event of a downgrading of the Swap Counterparty, any replacement arrangement with a third party may not be as favourable as the current Swap Agreement and the Noteholders may be adversely affected.

See for further details “Description of the Transaction Documents - The Swap Agreement”.

**Limited Enforcement Rights**

The protection and exercise of the Noteholders’ rights against the Issuer and the security under the Notes is one of the duties of the Representative of the Noteholders.

The Conditions and the Rules of the Organisation of the Noteholders (attached as Exhibit I to the Conditions) limit the ability of individual Noteholders to commence proceedings against the Issuer by conferring on the Meeting of Noteholders the power to resolve on the ability of any Noteholder to commence any such individual action. Accordingly, individual Noteholders may not, without breaching the Conditions, be able to commence proceedings or take other individual remedies against the Issuer unless the Meeting has approved such action in accordance with the provisions of the Rules of the Organisation of the Noteholders.

**The Representative of the Noteholders and conflicts of interests between holders of different Classes of Notes**

The Conditions and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders, with respect to all of its powers, authority, duties and discretion, to regard the interests of the Noteholders of each Class of Notes as if they formed a single Class (except where expressly provided otherwise) but the Conditions also require the Representative of the Noteholders, as regards the exercise and performance of all its powers, authorities, duties and discretion, to have regard to the interests of all Class of Noteholders and the Other Issuer Creditors provided that if, in the opinion of the Representative of the Noteholders (i) there is a conflict between their interests, the Representative of the Noteholders will have regard solely to the interests of the Noteholders; or (ii) there is a conflict between the interests of the holders of different Classes, the Representative of the Noteholders will consider only the interests of the holders of the Most Senior Class of Notes then outstanding; or (iii) there is a conflict between the interests of the Other Issuer Creditors, then the Representative of the Noteholders shall have regard to the interests of whichever of the Other Issuer Creditors ranks higher in the Order of Priority for the payment of the amounts therein specified.

Remedies pursued by the Representative of the Noteholders in such circumstances may be adverse to the interests of the Mezzanine Noteholders or the Junior Noteholders or Other Issuer Creditors, as the case may be.

**Noteholders’ directions and resolutions following delivery of a Trigger Notice**
At any time after a Trigger Notice has been delivered, the Representative of the Noteholders shall be entitled, pursuant to the Intercreditor Agreement and the Rules of the Organisation of the Noteholders, to direct the sale of the Portfolio (in whole or in part), provided however that a sufficient amount shall be realised to allow discharge in full of all amounts owing to the holders of the Most Senior Class of Notes and amounts ranking in priority thereto or pari passu therewith. Accordingly, the proceeds from the disposal of the Portfolio in such circumstances may not be sufficient to redeem (whether in whole or in part) the Classes of Notes other than the Most Senior Class of Notes.

In addition, the Representative of the Noteholders may and shall, if so requested or authorised by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, following the delivery of a Trigger Notice take such steps and/or institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes and payment of accrued interest thereon to the interests of the Noteholders. The directions of the holders of the Most Senior Class of Notes in such circumstances may be adverse to the interests of the Class B Noteholders and the Class J Noteholders.

**Resolutions of Noteholders**

Resolutions properly adopted in accordance with the Rules of Organisation of the Noteholders are binding on all Noteholders, therefore certain rights of each Noteholder against the Issuer under the Conditions may be amended or reduced or even cancelled pursuant to any such resolution.

Prospective investors should note that, for the purposes of the right to vote at any Meeting of Noteholders convened to transact certain Business in relation to which may exist a conflict of interest between, in particular, the holders of the Rated Notes (in such capacity) and the Originator in any other role under the Transaction, those Rated Notes which are for the time being held by the Originator shall (unless and until ceasing to be so held) be deemed not to remain “outstanding”, subject to and in accordance with the rules and the procedures set out for the Meeting of each Class of Notes under the “Rules of the Organisation of the Noteholders” attached to the Conditions. It remains, furthermore, understood that the above restriction on voting rights does not apply in case the then outstanding Rated Notes are entirely held by the Originator and to the Originator as holder of the Junior Notes. For further details, see section entitled “Rules of the Organisation of the Noteholders” (in particular, see Article 4 – “General”).

**Limited nature of credit ratings assigned to the Rated Notes**

The credit rating assigned to the Rated Notes reflects the Rating Agencies’ assessment only of the likelihood of (i) payment of interest in a timely manner (pursuant to the Transaction Documents) with respect to the Senior Notes, (ii) ultimate payment of interest on or before the Final Maturity Date with respect to the Mezzanine Notes and the ultimate repayment of principal on or before the Final Maturity Date with respect to the Rated Notes, not that such repayment of principal will be paid when expected or scheduled. These ratings are based, among other things, on the Rating Agencies’ determination of the value of the Portfolio, the reliability of the payments on the Portfolios and the availability of credit enhancement.

The ratings do not address the following:

(a) the likelihood that the principal will be redeemed on the Rated Notes, as expected, on the scheduled redemption dates;

(b) possibility of the imposition of Italian or European withholding taxes;

(c) the marketability of the Rated Notes, or any market price for the Rated Notes; or
(d) whether an investment in the Rated Notes is a suitable investment for a Noteholder.

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

The Issuer has not requested a rating of the Rated Notes by any rating agency other than the Rating Agencies. However, credit rating agencies other than the Rating Agencies could seek to rate the Notes and, if such unsolicited ratings are lower than the comparable ratings assigned to the Rated 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.

**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 such 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 Originator or any other party to the Transaction Documents 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 Servicer, the Originator, any other party to the Transaction Documents 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.

**CONSIDERATIONS RELATING TO THE PORTFOLIO**

*Mutui Fondiari*
The Portfolio comprises certain Loans that are *mutui fondiari*, in relation to which special enforcement and foreclosure provisions apply. Pursuant to article 40, paragraph 2 of the Consolidated Banking Act, a mortgage lender is entitled to terminate a loan agreement and accelerate the mortgage loan (*diritto di risoluzione contrattuale*) if the debtor 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. See the section headed “Selected Aspects of Italian Law”.

**Loans’ Performance**

The Portfolio is comprised of performing residential mortgage loans governed by Italian law. The Portfolio has, as at the date of the approval of the Prospectus, characteristics that show the capacity to produce funds to service payments due on the Notes. However, there can be no guarantee that the Borrowers will not default under the Loans and that they will continue to perform their relevant payment obligations. Borrowers may default on their obligations due under the Loans for a variety of reasons. Various factors influence delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Certain factors (including general economic conditions and other similar factors) may lead to an increase in default by and bankruptcies of the Borrowers, and could ultimately have an adverse impact on their ability to repay the Loans. Overall economic recession and a further decline in the national and international economic outlook, or a general deterioration of economic conditions in any industry in which the Borrowers operate may negatively impact the solvency of the borrowers and therefore the recovery of mortgage loans.

The recovery of amounts due in relation to non performing loans will be subject to effectiveness of enforcement proceedings in respect of the Portfolio which, in the Republic of Italy, can take a considerable time depending on the type of action required and where such action is taken and upon several other factors.

These factors which can have a significant effect on the length of the proceedings include, *inter alia*, the following: (i) certain courts may take longer than the national average to enforce the Loans and the Mortgages; (ii) obtaining title deeds from land registries which are in the process of digitising their records can take up to 2 (two) or 3 (three) years; and (iii) further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and if the Borrower raises a defence or counterclaim to the proceedings. In the Republic of Italy it takes an average of 6 (six) to 8 (eight) years from the time lawyers commence enforcement proceedings to the time an auction date is set for the forced sale of any Real Estate Asset. In this respect, it is to be taken into account that Italian Law No. 302 of 3 August 1998 (“Norme in tema di espropriazione forzata e di atti affidabili ai notai”) (the “Law No. 302”) has allowed notaries to conduct certain stages of the foreclosure procedures in place of the courts and that by means of Law No. 80 of 14 May 2005 (“Conversione in legge, con modificazioni, del decreto-legge 14 marzo 2005, n. 35, recante disposizioni urgenti nell’ambito del Piano di azione per lo sviluppo economico, sociale e territoriale. Deleghe al Governo per la modifica del codice di procedura civile in materia di processo di cassazione e di arbitrato nonché per la riforma organica della disciplina delle procedure concorsuali”) extends such activity to lawyers, certified accountants and fiscal experts enrolled in a special register. The reforms are expected to reduce the length of foreclosure proceedings by between two (2) and three (3) years, although at the date of this Prospectus, the impact which the mentioned laws will have on the Loans comprised in the Portfolio cannot be fully assessed. See the sections headed “Selected Aspects of Italian Law” and “The Portfolio”.

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Risk of Losses associated with declining property values

The security for the Notes consists of, *inter alia*, the Issuer’s interest in the Loans and the relevant collateral guarantees. The value of this security may be affected by, among other things, a decline in property values. Property values may in turn be affected by changes in general and regional economic conditions as well as the strength (or weakness) of the Italian national economy, relevant local economy and the real estate market. No assurance can be given that the values of the Real Estate Assets have remained or will remain at the level at which they were on the origination dates of the related Loans. Therefore, no assurances can be given that the values of the Real Estate Assets will not decrease at a rate higher than anticipated on the origination (or acquisition by the Issuer) of the Claims. Should this happen, it could have an adverse effect on the level of recoveries and ultimately, may result in losses to the Noteholders if the security is required to be enforced.

Risk of losses associated with Borrowers

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

In the event of insolvency of a Borrower (to the extent the same is subject to the Italian Bankruptcy Law), the relevant payments or prepayments under a Loan Agreement may be declared ineffective pursuant to articles 65 or 67 of the Italian Bankruptcy Law.

In this respect, it should be noted that the Securitisation Law, as recently amended, provides that (i) the claw-back provisions set forth in article 67 of the Italian Bankruptcy Law do not apply to payments made by Borrowers to the Issuer in respect of the securitised Claims and (ii) prepayments made by Borrowers under securitised Claims are not subject to the declaration of ineffectiveness pursuant to article 65 of the Italian Bankruptcy Law. For further details, please see the section headed “Selected aspects of Italian Law – The Securitisation Law”.

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

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

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

In addition a specific procedure is provided by Law 3/2012 in relation to debtors who qualify as consumers (“consumatori”).
The Restructuring Agreement shall provide the revised terms of payment of all of the debtor’s obligations, including – at certain conditions – the secured creditors (“creditori privilegiati”). The Restructuring Agreement becomes effective, upon approval (“omologazione”) by the competent Court (which shall be given in any case within 6 months from the date on which the proposal of Restructuring Agreement is submitted by the relevant debtor). In any case a favorable vote of creditors representing at least 60% of the debtor’s claims is required for the approval of the Restructuring Agreement.

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

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

The Restructuring Agreement ceases to be effective if the relevant debtor does not pay the obligations set out therein within 90 days from the established deadlines, or if the debtor attempts to fraud its creditors. The Restructuring Agreement does not prejudice rights of the creditor against debtor’s guarantors and co-obligors.

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

In particular, under such procedure the competent judge, upon request of the relevant debtor, is entitled to issue a decree by means of which they will appoint a liquidator, and order the relevant debtor to transfer its assets to such liquidator. The appointed liquidator will then pay creditors proportionally to their claims (save for claims with pre-emption causes (“diritti di prelazione”). Upon such decree being issued by the competent Court, all the foreclosure procedures and seizures (“sequestri conservativi”) on the debtor’s assets will be suspended. Such procedure cannot have duration lower than four years. Consequently, should the debtor acquire further assets within four years from the date on which the filing has been made by the relevant debtor, such new assets will form part of the liquidator’s assets and will be applied by the latter to pay the creditors of the relevant debtor.

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

However, the impact thereof on the cashflows deriving from the Portfolio and, as a consequence, on the amortisation of the Notes may not be predicted as at the date of this Prospectus.

Delegation of powers to the Italian Government for the reform of corporate reorganisation and Insolvency Law

On 11 October 2017 the Italian Parliament approved the text of law which confers powers on the Italian government for an overall reform of insolvency law and corporate reorganisation proceedings in the context of over-indebted corporate entities (the “Delegated Legislation”).

The Delegated Legislation is the result of a review of the Italian legislative decree no. 267 of 16 March 1942 (hereinafter the “Bankruptcy Law”) conducted by an experts' committee set up in 2015. Such review
aims at introducing reform of insolvency legislation that is better suited to the current economic situation and consistent with the indications received from the European legislator.

The Delegated Legislation is inspired by the principle of an early detection and resolution of corporate insolvency also through flexible and modern reorganisation methods; in such a context, the declaration of bankruptcy (now defined as judicial liquidation, “liquidazione giudiziale”) is considered as a last resort alternative in absence of other options that can guarantee continuation of the corporate activity. Please note that it is likely that in the coming months this Delegated Legislation may be amended to correct certain aspects that, according to the current wording of the law, are not clear or in any case need improvements.

In accordance with the above principles, the Delegated Legislation introduces the new “preemptive and assisted reorganisation procedures” further complementing in this way the regulation of the currently existing pre-insolvency proceedings (i.e. restructuring proceedings under article 182bis and certified plans under article 67(3)(d) of the Bankruptcy law) and insolvency proceedings (scheme of arrangements with creditors and bankruptcy). The reform of the so - called extraordinary administration proceedings has not been included in the scope of the Delegated Legislation and will likely require an ad hoc intervention.

Stakeholders have long faced a difficulty in coordinating the restructuring proceedings of companies belonging to the same group. The legislation currently in force does not provide for the opening of a single restructuring proceedings with regard to multiple affiliated companies, this resulting in an inefficient process also compounded by the fact that different territorial courts have competence for each different single proceedings. Therefore in order to address such issues, the Delegated Legislation provides for the introduction of a new joint proceedings for group insolvencies. More specifically, the Delegated Legislation introduces:

a) a definition of “corporate group” by reference to the criteria of direction and coordination referred to in articles 2497 et seq. and 2545 septies of the Italian civil code; such criteria are presumed as met in case within the group there are controlling and controlled entities pursuant to article 2359 of Italian civil code;

b) joined single proceedings: the possibility for companies belonging to the same group to file a single application for approval of a debt restructuring plan agreement under article 182bis of the Bankruptcy Law or admission to an out-of-court arrangement with creditors or judicial liquidation or a court settlement agreement before a single court of law (as determined in accordance with the European principle of “center of main interests” of the debtor); hence the subsequent appointment of only one single (i) judge and (ii) court-appointed receiver with regard to a scheme of arrangement or judicial dissolution and payment of a single fund of expenses in the case of a scheme of arrangement with creditors.

c) separate resolution meetings with regard to schemes of arrangement with creditors: in case of a scheme of arrangement, separate resolutions on the proposal by the creditors of each company and the exclusion of infra-group creditors from voting in order to mitigate any “distortion” effects;

d) subordination of infra-group debt in situations described by article 2467 of the Italian civil code (i.e. the company has resorted to additional debt in situations where a capital contribution was instead required), with the exception of infra-group loans granted in the context of schemes of arrangement or a debt restructuring agreement under article 182bis of Bankruptcy Law;

e) extension of the receiver’s powers with regard to solvent companies: in the event of a judicial liquidation, the power of the receiver, inter alia, to report irregularities in the management of the solvent companies of the group (e.g. article 2409 of the Italian civil code) and to request their bankruptcy in the event of insolvency.

*Preemptive Proceedings*
As mentioned above, the Italian legislator has worked on the assumption (shared by the European regulator and business philosophy) that the successful recovery of a business largely depends on early detection of crisis situations, which instead the entrepreneur often tends to deny.

In order to facilitate a prompt detection of the crisis, on one hand the Delegated Legislation requires the entrepreneur to have in place an adequate corporate structure which can detect a crisis situation in a timely manner, and on the other hand, has introduced preemptive proceedings and crisis-assisted reorganization proceedings (the “Preemptive Proceedings”) to induce the distressed company to address the crisis early on.

Such regulation however does not apply to listed and large companies on the assumption that, due to their dimension, such entities have adequate resources to detect the crisis and address it on an early stage.

The Preemptive Proceedings are based on a resolution of the crisis agreed with creditors and implemented through the assistance of a body of experts activated by the debtor or indirectly by public creditors or corporate auditing entities. The Preemptive Proceedings - which are to be conducted in a confidential manner – provide for the following:

a) the debtor who acknowledges a state of crisis files an application with a body set up in the relevant Chamber of Commerce (the “Committee”) in order to receive assistance in finding an agreed solution to the crisis with the creditors within a maximum period of 6 months;

b) qualified public creditors (including the Tax Agency and Social Security Agency) must (i) inform the relevant debtor that its debt exposure has exceeded a significant amount and (ii) inform the supervisory entities and the Committee, in case the debtor has not addressed the problem within a 3 months period (such as by starting the Preemptive Proceedings, or by carrying out a scheme of arrangement or a debt restructuring);

c) in the event of the debtor's inaction, the above-mentioned public creditors must report to the supervisory entities and the Committee ongoing defaults of a significant amount;

d) in addition, in all cases of inaction on the part of the debtor (and regardless of reporting by qualified public creditors) the corporate auditing bodies, auditors and auditing firms are obliged to immediately notify the administrative entities of any well-grounded indications of a crisis situation (the chartered accountant representative body shall prepare indexes to be used to establish when a company is to be considered in crisis) and, in the event of inadequate or lacking response by these, the Committee;

e) during the proceedings, the debtor may apply to the relevant Court for the adoption of protective measures to enable the same to enter into negotiations protected from any action of creditors (in respect of such protective measures, the debtor may postpone the reduction of any losses pursuant to the provisions of article 182 sexies the Bankruptcy Law with reference to the debt restructuring agreements and the schemes of arrangements;

f) if within six months from the start of the proceeding the relevant debtor does not adopt appropriate measures to overcome the crisis (including entering into agreements with creditors or filing a debt restructuring agreement in court or apply for an in-court composition with creditors), the Committee reports the state of insolvency, (if any) to the Public Prosecutor (who will be able to file for bankruptcy where the conditions are met).

Finally, in order to encourage the use of Preemptive Proceedings, the Law provides for a system of incentives and penalties:

- Incentives:

  1. for debtors who have taken action to overcome the crisis within 6 months from the first sign of its occurrence (using the assistance of the Committee or the proceedings for the approval
of a debt restructuring agreement under article 182bis of the Bankruptcy Law, or a scheme of arrangement with creditors): (a) there will no penalty for bankruptcy by fund distraction crimes and other bankruptcy offences when they have caused minor damage; (b) a mitigating circumstance with special effect for the other crimes and (c) a reduction of interest and penalties on tax debt;

2. for statutory auditors who immediately report to the directors well-grounded indications of a crisis situation and, in the event of inaction, inform the Committee: exemption from joint liability with the company directors for the damages resulting from events or omissions following their report;

- **Penalties:**

  for qualified public creditors: loss of their priority in payment over their debt in case of failure to report to the supervisory entities and the Committee the persisting default on obligations of a significant amount by the relevant insolvent debtor.

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**Debt restructuring agreements pursuant to article 182bis of Bankruptcy Law and certified plans under article 67(3)(d) Bankruptcy Law**

The amendments introduced by the Delegated Legislation aim to encourage the use of debt restructuring agreements under article 182bis of the Bankruptcy Law (the “**182bis Agreements**”).

As for the certified plans under article 67(3)(d) of the Bankruptcy Law (the “**Certified Plans**”), the legislator has considered necessary to regulate more specifically their content in order to limit the possibility that these are drafted loosely.

Starting from the 182bis Agreements, the Delegated Legislation provides as follows:

a) extended application of the cram down: possibility to apply the “cram down” model envisaged in the case of arrangements with banks and financial intermediaries under article 182septies of the Bankruptcy Law to all debt restructuring agreements and moratorium agreement which do not provide for liquidation: this means that, once the creditors have been assigned to homogeneous classes based on their economic and legal position, a company may bind all creditors belonging to a certain class to complying with agreements approved by at least 75% of creditors belonging to the relevant class provided that they have been informed of the opening of negotiations and have been enabled to participate to the resolution;

b) reduction of the required quorum: reduction of the 60% quorum currently required by law for the use of such measure to 30% provided that: (a) the debtor pays creditors not adhering to the plan as their debts become due and (b) does not request protection from enforcement proceedings (see letter c) below);

c) extension of protection: application of a debt moratorium starting from the opening and until the end of the proceedings (today it applies for only 60 days starting from the opening);

d) extension to members with unlimited liability: extension of the effects of the agreement to members with unlimited liability.

As for the certified plans, the Law merely requires that they be in writing, bear certain date and the content is precisely determined.

**Schemes of Arrangement**

The Law provides for a reorganisation of the provisions on the schemes of arrangement with creditors in order to preserve business continuity and simplification of proceedings. More specifically, the Delegated Legislation provides as follows:
a) marginalisation of schemes of arrangement providing for liquidation: schemes of arrangements with liquidation are only possible where: (i) there is a contribution of external resources which appreciably increases payments in favours of unsecured creditors for at least 10% and, in any case, (ii) a minimum payment of 20% of the total amount of unsecured claims is envisaged;

b) extending the powers of the relevant bankruptcy Court: the Court has the power to assess not only the legal but also the economic feasibility of a scheme of arrangement (this is a step back in respect of the “private” nature of the 2015 reform as well as of the same indications received from the Joint Sections of the Italian Supreme Court (Corte di Cassazione a Sezioni Unite) that will not contribute to the success of the provision);

c) qualified majorities: a majority is required not only based on the amount of debt owed but also based on the number of voting creditors if a single creditor holds unsecured debt for an amount equal to or higher than the majority of those eligible to vote; furthermore, the Delegated Legislation calls for a specific regulation on conflict of interest situations. Such choice will make it difficult to carry out typical investment operations involving the purchase of receivables from distressed/insolvent companies in order to then “control” and approve the relevant scheme of arrangement proposal;

d) the definition of a scheme of arrangement in continuity and deferment of privileged claims: it is clarified that a scheme of arrangement in continuity refers to both mixed schemes of arrangements (continuity plus disposal of non-instrumental assets); furthermore, payment of privileged creditors may be postponed up to two years, provided that they are granted voting rights;

e) super senior loans authorised by the court: super senior are confirmed during the proceedings and by way of execution of the plan; super senior loans are no longer permitted;

f) mandatory classation of creditors: creditors must necessarily be divided into classes if there are, among others, creditors assisted by third-party guarantees (and in other cases where there are homogeneous legal positions and economic interests that are to be identified by the Government);

g) electronic vote: the meeting of creditors is replaced by an electronic voting procedure;

h) provisional administration: in the event of obstruction by the debtor, the Court may entrust the implementation of the scheme of arrangement to a provisional administrator entrusted with the powers usually belonging to the creditors' meeting (this power is currently only provided if a competing proposal is accepted);

i) termination of the scheme arrangement by the receiver: the receiver has the power to require, following the request from a creditor, that the scheme of arrangement be terminated, inter alia, for non-performance (currently, such right is recognised only to creditors);

j) mergers/demergers/transformations: in the case of extraordinary transactions (mergers, demergers and transformations), (i) the creditors' opposition is exercised in the context of the Schemes of Arrangement; (ii) the effects of extraordinary transactions are irreversible once executed; (iii) the right of withdrawal of shareholders is excluded in the presence of transactions impacting on the organisation or financial structure of the company.

Judicial liquidation

Under the Delegated Legislation bankruptcy is defined as “judicial liquidation”, and aims at standardizing and simplifying the relevant proceedings which however becomes now residual if a restructuring proceedings on a going concern basis is possible (and reasonably achievable). Among the most important changes there are the following:
a) **assignment of assets to creditors**: the participation of creditors in the auctions of the debtors' assets is facilitated (however, certain aspects of the Delegated Legislation are not very clear on this point); to this end, a body is established which certifies “the reasonable probability of satisfaction of the debts incurred in respect of each proceeding” and which issues to the creditors who so request a debt certificate enabling them to participate to the relevant auction “in proportion to the probability of satisfaction of their credit”; the provision is presumably aiming at giving to the creditors the option to request the assignment of the debtor's assets and pay by means of their debt certificates endorsed by the certifying body; in fact the law provides for the appointment of a “settlement and central counterparty system operator” which it can be presumed will oversee such operations; the relevant proceedings however remain still to be regulated;

b) **one type of proceedings**: judicial liquidation applies to every category of debtors (e.g. limited liability companies, individuals, professionals) with the sole exclusion of public entities;

c) **efficiency of the proceedings**: a number of further actions are planned in order to reduce the duration and cost of the procedure and make more effective and transparent the receiver’s activity as well as the process of determining the bankruptcy estate’s liabilities.

Finally, the Delegated Legislation also provides for some further measures intended to reorder and simplify over-indebtedness proceedings by prioritizing business continuity and ensuring the competitiveness of asset sale auctions.

On 14 February 2019, the Legislative Decree No. 14 of 12 January 2019, enacting the above provisions set out under the Delegated Legislation, has been published in the Official Gazette of the Republic of Italy and will enter into force as of 15 August 2020 except for certain provisions relating to corporate organization and director liabilities that will enter into force as of 16 March 2019.

Prospective Noteholders should be aware that, as at the date of this Prospectus, the provisions of the Legislative Decree No. 14 of 12 January 2019 amending the Bankruptcy Law have not been entered into force and have not been tested in any case law nor specified in any further regulation. Therefore, the Issuer cannot predict their impact as at the date of this Prospectus.

**Italian Usury Law**

Italian Law no. 108 of 7 March 1996, amended and supplemented from time to time (the “Usury Law”) introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the “Usury Rates”) set every 3 months on the basis of a decree issued by the Italian Treasury (the last such decree having been issued on 25 March 2019 published in the Official Gazette No. 76 of 30 March 2019). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates. Any provision in loan agreements imposing interest exceeding the Usury Rates is null and void and no interest will be due in respect of the loan pursuant to article 1815(2) of the Italian civil code.

In some judgements issued during 2000, the Italian Supreme Court (Corte di Cassazione) ruled that the Usury Law applied both to loans advanced prior to and after the entry into force of the Usury Law. Moreover, according to a certain interpretation of the Usury Law (which was generally considered, in the Italian legal community, to have been accepted in the above mentioned rulings of the Italian Supreme Court (Corte di Cassazione)), if at any point in time the rate of interest payable on a loan (including a loan entered into before the entry into force of the Usury Law or a loan which, when entered into, was in compliance
with the Usury Law) exceeded the then applicable Usury Rate, the contractual provision providing for the borrower’s obligation to pay interest on the relevant loan became null and void in its entirety.

On 29 December 2000, the Italian Government issued law decree No. 394 (“Interpretazione autentica della legge 7 marzo 1996, n. 108”) (the “Decree 394/2000”), turned into Law No. 24 of 28 February 2001 (“Conversione in legge, con modificazioni, del decreto-legge 29 dicembre 2000, n. 394, concernente interpretazione autentica della legge 7 marzo 1996, n. 108, recante disposizioni in materia di usura”), which clarified the uncertainty over the interpretation of the Usury Law and provided, inter alia, that interest will be deemed to be usurious only if the interest rate agreed by the parties exceeded the Usury Rates applicable at the time the relevant loan agreement or such other credit facility was entered into or the interest rate was agreed. Decree 394/2000 also provided that as an extraordinary measure due to the exceptional fall in interest rates in 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on fixed rate loans (other than subsidised loans) already entered into on the date such decree came into force (such date being 31 December 2000) are to be substituted, except where the parties have agreed to more favourable terms, with a lower interest rate set in accordance with parameters fixed by such decree by reference to the average gross yield of multiannual treasury bonds (Buoni del Tesoro Poliennali) in the period from January 1986 to October 2000. The Italian Constitutional Court (Corte Costituzionale) has rejected, with decision no. 29/2002 (deposited on 25th February 2002), a constitutional exception raised by the Court of Benevento concerning article 1, paragraph 1, of the Usury Law. In so doing, the Constitutional Court has confirmed the constitutional validity of the provisions of the Usury Law which holds that the interest rates may be deemed to be void due to usury only if they infringe the Usury Law at the time they are agreed upon between the borrower and the lender and not as at the time such rates are actually paid by the borrower.

Certain decisions of the Italian Supreme Court (Corte di Cassazione) have applied the above principle and have, therefore, deemed lawful (also from a civil law perspective) interest rates which were compliant with the Usury Rates as at the time of the execution of the financing agreements but exceeded such threshold thereafter. On the other hand, according to other decisions of the Italian Supreme Court (Corte di Cassazione), the remuneration of any given financing must be below the applicable Usury Rate from time to time applicable. Based on this recent evolution of case law on the matter, it will constitute a breach of the Usury Law if the remuneration of a financing is lower than the applicable Usury Rate at the time the terms of the financing were agreed but becomes higher than the applicable Usury Rate at any point in time thereafter. Furthermore, those court precedents have also stated that default interest rates are relevant and must be taken into account when calculating the aggregate remuneration of any given financing for the purposes of determining its compliance with the applicable Usury Rate. That interpretation is in contradiction with the current methodology for determining the Usury Rates, considering that the relevant surveys aimed at calculating the applicable average rate never took into account the default interest rates. On 3 July 2013, also the Bank of Italy has confirmed in an official document that default interest rates should be taken into account for the purposes of the Usury Rates and has acknowledged that there is a discrepancy between the methods utilised to determine the remuneration of any given financing (which must include default rates) and the applicable Usury Rates against which the former must be compared.

To solve such a contrast between different Italian Supreme Court (Corte di Cassazione) decisions, a recent decision by the Italian Supreme Court (Corte di Cassazione) joint sections (Sezioni Unite) (n. 24675 dated 18 July 2017) finally stated that interest rates which were compliant with the Usury Rates as at the time of the execution of the financing agreements but exceeded such threshold thereafter, are lawful also from a civil law perspective falling outside of the scope of the Usury Law. In this respect, due to the recent date of this last decision, it remains unclear how such decision will be applied by the merit courts.

Pursuant to the Warranty and Indemnity Agreement the Originator has represented and warranted that the
interest rates applicable to the Loans as at the date of execution of the relevant Loan Agreements are in compliance with the then applicable Usury Rate.

Prospective Noteholders should note that, whilst the Originator has undertaken in the Warranty and Indemnity Agreement to indemnify the Issuer in respect of any loss, damage and reasonable cost, charge and/or expense that may be incurred by the Issuer in connection with any loss or reduction in any interest accrued on the Loans as result of breach of any law (including the Usury Law), the ability of the Issuer to maintain scheduled payments of interest and principal on the Notes may be adversely affected as a result of a Loan being found to be in contravention with the Usury Law, thus allowing the relevant debtor to claim relief on any interest previously paid and obliging the Issuer in the future to accept a reduced rate of interest, or potentially no interest, payable on such Loan.

**Perfection of the sale of the Portfolio**

The sale of the Portfolio by the Originator to the Issuer has been made in accordance with the Securitisation Law. Pursuant to article 4 of the Securitisation Law, the publication in the Official Gazette of a notice of the sale of the Portfolio by the Originator to the Issuer and the registration of such sales with the competent Register of Enterprises of Milan, Monza, Brianza, Lodi (such publication and registration were made before the Issue Date) has rendered the assignment of the Portfolio and the proceeds deriving therefrom immune from any attachment or other action under Italian law (other than a claw-back action: see “Claw-Back of the Sale of the Portfolio” below), except to the extent that any such attachment or action is intended to protect the rights of the Noteholders and the Other Issuer Creditors. In addition, the publication of such notice means that the sale of the Portfolio cannot be challenged or disregarded by: (i) any third party to whom the Originator may previously have assigned the Portfolio or any part thereof but who has not perfected the assignment prior to the date of publication; (ii) a creditor of the Originator who has a right to enforce its claim on the Originator’s assets; or (iii) a receiver or administrative receiver or a liquidator of any assigned Borrower in the case of the Borrower’s bankruptcy.

**Claw-back of the sale of the Portfolio**

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

Accordingly, if the Originator was insolvent at the date of the execution of the Transfer Agreement, and the Issuer was, or ought to have been, aware of such insolvency, the transfer may, in certain circumstances, be subject to claw-back by a liquidator of the Originator. Under the Warranty and Indemnity Agreement, the Originator has represented that it was solvent as of the date of the transfer, and that such representations shall deemed to be repeated as of the Issue Date by the Originator, and that the appropriate solvency certificate has been obtained as of the date of the transfer of the Portfolio (for other risks relating to the Originator, please see the paragraphs entitled “Counterparty risk”, “Commingling Risk” and “Bank Recovery and Resolution Directive” and section entitled “The Originator, The Administrative Services Provider, The Collection Bank and the Servicer”).

On 11 October 2017, Italian Parliament approved Law No. 155 of 19 October 2017 (Legge Delega) conferring to the Governement the powers to enact certain amendments to the Bankruptcy Law including to the claw-back. On 14 February 2019, Legislative Decree No. 14 of 12 January 2019, enacting Law No.
155 of 19 October 2017, has been published on the Official Gazette of the Republic of Italy and will enter into force as of 15 August 2020 except for certain amendments related, among others, to corporate governance and directors’ liability which will enter into force as of 16 March 2019.

Prospective Noteholders should be aware that, as at the date of this Prospectus, the provisions of the Legislative Decree No. 14 of 12 January 2019 amending the Bankruptcy Law have not been entered into force and have not been tested in any case law nor specified in any further regulation and, therefore, the Issuer cannot predict their impact as at the date of this Prospectus.

**Commingling Risk**

Traditionally, the special purpose vehicles incorporated under the Securitisation Law are subject to the risk that, in case of insolvency of the servicers, the collections held by the servicers are lost or frozen. Such risk is usually mitigated through the transfer of the collections held by the servicers, within a very limited period of time, into bank accounts opened in the name of the issuers with Eligible Institutions. Furthermore, in case of insolvency of the servicers, the debtors are usually instructed to pay any amount due in respect to the receivables directly into bank accounts opened in the name of the issuers with Eligible Institutions.

On 24 December 2013, Italian Law Decree 145 came into force introducing certain amendments to the Securitisation Law. In particular, Decree 145 has provided, *inter alia*, that the special purpose vehicles incorporated under the Securitisation Law may open segregated accounts with the servicers for the deposit of the collections received from the debtors and the other amounts paid to the special purpose vehicles under the securitisation transactions; the sums deposited into such accounts will be segregated from the assets of the servicers with which the accounts are held, as well as from those of any other person holding deposits with the servicers, and will be available only to satisfy the obligations of the special purpose vehicles *vis-à-vis* the noteholders and the other creditors in relation to the securitisation transactions. In the event that the servicers become subject to any insolvency proceeding or restructuring agreement, the sums deposited into such accounts will remain outside the servicers’ estate and will not be subject to suspension of payments.

**Rights of set-off and other rights of Borrowers**

Under general principles of Italian law, a borrower of a mortgage loan is entitled to exercise rights of set-off in respect of amounts due under such mortgage loan against any amounts payable by the relevant originator to such borrower if and to the extent that such counterclaims have arisen before the publication of the notice of the assignment of the Claims in the Official Gazette pursuant to article 58, second paragraph, of the Consolidated Banking Act and the registration of such sale with the companies’ register where the Issuer is enrolled have been made. Consequently, after (i) publication in the Official Gazette of the notice of transfer of the Portfolio to the Issuer pursuant to the Transfer Agreement and (ii) registration of the assignment in the register of companies where the Issuer is enrolled, the Borrowers shall not be entitled to exercise any set-off right against their claims against the Originator which arises after the date of such publication and registration.

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

Article 120-ter of the Consolidated Banking Act provides that any provision imposing a prepayment penalty in case of early redemption of mortgage loans is null and void with respect to mortgage loan agreements entered into, with an individual as borrower, for the purpose of purchasing or restructuring real estate properties destined to residential purposes or to carry out the borrower’s own professional and business activity.
The Italian banking association (“ABI”) and the main national consumer associations have reached an agreement (the “Prepayment Penalty Agreement”) regarding the equitable renegotiation of prepayment penalties with certain maximum limits calculated on the outstanding amount of the loans (the “Substitutive Prepayment Penalty”) containing the following main provisions: (i) with respect to variable rate loan agreements, the Substitutive Prepayment Penalty should not exceed 0.50% and should be further reduced to (a) 0.20% in case of early redemption of the loan carried out within the third year from the final maturity date and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (ii) with respect to fixed rate loan agreements entered into before 1 January 2001, the Substitutive Prepayment Penalty should not exceed 0.50%, and should be further reduced to: (a) 0.20%, in case of early redemption of the loan carried out within two years from the final maturity date, (iii) with respect to fixed rate loan agreements entered into after 31 December 2000, the Substitutive Prepayment Penalty should be equal to: (a) 1.90% if the relevant early redemption is carried out in the first half of loan’s agreed duration; (b) 1.50% if the relevant early redemption is carried out following the first half of loan’s agreed duration, provided however that the Substitutive Prepayment Penalty should be further reduced to: (x) 0.20%, in case of early redemption of the loan carried out within three years from the final maturity date; and (y) zero, in case of early redemption of the loan carried out within two years from the final maturity date.

The Prepayment Penalty Agreement introduces a further protection for borrowers under a “safeguard” equitable clause (the “Clausola di Salvaguardia”) in relation to those loan agreements which already provide for a prepayment penalty in an amount which is compliant with the thresholds described above. In respect of such loans, the Clausola di Salvaguardia provides that: (1) if the relevant loan is either: (x) a variable rate loan agreement; or (y) a fixed rate loan agreement entered into before 1 January 2001 the amount of the relevant prepayment penalty shall be reduced by 0.20%; (2) if the relevant loan is a fixed rate loan agreement entered into after 31 December 2000, the amount of the relevant prepayment penalty shall be reduced by (x) 0.25% if the agreed amount of the prepayment penalty was equal or higher than 1.25%; or (y) 0.15%, if the agreed amount of the prepayment penalty was lower than 1.25%.

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

**Article 120-quater of the Consolidated Banking Act**

Article 120-quater of the Consolidated Banking Act provides that, in case of a loan, overdraft facility or any other financing granted by a bank, the relevant borrower can exercise the right of prepayment of the loan and/or subrogation of a new bank into the rights of their creditors in accordance with article 1202 (surrogazione per volontà del debitore) of the Italian civil code (the “Subrogation”), even if the borrower’s debt towards the lending bank is not due and payable or a term for repayment has been agreed for the benefit of the creditor. If the Subrogation is exercised by the borrower, a new lender will succeed to the former lender also as beneficiary of all existing ancillary security interests and guarantees. Any provision of the relevant agreement which may prevent the borrower from exercising such Subrogation or render the exercise of such right more cumbersome for the borrower is void. The borrower shall not bear any notarial or administrative cost connected to the Subrogation.

Furthermore, paragraph 7 of article 120-quater of the Consolidated Banking Act provides that, in case the Subrogation is not perfected within 30 (thirty) business days from the date on which the original lender has been requested to cooperate for the conclusion of the Subrogation, the original lender shall indemnify the borrower for an amount equal to 1 per cent of the loan or facility granted, for each month or fraction of
month of delay. The original lender has the right to ask for indemnification from the subrogating lender, in case the latter is to be held liable for the delay in the conclusion of the Subrogation.

As a result of the Subrogation, the rate of prepayment of the Loans might materially increase; such event might have an impact on the yield to maturity of the Notes.

**Compounding of interest**

According to article 1283 of the Italian civil code, in respect of a monetary claim or receivable, accrued interest can be capitalised after a period of not less than 6 (six) months provided that the capitalisation has been agreed after the date on which it has become due and payable or from the date when the relevant legal proceedings are commenced in respect of that monetary claim or receivable. According to article 1283 of the Italian civil code, such provision may be derogated from only in the event that there are recognised customary practices (usi) to the contrary. Traditionally, capitalisation of interest (including the capitalisation of interest on bonds and other debt instruments) in the Republic of Italy was a common market practice on the grounds that such practice could be characterised as a customary rule (uso normativo). However, according to certain judgements from Italian courts (including judgements no. 2374/99 and no. 2593/03 of the Italian Supreme Court (Corte di Cassazione)), such practice has been re-characterised as an agreed clause (uso negoziale) and, as such, has been deemed not to permit derogation from the aforementioned provisions of the Italian civil code.

In this respect, it should be noted that article 25, paragraph 3, of Legislative Decree no. 342 of 4 August 1999 (“Legislative Decree 342”) enacted by the Italian Government under a delegation granted pursuant to Law no. 142 of 19 February 1992 (the “Law 142”) has considered the capitalisation of accrued interest (anatocismo) made by banks prior to the date on which it came into force (19 October 1999) to be valid. After such date, the capitalisation of accrued interest will still be possible upon the terms established by a resolution of the Interministerial Committee of Credit and Saving (C.I.C.R.) issued on 9 February 2000. Legislative Decree 342 has been challenged, however, before the Italian Constitutional Court (Corte Costituzionale) on grounds it falls outside the scope of the legislative powers delegated under Law 142. On these grounds, by decision no. 425 dated 9 October 2000 issued by the Italian Constitutional Court (Corte Costituzionale), article 25, paragraph 3, of Legislative Decree 342 has been declared as unconstitutional.

In the decision no. 21095/04, the Sezioni Unite of the Italian Supreme Court (Corte di Cassazione) have confirmed that the interpretation according to which the capitalisation of accrued interest on a quarterly basis is not to be considered as a customary rule (uso normativo) and have moreover expressly stated that such capitalisation is not valid even if made before the above described rulings of the Italian Supreme Court (Corte di Cassazione) which first stated the relevant principal in 1999. Consequently, if Borrowers were to challenge this practice, it is possible that such interpretation of the Italian civil code would be upheld before other courts in the Republic of Italy and that the returns generated from the Loan Agreements may be prejudiced.

With respect to this matter, a ruling dated 29 October 2008 by the Court of Bari declared some mortgage loan agreements (executed in 1988 and 1989) that were based upon the amortisation method known as “French amortisation” (i.e. mortgage loans with fixed instalments, made up of an amount of principal (that progressively increases) and an amount of interest (that decreases as repayments are made) calculated with a compound interest formula, as partially void. In the case at hand, the technical consultancy requested by the judge showed that the instalments were calculated with a compound interest formula not expressly stated in the agreement, and that from the application of such formula the effective interest was higher than the nominal interest. The borrowers were not able to realise, therefore, at the time of execution of the relevant mortgage loans, the effective high interest to be paid, as the nominal annual interest was that
resulting from the agreement while the effective interest could only be inferred from time to time on the basis of the amortisation plan. Considering that the calculation of compound interest is permitted only within the limits of article 1283 of the Italian civil code, as described above (i.e. the compounding has to follow the maturation of interest and never to precede it, as occurs in such French amortisation), the judge declared that the relevant mortgage loans were partially void and recalculated the amortisation plans with reference to the applicable legal rate, so determining an interest rate lower than to that paid by the borrowers. In judgement No. 2608 of 30 May 2018 the Court of Turin stated that, in case of “French amortisation plans”, such amortisation method does not entail capitalization of interest. The Court concluded that such amortisation method does not fall within the prohibition of compound of interest set out under article 1283 of the Italian civil code. It is to be noted in any case that the above mentioned decision has been issued by a Court of first degree (Tribunale) and therefore it could be overturned (or confirmed) by a judgment of the competent Court of Appeal. Information on the current status of such potential appeal are not, as of today, known nor available.

It should be noted that paragraph 2 of article 120 of the Consolidated Banking Act, concerning compounding of interest accrued in the context of banking transactions, has been amended by article 17-bis of Law Decree number 18 of 14 February 2016 (as converted into law by Law number 49 of 8 April 2016), providing that interests (other than defaulted interests) shall not accrue on capitalised interests. Paragraph 2 of article 120 of the Consolidated Banking Act also delegated to the CICR to establish the methods and criteria for the compounding of interest. In this respect, the CICR, pursuant to a resolution dated 3 August 2016, (the “2016 Resolution”) has provided, inter alia, that: (i) interest is to be accounted separately from principal; (ii) as already provided under new article 120 of the Consolidated Banking Act, interest becomes due from the 1st of March after the year in which it accrued. Provided that, in any case, such interest becomes payable, after a 30-day period (which begins from the day on which the relevant Borrower becomes aware of the amount to be paid) during which the Borrower could pay such interest without being in default; and (iii) the Debtor and the bank can agree in advance - in order to avoid payment of the arrears or the beginning of legal proceedings – to charge the interest directly to the relevant Borrower’s account using including via an overdraft facility (with the consequent accrual of interest on the amounts used to extinguish such debt). Intermediaries shall apply 2016 Resolution, at the latest, from 1st October 2016. However, the impact of such implementation provisions may not be predicted as at the date hereof.

Prospective Noteholders should note that under the Warranty and Indemnity Agreement the Originator has represented that all the Loan Agreements (i) have been executed and performed in compliance with the provisions of article 1283 of the Italian civil code, and (ii) expressly mention the ISC (indicatore sintetico di costo) for the relevant Loan.

**Suspension of mortgage instalments - Fondo di solidarietà per i mutui per l’acquisto della prima casa**

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

The 2008 Budget Law provided for the establishment of a fund (“Fondo di solidarietà per i mutui per l’acquisto della prima casa”) (the “Fund”) created for the purpose of bearing certain costs deriving from the suspension of payments by the borrowers and referred to an implementing regulation to be issued by the Ministry of the Economy and Finance (“Ministro dell’economia e delle finanze”) in conjunction with the Ministry of the Social Solidarity (“Ministro della solidarietà sociale”). Pursuant to the decree of the General Director of Treasury Department of the Ministry of Economy and Finance issued on 14 September
2010, CONSAP (“Concessionaria Servizi Assicurativi S.p.A”) was selected as managing company of the Fund.

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

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

(i) termination of an employment contract of indeterminate duration;
(ii) termination of a fixed term employment contract;
(iii) termination of one of the employment relationships provided for by article 409, No. 3) of the Italian civil procedure code; or
(iv) death or declaration of handicap or disability for at least 80%.

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

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

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

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

It should be noted that, pursuant to the Servicing Agreement, the Originator, in its capacity as Servicer, has been empowered to grant to the Borrower the suspension of payments of the relevant instalments within the limits provided for under the same Servicing Agreement. See for further details “Description of the Transaction Documents - The Servicing Agreement”.

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The Families Plan

On 31 March 2015, the Italian Banking Association ("ABI") and some consumers associations signed a convention (the “ABI Convention”) concerning the temporary suspension of payments of the principal quota of instalments due by individuals to the banking system in order to help those families stricken by the financial crisis ("Families Plan").

The Families Plan is in addition to the Fund ("Fondo di solidarietà per i mutui per l’acquisto della prima casa” – please see the section headed “Consideration relating to the Portfolio”).

The Families Plan provides the possibility for individuals (upon certain conditions have been met) to request, within 31 December 2017, the suspension (only for one time and for a period not longer than 12 months) of the principal component of the instalments (the “Suspension”).

The granting of the Suspension does not cause the application of any fees or default interest for the suspension period, except when the relevant borrower is in breach of its obligation to pay the interest component of the loan instalments at their original scheduled due dates.

As a consequence of the Suspension, the reimbursement plan will be extended for a period equal to the Suspension. The borrower shall, in any case, continue to pay, at their original scheduled due dates, the interest component of the loan instalments.

The Suspension applies to:

1) loans granted for the purchase of real estate property to be used as the borrower’s main residence (“abitazione principale”), only upon the occurrence of the event listed in point 3 (c) of ABI Convention (e.g. suspension of the working relationship or reduction of the working time for a period of at least 30 days); and
2) consumer’s loans granted to individuals in accordance with the provision of article 121 of the Consolidated Banking Act, having a duration higher than 24 months and a so-called “French” amortisation plan, regardless of the type of contractual interest rate.

In particular, it should be noted that, pursuant to the ABI Convention, also the loans which have been securitised in accordance with the provisions of the Securitisation Law may benefit of the Suspension.

In addition, the ABI Convention specifically set out the case in which the Suspension shall not be granted (e.g. loans having late instalments for more than 90 days or loans which have already benefited of other suspensions for a period of 12 months).

The Suspension can be granted upon the occurrence, in the 24 months preceding the request of such Suspension, of one of the following events:

a) closing down of a permanent employment relationship (rapporto di lavoro subordinato), other than in the event of consensual termination (risoluzione consensuale) of such employment relationship or in the events in which the termination is due to the bypass of the age limit, with the consequent right to benefit of an old-age pension (pensione di anzianità), or in the events of resignation not for “giusta causa” or “giustificato motivo soggettivo”;
b) closing down of the employment relationships under article 409, paragraph 3, of the Italian civil procedure code, other than the cases of consensual termination, withdrawal of the employer for “giusta causa” or withdrawal of the employee not for “giusta causa”;

c) suspension of the employment relationship or reduction of the working time for a period of at least 30 days, also before the issuing of the relevant measures authorising an income support (sostegno al reddito);

d) death or cases of loss of self–sufficiency (condizioni di non autosufficienza).

In any case, it should be noted that banks and the financial intermediaries may, at their discretion, grant to their customers suspensions at more favorable conditions than the ones provided under the Families Plan.

Finally, banks and financial intermediaries shall bring into effect the ABI Convention within 60 days from its execution.

On 21 November 2017, ABI and the associations of the representative of the consumers agreed to extend the validity of the Families Plan up to 31 July 2018.

**Historical Information**

The historical financial and other information set forth in the sections headed “The Originator, the Collection Account Bank, the Administrative Services Provider and the Servicer”, “The Portfolio” and “The Collection Policy and Recovery Procedures”, including recovery rates, represents the historical experience of the Originator. There can be no assurance that the Originator’s future experience and performance as Servicer of the Portfolio will remain constant.

**TAX CONSIDERATIONS**

**Tax treatment of the Issuer**

Taxable income of the Issuer is determined in accordance with Italian Presidential Decree No. 917 of 22 December 1986. In light of the principles arising from the regulations issued by the Bank of Italy on 15 December 2015 (Istruzioni per la redazione dei bilanci e dei rendiconti degli intermediari finanziari, degli istituti di pagamento, degli istituti di moneta elettronica, delle SGR e delle SIM), as amended and supplemented, the assets, liabilities, costs and revenues of the Issuer in relation to the securitisation of the Portfolio will be treated as off-balance sheet assets, liabilities, costs and revenues, to be reported in the notes to the financial statements. Based on the general rules applicable to the calculation of the net taxable income of a company, such taxable income should be calculated on the basis of accounting, i.e. on-balance sheet, earnings, subject to such adjustments as are specifically provided for by applicable income tax rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Portfolio. This opinion has been expressed by scholars and tax specialists and has been confirmed by the tax authority (Circular No. 8/E issued by the Italian tax authority (Agenzia delle Entrate) on 6 February 2003) on the grounds that the net proceeds generated by the securitised assets may not be considered as legally available to an issuer insofar as any and all amounts deriving from the underlying assets are specifically destined to satisfy the obligations of such issuer to the noteholders, the originator and any other creditors of the issuer in respect of the securitisation of the underlying assets in compliance with applicable laws.

Pursuant to Legislative Decree No. 141/2010 which modified article 3, paragraph 3, of Securitisation Law, the Issuer is not any longer required to be registered as financial intermediary under article 106 of the
Consolidated Banking Act while it is enrolled in the register for securitisation vehicles held by the Bank of Italy pursuant to the Bank of Italy’s regulation dated 7 June 2017. The Italian tax authority (Agenzia delle Entrate) has not changed its tax guidelines.

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

A transfer of claims falls within the scope of VAT if it can be characterised as a supply of services rendered by the purchaser. In this respect, a transfer of claims entails a supply of services in the event and to the extent that (i) it has a “financial purpose” pursuant to article 3, paragraph 2, item 3) of Presidential Decree of 26 October 1972, No. 633 and (ii) it is effected for consideration pursuant to article 3, paragraph 1 of the above mentioned Presidential Decree. In such a case, the transfer of the claims is subject to VAT at the zero percent. rate (VAT exempt transaction) provided that it could not be qualified as credit recovery (attività di recupero crediti) subject to VAT rate of 22 percent. As far as the “financial purpose” is concerned, it must be pointed out that the transfer of the claims related to the securitisation in question takes place in the context of a “financial transaction” because (a) the Originator transfers the claims to the Issuer in order to enable the latter to raise funds (through the issuance of Notes collateralised by the claims) to be advanced to the Originator as transfer price of the claims; (b) the Issuer will effectively be entitled to retain for itself all collection and recoveries proceeds of the claims to the extent necessary to repay the principal amount of the Notes and to pay interest thereon and all costs borne by the Issuer in the context of the Transaction. In this respect, the transfer of claims in the context of a securitisation transaction should not be deemed as credit recovery (attività di recupero crediti) subject to a VAT rate of 22 per cent., based on the clarification given by the Italian Tax Authority in Resolution No. 32/E of 11 March 2011. As far as the transfer of claims for a consideration is concerned, it must be pointed out that this matter has been analysed by the EU Court of Justice and by Agenzia delle Entrate in cases dealing with the VAT analysis of the transfer of claims within the context of a factoring transaction and without specifically considering a securitisation transaction (among others EU Court of Justice judgment of June 26, 2003 on case C-305/01 and Resolution No. 32/E of 11 March 2011 issued by Agenzia delle Entrate). However it is also to be mentioned that since both factoring and securitisation transaction share similar “financial purposes”, the general consensus in the tax doctrine is that the transfer of claims must be treated similarly within the context of both transactions. According to the above mentioned judgments and resolutions, the remuneration of the “financial transaction” executed through the assignment of claims would be represented by any existing positive difference between the face value of the claims and the purchase price paid by the purchaser for the purchase of the same claims (i.e. the so-called “Discount”) as well as by any commission paid by the transferor with the purpose to remunerate the transferee for the payment in advance made before the expiration of the claim, which in substance constitutes a financing. In such a case, the transfer of the claims is subject to VAT at the zero per cent. rate (VAT exempt transaction). In the absence of a remuneration for the financing granted through the transfer of claims, such transfer cannot result in the supply of a “financial transaction” for VAT purposes. In a judgment (Judgment of 27 October 2011 on case C-93/10), the EU Court of Justice took an even more restrictive view on this matter, by stating, with specific reference to non-performing claims, as follows “an operator who, at his own risk, purchases defaulted debts at a price below their face value does not effect a supply of services for consideration and does not carry out an economic activity falling within the scope of that directive when the difference between the face value of those debts and their purchase price reflects the actual economic value of the debts at the time of their assignment”. On the basis of a cross interpretation of principles embodied in Resolution No. 32/E of 2011 and EU Court of Justice C-93/10, it can be summarised that, with specific reference to non-performing claims, whenever the amount paid by a purchaser in exchange for the acquisition of the claims reflects the actual economic value of the claims, no “financial service” for VAT purposes would be rendered by the purchaser. According to the above in a context of a securitisation transaction, as the one at stake, if (i) a portfolio of performing claims is not
transferred either for a consideration due by the transferor to the transferee or for a discount below the face value of the claims or (ii) a portfolio of non-performing claims is transferred for a price not below the actual economic value of the claims at the time of their assignment, the relevant transfer could be treated not as a “financial transaction” rendered by the Issuer and therefore the transaction could not qualify for VAT purposes as “operazione esente” (VAT exempt subject to VAT at the zero per cent. rate) and could qualify instead as “operazione fuori campo” (out of the scope of VAT and not subject to VAT). In this respect, if a transaction does not fall within the scope of VAT, VAT is not due and proportional registration tax will be applicable. Should for any reason the Transfer Agreement be subject, either voluntarily or in case of use or enunciation, to registration, 0.5% registration tax will be payable by the relevant parties thereto on the nominal value of the transferred claims.

**Substitute tax under the Notes**

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

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

For further details see the section headed “Taxation in the Republic of Italy”.

**OTHER CONSIDERATIONS**

**Euro System Eligibility**

The Class A Notes are intended to be issued in a manner which will allow for participation in the Eurosystem liquidity scheme. However, there is no guarantee and neither the Issuer nor the Originator nor any other person takes responsibility for the Class A Notes being recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the Class A Notes satisfying the Eurosystem eligibility criteria (as amended from time to time).

In this respect, it should be noted that in accordance with their policies, neither the ECB nor the central banks of the Eurozone will confirm the eligibility of the Class A Notes for the above purpose prior to their issuance or to their rating and listing and if the Class A Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Class A Notes at any time. The assessment and/or decision as to whether the Class A Notes qualify as eligible collateral for Eurosystem monetary policy and intra-day credit operations rests with the relevant central bank.

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

The structure of the Transaction and, *inter alia*, the issue of the Notes and rating assigned to the Rated Notes are based on Italian law (or English law, in the case of the Swap Agreement, the EMIR Reporting Agreement and the Deed of Charge), tax and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that Italian law (or English law, as applicable), tax or administrative practice will not change after the date of this Prospectus or that such change will not adversely impact the structure of the transaction and the treatment of the Notes.

Projections, Forecasts and Estimates

Forward-looking statements, including estimates, any other projections, forecasts and estimates 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 should not rely 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.

None of the Issuer, the Originator, or any other party to the Transaction Documents has or will have any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Prospectus. The Originator has not verified these statements nor are giving any representations on these statements.

European Market Infrastructure Regulation

Regulation (EU) no. 648/2012, known as the European Market Infrastructure Regulation (“EMIR”) entered into force on 16 August 2012. EMIR provides for certain over-the-counter (“OTC”) derivative contracts to be submitted to central clearing and imposes, *inter alia*, margin posting and other risk mitigation techniques, reporting and record keeping requirements. EMIR is a Level-1 regulation and requires secondary rules for full implementation of all elements. Some (but not all) of these secondary rules have been finalised and certain requirements under EMIR are now in effect.

Under EMIR, OTC derivatives contracts entered into by non-financial counterparties (the “NFC”) which are NFC+ and financial counterparties (the FC) entities as defined in EMIR (the “In-scope Counterparties”) that are not cleared by a central counterparty clearing house (a “CCP”) may be subject to margining requirements, unless certain exemptions apply. The regulatory technical standards relating to the collateralisation obligations in respect of OTC derivatives contracts which are not cleared (the “RTS”) are now in force and the obligation for In-scope Counterparties to margin uncleared OTC derivatives contracts is being phased in from the first quarter of 2017 with variation margin obligations applying to all transactions entered into by In-scope Counterparties from 1 March 2017. In any event, on the basis that the Issuer is an NFC-, as defined in EMIR, OTC derivatives contracts that are entered into by the Issuer would not be subject to any margining requirements. If the Issuer’s counterparty status as an NFC- changes then certain OTC derivatives contracts that are entered into by the Issuer may become subject to margining requirements.

Further, OTC derivatives contracts that are not cleared by a CCP are also subject to certain other risk mitigation techniques, including arrangements for timely confirmation of OTC derivatives contracts, portfolio reconciliation, dispute resolution and arrangements for monitoring the value of outstanding OTC
derivatives contracts. These requirements are already in effect. In order to comply with certain of these risk-mitigation techniques, the Issuer includes appropriate provisions in the Swap Agreement. In addition, under EMIR, counterparties must report all their OTC and exchange traded derivatives contracts to an authorised or recognised trade repository or to ESMA. Accordingly the Issuer has entered into an EMIR Reporting Agreement pursuant to which the EMIR Reporting Agent has agreed to carry out certain reporting obligations under EMIR on behalf of the Issuer.

Pursuant to the Intercreditor Agreement the Issuer has appointed the Servicer as its agent in order to perform the reconciliation activity required to be performed by the Issuer under the Swap Agreement and such agent has agreed and acknowledged such appointment and has agreed to cooperate with the Issuer in any administrative activities which the latter is required to perform in order to be compliant with EMIR (without prejudice to the duties of each EMIR Reporting Agent pursuant to the EMIR Reporting Agreement).

Prospective investors should also note that further changes may be made to the EMIR framework in the context of the EMIR review process, including in respect of counterparty classification. In particular, whilst the Securitisation Regulation (described below) contemplates that OTC derivative contracts entered into by special purpose vehicles similar to the Issuer should not be subject to the clearing obligation provided that certain conditions are met, a proposal published by the European Commission on 4 May 2017 to amend EMIR (the “Proposal”), suggests that special purpose vehicles similar to the Issuer should be reclassified as FCs for the purposes of EMIR.

At this time, the extent to which such Proposal will be reflected in an amended version of EMIR, remains unclear. The text of the Proposal will be negotiated between the European Commission, the Parliament and the Council before being finalised, so the final text may be quite different from the text of the Proposal. In particular, it should be noted that the Council published in December 2017 its compromise text relating to the Proposal, in which it has adopted the position that securitisation special purpose vehicles would not be classified as FCs. However, the position on this issue will only become clear once the final text of the Proposal is agreed between the EC, the Presidency and the Council.

In addition, the compliance position under any adopted amended framework of swap transactions entered into prior to application is uncertain. No assurances can be given that any changes made to EMIR would not cause the status of the Issuer to change and lead to some or all of the potentially adverse consequences outlined above. Noteholders should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR in making any investment decision in respect of the Notes.

**Regulatory Capital Framework**

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

It should be noted that the Basel Committee has approved significant changes to the Basel II Framework (such changes being commonly referred to as “Basel III”), including new capital and liquidity requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio “backstop” for financial institutions and certain minimum liquidity standards. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for
funding liquidity (referred to as the “Liquidity Coverage Ratio” and the “Net Stable Funding Ratio”).

Basel III set an implementation deadline on member countries to implement the new capital standards from January 2014, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general and, in particular, the European Commission has implemented the changes through the Directive 2013/36/EU (the so-called CRD IV) and the CRR (as defined below). The changes may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

Implementation of Basel III requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. In July 2016, the Basel Committee issued an updated final standard on revisions to the Basel III securitisation framework. Among other things, the securitisation framework, which came into effect on 1 January 2019, sets out the amount of regulatory capital banks must hold for exposures to securitisations.

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

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

**Regulatory requirements under the CRA Regulation may be changed or developed which may impact the Issuer, related third parties or the Noteholders**

On 31 May 2013, the finalised text of Regulation (EU) No. 462/2013, of 21 May 2013 (the “CRA III”) of the European Parliament and of the European Council amending Regulation (EC) No. 1060/2009 (the “CRA”) on credit rating agencies was published in the Official Journal of the European Union. The majority of the CRA III rules became effective on 20 June 2013 (the “CRA III Effective Date”). CRA III provides for certain additional disclosure requirements which are applicable in relation to structured finance instruments. Such disclosures need to be made through a website (the “SFI Website”) to be set up by the European Securities and Markets Authority (“ESMA”). The precise scope and manner of such disclosure is subject to regulatory technical standards under Commission Delegated Regulation (EU) 2015/3, of 30 September 2014 (the “CRA III RTS”), which came into force on 26 January 2015 and which became applicable starting from 1 January 2017.

On 1 January 2019, Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (together with any relevant Regulatory Technical Standards and/or any relevant implementing measures or official guidance in relation thereto, in each case, as amended varied or substituted from time to time, the “Securitisation Regulation”) which lays down a general framework for securitisation and creates a specific framework for simple, transparent and standard securitisation entered
into force. The Securitisation Regulation contains, *inter alia*, a set of transparency requirements in its article 7, which must be met by reporting entities (i.e. the entity designated among the securitisation originator, the sponsor, and the securitisation special purpose entity to fulfil these requirements) in relation to securitisation positions which have been created on or after 1 January 2019. Notwithstanding, the details and standardised templates to be used to fulfil these requirements are still to be further specified in a Commission Delegated Regulation using as a basis a set of draft regulatory and implementing technical standards developed by ESMA (the “ESMA disclosure templates”). As the date of this Prospectus, these templates have not been adopted and, as a consequence, the transitional provision contained in article 43(8) of the Securitisation Regulation apply. As such, until the regulatory technical standards are adopted by the Commission pursuant to article 7(3) of the Securitisation Regulation, the information mentioned in Annexes I to VIII of the CRA III RTS shall be made available by the originators, sponsors and securitisation special purpose entities in accordance with the procedure set out in article 7(2) of the Securitisation Regulation and the templates foreseen in the CRA III RTS shall be used.

As such, the CRA III RTS is therefore applicable to the Notes and the Originator in its capacity as the reporting entity pursuant to article 7(2) of the Securitisation Regulation (the “Reporting Entity”) is responsible for the mandated disclosure under the CRA III RTS.

Please see “Risk Factors – Changes to European Securitisation Framework may result in additional costs for the Issuer”.

ESMA has published on 4 April 2017 a consultation paper (“CP”) in order to update the guidelines (Update of the guidelines on the application of the endorsement regime under article 4(3) of the Credit Rating Agencies Regulation) on the application of the endorsement regime under the CRA Regulation. Endorsement is a regime under the CRA Regulation, which allows credit ratings issued by a third-country CRA, and endorsed by an EU CRA, to be used for regulatory purposes in the EU. A credit rating that has been endorsed is considered to have been issued by the endorsing EU CRA. The endorsement regime is available for CRAs of systemic importance with global networks of affiliates.

The CP sets out a number of changes and clarifications to the existing guidelines focusing, in particular, on the obligations of the endorsing CRA and ESMA’s supervisory powers over endorsed credit ratings.

On 1 June 2018, the new requirements under CRA III, for the purposes of endorsement and equivalence, entered into force. By updating the Guidelines, ESMA is able to revise its methodological framework for assessing third-country legal and supervisory frameworks in advance of this deadline. The consultation period closed on 3 July 2017.

At the date of this Prospectus, and notably until the regulatory technical standards are adopted by the Commission pursuant to article 7(3) of the Securitisation Regulation, there remains uncertainty as to what the consequences would be for the Issuer, related third parties and investors resulting from any potential non-compliance by the Issuer with CRA III upon application of the reporting obligations.

In general, European regulated investors are restricted under the CRA III from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA III (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA III (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

Credit ratings included or referred to in this Prospectus have been or, as applicable, may be issued by Moody’s and DBRS, each of which as at the date of this Prospectus is a credit rating agency established in the European Community and registered under the CRA III.
Additionally, CRA III has introduced a requirement that where an issuer or related third parties (which includes the Originator) intend to solicit a credit rating of a structured finance instrument it will appoint at least two credit rating agencies to provide ratings independently of each other; and should consider appointing at least one rating agency having not more than a 10 (ten) per cent. total market share (as measured in accordance with article 8(d)(3) of the CRA (as amended by CRA III)) (a small CRA), provided that a small CRA is capable of rating the relevant issuance or entity. In order to give effect to those provisions of article 8(d) of CRA III, the European Securities and Markets Authority (ESMA) is required to annually publish a list of registered CRAs, their total market share, and the types of credit rating they issue. According to ESMA’s 2017 market share calculations for the purposes of article 8(d) of the CRA III, DBRS is a small CRA with less than 10 (ten) per cent. market share (1.87% Market Share for DBRS).

**Failure to comply with articles 5 and 6 of the Securitisation Regulation may adversely affect the ability of the Noteholders to sell and/or the price investors receive for, the Notes in the secondary market**

Article 5 of the Securitisation Regulation and the applicable regulatory technical standards place an obligation on an institutional investor to ensure that the originator, sponsor or original lender has explicitly disclosed that it will fulfil its Retention Obligation (as defined below), and to have a thorough understanding of all structural features of a securitisation transaction that would materially impact the performance of their exposures to the transaction.

The Originator has undertaken in the Intercreditor Agreement and the Notes Subscription Agreement to retain on an ongoing basis a material net economic interest of not less than 5% (five per cent.) in the securitisation (the “Retention Obligation”). The Originator will retain the net economic interest in the securitisation of not less than 5% (five per cent.) in accordance with paragraph (3)(d) of article 6 of the Securitisation Regulation. As at the Issue Date, such interest comprised a retention of the first loss tranche (being the Junior Notes) (the “Retained Interest”). Among other undertakings, the Originator undertook not to hedge, sell or in any other way mitigate its credit risk in relation to such Retained Interest. The retained exposures may be reduced over time by, amongst other things, amortisation and allocation of losses or defaults on the underlying Claims.

The Originator (in its capacity as the Reporting Entity) will also provide on a quarterly basis confirmations as to the continued holding of retained exposures of not less than 5% (five per cent.) of the securitisation, comprised of the first loss tranche (being the Junior Notes), which will be made available to the Noteholders, to the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors by means of the Investor Reports and Quarterly Servicing Reports, as provided for in article (7)(1)(e)(iii) of the Securitisation Regulation.

The Originator (in its capacity as the Reporting Entity) has made available the documents required by article (7)(1)(b) of the Securitisation Regulation prior to the pricing date of the Notes by means of publication on the following website: https://editor.eurodw.eu/. It should be noted that there is no certainty that references to the Retention Obligation and the Retained Interest in this Prospectus or the undertakings of the Originator also in its capacity as the Reporting Entity will constitute adequate due diligence (on the part of the Noteholders) or explicit disclosure (on the part of the Originator in its capacity as the Reporting Entity) for the purposes of articles 5 and 7 of the Securitisation Regulation or any other applicable provision of the Securitisation Regulation.

If the Originator (also in its capacity as the Reporting Entity) does not comply with its undertakings, the ability of the Noteholders to sell and/or the price investors receive for, the Notes in the secondary market may be adversely affected.

Article 5 of the Securitisation Regulation also places an obligation on institutional investors (as defined under article 2(12) of the Securitisation Regulation), before investing in a securitisation transaction and thereafter, to analyse, understand and stress test their securitisation positions, and monitor on an ongoing
basis and in a timely manner performance information on the exposures underlying their securitisation positions. The Originator (in its capacity as the Reporting Entity) has undertaken to provide, \textit{inter alios}, the Issuer and the Representative of the Noteholders such information as may be reasonably required by the Noteholders, or prospective investors, to be included in the Investors Report to enable such Noteholders, or prospective investors, to comply with their obligations pursuant to the Securitisation Regulation.

Where the relevant requirements of articles 5 of the Securitisation Regulation, (which include, \textit{inter alia}, an obligation to verify the Originator’s compliance with articles 6 and 7 of the Securitisation Regulation) are not complied with in any material respect and there is negligence or omission in the fulfilment of its due diligence obligations on the part of an institutional investor that is investing in the Notes, a proportionate additional risk weight of no less than 250\% (two hundred and fifty per cent.) of the risk weight (with the total risk weight capped at 1250\% (one thousand two hundred and fifty per cent.) which would otherwise apply to the relevant securitisation position shall be imposed on such institutional investor, progressively increasing with each subsequent infringement of the due diligence provisions. Additionally, non-compliance with the requirements of the Securitisation Regulation may adversely affect the price and liquidity of the Notes. Noteholders should make themselves aware of the provisions of the Securitisation Regulation and make their own investigation and analysis as to the impact of the Securitisation Regulation on any holding of Notes.

No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Issuer as to the ability of the Originator (also in its capacity as the Reporting Entity) to comply with any obligation, including the Retention Obligation and the Retained Interest, provided for in, or otherwise ensuring the compliance of the Transaction with, the Securitisation Regulation and as to the information complying with the Securitisation Regulation.

Noteholders should take their own advice on compliance with, and in the application of, the provisions of the Securitisation Regulation.

\textbf{U.S. risk retention requirements}

The Credit Risk Retention regulations implemented by U.S. Federal regulatory agencies including the SEC pursuant to Section 15G of the Exchange Act of 1934 (as amended), as added by section 941 of the Dodd-Frank Act (the \textit{“U.S. Risk Retention Rules”}) came into effect with respect to residential mortgage backed securities on 24 December 2015 and other classes of asset backed securities on 24 December 2016 and generally require the "sponsor" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitised assets", as such terms are defined for purposes of that statute, and generally prohibit a sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Originator, as sponsor, does not intend to retain at least 5 per cent. of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the securitisation transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to herein as “\textit{Risk Retention U.S. Persons}”); (3) neither the sponsor nor the issuer is organised under U.S. law, is a branch organised under U.S. law, or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer that is organised or located in the United States.
The Issuer and the Originator have made representations and warranties as to satisfaction of the requirements of the exemptions set forth in Section 20 of the U.S. Risk Retention Rules.

Prospective investors should note that the definition of “U.S. person” in the U.S. Risk Retention Rules is different from the definition of “U.S. person” under Regulation S. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h), which are different than comparable provisions from Regulation S.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, “U.S. person” (and “Risk Retention U.S. Person” as used in this Prospectus) means any of the following:

(a) any natural person resident in the United States;

(b) any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;

(c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);

(d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);

(e) any agency or branch of a foreign entity located in the United States;

(f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

(g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

(h) any partnership, corporation, limited liability company, or other organisation or entity if:

(i) organised or incorporated under the laws of any foreign jurisdiction; and

(ii) formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act.

Consequently, the Notes may not be purchased by any person except for persons that are not Risk Retention U.S. Persons. Each holder of a Senior Note or a beneficial interest therein, by its acquisition of a Senior Note or a beneficial interest in a Senior Note, will be deemed to represent to the Issuer and the Originator that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for

1 The comparable provision from Regulation S is “(ii) any partnership or corporation organised or incorporated under the laws of the United States.”.

2 The comparable provision from Regulation S “(vii)(B) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR 230.501(a)) who are not natural persons, estates or trusts.”.
its own account and not the account or benefit of a Risk Retention U.S. Person and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

The Originator and the Issuer are relying on the deemed representations made by purchasers of the Notes and may not be able to determine the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section 20 of the U.S. Risk Retention Rules, and neither the Originator nor the Issuer nor any director, officer, employee, agent or affiliate of them accepts any liability or responsibility whatsoever for any such determination or characterisation.

There can be no assurance that the exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. Failure on the part of the Originator to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Originator which may adversely affect the Notes and the ability of the Seller to perform its obligations under the Transaction Documents. Furthermore, a failure by the Originator to comply with the U.S. Risk Retention Rules could negatively affect the value and secondary market liquidity of the Notes.

None of the Issuer nor any of the other transaction parties or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transaction described in this Prospectus complies with the U.S. Risk Retention Rules on the Issue Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

**Bank Recovery and Resolution Directive**

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (collectively with secondary and implementing EU rules, and national implementing legislation, the “Bank Recovery and Resolution Directive” or “BRRD”) established a framework for the recovery and resolution of credit institutions and investment firms. The aim of the BRRD is to provide national authorities in EU Member States (the “Resolution Authorities”) with common tools and powers for preparatory and preventive measures, early supervisory intervention and resolution of credit institutions and significant investment firms to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers’ exposure to losses. The BRRD applies, inter alia, to credit institutions, investments firms and financial institutions that are established in the European Union (when the financial institution is a subsidiary of a credit institution or investment firm and is covered by the supervision of the parent undertaking on a consolidated basis) (collectively, the “relevant institutions”). The BRRD entered into force on 2 July 2014 and had to be transposed by the Member States of the European Union into national law by 31 December 2014. The Republic of Italy has implemented the BRRD by Legislative Decrees no. 180 and no. 181 of 16 November 2015.

If a relevant institution enters into an arrangement with the Issuer and is deemed likely to fail in the circumstances identified in the BRRD, the relevant Resolution Authority may employ such tools and powers in order to intervene in the relevant institution’s failure (including in the case of derivatives transactions, powers to close-out such transactions or suspend any rights to close-out such transactions). In particular, liabilities of relevant institutions arising out of the Transaction Documents to which such institutions are party not otherwise subject to an exception, could be subject to the exercise of “bail-in” powers of the relevant Resolution Authorities. It should be noted that certain secured liabilities of relevant institutions are excepted. If the relevant Resolution Authority decides to “bail-in” the liabilities of a relevant institution, then subject to certain exceptions set out in the BRRD, the liabilities of such relevant institution could, among other things, be reduced, converted or extinguished in full. As a result, the Issuer and
ultimately, the Noteholders may not be able to recover any liabilities owed by such an entity to the Issuer. In addition, a relevant Resolution Authority may exercise its discretions in a manner that produces different outcomes amongst institutions resolved in different EU Member States. It should also be noted that similar powers and provisions are being considered in the context of financial institutions of other jurisdictions.

In addition to the above, it should be noted that due to the fact that Banca del Fucino is a credit institution established in the European Union, it is subject to the BRRD. Therefore, in case of failure by Banca del Fucino to comply with the prudential requirements applicable to it, or upon occurrence of certain other circumstances set forth in the BRRD, it may be subject to the BRRD resolution procedure. In such circumstances, Banca del Fucino may not be in a position to meet its obligations under the Transaction Documents, including its obligations as Servicer and as indemnity provider under the Warranty and Indemnity Agreement.

**Measures for the territory affected by the earthquakes of August 2016, October 2016 and January 2017**

On 24 August 2016 the central Italy area was affected by an earthquake, as a consequence of which certain areas in the central Italy (i.e., certain municipalities located in the regions of Abruzzo, Lazio, Marche and Umbria) were largely damaged.

With the view of providing urgent measures in favour of the areas hit by the earthquake, several measures have been adopted.

Based on the state of emergency declared by the Italian Council of Ministers on 25 August 2016, the Italian Prime Minister Office - Department of Civil Protection adopted on 26 August 2016 the order (ordinanza) No. 388 of 26 August 2016 headed “Primi interventi urgenti di protezione civile conseguenti all’eccezionale evento sismico che ha colpito il territorio delle Regioni Lazio, Marche, Umbria e Abruzzo il 24 agosto 2016” published in the Official Gazette No. 201 of 29 August 2016 (the “Order No. 388”).

Order No. 388 provided that people and entities having their place of residence or their registered/operating office in the affected areas which are borrowers under loan agreements relating to real estate assets destroyed or unfit for use (inagibili), in whole or in part, by the earthquake and which are borrowers under loan agreements relating to the management of business activity carried out in such real estate assets have the right to ask to banks and financial intermediaries which are lenders under such loan agreements for the suspension (in whole or in part) of such loans.

Moreover, the Italian Government has also enacted Law Decree No. 189 of 17 October 2016 headed “Interventi urgenti in favore delle popolazioni colpite dal sisma del 24 agosto 2016”, published in the Official Gazette No. 244 of 18 October 2016, as subsequently converted with modifications into Law No. 229 of 15 December 2016 after the below mentioned earthquakes occurred on 26 October 2016 and 30 October 2016 (the “Decree No. 189”). Article 48, paragraph 1, letter (g) of Decree No. 189 has provided for the suspension, until 31 December 2016, of payment of instalments arising under loan agreements of whatever nature (not only residential mortgage agreement) granted in favour of (i) individuals having their place of residence and (ii) enterprises having their registered office or carrying out their activities in the areas affected by the earthquake, being those 62 municipalities listed in the schedule 1, and 69 municipalities listed in the schedule 2 (included by Law No. 229 of 15 December 2016 after the above mentioned earthquakes occurred on 26 October 2016 and 30 October 2016) both attached to the Decree No. 189. Article 48, paragraph 1, letter (g) of the Decree No. 189 has been amended by article 14, paragraph 6, of Law Decree No. 244 of 30 December 2016, as subsequently converted with modifications into Law No. 19 of 27 February 2017 (the “Decree No. 244”), which has extended the suspension originally provided under the Decree No. 189 (i.e., 31 December 2016) until 31 December 2017.
only in respect of, *inter alia*, mortgage loans entered into for main residences (*abitazioni principali*) and business activities. Subsequently, the Italian Government has enacted Law Decree No. 148 of 16 October 2017 headed “*Disposizioni urgenti in materia finanziaria e per esigenze indifferibili*”, published in the Official Gazette No. 242 of 16 October 2017, as subsequently converted with modifications into Law No. 172 of 4 December 2017 (the *Decree No. 148*). Article 2-bis, paragraph 21 of the Decree No. 148 has modified article 14, paragraph 6, of Decree No. 244 providing for: (i) the extension until 31 December 2018 of the suspension period originally provided under the Decree No. 189 (i.e., 31 December 2016), already extended until 31 December 2017 by Decree No. 244, without prejudice to the limits provided for by the Decree No. 244 (i.e., only in respect of, *inter alia*, mortgage loans entered into for main residences (*abitazioni principali*) and business activities) (the “*Suspension Period*”); and (ii) the extension until 31 December 2020 of the Suspension Period only in respect of mortgage loans entered into for the purchase of the primary residential property (*acquisto prima casa*) and business activities, destroyed or declared unsafe, which are located in an area (*zona rossa*) set up by a municipality’s major specific order during the period from 24 August 2016 and the date on which the Decree 148 has entered into force (being 16 October 2016).

Following two other earthquakes occurred on 26 October 2016 and 30 October 2016 in the central Italy area (i.e., certain municipalities located in the regions of Abruzzo, Lazio, Marche and Umbria), the Italian Government has enacted the Law Decree No. 205 of 11 November 2016 headed “*Nuovi interventi urgenti in favore delle popolazioni e dei territori interessati dagli eventi sismici del 2016*”, published in the Official Gazette of 11 November 2016 (the *Decree No. 205*), providing the extension of the measures under the the Decree No. 189 to individuals having their place of residence and enterprises having their registered office or carrying out their activities in the area affected by such second earthquake. The Decree No. 205 has been repealed by Law No. 229 of 15 December 2016 but without prejudice for the effects and legal relationships deriving from the Decree No. 205. Law No. 229 of 15 December 2016 has added the schedule 2 to Decree 189 including the list of 69 municipalities affected by the earthquakes and to which Article 48, paragraph 1, letter (g) of the Decree No. 189 applies.

Moreover, in the central Italy area, (i) another earthquake occurred on 18 January 2017 and (ii) exceptional weather events occurred during the second half of January 2017, so that the Italian Council of Ministers, by means of resolution dated 20 January 2017 headed “*Estensione degli effetti della dichiarazione dello stato di emergenza adottato con la delibera del 25 agosto 2016 in conseguenza degli ulteriori eventi sismici che il giorno 18 gennaio 2017 hanno colpito nuovamente il territorio delle Regioni Abruzzo, Lazio, Marche e Umbria, nonché degli eccezionali fenomeni meteorologici che hanno interessato i territori delle medesime Regioni a partire dalla seconda decade dello stesso mese*” published in the Official Gazette of 30 January 2017, has extended the provisions of Order No. 388 to people and entities affected by such third earthquake, which have their place of residence or their registered/operating office in the area hit by the earthquake.

Article 1*bis* of Law Decree No. 55 of 29 May 2018, as converted into law by Law No. 89 of 24 July 2018, provides for (i) the extension until 31 December 2020 of the Suspension Period provided under the Decree No. 244, as amended by Decree No. 148, (i.e. 31 December 2018) in respect of loan agreements in favour of enterprises, as defined under Decree No. 189, and in favour of individuals in respect of mortgage loans entered into for the purchase of the primary residential property (*acquisto prima casa*) destroyed or declared unsafe; (ii) the extension until 31 December 2021 of the Suspension Period provided under Decree No. 244, as amended by Decree No. 148, (i.e. 31 December 2020) in respect of loan agreements entered into by enterprisese, as defined under Decree No. 189, for the purchase of the primary residential property (*acquisto prima casa*), destroyed or declared unsafe, which are located in an area (*zona rossa*) set up by a municipality’s major specific order.
As of the date of this Prospectus it cannot be excluded that additional measures may be adopted by the Italian Government or any other competent authority in the future to provide support in respect of, and deal with, the earthquakes occurred in August 2016, October 2016 and January 2017 and the exceptional weather events occurred during the second half of January 2017.

**Mortgage Credit Directive**


(i) standard information in advertising, and standard pre-contractual information;
(ii) adequate explanations to the borrower on the proposed credit agreement and any ancillary service;
(iii) calculation of the annual percentage rate of charge in accordance with a prescribed formula;
(iv) assessment of creditworthiness of the borrower;
(v) a right of the borrower to make early repayment of the credit agreement; and
(vi) prudential and supervisory requirements for credit intermediaries and non-bank lenders.

The Mortgage Credit Directive came into effect on 20 March 2014 and was required to be implemented in Member States by 21 March 2016.

On 1 June 2015, in accordance with Article 18, Article 20(1) and Article 28 of the Mortgage Credit Directive, EBA published its final Guidelines on creditworthiness assessment, as well as its final Guidelines on arrears and foreclosure, that support the national implementation by Member States of the Mortgage Credit Directive.

In Italy the Government approved the Legislative Decree No. 72 of 21 April 2016, implementing the Mortgage Credit Directive and published it on the Official Gazette of the Republic of Italy on 20 May 2016 (the “Mortgage Legislative Decree”). The Mortgage Legislative Decree clarifies that the new legal framework shall apply, inter alia, to (i) residential mortgage loans and (ii) loans relating to the purchase or preservation of the property rights on a residential immovable. Moreover such decree sets forth certain rules of correctness, diligence and transparency and information undertakings applicable to the lenders and intermediaries which offer loans to the consumers and provides that the parties may agree under the loan agreements that in case of breach of the borrower’s payment obligations under the agreement (i.e., non-payment of at least eighteen loan instalments due and payable by the debtor) the transfer or the sale of the mortgaged assets has as a consequence that the entire debt is settled even if the value of the assets or the proceeds deriving from the sale of the assets is lower than the remaining amount due by the debtor in relation to the loan. Otherwise if the estimated value of the assets or the proceeds deriving from the sale of the assets is higher than the remaining amount due by the debtor, the excess amount shall be returned to the consumer. According to the Mortgage Legislative Decree, the Bank of Italy and the Ministry of Economy and Finance will enact implementing provisions of such decree.

Given the novelty of this new legislation and the absence of any jurisprudential interpretation, the impact of such new legislation may not be predicted as at the date of this Prospectus. No assurance can be given
that the implementation of the Mortgage Legislative Decree will not adversely affect the ability of the Issuer to make payments under the Notes.

**Risks arising from the sovereign debt crisis**

The Issuer is affected by disruptions and volatility in the global financial markets. Since the beginning of May 2010, the sovereign debt-related difficulties in several Euro-zone countries have determined the decline of the credit quality of certain EU Member States, including Cyprus, Greece, Italy, Portugal and Spain, as also reflected by downgrades suffered by such Countries. The large sovereign debts and fiscal deficits in European countries and its impact on Euro-zone banks’ funding have raised concerns regarding the stability and overall standing of the Euro-zone and the suitability of the Euro as a single currency given the diverse economic and political circumstances in individual Member States. These and other concerns could lead the potential reintroduction of national currencies in one or more Euro-zone countries or, in particularly dire circumstances, the possible dissolution of the Euro entirely. Should the Euro dissolve entirely, the legal and contractual consequences for the Noteholders would be determined by laws in effect at such time. It should be noted that the risk that certain EU Member States could exit from European Union and consequently from the single currency has become more consistent at the beginning of 2015, in particular with reference to Greece.

The occurrence of such adverse scenario might result in higher levels of financial market volatility, lower interest rates, bond impairments, increased bond spreads and other difficult to predict spill-over effects.

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

**“Brexit” risk**

Prospective investors should note that, pursuant to a referendum held in June 2016, the UK has voted to leave the European Union and, on 29 March 2017, the UK Government invoked article 50 of the Lisbon Treaty and officially notified the European Union of its decision to withdraw from the European Union. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the European Union (the “Withdrawal Agreement”). As part of those negotiations, a transitional period has been agreed in principle which would extend the application of European Union law, and provide for continuing access to the European Union single market, until the end of 2020.

As at the date of this Prospectus, it is not clear whether the Withdrawal Agreement in the current draft form will be approved, finalised and ratified by the UK and the European Union prior to the deadline for leaving. Such deadline has recently been extended by agreement with the European Union. If the Withdrawal Agreement is not ratified and the deadline is not further extended, the Treaty on the European Union and the Treaty on the Functioning of the European Union will cease to apply to the UK from the date the UK leaves the European Union. Whilst continuing to negotiate the Withdrawal Agreement, the UK Government has made preparations for a “no-deal” Brexit to minimise the risks for firms and businesses associated with an exit with no transitional agreement. This has included publishing draft secondary legislation under powers provided in the EU (Withdrawal) Act 2018.

Due to the ongoing political uncertainty as regards the terms of the UK’s withdrawal from the European Union and the structure of the future relationship, it is not possible to determine the precise impact on general economic conditions in the UK or the remaining 27 member states of the EU, including Italy or on
the European Union integration process, the relationship between the United Kingdom and the European Union, and the impact on European and UK economies and businesses (including the parties to the Transaction Documents). Such uncertainty and consequential market disruption may also cause investment decisions to be delayed, reduce job security and damage consumer confidence. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

**Foreign Account Tax Compliance Act (FATCA)**

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (commonly known as “FATCA”), provides that various information reporting requirements must be satisfied with respect to (i) certain payments from sources within the United States, (ii) “foreign pass-through payments” made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Failure to comply with such information reporting requirements may trigger a U.S. withholding tax, currently at 30 per cent rate on such payments.

The United States and a number of other jurisdictions have negotiated intergovernmental agreements to facilitate the implementation of FATCA (the “IGAs”). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a Reporting FI not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being FATCA Withholding) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign pass-through payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the Republic of Italy have entered into an agreement (the “US-Italy IGA”) based largely on the Model 1 IGA, which has been ratified in Italy by Law number 95 of 18 June 2015, published in the Official Gazette number 155 of 7 July 2015.

Since the FATCA regulations are complex and uncertain in some respects, in particular with respect to the definition of so-called “pass-thru payments” the application of FATCA to payments between financial intermediaries is not entirely certain. Indeed, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding.

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

**Volcker Rule**

Under the Notes Subscription Agreement, the Issuer has represented that (i) it is not, and after giving effect to the offer and sale of the Notes and the application of the proceeds thereof as described in the Prospectus, will not be an “investment company” as such term is defined in the Investment Company Act of 1940, as amended (the “Investment Company Act”), as a result of its reliance on the exemption from the definition
of “investment company” set forth in Section 3(c)(5)(C) of the Investment Company Act. As a result, it is not, and after giving effect to the offer and sale of the Notes and the application of the proceeds thereof as described in the Prospectus, will not be a “covered fund” within the meaning of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (such statutory provision together with such implementing regulations, the “Volcker Rule”). The Volcker Rule generally prohibits “banking entities” (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a “covered fund” and (iii) entering into certain relationships with such funds. The Volcker Rule became effective on 21 July 2012, and final regulations implementing the Volcker Rule were adopted on 10 December 2013 and became effective on 1 April 2014. Conformance with the Volcker Rule and its implementing regulations is required by 21 July 2015 (or by 21 July 2017 in respects of investments in and relationships with covered funds that were in place prior to 31 December 2013). Under the Volcker Rule, unless otherwise jointly determined by specified federal regulators, a “covered fund” does not include an issuer that may rely on an exclusion or exemption from the definition of “investment company” under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. Any prospective investor, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

No assurance can be given as to the availability of the relevant exemption under the Volcker Rule and investors should consult their own legal and regulatory advisors with respect to such matters and assess for themselves the availability of this or other exemptions or exclusions and the legality of their investment in the Notes.

Swap Regulations under Dodd-Frank

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), the Commodity Futures Trading Commission and certain other regulators have promulgated a range of new regulatory requirements (the “Dodd-Frank Regulations”) relating to swaps. Under the regulations and guidance currently in effect, the Dodd-Frank Regulations generally should not apply to the Swap Agreement. However, because the Dodd-Frank Regulations remain, in certain respects, new, untested, and in the process of implementation, the Swap Agreement could become subject to such requirements in the future. Such requirements may have unforeseen legal consequences on the Issuer or have other material adverse effects on the Issuer or the Noteholders. The Issuer believes that the risks described above are the principal risks inherent in the Transaction for holders of the Rated Notes but the inability of the Issuer to pay interest or repay principal on the Rated Notes may occur for other reasons and the Issuer does not represent that the above statements of the risks of holding the Rated Notes are exhaustive. While the various structural elements described in this Prospectus are intended to lessen some of these risks for holders of the Rated Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Rated Notes of any Class of interest or principal on such Notes on a timely basis or at all. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations.
The following is a diagram showing the structure of the Transaction as at the Issue Date. It is intended to illustrate to prospective noteholders a scheme of the principal transactions contemplated in the context of the Transaction on the Issue Date. It is not intended to be exhaustive and prospective noteholders should also read the detailed information set out elsewhere in this document.
TRANSACTION OVERVIEW

The following information is an overview of the transactions and assets underlying the Notes and is qualified in its entirety by reference to the more detailed information presented elsewhere in this Prospectus and in the Transaction Documents. It is not intended to be exhaustive and prospective noteholders should also read the detailed information set out elsewhere in this document.

1. THE PRINCIPAL PARTIES

Issuer
Fucino RMBS S.r.l., a limited liability company (società a responsabilità limitata) incorporated in the Republic of Italy under Article 3 of the Securitisation Law, with a paid-in share capital of Euro 10,000, whose registered office is located at via San Prospero 4, 20121 Milan, Italy, enrolled in the Register of Enterprises of Milan, Monza, Brianza, Lodi under No. 10621230969 and in the register of the securitisation companies (elenco società di cartolarizzazione) held by the Bank of Italy pursuant regulation issued by the Bank of Italy on 7 June 2017, under No. 35563.6, having as its sole corporate object the performance of securitisation transactions under the Securitisation Law (the “Issuer”).

Originator
Banca del Fucino S.p.A., a joint stock company (società per azioni) incorporated in the Republic of Italy, with a paid-in share capital of Euro 60,000,000, whose registered office is located at Via Tomacelli 107, 00186 Rome, Italy, enrolled in the Register of Enterprises of Rome under No. 1775, Fiscal Code 00694710583, VAT number 00923361000 and in the register of banks held by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act under No. 371 (“Banca del Fucino”), acting in its capacity as originator of the Portfolio (the “Originator”).

Collection Account Bank
Banca del Fucino, acting as collection account bank pursuant to the Cash Administration and Agency Agreement or any person from time to time acting as collection account bank (the “Collection Bank Account”).

Transaction Bank
BNP Paribas Securities Services, Milan Branch, a company incorporated under the laws of the Republic of France as a société en commandite par actions, having its registered office at 3, Rue d’Antin, 75002 Paris, France, acting through its Milan branch, with offices at Piazza Lina Bo Bardi, 3 20124, Milan, Italy (“BNP Paribas Securities Services, Milan Branch”) acting as transaction bank pursuant to the Cash Administration and Agency Agreement or any person from time to time acting as transaction bank (the “Transaction Bank”).

Principal Paying Agent
BNP Paribas Securities Services, Milan Branch, acting as principal paying agent pursuant to the Cash Administration and Agency Agreement or any person from time to time acting as principal paying agent (the “Principal Paying Agent”).
Representative of the Noteholders: 130 Finance S.r.l., a limited liability company (società a responsabilità limitata) incorporated in the Republic of Italy, registered in the Register of Enterprises of Milan under number 1603211, Fiscal Code and VAT number 12975990156, whose registered office is located at Via Dante, 4 – 20121 Milan, with paid-in share capital of Euro 100,000 ("130 Finance"), acting as representative of the noteholders pursuant to the Notes Subscription Agreement and the Intercreditor Agreement or any person from time to time acting as representative of the noteholders (the “Representative of the Noteholders”).

Servicer: Banca del Fucino, acting as servicer pursuant to the Servicing Agreement or any person from time to time acting as servicer (the “Servicer”).

Administrative Services Provider: Banca del Fucino, acting as administrative services provider pursuant to the Administrative Services Agreement or any person from time to time acting as administrative services provider (the “Administrative Services Provider”).

Corporate Services Provider: Centotrenta Servicing S.p.A., a joint stock company (società per azioni) incorporated under the laws of Republic of Italy, with registered office in Milan, Via San Prospero, 4, fiscal code and enrolment with the companies register of Milan – Monza – Brianza – Lodi number 07524870966 (“Centotrenta Servicing”), acting as the corporate services provider pursuant to the Corporate Services Agreement or any person from time to time acting as corporate services provider (the “Corporate Services Provider”).

Quotaholder: 130 Trust Company S.r.l., a limited liability company (società a responsabilità limitata) incorporated under the laws of in the Republic of Italy with a paid-in share capital of Euro 10,000, Fiscal Code 08431730962 whose registered office is located at via San Prospero 4, 20121, Milan, Italy, enrolled in the Register of Enterprises of Milan, Monza, Brianza, Lodi ("130 Trust" and the “Quotaholder”).

Cash Manager: BNP Paribas Securities Services, Milan Branch, acting as the cash manager pursuant to the Cash Administration and Agency Agreement or any person from time to time acting as cash manager (the “Cash Manager”).

Computation Agent: Centotrenta Servicing, acting as the computation agent pursuant to the Cash Administration and Agency Agreement or any person from time to time acting as computation agent (the “Computation Agent”).

Back-up Servicer: Centotrenta Servicing, acting as back-up servicer pursuant to the Back-up Servicing Agreement or any person from time to time acting as back-up servicer (the “Back-up Servicer”).

Listing Agent: BNP Paribas Securities Services, Luxembourg Branch, a bank incorporated under the laws of the Republic of France as a société
en commandite par actions, having its registered office at 3, Rue d’Antin, 75002 Paris, France, acting through its Luxembourg Branch, with offices at 60 avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (the “Listing Agent”).

Subordinated Loan Provider

Igea Banca S.p.A., a joint stock company (società per azioni) incorporated in the Republic of Italy, with a paid-in share capital of Euro 41,365,212.77, whose registered office is located at Via Paisiello, 38, 00198 Rome, Italy, enrolled in the Register of Enterprises of Rome under No. 1458105, Fiscal Code and VAT number 04256050875 and in the register of banks held by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act under No. 5640 (“Igea Banca”), acting in its capacity as subordinated loan provider or any other person from time to time acting as subordinated loan provider (the “Subordinated Loan Provider”).

Reporting Entity

Banca del Fucino, acting as reporting entity to the Intercreditor Agreement or any person from time to time acting as reporting entity (the “Reporting Entity”).

Swap Counterparty

J.P. Morgan AG, having its registered office at TaunusTurm, Taunustor 1, 60310 Frankfurt am Main, Germany (the “Swap Counterparty”).

EMIR Reporting Agent

J.P. Morgan AG, or any other person from time to time acting as EMIR reporting agent under the EMIR Reporting Agreement (the “EMIR Reporting Agent”).

Arrangers

J.P. Morgan Securities plc, a company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, registered in England & Wales under registration number 02711006, whose registered office is at 25 Bank Street, Canary Wharf, London E14 5JP, acting as an arranger (an “Arranger”).

Igea Banca S.p.A., acting as an arranger (an “Arranger” and together with Igea Banca S.p.A., the “Arrangers”).

Security Trustee

130 Finance, acting as security trustee pursuant to the Deed of Charge (the “Security Trustee”).

Initial Subscriber

Banca del Fucino.

2. THE PRINCIPAL FEATURES OF THE NOTES

The Notes

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

(i) Euro 128,915,000.00 Class A Residential Mortgage Backed Floating Rate Notes due December 2060 (the “Class A Notes” or the “Senior Notes”);
(ii) Euro 5,997,000.00 Class B Residential Mortgage Backed Floating Rate Notes due December 2060 (the “Class B Notes” or the “Mezzanine Notes” and, together with the Senior Notes, the “Rated Notes”); and

(iii) Euro 14,990,000.00 Class J Residential Mortgage Backed Floating Rate and Additional Return Notes due December 2060 (the “Class J Notes” or the “Junior Notes”);

The Class A Notes, the Class B Notes and the Class J Notes, together the “Notes”.

**Issue price**

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

<table>
<thead>
<tr>
<th>Class</th>
<th>Issue Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Notes</td>
<td>100 per cent</td>
</tr>
<tr>
<td>Class B Notes</td>
<td>100 per cent</td>
</tr>
<tr>
<td>Class J Notes</td>
<td>100 per cent</td>
</tr>
</tbody>
</table>

**Interest on the Notes**

The rate of interest applicable from time to time in respect of the Notes (the “Interest Rate”) will be Euribor for 3 month deposits in Euro (the “Three Month Euribor”) (or, in the case of the Initial Interest Period, the rate per annum obtained by linear interpolation of the Euribor for three months and six months deposits in Euro), as determined and defined in accordance with Condition 5 (Interest) plus the following relevant margin:

- a) Class A Notes 0.30% per annum;
- b) Class B Notes 1.20% per annum;
- c) Class J Notes 2.00% per annum;

provided that the Interest Rate (being the Three Month Euribor plus the relevant margin) applicable on each of the Class B Notes shall not be higher than 4.00% per annum. In any case the Interest Rate (being the Three Month Euribor plus the relevant margin) applicable to the Notes shall not be negative.

The Euribor applicable to the Notes for each Interest Period will be determined on the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period (except in respect of the Initial Interest Period, where the applicable Euribor will be determined two Business Days prior to the Issue Date).

In addition, a Class J Notes Additional Return (as defined below) may or may not be payable on the Class J Notes on each Payment Date in accordance with the Conditions.
Payment Date

Interest on the Notes will accrue on a daily basis and will be payable quarterly in arrear in Euro, in accordance with the applicable Order of Priority, on the last calendar day of March, June, September and December in each year or, if such date is not a Business Day, on the following Business Day (each such date a “Payment Date”). The first Payment Date will fall on 30 September 2019 (the “First Payment Date”).

Class J Notes Additional Return

Means, (i) on each Payment Date on which the Pre-Acceleration Order of Priority applies, an amount payable on the Class J Notes equal to the Issuer Available Funds available on such Payment Date after payment of items from First to Sixteenth (included) of the Pre-Acceleration Order of Priority; or (ii) on each Payment Date on which the Acceleration Order of Priority applies, an amount equal to the Issuer Available Funds available on such Payment Date after payment of items from First to Fourteenth (included) of the Acceleration Order of Priority; plus, for the avoidance of doubt, (iii) on the Payment Date on which the Notes are redeemed in full or cancelled or the Final Maturity Date, any surplus remaining on the balance of the Accounts (other than Quota Capital Account and the Collateral Account), as well as any other residual amount collected by the Issuer in respect of the Transaction in proportion to the Outstanding Principal Amount of the Claims comprised in the Portfolio as at the Effective Date.

Unpaid interest

Without prejudice to Condition 9(a)(i) (Non-payment), in the event that the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable), for the payment of interest on the Notes on such Payment Date are not sufficient to pay in full the relevant Interest Amount, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the Interest Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of the Conditions as if it were, Interest Amount payable on the Notes on the immediately following Payment Date. Any such unpaid amount shall not accrue additional interest.

Withholding on the Notes

As at the date of this Prospectus, payments of interest, Class J Notes Additional Return and other proceeds under the Notes may be subject to withholding or deduction for or on account of Italian tax, in accordance with Italian Legislative Decree number 239 of 1 April 1996. Upon the occurrence of any withholding or deduction for or on account of tax from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes.

Form and denomination of the Notes

The denomination of the Rated Notes will be € 100,000 and multiples of € 1,000; the denomination of the Junior Notes will be € 50,000 and multiples of € 1,000. The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. The Notes will be
3. ACCOUNTS AND DESCRIPTION OF CASH FLOWS

<table>
<thead>
<tr>
<th>ACCOUNT HELD WITH BANCA DEL FUCINO</th>
<th>Pursuant to the terms and conditions of the Cash Administration and Agency Agreement, the Issuer has directed Banca del Fucino to establish, maintain and operate the following accounts as separate accounts in the name of the Issuer:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quota Capital Account</strong></td>
<td>A Euro denominated account (the “Quota Capital Account”) (Conto Capitale Sociale) into which all sums contributed by the Quotaholder as quota capital of the Issuer and any interest thereon shall be credited.</td>
</tr>
<tr>
<td><strong>Collection Account</strong></td>
<td>A Euro denominated account (the “Collection Account”):</td>
</tr>
<tr>
<td></td>
<td>a) into which: (i) all amounts received or recovered by the Issuer or by the Servicer on behalf of the Issuer in respect of the Portfolio shall be credited by 18:00 (Italian time) on the Business Day following the day on which the Servicer has received or recovered the relevant amounts (except for the amounts received or recovered by the Servicer in respect of the Portfolio from the Effective Date (included) until two Business Days preceding the Issue Date which shall be credited not later than the Business Day preceding the Issue Date); (ii) any amount due by the Servicer in respect of the Portfolio to the Issuer as indemnity for the renegotiation of the Claims pursuant to the Servicing Agreement shall be credited; and (iii) all amounts due by the Originator to the Issuer under the terms of the Warranty and Indemnity Agreement shall be credited; and</td>
</tr>
<tr>
<td></td>
<td>b) out of which: (i) any amount standing to the credit of the Collection Account will be transferred, by close of business on the same Business Day, into the Investment Account; and (ii) on the Issue Date (A) an amount equal to Euro 21,920 will be transferred into the Cash Reserve Account and (B) any residual amount standing to credit of the Collection Account will be transferred into the Investment Account.</td>
</tr>
<tr>
<td><strong>Expenses Account</strong></td>
<td>A Euro denominated account (the “Expenses Account”) (Conto Spese):</td>
</tr>
</tbody>
</table>

accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entries in accordance with the provision of article 83-bis of the Consolidated Financial Act and regulation of 13 August 2018 jointly issued by the Bank of Italy and CONSOB, as subsequently amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.
a) into which: (i) on the Issue Date the Retention Amount shall be credited from the Investment Account; and (ii) on each Payment Date an amount shall be paid from the Payments Account in accordance with the applicable Order of Priority so that the balance standing to the credit of the Expenses Account on such Payment Date is equal to the Retention Amount; and

b) out of which: (i) any taxes due and payable on behalf of the Issuer and any fees, costs and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing and comply with applicable legislation and regulations or to fulfil payment obligations of the Issuer to third parties (other than the Noteholders and the Other Issuer Creditors) incurred in relation to the Transaction will be paid on any Business Day; and (ii) on the Business Day immediately preceding the earlier of (a) the Payment Date on which the Notes will be redeemed in full or cancelled and (b) the Final Maturity Date, any amount standing to the credit of the Expenses Account shall be transferred to the Payments Account.

ACCOUNTS HELD WITH TRANSACTION BANK

Pursuant to the terms and conditions of the Cash Administration and Agency Agreement, the Issuer has directed the Transaction Bank to establish, maintain and operate the following accounts as separate accounts in the name of the Issuer:

Payments Account

A Euro denominated account (the “Payments Account”):

a) into which: (i) all amounts standing to the credit of the Investment Account and in general any sums arising from the liquidation, disposal or maturity of the Eligible Investments (including any profit generated thereby or interest matured thereon) shall be credited 2 (two) Business Days prior to each Payment Date; (ii) all amounts received from the sale of all or part of the Portfolio (other than amounts due by either Originator to the Issuer under the terms of the Warranty and Indemnity Agreement), should such sale occur, shall be credited; (iii) on the Business Day immediately preceding the earlier of (a) the Payment Date on which the Notes will be redeemed in full or cancelled and (b) the Final Maturity Date, the residual amount standing to the credit of the Expenses Account shall be transferred; (iv) on the Issue Date the subscription price of the Notes (net of any set off agreed in the Notes Subscription Agreement) shall be credited; (v) any net amount due from the Swap Counterparty under the Swap Agreement will be paid two Business Days before each Payment Date, but which shall, for the avoidance of doubt, exclude any collateral transferred under the Swap Agreement with respect to which reference is made in the description of the Collateral Account below; (vi) any Swap Collateral Account Surplus shall be credited
in accordance with the Collateral Account Priority of Payments; (vii) on the second Business Day preceding each Payment Date, the Swap Fixed Amount will be credited from the Swap Reserve Account; and (viii) on the date on which the Swap Agreement terminates all amounts standing to the credit of the Swap Reserve Account will be credited; and

b) **out of which:** (i) on each Payment Date all payments of interest and principal on the Notes and any payments to the Other Issuer Creditors and any third party creditors of the Transaction and any other payment or transfer set forth under the relevant Order of Priority shall be made in accordance with the Intercreditor Agreement, the applicable Order of Priority and the relevant Payments Report; (ii) any amount standing to the credit thereof will be transferred to the Investment Account 1 (one) Business Day after each Payment Date (other than the Payment Date on which the Notes will be redeemed in full or cancelled and the Final Maturity Date); (iii) on each Payment Date an amount shall be credited to the Expenses Account so that the balance standing to the credit of such Account is equal to the Retention Amount.

**Cash Reserve Account**

A Euro denominated account (the “Cash Reserve Account”):

a) **into which:** (i) on each Payment Date prior to the delivery of a Trigger Notice, all sums payable under item Sixth of the Pre-Acceleration Order of Priority shall be credited and (ii) on the Issue Date (A) an amount equal to Euro 21,920 will be transferred from the Collection Account and (B) an amount equal to Euro 4,700,000 will be credited by the Subordinated Loan Provider pursuant to the Subordinated Loan Agreement; and

b) **out of which:** on the Business Day following the Issue Date and each Payment Date the amount standing to the credit of the Cash Reserve Account will be transferred into the Investment Account.

**Investment Account**

A Euro denominated account (the “Investment Account”):

a) **into which:** (i) any amounts standing to the credit of the Collection Account on each Business Day will be transferred by close of business on the same Business Day; (ii) all sums arising from the Portfolio and all other sums which are not directly attributable to the Portfolio, collected or received by the Issuer under any Transaction Documents to which the Issuer is a party shall be credited promptly upon receipt, if not credited to other accounts pursuant to the Transaction Documents; (iii) any amount credited into the Cash Reserve Account on the Issue Date and on each Payment Date in accordance with the Pre-
Acceleration Order of Priority will be transferred on the Business Day following each of such dates; (iv) any amounts standing to the credit of the Payments Account on the Business Day immediately following each Payment Date (other than the Payment Date on which the Notes are redeemed in full or cancelled and the Final Maturity Date) shall be credited on such Business Day; (v) on the Issue Date the amount standing to the credit of the Collection Account less an amount equal to Euro 21,920 (which will be credited from the Collection Account to the Cash Reserve Account) will be transferred from the Collection Account; (vi) any proceeds upon maturity or any sums deriving from the disposal of the Eligible Investments purchased through the funds standing to the credit of such account (other than the amounts set forth under item (v) of the paragraph “out of which” of this Account) and any profit generated thereby or interest accrued thereon, shall be credited; and (vii) upon written instruction of Banca del Fucino as Servicer, the amounts standing to the credit of the Swap Reserve Account will be transferred to the Investment Account to be applied for the settlement of Eligible Investments, provided that, in any case, Banca del Fucino as Servicer shall not be allowed to give any instruction to transfer money out of the Swap Reserve Account during the period beginning on (and including) the fourth Business Day immediately succeeding each Collection Date and ending on (and including) the second Business Day preceding each Payment Date; and

b) **out of which** (i) any amounts standing to the credit thereof (other than the amounts set forth under item (v) below) 2 (two) Business Days before each Payment Date shall be credited on such date to the Payments Account; (ii) any amounts standing to the credit thereof (other than the amounts set forth under item (v) below) will be applied by the Cash Manager upon specific written instructions of Banca del Fucino as Servicer or the Issuer, for the settlement of Eligible Investments, provided that in no case shall Eligible Investments be purchased in the 2 (two) preceding Business Days prior to each Calculation Date; (iii) on the fourth Business Day succeeding each Collection Date, all amounts deriving from the liquidation of any Eligible Investment purchased by way of the sums deriving from the Swap Reserve Account will be transferred (together with any interest and profit accrued thereon) on the Swap Reserve Account; (iv) on the Issue Date an amount equal to the Retention Amount will be transferred into the Expenses Account; and (v) on any Business Day following the Issue Date, any upfront fees, costs and expenses to be paid pursuant to clause 11 of the Notes Subscription Agreement.
**Swap Reserve Account**

a) **into which:** (i) on the Issue Date, the Swap Reserve Amount will be credited by the Subordinated Loan Provider in accordance with the Subordinated Loan Agreement; (ii) on the fourth Business Day succeeding each Collection Date, the amounts deriving from the liquidation of any Eligible Investment (including any interest and profit accrued thereon) purchased by way of the sums deriving from the Swap Reserve Account will be credited; and

b) **out of which:** (i) on the second Business Day preceding each Payment Date, an amount equal to the Swap Fixed Amount will be transferred to the Payment Account; (ii) upon written instruction of Banca del Fucino as Servicer, the amounts standing to the credit thereof will be transferred to the Investment Account to be applied for the settlement of Eligible Investments, provided that, in any case, Banca del Fucino as Servicer shall not be allowed to give any transfer instruction during the period beginning on (and including) the fourth Business Day immediately succeeding each Collection Date and ending on (and including) the second Business Day preceding each Payment Date; and (iii) on the date on which the Swap Agreement terminates all amounts standing to the credit of the Swap Reserve Account will be credited to the Payment Account.

**Securities Account**

Under the Cash Administration and Agency Agreement, the Representative of the Noteholders acknowledged and agreed that the Issuer may open a securities custody account (the “Securities Account”) in order for the Issuer to deposit to the credit thereto investments which qualify as Eligible Investments.

**Collateral Account**

A Euro denominated cash account (the “Collateral Account”), into which shall be credited:

a) any collateral received from the Swap Counterparty pursuant to the Swap Agreement;

b) any interest or distributions on, and any liquidation or other proceeds of, such collateral;

c) any Replacement Swap Premium received by the Issuer from a replacement swap counterparty; and

d) any termination payment received by the Issuer from the outgoing Swap Counterparty pursuant to the Swap Agreement and out of which amounts shall be paid in accordance with the Collateral Account Priority of Payments.

“Accounts” means collectively the Expenses Account, the Quota Capital Account, the Payments Account, the Collection Account,
the Investment Account, the Securities Account (if any), the Collateral Account, the Swap Reserve Account and the Cash Reserve Account; and “Account” means any of them.

“Claims” means the monetary receivables and connected rights arising under the Loans and the relevant Insurance Policies, as assigned by Banca del Fucino to the Issuer pursuant to the Transfer Agreement.

“Portfolio” means the portfolio of the Claims and connected rights arising under the Loans.

“Replacement Swap Premium” means the amount payable by the Issuer to a replacement swap counterparty or by a replacement swap counterparty to the Issuer (as the case may be) in order to enter into a replacement swap agreement on substantially the same terms as the Swap Agreement to replace or novate the Swap Agreement.

4. ISSUER AVAILABLE FUNDS

Issuer Available Funds

On each Calculation Date and in respect of the immediately following Payment Date, the aggregate of (without duplication):

a) all the sums received or recovered by the Issuer from or in respect of the Claims during the Collection Period immediately preceding such Payment Date;

b) all amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer in respect of the Portfolio pursuant to the Transfer Agreement, the Warranty and Indemnity Agreement and any other Transaction Documents during the Collection Period immediately preceding such Payment Date;

c) any profit generated by, or interest accrued and paid on, the Eligible Investments (net of any withholding or deduction on account of tax) made out of the Investment Account in respect of the Collection Period immediately preceding such Payment Date;

d) all the amounts standing to the credit of the Cash Reserve Account on the immediately preceding Payment Date, after application of the Pre-Acceleration Order of Priority on such Payment Date (or, in respect of the First Payment Date, the Cash Reserve Initial Amount);

e) interest (if any) accrued on and credited (net of any withholding or deduction on account of tax) to the Accounts (except for the Expenses Account, the Collateral Account and the Quota Capital Account) in
the Collection Period immediately preceding such Payment Date;

f) all amounts received from the sale of the Portfolio or individual Claims, should such sale occur, during the Collection Period immediately preceding such Payment Date;

g) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed in full or cancelled, the residual amount standing to the credit of the Accounts (except for the Quota Capital Account and the Collateral Account);

h) any other amount, not included in the foregoing items, received by the Issuer and standing to the credit of the Accounts (except for the Quota Capital Account) on the Collection Date immediately preceding such Payment Date;

i) without duplication of the above, all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement (if and to the extent paid) other than (1) any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments) and (2) any Swap Tax Credit Amounts (which amounts shall be paid directly to the Swap Counterparty when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority);

j) without duplication of the above, any Swap Collateral Account Surplus paid into the Payments Account in accordance with the Collateral Account Priority of Payments;

k) on each Payment Date, an amount equal to the Swap Fixed Amounts due on such date under the Swap Agreement which will be transferred from the Swap Reserve Account to the Payment Account; and

l) on the date on which the Swap Agreement terminates, the balance of the Swap Reserve Account will be transferred from the Swap Reserve Account to the Payment Account.

“Collateral Amount” means any amounts standing to the credit of the Collateral Account, being amounts paid into such account by the Swap Counterparty in accordance with the Credit Support Annex, together with interest and other amounts accrued thereon.
“Senior Swap Counterparty Termination Payment” means any termination payment, other than a Subordinated Swap Counterparty Termination Payment, required to be made by the Issuer to the Swap Counterparty upon a termination of the Swap Transactions pursuant to the Swap Agreement.

“Subordinated Swap Counterparty Termination Payment” means any termination payment required to be made by the Issuer to the Swap Counterparty pursuant to the Swap Agreement upon a termination of the Swap Transactions in respect of which the Swap Counterparty is the sole Affected Party (as defined in the Swap Agreement) following the occurrence of a Swap Counterparty Rating Event or is the Defaulting Party (as defined in the Swap Agreement) to the extent not already paid pursuant to item Fourth of the Orders of Priority.

“Swap Tax Credit Amount” means any amount received by the Issuer and attributable to a Tax Credit (as defined in the Swap Agreement) which is payable by the Issuer to the Swap Counterparty pursuant to the Swap Agreement.

5. ORDER OF PRIORITY

Pre-Acceleration Order of Priority

Prior to (i) the service of a Trigger Notice, (ii) a Redemption for Taxation pursuant to Condition 6.2 (Redemption for Taxation) or (iii) an Optional Redemption pursuant to Condition 6.4 (Optional Redemption) or (iv) the Final Maturity Date, the Issuer Available Funds shall be applied on each Payment Date in making or providing for the following payments, in the following order of priority (the “Pre-Acceleration Order of Priority”) (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) First, to pay (pari passu and pro rata to the extent of the respective amounts thereof) (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfil due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by using the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain the ratings of the Rated Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;
(ii) **Second**, to pay in the following order (i) the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;

(iii) **Third**, to pay (pari passu and pro rata to the extent of the respective amounts thereof) (i) the fees, expenses and all other amounts due and payable to the Cash Manager, the Computation Agent, the Collection Account Bank, the Transaction Bank, the Principal Paying Agent, the EMIR Reporting Agent, the Corporate Services Provider, the Administrative Services Provider and the Back-Up Servicer; (ii) the Servicing Fees due to the Servicer and any reimbursement due to the Servicer pursuant to the Servicing Agreement; and (iii) the fees and costs due to the Back-up Servicer as successor of the Servicer pursuant to clause 3.2(ii)(a) of the Back-Up Servicing Agreement;

(iv) **Fourth**, to pay all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement (which, with respect to periodic payments and payments of premia, shall include amounts due and payable in respect of the relevant Swap Transactions) other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority), (2) any amounts payable pursuant to the Collateral Account Priority of Payments, and (3) any Subordinated Swap Counterparty Termination Payment provided that any Senior Swap Counterparty Termination Payment due to the Swap Counterparty shall be payable pursuant to this item only to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay in full the Senior Swap Counterparty Termination Payment due to the Swap Counterparty;

(v) **Fifth**, to pay (pari passu and pro rata) interest due and payable on the Principal Amount Outstanding of the Class A Notes;

(vi) **Sixth**, to credit the Cash Reserve Account with the Cash Reserve Amount due on such Payment Date;

(vii) **Seventh**, to pay the Subordinated Loan Senior Interest that is due and payable;

(viii) **Eight**, prior to the occurrence of a Class B Notes Interest Subordination Event, to pay, pari passu and pro rata,
interest due and payable on the Principal Amount Outstanding of the Class B Notes;

(ix) Ninth, towards payment (pari passu and pro rata) of the Principal Amount Outstanding of the Class A Notes;

(x) Tenth, following the occurrence of a Class B Notes Interest Subordination Event, to pay, pari passu and pro rata, interest due and payable on the Class B Notes;

(xi) Eleventh, to repay, pari passu and pro rata, the Principal Amount Outstanding of the Class B Notes;

(xii) Twelfth, to pay the Subordinated Loan Junior Interest and repay principal, in each case, that is due and payable under the Subordinated Loan;

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

(xiv) Fourteenth, to pay (pari passu and pro rata according to the respective amounts thereof), any other amount due and payable to the Originator, pursuant to the Transfer Agreement (including costs and expenses and the insurance premia advanced under the Insurance Policies) and the Warranty and Indemnity Agreement; to the Servicer pursuant to the Servicing Agreement, to the extent not already paid under other items of this Order of Priority; and to the Back-up Servicer as successor of the Servicer, as agreed between the Back-up Servicer and the Issuer pursuant to clause 3.2(ii)(b) of the Back-Up Servicing Agreement;

(xv) Fifteenth, to pay (pari passu and pro rata) interest due and payable on the Class J Notes (other than the Class J Notes Additional Return);

(xvi) Sixteenth, following redemption in full or cancellation of the Class B Notes, to pay (pari passu and pro rata) the Principal Amount Outstanding of the Class J Notes, until – on each Payment Date other than the Payment Date on which the Notes are redeemed in full or cancelled or the Final Maturity Date – such Principal Amount Outstanding is equal to Euro 1,000;

(xvii) Seventeenth, to pay (pari passu and pro rata) the Class J Notes Additional Return,
provided, however, that should the Computation Agent not receive the Quarterly Servicing Report within 2 (two) Business Days prior to the Calculation Date,

(i) it shall prepare the Payments Report by applying the Issuer Available Funds in an amount not higher than:

(a) the amounts standing to the credit of the Cash Reserve Account on the immediately preceding Payment Date (after application of the Pre-Acceleration Order of Priority on such Payment Date); plus

(b) the aggregate amount transferred from the Collection Account to the Investment Account in the immediately preceding Collection Period (as promptly indicated by the Transaction Bank upon request of the Computation Agent); plus

(c) all amounts due and payable to the Issuer on the immediately following Payment Date under the terms of the Swap Agreement, other than any Collateral Amount, any termination payment required to be made under the Swap Agreement and any collateral payable or transferable (as the case may be) under the Credit Support Annex,

towards payment only of items from First to Sixth (but excluding the Servicing Fees to the Servicer under item Third) of the Pre-Acceleration Order of Priority; and

(ii) any amount that would otherwise have been payable under items from Seventh to Seventeenth of the Pre-Acceleration Order of Priority will not be included in the relevant Payments Report and shall not be payable on the relevant Payment Date and shall be payable in accordance with the applicable Order of Priority on the first following Payment Date on which there are enough Issuer Available Funds and on which details for the relevant calculations will be timely provided to the Computation Agent.

“Subordinated Loan Senior Interest” means in respect of each Payment Date the Subordinated Loan Interest calculated on the positive difference between (i) Euro 4,700,000.00 and (ii) the principal amount of the Subordinated Loan repaid under item Twelfth of the Pre-Acceleration Order of Priority and item Ninth of the Acceleration Order of Priority (as applicable) up to the immediately preceding Payment Date.
“Subordinated Loan Junior Interest” means in respect of each Payment Date the Subordinated Loan Interest calculated on the lower of (i) Euro 1,380,000.00 and (ii) the principal amount outstanding of the Subordinated Loan on the immediately preceding Payment Date.

“Subordinated Loan Interest” means the aggregate of:

(i) Three Months Euribor applicable to the relevant Interest Period as determined by the Computation Agent; and

(ii) a margin of 0.50% per annum;

multiplied by the actual number of days in such Interest Period and divided by 360 and rounding the resulting figure to the nearest cent (half a Euro cent being rounded up) provided that the rate of interest applicable to the Subordinated Loan (i.e., the Three Months Euribor under (i) above plus the margin under (ii) above) shall not be negative nor higher than 1% in any case.

### Acceleration Order of Priority

(a) Following the delivery of a Trigger Notice pursuant to Condition 9 (Trigger Events), or (b) in the event that the Issuer opts for the Redemption for Taxation pursuant to Condition 6.2 (Redemption for Taxation), or for the Optional Redemption pursuant to Condition 6.4 (Optional Redemption) or (c) on the Final Maturity Date, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) **First**, to pay (pari passu and pro rata to the extent of the respective amounts thereof), (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfil due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid in connection with any notice to be given to the Noteholders or the other parties to the Transaction Documents;

(ii) **Second**, to pay in the following order (i) the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the amount (if any) necessary to ensure that the balance standing to the
credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;

(iii) Third, to pay (pari passu and pro rata to the extent of the respective amounts thereof) fees, expenses and all other amounts due and payable to the Servicer (including any reimbursement amount pursuant to the Servicing Agreement), the Cash Manager, the Computation Agent, the Collection Account Bank, the Transaction Bank, the Principal Paying Agent, the EMIR Reporting Agent, the Corporate Services Provider, the Administrative Services Provider and the Back-Up Servicer;

(iv) Fourth, to pay all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement, other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority), (2) any amounts payable pursuant to the Collateral Account Priority of Payments and (3) any Subordinated Swap Counterparty Termination Payment, provided that only to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay any Senior Swap Counterparty Termination Payment in full, any due but unpaid Senior Swap Counterparty Termination Payment shall be payable pursuant to this item;

(v) Fifth, to pay interest due and payable on the Class A Notes;

(vi) Sixth, to pay the Principal Amount Outstanding of the Class A Notes;

(vii) Seventh, to pay the Subordinated Loan Senior Interest that is due and payable;

(viii) Eight, to pay interest due and payable on the Class B Notes;

(ix) Ninth, to pay the Principal Amount Outstanding of the Class B Notes;

(x) Tenth, to pay the Subordinated Loan Junior Interest and to repay principal, in each case, that is due and payable under the Subordinated Loan;

(xi) Eleventh, only to the extent the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay any Subordinated Swap Counterparty Termination Payment in full, to pay any due but unpaid Subordinated Swap Counterparty Termination Payment;
(xii) Twelfth, to pay (pari passu and pro rata according to the respective amounts thereof) any amount due and payable to the Originator pursuant to the Transfer Agreement (including costs and expenses and the insurance premia advanced under the Insurance Policies) and the Warranty and Indemnity Agreement;

(xiii) Thirteenth, to pay (pari passu and pro rata) interest due and payable on the Class J Notes (other than the Class J Notes Additional Return);

(xiv) Fourteenth, to pay (pari passu and pro rata) the Principal Amount Outstanding of the Class J Notes, until – on each Payment Date other than the Payment Date on which the Notes are redeemed in full or cancelled or the Final Maturity Date – such Principal Amount Outstanding is equal to Euro 1,000;

(xv) Fifteenth, to pay the Class J Notes Additional Return (pari passu and pro rata to the Principal Amount Outstanding of each relevant Class as at the immediately preceding Payment Date).

**Collateral Account Priority of Payments**

Amounts standing to the credit of the Collateral Account will not be available for the Issuer to make payments to the Noteholders and the Other Issuer Creditors generally, but may be applied only in accordance with the following provisions (the “Collateral Account Priority of Payments”):

(i) prior to the occurrence or designation of an Early Termination Date in respect of the Swap Agreement, solely in or towards payment or transfer of:

(a) any Return Amounts (as defined in the Credit Support Annex);

(b) any Interest Amounts and Distributions (each as defined in the Credit Support Annex); and

(c) any return of collateral to the Swap Counterparty upon a novation of such Swap Counterparty’s obligations under the Swap Agreement to a replacement swap counterparty, on any day (whether or not such day is a Payment Date), directly to the Swap Counterparty in accordance with the terms of the Credit Support Annex;

(ii) upon or immediately following the occurrence or designation of an Early Termination Date (as defined in the Swap Agreement) in respect of the Swap Agreement where (A) such Early Termination Date (as defined in the Swap Agreement) has been designated following an
Event of Default (as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or an Additional Termination Event (as defined in the Swap Agreement) resulting from a Swap Counterparty Rating Event and in respect of which the Swap Counterparty is the Affected Party (as defined in the Swap Agreement) and (B) the Issuer enters into a replacement swap agreement in respect of such Swap Agreement on or around the Early Termination Date of such Swap Agreement, on the later of the day on which such replacement swap agreement is entered into and the day on which the Replacement Swap Premium (if any) payable to the Issuer has been received (in each case, whether or not such day is a Payment Date), in the following order of priority:

A. first, in or towards payment of any Replacement Swap Premium (if any) payable by the Issuer to a replacement swap counterparty in order to enter into a replacement swap agreement with the Issuer with respect to the Swap Agreement being novated or terminated;

B. second, in or towards payment of any termination payment due to the outgoing Swap Counterparty pursuant to the Swap Agreement; and

C. third, the surplus (if any) (a “Swap Collateral Account Surplus”) on such day to be transferred to the Payments Account for an amount equal to the relevant Outstanding Notes Ratio of the Swap Collateral Account Surplus and deemed to form Issuer Available Funds;

(iii) following the occurrence or designation of an Early Termination Date in respect of the Swap Agreement where (A) such Early Termination Date has been designated following an Event of Default (as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or an Additional Termination Event (as defined in the Swap Agreement) resulting from a Swap Counterparty Rating Event and in respect of which the Swap Counterparty is the Affected Party (as defined in the Swap Agreement) and (B) the Issuer is unable to or elects not to enter into a replacement swap agreement on or around the Early Termination Date of such Swap Agreement, on any day (whether or not such day is a Payment Date) in or towards payment of any termination payment due to the outgoing Swap Counterparty pursuant to the Swap Agreement;
(iv) following the occurrence or designation of an Early Termination Date in respect of the Swap Agreement where such Early Termination Date has been designated otherwise than as a result of one of the events specified at items (ii) and (iii) above, on any day (whether or not such day is a Payment Date) in or towards payment of any termination payment due to the outgoing Swap Counterparty pursuant to the Swap Agreement; and

(v) following payment of any amounts due pursuant to (iii) and (iv) above, if amounts remain standing to the credit of the Collateral Account, such amounts may be applied on any day (whether or not such day is a Payment Date) only in accordance with the following provisions:

A. first, in or towards payment of any Replacement Swap Premium (if any) payable by the Issuer to a replacement swap counterparty in order to enter into a replacement swap agreement with the Issuer with respect to the Swap Agreement being terminated; and

B. second, the surplus (if any) (a “Swap Collateral Account Surplus”) remaining after payment of such Replacement Swap Premium to be transferred to the Payments Account for an amount equal to the relevant Outstanding Notes Ratio of the Swap Collateral Account Surplus and deemed to form Issuer Available Funds,

provided that if the Issuer has not entered into a replacement swap agreement with respect to the Swap Agreement on or prior to the earlier of:

A. the day that is 10 (ten) Business Days prior to the date on which the Principal Amount Outstanding of all Classes of Notes is reduced to zero (other than following the occurrence of a Trigger Event pursuant to Condition 9 (Trigger Events)); or

B. the day on which a Trigger Notice is given pursuant to Condition 9 (Trigger Events),

then the Collateral Amount on such day shall be transferred to the Payments Account for an amount equal to the relevant Outstanding Notes Ratio of the Swap Collateral Account Surplus and deemed to form Issuer Available Funds.

**Principal Amount Outstanding** Means, in respect of a Note, on any date, the principal amount of that Note upon issue less the aggregate amount of all
principal payments in respect of that Note that have been paid prior to such date.

**Trigger Events**

If any of the following events (each a “Trigger Event”) occurs:

(i) **Non-payment**

(a) the Interest Amount on the Class A Notes (and only after the repayment in full of the Rated Notes, on the Class J Notes) on a Payment Date is not paid in full on the due date or within a period of three Business Days; or

(b) the Class A Notes or the Class B Notes or the Junior Notes are not redeemed in full on the Final Maturity Date; or

(c) the Interest Amount (plus any Interest Amount in respect of previous Interest Periods which has remained unpaid) on the Class B Notes is not paid in full on the Final Maturity Date;

(ii) **Breach of other obligations**

The Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes (other than any obligation under paragraph (i) above) or any of the Transaction Documents to which it is a party and (except where, in the sole and absolute opinion of the Representative of the Noteholders, such default is incapable of remedy, in which case no notice requiring remedy will be required) such default remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in the sole and absolute opinion of the Representative of the Noteholders, materially detrimental to the interests of the Noteholders and requiring the same to be remedied; or

(iii) **Breach of representation and warranties**

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

(iv) **Insolvency**

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(a) 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”, “piani di risanamento”, “accordi di ristrutturazione” and “liquidazione giudiziale”, 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, such proceedings are being not disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under point (a) above is made in respect of or by the Issuer or the same proceedings are otherwise initiated against the Issuer and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(c) an application for the commencement of any of the proceedings under point (a) above is made in respect of or by the Issuer or the same proceedings are otherwise initiated against the Issuer and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(d) 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 Noteholders and the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(v) **Winding up etc.**

an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of the Issuer (expect 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; or

(vi) **Unlawfulness**

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

then the Representative of the Noteholders:

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

(ii) shall, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, in the case of the Trigger Events set out under points (ii) and (iii) above;

(iii) may at its sole and absolute discretion but shall, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes in case of any other Trigger Event,

give a written notice (a “Trigger Notice”) to the Issuer (with copy to the Servicer, the Rating Agencies and the Swap Counterparty) declaring that the Notes have immediately become due and payable at their Principal Amount Outstanding, together with interest accrued and unpaid thereon and that thereafter the Acceleration Order of Priority shall apply.

“Most Senior Class of Notes” means the Class A Notes or, upon redemption in full or cancellation of the Class A Notes, the Class
B Notes or, upon redemption in full or cancellation of the Class B Notes, the Class J Notes.

In the following circumstances:

(i) in the case of Redemption for Taxation pursuant to Condition 6.2 (Redemption for Taxation); or

(ii) in the case of Optional Redemption pursuant to Condition 6.4 (Optional Redemption); or

(iii) if, after a Trigger Notice has been served on the Issuer, an Extraordinary Resolution of the holders of the Most Senior Class of Notes resolve to request the Issuer to sell all (or part only) of the Portfolio to one or more third parties,

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

In addition, following the delivery of a Trigger Notice (a) without any further action or formality, all payments of principal, interest and any other amounts due with respect to the Notes, the Other Issuer Creditors and any other creditor of the Issuer under the Transaction shall be made in accordance with the Acceleration Order of Priority and (b) provided that any bankruptcy or similar proceeding has not been commenced towards the Issuer (including, without limitation, “fallimento”, “concordato preventivo”, “piani di risanamento”, “liquidazione coatta amministrativa” and “liquidazione giudiziale, in accordance with the meaning ascribed to those expressions by Italian law) and in any case if not prevented by, and in compliance with, any applicable law, the Representative of the Noteholders shall be entitled, in the name and on behalf of the Issuer, to sell the Portfolio.

Representative of the Noteholders

The terms of the appointment of the Representative of the Noteholders (which are set out in the Intercreditor Agreement, the Notes Subscription Agreement and the Rules of the Organisation of the Noteholders) contain provisions governing the responsibility (and relief from responsibility) of the Representative of the Noteholders (including provisions relieving it from taking proceedings unless indemnified to its satisfaction and providing for the Representative of the Noteholders to be indemnified in certain other circumstances) and provisions which govern the termination of the appointment of the Representative of the Noteholders and amendments to the terms of such appointment.

Cash Reserve

On the Issue Date, part of the Cash Reserve Initial Amount (equal to Euro 4,700,000.00) will be funded through the proceeds of the Subordinated Loan and the remainder (equal to Euro 21,920.00)
will be funded through part of the amounts received or recovered by the Servicer in respect of the Portfolio from the Effective Date (included) until two Business Days preceding the Issue Date.

On each Payment Date, the amounts standing to the credit of the Cash Reserve Account on the immediately preceding Payment Date, after application of the Pre-Acceleration Order of Priority on such Payment Date (or, in respect of the First Payment Date, an amount equal to the Cash Reserve Initial Amount) will form part of the Issuer Available Funds and will be available to the Issuer, together with the other Issuer Available Funds, to pay amounts due under the applicable Order of Priority.

The Issuer will, on each Payment Date on which the Pre-Acceleration Order of Priority applies and in accordance thereto, credit into the Cash Reserve Account an amount equal to the Cash Reserve Amount due and payable in respect of such Payment Date.

“Cash Reserve Initial Amount” means an amount equal to Euro 4,721,920.00.

“Cash Reserve Amount” means (A) on the Issue Date, the Cash Reserve Initial Amount; (B) on each Payment Date (in which the Pre-Acceleration Order of Priority is applied) falling before (and excluding) the earlier of (i) the Payment Date on which the Principal Amount Outstanding of the Senior Notes is lower than the Issuer Available Funds that would be available on such Payment Date following payments of amount due and payable under items First to Fifth of the Pre-Acceleration Order of Priority having been made, (ii) the Payment Date falling immediately after the Final Redemption Date and (iii) the Final Maturity Date, an amount equal to the higher of (a) 3.5% of the Principal Amount Outstanding of the Rated Notes on the immediately preceding Payment Date after making payments due under the Pre-Acceleration Order of Priority on that date (or, in respect of the First Payment Date, on the Issue Date) and (b) 1% of the Principal Amount Outstanding of the Rated Notes as of the Issue Date, and (C) on each Payment Date thereafter, zero.

On each Payment Date, the amounts standing to the credit of the Cash Reserve Account on the immediately preceding Payment Date, after application of the Pre-Acceleration Order of Priority on such Payment Date (or, in respect of the First Payment Date, an amount equal to the Cash Reserve Amount on the Issue Date) will be made available to meet payments under items First to Fifth of the Pre-Acceleration Order of Priority. In addition the Cash Reserve Amount available following payment in full of items from First to Fifth of the Pre-Acceleration Order of Priority shall be used in full towards redemption of the Senior Notes, on
the Payment Date on which, by doing so, the Senior Notes can be redeemed in full.

**Swap Reserve**

On the Issue Date, the Swap Reserve Amount will be credited to the Swap Reserve Account, out of the proceeds of the Subordinated Loan.

On the second Business Day preceding each Payment Date, an amount equal to the Swap Fixed Amount will be transferred from the Swap Reserve Account to the Payment Account.

On the date on which the Swap Agreement terminates, the balance of the Swap Reserve Account will be transferred from the Swap Reserve Account to the Payment Account. Thereafter the Issuer shall close the Swap Reserve Account and the Transaction Bank will be deemed released from its obligations in this respect.

As from the closure of the Swap Reserve Account, any reference to the Swap Reserve Account, the Swap Reserve Amount and the definitions connected thereto under the Prospectus and any Transaction Document shall be deemed not to be in effect anymore.

“Swap Reserve Amount” means Euro 1,380,000.00.

“Swap Fixed Amount” means, on a Calculation Date the aggregate amount due by the Issuer on the immediately following Payment Date (disregarding the netting mechanism under the Swap Agreement) as Fixed Amounts A, Fixed Amounts B and Party B Fixed Termination Amount (each such term as defined in the relevant Swap Agreement) under each of the Swap Transactions, as communicated to the Computation Agent and the Issuer by the Swap Counterparty on or prior to such Calculation Date.

**Final redemption**

Unless previously redeemed in full or cancelled, the Notes will be redeemed in full at their Principal Amount Outstanding on the Payment Date falling in December 2060 (the “Final Maturity Date”).

“Final Redemption Date” means the earlier of: (i) the date when any amount payable on the Claims of the Portfolio will have been paid and the Servicer has confirmed that no further recoveries and amounts shall be realised thereunder, and (ii) the date when all the Claims of the Portfolio then outstanding will have been entirely written off or sold by the Issuer.

**Mandatory redemption**

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

A. on each Payment Date, in a maximum amount equal to the relevant Principal Amount Outstanding with respect to such Payment Date in accordance with the Pre-Acceleration Order of Priority;
B. (i) on any date following the delivery of a Trigger Notice pursuant to Condition 9 (Trigger Events); and (ii) on the relevant Payment Date in case of Redemption for Taxation pursuant to Condition 6.2 (Redemption for Taxation) or in case of Optional Redemption pursuant to Condition 6.4 (Optional Redemption), at their Principal Amount Outstanding and in accordance with the Acceleration Order of Priority,

if, on each immediately preceding Calculation Date, it is determined that there will be sufficient Issuer Available Funds which may be applied for this purpose in accordance with the Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable.

Optional Redemption

The Issuer may at its option, on any Payment Date falling on or after the Initial Clean Up Option Date (prior to the delivery of a Trigger Notice) (each an “Optional Redemption Date”), redeem:

(i) the Notes in whole (but not in part) at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to and including the relevant Payment Date; or

(ii) with the prior consent of the Junior Noteholders, the Rated Notes only (or the Rated Notes in whole and the Junior Notes in part) at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to and including the relevant Payment Date.

Such optional redemption shall be effected by the Issuer giving not more than 45 (forty-five) nor fewer than 15 (fifteen) days’ prior written notice that shall be deemed irrevocable to the Representative of the Noteholders, the Swap Counterparty, the holders of the Senior Notes in accordance with Condition 12 (Notices) and to the Rating Agencies and provided that the Issuer, prior to giving such notice to the Representative of the Noteholders and to the Rating Agencies, has produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other Person, to discharge all its outstanding liabilities in respect of the relevant Notes (to be redeemed) and any amounts required under the Acceleration Order of Priority to be paid in priority to or pari passu with such Notes and any amount due to the Swap Counterparty (including any termination payment) subordinated to the Rated Notes. In order to finance the redemption of the relevant Notes in the circumstances described above, the Issuer (or the Representative of the Noteholders, acting in the name and on behalf of the Issuer), is entitled to dispose of the Portfolio.

“Initial Clean Up Option Date” means the first Payment Date immediately succeeding the earlier of (i) 31 March 2029, and (ii)
the Collection Date on which the principal outstanding amount of the Portfolio is equal to or less than 10% (ten per cent.) of the Initial Principal Portfolio.

“Initial Principal Portfolio” means the aggregate principal outstanding amount of the Portfolio as of the Effective Date, being Euro 149,608,040.11.

Redemption for taxation

If the Issuer:

1. has provided the Representative of the Noteholders with:
   (i) a legal opinion in form and substance satisfactory to the Representative of the Noteholders from a firm of lawyers (approved in writing by the Representative of the Noteholders); and (ii) a certificate from the legal representative of the Issuer; and
2. has given not more than 45 (forty-five) nor less than 15 (fifteen) calendar days’ prior written notice to the Representative of the Noteholders, the Swap Counterparty and the Noteholders, in accordance with Condition 12 (Notices),

   to the effect that, following the occurrence of certain legislative or regulatory changes, or official interpretations thereof by competent authorities, the Issuer (or the Issuer’s Agent):

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

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

3. in each case the Issuer shall have produced evidence reasonably acceptable to the Representative of the Noteholders that it has the necessary funds (not subject to the interests of any other Person) to discharge all of its outstanding liabilities with respect to the Rated Notes and any amounts required under the Intercreditor Agreement to be paid in priority to, or pari passu with the Rated Notes,
the Issuer may (i) on the first Payment Date on which such necessary funds become available to it, redeem the Rated Notes in whole (but not in part) at their Principal Amount Outstanding (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or pari passu with the Rated Notes and amounts ranking prior thereto or pari passu therewith pursuant to the Pre-Acceleration Order of Priority; and (ii) on the first Payment Date on which sufficient funds become available to it, redeem the Class J Notes in whole or in part (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or pari passu with the Class J Notes.

Listing and admission to trading

Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin for the Rated Notes to be listed on the Official List of Euronext Dublin and to be admitted to trading on the Regulated Market of Euronext Dublin, in accordance with Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014, of the Rated Notes.

Application may be made for the Senior Notes to be admitted to trading on the professional segment ExtraMOT PRO of the multilateral trading facility “ExtraMOT”, which is a multilateral trading system for the purposes of the Market in Financial Instruments Directive 2014/65/EC managed by Borsa Italiana S.p.A.

No application has been made to list the Junior Notes on any stock exchange.

The Issuer will elect Ireland as its Home Member State for the purpose of the Transparency Directive.

Ratings

The Class A Notes are expected, on issue, to be rated:

AA(low)(sf) by DBRS; and

Aa3(sf) by Moody's.

The Class B Notes are expected, on issue, to be rated:

A(low)(sf) by DBRS; and

Baa1(sf) by Moody's.

As of the date of this Prospectus, each of DBRS and Moody's is established in the European Union and are registered under Regulation (EC) No. 1060/2009 of the European Parliament and
of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the CRA Regulation and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the ESMA Website (for the avoidance of doubt, such website does not constitute part of this Prospectus).

A credit rating has not been and will not be sought for the Class J Notes.

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

**Segregation of Issuer’s Rights**

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Portfolio, any monetary claim of the Issuer under the Transaction Documents, all cash-flows deriving from both of them and any Eligible Investments purchased therewith (together, the “Segregated Assets”) are segregated by operation of law from the Issuer’s other assets. Both before and after a winding up of the Issuer, amounts deriving from the Portfolio and the other Segregated Assets will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Transaction.

The Portfolio and the other Segregated Assets may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof.

**The Organisation of the Noteholders and the Representative of the Noteholders**

The Organisation of the Noteholders shall be established upon and by virtue of the issuance of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes.

Pursuant to the Rules of the Organisation of the Noteholders (attached to the Conditions as an Exhibit), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, who is appointed in the Notes Subscription Agreement. Each Noteholder is deemed to accept such appointment.

**Selling restrictions**

There are restrictions on the sale of the Notes and on the distribution of information relating thereto. The Notes have not been and will not be registered under the Securities Act and may
The Originator will retain for the life of the transaction a material net economic interest of not less than 5 per cent. in the securitisation as required by article 6(1) of Regulation (EU) 2017/2402 (together with any relevant Regulatory Technical Standards and/or any relevant implementing measures or official guidance in relation thereto, in each case, as amended varied or substituted from time to time, the “Securitisation Regulation”) in accordance with article 6(3)(d) of the Securitisation Regulation (which does not take into account any corresponding national measures). As at the Issue Date, the Originator will meet this obligation by retaining an interest in the first loss tranche (being the Junior Notes) as required by the text of article 6(3)(d) of the Securitisation Regulation.

See the section entitled "Regulatory Capital Requirements" for more information.

“Issue Date” means on or about 15 April 2019.

The Notes are governed by, and shall be construed in accordance with, Italian law. Any dispute which may arise in relation to the Notes shall be subject to the exclusive jurisdiction of the court of Milan.
REGULATORY CAPITAL REQUIREMENTS

In the Intercreditor Agreement and the Notes Subscription Agreement, the Originator has undertaken, *inter alios*, to the Issuer and the Representative of the Noteholders for the purposes of the Securitisation Regulation (including but not limited to article 5 to 7 thereof) that it will:

a. retain at the origination and maintain (on an ongoing basis) a material net economic interest of not less than 5% in the securitisation in accordance with paragraph 3(d) of article 6 of the Securitisation Regulation (or any permitted alternative method thereafter). As at the Issue Date, such interest will be comprised of an interest in the first loss tranche (being the Junior Notes).

b. in its capacity as the reporting entity pursuant to article 7 of the Securitisation Regulation (the "Reporting Entity"):

(1) disclose through a quarterly report as required under the Securitisation Regulation to *inter alios* the Noteholders and, upon request, to prospective investors:

   (i) information on the material net economic interest of not less than 5% in the securitisation maintained by the Originator in accordance with paragraph (3)(d) of article 6 of the Securitisation Regulation (or any permitted alternative method thereafter) and any change to the manner in which the material net economic interest set out above is held, together with any relevant information in this respect;

   (ii) all materially relevant data on the credit quality and performance of the Loans;

   (iii) information on trigger events which entail changes in the Order of Priority set out in the Conditions or the replacement of any counterparties and data on the cash flows generated by the Loans and by the liabilities of the Transaction;

   (iv) loan by loan information regarding each Loan included in the Portfolio; and

   (v) any further information which from time to time is required under the Securitisation Regulation that is not covered under the items from (i) to (iv) above;

(2) to disclose without delay any inside information or documentation (including, but not limited to, any material amendment to any Transaction Document) relating to the Transaction that is required to be disclosed in the form and in the manner required by the Securitisation Regulation;

(3) to ensure that *inter alios* Noteholders and prospective investors have readily available access to (i) all information necessary to conduct comprehensive and well informed stress tests and to fulfil their monitoring and due diligence duties under article 5 of the Securitisation Regulation, which does not form part of this Prospectus as at the Issue Date but may be of assistance to prospective investors before investing, and (ii) any other information which is required to be disclosed to Noteholders and prospective investors pursuant to the Securitisation Regulation;

(4) to ensure that the competent supervisory authorities pursuant to article 29 of the Securitisation Regulation have readily available access to any information which is required to be disclosed pursuant to the Securitisation Regulation.

In the Intercreditor Agreement and the Notes Subscription Agreement, the Originator has also undertaken to *inter alios* the Issuer and the Representative of the Noteholders that the retention requirement is not and
will not be subject to any credit risk mitigation or any hedge, as and to the extent required by article 6 of the Securitisation Regulation.

In the Intercreditor Agreement and the Notes Subscription Agreement, the Reporting Entity represented to inter alios the Issuer and the Representative of the Noteholders that, before pricing, the final Prospectus and the Transaction Documents in draft or initial form as agreed between the relevant parties to the Transaction Documents have been made available to inter alios the potential Noteholders and competent supervisory authorities pursuant to article 29 of the Securitisation Regulation by means of publication on the Temporary Website (as defined below).

The Reporting Entity has undertaken, as soon as a data repository pursuant to article 10 of the Securitisation Regulation will have been authorized by ESMA and enrolled within the relevant register, to appoint a data repository by entering into a separate agreement (the entity so appointed, the “Data Repository”). The Reporting Entity has agreed to pay all fees, costs and expenses in connection with the transparency requirements under the Securitisation Regulation.

In particular, in accordance with the Intercreditor Agreement and the Notes Subscription Agreement the Reporting Entity has undertaken that any of the information under paragraphs (a)(1) and (2) above will be made available as follows:

(a) on the Issue Date, the information regarding the risk retention, and the information on which is the entity designated among the Issuer and the Originator as the Reporting Entity pursuant to article 7 of the Securitisation Regulation will be included in this Prospectus and published on the Temporary Website;

(b) following the Issue Date, on a quarterly basis, the information set out under paragraphs (a)(1) and (2) above (which includes the information required to be disclosed to Noteholders, potential investors and competent authorities referred to in article 29 of the Securitisation Regulation in accordance with article 7 of the Securitisation Regulation) will be included in the Investors Report issued by the Computation Agent and be generally available to inter alios the Noteholders and prospective investors at:

(i) the offices of the Computation Agent and on the Computation Agent’s web site currently located at www.centotrenta.com; and

(ii)

(x) until the Data Repository (as defined below) is appointed by the Reporting Entity, on the web site located at https://editor.eurodw.eu/ (the “Temporary Website”); and

(y) after the Data Repository (as defined below) is appointed by the Reporting Entity, on the Data Repository.

The Originator (also in its role of Servicer) has undertaken, under its full responsibility, to provide the Computation Agent with the information described under paragraphs (a)(1) and (2) above through the Quarterly Servicing Report within the Quarterly Servicing Report Date. The Computation Agent has undertaken to the Reporting Entity to include the information so provided in each Investors Report as specified above and to make each Investors Report generally available to inter alios the Noteholders and
prospective investors on the Temporary Website, the Data Repository or as otherwise required by the Securitisation Regulation on a quarterly basis.

The Reporting Entity also has undertaken that, within 15 days of the Issue Date, it will make available on the Temporary Website pdf copies of the executed Transaction Documents and Prospectus.

After the Data Repository is appointed:

(i) the Reporting Entity has undertaken to notify in writing the parties to the Intercreditor Agreement and the Notes Subscription Agreement of the corporate name and relevant details of the Data Repository so appointed;

(ii) the parties to the Intercreditor Agreement, in order to comply with the obligation under article 7(2), last paragraph, of the Securitisation Regulation, have undertaken to amend the Intercreditor Agreement in order to include herein the details relating to the Data Repository; and

(iii) the Reporting Entity has undertaken that it will procure that all documents and information published on the Temporary Website prior to such date are promptly relocated to the Data Repository, if so required in accordance with the Securitisation Regulation.

*Prospective Noteholders are required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Chapter 2 of the Securitisation Regulation and any corresponding national measure which may be relevant and none of the Issuer, the Originator, the Servicer or any other party to the Transaction Documents or any other person makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.*
THE PORTFOLIO

The Portfolio purchased by the Issuer comprise debt obligations arising out of mortgage loans classified as performing by the Originator. It is not provided for in the Transaction Documents the possibility to assign further portfolios of loans to the Issuer.

All Claims comprised in the Portfolio purchased by the Issuer from the Originator have been selected on the basis of the Criteria listed in the Transfer Agreement and set forth below (see paragraph “The Criteria”, below).

The Claims do not and may not consist, in whole or in part, actually or potentially, of credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives.

As at the Effective Date, the aggregate of the Outstanding Principal of all Claims comprised in the Portfolio amounted to Euro 149,608,040.11.

The information relating to the Portfolio contained in this Prospectus is, unless otherwise specified, a description of the Portfolio as at the Valuation Date.

The Criteria

The Claims included in the Portfolio have been selected on the basis of the following objective criteria (the “Criteria”) as at the Valuation Date (or the different date specified in respect of the relevant criterion), in order to ensure that the Claims have the same legal and financial characteristics.

The Claims included in the Portfolio shall derive from Loan Agreements:

(i) secured by a mortgage over residential real estate assets where the relevant borrower (or borrowers in the event of joint and several liability (co-intestazione)) is (or are, as the case may be) resident in Italy;

(ii) entered into by Banca del Fucino;

(iii) whose Assigned Debtors are classified by the Transferor as in bonis (within the meaning provided in the instructions contained into the circular letter No. 272 of the Bank of Italy of 30 July 2008 (Matrice dei Conti));

(iv) disbursed between 10 July 2002 (included) and the Valuation Date;

(v) denominated in Euro;

(vi) in respect of which the loan amount has been fully disbursed and there is no obligation to advance or disburse any further amounts;

(vii) in respect of which (i) as at the Valuation Date no more than two instalments were due and unpaid, and (ii) as at the date of 27 February 2019 no more than one instalment was due and unpaid;

(viii) in relation to which as at the Valuation Date at least one instalment has been paid, also in respect to the preamortisation period;

(ix) where the relevant amortisation plan under the relevant Loan Agreement provides for the:
(i) so called “French amortisation plan”; or
(ii) payment of fixed pre-determined instalments with floating duration (rate di importo costante e durata variabile);

(x) in respect of which the original principal amount outstanding was not higher than Euro 2,000,000.00 (two million);

(xi) in respect of which pursuant to the amortisation plan provided under the relevant Loan Agreement, the expiry date of the last instalment falls not before 31 March 2019;

(xii) where the relevant amortisation plan under the relevant Loan Agreement provides for monthly, quarterly or semi annually instalments;

(xiii) which are secured by a first economic priority mortgage meaning (i) a first legal priority mortgage; (ii) a mortgage having a priority ranking lower than first legal priority provided that all obligations secured by mortgage/mortgages with prevailing priority have been fully satisfied, or (iii) a mortgage having a priority ranking lower than the first legal priority provided that the mortgage/mortgages with prevailing priority are constituted as security for other Claims transferred pursuant to the Transfer Agreement or by a formal and substantial second ranking mortgage (i.e., economic) (it remains understood, for the avoidance of any doubt, that this criterion is considered as fulfilled also if the relevant Claim is guaranteed by additional guaranties in addition to the first economic priority mortgages or formal and substantial second ranking mortgages (i.e., economic) hereby referred);

(xiv) entered into with Assigned Debtors belonging to one of the following SAE categories (Settore Attività Economica), pursuant to the Bank of Italy's customers’ classification as defined into the circular No. 140 of the 11 February 1991, as subsequently amended and supplemented (Istruzioni relative alla classificazione della clientela per settori e gruppi di attività economica): 600 (famiglie consumatrici), 614 (famiglie produttrici/artigiani) or 615 (famiglie produttrici/altre famiglie produttrici);

(xv) that, as at the Valuation Date, had (i) in relation to mortgage loans with a floating interest rate, a spread not lower than 0.25% per annum (with the exception of loans with the following codes 0601100018936, 0601700028381, 0600700019331, which are also transferred); and (ii) in relation to mortgage loans with fixed interest rate, a minimum interest rate not lower than 0.65% per annum;

(xvi) in relation to Loans with a floating interest rate, which as at the Valuation Date were indexed to Euribor or to ECB rate.

the following are expressly excluded:

(a) loan agreements which have benefited from facilities or public (regional and/or state) or European Union financial subsidies with respect to principal and/or interest or from any other subsidy provided under any applicable state, regional and/or European Union law or regulation, without prejudice to the faculties of renegotiation provided by the applicable legislation in favor of the Assigned Debtors;

(b) loan agreements with mixed or modular interest rate which provide for (i) the passage to a floating interest rate once an initial period in which the interest rate is calculated with reference to a fixed interest rate is elapsed, or (ii) the possibility for the borrower to opt for the application of a fixed or floating interest rate once a period in which the interest rate is calculated with reference to a fixed interest rate is elapsed;
(c) loan agreements granted to (i) directors and/or employees of Banca del Fucino; (ii) public entities, foundations, registered associations; (iii) non-registered associations; and (iv) religious institutions (it being understood that in case of joint liability of the borrowers (co-intestazione) of the loan agreement, the requirements of points (i), (ii), (iii) and (iv) above shall be referred to all the borrowers of the loan);

(d) loan agreements in relation to which, as at 1st March 2019, the relevant borrower benefits from a suspension of payment of the instalments (in full or for the principal component only);

(e) loan agreements deriving from loans identified by the following codes, as reported in the relevant loan agreement:

<table>
<thead>
<tr>
<th>Loan Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>0608100029166</td>
</tr>
<tr>
<td>0607100027605</td>
</tr>
<tr>
<td>0605500028887</td>
</tr>
<tr>
<td>0605500027542</td>
</tr>
<tr>
<td>0605000017452</td>
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<tr>
<td>0605000009171</td>
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<tr>
<td>0605000008618</td>
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<tr>
<td>0604500007652</td>
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<tr>
<td>0604500020463</td>
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<tr>
<td>0604500020463</td>
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<tr>
<td>0604500011196</td>
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<td>0604000010200</td>
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<tr>
<td>0604000009942</td>
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<td>0604000009942</td>
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<tr>
<td>060400006790</td>
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<tr>
<td>0603500012670</td>
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<td>0602800017480</td>
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<td>0602600018511</td>
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<tr>
<td>0602600013599</td>
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<tr>
<td>0602600010771</td>
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<tr>
<td>0602000014992</td>
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<td>0602000014586</td>
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<tr>
<td>0602000007513</td>
</tr>
<tr>
<td>0602000005640</td>
</tr>
<tr>
<td>0602000004992</td>
</tr>
<tr>
<td>0602000004321</td>
</tr>
<tr>
<td>0601900013524</td>
</tr>
<tr>
<td>0601700025775</td>
</tr>
<tr>
<td>0601700017502</td>
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<tr>
<td>0601700017143</td>
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<tr>
<td>0601700015029</td>
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<tr>
<td>0601700015029</td>
</tr>
<tr>
<td>0601600024097</td>
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<tr>
<td>0601600020642</td>
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<tr>
<td>0601600019127</td>
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<tr>
<td>0601600018878</td>
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<tr>
<td>0601600007029</td>
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<tr>
<td>0601500001819</td>
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<tr>
<td>0601400011904</td>
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<tr>
<td>0601300018351</td>
</tr>
<tr>
<td>0601200018769</td>
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<tr>
<td>0601200015855</td>
</tr>
<tr>
<td>0601200013573</td>
</tr>
<tr>
<td>0601200012311</td>
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<tr>
<td>0601000026624</td>
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<tr>
<td>0601000018431</td>
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<tr>
<td>0601000008477</td>
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<tr>
<td>0601000007929</td>
</tr>
<tr>
<td>0601000002330</td>
</tr>
<tr>
<td>0600900012017</td>
</tr>
<tr>
<td>0600200013726</td>
</tr>
<tr>
<td>0600200005597</td>
</tr>
<tr>
<td>0600400026248</td>
</tr>
<tr>
<td>0600400026303</td>
</tr>
<tr>
<td>0600400026351</td>
</tr>
<tr>
<td>0601000028900</td>
</tr>
<tr>
<td>0601500028837</td>
</tr>
</tbody>
</table>

(f) loan agreements in relation to which the information provided by the Assigned Debtors cannot be verified by the Transferor.

**Characteristics of the Portfolio**

The Claims included in the Portfolio have the characteristics that demonstrate capacity to produce funds to serve payments due and payable on the Notes. However, neither the Originator nor the Issuer warrant the solvency (credit standing) of any or all of the Borrower(s).

The Claims deriving from the Loan Agreements included in the Portfolio have the characteristics illustrated in the following tables. For the purpose of the following tables and by reference to the calculation of the loan-to-value ratios set out therein, the valuation of the Real Estate Assets which has been taken into account is the valuation as at the date of disbursement of the relevant Loan.

**Summary of the Portfolio**
Stratification tables as of the Effective Date

IN THE FOLLOWING RANGE BREAKDOWN TABLES, NUMBERS MIGHT NOT ADD UP TO TOTAL SHOWN DUE TO ROUNDING.

<table>
<thead>
<tr>
<th>Summary Statistics</th>
<th>Overall portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Current Balance</td>
<td>149,608,040.11</td>
</tr>
<tr>
<td>Total Original Balance</td>
<td>237,892,001.10</td>
</tr>
<tr>
<td>Number of Loans</td>
<td>1,599</td>
</tr>
<tr>
<td>Number of Borrowers</td>
<td>1,515</td>
</tr>
<tr>
<td>Average Current Balance</td>
<td>93,563.50</td>
</tr>
<tr>
<td>Maximum Current Loan Balance</td>
<td>1,075,870.72</td>
</tr>
<tr>
<td>Minimum Current Loan Balance</td>
<td>559.26</td>
</tr>
<tr>
<td>Average Original Balance</td>
<td>148,775.49</td>
</tr>
<tr>
<td>Maximum Original Loan Balance</td>
<td>2,000,000.00</td>
</tr>
<tr>
<td>Minimum Original Loan Balance</td>
<td>7,510.69</td>
</tr>
<tr>
<td>WA Seasoning</td>
<td>6.44</td>
</tr>
<tr>
<td>WA Residual Term</td>
<td>15.76</td>
</tr>
<tr>
<td>WA Interest Rate (for fixed rate loans)</td>
<td>3.52%</td>
</tr>
<tr>
<td>WA Margin (for floating rate loans)</td>
<td>2.28%</td>
</tr>
<tr>
<td>WA CLTV</td>
<td>41%</td>
</tr>
<tr>
<td>WA OLTV</td>
<td>55%</td>
</tr>
<tr>
<td>Loans current (% current balance)</td>
<td>99.30%</td>
</tr>
<tr>
<td>Top 1 borrower</td>
<td>0.80%</td>
</tr>
<tr>
<td>Top 10 borrowers</td>
<td>5.64%</td>
</tr>
<tr>
<td>Top 20 borrowers</td>
<td>9.22%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>By Current Principal Balance (€)</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0k -25k</td>
<td>3,385,119.63</td>
<td>2.26%</td>
<td>270</td>
<td>16.89%</td>
</tr>
<tr>
<td>25k -50k</td>
<td>12,398,035.96</td>
<td>8.29%</td>
<td>327</td>
<td>20.45%</td>
</tr>
<tr>
<td>50k -75k</td>
<td>17,905,054.97</td>
<td>11.97%</td>
<td>288</td>
<td>18.01%</td>
</tr>
<tr>
<td>75k -100k</td>
<td>16,425,343.69</td>
<td>10.98%</td>
<td>191</td>
<td>11.94%</td>
</tr>
<tr>
<td>100k -150k</td>
<td>31,571,843.65</td>
<td>21.10%</td>
<td>260</td>
<td>16.26%</td>
</tr>
<tr>
<td>150k -200k</td>
<td>19,192,140.75</td>
<td>12.83%</td>
<td>112</td>
<td>7.00%</td>
</tr>
<tr>
<td>200k -300k</td>
<td>23,085,707.88</td>
<td>15.43%</td>
<td>95</td>
<td>5.94%</td>
</tr>
<tr>
<td>300k -400k</td>
<td>10,712,283.73</td>
<td>7.16%</td>
<td>31</td>
<td>1.94%</td>
</tr>
<tr>
<td>400k -500k</td>
<td>4,025,487.39</td>
<td>2.69%</td>
<td>9</td>
<td>0.56%</td>
</tr>
<tr>
<td>500k -750k</td>
<td>8,100,889.48</td>
<td>5.41%</td>
<td>13</td>
<td>0.81%</td>
</tr>
<tr>
<td>750k -1m</td>
<td>1,730,262.26</td>
<td>1.16%</td>
<td>2</td>
<td>0.13%</td>
</tr>
<tr>
<td>1m -2m</td>
<td>1,075,870.72</td>
<td>0.72%</td>
<td>1</td>
<td>0.06%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>149,608,040.11</td>
<td>100.00%</td>
<td>1,599</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

*Upper boundary of each bucket is intended as included, lower boundary of each bucket is intended as excluded*
<table>
<thead>
<tr>
<th>By Original Principal Balance (€)</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0k -25k</td>
<td>252,443.13</td>
<td>0.11%</td>
<td>16</td>
<td>1.00%</td>
</tr>
<tr>
<td>25k -50k</td>
<td>7,097,261.45</td>
<td>2.98%</td>
<td>160</td>
<td>10.01%</td>
</tr>
<tr>
<td>50k -75k</td>
<td>15,764,643.36</td>
<td>6.63%</td>
<td>244</td>
<td>15.26%</td>
</tr>
<tr>
<td>75k -100k</td>
<td>26,695,591.47</td>
<td>11.22%</td>
<td>291</td>
<td>18.20%</td>
</tr>
<tr>
<td>100k -150k</td>
<td>52,147,545.10</td>
<td>21.92%</td>
<td>402</td>
<td>25.14%</td>
</tr>
<tr>
<td>150k -200k</td>
<td>42,660,820.59</td>
<td>17.93%</td>
<td>232</td>
<td>14.51%</td>
</tr>
<tr>
<td>200k -300k</td>
<td>37,980,038.19</td>
<td>15.97%</td>
<td>149</td>
<td>9.32%</td>
</tr>
<tr>
<td>300k -400k</td>
<td>17,678,596.61</td>
<td>7.43%</td>
<td>50</td>
<td>3.13%</td>
</tr>
<tr>
<td>400k -0.5m</td>
<td>11,170,697.98</td>
<td>4.70%</td>
<td>24</td>
<td>1.50%</td>
</tr>
<tr>
<td>0.5m -0.75m</td>
<td>10,875,000.00</td>
<td>4.57%</td>
<td>17</td>
<td>1.06%</td>
</tr>
<tr>
<td>0.75m -1m</td>
<td>6,669,363.22</td>
<td>2.80%</td>
<td>8</td>
<td>0.50%</td>
</tr>
<tr>
<td>1m -2m</td>
<td>8,900,000.00</td>
<td>3.74%</td>
<td>6</td>
<td>0.38%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>237,892,001.10</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>1,599</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

* Upper boundary of each bucket is intended as included, lower boundary of each bucket is intended as excluded

<table>
<thead>
<tr>
<th>By Origination Year</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;= 2005</td>
<td>7,940,521.47</td>
<td>5.31%</td>
<td>173.00</td>
<td>10.82%</td>
</tr>
<tr>
<td>2006</td>
<td>4,020,162.72</td>
<td>2.69%</td>
<td>82.00</td>
<td>5.13%</td>
</tr>
<tr>
<td>2007</td>
<td>6,037,377.89</td>
<td>4.04%</td>
<td>77</td>
<td>4.82%</td>
</tr>
<tr>
<td>2008</td>
<td>5,736,237.88</td>
<td>3.83%</td>
<td>79</td>
<td>4.94%</td>
</tr>
<tr>
<td>2009</td>
<td>11,494,660.11</td>
<td>7.68%</td>
<td>154</td>
<td>9.63%</td>
</tr>
<tr>
<td>2010</td>
<td>21,726,282.77</td>
<td>14.52%</td>
<td>247</td>
<td>15.45%</td>
</tr>
<tr>
<td>2011</td>
<td>19,808,599.00</td>
<td>13.24%</td>
<td>210</td>
<td>13.13%</td>
</tr>
<tr>
<td>2012</td>
<td>8,913,403.00</td>
<td>5.96%</td>
<td>108</td>
<td>6.75%</td>
</tr>
<tr>
<td>2013</td>
<td>5,699,857.68</td>
<td>3.81%</td>
<td>53</td>
<td>3.31%</td>
</tr>
<tr>
<td>2014</td>
<td>8,616,832.44</td>
<td>5.76%</td>
<td>71</td>
<td>4.44%</td>
</tr>
<tr>
<td>2015</td>
<td>10,349,301.17</td>
<td>6.92%</td>
<td>77</td>
<td>4.82%</td>
</tr>
<tr>
<td>2016</td>
<td>13,383,500.85</td>
<td>8.95%</td>
<td>98</td>
<td>6.13%</td>
</tr>
<tr>
<td>2017</td>
<td>17,462,022.17</td>
<td>11.67%</td>
<td>111</td>
<td>6.94%</td>
</tr>
<tr>
<td>2018</td>
<td>8,419,280.96</td>
<td>5.63%</td>
<td>59</td>
<td>3.69%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>149,608,040.11</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>1,599</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

* Upper boundary of each bucket is intended as included, lower boundary of each bucket is intended as excluded

<table>
<thead>
<tr>
<th>By Seasoning (in years)</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;= 1 yrs</td>
<td>8,419,280.96</td>
<td>5.63%</td>
<td>59</td>
<td>3.69%</td>
</tr>
<tr>
<td>1yrs -2yrs</td>
<td>17,462,022.17</td>
<td>11.67%</td>
<td>111</td>
<td>6.94%</td>
</tr>
<tr>
<td>2yrs -3yrs</td>
<td>13,383,500.85</td>
<td>8.95%</td>
<td>98</td>
<td>6.13%</td>
</tr>
<tr>
<td>3yrs -4yrs</td>
<td>10,349,301.17</td>
<td>6.92%</td>
<td>77</td>
<td>4.82%</td>
</tr>
<tr>
<td>4yrs -5yrs</td>
<td>8,616,832.44</td>
<td>5.76%</td>
<td>71</td>
<td>4.44%</td>
</tr>
<tr>
<td>5yrs -6yrs</td>
<td>5,699,857.68</td>
<td>3.81%</td>
<td>53</td>
<td>3.31%</td>
</tr>
<tr>
<td>6yrs -7yrs</td>
<td>8,913,403.00</td>
<td>5.96%</td>
<td>108</td>
<td>6.75%</td>
</tr>
<tr>
<td>7yrs -8yrs</td>
<td>19,808,599.00</td>
<td>13.24%</td>
<td>210</td>
<td>13.13%</td>
</tr>
<tr>
<td>8yrs -9yrs</td>
<td>21,726,282.77</td>
<td>14.52%</td>
<td>247</td>
<td>15.45%</td>
</tr>
<tr>
<td>9yrs -10yrs</td>
<td>11,494,660.11</td>
<td>7.68%</td>
<td>154</td>
<td>9.63%</td>
</tr>
<tr>
<td>&gt; 10 yrs</td>
<td>23,734,299.96</td>
<td>15.86%</td>
<td>411</td>
<td>25.70%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>149,608,040.11</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>1,599</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

* Upper boundary of each bucket is intended as included, lower boundary of each bucket is intended as excluded
### By Remaining Term (in years)

<table>
<thead>
<tr>
<th>Remaining Term</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 yrs -5 yrs</td>
<td>6,494,464.30</td>
<td>4.34%</td>
<td>298</td>
<td>18.64%</td>
</tr>
<tr>
<td>5 yrs -10 yrs</td>
<td>27,664,073.73</td>
<td>18.49%</td>
<td>423</td>
<td>26.45%</td>
</tr>
<tr>
<td>10 yrs -15 yrs</td>
<td>44,053,741.20</td>
<td>29.45%</td>
<td>412</td>
<td>25.77%</td>
</tr>
<tr>
<td>15 yrs -20 yrs</td>
<td>22,410,127.89</td>
<td>14.98%</td>
<td>159</td>
<td>9.94%</td>
</tr>
<tr>
<td>20 yrs -25 yrs</td>
<td>29,543,025.62</td>
<td>19.75%</td>
<td>203</td>
<td>12.70%</td>
</tr>
<tr>
<td>25 yrs -30 yrs</td>
<td>18,850,108.32</td>
<td>12.60%</td>
<td>100</td>
<td>6.25%</td>
</tr>
<tr>
<td>30 yrs -35 yrs</td>
<td>592,499.05</td>
<td>0.40%</td>
<td>4</td>
<td>0.25%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>149,608,040.11</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>1,599</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

*Upper boundary of each bucket is intended as included, lower boundary of each bucket is intended as excluded.

### By Interest rate type

<table>
<thead>
<tr>
<th>Interest rate type</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floating</td>
<td>119,895,120.14</td>
<td>80.14%</td>
<td>1,191</td>
<td>74.48%</td>
</tr>
<tr>
<td>Fixed</td>
<td>23,551,909.40</td>
<td>15.74%</td>
<td>341</td>
<td>21.33%</td>
</tr>
<tr>
<td>Floating with cap</td>
<td>6,161,010.57</td>
<td>4.12%</td>
<td>67</td>
<td>4.19%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>149,608,040.11</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>1,599</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

### Reference rate

<table>
<thead>
<tr>
<th>Reference rate</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euribor 6 month</td>
<td>109,128,023.10</td>
<td>86.57%</td>
<td>1,071</td>
<td>85.14%</td>
</tr>
<tr>
<td>Euribor 3 month</td>
<td>9,486,500.74</td>
<td>7.53%</td>
<td>85</td>
<td>6.76%</td>
</tr>
<tr>
<td>ECB rate</td>
<td>7,441,606.87</td>
<td>5.90%</td>
<td>102</td>
<td>8.11%</td>
</tr>
<tr>
<td><strong>Total Floating</strong></td>
<td><strong>126,056,130.71</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>1,258</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

### By Interest Rate Coupon (% only for currently fixed rate loans)

<table>
<thead>
<tr>
<th>Coupon (%)</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% - 1%</td>
<td>864,053.92</td>
<td>3.67%</td>
<td>9</td>
<td>2.64%</td>
</tr>
<tr>
<td>1% - 2%</td>
<td>4,379,225.94</td>
<td>18.59%</td>
<td>36</td>
<td>10.56%</td>
</tr>
<tr>
<td>2% - 3%</td>
<td>8,199,259.53</td>
<td>34.81%</td>
<td>72</td>
<td>21.11%</td>
</tr>
<tr>
<td>3% - 4%</td>
<td>1,022,312.58</td>
<td>4.34%</td>
<td>18</td>
<td>5.28%</td>
</tr>
<tr>
<td>4% - 5%</td>
<td>1,588,445.80</td>
<td>6.74%</td>
<td>46</td>
<td>13.49%</td>
</tr>
<tr>
<td>5% - 6%</td>
<td>5,725,555.66</td>
<td>24.31%</td>
<td>121</td>
<td>35.48%</td>
</tr>
<tr>
<td>6% - 7%</td>
<td>1,745,213.86</td>
<td>7.41%</td>
<td>38</td>
<td>11.14%</td>
</tr>
<tr>
<td>&gt; 7%</td>
<td>27,842.11</td>
<td>0.12%</td>
<td>1</td>
<td>0.29%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>23,551,909.40</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>341</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

*Upper boundary of each bucket is intended as included, lower boundary of each bucket is intended as excluded.*
### By Margin (% only for currently floating loans)

<table>
<thead>
<tr>
<th>Margin (%)</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% - 1%</td>
<td>4,982,403.10</td>
<td>3.95%</td>
<td>56</td>
<td>4.45%</td>
</tr>
<tr>
<td>1% - 2%</td>
<td>57,241,238.30</td>
<td>45.41%</td>
<td>653</td>
<td>51.91%</td>
</tr>
<tr>
<td>2% - 3%</td>
<td>46,326,330.22</td>
<td>36.75%</td>
<td>385</td>
<td>30.60%</td>
</tr>
<tr>
<td>3% - 4%</td>
<td>11,992,886.92</td>
<td>9.51%</td>
<td>96</td>
<td>7.63%</td>
</tr>
<tr>
<td>4% - 5%</td>
<td>4,057,823.75</td>
<td>3.22%</td>
<td>44</td>
<td>3.50%</td>
</tr>
<tr>
<td>5% - 6%</td>
<td>1,291,245.09</td>
<td>1.02%</td>
<td>20</td>
<td>1.59%</td>
</tr>
<tr>
<td>6% - 7%</td>
<td>164,203.33</td>
<td>0.13%</td>
<td>4</td>
<td>0.32%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>126,056,130.71</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>1,258</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

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### By Payment Frequency

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly</td>
<td>145,222,719.05</td>
<td>97.07%</td>
<td>1,553</td>
<td>97.12%</td>
</tr>
<tr>
<td>Semi-annually</td>
<td>3,707,821.53</td>
<td>2.48%</td>
<td>40</td>
<td>2.50%</td>
</tr>
<tr>
<td>Quarterly</td>
<td>677,499.53</td>
<td>0.45%</td>
<td>6</td>
<td>0.38%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>149,608,040.11</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>1,599</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

### By Amortisation Type

<table>
<thead>
<tr>
<th>Type</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>French</td>
<td>141,630,182.10</td>
<td>94.67%</td>
<td>1,486</td>
<td>92.93%</td>
</tr>
<tr>
<td>Fixed instalment and variable maturity</td>
<td>7,977,858.01</td>
<td>5.33%</td>
<td>113</td>
<td>7.07%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>149,608,040.11</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>1,599</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

### By Unpaid Instalments

<table>
<thead>
<tr>
<th>Instalments</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>148,561,396.46</td>
<td>99.30%</td>
<td>1,583</td>
<td>99.00%</td>
</tr>
<tr>
<td>1</td>
<td>1,046,643.65</td>
<td>0.70%</td>
<td>16.00</td>
<td>1.00%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>149,608,040.11</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>1,599</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
### By Borrower Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lazio</td>
<td>120,995,972.88</td>
<td>80.88%</td>
<td>1,180</td>
<td>73.80%</td>
</tr>
<tr>
<td>Abruzzo</td>
<td>23,638,717.16</td>
<td>15.80%</td>
<td>381</td>
<td>23.83%</td>
</tr>
<tr>
<td>Marche</td>
<td>1,128,862.72</td>
<td>0.75%</td>
<td>7</td>
<td>0.44%</td>
</tr>
<tr>
<td>Lombardia</td>
<td>772,699.45</td>
<td>0.52%</td>
<td>3</td>
<td>0.19%</td>
</tr>
<tr>
<td>Umbria</td>
<td>750,579.26</td>
<td>0.50%</td>
<td>5</td>
<td>0.31%</td>
</tr>
<tr>
<td>Campania</td>
<td>682,406.60</td>
<td>0.46%</td>
<td>8</td>
<td>0.50%</td>
</tr>
<tr>
<td>Sicilia</td>
<td>373,386.87</td>
<td>0.25%</td>
<td>3</td>
<td>0.19%</td>
</tr>
<tr>
<td>Puglia</td>
<td>365,537.71</td>
<td>0.24%</td>
<td>3</td>
<td>0.19%</td>
</tr>
<tr>
<td>Calabria</td>
<td>279,606.91</td>
<td>0.19%</td>
<td>2</td>
<td>0.13%</td>
</tr>
<tr>
<td>Trentino Alto Adige</td>
<td>244,142.03</td>
<td>0.16%</td>
<td>1</td>
<td>0.06%</td>
</tr>
<tr>
<td>Basilicata</td>
<td>115,345.13</td>
<td>0.08%</td>
<td>1</td>
<td>0.06%</td>
</tr>
<tr>
<td>Liguria</td>
<td>96,650.43</td>
<td>0.06%</td>
<td>1</td>
<td>0.06%</td>
</tr>
<tr>
<td>Sardegna</td>
<td>77,734.89</td>
<td>0.05%</td>
<td>1</td>
<td>0.06%</td>
</tr>
<tr>
<td>Toscana</td>
<td>40,731.40</td>
<td>0.03%</td>
<td>1</td>
<td>0.06%</td>
</tr>
<tr>
<td>Emilia Romagna</td>
<td>29,821.52</td>
<td>0.02%</td>
<td>1</td>
<td>0.06%</td>
</tr>
<tr>
<td>Molise</td>
<td>15,845.15</td>
<td>0.01%</td>
<td>1</td>
<td>0.06%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>149,608,040.11</td>
<td>100.00%</td>
<td><strong>1,599</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

### By Borrower Geographic Area

<table>
<thead>
<tr>
<th>Geographical Area</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Italy</td>
<td>146,570,708.57</td>
<td>97.97%</td>
<td>1,575</td>
<td>98.50%</td>
</tr>
<tr>
<td>South and Islands</td>
<td>1,894,018.11</td>
<td>1.27%</td>
<td>18</td>
<td>1.13%</td>
</tr>
<tr>
<td>Northern Italy</td>
<td>1,143,313.43</td>
<td>0.76%</td>
<td>6</td>
<td>0.38%</td>
</tr>
<tr>
<td><strong>Total Floating</strong></td>
<td>149,608,040.11</td>
<td>100.00%</td>
<td><strong>1,599</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

### SAE code

<table>
<thead>
<tr>
<th>SAE code</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>600</td>
<td>142,713,185.98</td>
<td>95.39%</td>
<td>1,531</td>
<td>95.75%</td>
</tr>
<tr>
<td>615</td>
<td>5,522,040.98</td>
<td>3.69%</td>
<td>51.00</td>
<td>3.19%</td>
</tr>
<tr>
<td>614</td>
<td>1,372,813.15</td>
<td>0.92%</td>
<td>17</td>
<td>1.06%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>149,608,040.11</td>
<td>100.00%</td>
<td><strong>1,599</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

### By Mortgage Lien

<table>
<thead>
<tr>
<th>Lien</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First lien</td>
<td>148,942,096.74</td>
<td>99.55%</td>
<td>1,590</td>
<td>99.44%</td>
</tr>
<tr>
<td>Second lien</td>
<td>665,943.37</td>
<td>0.45%</td>
<td>9</td>
<td>0.56%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>149,608,040.11</td>
<td>100.00%</td>
<td><strong>1,599</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
## By Current Loan to Value

<table>
<thead>
<tr>
<th>Current Loan to Value</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% - 10%</td>
<td>7,464,935.45</td>
<td>4.99%</td>
<td>300</td>
<td>18.76%</td>
</tr>
<tr>
<td>10% - 20%</td>
<td>16,697,794.14</td>
<td>11.16%</td>
<td>255</td>
<td>15.95%</td>
</tr>
<tr>
<td>20% - 30%</td>
<td>22,972,487.06</td>
<td>15.36%</td>
<td>248</td>
<td>15.51%</td>
</tr>
<tr>
<td>30% - 40%</td>
<td>24,701,898.59</td>
<td>16.51%</td>
<td>234</td>
<td>14.63%</td>
</tr>
<tr>
<td>40% - 50%</td>
<td>25,680,866.17</td>
<td>17.17%</td>
<td>223</td>
<td>13.95%</td>
</tr>
<tr>
<td>50% - 60%</td>
<td>24,993,084.24</td>
<td>16.71%</td>
<td>173</td>
<td>10.82%</td>
</tr>
<tr>
<td>60% - 70%</td>
<td>15,448,771.49</td>
<td>10.33%</td>
<td>101</td>
<td>6.32%</td>
</tr>
<tr>
<td>70% - 80%</td>
<td>9,948,825.21</td>
<td>6.65%</td>
<td>53</td>
<td>3.31%</td>
</tr>
<tr>
<td>80% - 90%</td>
<td>627,449.56</td>
<td>0.42%</td>
<td>4</td>
<td>0.25%</td>
</tr>
<tr>
<td>90% - 100%</td>
<td>1,071,928.20</td>
<td>0.72%</td>
<td>8</td>
<td>0.50%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>149,608,040.11</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>1,599</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

*Upper boundary of each bucket is intended as included, lower boundary of each bucket is intended as excluded.*

## By Original Loan to Value

<table>
<thead>
<tr>
<th>Original Loan to Value</th>
<th>Current balance (€)</th>
<th>Current balance (%)</th>
<th>No Loans (#)</th>
<th>No Loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% - 10%</td>
<td>1,679,951.09</td>
<td>1.12%</td>
<td>49</td>
<td>3.06%</td>
</tr>
<tr>
<td>10% - 20%</td>
<td>6,557,610.19</td>
<td>4.38%</td>
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<td>&gt; 100%</td>
<td>671,194.65</td>
<td>0.45%</td>
<td>4</td>
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<td><strong>Grand Total</strong></td>
<td><strong>149,608,040.11</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>1,599</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

*Upper boundary of each bucket is intended as included, lower boundary of each bucket is intended as excluded.*

Banca del Fucino S.p.A. (the “Bank”) is the oldest private and independent Roman bank. Founded in 1923 by Giovanni and Carlo Torlonia, its name is linked to the realisation of reclamation works and reorganisation of the Fucino area in Abruzzo (between the second half of the 19th century and the beginning of the 20th century, often referred to as "the largest hydraulic work of the united Italy").

Over time, the Bank has developed a reputation for being a trusted point of reference for the management and enhancement of large real estate portfolios, and has established itself as one of Italy’s most important banks. It has done this by developing personal and exclusive relationships with its customers, and through a progressive and balanced territorial expansion in Rome, Abruzzo, Lazio, Marche and Lombardy, where it is present with a branch based in Milan.

The Bank currently has 32 branches, 20 of which are distributed in the Metropolitan City of Roma Capitale. Its general management and registered office are based in via Tomacelli 107, 00186, in the center of Rome, close to the Ara Pacis, Piazza del Popolo and Piazza di Spagna. Its private banking division, based in the Palazzetto Baschenis Borghese, in the center of Rome, has more recently integrated its offer with new financial products and services selected by highly professional private bankers.

Acting independently in the selection of qualified partners, the Bank stands out in terms of financial services for the management of savings and the granting of credit to families and small enterprises.

Since 2001, the Bank has been utilising the IT system of the CEDACRI group, a leader in Italy in banking outsourcing solutions. Since 2012, the Bank has been part of the shareholding structure, and is represented at the board of directors, of CEDACRI S.p.A.

Following the losses accounted in 2016, mainly due to loan provisioning, the Bank's shareholders made a capital injection of approximately € 30 million (in that same year).

Between February and April 2017, the Bank of Italy carried out inspections as the Bank detected losses that had been substantially incorporated in the 2016 financial statements. These losses were approved after the inspection and, subsequently, in the 2017 financial statements.

In April 2017, the Bank's Board of Directors approved a capital conservation plan which had been sent to the Board of Statutory Auditors so as to comply with the regulatory capital ratios applicable to the Bank. The same capital increase was also requested by the Board of Statutory Auditors by means of a letter dated July 2017(following the results of the aforementioned inspections), together with the request for other interventions regarding corporate governance and internal control systems. Pursuant to the proposals made by the Board of Directors in accordance with the recommendations of the Bank of Italy, in August 2017 a shareholders' meeting approved a capital increase of € 50 million, to be implemented through one or more payments by December 2017.

In December 2017, Mr. Alessandro Torlonia, Honorary President and owner of a significant portion of the voting rights of the Bank (which were held under usufruct regime), passed away. In January 2018, a shareholders' meeting granted the board of directors a broad mandate for the assessment of a possible partnership or integration with other high standing intermediaries, or alternatively, the sale of the Bank's shares.

Certain operational difficulties arose in setting up the fundraising operations planned by the shareholders. These, together with the inheritance issues involved in the determination of the shareholdings, prevented compliance with the timing of the planned capital increase. The Board of Directors therefore approved (in
conjunction with the Board of Statutory Auditors) the appointment of Rothschild as an advisor tasked with identifying a partner (within the banking industry or otherwise) with which to undertake a common path of growth and restructuring of the Bank.

In March 2018, a partnership was established with Barents Reinsurance SA (“Barents”), an international reinsurance company with a consolidated presence in 70 countries across Europe, the Middle East, Latin America and Asia, to consider the preliminary analysis carried out and the total deconsolidation of non-performing loans (“NPLs”).

During the Bank’s shareholders’ meeting of March 2018, the delegated representative of Torlonia Partecipazioni S.p.A. (a shareholder of the Bank) communicated Torlonia’s availability to provide the amount required for the establishment of the partnership project. In April 2018, a memorandum of understanding was executed between the Bank and Barents envisaging, (subject to, inter alia, a satisfactory due diligence) a joint injection of capital (approximately € 55 million) into the Bank by the Torlonia family and Barents (the “Envisaged Agreement”). The due diligence period, originally scheduled to last two months, was extended into September 2018.

The capital increase provided for under the Envisaged Agreement was “disproportional”, in light of the guarantee that Barents would have provided with regard to the Bank’s NPLs portfolio.

Under such a joint project, the development of the insurance sector was also envisaged, in light of the important synergies with Barents in such sector, as well as the expansion of the private bankers’ network and the opening of private centers in the main Italian cities.

In accordance with the indications of the Bank of Italy, in order to comply with the minimum regulatory capital ratios, the company Finvest S.p.A., in its capacity as shareholder of the Bank, in June 2018, made a tied payment on account of the future increase in share capital of €4 million, in order to support the partnership process on the assumption of its successful implementation.

After several months of analysis and meetings, during which significant divergences with Barents arose, at the beginning of October 2018 the negotiations with the Envisaged Agreement parties were definitively interrupted. Consequently, the Bank’s board of directors quickly assessed the terms for the entry of new institutional investors into the share capital of the Bank. Also in October 2018, there emerged the possibility of positive industrial synergies with Igea Banca S.p.A., aimed primarily at meeting the capital strengthening requirements of the Bank.

In the context described above, in October 2018 the Board of Statutory Auditors sent a communication to the Bank asking for the intensification of efforts to achieve a partnership. In November 2018 the Bank’s board of directors resolved for an exclusive negotiation with Igea Banca S.p.A., aimed at defining - in accordance with the terms provided for under the applicable laws and regulations in force - in addition to the participation of the current shareholders, a significant entry into the share capital of the Bank by bank foundations, international industrial groups and service companies belonging to the shareholding structure of Igea Banca’s group.

The board of directors of Igea Banca S.p.A. resolved the expression of interest to subscribe for the newly issued shares of the Bank; such transaction to be implemented through the contribution of new share capital by the shareholders of Igea Banca S.p.A., both institutional and non-institutional.

The Bank’s board of directors approved the commencement of an integration project (the “Integration Project”) with Igea Banca S.p.A. primarily functional to the recapitalisation of the Bank.
The Integration Project is divided into two phases:

a) a transitional phase in the context of which - after the issuance of all required authorisations - Igea Banca S.p.A. will subscribe for an increase in the share capital for a maximum amount of Euro 200,000,000.00 in order to allow the Bank to comply with the capital ratios prescribed by applicable laws and regulations;

b) a subsequent integration phase which, following the transfer to the Bank of the digital banking division (hereinafter “Digital Bank Division”) of Igea Banca S.p.A. (occurring by contribution in kind in the context of the above mentioned capital increase), envisages the partial demerger of the Bank by incorporation into Igea Banca S.p.A. so that: (i) all the assets (other than the ones ascribable to Digital Bank Division) of the Bank are conveyed into Igea Banca S.p.A.; (ii) Igea Banca S.p.A.’s net assets consequently increase and Igea Banca S.p.A. changes its company name; (iii) the Bank continues to carry out its banking activity under the license it holds, with reference only to the Digital Bank Division, and changes its corporate name.

The implementation of the project will lead to the creation of a single banking group being capable to play an aggregating role by enhancing the distinctive characteristics and vocations of the two previous banking groups. Among the qualifying aspects, the followings should be noted: (i) the expected deconsolidation - through the involvement of a specialised market operator – of the portfolio of the Bank’s NPLs, for approximately € 314 million, and (ii) the valorisation of the “fintech” division of Igea Banca S.p.A.

In order to assess the viability of the extraordinary transaction, Igea Banca S.p.A. granted KPMG the mandate of carrying out an accounting, administrative, legal and compliance due diligence of company processes.

The implementation of the Integration Project is subject to both the Bank and Igea Banca S.p.A. obtaining all relevant authorisations from the Bank of Italy and any other competent authority and is expect to occur by no later than the end of 2019.

*The information contained in this section of this Prospectus relates to and has been obtained from Banca del Fucino. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Banca del Fucino since the date hereof, or that the information contained or referred to in this section of this Prospectus is correct as of any time subsequent to its date.*
COLLECTION POLICY AND RECOVERY PROCEDURES

Banca del Fucino Credit and Collection Policy

General

Banca del Fucino manages the payment of interest and repayment of principal under the mortgage loans through an automatic debit procedure (Procedura Mutui/Cedacri), where payments due under mortgage loans are automatically debited to, and withdrawn from, the borrower's account with Banca del Fucino. Each account manager responsible for the relevant mortgage loan and current relationship with the borrower receives daily and monthly reports indicating all instalments due and payable during the relevant period, and any accrued but unpaid instalments. As a result, any unpaid instalments are promptly detected by the individual branches, which subsequently take the necessary action for recovery.

Banca del Fucino's audit department is also responsible for performing periodical controls on Banca del Fucino loan servicing and collection procedures.

In the event that a borrower's account is closed prior to the full repayment of the mortgage loan, the borrower receives an advance notice stating that an instalment is due and that it can be paid either by cash at any branch of Banca del Fucino, or automatically by SDD.

If the amount standing to the credit of the borrower's account from which payments in respect of mortgage loans are to be debited is insufficient to satisfy their payment obligations in full, any instalment due and payable will not be debited to the account, unless the account manager has satisfactory evidence that the borrower's account will be credited (within a few days) with the funds necessary to meet the outstanding payment.

Moreover, if instalments due and payable are not paid within 15 days of their due date, a phone collection procedure is commenced.

If instalments due and payable are not paid within 30 days of their due date, the relevant account manager sends an overdue payment letter to the borrower, together with a notification of acceleration specifying that the repayment plan in question is no longer in force and that the whole outstanding balance has become due from that point onwards, the borrower's position will be monitored in detail by Banca del Fucino’s “Crediti in Attenzione” unit.

Mortgage Loans under observation (Posizioni in Osservazione managed by Crediti in Attenzione)

Borrowers of mortgage loans that show performance anomalies towards Banca del Fucino (e.g. overdrafts and defaults) and/or towards the banking system in general (e.g. reduction of credit, debt consolidation, deterioration of financial ratios), that need strict supervision and monitoring, will be placed on this list.

In general, the classification of mortgage loans under this list is not necessarily connected to a borrower's failure to pay instalments but to an increase in Banca del Fucino’s risk exposure towards the borrower, caused by irregularities recorded in Centrale dei Rischi of the Bank of Italy or credit restructuring requests made by the borrower (forebearance measures).

Mortgage loans placed on this list will be managed by Banca del Fucino’s unit “Crediti in Attenzione”.

Generally, a mortgage loan will be placed “under observation” for a maximum period of 6 months, during which time Banca del Fucino begins discussions (in written form and/or by scheduling specific meetings) with the borrower so as to try to achieve a full performance of the repayment plan even using forbearance measures, to be agreed in written form between the bank and the borrower.
Non performing loans: Past due 90 days and Unlikely to Pay (Posizioni in Inadempienza Probabile managed by Crediti Anomali)

Mortgage loans are classified as non performing exposures when they become “Past Due 90 days” (with materiality thresholds defined by law) or “Unlikely To Pay (UTP)”. This latter classification refers to cases where “the debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due”. Generally the “UTP” classification is referred to loans which show anomalies of a “structural” nature (i.e. the borrowers' creditworthiness falls as a result of, for example, lack of profitability).

Any securitised mortgage loan is automatically classified under this list when the “Past Due 90 day” deadline occurs or after a loan-by-loan analysis in the case of “UTP” classification. These positions are managed by Banca del Fucino’s unit Crediti Anomali, internally or with the support of an external collection company.

The approach used by this operating unit is “non judicial” and consists primarily of negotiation of the terms and conditions in a new ad hoc repayment plan, with the aim to reach a faster collection and recovery of the debt. If such “negotiation” is not possible or if it is not complied with, the file is transferred to Banca del Fucino’s litigation department (unit Crediti in Sofferenza), which will start judicial proceedings.

Cancellation of the debt

In general, any cancellation of the debt will be allowed only to the extent of the amount of the default interest (interessi di mora) although on a case by case basis, Banca del Fucino will evaluate, as part of an overall out-of-court settlement, cancellation of also (in whole or in part) interest accrued but unpaid on the mortgage loan that is not default interest if it believes that an out-of-court settlement would be more efficient than a forced recovery in the particular circumstances. Cancellation of debt in respect of the principal amount of the mortgage loan is not allowed.

Non-Performing Loans (Crediti in Sofferenza)

If “non judicial” recovery by the Crediti Anomali unit fails, a foreclosure process is started by Banca del Fucino’s litigation department (Unit Crediti in Sofferenza) with the appointment of external counsel.

In the case of loans secured by “voluntary” mortgages, foreclosure proceedings may be commenced by seeking a court order or injunction for payment in the form of a titolo esecutivo from the court in whose jurisdiction the mortgaged property is located. This court order or injunction must be served on the borrower.

If a mortgage loan has been executed in the form of a public deed, Banca del Fucino can serve a copy of the mortgage loan agreement, stamped by a notary public with an order for its execution (formula esecutiva), directly on the borrower without the need to obtain a titolo esecutivo from the court. An atto di precetto is served on the debtor together with either the titolo esecutivo or the mortgage loan agreement, as the case may be.

Within 10 days of filing, but not later than 90 days from the date on which the notice of the atto di precetto is served, Banca del Fucino may request a pre-sale order, which must then be filed with the appropriate land registry (Conservatoria dei Registri Immobiliari).

Banca del Fucino is required to search the land registry to ascertain the identity of the current owner of the property, and must then serve a notice of the request for the pre-sale order on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been previously notified to the creditor. Not earlier than 10 days and not later than 90 days after serving the pre-
sale order, Banca del Fucino may request the court to sell the mortgaged property. The court may delay its
decision in respect of the mortgage lender’s request in order to hear the borrower’s case.

If the court decides to proceed with a sale order (vendita con incanto), it usually appoints an expert to
evaluate the property so as to determine the minimum bid price for the property before ordering the sale by
auction. If a property does not sell, the court arranges new auctions to be held with a progressively lower
minimum bid price, until the mortgaged property is sold (the permitted reduction applying to each
subsequent auction being one fourth of the bid price of the previous auction, or that set forth by the laws
applicable from time to time).

Banca del Fucino normally obtains security with registration of a first or substantially similar ranking
mortgage on assets assessed well beyond the amount of the mortgage loan granted, and therefore the
average judicial or out-of-court recoveries by Banca del Fucino, based on the available historical data, are
consistent with the defaulted amount. The amount to be recovered is in fact generally within the limits of
the amount of the mortgage, which is usually two times the original principal of the loan.

In certain cases, mortgage loans are settled through gradual repayment plans, and often a settlement
agreement is reached, even where legal proceedings have been commenced, in proximity to the auction.

Once a position is transferred to Banca del Fucino’s litigation department, it is classified as non-performing
(sofferenza) if it is manifestly clear that the primary debtor (excluding the guarantor) is insolvent and that
the insolvency is continuing.

Any settlement or waiver is aimed at maximising the recovery amounts and shortening the recovery time,
as compared to the case of a forced recovery.

**Credit risk - Management and control**

**General**

The principal categories of risks inherent to Banca del Fucino’s business are credit risk, concentration risk,
counterparty risk, market risk (interest rate risk and price risk, which also includes exchange rate risk),
liquidity risk and operational risk. According to national rules, risks concerning shareholding exposures
and risk assets towards “related subjects” are also subject to specific monitoring.

Credit risk is the risk of losses due to non-performance by the counterparty (specifically the obligation to
repay loans) or, more broadly, the failure of customers or their guarantors to meet their payment obligations.

Banca del Fucino has always aimed at supporting both the borrowing needs of households and the
development and consolidation of businesses, especially small and medium-sized firms, which typify the
local economies where Banca del Fucino operates. In keeping with previous years, the lending policy
adopted by the Bank’s different businesses seeks to respond to the needs of individuals and firms, while
paying particular attention to the difficult economic situation, credit risk and an adequate level of
guarantees.

Banca del Fucino is not currently active in credit derivatives.

Banca del Fucino has internal policies, practice and procedures in relation to the granting of credit,
administration of credit-risk bearing portfolios and risk mitigation. The policies, practice and procedures of
Banca del Fucino in this regard broadly include the following:

(a) criteria for the granting of credit and the process for approving, amending, renewing and refinancing
loans;

(b) systems in place to manage the ongoing administration and monitoring of the credit-risk bearing
portfolios and exposures;
policies and procedures in relation to risk mitigation techniques.

**Organisation**

The Bank’s regulations for the management of credit, contained in its credit manual, establish a prudent approach to risk assessment. At the preliminary stage, borrowers are required to provide all the documentation needed for an adequate assessment of their credit rating. Such documentation must allow the assessment of whether the amount requested, the technical form of the loan and the project to be financed are all consistent; it must also allow the characteristics and qualities of borrowers to be identified, having regard to all forms of relationship with them.

The risks associated with individual customers from the same group must be considered as a whole. If there are legal or economic relations between individual customers, these parties form a single exposure from a risk perspective (economic group or risk group).

Pricing and/or income from the relationship cannot be a factor when evaluating credit rating and agreeing a loan.

The preliminary process depends on the type of customer concerned. For individual and small businesses, the granting of credit for relatively small amounts is dealt with at branch level. This follows a simplified process using an internal scoring system, which is an IT tool that checks credit rating at the time new lines of credit are granted, using both internal and external sources of information. For better control over the process of granting credit to individual customers and small businesses, “alerts” have been introduced on decision-making powers, identified on the basis of the risk profile attributed to the counterparty by the internal scoring system. Account managers monitor and administer loans day by day and are responsible for their granting. If customer risk increases, the operating objective is to contain Banca del Fucino risk by promptly adopting all the necessary measures. As far as property securing loans is concerned, the bank has adopted a process which constantly updates its estimated value, also by using statistical methods based on geo-referenced systems.

**Management, measurement and monitoring systems**

The credit process is organised as follows:

a) granting of credit, which involves: investigation, assessment, decision, formalisation of the credit and any guarantees;

b) management of credit, which involves: way utilised, monitoring, review of facility, management of anomalies;

c) management of non-performing loans and recovery of loans.

Banca del Fucino uses a rating system developed by Cedacri, which is used for assessing customer ratings and for granting and monitoring credit; such system is developed with reference to five types of counterparties, with whom the group structurally operates, namely:

a) Individuals;

b) Small Business;

c) PMI (with < Euro 25 million in turnover);

d) Large Corporate (with > Euro 25 million in turnover);

e) Real Estate companies.
The credit rating system (CRS) plays an important role in the monitoring and management of credit risk, allowing account managers to check on changes in the credit status of customers and quickly identify any deterioration in the standing of borrowers.

The credit policies govern the way in which Banca del Fucino assumes credit risk with customers, by fostering balanced growth in loans to counterparties with higher “credit ratings” and regulating/limiting the grant of credit to riskier customers. This also includes the regulations for “critical sectors” i.e. sectors that, based on assessments using internal and external data, exhibit such systemic risk elements that companies in certain sectors should be more carefully scrutinised when granting credit. Credit to companies in these sectors is regulated by more stringent limits than ordinary ones.

There is a risk management unit improving the management of customers showing initial signs of distress; the unit's specific tasks involve providing support to account managers for specific anomalous positions, reviewing the effectiveness of actions taken and spreading a general culture focused on safeguarding against credit risk and reducing it.

**Credit risk mitigation techniques**

The credit risk associated with individual counterparties or groups is mitigated by obtaining security (pledges, mortgages and special privileges) and/or personal guarantees (sureties, endorsements, credit mandates and letters of patronage).

The degree of mitigation attributed to each guarantee is governed by specific regulations that take into account the varying nature of the guarantees obtained.
THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy as a special purpose vehicle pursuant to article 3 of the Securitisation Law, as a società a responsabilità limitata on 18 January 2019 under the name Fucino RMBS S.r.l., with fiscal code and VAT 10621230969. The Issuer is enrolled with the companies’ register of Milan, Monza, Brianza and Lodi and in the register of special purpose vehicle held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 (“Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione”) under No 35563.6.

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

The Issuer has no employees. The authorised and issued capital of the Issuer is Euro 10,000 fully paid up as of the date of this Prospectus. The quotaholder of the Issuer is 130 Trust Company S.r.l., which holds the entire quota capital (the “Quotaholder”) as trustee of Rubino Finance Trust. The duration of the Issuer is until 31 December 2060. To the best of its knowledge, the Issuer is not aware of direct or indirect ownership or control apart from its Quotaholder. Under the Quotaholder Agreement, the Quotaholder has undertaken to exercise its voting rights in such a way as not prejudice the interest of the Noteholders, the ratings of the Senior Notes and the Mezzanine Notes and the Transaction.

Principal Activities

The sole corporate object of the Issuer as set out in article 3 of its by-laws (statuto) and in compliance with the Securitisation Law is to perform securitisation transactions (operazioni di cartolarizzazione) and issue asset backed securities.

The execution by the Issuer of the Transaction Documents and the issue of the Notes were authorised by board of directors’ resolutions of the Issuer which took place on 20 March 2019. So long as any of the Notes remains outstanding, the Issuer shall not, without the consent of the Representative of the Noteholders and as provided for in the Conditions, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the Portfolio, issuing the Notes and entering into the Transaction Documents to which it is a party), pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any person or convey or transfer its property or assets to any person (otherwise than as contemplated in the Conditions) or increase its capital. The Issuer will covenant to observe, inter alia, those restrictions which are detailed in the Conditions.

Directors and registered office

The current directors of the Issuer are as follows:

Chairman of the board of directors

Mr. Antonio Caricato, an employee of Centotrenta Servicing S.p.A., a company providing services related to securitisation transactions. Mr. Antonio Caricato was appointed by the Quotaholder from the date of incorporation of the Issuer until the date
of resignation or revocation. The domicile of Mr. Antonio Caricato, in his capacity as Chairman of the Board of Directors of the Issuer, is at Via San Prospero, 4, 20121 Milan.

Director

Mr. Marco Palazzo, an employee of Centotrenta Servicing S.p.A. Mr. Marco Palazzo was appointed by the Quotaholder from the date of incorporation of the Issuer until the date of resignation or revocation. The domicile of Mr. Marco Palazzo, in his capacity as Director of the Issuer, is at Via San Prospero, 4, 20121 Milan.

Director

Mr. Andrea Colafranceschi, an employee of Banca del Fucino. Mr. Andrea Colafranceschi was appointed by the Quotaholder from 31 January 2019 until the date of resignation or revocation. The domicile of Mr. Andrea Colafranceschi, in his capacity as Director of the Issuer, is at Via San Prospero, 4, 20121 Milan.

The directors of the Issuer listed above has the requisite experience and expertise for the management of its business.

The Issuer’s registered office is located at Via San Prospero, 4, 20121 Milan, (telephone number: 02 4547 2239; fax number: 02 7202 2410).

Capitalisation and indebtedness statement

The capitalisation of the Issuer as at the date of this Prospectus, adjusted for the issue of the Notes, is as follows:

<table>
<thead>
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<th>Quota Capital</th>
<th>Euro</th>
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<tr>
<td>Issued and fully paid up</td>
<td>10,000</td>
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<table>
<thead>
<tr>
<th>Loan capital (Securitisation)</th>
<th>Euro</th>
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</thead>
<tbody>
<tr>
<td>Class A Residential Mortgage Backed Floating Rate Notes due December 2060</td>
<td>128,915,000.00</td>
</tr>
<tr>
<td>Class B Residential Mortgage Backed Floating Rate Notes due December 2060</td>
<td>5,997,000.00</td>
</tr>
<tr>
<td>Class J Residential Mortgage Backed Floating Rate and Additional Return Notes due December 2060</td>
<td>14,990,000.00</td>
</tr>
<tr>
<td>Total loan capital (Euro)</td>
<td>149,902,000.00</td>
</tr>
<tr>
<td>Total capitalisation and indebtedness</td>
<td>149,912,000.00</td>
</tr>
</tbody>
</table>

Subject to the above, as at the date of this Prospectus, the Issuer has no borrowings or indebtedness in respect 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.
Financial statements and auditors’ report

The Issuer’s accounting reference date is 31 December in each year. As at the date of this Prospectus, the Issuer has not commenced operations and no financial statements are available nor auditors have been appointed.
130 Finance S.r.l. is a limited liability company (società a responsabilità limitata) incorporated in the Republic of Italy, registered in the Register of Enterprises of Milan, Monza, Brianza and Lodi under number 1603211, Fiscal Code and VAT number 12975990156, whose registered office is located at Via Dante, 4 – 20121 Milan, with paid-in share capital of Euro 100,000 (“130 Finance”). 130 Finance is an Italian professional services provider, specialised in providing services to securitisation transactions, in particular acting as representative of the noteholders, computation agent and back up special servicer in several structured finance deals. 130 Finance has gained a relevant track record in portfolio performance analysis and in monitoring several securitisation transactions involving many different types of assets (residential and commercial mortgages, lease receivables, public and local entities receivables, non performing assets, trade receivables). 130 Finance has developed an expertise in developing and managing proprietary software tools for performing financial and legal structure analysis and monitoring, either on collateral asset pools and on single and multi originators type of deals.

130 Finance is the editor of the site Securitisation.it, and offers publishing services and provides reports on Italian securitisation topics to institutional associations. The site is online since 2001, and is collecting and analysing all the data of the securitisation transactions originated in the Italian market since the introduction of the Italian Securitisation Law in 1999. The site publishes independent researches and analyses on the primary Italian market as a whole and on some specific, and most frequently securitised, asset classes, as well as providing a complete collection of the regulatory framework in place in Italy since its origin, a database of SPVs and a collection of transaction reports.

Additional information is available on the company website: www.130finance.com (for the avoidance of doubt, such website does not constitute part of this Prospectus).

The information contained in this section of this Prospectus relates to and has been obtained from 130 Finance. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of 130 Finance since the date hereof, or that the information contained or referred to in this section of this Prospectus is correct as of any time subsequent to its date.
THE CORPORATE SERVICES PROVIDER, THE COMPUTATION AGENT AND THE BACK-UP SERVICER

Centotrenta Servicing S.p.A. is a joint stock company (società per azioni) incorporated under the laws of Republic of Italy, with registered office in Milan, Via San Prospero, 4, fiscal code and enrolment with the companies register of Milano, Monza, Brianza and Lodi number 07524870966, currently registered in the new register of financial intermediaries (Albo Unico) held by the Bank of Italy under No. 13.

Centotrenta Servicing S.p.A. specialises in managing and monitoring securitisations and structured finance transactions; acting as master servicer, corporate services provider, calculation agent, representative of the noteholders and back-up servicer on several structured finance deals across different assets and loan types, and across a variety of clients.

Centotrenta Servicing S.p.A. currently has Italian Residential, Commercial and ABS Master Servicer Ratings ‘RMS2’, ‘CMS2’ and ‘ABMS2’ from Fitch Ratings.

Centotrenta Servicing S.p.A. is subject to the auditing activity of EY S.p.A.

Centotrenta Servicing S.p.A. in the context of the Transaction acts as corporate services provider, computation agent and back-up servicer.

The information contained in this section of this Prospectus relates to and has been obtained from Centotrenta Servicing S.p.A. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Centotrenta Servicing S.p.A. since the date hereof, or that the information contained or referred to in this section of this Prospectus is correct as of any time subsequent to its date.

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.

The bank has a local presence in 36 countries across five continents, effecting global coverage of more than 100 markets.

At September 2018 BNP Paribas Securities Services had USD 10,985 billion of assets under custody, USD 2,786 billion assets under administration; at September 2018 BNP Paribas Securities Services had 10,704 administered funds and more than 11,700 employees.

BNP Paribas Securities Services currently has long-term senior debt ratings of “A” (positive) from S&P’s, “Aa3 (stable) from Moody’s and “A+” (stable) from Fitch.

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BNP Paribas Securities Services shall act as Transaction Bank, Principal Paying Agent, Cash Manager and Listing Agent.

The information contained herein relates to BNP Paribas Securities Services and has been obtained from it. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of 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 SWAP COUNTERPARTY AND THE EMIR REPORTING AGENT

Name

J.P. Morgan AG

Address

The business address of J.P. Morgan AG is TaunusTurm, Taunustor 1, 60310 Frankfurt am Main, Germany.

Country of incorporation

Germany

Nature of business

J.P. Morgan AG is an indirect wholly owned subsidiary of JPMorgan Chase & Co. J.P. Morgan AG has a full banking licence pursuant to Section 1 (1) of the Kreditwesengesetz (German Banking Act) (Nos. 1 to 5 and 7 to 9) and conducts banking business with institutional clients, banks, corporate clients and clients from the public sector.

Admission to trading of securities

J.P. Morgan AG does not have securities admitted to trading on a regulated market or an equivalent market.

The information contained in this section of this Prospectus relates to and has been obtained from J.P. Morgan AG. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of J.P. Morgan AG since the date hereof, or that the information contained or referred to in this section of this Prospectus is correct as of any time subsequent to its date.
USE OF PROCEEDS

The total proceeds of the issue of the Notes equal to Euro 149,902,000.00 will be applied by the Issuer to pay to the Originator the Purchase Price for the Portfolio in accordance with the Transfer Agreement.
DESCRIPTION OF THE TRANSACTION DOCUMENTS

The description of the Transaction Documents set out below is a summary of certain features of those agreements and is qualified by reference to the detailed provisions of the Transaction Documents. Prospective Noteholders may inspect copies of the Transaction Documents upon request (i) at the specified office of each of the Representative of the Noteholders and the Principal Paying Agent, and (ii) within 15 days of the Issue Date, on the web site located at https://editor.eurodw.eu/.

THE TRANSFER AGREEMENT

Pursuant to a transfer agreement, entered into between the Issuer and the Originator on 25 March 2019, as subsequently amended on or prior to the Issue Date, (the “Transfer Agreement”), the Originator sold for consideration to the Issuer without recourse (pro soluto) and as a pool (in blocco) a portfolio of monetary claims (the “Portfolio”) and connected rights arising out of the relevant mortgage loans (the “Claims” and “Loans” respectively) granted by the Originator to their customers (the “Borrowers”) with economic effect as of the Effective Date.

As consideration for the acquisition of the Claims pursuant to the Transfer Agreement, the Issuer has undertaken to pay to the Originator a purchase price calculated as the aggregate of the Individual Purchase Price, equal to Euro 149,608,041.11 plus the Accrued Interest, the Suspended Interest and the interest component, default interest component and charges relating to the Installments due and unpaid after the Valuation Date of each Claim comprised in the Portfolio, equal to Euro 293,029.22

(taken together, the “Purchase Price”).

Pursuant to the Transfer Agreement, the Originator has represented and warranted that the Claims have been selected on the basis of objective criteria (the “Criteria”) in order to ensure that the Claims have the same legal and financial characteristics. See “The Portfolio”.

The Transfer Agreement provides that if, after the Transfer Date, it transpires that (i) any Claims included in the list of Claims attached to the Transfer Agreement in Annex A (Elenco dei Crediti) do not meet the Criteria as at the Valuation Date and/or as at the different date indicated in the Criteria, then such Claims will be deemed not to have been assigned and transferred to the Issuer pursuant to the Transfer Agreement and (ii) any Claim which meets the Criteria as at the Valuation Date and/or as at the different date indicated in the Criteria has not been included in the list of Claims attached to the Transfer Agreement in Annex A (Elenco dei Crediti), then such Claim shall be deemed to have been assigned and transferred to the Issuer by the Originator from the Legal Effective Date and with economic effect as of the Effective Date (included) pursuant to the Transfer Agreement. Pursuant the Transfer Agreement, the Purchase Price shall be adjusted to take into account the additional payment or the reimbursement to be made for any such Claim, as follows:

A. In the case of a Claim which does not meet the Criteria, the Originator or the Issuer, as the case may be, shall communicate such circumstance to the other party within 3 (three) days from when such circumstance arises, and the Originator, following to such communication, will communicate to the Computation Agent the amount due to the Issuer (calculated thought the items (i) to (iv) below) and will pay to the Issuer, by crediting on the Collection Account, an amount equal to:

(i) the Individual Purchase Price which has been paid for such Claim plus the Accrued Interest related to such Claim; plus
(ii) any accrued and accruing interest on such amount from the Issue Date (included) until the date of reimburse of the Purchase Price (excluded), calculated (x) at the interest rate equal to the last EURIBOR (it being understood that such rate will not be lower than zero), (y) plus a margin equal to the medium margin weighted, respectively applicable to the Class A Notes and Class B Notes; plus

(iii) any expense and documented cost (including legal costs and esbursements plus VAT on the same), the losses and damages which have been borne by the Issuer in relation to such Claim after the Effective Date; less

(iv) the aggregate of all sums recovered and collected by the Issuer in respect of such Claim after the Effective Date,

provided that, in case the communication above indicated is received 3 (three) Business Days before the Issue Date, the Purchase Price to be paid by the Issuer to the Originator will be reduced of an amount equal to the Purchase Price of such Claim and the provisions above shall not apply; and provided further that no amount shall be paid by the Issuer to the Originator in case the amount calculated pursuant to the above described provisions is negative.

B. In the case of a Claim which meets the Criteria but was not included in the Transfer Agreement, the Issuer will pay to the Originator, on the relevant Payment Date on which the Issuer may, also partially and according to the Issuer Available Funds, and in accordance with the applicable Order of Priority, an amount equal to (i) the Individual Purchase Price which would have been payable for such Claim pursuant to the Transfer Agreement if such Claim were included in the list of Claims attached as Annex A (Elenco dei Crediti) of the Transfer Agreement; less (ii) the aggregate of all sums recovered and collected by the Originator in respect of such Claim as of the Effective Date (included) as better specified in the Transfer Agreement.

In order to allow the Originator to maintain good relationships with their customers, the Originator may submit to the Issuer one or more offers to purchase Claims (the “Offer to Purchase”), provided that the total amount of each offer, added to the amount of any other offer made by the Originator and already accepted by the Issuer after the Issue Date, shall not exceed:

(i) on each Collection Period, 2.5% of the outstanding principal amount of the Claims comprised in the Portfolio as at the Effective Date; and

(ii) over the life of the Transaction, the overall limit of 20% of the of the outstanding principal amount of the Claims comprised in the Portfolio as at the Effective Date.

The price of the repurchased Claims will be determined as follows:

(i) for Claims which have not been classified as Defaulted Claims, the sum of (a) the Individual Purchase Price of the Claims on the transfer date; (b) an amount equal to the sum of the Accrued Interest and Suspended Interest and of the interest component, default interest component and charges (if applicable) on the Claims re-purchased as at the date of the relevant transfer; and (c) a further amount calculated multiplying the following factors: the interest accrued and which will accrue on each claim re-purchased from the Issue Date (included) until the date of the relevant re-purchase, calculated (x) to a rate equal to the last Euribor (it being understood that such rate will not be lower than zero) (y) increased of a margin equal to the weighted average interest rate respectively applicable to the Class A Notes and the Class B Notes; and
(ii) for Claims classified as Defaulted Claims, in accordance with the Servicing Agreement.

The repurchase price will be paid by the Originator to the Company by the Payment Date following the acceptance of the Purchase Offer and accredited on the Investment Account.

The Transfer Agreement is in Italian. The Transfer Agreement and all non-contractual obligations arising out or in connection with the Transfer Agreement is governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Transfer Agreement including all non-contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Rome, Italy.

THE WARRANTY AND INDEMNITY AGREEMENT

Under a warranty and indemnity agreement entered into on 25 March 2019 between the Issuer and the Originator (the “Warranty and Indemnity Agreement”), the Originator gave certain representations and warranties as to, inter alia, the Claims it transferred pursuant to the Transfer Agreement, the respective Loans and the Insurance Policies, its corporate existence and operations and their collection and recovery policy. Moreover the Originator has agreed to indemnify and hold harmless the Issuer from and against all damages, losses, claims, liabilities and costs awarded against or suffered or incurred by it or otherwise arising to it by reason of any misrepresentation of the Originator in the Warranty and Indemnity Agreement or any default of the Originator under the Warranty and Indemnity Agreement and/or the Transfer Agreement and/or the Servicing Agreement.

Under the Warranty and Indemnity Agreement, the Originator has represented and warranted with respect to itself and the Claims it sold to the Issuer under the Transfer Agreement, the Loans, the Mortgages securing them and the Insurance Policies, as to, inter alia, the following matters:

General

(a) it is a bank duly incorporated as a “società per azioni”, validly existing and in bonis under the laws of the Republic of Italy; registered with the register held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, it has full corporate power and authority to enter into and perform the obligations undertaken by it under the Warranty and Indemnity Agreement and the other Transaction Documents to which it is or it will be a party and to perform obligations relating to the Transaction Documents and to duly carry out as originator the Transaction pursuant to the Securitisation Law;

(b) the execution, delivery and performance by it of the Warranty and Indemnity Agreement and the other Transaction Documents to which it is a party and all other documents to be delivered pursuant thereto and all transactions contemplated thereby do not contravene or result in a default under (i) its corporate constitutional documents, (ii) any law, rule or regulation applicable to it, (iii) any contractual restriction contained in any agreement or other instrument binding on it or affecting it or its property or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property, and do not result in the creation of any adverse claim by third parties;

(d) the payment obligations of it under the Warranty and Indemnity Agreement and the other Transaction Documents constitute unsubordinated and unsecured claims against it which rank pari
passu with the unsubordinated and unsecured claims of all other creditors under the laws of the Republic of Italy apart from any preferential creditors under any applicable laws;

(e) All the representations and datas, documents, registrations and information (including, without limitation, information with respect to the Loans, the Claims, the Insurance Policies and the Mortgages) provided under the Warranty and Indemnity Agreement and the other Transaction Documents or to the operations thereby referred to, is true and correct in all material respects and no information has been omitted.

(f) it is solvent and there is no fact or matter which may negatively impact on the execution of the transfer of the Claims and/or of the Mortgages nor performing the obligations provided under the Warranty and Indemnity Agreement, nor will it be rendered insolvent as a consequence of entering into the Warranty and Indemnity Agreement and the other Transaction Documents to which it is a party;

(g) for the purposes of the transfer of the Claims to the Issuer under the Transfer Agreement, it is not obliged to request, present or deposit, as applicable, permits, licences, approvals, authorizations, registrations or certifications (asseverazioni) to government authorities;

(h) it is not subject to any inspection procedure by the Bank of Italy in relation to its procedures to grant and manage the Loans.

The Loans, the Mortgages and the Claims

(a) It holds sole and unencumbered legal title to the Claims (classified as “in bonis” according to the regulations issued by the Bank of Italy (“istruzioni di vigilanza”)), it is a party of the Loans and it is the beneficiary of the Mortgages and of the Ancillary Guarantees and the are not adverse claims by third parties on the Claims;

(b) the Claims, the Loans, the Mortgages, the Insurance Policies and the Ancillary Guarantees are governed by Italian law and are legal, valid, binding and enforceable to third parties and in particular the Loans have been entered into and will be transferred in compliance with all the applicable rules and regulations including, without limitation, the: (i) Consolidated Banking Act; (ii) applicable privacy legislation (including Legislative Decree No. 196 of 30 June 2003 and Regulation (EU) No 2016/679 of the European Parliament and of the Council of 27 April 2016); (iii) consumer protection; (iv) provisions under article 1283 of the Italian civil code and article 120 of the Consolidated Banking Act;

(c) the Loans and the Mortgages have been executed as a public deed (“atto pubblico”) before a notary public (notaio) or as a private deed notarized by a notary public;

(d) the Loan Agreements have been granted on the basis of an assessment of the relevant Real Estate Asset/s secured with Mortgage executed on behalf of the Originator prior to the approval date of each Loan (and in any case within six months preceding the date on which the relevant Loan Agreement has been granted), by an external qualified appraiser (“perito qualificato esterno”) (or, in certain circumstances, through the analysis of market datas obtained from the database of the Terrotory Agency (Agenzia del Terrotorio)) independent from the Originator, which has not been involved in the process of approval of the Loan, nor has never had any interest whatsoever (direct or indirect) over the relevant Real Estate Asset/s and the relevant Loan Agreement whose fees are not linked to the approval of such Loan;
(e) there are not clauses under the Loans nor under any other agreement, deed or document, nor any provision by law or regulatory regulation which prohibit to the Originator to transfer the Claims and the other rights of it arising from the Loans and the Mortgages;

(f) all the Guarantors, which are individuals, are resident in Italy and all the Guarantors which are legal entities are established under the Italian law and have their registered office in Italy

(g) all the Loans have been granted through its branch;

(h) there are no Loans which provide for the right of the Borrower to delay the payment of one or more Instalments;

(i) no Loan could be classified as leasing agreement;

(j) there are no Claims subject to moratorium (“dilazione di pagamento”) following the delay or default by the Borrower in the payment of one or more Instalments;

(k) the Claims constitute a portfolio of monetary claims identifiable in blocco, pursuant to the Italian Law n. 130 dated 30 April 1999, the Consolidated Banking Act and the instructions issued by Bank of Italy (Istruzioni di Vigilanza) and the Criteria are appropriate to identify portfolio of monetary claims identifiable in blocco vis-à-vis the Borrowers, the Guarantors and third parties;

(l) all the Claims are assisted by Insurance Policies, all of them valid and effective in order to guarantee the Claims in favour of the Originator, and are enforceable as of the date of execution of the Loans pursuant to the applicable laws and regulations; all the premiums have been duly paid and the Insurance Policies are currently in force;

(m) no Loan could be classified as consumer loan (credito al consumo) and, as a consequence, the consumer credit discipline is not applicable

(n) as far as concern it and with reference to third parties and to the knowledge of it, all consents, licenses, approvals or authorisations of or registrations or declarations required to be obtained, effected or provided for the validity and enforceability of the Claims, the Loans, the Mortgages

(o) the Ancillary Guarantees and the Insurance Policies and for the validity and enforceability of the obligations and rights arising from the latters, have been duly obtained, effected or provided and are in full force and effect and all the necessary and connection action to ensure the validity and enforceability of the Claims, the Loans, the Mortgages, the Ancillary Guarantees and the Insurance Policies have been duly undertaken;

(p) to the knowledge of it, not less of 80% of the Loans (calculated as principal amount outstanding as of the Effective Date (excluded)) is granted for the purchase, building and refurbishment of the first home (“prima casa”);

(q) to the knowledge of it, the Loans have been entered into with borrowers that, on the date of execution of such Loans, could not be subject to any insolvency procedure;

(r) the Borrowers are all resident in Italy;
(s) none of the Borrowers or Mortgagors is subject to any proceeding for the composition of any state of crisis due to over-indebtedness (crisi da sovraindebitamento) pursuant to Law No. 3 of 27 January 2012, as subsequently amended, or to any insolvency proceeding as applicable;

(t) the Loans do not include at the signing date of the Warranty and Indemnity Agreement and will not include at the Issue Date, non-performing loans;

(u) no Loan may be qualified as structured loan, syndicated loan or leveraged loan;

(v) none of the Claim may be qualified as restructured claim (credito ristrutturato) pursuant to the applicable regulation of the Bank of Italy;

(w) it has maintained complete, proper and up-to-date books, records and documents for the Claims, the Loans and for the instalments and for all other amounts paid or reimbursed thereunder, and all such books and documents are kept in its possession or are held to its order.

The Real Estate Assets

(a) each of the Real Estate Assets were in unencumbered legal title of the relevant Mortgagor when the Mortgage was constituted;

(b) in relation to the Real Estate Assets, any claim classified as azione petitoria and/or azione possessoria has been served to the Originator by third parties;

(c) each of the Real Estate Assets (i) is duly registered with the competent land registries; (ii) complies with all applicable Italian laws as to its use (“destinazione d’uso”), (iii) meets the legal requirements for habitation (“agibilità”), (iv) is marketable (“non soggetto a vizio di incommerciabilità”), and (v) complies with all applicable planning and building laws and regulations;

(d) the Real Estate Assets are located in Italy;

(e) each of the Real Estate Assets complies with applicable laws, rules and regulations concerning health and safety and environmental protection;

(f) to the knowledge of it, each of the Real Estate Assets is free from damage and waste, in good condition and there are no proceedings, actual or threatened, in relation thereto.

Under the Warranty and Indemnity Agreement, the Originator has undertaken, with respect to itself, the Claims, the respective Loans, the Mortgages securing them and the Insurance Policies, inter alia, as follows:

(a) without prejudice to the non-recourse nature (“natura pro soluto”) of the assignment effected pursuant to the Transfer Agreement, to refrain from carrying out or purporting to carry out any activity with respect to the Claims which may adversely affect them, and in particular: before the date of publication of the applicable notice of assignment of the Claims in the Official Gazette and registration of the assignment of the Claims in Companies’ Register; (i) not to assign and/or transfer, the whole or any part of, any of the Claims to any third party; and (ii) not to create or allow to be created or to arise or to allow to exist any security interest, lien, pledge, privilege or encumbrance or other right in favour of third parties in respect of the Claims, or any part thereof;
(b) not to execute any agreement, deed or document or enter into any arrangement purporting to assign, or otherwise dispose of, any of the Loans or of the Insurance Policies or to create or allow to be created or allow to arise or exist any security interest, lien, pledge, privilege or encumbrance or other right in favour of third parties in respect of the Loans;

c) not to instruct any Borrower, guarantor or Insurance Companies to make any payment with respect to any of the Claims differently from as provided for in the Transaction Documents or as instructed in writing by the Issuer;

d) otherwise than in its capacity as Servicer in accordance with the relevant provisions of the Servicing Agreement, not to take any action likely to cause or permit any of the Claims to become invalid or diminish their respective rights;

e) to co-operate with the Issuer to perform any and all acts, carry out any and all actions, and execute any and all documents as the Issuer may reasonably deem necessary in connection with the Warranty and Indemnity Agreement and the other Transaction Documents;

f) to comply fully and in a timely manner with and observe any and all provisions, covenants and other terms to be complied with, insofar as necessary in order to preserve the rights, claims, powers and benefits of the Issuer as purchaser of the Claims;

(g) to assist and fully co-operate with the Issuer in any due diligence relating to the Claims which the Issuer may wish to carry out after the date of the Warranty and Indemnity Agreement;

(h) to maintain in a safe place and in good status and order, accurate, complete and up-to-date accounts, books, records and documents relating to the Claims, the Loans, the Mortgages and the Insurance Policies;

(i) to comply with all applicable laws and regulations (including all rules, orders and instruments) with respect to the Claims, the Loans, the Mortgages and their administration and management;

(j) to grant access to the Issuer and/or the Representative of the Noteholders, its agents and nominees to its premises for purposes of examining records, documents and data in relation to the Claims, to copy them and to discuss any issues concerning the Claims with its accountants and other appointed personnel;

(k) to pay all costs, fees and taxes due promptly in relation to the execution, filing, registration, etc., of the Warranty and Indemnity Agreement and the other Transaction Documents;

(l) save as provided for in the Servicing Agreement, not to agree to any amendment of or waiver to any terms and conditions of the Loans, the Mortgages and/or the Insurance Policies which might adversely affect the timely recovery of the Claims, the ability of the Issuer to enforce its rights, claims, powers and benefits against the Borrowers, the guarantors and/or the Insurance Companies or the validity of the Warranty and Indemnity Agreement and not to commence any action for the recovery of the Claims;

(m) to assist and support the Issuer or its nominee in the development of adequate data reporting systems concerning the Claims by transferring to the Issuer books, records and documents which may be useful or relevant for implementing a data reporting system which would allow the Issuer to achieve full compliance with all applicable laws and regulatory reporting regulations and requirements.
Under the Warranty and Indemnity Agreement, the Originator agreed to indemnify the Issuer, its representatives and agents from and against any and all damages, losses, claims, liabilities and related costs and expenses, including legal fees and disbursements awarded against or suffered or incurred by it as a consequence of or in relation to:

(a) the reliance on any representation or warranty made by it to the Issuer under or in connection with the Warranty and Indemnity Agreement or any other Transaction Document to which it shall be a party which shall have been false, incorrect or misleading when made or delivered;

(b) its failure (in whole or in part) to comply with any term, provision or covenant contained in the Warranty and Indemnity Agreement or any other Transaction Document to which it shall be a party and its failure to comply with any applicable law, rule or regulation with respect to the Claims, the Loans, the Mortgages, the Real Estate Assets and the Insurance Policies;

(c) the failure to vest in the Issuer all rights, title and interest in and the benefit of each Claim pursuant to the terms of the Transfer Agreement, free and clear of any adverse claim;

(d) any dispute, claim or defence (other than discharge in bankruptcy or winding up by reason of insolvency or similar event) of the Borrowers, the guarantors or the Insurance Companies to the payment of any Claim;

(e) any judicial or out of court set-off of the assigned Borrower in relation to the payment of any Claim arising before or after the execution date of the Warranty and Indemnity Agreement under the Loans or under or pursuant to any contract, deed, document, action, event or circumstance.

Pursuant to the Warranty and Indemnity Agreement, if at any time, the representations and warranties given by the Issuer in relation to the Loans, the Mortgages, the Loan Agreements, the Claims and the Real Estate Asset are false, incorrect or misleading, the Issuer has accepted and acknowledged that the Originator, pursuant to the effects of article 1331 of the Italian Civil Code, for a period of 30 (thirty) days from the written notice received by the Issuer (the “Repurchase Period”), may re-purchase the Claims from the Issuer in respect of which the representations and warranties are false, incorrect or misleading to the terms and conditions provided under the Warranty and Indemnity Agreement.

The Originator may exercise the re-purchase option by giving written notice to the Issuer (the “Notice of Re-Purchase”) within the Repurchase Period. The effectiveness of the re-purchase is subject to payment from the Originator of the purchase price of the Claims which are subject to repurchase (the “Affected Claims”) on the Collection Account (the “Affected Claims Re-Purchase Price”).

The Affected Claims Re-Purchase Price will be equal to: (a) the Purchase Price of the Affected Claims less any principal amount and rebate interest recovered or collected by the Issuer on the Affected Claims; plus (b) interest accrued or accruing on the Individual Purchase Price of the Affected Claims from the Issue Date (included) until the Payment Date (excluded) following the date in which the relevant payment of the Affected Claims Re-Purchase Price has been made, calculated, with reference to each Affected Claim, at the interest rate equal to the algebraic sum between (x) the weighted average of Euribor 3 months as applicable to the Notes from time to time and (y) a margin equal to the weighted average margin respectively applicable to the Class A Notes and Class B Notes; plus (c) costs and documented expenses incurred by the Issuer in relation to the Affected Claims as at the date of payment of the Affected Claims Re-Purchase Price. The Affected Claims Re-Purchase Price shall be paid within 7 Business Days following receipt by the Originator of the Notice of Re-transfer. Within the date of payment of the Affected Claims Re-Purchase Price, the Originator shall deliver to the Issuer: (i) a certificate of good standing of the
Chamber of Commerce (certificato di vigenza della Camera di Commercio); (ii) a solvency certificate signed by a legal representative duly authorized by the Originator; and (iii) a certificate of the bankruptcy court (“tribunale civile – sezione fallimentare”) confirming that the Originator is not subject to any insolvency or similar proceedings. Any and all costs, expenses and duties in relation to the re-transfer of the Affected Claims will be borne by the Originator.

The Parties to the Warranty and Indemnity Agreement have agreed that the Issuer may exercise in any case the remedies, to be indemnified in the following cases:

(i) if the re-purchase price is not paid within 7 Business Days starting from the day on which the Originator gets written Notice of the Re-Purchase, and in any other case in which the re-purchase is not finalised for any reason; or

(ii) if, at any time, the representations and warranties contained into the Warranty and Indemnity Agreement, other than to those referring to the Loans, the Mortgage, the Loan Agreements, the Claims and the Real Estate Asset are false or incorrect, and in general if it is not possible to proceed with the repurchase of the Affected Claims; or

(iii) in relation to (a) any damage or loss suffered by the Issuer and related to the Affected Claims which exceeds the Affected Claims Re-Purchase Price, and (b) any reasonable cost/expense that for any reason was not included in the Affected Claims Re-Purchase Price; or

(iv) in any case in which the Issuer considers appropriate, with the prior written consent of the Representative of the Noteholders, in the interest of the Transaction (and such opinion is confirmed by a consultant (advisor)) to apply provision of clause 5 of the Warranty and Indemnity Agreement instead of exercising the right of re-transfer as provided by clause 6 of the Warranty and Indemnity Agreement.

Under the Warranty and Indemnity Agreement, the Originator represented to the Issuer that the interest rates of the Loans comply with the Usury Law and agreed to indemnify the Issuer against any damages, losses, claims, liabilities and costs awarded against or suffered or incurred by it or otherwise arising as a consequence or in relation to any claims being brought by the Borrowers or other third parties on the grounds of the Usury Law.

The Warranty and Indemnity Agreement is in Italian. The Warranty and Indemnity Agreement and all non-contractual obligations arising out or in connection with the Warranty and Indemnity Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Warranty and Indemnity Agreement including all non-contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Rome, Italy.

THE SERVICING AGREEMENT

On 25 March 2019, the Issuer and Banca del Fucino (the “Servicer”) entered into a servicing agreement, as subsequently amended on or prior to the Issue Date, (the “Servicing Agreement”) pursuant to which the Servicer has agreed to (i) carry out supervising activities in order to ensure compliance with the law, pursuant to article 2, paragraph 6-bis of the Securitisation Law, (ii) administer, service and manage the judicial proceedings of the relevant assigned Claims which (except for the activity related to the collection of the amounts due in respect thereof) are not Defaulted Claims (the “Administration of the Portfolio”)
and (iii) to administer and service all the Defaulted Claims and manage the judicial proceedings in relation to the latters (but expressly excluding any collection activity) (the “Management of the Defaulted Claims”).

The receipt of cash collections in respect of the Portfolio is the responsibility of the Servicer who will be the “soggetto incaricato della riscossione dei crediti ceduti” pursuant to article 2(3)(c) of the Securitisation Law and accordingly is responsible for ensuring that such operations comply with the provisions of the law and of this Prospectus pursuant to article 2, paragraph 6-bis of the Securitisation Law.

Pursuant to the terms of the Servicing Agreement, the Servicer shall comply with certain collection policies specified in the Servicing Agreement (the “Collection Policies”) in relation to the collection and recovery activities carried out on behalf of the Issuer and shall provide the Issuer monthly and quarterly servicing reports (respectively, a “Monthly Servicing Report” and a “Quarterly Servicing Report”). The Servicer shall also ensure that the Collections do not include usurious interest in accordance with the anti-usury laws and regulations applicable from time to time. The Servicer shall be entitled to settle and renegotiate the Claims only in accordance with the Servicing Agreement.

The Servicer shall give order to pay all collections and recoveries received by it in respect of the Portfolio (the “Collections”) into the Collection Account on a daily basis. The Servicer will convert any non-cash collections received by it into equivalent amounts of cash and will credit such cash to the Collection Account.

The Servicer shall be entitled to settle and renegotiate the Claims only in accordance with the Servicing Agreement. In particular the Servicer may, with respect to the Claims (other than the Defaulted Claims) sold by it in its quality of Originator, carry out the following agreements:

(i) the modification of the interest rate, such agreements having as their object:

(a) the modification from fixed rate, or floating interest rate with cap, to floating interest rate;

(b) the modification from floating interest rate, or floating interest rate with cap, or floating interest rate with a floor, to fixed rate;

(c) the reduction of the interest rate or of the spread applicable to the Loan (in case no modification has been made to the nature of the interest rate applicable to the Loan); and

(d) with exclusive reference to the Loan Agreements having a floating rate of interest with a floor, the modification of the applicable floor

It remains understood that it is not allowed any modifications of the interest rate applicable to the mortgage loans to (1) an optional interest rate; or (2) to a floating interest rate with cap, and

(ii) the modification of the final maturity of the Loan Agreements; and

(iii) standstill agreements which provide for the suspension of payments of the principal quota of instalments due under the Loan Agreements or of both the principal and interest quota (it being understood that such suspension of payment of instalments of the Loan Agreements which are provided by law or from the applicable legislation do not fall within the limits provided under the provisions below);
In all cases of renegotiation above, subject to the following conditions being met:

a) in relation to the above modification of the interest rate under (i) above, which causes a reduction of the Net Margin (as defined below): the sum of the outstanding principal amount of the Loan Agreements which are subject to such renegotiation comprised in the Portfolio shall not exceed 20% of the outstanding principal amount of the Claims comprised in the Portfolio as of the Effective Date. It remains understood that modifications of the interest rate of any Loan Agreement which do not cause a reduction in the Net Margin shall not be included in the calculation of the abovementioned percentage. In the case of a reduction of more than 50 basis points of the Net Margin related to such modification, the effectiveness of the modification will be subordinated to the payment of the below indemnity on the Collection Account by the Servicer;

“Net Margin” means:

(A) in relation to a Loan Agreement with a floating rate, or a floating rate with cap, or a floating rate with a floor (after or before, the entering into a renegotiation activity pursuant to the Servicing Agreement), the spread applicable to the relevant Loan Agreement; and

(B) in relation to the Loan Agreement with a fixed rate (after or before the entering into a renegotiation activity pursuant to the Servicing Agreement), the difference between (i) the fixed interest rate applicable to the relevant the Loan Agreement; and (ii) the fixed interest rate payable by the Issuer, as indicated in the Swap Confirmation,

b) in relation to the modification (i.e. extension or reduction) of the final maturity of the Loan Agreements under point (ii) above:

(x) the renegotiation agreement shall not provide for payments of any instalment on a date which falls in a date which is 10 (ten) years prior to the Final Maturity Date;

(y) following the entry into the renegotiation agreement, the new maturity date of the relevant Loan Agreement shall not fall 15 years after the maturity date of the Loan Agreement as at the Effective Date; and

(z) the outstanding principal amount of all the Loans object of such renegotiation shall not exceed 10% of the outstanding principal amount of the Claims as at the Effective Date;

c) in relation to the standstill agreements which provide for the suspension of the payment of the instalments (due for the interest quota only or for the principal and interest quotas) of the Loans (being such suspension not provided by law or by the applicable regulations) (the “Suspension”),

(i) each Suspension shall be granted for a maximum period of 18 (eighteen) months;

(ii) if the Suspension provides for the deferment of the original maturity date of the amortisation plan of the relevant mortgage loan, (x) such deferment shall not exceed the duration of such suspension; and (y) the new maturity date of such Mortgage Loan shall not fall later than the date that falls 10 (ten) years prior to the legal maturity date of the Senior Notes; and

(iii) in addition, the following limits shall be respected:
(x) the sum of the Outstanding Principal Amount of the Claims subject to Suspension (calculated on the date of the relevant suspension) shall not exceed in aggregate, for the entire duration of the Transaction, 25% of the Principal Amount calculated on the Effective Date (the “Overall Threshold”); and

(y) without prejudice to the Overall Threshold, the sum of the Principal Amount of the Claims subject to Suspension, calculated on the last calendar day of the Reference Period immediately preceding the relevant Suspension, shall not exceed in aggregate, for each Reference Period, 10% of the Principal Amount calculated on the same date (the “Temporary Threshold”). It being understood, for the sake of clarity, that for the purposes of determining the Temporary Threshold relating to a specific suspension shall not be taken into consideration any decrease in the Principal Amount subsequent to such Suspension.

For the sake of clarity, it remains understood that if a Claim subject to Suspension has terminated to benefit from the Suspension, such Claim will no longer be considered for the purposes of determining the Temporary Threshold;

d) in any case, in relation to any modification of the interest rate made in accordance with paragraphs (a) and (b) above, the Servicer shall verify that, for each Collection Period, the sum of the principal amount outstanding of the Loan Agreements subject of such renegotiation does not exceed, in relation to the Swap Transaction pursuant to which the relevant Loan Agreement will be hedged after such renegotiation, an amount equal to the difference between:

1. the Scheduled Maximum Notional Amount in such Swap Transaction as applicable to the following Interest Period; and

2. the Swap Outstanding Principal Amount in such Swap Transaction as calculated at the beginning of the Collection Period in which such renegotiation is made.

e) in relation to any modification of the amortisation plan of the Loan Agreements above described, such modification shall not result in a switch to an amortisation plan different from the so called “French amortisation plan”.

If the Servicer intends to make any renegotiation for the modification of the interest rate, according to the relevant paragraphs above, the Servicer shall promptly inform the Issuer on the terms and conditions of such renegotiation and shall not enter into such renegotiation agreement until it has paid to the Issuer a corresponding indemnity calculated in accordance with the Servicing Agreement (if any).

In case the indemnity payments due to the Issuer by the Servicer under renegotiations made in the same Collection Period exceed Euro 1,000,000 (one million), the Servicer shall provide to the Issuer appropriate solvency, bankruptcy and good standing certificates as better described in the Servicing Agreement.

In order to maximise the recovery activities of the Claims, the Servicer, pursuant to the Servicing Agreement, is entitled to assign, without recourse (“pro soluto”), to third parties or to the Originator itself, Claims classified as Defaulted Claims subject to the following conditions:

(A) (i) the aggregate amount of the Defaulted Claims comprised in the Portfolio assigned in the same Collection Period pursuant to these provisions, shall not exceed 0.50% of the outstanding principal amount of the Claims assigned to the Issuer as of the date of computation; and (ii) the purchase
price of each Defaulted Claim shall be equal to the higher of (a) the net account value ("valore netto contabile") of such Claim on the date on which the relevant transfer is effective; and

(B) appropriate solvency, bankruptcy and good standing certificates as better specified in the Servicing Agreement have been obtained from the relevant purchaser and the relevant sale will occur, to the maximum extent permitted by the Italian Law, without any guarantee of the transferor as regards the existence of the claims and any other guarantee on the transfer of the claim. The Servicer may consent to the release or the replacement of the Security Interest on the Claim if, as a result of any improvement in the economic situation of the Borrower and/or the reduction of the outstanding debt for the normal payment of the instalments and/or effect of partial prepayments, the Borrower complies with the income requirements required by the Originator in accordance with its internal credit granting policies even in the absence of such Security Interest or the new guarantor provide adequate guarantees to the Claim. The Servicer shall promptly indemnify the Company as a result of any losses, damages, costs or expenses incurred by the Servicer's membership at such release.

As consideration for the services provided by the Servicer, the Issuer will pay, on each Payment Date, in accordance with the applicable Order of Priority, the sum of the following amounts:

(a) 0.25% of the Collections not being Defaulted Claims ("Crediti in Sofferenza") or Delinquent Claims ("Crediti in Ritardo"), and not being related to Late Payments, collected by Banca del Fucino during the immediately preceding Collection Period;

(b) 0.30% of the Collections with respect to Late Payments ("Rate Insoluto") or Delinquent Claims ("Crediti in Ritardo"), collected during the immediately preceding Collection Period;

(c) in relation to the master servicing activity pursuant to the Servicing Agreement, Euro 5,000 per annum.

(d) in relation to the Management of the Defaulted Claims, 0.70% of the collections made with respect to the Defaulted Claims ("Crediti in Sofferenza") of the Portfolio, collected by Banca del Fucino during the immediately preceding Collection Period,

it being understood that the amounts and fees indicated above do not include VAT if applicable. The fees under letters (a), (b), (c) and (d) all together, the "Servicing Fees".

The Servicer has expressly waived its rights to compensation that may be provided for by law other than the Servicing Fees. It has also expressly waived its rights to exercise any right to off-set the amounts due to Banca del Fucino from the Issuer against the Collections or any other amount owed by the Servicer to the Issuer, except for those amounts paid to the Issuer and undue.

The Servicer has undertaken, inter alia, with respect to the activities in relation to which it has been appointed pursuant to the Servicing Agreement:

(a) to carry out the Administration of the Portfolio and the Management of the Defaulted Claims with due skill and care in accordance with the Collection Policies and with all applicable laws and regulations;

(b) to maintain an effective system of general and accounting controls so as to ensure the performance of its obligations under the Servicing Agreement;
(c) save as otherwise provided in the Collection Policies and in the Servicing Agreement, not to release or consent to the cancellation of all or part of the Claims unless ordered to do so by a competent judicial or other authority or by the Issuer;

(d) to ensure adequate identification and segregation of the collections and recoveries and other amounts related to the Claims from all other funds of the Servicer;

(e) to ensure that the Transaction is consistent with the law and this Prospectus;

(f) to comply with all authorisations, approvals, licenses and consents required for the fulfilment of the relevant obligations under the Servicing Agreement; and

(g) to cooperate with the Back-up Servicer and to make available to it any information required from time to time, and any resource belonging to its internal departments, for a reasonable period of time, in order to allow the Back-up Servicer to have a knowledge of (i) the Originator’s devices which are used with respect to the Issuer and (ii) the report procedures which are used in the context of the Transaction, in order for the Back-up Servicer to be able to use such devices and report procedures in case of replacement of the Servicer.

In the case of a material breach by the Servicer of its obligations under the Servicing Agreement, the Issuer and/or the Representative of the Noteholders shall be entitled, jointly or severally to perform the relevant obligations in the name and on behalf of the Servicer to cause it to be performed by third parties in the name and on behalf of the Servicer.

The Issuer may revoke the appointment of the Servicer, and appoint a substitute of the Servicer (the “Substitute”), in certain circumstances including, inter alia:

(i) the Representative of the Noteholders or the Issuer have been informed that an event which could negatively impact on the juridical, economic and financial condition of the Servicer to a point capable of prejudicing the capacity of the Servicer to perform its obligations under the Servicing Agreement has occurred; in this case the substitution shall occur upon prior written consent of the Representative of the Noteholders and on the basis of a previous assessment proceeding by the Issuer and/or the Representative of the Noteholders (which, in this circumstance, may ask for the advice of professionals specifically appointed);

(ii) the insolvency of the Servicer;

(iii) a failure by the Servicer to pay or transfer to the Issuer any amount due which remains unremedied for more than 2 Business Days after the relevant statutory request of payment;

(iv) a breach of the obligations under the Servicing Agreement which remain unremedied for more than 10 calendar days after a written demand of compliance sent by the Issuer and/or the Representative of the Noteholders.

The Servicing Agreement is in Italian. The Servicing Agreement and all non-contractual obligations arising out or in connection with the Servicing Agreement are governed by and construed in accordance with Italian law.
In the event of any disputes arising out of or in connection with the Servicing Agreement including all non-contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Rome, Italy.

THE BACK-UP SERVICING AGREEMENT

Under a back-up servicing agreement to be entered into on or prior to the Issue Date (the “Back-Up Servicing Agreement”), among the Issuer, the Servicer and the Back-up Servicer, the Back-up Servicer has undertaken to act as substitute servicer of Banca del Fucino in case of termination of the appointment of Banca del Fucino as Servicer, according to the Servicing Agreement.

The Back-Up Servicing Agreement is in Italian. The Back-Up Servicing Agreement and all non-contractual obligations arising out or in connection with the Back-Up Servicing Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Back-Up Servicing Agreement including all non contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Rome, Italy.

THE CORPORATE SERVICES AGREEMENT

Under a corporate services agreement entered into on 25 March 2019 between the Issuer and the Corporate Services Provider (the “Corporate Services Agreement”), the Corporate Services Provider shall provide the Issuer with certain corporate administration and management services. These services shall include the book-keeping of the documentation in relation to the meetings of the Issuer’s quotaholders, directors and auditors and the meetings of the Noteholders, maintaining the quotaholders’ register and liaising with the Representative of the Noteholders.

The Corporate Services Agreement and all non-contractual obligations arising out or in connection with the Corporate Services Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Corporate Services Agreement including all non-contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Rome, Italy.

THE ADMINISTRATIVE SERVICES AGREEMENT

Pursuant to an administrative services agreement entered into on 25 March 2019 between the Issuer and the Administrative Services Provider (the “Administrative Services Agreement”), the Administrative Services Provider has agreed to provide the Issuer with a number of administrative services as long as the Notes are outstanding, including, inter alia, to:

(i) keep, on behalf of the Issuer, accounting and tax records required by Italian law;
(ii) assist the Issuer’s directors in the preparation of the Issuer’s annual financial statements in compliance with applicable laws and regulations (including any applicable regulation from the Bank of Italy);
(iii) prepare all periodical reports required by applicable money laundering, banking and stock exchange and other applicable regulations.

The Administrative Services Provider may appoint any person as its sub-agent, sub-contractor or representative to assist it in the performance of its activities, provided that such appointment does not affect
the performance of the obligations under the Administrative Services Agreement and the Administrative Services Provider shall not be released from any liability under the Administrative Services Agreement and shall remain primarily responsible for the provision (or failure to provide) and the performance (or failure to perform) of the services so delegated.

The Administrative Services Agreement (and any non-contractual obligation arising out of or in connection with it) is governed by, and will be construed in accordance with, Italian law. The courts of Rome shall have exclusive jurisdiction in relation to any disputes (also in relation to non-contractual obligations) arising from, or in connection with, the Administrative Services Agreement.

THE INTERCREDITOR AGREEMENT

Pursuant to an intercreditor agreement to be entered into on or prior to the Issue Date (the “Intercreditor Agreement”), between the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders) and the Other Issuer Creditors, provisions are made as to the application of the Collections in respect of the Portfolio and as to how the Orders of Priority are to be applied. Subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event, all the Issuer Available Funds will be applied in or towards satisfaction of the Issuer’s payment obligations towards the Noteholders as well as the Other Issuer Creditors, in accordance with the Acceleration Order of Priority provided in the Intercreditor Agreement.

Call Option

The Issuer shall grant to the Originator an option right on any Payment Date falling on or after the Initial Clean Up Option Date to purchase, subject to certain conditions, the Portfolio (in whole but not in part) for a purchase price equal to the Outstanding Balance, plus interests accrued and unpaid as at such date, of each Claim comprised in the Portfolio, provided that, if on such date the Portfolio comprises any claim classified as “in sofferenza” pursuant to the regulation issued by the Bank of Italy, the purchase price of such claim shall be equal to their current market value, as determined by a third entity appointed by the Originator and the Issuer and, in any case, such purchase price shall be equal to or higher than the amount (as determined in the relevant Payments Report) necessary for the Issuer to discharge all its outstanding liabilities in respect of all the Notes (or the Rated Notes only if all the Junior Noteholders consent) and any amounts required under the Intercreditor Agreement to be paid in priority to or pari passu with the Notes (or the Rated Notes only if all the Junior Noteholders consent).

Swap Collateral

The Intercreditor Agreement also contains the Collateral Account Priority of Payments which describes how amounts standing to the credit of the Collateral Account may be used by the Issuer as described below.

Amounts standing to the credit of the Collateral Account will not be available for the Issuer to make payments to the Noteholders and the Other Issuer Creditors generally, but may be applied only in accordance with the following provisions (the “Collateral Account Priority of Payments”):

(i) prior to the occurrence or designation of an Early Termination Date in respect of the Swap Agreement, solely in or towards payment or transfer of:

   (a) any Return Amounts (as defined in the Credit Support Annex);

   (b) any Interest Amounts and Distributions (each as defined in the Credit Support Annex) and
(c) any return of collateral to the Swap Counterparty upon a novation of such Swap Counterparty’s obligations under the Swap Agreement to a replacement swap counterparty,

on any day (whether or not such day is a Payment Date), directly to the Swap Counterparty in accordance with the terms of the Credit Support Annex;

(ii) upon or immediately following the occurrence or designation of an Early Termination Date (as defined in the Swap Agreement) in respect of the Swap Agreement where (A) such Early Termination Date (as defined in the Swap Agreement) has been designated following an Event of Default (as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or an Additional Termination Event (as defined in the Swap Agreement) resulting from a Swap Counterparty Rating Event and in respect of which the Swap Counterparty is the Affected Party (as defined in the Swap Agreement) and (B) the Issuer enters into a replacement swap agreement in respect of such Swap Agreement on or around the Early Termination Date of such Swap Agreement, on the later of the day on which such replacement swap agreement is entered into and the day on which the Replacement Swap Premium (if any) payable to the Issuer has been received (in each case, whether or not such day is a Payment Date), in the following order of priority:

(a) first, in or towards payment of any Replacement Swap Premium (if any) payable by the Issuer to a replacement swap counterparty in order to enter into a replacement swap agreement with the Issuer with respect to the Swap Agreement being novated or terminated;

(b) second, in or towards payment of any termination payment due to the outgoing Swap Counterparty pursuant to the Swap Agreement; and

(c) third, the surplus (if any) (a “Swap Collateral Account Surplus”) on such day to be transferred to the Payments Account for an amount equal to the Swap Collateral Account Surplus and deemed to form Issuer Available Funds;

(iii) following the occurrence or designation of an Early Termination Date in respect of the Swap Agreement where (A) such Early Termination Date has been designated following an Event of Default (as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or an Additional Termination Event (as defined in the Swap Agreement) resulting from a Swap Counterparty Rating Event and in respect of which the Swap Counterparty is the Affected Party (as defined in the Swap Agreement) and (B) the Issuer is unable to or elects not to enter into a replacement swap agreement on or around the Early Termination Date of such Swap Agreement, on any day (whether or not such day is a Payment Date) in or towards payment of any termination payment due to the outgoing Swap Counterparty pursuant to the Swap Agreement;

(iv) following the occurrence or designation of an Early Termination Date in respect of the Swap Agreement where such Early Termination Date has been designated otherwise than as a result of one of the events specified at items (ii) and (iii) above, on any day (whether or not such day is a Payment Date) in or towards payment of any termination payment due to the outgoing Swap Counterparty pursuant to the Swap Agreement; and

(v) following payment of any amounts due pursuant to (iii) and (iv) above, if amounts remain standing to the credit of the Collateral Account, such amounts may be applied on any day (whether or not such day is a Payment Date) only in accordance with the following provisions:
(a) first, in or towards payment of any Replacement Swap Premium (if any) payable by the Issuer
to a replacement swap counterparty in order to enter into a replacement swap agreement with
the Issuer with respect to the Swap Agreement being terminated; and

(b) second, the surplus (if any) (a “Swap Collateral Account Surplus”) remaining after payment
of such Replacement Swap Premium to be transferred to the Payments Account for an amount
equal to the Swap Collateral Account Surplus and deemed to form Issuer Available Funds,

provided that if the Issuer has not entered into a replacement swap agreement with respect to the
Swap Agreement on or prior to the earlier of:

(x) the day that is 10 (ten) Business Days prior to the date on which the Principal Amount
    Outstanding of all Classes of Notes is reduced to zero (other than following the occurrence
    of a Trigger Event pursuant to Condition 9 (Trigger Events)); or

(y) the day on which a Trigger Notice is given pursuant to Condition 9 (Trigger Events),

then the Collateral Amount on such day shall be transferred to the Payments Account for an amount equal
to the Collateral Amount as soon as reasonably practicable thereafter and deemed to constitute a Swap
Collateral Account Surplus and to form Issuer Available Funds.

In the Intercreditor Agreement, the Originator has undertaken, inter alios, to the Issuer and the
Representative of the Noteholders for the purposes of the Securitisation Regulation (including but not
limited to article 5 to 7 thereof) that it will:

c. retain at the origination and maintain (on an ongoing basis) a material net economic interest of not
   less than 5% in the securitisation in accordance with paragraph 3(d) of article 6 of the Securitisation
   Regulation (or any permitted alternative method thereafter). As at the Issue Date, such interest will
   be comprised of an interest in the first loss tranche (being the Junior Notes).

d. in its capacity as the reporting entity pursuant to article 7 of the Securitisation Regulation (the
   “Reporting Entity”):

   (1) disclose through a quarterly report as required under the Securitisation Regulation to inter
       alios the Noteholders and, upon request, to prospective investors:

   (i) information on the material net economic interest of not less than 5% in the
       securitisation maintained by the Originator in accordance with paragraph (3)(d) of
       article 6 of the Securitisation Regulation (or any permitted alternative method
       thereafter) and any change to the manner in which the material net economic interest
       set out above is held, together with any relevant information in this respect;

   (ii) all materially relevant data on the credit quality and performance of the Loans;

   (iii) information on trigger events which entail changes in the Order of Priority set out in
         the Conditions or the replacement of any counterparties and data on the cash flows
         generated by the Loans and by the liabilities of the Transaction;

   (iv) loan by loan information regarding each Loan included in the Portfolio; and
any further information which from time to time is required under the Securitisation Regulation that is not covered under the items from (i) to (iv) above;

(2) to disclose without delay any inside information or documentation (including, but not limited to, any material amendment to any Transaction Document) relating to the Transaction that is required to be disclosed in the form and in the manner required by the Securitisation Regulation;

(3) to ensure that inter alios Noteholders and prospective investors have readily available access to (i) all information necessary to conduct comprehensive and well informed stress tests and to fulfil their monitoring and due diligence duties under article 5 of the Securitisation Regulation, which does not form part of this Prospectus as at the Issue Date but may be of assistance to prospective investors before investing, and (ii) any other information which is required to be disclosed to Noteholders and prospective investors pursuant to the Securitisation Regulation;

(4) to ensure that the competent supervisory authorities pursuant to article 29 of the Securitisation Regulation have readily available access to any information which is required to be disclosed pursuant to the Securitisation Regulation.

In the Intercreditor Agreement, the Originator has also undertaken to inter alios the Issuer and the Representative of the Noteholders that the retention requirement is not and will not be subject to any credit risk mitigation or any hedge, as and to the extent required by article 6 of the Securitisation Regulation.

In the Intercreditor Agreement, the Reporting Entity represented to inter alios the Issuer and the Representative of the Noteholders that, before pricing, the final Prospectus and the Transaction Documents in draft or initial form as agreed between the relevant parties to the Transaction Documents have been made available to inter alios the potential Noteholders and competent supervisory authorities pursuant to article 29 of the Securitisation Regulation by means of publication on the Temporary Website (as defined below).

The Reporting Entity has undertaken, as soon as a data repository pursuant to article 10 of the Securitisation Regulation will have been authorized by ESMA and enrolled within the relevant register, to appoint a data repository by entering into a separate agreement (the entity so appointed, the “Data Repository”). The Reporting Entity has agreed to pay all fees, costs and expenses in connection with the transparency requirements under the Securitisation Regulation.

In particular, in accordance with the Intercreditor Agreement the Reporting Entity has undertaken that any of the information under paragraphs (a)(1) and (2) above will be made available as follows:

(a) on the Issue Date, the information regarding the risk retention, and the information on which is the entity designated among the Issuer and the Originator as the Reporting Entity pursuant to article 7 of the Securitisation Regulation will be included in this Prospectus and published on the Temporary Website;

(b) following the Issue Date, on a quarterly basis, the information set out under paragraphs (a)(1) and (2) above (which includes the information required to be disclosed to Noteholders, potential investors and competent authorities referred to in article 29 of the Securitisation Regulation in accordance with article 7 of the Securitisation Regulation) will be included in the Investors Report issued by the Computation Agent and be generally available to inter alios the Noteholders and prospective investors at:
(i) the offices of the Computation Agent and on the Computation Agent’s web site currently located at www.centotreinta.com; and

(ii) (x) until the Data Repository (as defined below) is appointed by the Reporting Entity, on the web site located at https://editor.eurodw.eu/ (the “Temporary Website”); and

(y) after the Data Repository (as defined below) is appointed by the Reporting Entity.

The Originator (also in its role of Servicer) has undertaken, under its full responsibility, to provide the Computation Agent with the information described under paragraphs (a)(1) and (2) above through the Quarterly Servicing Report within the Quarterly Servicing Report Date. The Computation Agent has undertaken to the Reporting Entity to include the information so provided in each Investors Report as specified above and to make each Investors Report generally available to inter alios the Noteholders and prospective investors on the Temporary Website, the Data Repository or as otherwise required by the Securitisation Regulation on a quarterly basis.

The Reporting Entity also has undertaken that, within 15 days of the Issue Date, it will make available on the Temporary Website pdf copies of the executed Transaction Documents and Prospectus.

After the Data Repository is appointed:

(i) the Reporting Entity has undertaken to notify in writing the parties to the Intercreditor Agreement of the corporate name and relevant details of the Data Repository so appointed;

(ii) the parties to the Intercreditor Agreement, in order to comply with the obligation under article 7(2), last paragraph, of the Securitisation Regulation, have undertaken to amend the Intercreditor Agreement in order to include herein the details relating to the Data Repository; and

(iii) the Reporting Entity has undertaken that it will procure that all documents and information published on the Temporary Website prior to such date are promptly relocated to the Data Repository, if so required in accordance with the Securitisation Regulation.

THE CASH ADMINISTRATION AND AGENCY AGREEMENT

Under an agreement to be entered into on or prior to the Issue Date among, inter alios, the Issuer, the Servicer, the Transaction Bank, the Cash Manager, the Swap Counterparty, the Computation Agent, the Principal Paying Agent and the Representative of the Noteholders (the “Cash Administration and Agency Agreement”):

(a) the Principal Paying Agent will perform certain services in relation to theNotes, including arranging for the payment of principal and interest to the Monte Titoli Account Holders and will calculate the amount of interest payable on the Notes on each Payment Date;

(c) the Computation Agent will perform certain other calculations in respect of the Notes and set out, in a payments report, the payments due to be made by the Issuer on each Payment Date in accordance
with the applicable Order of Priority and to prepare investors reports providing information on the performance of the Portfolio; and

(d) the Transaction Bank and the Cash Manager will provide the Issuer with certain cash administration and investment services, in relation to the monies standing, from time to time, to the credit of the relevant Accounts.

The Cash Administration and Agency Agreement is in English. The Cash Administration and Agency Agreement and all non-contractual obligations arising out or in connection with the Cash Administration and Agency Agreement shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Cash Administration and Agency Agreement including all non-contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Rome, Italy.

SUBORDINATED LOAN AGREEMENT

Pursuant to a subordinated loan agreement entered into on or prior the Issue Date, among the Issuer, the Subordinated Loan Provider and the Representative of the Noteholders (the “Subordinated Loan Agreement”) provided the Issuer within the Issue Date with an interest bearing Subordinated Loan which will be applied by the Issuer to fund part of the Cash Reserve Initial Amount (equal to Euro 4,700,000.00 being the difference between the Cash Reserve Initial Amount (i.e., 4,721,920.00) and Euro 21,920.00 (which is the part of the Cash Reserve Initial Amount funded through the Collections from the Effective Date (included) until two Business Days preceding the Issue Date) and the Swap Reserve Amount.

Interest in respect of the Subordinated Loan shall accrue on a daily basis on:

(i) as to the Subordinated Loan Senior Interest, the positive difference between (i) Euro 4,700,000.00 and (ii) the principal amount of the Subordinated Loan repaid under item Twelfth of the Pre-Acceleration Order of Priority and item Ninth of the Acceleration Order of Priority (as applicable) up to the immediately preceding Payment Date;

(ii) as to the Subordinated Loan Junior Interest, the lower of (i) Euro 1,380,000.00 and (ii) the principal amount outstanding of the Subordinated Loan on the immediately preceding Payment Date;

from the date of its disbursement and until the earlier of: (i) the date on which the Subordinated Loan has been repaid in full; and (ii) the Final Maturity Date.

The rate of interest on the Subordinated Loan for each Interest Period is the rate per annum being the aggregate of:

(i) Three Months Euribor applicable to the relevant Interest Period as determined by the Computation Agent; and

(ii) a margin of 0.50% per annum;

provided that the rate of interest applicable to the Subordinated Loan (i.e., the Three Months Euribor plus the margin) shall not be negative nor higher than 1% in any case.

Interest and principal due and payable under the Subordinated Loan Agreement will be paid by the Issuer on each Payment Date out of the Issuer Available Funds in accordance with the applicable Order of Priority.

The Subordinated Loan Agreement (and any non-contractual obligation arising out of or in connection with it) is governed by, and will be construed in accordance with, Italian law. The courts of Rome shall have exclusive jurisdiction in relation to any disputes (also in relation to non-contractual obligations) arising from, or in connection with, the Subordinated Loan Agreement.
THE NOTES SUBSCRIPTION AGREEMENT

Pursuant to a subscription agreement relating to the Notes entered into on or prior to the Issue Date between the Issuer, the Originator, the Arrangers and the Representative of the Noteholders (the “Notes Subscription Agreement”), the Originator has agreed to subscribe and pay for the Notes and to pay to the Issuer the Issue Price for the Notes and shall appoint the Representative of the Noteholders to act as the representative of the Noteholders, subject to the conditions set out therein.

The Notes Subscription Agreement is in English language and all non-contractual obligations arising out or in connection with the Notes Subscription Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Notes Subscription Agreement including all non-contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan.

DEED OF CHARGE

Pursuant to a deed of charge governed by English law to be executed by the Issuer on or about the Issue Date (the “Deed of Charge”), the Issuer has assigned absolutely with full title guarantee to the Security Trustee acting on behalf of the Noteholders and the Other Issuer Creditors, all of its present and future rights, title, interest and benefit in, to and under the Swap Agreement (subject to the netting and set-off provisions thereof) and the EMIR Reporting Agreement.

The Deed of Charge (and any non-contractual obligation arising out of or in connection with it) is governed by, and will be construed in accordance with, English law. The courts of England shall have exclusive jurisdiction in relation to any disputes (also in relation to non-contractual obligations) arising from, or in connection with, the Deed of Charge.

THE QUOTAHOLDER AGREEMENT

Under the terms of an agreement to be entered into on or prior to the Issue Date between the Quotaholder, the Representative of the Noteholders and the Issuer (the “Quotaholder Agreement”) certain rules shall be set out in relation to the corporate governance of the Issuer.

In particular, the Quotaholder has agreed, inter alia, not to create any pledge, or encumbrance (including “usufrutto”) over the quota nor otherwise dispose for any reason of the quota representing the quota capital of the Issuer held by it, without a prior written consent of inter alios the Representative of the Noteholders and prior to the delivery of a written notice to inter alios the Rating Agencies.

The Quotaholder Agreement is in Italian. The Quotaholder Agreement and all non contractual obligations arising out or in connection with the Quotaholder Agreement shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Quotaholder Agreement including all non contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Rome, Italy.

THE SWAP AGREEMENT
On or about the Issue Date, the Issuer will enter into a fixed-floating interest rate swap transaction, a Three Month Euribor basis swap transaction and a Six Month Euribor basis swap transaction (each, a “Swap Transaction” and collectively, the “Swap Transactions”). Such Swap Transactions shall be governed by a 1992 ISDA Master Agreement (Multicurrency-Cross Border) (the “ISDA Master Agreement”), together with a Schedule thereto (the “Schedule”), a 1995 ISDA credit support annex (the “Credit Support Annex”) and three swap confirmations (each a “Swap Confirmation” and together with the ISDA Master Agreement, the Schedule and the Credit Support Annex, the “Swap Agreement”). The Swap Transactions are entered into in order to hedge against the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Senior Notes and Mezzanine Notes. The obligations of the Issuer under the Swap Agreement shall be limited recourse to the Issuer Available Funds. The Issuer Available Funds to be applied in accordance with the Order of Priority shall include an amount released from the Swap Reserve Account prior to each Payment Date equal to the Swap Fixed Amount payable in respect of such Payment Date.

If the Swap Counterparty (or any guarantor or credit support provider as applicable) is downgraded below any of the required credit ratings set out in the Swap Agreement, the Swap Counterparty will be required to carry out, within the time frame specified in the Swap Agreement, one or more remedial measures at its own cost which include the following:

(a) transfer all of its rights and obligations under the Swap Agreement to an appropriately rated entity;

(b) arrange for an appropriately rated entity to become co-obligor or guarantor in respect of its obligations under the Swap Agreement; and

(c) post collateral to support its obligations under the Swap Agreement.

Any such collateral will be credited to the Collateral Account, together with any interest or distributions on, and any liquidation or other proceeds of, that collateral and will not be available for the Issuer to make payments to the Other Issuer Creditors generally, but must be applied in accordance with the Collateral Account Priority of Payments set out in the Intercreditor Agreement.

The occurrence of certain termination events and events of default contained in the Swap Agreement may cause the termination of the Swap Agreement prior to its stated termination date. Such events include (1) redemption of the Notes pursuant to Condition 6.3 (Mandatory redemption); (2) redemption of the Notes pursuant to Condition 6.2 (Redemption for Taxation) or 6.4 (Optional Redemption); (3) amendment of any Transaction Document without the prior written consent of the Swap Counterparty if such amendment affects the amount, timing or priority of any payments or deliveries due from the Swap Counterparty to the Issuer or from the Issuer to the Swap Counterparty, (4) failure by the Swap Counterparty to take certain remedial measures required under the Swap Agreement following a Swap Counterparty Rating Event; and (5) acceleration of the Notes following service of a Trigger Notice.

Pursuant to the Swap Confirmations, with respect to each Payment Date the Issuer will pay the Swap Counterparty an amount equal to the notional amount multiplied by (i) under the fixed-floating swap confirmation, a fixed rate; (ii) under the Three Month Euribor basis swap confirmation, a floating rate calculated with reference to Three Month Euribor determined in accordance with the Swap Agreement and reset periodically as specified in the Swap Agreement and (iii) under the Six Month Euribor basis swap confirmations, a floating rate calculated with reference to Six Month Euribor determined in accordance with the Swap Agreement and reset periodically as specified in the Swap Agreement capped at the maximum rate specified in the relevant Swap Confirmation. Netting will apply to all payments under the Swap Confirmations. In addition, under each of the Swap Confirmations on each Payment Date, the Swap
Fixed Amount will be due by the Issuer to the Swap Counterparty. Netting will apply to all payments under the Swap Confirmations, including the Swap Fixed Amount.

Under each of the Swap Confirmations, with respect to each Payment Date the Swap Counterparty will pay to the Issuer an amount equal to the notional amount multiplied by Three Month Euribor payable under the Rated Notes.

As further described in each Swap Confirmation, the notional amount for each Swap Transaction will be calculated with reference to the Principal Instalments of the Claims hedged thereunder (other than the amount of any Principal Instalments due but unpaid, or that have been prepaid or repurchased, at the relevant Collection Date and any Principal Instalments relating to Defaulted Claims) as of the Collection Date preceding the beginning of each Calculation Period (as such term is defined in the Swap Agreement). For each Calculation Period, the notional amount will be, in respect of the basis swap transaction, the lowest of (1) the amount of such Principal Instalments, (2) the scheduled maximum notional amount set forth in the relevant Swap Confirmation and (3) the notional amount for the previous Calculation Period, and in respect of the fixed-floating transaction the lesser of (1) the amount of such Principal Instalments and (2) the scheduled maximum notional amount set forth in the relevant Swap Confirmation, provided that if the Servicer fails to deliver the Quarterly Servicing Report in accordance with the provisions of the Swap Agreement, then the notional amount for that Calculation Period (as such term is defined in the Swap Agreement) shall be in each case the lesser of the scheduled maximum notional amount forth in the relevant Swap Confirmation and the notional amount for the previous Calculation Period (as such term is defined in the Swap Agreement).

The Swap Counterparty will be required to make payments pursuant to the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will, subject to certain conditions, be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount the Issuer would have received had no such withholding or deduction been required. Such a change in tax law may result in the termination of the Swap Agreement. The Issuer will not be required to gross up under the Swap Agreement. Any Swap Tax Credit Amounts payable by the Issuer shall be paid directly to the Swap Counterparty following receipt without regard to the Collateral Account Priority of Payments or the Orders of Priority and shall not form Issuer Available Funds.

The Swap Agreement and any non-contractual obligation arising out of, or in connection with, the Swap Agreement will be governed by and construed in accordance with English law. The courts of England shall have exclusive jurisdiction to hear any disputes that may arise in connection therewith.
WEIGHTED AVERAGE LIFE OF THE RATED NOTES AND RELEVANT ASSUMPTIONS

The maturity and average life of the Senior Notes and Mezzanine 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 as to the expected maturity and average life of the Senior Notes and Mezzanine Notes can be made based on certain assumptions. These estimates have certain inherent limitations. No representations can be made that such estimates are accurate, or that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised. The tables below show the expected average life and the expected maturity of the Senior Notes and Mezzanine Notes, based, among other things, on the following assumptions:

(i) the Issuer will not exercise the Optional Redemption pursuant to Condition 6.4 (Optional Redemption) or Redemption for Taxation pursuant to Condition 6.2 (Redemption for Taxation);

(ii) the option rights granted by the Issuer to the Originator to purchase the Portfolio, in whole or in part, pursuant to clause 12 (Clean Up Option) of the Intercreditor Agreement shall not be exercised;

(iii) all instalments due under the Loans are duly and timely paid;

(iv) there will be no Defaulted Claims, Delinquent Claims, Delinquent 60 Claims and Delinquent 90 Claims;

(v) the Claims will be subject to a constant annual prepayment at such rates as shown in the tables below, in equal monthly portions starting from the Effective Date;

(vi) the instalments under the Loans will not be renegotiated upon request of the Borrowers;

(vii) no Trigger Event will occur in respect of the Notes;

(viii) the terms of the Loans will not be affected by the provisions of any legal provision authorising borrowers to suspend payment of interest and/or principal instalments; and

(ix) no purchase/sale/indemnity/renegotiations on the Portfolio is made according to the Transaction Documents.

The actual performance of the Claims is likely to differ from the assumptions used in constructing the tables set forth below, which is hypothetical in nature and is provided only to give a general sense of how the principal cash-flows might behave. Any difference between such assumptions and the actual characteristics and performance of the Claims will cause the estimated weighted average life and the principal payment window of the Class A Notes and Class B Notes to differ (which difference could be material) from the corresponding information in the following tables.

The base case assumptions above reflect the current expectations of the Issuer but no assurance can be given that the redemption of the Class A Notes and Class B Notes will occur as described above. The prepayment rates are stated as an average annual prepayment rate but the prepayment rate for one Interest Period may substantially differ from one period to another. The constant prepayment rates shown above are purely illustrative and do not represent the full range of possibilities for constant prepayment rates.
### Class A Notes

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<th>CONSTANT PREPAYMENT RATE (% PER ANNUM)</th>
<th>Estimated Weighted Average Life (years)</th>
<th>Expected Maturity</th>
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<tr>
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<td>31/12/2028</td>
</tr>
<tr>
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<tr>
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</table>

### Class B Notes

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<th>CONSTANT PREPAYMENT RATE (% PER ANNUM)</th>
<th>Estimated Weighted Average Life (years)</th>
<th>Expected Maturity</th>
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<tbody>
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<tr>
<td>2.5%</td>
<td>10.06</td>
<td>30/06/2029</td>
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</tr>
<tr>
<td>10.0%</td>
<td>7.54</td>
<td>31/12/2026</td>
</tr>
</tbody>
</table>
TERMS AND CONDITIONS OF THE NOTES

The following is the entire text of the terms and conditions of the Notes (the “Conditions”). In these Conditions, references to the “holder” or to the “Noteholder” of a Class A Note, a Class B Note and a Class J Note or to a Class A Noteholder, a Class B Noteholder and a Class J Noteholder are to the ultimate owners of the Class A Notes, the Class B Notes or the Class J Notes, as the case may be, issued in dematerialised form and evidenced as book entries with Monte Titoli S.p.A. (“Monte Titoli”) in accordance with the provisions of (i) article 83-bis of Italian Legislative Decree number 58 of 24 February 1998 and (ii) Regulation jointly issued on 13 August 2018 by the Commissione Nazionale per le Società e la Borsa (“CONSOB”) and the Bank of Italy as subsequently amended and supplemented. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of Noteholders (as defined below).

In these Conditions, references to (i) any agreement or other document shall include such agreement or another document as may be modified from time to time in accordance with the provisions contained therein and any deed or other document expressed to be supplemental thereto, as modified from time to time; and (ii) any laws or regulation shall be interpreted and construed to include any amendments and implementation thereof as of the date of these Conditions.

The Euro 128,915,000.00 Class A Residential Mortgage Backed Floating Rate Notes due December 2060 (the “Class A Notes” or the “Senior Notes”), the Euro 5,997,000.00 Class B Residential Mortgage Backed Floating Rate Notes due December 2060 (the “Class B Notes” or the “Mezzanine Notes” and, together with the Senior Notes, the “Rated Notes”), the Euro 14,990,000.00 Class J Residential Mortgage Backed Floating Rate and Additional Return Notes due December 2060 (the “Class J Notes” or the “Junior Notes” and together with the Senior Notes and the Mezzanine Notes, the “Notes”), are issued by Fucino RMBS S.r.l. (the “Issuer”) on 15 April 2019 (the “Issue Date”) in the context of a securitisation transaction (the “Transaction”) to finance the purchase of a portfolio of monetary claims and connected rights arising under the mortgage loans and the relevant insurance policies (the “Portfolio” and the “Claims”, respectively) from Banca del Fucino (“Banca del Fucino” or the “Originator”), pursuant to article 1 of Italian Law number 130 of 30 April 1999 (as amended and supplemented from time to time, the “Securitisation Law”).

The Portfolio has been purchased by the Issuer pursuant to a transfer agreement entered into on 25 March 2019, as subsequently amended on or prior to the Issue Date, between the Issuer and the Originator (the “Transfer Agreement”). Representations and warranties in respect of the Portfolio has been made by the Originator in favour of the Issuer under a warranty and indemnity agreement entered into between the Issuer and the Originator on 25 March 2019 (the “Warranty and Indemnity Agreement”).

In these Conditions, any references to (i) the “holders of the Senior Notes”, the “holders of the Mezzanine Notes” and the “holders of the Junior Notes” are to the beneficial owners of, respectively, the Senior Notes, the Mezzanine Notes and the Junior Notes; (ii) references to the “Class A Noteholders” are to the beneficial owners of the Class A Notes; (iii) references to the “Class B Noteholders” are to the beneficial owners of the Class B Notes; (iv) references to the “Class J Noteholders” are to the beneficial owners of the Class J Notes and (v) references to the “Noteholders” are to the beneficial owners of the Notes. Any reference to a “Class” of Notes shall be construed as a reference to the Class A Notes, the Class B Notes or the Class J Notes, as the case may be.

The principal source of payment of amounts due under the Notes will be collections and recoveries made in respect of the Portfolio (the “Collections”). By operation of article 3 of the Securitisation Law, the Issuer’s right, title and interest in and to the Portfolio, any monetary claim of the Issuer under the Transaction Documents, all cash-flows deriving from both of them and any Eligible Investments purchased
therewith (together, the “Segregated Assets”) will be segregated from all the other assets of the Issuer and amounts deriving therefrom will be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors (as defined below) in accordance with the applicable Order of Priority (as set out in Condition 4 (Orders of Priority). The Issuer’s right, title and interest in and to the Portfolio and to all the amounts deriving therefrom may not be seized or attached in any form by the creditors of the Issuer other than the Noteholders, the Other Issuer Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the Transaction until full redemption or cancellation of the Notes and full discharge by the Issuer of its obligations vis-á-vis the Other Issuer Creditors.

Under a servicing agreement entered into on 25 March 2019, as amended on or prior to the Issue Date (the “Servicing Agreement”) between the Issuer and Banca del Fucino as servicer the Servicer has agreed to provide the Issuer with administration, collection and recovery services in respect of the Claims and to carry out supervising activities with respect to the transaction in order to ensure compliance with the laws to protect the investors, pursuant to article 2, paragraph 6-bis of Securitisation Law.

Under a corporate services agreement entered into on 25 March 2019 (the “Corporate Services Agreement”) between the Issuer and the Corporate Services Provider, the Corporate Services Provider has agreed to provide the Issuer with certain corporate administration services.

Under an administrative services agreement entered into on 25 March 2019 (the “Administrative Services Agreement”) between the Issuer and the Administrative Services Provider, the Administrative Services Provider has agreed to provide the Issuer with certain reporting and accounting services.

Under a back-up servicing agreement entered into on or prior to the Issue Date (the “Back-Up Servicing Agreement”), among the Issuer, the Servicer and the Back-Up Servicer, the Back-Up Servicer has undertaken to act as servicer in case of termination of the appointment of Banca del Fucino as Servicer, according to the Servicing Agreement.

Under a subscription agreement relating to the Notes entered into on or prior to the Issue Date, among, inter alios, the Issuer, the Originator and the Representative of the Noteholders (the “Notes Subscription Agreement”), the Originator has subscribed and paid for the Notes upon the terms and subject to the conditions thereof and has appointed the Representative of the Noteholders to act as the representative of the holders of the Notes.

Under a cash administration and agency agreement entered into on or prior to the Issue Date (the “Cash Administration and Agency Agreement”) among, inter alios, the Issuer, the Originator, the Representative of the Noteholders, the Computation Agent, the Collection Account Bank, the Transaction Bank, the Cash Manager, the Principal Paying Agent, the Swap Counterparty, the Originator and the Servicer: (i) the Principal Paying Agent has agreed to carry out certain services in relation to the Notes, including arranging for the payment of principal and interest to the Monte Titoli Account Holders and to calculate the amount of interest payable on the Notes; (ii) the Computation Agent has agreed to provide the Issuer with other calculations in respect of the Notes and will set out, in a payments report, the payments due to be made under the Notes on each Payment Date; and (iii) the Transaction Bank and the Cash Manager have agreed to provide certain cash administration and investment services in respect of the amounts standing, from time to time, to the credit of the relevant Accounts.

Under a subordinated loan agreement entered into on or prior to the Issue Date (the “Subordinated Loan Agreement”) among the Issuer, the Subordinated Loan Provider and the Representative of the Noteholders, the Subordinated Loan Provider has agreed to provide the Issuer within the Issue Date with an interest bearing Subordinated Loan which will be applied by the Issuer to fund part of the Cash Reserve Initial
Amount (equal to Euro 4,700,000.00 being the difference between the Cash Reserve Initial Amount (i.e. 4,721,920.00) and Euro 21,920.00 (which is the part of the Cash Reserve Initial Amount funded through part of the Collections from the Effective Date (included) until two Business Days preceding the Issue Date and the Swap Reserve Amount.

Under a fixed-floating interest rate swap transaction, a Three Month Euribor basis swap transaction and a Six Month Euribor basis swap transaction to be entered into on or prior to the Issue Date (each a “Swap Transaction” and collectively the “Swap Transactions”) between the Issuer and the Swap Counterparty, the Issuer has hedged its potential interest rate exposure in relation to its floating rate interest obligations under the Rated Notes. Such Swap Transactions shall be governed by a 1992 ISDA Master Agreement (Multicurrency-Cross Border) (the “ISDA Master Agreement”) together with a Schedule (the “Schedule”) and a 1995 credit support annex (the “Credit Support Annex”) thereto, as published by the International Swaps and Derivatives Association, Inc. (“ISDA”) and each Swap Transaction shall be evidenced by a swap confirmation (each a “Swap Confirmation”, and together with the ISDA Master Agreement, the Schedule and the Credit Support Annex, the “Swap Agreement”).

Under an intercreditor agreement entered into on or prior to the Issue Date (the “Intercreditor Agreement”) between the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the EMIR Reporting Agent, the Corporate Services Provider, the Administrative Services Provider, the Subordinated Loan Provider, the Collection Account Bank, the Transaction Bank, the Computation Agent, the Servicer, the Swap Counterparty, the Principal Paying Agent, the Cash Manager, the Security Trustee, the Originator, the Quotaholder, the Back-Up Servicer and the Initial Subscriber, the application of the Issuer Available Funds (as defined below) has been set out. The Representative of the Noteholders has been appointed to exercise in the name and on behalf of the Issuer certain rights in relation to the Portfolio, and in particular has been conferred the exclusive right (and the necessary powers) to make demands, give notices, exercise or refrain from exercising rights and take or refrain from taking actions (also through the Servicer) in relation to the recovery of the Claims (other than the rights related to the collection of the Claims and to cash and payment services).

Pursuant to a deed of charge governed by English law executed by the Issuer on or prior the Issue Date (the “Deed of Charge”), the Issuer has assigned absolutely to 130 Finance S.r.l. as security trustee (the “Security Trustee”) on behalf of the Noteholders and the Other Issuer Creditors, all the Issuer’s rights, title, interest and benefit (present and future) in, to and under the Swap Agreement (subject to the netting and set-off provisions thereof) and the EMIR Reporting Agreement.

Pursuant to an EMIR reporting agreement (the “EMIR Reporting Agreement”) entered into on or about the Issue Date between the Issuer and the EMIR Reporting Agent, the EMIR Reporting Agent will agree to carry out certain reporting obligations pursuant to EMIR on behalf of the Issuer.

Under an agreement entered into on or prior to the Issue Date between 130 Trust Company S.r.l. (the “Quotaholder”), the Issuer and the Representative of the Noteholders (the “Quotaholder Agreement”), certain rules have been set out in relation to the corporate management of the Issuer.

The Issuer has established with Banca del Fucino the following accounts:

(i) the Collection Account into which, inter alia, the Collections will be credited.

(ii) the Quota Capital Account into which, inter alia, the sums contributed by the Quotaholder will be credited and held;
(iii) the Expenses Account into which, *inter alia*, the Retention Amount shall be paid and out of which certain payments with respect to the Issuer’s corporate expenses shall be made.

The Issuer has established with the Transaction Bank the following accounts:

(i) the Payments Account into which, *inter alia*, all amounts deriving from the liquidation, disposal or maturity of the Eligible Investments purchased through the funds standing to the credit of the Investment Account will be credited and out of which all payments shall be made according to the applicable Order of Priority and the relevant Payments Report;

(ii) the Cash Reserve Account into which on each Payment Date prior to the delivery of a Trigger Notice, all sums payable on each Payment Date prior to the delivery of a Trigger Notice under item *Sixth* of the Pre-Acceleration Order of Priority will be credited;

(iv) the Investment Account into which, *inter alia*, all amounts standing to the credit of the Accounts (other than the Securities Account (if any)) will be transferred for the purpose of investment in Eligible Investments;

(v) the Collateral Account into which (i) any collateral received from the Swap Counterparty pursuant to the Swap Agreement, (ii) any interest or distributions on, and any liquidation or other proceeds of, such collateral, (iii) any Replacement Swap Premium received by the Issuer from a replacement swap counterparty and (iv) any termination payment received by the Issuer from the outgoing Swap Counterparty pursuant to the Swap Agreement shall be credited;

(vi) the Swap Reserve Account into which (i) on the Issue Date, the Swap Reserve Amount will be credited out of the proceeds of the Subordinated Loan; (ii) on the fourth Business Day succeeding each Collection Date, the amounts deriving from the liquidation of any Eligible Investment (including any interest and profit accrued thereon) purchased by way of the sums deriving from the Swap Reserve Account will be credited

Under the Cash Administration and Agency Agreement, the Representative of the Noteholders acknowledged and agreed that, following the Issue Date, the Issuer may open a securities custody account in order for the Issuer to deposit to the credit thereto investments which qualify as Eligible Investments.

These Conditions include summaries of, and are subject to, the detailed provisions of the Transfer Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement, the Back-Up Servicing Agreement, the Intercreditor Agreement, the Swap Agreement, the EMIR Reporting Agreement, the Corporate Services Agreement, the Administrative Services Agreement, the Subordinated Loan Agreement, the Notes Subscription Agreement, the Cash Administration and Agency Agreement, the Quotaholder Agreement and the Deed of Charge (and, together with these Conditions, the “Transaction Documents”). Copies of the Transaction Documents are available for inspection (i) during normal business hours at the registered office of the Representative of the Noteholders and the Principal Paying Agent and (ii) within 15 days of the Issue Date, on the web site located at https://editor.eurodw.eu/.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them. In particular, each Noteholder recognises that the Representative of the Noteholders is its representative and accepts to be bound by the terms of those Transaction Documents which have been signed by the Representative of the Noteholders as if it had signed such documents itself.
The rights and powers of the Noteholders may only be exercised in accordance with the rules of the organisation of the Noteholders (respectively, the “Rules of the Organisation of the Noteholders” and the “Organisation of the Noteholders”) attached hereto and which form an integral and substantive part of these Conditions.

The Recitals and the Exhibits hereto constitute an integral and essential part of these Conditions and shall have the force of and shall take effect as covenants by the Issuer.

In these Conditions:

“Acceleration Order of Priority” means the order in which the Issuer Available Funds shall be applied on each Payment Date following the delivery of a Trigger Notice in accordance with the Conditions and the Intercreditor Agreement.

“Accounts” means, collectively, the Expenses Account, the Quota Capital Account, the Payments Account, the Collection Account, the Investment Account, the Swap Reserve Account, the Securities Account (if any), the Collateral Account and the Cash Reserve Account; and “Account” means any of them.

“Accrued Interest” means, with respect to the Portfolio and as of the Effective Date, the interest accrued, not yet due and unpaid on the Portfolio as of the Effective Date (excluded).

“Additional Screen Rate” has the meaning ascribed in the Condition 5.2 (Interest Rate).

“Administrative Services Provider” means Banca del Fucino or any other entity from time to time acting as administrative services provider.

“Agents” means the Cash Manager, the Transaction Bank, the Principal Paying Agent and the Computation Agent collectively and “Agent” means any of them.

“Ancillary Guarantees” means any personal or real guarantee (garanzia personale o reale), other than the Mortgages, provided by a Borrower, Guarantor to guarantee Claims, with the exclusion of the guarantees which have been granted for a fixed amount to guarantee the fulfillment of all the obligations of the Borrower with the Originator (including, without limitation, the so-called fideiussioni omnibus).

“Back-Up Servicer” means Centotrenta Servicing S.p.A. or any other entity from time to time acting as back-up servicer.

“Banca del Fucino” means Banca del Fucino S.p.A.

“Borrower” means the debtors under the Claims and their transferors, assignees and successors.

“Business Day” means, with reference to and for the purposes of any payment obligation provided for under the Transaction Documents, any day on which TARGET2 (or any successor thereto) is open and, with reference to any other provision specified under the Transaction Documents, any day (other than Saturday or Sunday) which is not a public holiday or a bank holiday in Rome, Milan, Dublin, Frankfurt and London.

“Calculation Date” means the 5 Business Day immediately preceding the relevant Payment Date.
“Cash Manager” means BNP Paribas Securities Services, Milan Branch or any other entity from time to time acting as cash manager.

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

“Cash Reserve Account” means the Euro denominated account opened in the name of the Issuer with the Transaction Bank, IBAN IT 08 R 03479 01600 000802296301, or such other account as shall replace such Account pursuant to, and to be operated in accordance with, the provisions of the Cash Administration and Agency Agreement.

“Cash Reserve Amount” means (A) on the Issue Date, the Cash Reserve Initial Amount; (B) on each Payment Date (in which the Pre-Acceleration Order of Priority is applied) falling before (and excluding) the earlier of (i) the Payment Date on which the Principal Amount Outstanding of the Senior Notes is lower than the Issuer Available Funds that would be available on such Payment Date following payments of amount due and payable under items First to Fifth of the Pre-Acceleration Order of Priority having been made, (ii) the Payment Date falling immediately after the Final Redemption Date and (iii) the Final Maturity Date, an amount equal to the higher of (a) 3.5% of the Principal Amount Outstanding of the Rated Notes on the immediately preceding Payment Date after making payments due under the Pre-Acceleration Order of Priority on that date (or, in respect of the First Payment Date, on the Issue Date) and (b) 1% of the Principal Amount Outstanding of the Rated Notes as of the Issue Date, and (C) on each Payment Date thereafter, zero.

“Cash Reserve Initial Amount” means an amount equal to Euro 4,721,920.00.

“Claims” means the monetary receivables and connected rights arising under the Loans and the relevant Insurance Policies, as assigned by Banca del Fucino to the Issuer pursuant to the Transfer Agreement.

“Class” means the Class A Notes, the Class B Notes or the Class J Notes, as the case may be, and “Classes” means all of them.

“Class A Noteholders” means the holders of the Class A Notes.

“Class B Noteholders” means the holders of the Class B Notes.

“Class B Notes Interest Subordination Event” means the event which occurs when the Cumulative Default Ratio, as of a Collection Date, is equal to or higher than 17%, provided that in any case starting from the Payment Date on which the Class A Notes are redeemed in full (included) the Class B Notes Interest Subordination Event shall be deemed as not having occurred.

“Class J Noteholders” means the holders of the Class J Notes.

“Class J Notes Additional Return” means, (i) on each Payment Date on which the Pre-Acceleration Order of Priority applies, an amount payable on the Class J Notes equal to the Issuer Available Funds available on such Payment Date after payment of items from First to Sixteenth (included) of the Pre-Acceleration Order of Priority; or (ii) on each Payment Date on which the Acceleration Order of Priority applies, an amount equal to the Issuer Available Funds available on such Payment Date after payment of items from First to Fourteenth (included) of the Acceleration Order of Priority; plus, for the avoidance of doubt, (iii) on the Payment Date on which the Notes are redeemed in full or cancelled or the Final Maturity Date, any surplus remaining on the balance of the Accounts (other than Quota Capital Account and the Collateral
Account, as well as any other residual amount collected by the Issuer in respect of the Transaction in proportion to the Outstanding Principal Amount of the Claims comprised in the Portfolio as at the Effective Date.

“Clearstream” means Clearstream Banking S.A., located at 42 Avenue JF Kennedy L-1855 Luxembourg.

“Collateral Account” means a Euro denominated cash account opened in the name of the Issuer with the Transaction Bank, with IBAN IT 59 T 03479 01600 000802296303 for the cash, or such other account as shall replace such Account pursuant to, and to be operated in accordance with, the provisions of the Swap Agreement and the other Transaction Documents.

“Collateral Account Priority of Payments” means the order of priority contained in Condition 4.3 and clause 9 (Management and Application of Collateral with respect to the Swap Counterparty) of the Intercreditor Agreement.

“Collateral Amount” means any amounts standing to the credit of the Collateral Account, being amounts paid into such account by the Swap Counterparty in accordance with the Credit Support Annex, together with interest and other amounts accrued thereon.

“Collections” means all the amounts collected and/or recovered under the Claims and any amount received by the Issuer from the Servicer pursuant to the Servicing Agreement.

“Collection Account” means the Euro denominated account opened in the name of the Issuer with Banca del Fucino, IBAN IT23 H031 2403 2100 0000 0240 449, or such other account as shall replace such Account pursuant to, and to be operated in accordance with, the provisions of the Cash Administration and Agency Agreement.

“Collection Account Bank” means Banca del Fucino or any other entity from time to time acting as collection account bank.

“Collection Date” means the last calendar day of February, May, August and November of each year. The first Collection Date is 31 August 2019.

“Collection Period” means each period starting on a Collection Date (excluded) and ending on the following Collection Date (included).

“Collection Policy” means, with respect to the Servicer, the collection policy applied by the Servicer in relation to the Portfolio.

“Computation Agent” means Centotrenta Servicing S.p.A. or any other entity from time to time acting as computation agent.

“CONSOB” means Commissione Nazionale per le Società e la Borsa.

“Consolidated Banking Act” means Italian Legislative Decree number 385 of 1 September 1993, as subsequently amended.

“Consolidated Financial Act” means Italian Legislative Decree number 58 of 24 February 1998, as subsequently amended.
“Corporate Services Provider” means Centotrenta Servicing S.p.A., or any other entity from time to time acting as corporate services provider.


“Credit Support Annex” means the 1995 ISDA Credit Support Annex supplementing and forming part of the Swap Agreement.

“Criteria” means the criteria used for the selection of the Claims.

“Cumulative Default Ratio” means, with reference to each Quarterly Collection Period, the ratio (expressed in percentage) between (i) the Outstanding Principal, as of the day on which they have become Defaulted Claims, of the Claims arising under those Loans that have become Defaulted Claims during the period from the Effective Date to the last day of such Quarterly Collection Period; and (ii) the Outstanding Principal, as of the Effective Date, of all the Claims comprised in the Portfolio.

“Data Repository” means the securitisation repository authorized by ESMA and enrolled in the register held by it pursuant to article 10 of the Securitisation Regulation appointed in respect of the Transaction.

“DBRS” means any entity that is part of DBRS and any successor to the relevant rating activity.

“DBRS Eligible Institution Rating” means the DBRS rating, as set out in the table below:

<table>
<thead>
<tr>
<th>Highest rating assigned to rated Notes</th>
<th>DBRS Eligible Institution Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>A</td>
</tr>
<tr>
<td>AA (high)</td>
<td>A (low)</td>
</tr>
<tr>
<td>AA</td>
<td>BBB (high)</td>
</tr>
<tr>
<td>AA (low)</td>
<td>BBB (high)</td>
</tr>
<tr>
<td>A (high)</td>
<td>BBB</td>
</tr>
<tr>
<td>A</td>
<td>BBB (low)</td>
</tr>
<tr>
<td>A (low)</td>
<td>BBB (low)</td>
</tr>
<tr>
<td>BBB (high)</td>
<td>BBB (low)</td>
</tr>
<tr>
<td>BBB</td>
<td>BBB (low)</td>
</tr>
<tr>
<td>BBB (low)</td>
<td>BBB (low)</td>
</tr>
</tbody>
</table>

“DBRS Eligible Investment Rating” means the DBRS rating, as set out in the tables below:

(i) for investments maturing in 30 days or less:

<table>
<thead>
<tr>
<th>Highest rating assigned to rated Notes</th>
<th>DBRS Eligible Investment Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>A or R-1 (low)</td>
</tr>
<tr>
<td>AA (high)</td>
<td>A (low) or R-1 (low)</td>
</tr>
<tr>
<td>AA</td>
<td>BBB (high) or R-1 (low)</td>
</tr>
<tr>
<td>----</td>
<td>------------------------</td>
</tr>
<tr>
<td>AA (low)</td>
<td>BBB (high) or R-1 (low)</td>
</tr>
<tr>
<td>A (high)</td>
<td>BBB or R-2 (high)</td>
</tr>
<tr>
<td>A (low)</td>
<td>BBB (low) or R-2 (middle)</td>
</tr>
<tr>
<td>BBB (high)</td>
<td>BBB (low) or R-2 (low)</td>
</tr>
<tr>
<td>BBB</td>
<td>BBB (low) or R-2 (low)</td>
</tr>
<tr>
<td>BBB (low)</td>
<td>BBB (low) or R-2 (low)</td>
</tr>
<tr>
<td>BB (high)</td>
<td>BB (high) or R-3</td>
</tr>
<tr>
<td>BB</td>
<td>BB or R-4</td>
</tr>
<tr>
<td>BB (low)</td>
<td>BB (low) or R-4</td>
</tr>
<tr>
<td>B (high)</td>
<td>B (high) or R-4</td>
</tr>
<tr>
<td>B</td>
<td>B or R-4</td>
</tr>
<tr>
<td>B (low)</td>
<td>B (low) or R-5</td>
</tr>
</tbody>
</table>

(ii) for investments maturing in a period longer than 30 days:

<table>
<thead>
<tr>
<th>Maximum Maturity</th>
<th>Most senior Notes rated AA (low) and above</th>
<th>Most senior Notes rated between A (high) and A (low)</th>
<th>Most senior Notes rated BBB (high) and below</th>
</tr>
</thead>
<tbody>
<tr>
<td>90 days</td>
<td>AA (low) or R-1 (middle)</td>
<td>A (low) or R-1 (low)</td>
<td>BBB (low) or R-2 (middle)</td>
</tr>
<tr>
<td>180 days</td>
<td>AA or R-1 (high)</td>
<td>A or R-1 (low)</td>
<td>BBB or R-2 (high)</td>
</tr>
<tr>
<td>365 days</td>
<td>AAA or R-1 (high)</td>
<td>A (high) or R-1 (middle)</td>
<td>BBB or R-2 (high)</td>
</tr>
</tbody>
</table>

“DBRS Equivalent Rating” means the DBRS rating equivalent of any of the below ratings by Fitch, Moody’s or S&P:

<table>
<thead>
<tr>
<th>DBRS</th>
<th>Moody’s</th>
<th>S&amp;P</th>
<th>Fitch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long</td>
<td>Short Term</td>
<td>Long Term</td>
<td>Short Term</td>
</tr>
<tr>
<td>AAA</td>
<td>R-1 (high)</td>
<td>Aaa</td>
<td></td>
</tr>
<tr>
<td>AA(high)</td>
<td>R-1 (high)</td>
<td>Aa1</td>
<td>AA+</td>
</tr>
<tr>
<td>AA</td>
<td>R-1 (middle)</td>
<td>Aa2</td>
<td>AA</td>
</tr>
<tr>
<td>AA(low)</td>
<td>R-1 (middle)</td>
<td>Aa3</td>
<td>AA-</td>
</tr>
<tr>
<td>A(high)</td>
<td>R-1 (low)</td>
<td>P-1</td>
<td>A+</td>
</tr>
<tr>
<td>A</td>
<td>R-1 (low)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
“**DBRS Minimum Rating**” means: (a) if a Fitch public rating, a Moody’s public rating and an S&P public rating (each, a “**Public Rating**”) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Rating remaining after disregarding the highest and lowest of such Public Ratings from such rating agencies (provided that if such Public Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Ratings shall be so disregarded); and (b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Ratings by any two of Fitch, Moody’s and S&P are available at such date, the DBRS Equivalent Rating will be the lower of such Public Rating (provided that if such Public Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and (c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Public Ratings by any one of Fitch, Moody’s and S&P are available at such date, then the DBRS Equivalent Rating will be such Public Rating (provided that if such Public Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below). If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of “C” shall apply at such time.

“**Defaulted Claims**” means any Claim arising from a Loan: (a) which has been classified “in sofferenza” by the Servicer, in accordance with the Collection Policies and in compliance with the applicable rules of the Bank of Italy, or (b) in respect of which there are: (i) 15 or more Late Payments (in case of monthly Instalments), (ii) 8 or more Late Payments (in case of bi-monthly Instalments), (iii) 5 or more Late Payments (in case of quarterly Instalments); (iv) 3 or more Late Payments (in case of semiannual Instalments) and (v) 2 Late Payments (in case of annually Instalments).

“**Defaulting Party**” has the meaning ascribed to it in the Swap Agreement.

“**Delinquent Claims**” means any Claim in respect of which there are any Instalments which have remained unpaid for more than 30 (thirty) days from its scheduled payment date.

<table>
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</thead>
<tbody>
<tr>
<td>BBB(hig)</td>
<td>R-2 (high)</td>
<td>Baa1</td>
<td>BBB+</td>
<td>BBB+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB</td>
<td>R-2 (middle)</td>
<td>Baa2</td>
<td>BBB</td>
<td>A-3</td>
<td>BBB</td>
<td>F3</td>
</tr>
<tr>
<td>BBB(lo)</td>
<td>R-2 (low) R-</td>
<td>Baa3</td>
<td>BBB-</td>
<td>BBB-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BB(high)</td>
<td>R-4</td>
<td>Ba1</td>
<td>BB+</td>
<td>BB+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BB</td>
<td>Ba2</td>
<td>BB</td>
<td>BB</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BB(low)</td>
<td>Baa3</td>
<td>BB-</td>
<td>BB-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B(high)</td>
<td>B1</td>
<td>B+</td>
<td>B+</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>B2</td>
<td>B</td>
<td>B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B(low)</td>
<td>B3</td>
<td>B-</td>
<td>B-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCC</td>
<td>Caa1</td>
<td>CCC+</td>
<td>CCC+</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCC</td>
<td>Caa2</td>
<td>CCC</td>
<td>CCC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCC</td>
<td>Caa3</td>
<td>CCC-</td>
<td>CCC-</td>
<td></td>
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<td></td>
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<tr>
<td>CC</td>
<td>Ca</td>
<td>CC</td>
<td>CC</td>
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<tr>
<td>C</td>
<td>C</td>
<td>D</td>
<td>D</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

“DBRS Minimum Rating” means: (a) if a Fitch public rating, a Moody’s public rating and an S&P public rating (each, a “Public Rating”) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Rating remaining after disregarding the highest and lowest of such Public Ratings from such rating agencies (provided that if such Public Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Ratings shall be so disregarded); and (b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Ratings by any two of Fitch, Moody’s and S&P are available at such date, the DBRS Equivalent Rating will be the lower of such Public Rating (provided that if such Public Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below). If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of “C” shall apply at such time.

“Defaulted Claims” means any Claim arising from a Loan: (a) which has been classified “in sofferenza” by the Servicer, in accordance with the Collection Policies and in compliance with the applicable rules of the Bank of Italy, or (b) in respect of which there are: (i) 15 or more Late Payments (in case of monthly Instalments), (ii) 8 or more Late Payments (in case of bi-monthly Instalments), (iii) 5 or more Late Payments (in case of quarterly Instalments); (iv) 3 or more Late Payments (in case of semiannual Instalments) and (v) 2 Late Payments (in case of annually Instalments).

“Defaulting Party” has the meaning ascribed to it in the Swap Agreement.

“Delinquent Claims” means any Claim in respect of which there are any Instalments which have remained unpaid for more than 30 (thirty) days from its scheduled payment date.
“Delinquent 60 Claims” means any Claim in respect of which there are any Instalments which have remained unpaid for more than 60 (sixty) days from its scheduled payment date.

“Delinquent 90 Claims” means any Claim in respect of which there are any Instalments which have remained unpaid for more than 90 (ninety) days from its scheduled payment date.

“Dodd-Frank Act” means the Dodd-Frank Wall Street Reform and Consumer Protection Act.

“Early Termination Date” has the meaning ascribed to it in the Swap Agreement.

“ECB” means the European Central Bank.

“Effective Date” means the 23:59 of 27 February 2019.

“Eligible Institution” means any depository institution organised under the laws of any State which is a member of the European Union or of the United States and having at least the following ratings:

(i) whose debt obligations are rated at least as follows:

(a) with respect to Moody’s: at least “P-2” in respect of the short-term deposit rating and at least “Baa2” in respect of the long-term deposit rating; and

(b) with respect to DBRS: at least equal to the DBRS Eligible Institution Rating, considering (A) in case a public or private rating has been assigned by DBRS, the higher of (A1) the rating one notch below the COR (if assigned) and (A2) the long-term senior unsecured debt rating, or (B) in case a public or private rating has not been assigned by DBRS, the DBRS Minimum Rating; or any other rating being in the future compliant with DBRS criteria issued from time to time; or

(ii) whose obligations under the Transaction Documents to which it is a party are guaranteed by an Eligible Institution Guarantee.

“Eligible Investments” means:

Euro-denominated senior (unsubordinated) debt securities in dematerialised form, bank account or euro-denominated senior debt deposit (excluding, for the avoidance of doubt, time deposits) or other debt instruments (but excluding for avoidance of any doubt, the money market funds), provided that, in all cases (1) such investments are immediately repayable on demand, disposable without penalty or any other cost or have a maturity date falling on or before the third Business Day prior to the Payment Date immediately succeeding the Collection Period in respect of which such Eligible Investments were made; (2) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested; (3) in the case of bank account or deposit, such bank account or deposit are held in the name of the Issuer with an Eligible Institution in Italy, England or Wales (and in case such account will be held in England or Wales, subject to the Issuer having created thereon a valid, binding and enforceable security and obtained a legal opinion (to be disclosed to the Rating Agencies) in this respect in accordance with applicable law and jurisdiction) (and in any case are not held through a sub-custodian); and (4) the debt securities or other debt instruments are issued by, or fully, irrevocably and unconditionally guaranteed by a first demand guarantee on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:
(A) with respect to Moody’s, a long term rating of at least “Baa1”; and

(B) with respect to DBRS, at least equal to the DBRS Eligible Investment Rating, considering (A) in case a public or private rating has been assigned by DBRS, the long-term or short term senior unsecured debt rating, or (B) in case in case a public or private rating has not been assigned by DBRS, the DBRS Minimum Rating;

provided that, in no case shall such investment be made, in whole or in part, actually or potentially, in (i) tranches of other asset-backed securities; or (ii) credit-linked notes, swaps or other derivatives instruments, or synthetic securities; or (iii) any other instrument not allowed by the European Central Bank monetary policy regulations applicable from time to time for the purpose of qualifying the Senior Notes as eligible collateral, further provided that in case of downgrade below the rating allowed with respect to DBRS or Moody’s, as the case may be, the Issuer shall (a) in case of Eligible Investments being securities, sell the securities, if it could be achieved without a loss, otherwise the relevant security shall be allowed to mature, and (b) in case of Eligible Investments being deposits, transfer within 30 days the deposits to another account opened with an Eligible Institution in Italy, England or Wales (and in case such account will be held in England or Wales, subject to the Issuer having created thereon a valid, binding and enforceable security and obtained a legal opinion (to be disclosed to the Rating Agencies) in this respect in accordance with applicable law and jurisdiction).


“EMIR Reporting Agent” means J.P. Morgan AG or any other person for the time being acting as EMIR Reporting Agent pursuant to the EMIR Reporting Agreement.

“EMIR Reporting Agreement” means the agreement dated on or about the Issue Date between the Issuer and J.P. Morgan AG relating to the reporting pursuant to EMIR of the Swap Transactions.

“ESMA Website” means the website of the European Securities and Markets Authority (currently located at the following website address http://www.esma.europa.eu/page/List-registered-and-certified-CRAs, for the avoidance of doubt, such website does not constitute part of this Prospectus).

“Euribor” means the Euro-Zone Inter-bank offered rate.

“Euro” and “€” means the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957 as amended by, inter alia, the Single European Act 1986, the Treaty of European Union of 7 February 1992 establishing the European Union and the Treaty of Amsterdam of 2 October 1997.

“Euroclear” means Euroclear Bank SA/NV, located at 1, Boulevard du Roi Albert II B - 1210 Brussels (Belgium), as operator of the Euroclear system.

"Euronext Dublin" means the Irish Stock Exchange plc trading as Euronext Dublin.

“Euro-zone” means the region comprised of member states of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as subsequently amended.
“Expenses Account” means a Euro denominated account opened in the name of the Issuer with Banca del Fucino with IBAN IT73 C031 2403 2100 0000 0240 450, or such other account as shall replace such Account pursuant to, and to be operated in accordance with, the provisions of the Cash Administration and Agency Agreement.

“Final Maturity Date” means, in respect of the Notes, the Payment Date falling in December 2060.

“Final Redemption Date” means the earlier to occur between: (i) the date when any amount payable on the Claims of the Portfolio will have been paid and the Servicer has confirmed that no further recoveries and amounts shall be realized thereunder, and (ii) the date when all the Claims of the Portfolio then outstanding have been entirely written off or sold by the Issuer.

“First Collection Period” means the period starting on the Effective Date (included) and ending on the First Collection Date (included).

“First Payment Date” means 30 September 2019.

“Fitch” means any entity of Fitch Italia Società Italiana per il Rating S.p.A. which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website its affiliates and successors.

“Guarantor” means any party, including the Borrower and/or the Mortgagor, who has granted a Mortgage or Ancillary Guarantee in favour of the Originator to guarantee the Claims and/or any successor or assign.

“Individual Purchase Price” means the purchase price of each Claim, equal to the principal amount outstanding of each Claim (with the exclusion of the claim deriving from Insurance Policies) as at the Effective Date (excluded).

“Initial Clean Up Option Date” means the first Payment Date immediately succeeding the earlier of (i) 31 March 2029, and (ii) the Collection Date on which the principal outstanding amount of the Portfolio is equal to or less than 10% (ten per cent.) of the Initial Principal Portfolio.

“Initial Interest Period” means the period which begins on (and includes) the Issue Date and ends on (but excludes) the First Payment Date.

“Initial Principal Portfolio” means the principal outstanding amount of the Portfolio as of the Effective Date, being Euro 149,608,040.11.

“Initial Subscriber” means Banca del Fucino.

“Insolvency Proceedings” means bankruptcy or similar insolvency proceeding applicable as provided for by Italian law (and in particular by Royal Decree 16 March 1942, No. 267, as amended from time to time, by Consolidated Banking Act and by Directive (UE) 2014/59 and by the relevant implementing legislation) including, without limitation, the following procedures: “fallimento”, “concordato preventivo”, “liquidazione coatta amministrativa”, “amministrazione straordinaria”, “accordi di ristrutturazione dei debiti”, “piani di risanamento”, “liquidazione giudiziale” and any applicable proceeding provided under Legislative Decree No. 14 of 12 January 2019 (Nuovo codice della crisi d’impresa e dell’insolvenza) as amended from time to time.
“Instalment” means, with respect to each Claim, each monetary amount due from time to time by the relevant Borrower under the Claims.

“Insurance Company” means any of the insurance companies granting an Insurance Policy.

“Insurance Policies” means any policy of insurance taken out in connection with or as a condition to the granting of a Loan which covers the risk of fire, explosion or burst occurring in relation to the relevant Real Estate Asset.

“Interest Amount” has the meaning ascribed to it in Condition 5.3(a)(ii).

“Interest Determination Date” means, with respect to the Initial Interest Period, the date falling on the second Business Day immediately preceding the Issue Date and with respect to each subsequent Interest Period, the date falling on the second Business Day immediately preceding the Payment Date at the beginning of such Interest Period.

“Interest Instalment” means, in respect of each Claim, the interest component of each Instalment (excluding interests for late payments (interessi di mora)).

“Interest Period” means each period from (and including) a Payment Date to (but excluding) the following Payment Date, provided that the Initial Interest Period shall start on the Issue Date (included) an end on the First Payment Date (excluded).

“Interest Rate” has the meaning ascribed to it in Condition 5.2 (Interest Rate).

“Investment Account” means the Euro denominated account opened in the name of the Issuer with the Transaction Bank, IBAN IT 82 S 03479 01600 000802296302, or such other account as shall replace such Account pursuant to, and to be operated in accordance with, the provisions of the Cash Administration and Agency Agreement.

“Investors Report” means the report to be prepared and delivered in accordance with the Cash Administration and Agency Agreement.

“Investors Report Date” means the date on which the Investor Report shall be sent in accordance with the Cash Administration and Agency Agreement.

“Issue Date” means the date of issuance of the Notes.

“Issue Price” means 100% of the principal amount of the Notes.

“Issuer Available Funds” means on each Calculation Date and in respect of the immediately following Payment Date, the aggregate of (without duplication):

a) all the sums received or recovered by the Issuer from or in respect of the Claims during the Collection Period immediately preceding such Payment Date;

b) all amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer in respect of the Portfolio pursuant to the Transfer Agreement, the
Warranty and Indemnity Agreement and any other Transaction Documents during the Collection Period immediately preceding such Payment Date;

c) any profit generated by, or interest accrued and paid on, the Eligible Investments (net of any withholding or deduction on account of tax) made out of the Investment Account in respect of the Collection Period immediately preceding such Payment Date;

d) all the amounts standing to the credit of the Cash Reserve Account on the immediately preceding Payment Date, after application of the Pre-Acceleration Order of Priority on such Payment Date (or, in respect of the First Payment Date, the Cash Reserve Initial Amount);

e) interest (if any) accrued on and credited (net of any withholding or deduction on account of tax) to the Accounts (except for the Expenses Account, the Collateral Account and the Quota Capital Account) in the Collection Period immediately preceding such Payment Date;

f) all amounts received from the sale of the Portfolio or individual Claims, should such sale occur, during the Collection Period immediately preceding such Payment Date;

g) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed in full or cancelled, the residual amount standing to the credit of the Accounts (except for the Quota Capital Account and the Collateral Account);

h) any other amount, not included in the foregoing items, received by the Issuer and standing to the credit of the Accounts (except for the Quota Capital Account) on the Collection Date immediately preceding such Payment Date;

i) without duplication of the above, all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement (if and to the extent paid) other than (1) any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments) and (2) any Swap Tax Credit Amounts (which amounts shall be paid directly to the Swap Counterparty when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority);

j) without duplication of the above, any Swap Collateral Account Surplus paid into the Payments Account in accordance with the Collateral Account Priority of Payments;

k) on each Payment Date, an amount equal to the Swap Fixed Amounts due on such date under the Swap Agreement which will be transferred from the Swap Reserve Account to the Payment Account; and

l) on the date on which the Swap Agreement terminates, the balance of the Swap Reserve Account will be transferred from the Swap Reserve Account to the Payment Account.

“Issuer’s Rights” means the Issuer’s rights under the Transaction Documents.

“Junior Notes” means the Class J Notes.

“Junior Noteholders” means the Class J Noteholders.
“**Late Payment**” means any Instalment that remains unpaid for more than 5 (five) Business Days from its scheduled payment date.

“**Law 239 Deduction**” means any withholding or deduction for or on account of “imposta sostitutiva” under Italian Legislative Decree number 239 of 1 April 1996 as subsequently amended.

“**Legal Effective Date**” (Data di Efficacia Giuridica) means 11 April 2019.

“**Loan**” means each loan granted to a Borrower and classified as performing and meeting the Criteria, the receivables in respect of which have been sold by the Originator to the Issuer pursuant to the Transfer Agreement, and “Loans” means all of them.

“**Loan Agreement**” means each agreement by which a Loan has been granted.

“**Mandatory Redemption**” means the mandatory redemption of the Notes pursuant to Condition 6.3 (Mandatory Redemption) of the Notes.

“**Mezzanine Notes**” means the Class B Notes.

“**Monte Titoli**” means Monte Titoli S.p.A., whose registered office is located at Piazza degli Affari, 6, 20123 Milano (Italy).

“**Monte Titoli Account Holder**” means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli.

“**Moody’s**” means (i) for the purpose of identifying the entity which has assigned the credit rating to the Rated Notes, Moody's Investors Service Ltd, and (ii) in any other case, any entity of Moody's Investors Service Ltd which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

“**Mortgage**” means the mortgage securities created on the Real Estate Assets pursuant to Italian law in order to secure the Loans.

“**Mortgagor**” means the Borrower or any third party who is the owner of a Real Estate Asset on which a Mortgage has been created as security for the payment of the Claims.

“**Most Senior Class of Notes**” means the Class A Notes or, upon redemption in full or cancellation of the Class A Notes, the Class B Notes or, upon redemption in full or cancellation of the Class B Notes, the Class J Notes.

“**New Technical Standards**” means the delegated regulations to be approved by the European Commission pursuant to the Securitisation Regulation.

“**Noteholders**” means the Class A Noteholders, the Class B Noteholders and the Class J Noteholders.

“**Notes**” means the Class A Notes, the Class B Notes and the Class J Notes.
“Notes Subscription Agreement” means the subscription agreement in respect of the Notes to be entered into on or prior to the Issue Date between the Issuer, the Representative of the Noteholders and the Originator.

“Official List” means the official list of Euronext Dublin.

“Originator” means Banca del Fucino.

“Optional Redemption” has the meaning ascribed to it in Condition 6.4 (Optional Redemption).

“Order of Priority” means the Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable, according to which the Issuer Available Funds, as the case may be, shall be applied on each Payment Date in accordance with the Conditions and the Intercreditor Agreement (together the “Orders of Priority”).

“Other Issuer Creditors” means the Swap Counterparty, the Originator, the Servicer, the Back-Up Servicer, the Representative of the Noteholders, the Security Trustee, the Collection Account Bank, the Transaction Bank, the Principal Paying Agent, the EMIR Reporting Agent, the Corporate Services Provider, the Cash Manager, the Subordinated Loan Provider, the Quotaholder, the Administrative Services Provider and the Computation Agent and any party becoming a party to the Intercreditor Agreement.

“Outstanding Balance” means with respect to a Claim the aggregate of the (i) Outstanding Principal and (ii) all due and unpaid Principal Instalments.

“Outstanding Principal” means in respect to any Claim, on any date, the aggregate of all Principal Instalments owing by the relevant Borrower and scheduled to be paid on and/or after such date.

“Payment Date” means from and including the First Payment Date, the last calendar day of March, June, September and December in each year or, if such date is not a Business Day, on the following Business Day.

“Payments Account” means the Euro denominated account opened in the name of the Issuer with the Transaction Bank, IBAN IT 31 Q 03479 01600 000802296300, or such other account as shall replace such Account pursuant to, and to be operated in accordance with, the provisions of the Cash Administration and Agency Agreement.

“Payments Report” means the report to be prepared by the Computation Agent pursuant to the Cash Administration and Agency Agreement.

“Portfolio” means the portfolio of Claims and connected rights arising under the Loans.

“Pre-Acceleration Order of Priority” means the order in which the Issuer Available Funds shall be applied on each Payment Date prior to the delivery of a Trigger Notice in accordance with the Conditions and the Intercreditor Agreement.

“Principal Amount Outstanding” means, in respect of a Note, on any date, the principal amount of that Note upon issue less the aggregate amount of all principal payments in respect of that Note that have been paid prior to such date.
“Principal Collections” means any amount of principal (including prepayments) from time to time collected by the Issuer in respect of the Claims (other than Recoveries).

“Principal Instalment” means, in respect of each Claim, the principal component of each Instalment.

“Principal Paying Agent” means BNP Paribas Securities Services, Milan Branch, or any other entity from time to time acting as paying agent.

“Prospectus” means this prospectus prepared by the Issuer in relation to the Notes.


“Purchase Price” means the price to be paid by the Issuer for the purchase of the Portfolio under the terms of the Transfer Agreement equal to Euro 149,901,069.33 to be paid to Banca del Fucino for the purchase of the Portfolio.

“Quarterly Servicing Report” means the report, containing information as to the collections and recoveries to be made in respect of the Portfolio during each Collection Period, which the Servicer has undertaken to prepare and submit on the Quarterly Servicing Report Date.

“Quarterly Servicing Report Date” means the 12th Business Day following the end of each Collection Period, it being understood that the first Quarterly Servicing Report Date will be on 17 September 2019.

“Quota Capital Account” means a Euro denominated account opened in the name of the Issuer with Banca del Fucino with IBAN IT69 F031 2403 2100 0000 0240 447, or such other account as shall replace such Account pursuant to, and to be operated in accordance with, the provisions of the Cash Administration and Agency Agreement.

“Quotaholder” means 130 Trust Company S.r.l.

“Rating Agencies” means DBRS and Moody’s, and each a “Rating Agency”.

“Real Estate Assets” means any real estate property which has been mortgaged in favour of the Originator to secure the Claims.

“Recoveries” means any recoveries made by the Servicer in respect of the Defaulted Claims pursuant to the Servicing Agreement.

“Redemption for Taxation” has the meaning ascribed to it in Condition 6.2 (Redemption for Taxation).

“Relevant Margin” has the meaning ascribed to it in Condition 5.2 (Interest Rate).

“Replacement Swap Premium” means the amount payable by the Issuer to a replacement swap counterparty or by a replacement swap counterparty to the Issuer (as the case may be) in order to enter into a replacement swap agreement on substantially the same terms as the Swap Agreement to replace or novate the Swap Agreement.
“Reporting Entity” means the Originator in its capacity as the reporting entity pursuant to article 7 of the Securitisation Regulation.

“Retention Amount” means an amount equal to Euro 20,000.

“Schedule” means the Schedule supplementing and forming part of the Swap Agreement.

“Screen Rate” has the meaning as ascribed in the Condition 5.2 (Interest Rate).

“Securities Account” means the securities custody account which the Issuer may open with the Transaction Bank in order to deposit to the credit thereto investments which qualify as Eligible Investments.

“Securitisation Regulation” means Regulation (EU) 2017/2402 of 12 December 2017 together with any relevant Regulatory Technical Standards and/or any relevant implementing measures or official guidance in relation thereto, in each case, as amended varied of substituted from time to time.


“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.

“Segregated Assets” means the Portfolio, any monetary claim of the Issuer under the Transaction Documents, all cash-flows deriving from both of them and any Eligible Investments purchased therewith.

“Senior Swap Counterparty Termination Payment” means any termination payment, other than that part of a Subordinated Swap Counterparty Termination Payment that is greater than the Swap Fixed Termination Amount, required to be made by the Issuer to the Swap Counterparty pursuant to the Swap Agreement.

“Senior Notes” means, collectively, the Class A Notes.

“S&P” means (i) Standard & Poor’s Credit Market Services Italy S.r.l. and (ii) in any other case, any entity of Standard & Poor’s Credit Market Services Italy S.r.l. which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website its affiliates and successors.

“Servicer” means, Banca del Fucino, or any other entity from time to time acting as servicer.

“Servicing Fees” means the fees to be paid to the Servicer pursuant to clauses 14.1 and 14.2 of the Servicing Agreement.

“Subordinated Loan Junior Interest” means in respect of each Payment Date the Subordinated Loan Interest calculated on the lower of (i) Euro 1,380,000.00 and (ii) the principal amount outstanding of the Subordinated Loan on the immediately preceding Payment Date.

“Subordinated Loan Interest” means the aggregate of:

(i) Three Months Euribor applicable to the relevant Interest Period as determined by the Computation Agent; and
(ii) a margin of 0.50% per annum;

multiplied by the actual number of days in such Interest Period and divided by 360 and rounding the resulting figure to the nearest cent (half a Euro cent being rounded up) provided that the rate of interest applicable to the Subordinated Loan (i.e., the Three Months Euribor under (i) above plus the margin under (ii) above) shall not be negative nor higher than 1% in any case.

“Subordinated Loan Provider” means Igea Banca S.p.A.

“Subordinated Loan Senior Interest” means in respect of each Payment Date the Subordinated Loan Interest calculated on the positive difference between (i) Euro 4,700,000.00 and (ii) the principal amount of the Subordinated Loan repaid under item Twelfth of the Pre-Acceleration Order of Priority and item Ninth of the Acceleration Order of Priority (as applicable) up to the immediately preceding Payment Date.

“Subordinated Swap Counterparty Termination Payment” means any termination payment required to be made by the Issuer to the Swap Counterparty pursuant to the Swap Agreement upon a termination of the Swap Transactions in respect of which the Swap Counterparty is the sole Affected Party (as defined in the Swap Agreement) following the occurrence of a Swap Counterparty Rating Event or is the Defaulting Party (as defined in the Swap Agreement) to the extent not already paid pursuant to item Fourth of the Orders of Priority.

“Successor” means, in relation to any person, an assignee or successor in title of such person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of such person under the relevant Transaction Document or to which under such laws the same have been transferred.

“Suspended Interest” means the interest component as of the Effective Date (i) accrued during the suspension period (A) ended prior to the Valuation Date (excluded) or (B) granted after Valuation Date (excluded); and (ii) whose payment has been rescheduled in equal quotas throughout the residual amortisation plan, as a consequence of a moratorium agreement which provides for the suspension (in whole or in part) of payment of the installments.

“Swap Agreement” means, collectively, the ISDA Master Agreement, the Schedule, the Credit Support Annex and each Swap Confirmation which may be entered into between the Issuer and the Swap Counterparty.

“Swap Confirmation” means each swap confirmation evidencing a Swap Transaction.

“Swap Collateral Account Surplus” has the meaning ascribed to such terms in clause 9 (Management and application of collateral with respect to the Swap Counterparty) of the Intercreditor Agreement.

“Swap Counterparty” means J.P. Morgan AG, in its capacity as swap counterparty, or its permitted successors or assigns from time to time or any other person for the time being acting as Swap Counterparty pursuant to the Swap Agreement.

“Swap Counterparty Rating Event” means any downgrade of the rating of the unsecured and unsubordinated debt obligations of the Swap Counterparty, below the thresholds specified in accordance with the provisions of the Swap Agreement.
“Swap Fixed Amount” means, on a Calculation Date the aggregate amount due by the Issuer on the immediately following Payment Date (disregarding the netting mechanism under the Swap Agreement) as Fixed Amounts A, Fixed Amounts B and Party B Fixed Termination Amount (each such term as defined in the relevant Swap Agreement) under each of the Swap Transactions, as communicated to the Calculation Agent and the Issuer by the Swap Counterparty on or prior to such Calculation Date.

“Swap Fixed Termination Amount” means any amount due by the Issuer in connection with the termination of the Swap Agreement pursuant to Part G (Additional Payment Provisions) of each of the Swap Transactions, disregarding the close-out netting mechanism under the Swap Agreement.

“Swap Outstanding Principal Amount” has, in respect of each Swap Transaction, the meaning ascribed to such term in the Swap Confirmation evidencing such Swap Transaction.

“Swap Reserve Account” means the Euro denominated account opened in the name of the Issuer with the Transaction Bank, IBAN IT 36 U 03479 01600 000802296304, or such other account as shall replace such Account pursuant to, and to be operated in accordance with, the provisions of the Cash Administration and Agency Agreement.

“Swap Reserve Amount” means Euro 1,380,000.00.

“Swap Tax Credit Amount” means any amount received by the Issuer and attributable to a Tax Credit (as defined in the Swap Agreement) which is payable by the Issuer to the Swap Counterparty pursuant to the Swap Agreement.

“Swap Transaction” means each swap transaction entered into pursuant to the Swap Agreement.

“Three Month Euribor” means Euribor for three month deposits calculated as provided for in Condition 5.2 (Interest Rate) of the Notes.

“Transaction” means the securitisation transaction of the Portfolio carried out by the Issuer.

“Transaction Documents” means collectively the Transfer Agreement, the Warranty and Indemnity Agreement, the EMIR Reporting Agreement, the Servicing Agreement, the Back-Up Servicing Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Administrative Services Agreement, the Subordinated Loan Agreement, the Notes Subscription Agreement, the Cash Administration and Agency Agreement, the Quotaholder Agreement, the Deed of Charge, the Swap Agreement and the Conditions.

“Transfer Date” means 25 March 2019.


“Trigger Events” has the meaning ascribed to it in Condition 9 (Trigger Events).

“Trigger Notice” has the meaning ascribed to it in Condition 9 (Trigger Events).

“Valuation Date” means 31 December 2018 (included).

1. FORM, DENOMINATION, STATUS
1.1. The Notes will be held in dematerialised form on behalf of the Noteholders as of the Issue Date, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear.

1.2. Title to the Notes will be evidenced by book entries in accordance with the provisions of article 83-bis of Italian Legislative Decree number 58 of 24 February 1998 and regulation of 13 August 2018 jointly issued by the Bank of Italy and CONSOB, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes.

1.3. The denomination of the Rated Notes will be € 100,000 and multiples of € 1,000; the denomination of the Junior Notes will be € 50,000 and multiples of € 1,000.


1.5. The rights and powers of the Noteholders may only be exercised in accordance with the Rules of the Organisation of the Noteholders attached to these Conditions as Exhibit 1, which shall constitute an integral and essential part of these Conditions.

1.6. Each Note is issued subject to and has the benefit of the Deed of Charge (to the extent the Deed of Charge creates a valid Security Interest).

2. STATUS, PRIORITY, RANKING AND SEGREGATION

2.1. The Notes constitute secured limited recourse obligations of the Issuer and, accordingly, the extent of the obligation of the Issuer to make payments under the Notes is conditional upon the receipt and recovery by the Issuer of amounts due, and is limited to the extent of any amounts received or recovered by the Issuer, in each case, in respect of the Portfolio and the other Issuer’s Rights. Notwithstanding any other provision of these Conditions, the obligation of the Issuer to make any payment under the Notes shall be equal to the lesser of (a) the nominal amount of such payment and (b) the Issuer Available Funds which may be applied for the relevant purpose in accordance with the applicable Order of Priority, provided that if the applicable Issuer Available Funds are insufficient to pay any amount due and payable to the Noteholders on any Payment Date in accordance with the applicable Order of Priority, the shortfall then occurring will not be due and payable until a subsequent Payment Date on which the applicable Issuer Available Funds may be used for such purpose in accordance with the relevant Order of Priority and provided however that any claim towards the Issuer shall be deemed waived and cancelled on the Final Maturity Date. Without prejudice to the foregoing, any payment obligations of the Issuer under the Notes which has remained unpaid to the extent referred to above upon the earlier of (i) following the completion of any proceedings for the recovery of all Claims, the date on which such recoveries (if any) are paid in accordance with the applicable Order of Priority, (ii) following the sale (if any) of the then outstanding Portfolio, the date on which the proceeds of such sale are paid in accordance with the applicable Order of Priority, and (iii) the Final Maturity Date (following application of the Issuer Available Funds on such date in accordance with the applicable Order of Priority), shall be deemed extinguished and the relevant claims irrevocably relinquished, waived and surrendered by the Noteholders to the applicable Issuer and the Noteholders will have no further recourse to the Issuer in respect of such obligations. The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a “contratto aleatorio” under Italian law and are deemed to accept the consequences thereof, including but not limited to the provisions under article 1469 of the Italian civil code.
2.2. In respect of the obligation of the Issuer to pay interest on the Notes before the delivery of a Trigger Notice (as defined in Condition 9 (Trigger Events)):

a) the Class A Notes will rank pari passu without preference or priority amongst themselves and in priority to the payment of interest on the Class B Notes, the repayment of principal on the Class A Notes, the repayment of principal on the Class B Notes, the payment of interest and the repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any);

b) the Class B Notes will rank pari passu without preference or priority amongst themselves and in priority to the payment of interest on the Class B Notes, the repayment of principal on the Class A Notes, the payment of interest and repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest on the Class A Notes, provided that, upon the occurrence of a Class B Notes Interest Subordination Event payment of interest on the Class B Notes will become subordinated to the repayment of principal on the Class A Notes, on the immediately following Payment Date and on any Payment Date thereafter until the Class A Notes are redeemed in full;

c) the Class J Notes will rank pari passu without preference or priority amongst themselves and in priority to the repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest on the Class A Notes, the payment of interest on the Class B Notes, the repayment of principal on the Class A Notes and the repayment of principal on the Class B Notes.

2.3. In respect of the obligation of the Issuer to repay principal on the Notes before the delivery of a Trigger Notice (as defined in Condition 9 (Trigger Events)):

a) the Class A Notes will rank pari passu without preference or priority amongst themselves and in priority to the repayment of principal on the Class B Notes, the payment of interest and repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest on the Class A Notes and the payment of interest on the Class B Notes provided that, upon the occurrence of a Class B Notes Interest Subordination Event payment of interest on the Class B Notes will become subordinated to the repayment of principal on the Class A Notes, on the immediately following Payment Date and on any Payment Date thereafter until the Class A Notes are redeemed in full;

b) the Class B Notes will rank pari passu without preference or priority amongst themselves and in priority to the payment of interest and repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest on the Class A Notes, the payment of interest on the Class B Notes and the repayment of principal on the Class A Notes;

c) the Class J Notes will rank pari passu without preference or priority amongst themselves and in priority to the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest on the Class A Notes, the payment of interest on the Class B Notes, the repayment of principal on the Class A Notes, the repayment of principal on the Class B Notes and the payment of interest on the Class J Notes.

2.4. In respect of the obligation of the Issuer to pay interest on the Notes following the delivery of a Trigger Notice (as defined in Condition 9 (Trigger Events)):
a) the Class A Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the repayment of principal on the Class A Notes, the payment of interest on the Class B Notes, the repayment of principal on the Class B Notes, the payment of interest and the repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any);

b) the Class B Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the repayment of principal on the Class B Notes, the payment of interest and the repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest and repayment of principal on the Class A Notes;

c) the Class J Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest and repayment of principal on the Class A Notes and the payment of interest and repayment of principal on the Class B Notes.

2.5. In respect of the obligation of the Issuer to repay principal on the Notes following the delivery of a Trigger Notice (as defined in Condition 9 (*Trigger Events*)):

a) the Class A Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the payment of interest and the repayment of principal on the Class B Notes, the payment of interest and the repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest on the Class A Notes;

b) the Class B Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the payment of interest and the repayment of principal on the Class J Notes and the payment of the Class J Notes Additional Return (if any) but subordinated to the payment of interest and repayment of principal on the Class A Notes and the payment of interest on the Class B Notes;

c) the Class J Notes will rank *pari passu* without preference or priority amongst themselves but subordinated to the payment of interest and repayment of principal on the Class A Notes, the payment of interest and repayment of principal on the Class B Notes and the payment of interest on the Class J Notes and the payment of the Class J Notes Additional Return (if any).

2.6. The Notes are secured by certain assets of the Issuer pursuant to the Deed of Charge (to the extent the Deed of Charge creates a valid Security Interest) and in addition, by operation of the Securitisation Law, the Issuer’s right, title and interest in and to the Portfolio and the other Segregated Assets are segregated from all other assets of the Issuer. Amounts deriving from the Portfolio will only be available, both prior to and following the winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors in accordance with the applicable Order of Priority set forth in Condition 4 (*Orders of Priority*) and to any third party creditors in respect of costs, fees and expenses incurred by the Issuer to such third party creditors in relation to the Transaction.

2.7. Without prejudice to the provision of Condition 3.7 (*No variation or waiver*), the Intercreditor Agreement contains provisions regarding the fact that the Representative of the Noteholders shall, as regards the exercise and performance of all its powers, authorities, duties and discretion have regard to the interests of all Class of Noteholders and the Other Issuer Creditors provided that if, in the opinion of the Representative of the Noteholders (i) there is a conflict between their interests, the Representative of the Noteholders will have regard solely to the interests of the Noteholders; or (ii) there is a conflict between the interests of the holders of different Classes, the Representative of the
Noteholders will consider only the interests of the holders of the Most Senior Class of Notes then outstanding; or (iii) there is a conflict between the interests of the Other Issuer Creditors, then the Representative of the Noteholders shall have regard to the interests of whichever of the Other Issuer Creditors ranks higher in the Order of Priority for the payment of the amounts therein specified.

3. COVENANTS

So long as any amount in respect of the Notes remains outstanding, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders (without prejudice to the provision of Condition 3.10 below (Further securitisation) or as provided for in, or envisaged by, any of the Transaction Documents:

3.1. Negative pledge

create or permit to subsist any Security Interest whatsoever over the Portfolio or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Portfolio or any of its assets related to the Transaction; or

3.2. Restrictions on activities

(a) save as provided in Condition 3.10 below (Further securitisations), engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

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

(c) at any time approve or agree or consent to or do, or permit to be done, any act or thing whatsoever which may be materially prejudicial to the interests of the holder of the Senior Notes, or, if no Senior Notes are outstanding, to the interest of the holder of the Mezzanine Notes, or, if no Mezzanine Notes are outstanding, to the interest of the holder of the Junior Notes; or

(d) become the owner of any real estate asset; or

(e) become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed and administered in Italy or cease to have its centre of main interest in Italy.

3.3. Dividends, Distributions and Capital Increases

pay any dividend or make any other distribution or return or repay any equity capital to its Quotaholder (or successor quotaholders), or issue any further quota or shares; or

3.4. De-registrations

ask for de-registration/suspension from the register of the special purpose vehicles held by the Bank of Italy pursuant to the Bank of Italy regulation dated 7 June 2017, for as long as the Securitisation Law, or any other applicable law or regulation requires the company incorporated pursuant to the Securitisation Law to be registered therewith; or
3.5. Borrowings

incur any indebtedness in respect of any borrowed money whatsoever or give any guarantee in respect of indebtedness or of any obligation of any person other than for the purposes of the Transaction; or

3.6. Merger

consolidate or merge with any person or convey or transfer any of its properties or assets to any person; or

3.7. No variation or waiver

(i) permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, if such amendment, termination or discharge may negatively affect the interest of the holder of the Senior Notes or, if no Senior Notes are outstanding, to the interest of the holder of the Mezzanine Notes, or, if no Mezzanine Notes are outstanding, to the interest of the holder of the Junior Notes; or (ii) exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is a party, in a way which may negatively affect the interest of the holders of the holder of the Senior Notes or, if no Senior Notes are outstanding, to the interest of the holder of the Mezzanine Notes, or, if no Mezzanine Notes are outstanding, to the interest of the holder of the Junior Notes; or (iii) permit any party to any of the Transaction Documents to which it is a party to be released from its obligations thereunder, if such release may negatively affect the interest of the holder Rated Notes; provided further that, any amendment, termination discharge or waiver to any Transaction Document that may affect the amount, timing or priority of any payments due from either party under the Swap Agreement, shall be notified to and will be subject to the prior written approval of the Swap Counterparty; or

3.8. Bank Accounts

have an interest in any bank account other than the Accounts; or

3.9. Statutory Documents

amend, supplement or otherwise modify its by-laws (statuto) or deed of incorporation (atto costitutivo), except where such amendment, supplement or modification is required by compulsory provisions of Italian law or by the competent regulatory authorities; or

3.10. Further securitisation

None of the covenants in Condition 3 (Covenants) above shall prohibit the Issuer from:

(i) acquiring, or financing pursuant to article 7 of the Securitisation Law, by way of separate transactions unrelated to this Transaction, further portfolios of monetary claims in addition to the Claims either from the Originator or from any other entity (the “Further Portfolios”);

(ii) securitising such Further Portfolios (each, a “Further Securitisation”) through the issue of further debt securities additional to the Notes (the “Further Notes”);

(iii) entering into agreements and transactions, with the 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) the Issuer has notified in writing the Rating Agencies of its intention to carry out a Further Securitisation and provided that any such Further Securitisation would not adversely affect the then current rating of any of the Rated Notes;

(e) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of such Further Notes will include: (i) covenants by the Issuer in all significant respects equivalent to those covenants provided in paragraphs (a) to (d) above; and (ii) provisions which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to this provision;

(f) such further securitisation shall not affect the qualification of the Senior Notes as eligible collateral (if applicable), within the meaning of the Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60), as subsequently amended and supplemented, and Guideline ECB/2014/31 of the European Central Bank of 9 July 2014 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9, as subsequently amended and supplemented; and

(g) the Representative of the Noteholders is satisfied that conditions (a) to (f) of this provision have been satisfied.

In giving any consent to the foregoing, the Representative of the Noteholders may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (as may itself consent thereto on behalf of the Noteholders) or may impose such other conditions or requirements as the Representative of the Noteholders may deem expedient (in its absolute discretion) in the interests of the Noteholders and may rely on any written confirmation from the Issuer as to the matters contained therein.
None of the covenants in this Condition 3 (Covenants) shall prohibit the Issuer from carrying out any activity which is incidental to maintaining its corporate existence and complying with laws and regulations applicable to it.

4. ORDERS OF PRIORITY

4.1 Pre-Acceleration Order of Priority

Prior to (i) the service of a Trigger Notice, (ii) a Redemption for Taxation pursuant to Condition 6.2 (Redemption for Taxation) or (iii) an Optional Redemption pursuant to Condition 6.4 (Optional Redemption) or (iv) the Final Maturity Date, the Issuer Available Funds shall be applied on each Payment Date in making or providing for the following payments, in the following order of priority (the “Pre-Acceleration Order of Priority”) (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) First, to pay (pari passu and pro rata to the extent of the respective amounts thereof) (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfil due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by using the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain the ratings of the Rated Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

(ii) Second, to pay in the following order (i) the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;

(iii) Third, to pay (pari passu and pro rata to the extent of the respective amounts thereof) (i) the fees, expenses and all other amounts due and payable to the Cash Manager, the Computation Agent, the Collection Account Bank, the Transaction Bank, the Principal Paying Agent, the EMIR Reporting Agent, the Corporate Services Provider, the Administrative Services Provider and the Back-Up Servicer; (ii) the Servicing Fees due to the Servicer and any reimbursement due to the Servicer pursuant to the Servicing Agreement; and (iii) the fees and costs due to the Back-up Servicer as successor of the Servicer pursuant to clause 3.2(ii)(a) of the Back-Up Servicing Agreement;

(iv) Fourth, to pay all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement (which, with respect to periodic payments and payments of premia, shall include amounts due and payable in respect of the relevant Swap Transactions) other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority), (2) any amounts payable pursuant to the Collateral Account Priority of Payments, and (3) any Subordinated Swap Counterparty Termination Payment provided that any Senior Swap Counterparty Termination Payment due to the Swap Counterparty shall be payable pursuant to this item only to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay in full the Senior Swap Counterparty Termination Payment due to the Swap Counterparty;
(v) *Fifth*, to pay (pari passu and pro rata) interest due and payable on the Principal Amount Outstanding of the Class A Notes;

(vi) *Sixth*, to credit the Cash Reserve Account with the Cash Reserve Amount due on such Payment Date;

(vii) *Seventh*, to pay the Subordinated Loan Senior Interest that is due and payable;

(viii) *Eight*, prior to the occurrence of a Class B Notes Interest Subordination Event, to pay, pari passu and pro rata, interest due and payable on the Principal Amount Outstanding of the Class B Notes;

(ix) *Ninth*, towards payment (pari passu and pro rata) of the Principal Amount Outstanding of the Class A Notes;

(x) *Tenth*, following the occurrence of a Class B Notes Interest Subordination Event, to pay, pari passu and pro rata, interest due and payable on the Class B Notes;

(xi) *Eleventh*, to repay, pari passu and pro rata, the Principal Amount Outstanding of the Class B Notes;

(xii) *Twelfth*, to pay the Subordinated Loan Junior Interest and repay principal, in each case, that is due and payable under the Subordinated Loan;

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

(xiv) *Fourteenth*, to pay (pari passu and pro rata according to the respective amounts thereof), any other amount due and payable to the Originator, pursuant to the Transfer Agreement (including costs and expenses and the insurance premia advanced under the Insurance Policies) and the Warranty and Indemnity Agreement; to the Servicer pursuant to the Servicing Agreement, to the extent not already paid under other items of this Order of Priority; and to the Back-up Servicer as successor of the Servicer, as agreed between the Back-up Servicer and the Issuer pursuant to clause 3.2(ii)(b) of the Back-Up Servicing Agreement;

(xv) *Fifteenth*, to pay (pari passu and pro rata) interest due and payable on the Class J Notes (other than the Class J Notes Additional Return);

(xvi) *Sixteenth*, following redemption in full or cancellation of the Class B Notes, to pay (pari passu and pro rata) the Principal Amount Outstanding of the Class J Notes, until – on each Payment Date other than the Payment Date on which the Notes are redeemed in full or cancelled or the Final Maturity Date – such Principal Amount Outstanding is equal to Euro 1,000;

(xvii) *Seventeenth*, to pay (pari passu and pro rata) the Class J Notes Additional Return,

*provided, however, that* should the Computation Agent not receive the Quarterly Servicing Report within 2 (two) Business Days prior to the Calculation Date,
(i) it shall prepare the Payments Report by applying the Issuer Available Funds in an amount not higher than:

(a) the amounts standing to the credit of the Cash Reserve Account on the immediately preceding Payment Date (after application of the Pre-Acceleration Order of Priority on such Payment Date); plus

(b) the aggregate amount transferred from the Collection Account to the Investment Account in the immediately preceding Collection Period (as promptly indicated by the Transaction Bank upon request of the Computation Agent); plus

(c) all amounts due and payable to the Issuer on the immediately following Payment Date under the terms of the Swap Agreement, other than any Collateral Amount, any termination payment required to be made under the Swap Agreement and any collateral payable or transferable (as the case may be) under the Credit Support Annex, towards payment only of items from First to Sixth (but excluding the Servicing Fees to the Servicer under item Third) of the Pre-Acceleration Order of Priority; and

(ii) any amount that would otherwise have been payable under items from Seventh to Seventeenth of the Pre-Acceleration Order of Priority will not be included in the relevant Payments Report and shall not be payable on the relevant Payment Date and shall be payable in accordance with the applicable Order of Priority on the first following Payment Date on which there are enough Issuer Available Funds and on which details for the relevant calculations will be timely provided to the Computation Agent.

4.2 Acceleration Order of Priority

(a) Following the delivery of a Trigger Notice pursuant to Condition 9 (Trigger Events), or (b) in the event that the Issuer opts for the Redemption for Taxation pursuant to Condition 6.2 (Redemption for Taxation), or for the Optional Redemption pursuant to Condition 6.4 (Optional Redemption) or (c) on the Final Maturity Date, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) First, to pay (pari passu and pro rata to the extent of the respective amounts thereof), (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfil due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid in connection with any notice to be given to the Noteholders or the other parties to the Transaction Documents;

(ii) Second, to pay in the following order (i) the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;
(iii) Third, to pay (pari passu and pro rata to the extent of the respective amounts thereof) fees, expenses and all other amounts due and payable to the Servicer (including any reimbursement amount pursuant to the Servicing Agreement), the Cash Manager, the Computation Agent, the Collection Account Bank, the Transaction Bank, the Principal Paying Agent, the EMIR Reporting Agent, the Corporate Services Provider, the Administrative Services Provider and the Back-Up Servicer;

(iv) Fourth, to pay all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement, other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority), (2) any amounts payable pursuant to the Collateral Account Priority of Payments and (3) any Subordinated Swap Counterparty Termination Payment, provided that only to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay any Senior Swap Counterparty Termination Payment in full, any due but unpaid Senior Swap Counterparty Termination Payment shall be payable pursuant to this item;

(v) Fifth, to pay interest due and payable on the Class A Notes;

(vi) Sixth, to pay the Principal Amount Outstanding of the Class A Notes;

(vii) Seventh, to pay the Subordinated Loan Senior Interest that is due and payable;

(viii) Eight, to pay interest due and payable on the Class B Notes;

(ix) Ninth, to pay the Principal Amount Outstanding of the Class B Notes;

(x) Tenth, to pay the Subordinated Loan Junior Interest and to repay principal, in each case, that is due and payable under the Subordinated Loan;

(xi) Eleventh, only to the extent the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay any Subordinated Swap Counterparty Termination Payment in full, to pay any due but unpaid Subordinated Swap Counterparty Termination Payment;

(xii) Twelfth, to pay (pari passu and pro rata according to the respective amounts thereof) any amount due and payable to the Originator pursuant to the Transfer Agreement (including costs and expenses and the insurance premia advanced under the Insurance Policies) and the Warranty and Indemnity Agreement;

(xiii) Thirteenth, to pay (pari passu and pro rata) interest due and payable on the Class J Notes (other than the Class J Notes Additional Return);

(xiv) Fourteenth, to pay (pari passu and pro rata) the Principal Amount Outstanding of the Class J Notes, until – on each Payment Date other than the Payment Date on which the Notes are redeemed in full or cancelled or the Final Maturity Date – such Principal Amount Outstanding is equal to Euro 1,000;

(xv) Fifteenth, to pay the Class J Notes Additional Return (pari passu and pro rata to the Principal Amount Outstanding of each relevant Class as at the immediately preceding Payment Date).

4.3 Collateral Account Priority of Payments
Amounts standing to the credit of the Collateral Account will not be available for the Issuer to make payments to the Noteholders and the Other Issuer Creditors generally, but may be applied only in accordance with the following provisions:

(i) prior to the occurrence or designation of an Early Termination Date in respect of the Swap Agreement, solely in or towards payment or transfer of:

(a) any Return Amounts (as defined in the Credit Support Annex);
(b) any Interest Amounts and Distributions (each as defined in the Credit Support Annex); and
(c) any return of collateral to the Swap Counterparty upon a novation of such Swap Counterparty’s obligations under the Swap Agreement to a replacement swap counterparty,

on any day (whether or not such day is a Payment Date), directly to the Swap Counterparty in accordance with the terms of the Credit Support Annex;

(ii) upon or immediately following the occurrence or designation of an Early Termination Date (as defined in the Swap Agreement) in respect of the Swap Agreement where (A) such Early Termination Date (as defined in the Swap Agreement) has been designated following an Event of Default (as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or an Additional Termination Event (as defined in the Swap Agreement) resulting from a Swap Counterparty Rating Event and in respect of which the Swap Counterparty is the Affected Party (as defined in the Swap Agreement) and (B) the Issuer enters into a replacement swap agreement in respect of such Swap Agreement on or around the Early Termination Date of such Swap Agreement, on the later of the day on which such replacement swap agreement is entered into and the day on which the Replacement Swap Premium (if any) payable to the Issuer has been received (in each case, whether or not such day is a Payment Date), in the following order of priority:

A. first, in or towards payment of any Replacement Swap Premium (if any) payable by the Issuer to a replacement swap counterparty in order to enter into a replacement swap agreement with the Issuer with respect to the Swap Agreement being novated or terminated;

B. second, in or towards payment of any termination payment due to the outgoing Swap Counterparty pursuant to the Swap Agreement; and

C. third, the surplus (if any) (a “Swap Collateral Account Surplus”) on such day to be transferred to the Payments Account for an amount equal to the relevant Outstanding Notes Ratio of the Swap Collateral Account Surplus and deemed to form Issuer Available Funds;

(iii) following the occurrence or designation of an Early Termination Date in respect of the Swap Agreement where (A) such Early Termination Date has been designated following an Event of Default (as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or an Additional Termination Event (as defined in the Swap Agreement) resulting from a Swap Counterparty Rating Event and in respect of which the Swap Counterparty is the Affected Party (as defined in the Swap Agreement) and (B) the Issuer is unable to or elects not to enter into a replacement swap agreement on or around the Early Termination Date of such Swap Agreement, on any day (whether or not such day is a Payment Date),
Date) in or towards payment of any termination payment due to the outgoing Swap Counterparty pursuant to the Swap Agreement;

(iv) following the occurrence or designation of an Early Termination Date in respect of the Swap Agreement where such Early Termination Date has been designated otherwise than as a result of one of the events specified at items (ii) and (iii) above, on any day (whether or not such day is a Payment Date) in or towards payment of any termination payment due to the outgoing Swap Counterparty pursuant to the Swap Agreement; and

(v) following payment of any amounts due pursuant to (iii) and (iv) above, if amounts remain standing to the credit of the Collateral Account, such amounts may be applied on any day (whether or not such day is a Payment Date) only in accordance with the following provisions:

A. first, in or towards payment of any Replacement Swap Premium (if any) payable by the Issuer to a replacement swap counterparty in order to enter into a replacement swap agreement with the Issuer with respect to the Swap Agreement being terminated; and

B. second, the surplus (if any) (a “Swap Collateral Account Surplus”) remaining after payment of such Replacement Swap Premium to be transferred to the Payments Account for an amount equal to the relevant Outstanding Notes Ratio of the Swap Collateral Account Surplus and deemed to form Issuer Available Funds,

provided that if the Issuer has not entered into a replacement swap agreement with respect to the Swap Agreement on or prior to the earlier of:

A. the day that is 10 (ten) Business Days prior to the date on which the Principal Amount Outstanding of all Classes of Notes is reduced to zero (other than following the occurrence of a Trigger Event pursuant to Condition 9 (Trigger Events)); or

B. the day on which a Trigger Notice is given pursuant to Condition 9 (Trigger Events),

then the Collateral Amount on such day shall be transferred to the Payments Account for an amount equal to the relevant Outstanding Notes Ratio of the Swap Collateral Account Surplus and deemed to form Issuer Available Funds.

5. INTEREST

5.1 Payment Dates and Interest Periods

Each of the Notes bears interest on its Principal Amount Outstanding from (and including) the Issue Date at a rate equal to Three Month Euribor (as defined below) plus the relevant Margin.

Save as provided for in Condition 5.8 (Unpaid Interest), interest in respect of the Notes is payable in Euro quarterly in arrear on each Payment Date.

Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.
Interest shall cease to accrue on any part of the Principal Amount Outstanding of the Notes as from (and including) the due date for redemption of such part unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal (after as well as before judgment) at the Interest Rate from time to time applicable to the Notes until the monies in respect thereof have been received by the Representative of the Noteholders or the Principal Paying Agent on behalf of the relevant Noteholders and notice to that effect is given in accordance with Condition 12 (Notices).

5.2 Interest Rate

The rate of interest applicable from time to time in respect of the Notes (“Interest Rate”) will be determined by the Principal Paying Agent, in respect of each Interest Period, on the relevant Interest Determination Date.

The Interest Rate applicable to each of the Notes for each Interest Period shall be the aggregate of the Relevant Margin (as defined below) and:

(a) Euribor for three-month deposits in Euro calculated as the arithmetic mean of the offered quotations to leading banks (rounded to three decimal places with the mid-point rounded up) for three-month Euro deposits in the Euro-zone inter-bank market which appears on Page Euribor01 of Reuters Screen or (i) such other page as may replace Page Euribor01 on that service for the purpose of displaying such information or, (ii) if that service ceases to display such information, such page displaying such information on such equivalent service (or, if more than one, that one for which the Principal Paying Agent received a prior written approval by the Representative of the Noteholders to replace the Reuters Page) (the “Screen Rate”), at or about 10:00 a.m. (London time) on the relevant Interest Determination Date; or

(b) if the Screen Rate is unavailable at such time for three months Euro deposits, then the rate for the relevant Interest Period shall be the arithmetic mean (rounded to three decimal places with the mid-point rounded up) of the rates notified to the Principal Paying Agent at its request by each of the Reference Banks (as defined in Condition 5.7 (Reference Banks and Principal Paying Agent) hereof) as the rate at which three months Euro deposits in a representative amount are offered by that Reference Bank to leading banks in the Euro-zone inter-bank market at or about 10:00 a.m. (London time) on the relevant Interest Determination Date. If, on any such Interest Determination Date, only two of the Reference Banks provide such quotations to the Principal Paying Agent, the rate for the relevant Interest Period shall be determined, as aforesaid, on the basis of the offered quotations of those two Reference Banks providing such quotations. If, on any such Interest Determination Date, only one or none of the Reference Banks provides the Principal Paying Agent with such quotation, the Principal Paying Agent shall forthwith consult with the Representative of the Noteholders and the Issuer for the purpose of agreeing one additional bank (or, where none of the Reference Banks provides such a quotation, two additional banks) to provide such a quotation or quotations to the Principal Paying Agent (which bank or banks is or are in the sole and absolute opinion of the Representative of the Noteholders suitable for such purpose) and the rate for the relevant Interest Period shall be determined, as aforesaid, on the basis of the offered quotations of such banks (or, as the case may be, the offered quotations of such bank and the relevant Reference Bank). If no such bank (or banks) is (or are) so agreed or such bank (or banks) as agreed does not (or do not) provide such a quotation (or quotations), then the rate for the relevant Interest Period shall be the rate in effect for the last preceding Interest Period to which sub-paragraph (a) of this Condition 5.2 (Interest Rate) shall have applied (the “Three Month Euribor”).
For the purpose of these Conditions, the “Relevant Margin” means in respect of:

(i) the Class A Notes 0.30% per annum

(ii) the Class B Notes 1.20% per annum; and

(iii) the Class J Notes 2.00% per annum.

In the case of the Initial Interest Period, the Interest Rate will be the rate per annum obtained by linear interpolation of the Euribor for three months and six months deposits in Euro, plus the Relevant Margin. In any case the Interest Rate (being the Three Month Euribor plus the relevant margin) applicable to the Notes shall not be negative and the Interest Rate (being the Three Month Euribor plus the relevant margin) applicable to the Class B Notes shall not be higher than 4.00%.

If Three Month Euribor can no longer be calculated or administered, or it becomes illegal for the Principal Paying Agent to determine any amounts due to be paid under the Rated Notes, as at the relevant Payment Date, the applicable benchmark shall be such alternative rate which has replaced Three Month Euribor in customary market usage for the purpose of determining floating rates of interest in respect of Euro-denominated securities, as identified by the Representative of the Noteholders, in consultation with an independent financial advisor (the “IFA”) appointed by the Representative of the Noteholders (as directed by the Noteholders in accordance with the Rules), provided however that (i) if the IFA determines that there is no clear market consensus as to whether any rate has replaced Euribor in customary market usage, the IFA shall determine an appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the Representative of the Noteholders, the Principal Paying Agent and the Noteholders; and (ii) subparagraph (b) of this Condition 5.2 (Interest Rate) shall apply to such alternative rate mutatis mutandis.

5.3 Determination of Interest Rate, Calculation of Interest Amount and Additional Return

(a) The Principal Paying Agent shall, on each Interest Determination Date:

(i) determine the Interest Rate applicable to the Interest Period beginning after such Interest Determination Date (or in the case of the Initial Interest Period, beginning on and including the Issue Date); and

(ii) calculate the Euro amount (the “Interest Amount”) accrued on the Notes of each Class in respect of each Interest Period. The Interest Amount in respect of any Interest Period shall be calculated by applying the relevant Interest Rate to the Principal Amount Outstanding of the Notes of each Class on the Payment Date at the commencement of such Interest Period (after deducting therefrom any payment of principal due on that Payment Date) or, in the case of the Initial Interest Period, on the Issue Date, and by multiplying the product of such calculation by the actual number of days to elapse in the relevant Interest Period divided by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

(b) The Computation Agent shall on each Calculation Date determine the Class J Notes Additional Return in respect of the Class J Notes (if any) applicable on the Payment Date following such Calculation Date.

5.4 Publication of Interest Rate and Interest Amount
The Principal Paying Agent will cause the Interest Rate, the Interest Amount applicable to each Interest Period and the Payment Date in respect of such Interest Amount, to be notified promptly after their determination to the Issuer, the Representative of the Noteholders, the Computation Agent, the Servicer, the Transaction Bank, the Swap Counterparty, Monte Titoli (for further distribution to Euroclear and Clearstream), the Security Trustee and Euronext Dublin and will cause the same to be published through Monte Titoli (if requested by the Issuer and upon its instruction) in accordance with Condition 12 (Notices) hereof as soon as possible after the relevant Interest Determination Date, but in no event later than the first Business Day of the next following Interest Period in respect of such relevant Interest Determination Date.

The Principal Paying Agent will cause the Interest Rate, the Interest Amount applicable to each Interest Period and the Payment Date in respect of such Interest Amount to be notified on the relevant Interest Determination Date to Borsa Italiana S.p.A.

5.5 Determination and Calculation by the Representative of the Noteholders

If the Principal Paying Agent (or the Issuer or any other agent appointed for this purpose by the Issuer) does not at any time for any reason determine the Interest Rate and/or does not calculate the Interest Amount (or the Issuer or any other agent appointed for this purpose by the Issuer), the Representative of the Noteholders shall:

(a) determine the Interest Rate at such rate as (having regard to the procedure described in Condition 5.2 above (Interest Rate) it shall consider fair and reasonable in all circumstances; and/or (as the case may be),

(b) calculate the Interest Amount in the manner specified in Condition 5.3 above (Determination of the Interest Rate, Calculation of the Interest Amount and Class J Notes Additional Return);

and any such determination and/or calculation shall be deemed to have been made by the Principal Paying Agent.

5.6 Notification to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (Interest), whether by the Reference Banks (or any of them), the Principal Paying Agent, the Computation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of fraud (frode), wilful default (dolo) or gross negligence (colpa grave) be binding on the Reference Banks, the Principal Paying Agent, the Computation Agent, the Issuer, the Representative of the Noteholders and all the Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Reference Banks, the Principal Paying Agent, the Computation Agent, the Issuer, the Representative of the Noteholders and all the Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Reference Banks, the Principal Paying Agent, the Computation Agent, the Issuer, the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

5.7 Reference Banks and Principal Paying Agent

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be three reference banks (the “Reference Banks”). The initial Reference Banks shall be Intesa Sanpaolo S.p.A., Barclays Bank Plc, and BNP Paribas S.A. In the event that any such bank is unable or unwilling to continue to act as a Reference Bank or that any of the merge with another Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Representative of the Noteholders
to act as such. The Issuer shall insure that at all times a Principal Paying Agent is appointed. If a new Principal Paying Agent is appointed, a notice will be published in accordance with Condition 12 (Notices).

5.8 Unpaid Interest

Without prejudice to Condition 9(a)(i) (Non-payment), in the event that the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the relevant Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable), for the payment of interest on the Notes on such Payment Date are not sufficient to pay in full the relevant Interest Amount, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the Interest Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of these Conditions as if it were, Interest Amount accrued on the Notes on the immediately following Payment Date. Any such unpaid amount shall not accrue additional interest.

The Principal Paying Agent, based upon the information contained in the Payments Report, shall give notice to Monte Titoli, the Issuer and the Representative of the Noteholders and will cause notice to that effect to be given to the Noteholders in accordance with Condition 12 (Notices), no later than 3 (three) Business Days prior to any Payment Date, of any Payment Date on which the Interest Amount on the Notes will not be paid in full.

6. REDEMPTION, PURCHASE AND CANCELLATION

6.1 Final Redemption

Unless previously redeemed in full as provided for in this Condition 6 (Redemption, Purchase and Cancellation), the Issuer shall redeem in whole the Notes at their Principal Amount Outstanding on the Final Maturity Date.

The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided for in Conditions 6.2 (Redemption for Taxation), 6.3 (Mandatory Redemption) or 6.4 (Optional Redemption) below, and without prejudice to Condition 9 (Trigger Events). If any Class cannot be redeemed in full on the Final Maturity Date, as a result of the Issuer having insufficient Issuer Available Funds for application in or towards such redemption, any amount outstanding whether in respect of interest, principal or other amounts in relation to the Notes shall be finally and definitely cancelled and waived.

6.2 Redemption for Taxation

If the Issuer:

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

(b) has given not more than 45 (forty-five) nor less than 15 (fifteen) calendar days’ prior written notice to the Representative of the Noteholders, the Swap Counterparty and the Noteholders, in accordance with Condition 12 (Notices)
to the effect that, following the occurrence of certain legislative or regulatory changes, or official interpretations thereof by competent authorities, the Issuer (or the Issuer’s Agent):

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

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

and

(c) in each case the Issuer shall have produced evidence reasonably acceptable to the Representative of the Noteholders that it has the necessary funds (not subject to the interests of any other Person) to discharge all of its outstanding liabilities with respect of the Rated Notes and any amounts required under the Intercreditor Agreement to be paid in priority to, or pari passu with the Senior Notes, the Issuer may (i) on the first Payment Date on which such necessary funds become available to it, redeem the Senior Notes in whole (but not in part) at their Principal Amount Outstanding (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or pari passu with the Senior Notes and amounts ranking prior thereto or pari passu therewith pursuant to the relevant Pre-Acceleration Order of Priority; and (ii) on the first Payment Date on which sufficient funds become available to it, redeem the Class J Notes in whole or in part (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or pari passu with the Class J Notes.

6.3 Mandatory Redemption

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

(a) on each Payment Date in a maximum amount equal to the Principal Amount Outstanding with respect to such Payment Date in accordance with the Pre-Acceleration Order of Priority;

(b) on any date following the delivery of a Trigger Notice pursuant to Condition 9 (Trigger Events); and on the relevant Payment Date in the case of Redemption for Taxation pursuant to Condition 6.2 (Redemption for Taxation) or in the case of the Issuer exercising the Optional Redemption pursuant to Condition 6.4 (Optional Redemption), at their Principal Amount Outstanding and in accordance with the Acceleration Order of Priority,

if, on each immediately preceding Calculation Date, it is determined that there will be sufficient Issuer Available Funds which may be applied for this purpose in accordance with the Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable.

6.4 Optional Redemption
The Issuer may at its option, on any Payment Date falling on or after the Initial Clean Up Option Date (prior to the delivery of a Trigger Notice) (each an “Optional Redemption Date”), redeem:

(i) the Notes in whole (but not in part) at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to and including the relevant Payment Date; or

(ii) with the prior consent of the Junior Noteholders, the Rated Notes only (or the Rated Notes in whole and the Junior Notes in part) at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to and including the relevant Payment Date.

Such optional redemption shall be effected by the Issuer giving not more than 45 (forty-five) nor fewer than 15 (fifteen) days’ prior written notice that shall be deemed irrevocable to the Representative of the Noteholders, the Swap Counterparty, the holders of the Senior Notes in accordance with Condition 12 (Notices) and to the Rating Agencies and provided that the Issuer, prior to giving such notice to the Representative of the Noteholders and to the Rating Agencies, has produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other Person, to discharge all its outstanding liabilities in respect of the relevant Notes (to be redeemed) and any amounts required under the Acceleration Order of Priority to be paid in priority to or pari passu with such Notes and any amount due to the Swap Counterparty (including any termination payment) subordinated to the Rated Notes. In order to finance the redemption of the relevant Notes in the circumstances described above, the Issuer (or the Representative of the Noteholders, acting in the name and on behalf of the Issuer), is entitled to dispose of the Portfolio.

6.5 Sale of the Portfolio

In the following circumstances:

(i) in the case of Redemption for Taxation pursuant to Condition 6.2 (Redemption for Taxation); or

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

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

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

In addition, following the delivery of a Trigger Notice, the Representative of the Noteholders shall (provided that any bankruptcy or similar proceeding has not been commenced towards the Issuer (including, without limitation, “fallimento”, “concordato preventivo”, “liquidazione coatta amministrativa”, “accordi di ristrutturazione”, “piani di risanamento” and “liquidazione giudiziale” in accordance with the meaning ascribed to those expressions by Italian law) and in any case if not prevented by, and in compliance with, any applicable law) subject to it being indemnified to its satisfaction, be entitled to sell the Portfolio in the name and on behalf of the Issuer. Should such a sale of the Portfolio take place, the proceeds of such sale shall be treated by the Issuer as Issuer Available Funds and as from the immediately subsequent Payment Date shall be applied to payments due to be made by the Issuer according to the Acceleration Order of Priority.
In case of sale of the Portfolio pursuant to this Conditions 6.5 (Sale of the Portfolio) and 9 (Trigger Events), the purchase price of the Claims (other than any Claim classified as “in sofferenza” pursuant to the regulation issued by the Bank of Italy (“Istruzioni di Vigilanza”)) shall be equal to the Outstanding Balance plus interests accrued and unpaid as at such date.

If the Portfolio comprises any Claim classified as “in sofferenza” pursuant to the regulation issued by the Bank of Italy (“Istruzioni di Vigilanza”), the purchase price of such Claims shall be equal to their current value, as determined by one or more third parties chosen between international accounting companies independent from the purchaser and appointed by common consent by the Issuer and the Representative of the Noteholders.

Within the date of payment of the purchase price related to the sale of the Claims above described, the relevant purchaser shall deliver to the Issuer (or to the Representative of the Noteholders, in case of sale of the Portfolio after the service of a Trigger Notice): (i) a certificate of good standing of the Chamber of Commerce (certificato di vigenza della Camera di Commercio) dated not later than 10 (ten) Business Days before the date of the sale of the Portfolio; (ii) a solvency certificate signed by a legal representative duly authorised by the purchaser, dated the date of the sale of the Portfolio; and (iii) except where the issuance of the certificate is not permitted by the internal rules applied by the relevant court, also a certificate from the appropriate bankruptcy court (“tribunale civile – sezione fallimentare”) confirming that no insolvency petitions have been filed against such potential purchaser, dated not later than 10 (ten) Business Days before the date of the sale of the Portfolio.

The transfer of the Portfolio pursuant to this Condition 6.5 (Sale of the Portfolio) shall be construed as a “vendita a rischio e pericolo del compratore” pursuant to article 1488, second paragraph, of the Italian civil code with express derogation by the relevant parties of article 1266 of the Italian civil code with reference to the guarantee, granted by the transferor, of the existence of the claims and article 1448 of the Italian civil code shall not apply. The transfer of the Portfolio shall be subject to payments to the Issuer of the purchase price.

6.6 Notice of Redemption

Any such notice as is referred to in Condition 6.2 (Redemption for Taxation) and 6.4 (Optional Redemption) above shall be irrevocable and, upon the expiration of such notice, the Issuer shall be obliged to redeem the Notes in accordance with this Condition 6 (Redemption, Purchase and Cancellation). The Issuer or the Representative of the Noteholder, as the case may be, will give a notice to the Rating Agencies of the redemption of the Senior Notes pursuant to Conditions 6.2 (Redemption for Taxation), 6.3 (Mandatory Redemption) or 6.4 (Optional Redemption).

6.7 Principal Payments and Principal Amount Outstanding

On each Calculation Date, the Issuer shall determine or procure that the Computation Agent determines, inter alia (on the Issuer’s behalf):

(a) the amount of any principal payment due to be made on each Class on the next following Payment Date; and

(b) the Principal Amount Outstanding of each Class on the next following Payment Date (after deducting any principal payment due to be made and payable on that Payment Date), the portion of Interest Amount that will not be paid in full on the following Payment Date (if any) and the Class J Notes Additional Return in respect of each Interest Period.
The determination by or on behalf of the Issuer of the amount of any principal payment in respect of each Class and of the Principal Amount Outstanding of each Note and on each Class shall in each case (in the absence of wilful default, gross negligence, bad faith or manifest error) be final and binding on all persons.

The Issuer shall, no later than 3 (three) Business Days prior to each Payment Date, cause each determination of a principal payment (if any) and Principal Amount Outstanding of the Notes to be notified forthwith by the Computation Agent to the Representative of the Noteholders, the Servicer, the Transaction Bank and the Principal Paying Agent and shall cause notice of each determination of a principal payment and Principal Amount Outstanding of each Class to be given by the Principal Paying Agent to Monte Titoli (for further distribution to Euroclear and Clearstream) and the Noteholders in accordance with Condition 12 (Notices). As long as the Notes are not redeemed in full, if no principal payment is due to be made on the Notes on a Payment Date, notice to this effect shall also be given by the Issuer to the Noteholders in accordance with Condition 12 (Notices).

If no principal payment or Principal Amount Outstanding of the Notes is determined by or on behalf of the Issuer in accordance with the provisions of this Condition 6.7 (Principal Payments and Principal Amount Outstanding), such principal payment or Principal Amount Outstanding of the Notes shall be determined by the Representative of the Noteholders in accordance with this Condition 6.7 (Principal Payments and Principal Amount Outstanding) and each such determination shall be deemed to have been made by the Issuer.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6.7 (Principal Payments and Principal Amount Outstanding), whether by the Computation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of fraud (frode), wilful default (dolo) or gross negligence (colpa grave) be binding on the Computation Agent, the Representative of the Noteholders, the Servicer, the Transaction Bank, the Principal Paying Agent and all the Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Computation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

6.8 No purchase by Issuer

The Issuer shall not purchase any of the Notes.

6.9 Cancellation

All Notes redeemed in full will be cancelled upon redemption and may not be re-sold or re-issued.

All Notes shall be in any case cancelled upon the earlier of (i) the date when any amount payable on the Claims of the Portfolio will have been paid and such amounts (if any) are paid in accordance with the applicable Order of Priority; (ii) the date when all the Claims of the Portfolio then outstanding will have been entirely written off or sold by the Issuer and the proceeds of such sale (if any) are paid in accordance with the applicable Order of Priority, and (iii) the Final Maturity Date (following application of the applicable Issuer Available Funds on such date in accordance with the applicable Order of Priority).

7. PAYMENTS

7.1 Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Principal Paying Agent, acting as intermediary between the Issuer and the
Noteholders, on behalf of the Issuer to the accounts of those banks and authorised brokers whose accounts with Monte Titoli 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, in accordance with the rules and procedures of Monte Titoli.

7.2 Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.

7.3 The Issuer reserves the right at any time to vary or terminate the appointment of any Principal Paying Agent, subject to the prior written approval of the Representative of the Noteholders (other than in respect of any Principal Paying Agent being the same entity as the Representative of the Noteholders). The Issuer will cause other than in case specific matter of urgency does not allow such time limits to be met (i) an at least 30 (thirty) days prior notice to be given to the Noteholders of any replacement of the Principal Paying Agent or (ii) an at least 14 (fourteen) days prior notice to be given to the Noteholders of any change of the registered offices of the Principal Paying Agent, both under (i) and (ii) above in accordance with Condition 12 (Notices). The Issuer shall ensure that at all the times a Principal Paying Agent is appointed.

8. TAXATION

All payments in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature other than a Law 239 Deduction or any other withholding or deduction required to be made by applicable law (including, for the avoidance of doubt, any withholding or deduction required pursuant to U.S. Foreign Account Tax Compliance Act, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto). Neither the Issuer nor any other Person shall be obliged to pay any additional amount to any Noteholder as a consequence of any such withholding or deduction.

9. TRIGGER EVENTS

If any of the following events (each a “Trigger Event”) occurs:

(i) Non-payment

(a) the Interest Amount on the Class A Notes (and only after the repayment in full of the Rated Notes, on the Class J Notes) on a Payment Date is not paid in full on the due date or within a period of three Business Days; or

(b) the Class A Notes or the Class B Notes or the Junior Notes are not redeemed in full on the Final Maturity Date; or

(c) the Interest Amount (plus any Interest Amount in respect of previous Interest Periods which has remained unpaid) on the Class B Notes is not paid in full on the Final Maturity Date;

(ii) Breach of other obligations

The Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes (other than any obligation under paragraph (i) above) or any of the Transaction Documents to which it is a party and (except where, in the sole and absolute opinion of the Representative of the Noteholders,
such default is incapable of remedy, in which case no notice requiring remedy will be required) such default remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in the sole and absolute opinion of the Representative of the Noteholders, materially detrimental to the interests of the Noteholders and requiring the same to be remedied; or

(iii) **Breach of representation and warranties**

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

(iv) **Insolvency**

(a) 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”, “piani di risanamento”, “accordi di ristrutturazione” and “liquidazione giudiziale”, 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, such proceedings are being not disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under point (a) above is made in respect of or by the Issuer or the same proceedings are otherwise initiated against the Issuer and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(c) an application for the commencement of any of the proceedings under point (a) above is made in respect of or by the Issuer or the same proceedings are otherwise initiated against the Issuer and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(d) 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 Noteholders and the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(v) **Winding up etc.**

an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of the Issuer (expect 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; or

(vi) **Unlawfulness**

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

then the Representative of the Noteholders:

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

(ii) shall, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, in the case of the Trigger Events set out under points (ii) and (iii) above;

(iii) may at its sole and absolute discretion but shall, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes in case of any other Trigger Event,

give a written notice (a “**Trigger Notice**”) to the Issuer (with copy to the Servicer, the Rating Agencies and the Swap Counterparty) declaring that the Notes have immediately become due and payable at their Principal Amount Outstanding, together with interest accrued and unpaid thereon and that thereafter the Acceleration Order of Priority shall apply.

Following the delivery of a Trigger Notice (a) without any further action or formality, all payments of principal, interest and any other amounts due with respect to the Notes, the Other Issuer Creditors and any other creditor of the Issuer under the Transaction shall be made in accordance with the Acceleration Order of Priority and (b) provided that any bankruptcy or similar proceeding has not been commenced towards the Issuer (including, without limitation, “fallimento”, “concordato preventivo”, “piani di risanamento”, “liquidazione coatta amministrativa” and “liquidazione giudiziale”, in accordance with the meaning ascribed to those expressions by Italian law) and in any case if not prevented by, and in compliance with, any applicable law, the Representative of the Noteholders shall be entitled, in the name and on behalf of the Issuer, to sell the Portfolio.

10. **ENFORCEMENT**

10.1. At any time after a Trigger Notice has been delivered, the Representative of the Noteholders may and shall, if so requested or authorised by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, take such steps and/or institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes and payment of accrued interest thereon in accordance with the Intercreditor Agreement and the Rules of the Organisation of the Noteholders. No Noteholder shall be entitled to proceed directly against the Issuer unless the Representative of the Noteholders, having become bound to do so, fails to do so within a reasonable period of time and such failure is continuing.

10.2. In addition, the Rules of the Organisation of the Noteholders and the Intercreditor Agreement contains (i) provisions limiting the powers of the Noteholders, *inter alia*, to bring individual actions or take other individual remedies to enforce their rights under the Notes and (ii) provisions limiting the powers of the Noteholders, *inter alia*, to institute against or join any person in instituting against,
the Issuer, any bankruptcy, insolvency or compulsory liquidation and similar proceedings, that shall be deemed to be included in this Conditions and shall be binding on all the Noteholders.

10.3. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 9 (Trigger Events) above or this Condition 10 (Enforcement), by the Representative of the Noteholders shall (in the absence of wilful default, gross negligence or fraud) be binding on the Issuer and all Noteholders and (in such absence as aforesaid) the Representative of the Noteholders will have no liability to the Noteholders or the Issuer in connection with the exercise or the non-exercise by it or any of them of their powers, duties and discretion hereunder.

11. THE REPRESENTATIVE OF THE NOTEHOLDERS

11.1 The Organisation of the Noteholders shall be established upon and by virtue of the issuance of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes.

11.2 Pursuant to the Rules of the Organisation of the Noteholders (attached hereto as Exhibit 1), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders.

11.3 The Representative of the Noteholders is the legal representative (rappresentante legale) of the Organisation of the Noteholders. The appointment of the Representative of the Noteholders is made by the Noteholders subject to and in accordance with the terms of the Rules of the Organisation of the Noteholders. As regards the appointment of the first representative of the Noteholders (who is appointed at the time of the issue of the Notes in accordance with the provisions of the Notes Subscription Agreement), the Class A Noteholders, the Class B Noteholders and the Class J Noteholders by subscribing respectively for the Class A Notes, the Class B Notes and the Class J Notes and paying the relevant subscription price in accordance with the provisions of the Notes Subscription Agreement recognize the appointment of 130 Finance S.r.l. as Representative of the Noteholders. Each Noteholders is deemed to accept such appointment.

11.4 Pursuant to the provisions of the Rules of the Organisation of the Noteholders, the Representative of the Noteholders can be removed by the Noteholders at any time, provided that a successor Representative of the Noteholders is appointed and can resign at any time. The Representative of the Noteholders shall be:

(a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through a branch situated in a European Union country; or

(b) a company or financial institution registered under article 106 of the Consolidated Banking Act; or

(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.

11.5 The Rules of the Organisation of the Noteholders contain provisions governing, inter alia, the terms of appointment, indemnification and exoneration from responsibility (and relief from responsibility) of the Representative of the Noteholders (including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction and providing for the indemnification of the
Representative of the Noteholders in certain other circumstances) and provisions which govern the termination of the appointment of the Representative of the Noteholders and amendments to the terms of such appointment. So long as the Senior Notes are listed on Euronext Dublin, any change in the identity of the Representative of the Noteholders shall be notified to Euronext Dublin.

12. NOTICES

So long as the Notes are held by Monte Titoli on behalf of the authorised financial intermediaries and/or their customers, notices to the Noteholders may be given through the systems of Monte Titoli.

So long as the Senior Notes and the Mezzanine Notes are listed on Euronext Dublin and the rules of Euronext Dublin so require, any notice to Noteholders shall also be published on the website of Euronext Dublin (www.ise.ie) (for the avoidance of doubt, such website does not constitute part of this Prospectus). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in a newspaper as referred to above.

In addition, so long as the Senior Notes and the Mezzanine Notes are listed on Euronext Dublin, any notice regarding the Senior Notes and/or the Mezzanine Notes to the relevant Noteholders shall be given in any other manner as required by the regulation applicable from time to time, including, in particular, Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the “Transparency Directive”).

The Representative of the Noteholders may sanction some other method of giving notice to the Noteholders of the relevant Class if, in its opinion, such other method is reasonable having regard to market practices then prevailing and to the rules of the stock exchange on which the Notes of the relevant Class are listed and provided that notice of such other method is given to the Noteholders of the relevant Class in such manner as the Representative of the Noteholders shall require.

13. STATUTE OF LIMITATION

Claims against the Issuer for payments in respect of the Notes shall be barred by the statute of limitation unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest) from the Relevant Date in respect thereof, unless a case of interruption or suspension of the statute of limitation applies in accordance with Italian law.

“Relevant Date” means the date on which principal or interest on the Notes, as the case may be, become due and payable.

14. GOVERNING LAW AND JURISDICTION

14.1 The Notes and all non-contractual obligations arising out or in connection with them are governed by and shall be construed in accordance with Italian law.

14.2 The Courts of Milan shall have exclusive jurisdiction to settle any disputes (including all non-contractual obligations arising out or in connection with the Notes) that may arise out of or in connection with the Notes.
EXHIBIT 1 RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I - GENERAL PROVISIONS

Article 1 (General)

The Organisation of the Noteholders is created by the issue and by the subscription of the Notes, and shall remain in force and in effect until full repayment or cancellation of the Notes.

The contents of these Rules are considered included in each Note issued by the Issuer.

Article 2 (Definitions)

In these Rules, the following expressions have the following meanings:

“Basic Terms Modification” means:

1. a modification of the date of maturity of the relevant Class of Notes;

2. a modification which would have the effect of postponing any day for payment of interest or principal on the Notes;

3. a modification which would have the effect of reducing or cancelling the amount of principal payable in respect of a Class of Notes or the rate of interest applicable in respect of a Class of Notes;

4. a modification which would have the effect of altering the majority of votes required to pass a specific resolution or the quorum required at any meeting;

5. a modification which would have the effect of altering the currency of payment of the relevant Class of Notes or any alteration of the date of redemption or priority of a Class of Notes;

6. a modification which would have the effect of altering the authorisation or consent by the Class A Noteholders and the Class B Noteholders, as pledgors, to applications of funds as provided for in the Transaction Documents;

7. the appointment and removal of the Representative of the Noteholders;

8. an amendment of this definition.

“Business” means, in relation to any Meeting, the matters to be proposed to a vote of the Noteholders at the Meeting including (without limitation) the passing or rejection of any resolution.

“Chairman” means, in relation to any Meeting, the individual who takes the chair in accordance with Article 9 (Chairman of the Meeting) of these Rules.

“Class A Noteholders” means the holders of the Class A Notes.

“Class B Noteholders” means the holders of the Class B Notes.
“Class J Noteholders” means the holders of the Class J Notes.

“Class of Notes” means the Class A Notes, the Class B Notes or the Class J Notes, as the context may require and “Classes of Notes” means all of them.

“Extraordinary Resolution” means a resolution of the Meeting of the Relevant Class Noteholders in relation to the matters specified under Article 20 (Powers exercisable by Extraordinary Resolution) of these Rules, duly convened and held in accordance with the provisions of these Rules.

“Issuer” means Fucino RMBS S.r.l.

“Meeting” means the meeting of the Noteholders or a Class of Noteholders (whether originally convened or resumed following an adjournment).

“Monte Titoli Account Holders” means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli.

“Notes” means the Class A Notes, the Class B Notes and the Class J Notes.

“Noteholders” means:

(a) in connection with a Meeting of Class A Noteholders, Class A Notes and Class A Noteholders respectively;

(b) in connection with a Meeting of Class B Noteholders, Class B Notes and Class B Noteholders respectively;

(c) in connection with a Meeting of Class J Noteholders, Class J Notes and Class J Noteholders respectively;

(d) and otherwise, in the case of a joint Meeting of the Noteholders of more than one Class of Notes, any or all of the Class A Notes, the Class B Notes and the Class J Notes and any or all of the Class A Noteholders, the Class B Noteholders and the Class J Noteholders.

“Person(s)” means any natural person, partnership, corporation, company, limited liability company, trust, estate, joint stock partnership, or company, joint venture, governmental entity, unincorporated organisation or other entity or association.

“Principal Paying Agent” means BNP Paribas Securities Services, Milan Branch, in its capacity as principal paying agent pursuant to the Cash Administration and Agency Agreement and its permitted successors or assignees from time to time.

“Proxy” means, in relation to any Meeting, a person duly appointed to vote.

“Relevant Class Noteholders” means the Class A Noteholders, the Class B Noteholders or the Class J Noteholders, as the case may be.

“Relevant Fraction” means:
(i) for all business other than voting on an Extraordinary Resolution: (a) in case of a meeting of a particular Class of Notes, one-twentieth of the Principal Amount Outstanding of the outstanding Notes in that Class of Notes; or (b) in case of a joint meeting of more than one Class of Notes, one-twentieth of the Principal Amount Outstanding of the outstanding Notes of such Classes of Notes;

(ii) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification: (a) in case of a meeting of a particular Class of Notes, two-thirds of the Principal Amount Outstanding of the outstanding Notes in that Class of Notes; or (b) in case of a joint meeting of more than one Class of Notes, two-thirds of the Principal Amount Outstanding of the outstanding Notes of such Classes of Notes; and

(iii) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, which must be proposed separately to each Class of Noteholders, three-quarters of the Principal Amount Outstanding of the outstanding Notes in that Class of Notes;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

(1) for all Business other than the voting on an Extraordinary Resolution relating to a Basic Terms Modification, the fraction of the Principal Amount Outstanding of the Notes represented at such Meeting or the fraction of the Principal Amount Outstanding of the Notes (in case of a joint Meeting of a combination of Classes of Notes); and

(2) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, which must be proposed separately to each Class of Noteholders, more than fifty per cent. (50%) of the Principal Amount Outstanding of the outstanding Notes in that Class of Note.

“Representative of the Noteholders” means 130 Finance S.r.l. in its capacity as representative of the Noteholders, which expression shall include its successors and any further or other representative of the Noteholders appointed pursuant to the Notes Subscription Agreement and the Rules of the Organisation of the Noteholders.

“Rules” means these Rules of the Organisation of the Noteholders.


“Specified Office” means the office of the Principal Paying Agent located at Piazza Lina Bo Bardi, 3, 20124, Milan, Italy.

“Voter” means, in relation to any Meeting, the holder of a Blocked Note.

“Voting Certificate” means, in relation to any Meeting, a certificate issued to a Noteholder by the relevant Monte Titoli Account Holder in accordance with the resolution of 13 August 2018 jointly issued by the Bank of Italy and CONSOB, as subsequently amended, supplemented or restated.

“Written Resolution” means a resolution in writing signed by or on behalf of the Relevant Fraction required for an Extraordinary Resolution applicable to the relevant Meeting in accordance with the
provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such Noteholders.

“24 hours” means a period of 24 hours including all or part of a day upon which banks are open for business in both the places where the Meeting is to be held and in each of the places where the Principal Paying Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid.

“48 hours” means 2 consecutive periods of 24 hours.

Other defined terms and expressions shall have the meaning given to them in the Conditions.

Any reference herein to an “Article” shall, except where expressly provided to the contrary, be a reference to an article of these Rules.

**Article 3 (Organisation purpose)**

Each Class A Noteholder, Class B Noteholder and Class J Noteholder is a member of the Organisation of Noteholders.

The purpose of the Organisation of Noteholders is to coordinate the exercise of the rights of the Noteholders and, more in general, the taking of any action for the protection of their interests.

In these Rules, any reference to Noteholders shall be considered as a reference as the case may be, to the Class A Noteholders the Class B Noteholders and/or the Class J Noteholders or, where the context requires, a reference to the Class A Noteholders, the Class B Noteholders and the Class J Noteholders collectively.

**TITLE II - THE MEETING OF NOTEHOLDERS**

**Article 4 (General)**

Subject to Article 20 (Powers exercisable by Extraordinary Resolution) below, any resolution passed at a Meeting of the Relevant Class of Noteholders duly convened and held in accordance with these Rules shall be binding upon all the Noteholders of such Class of Notes, whether or not present at such Meeting and whether or not voting, and:

(a) any resolution passed at a Meeting of the Class A Noteholders duly convened and held as aforesaid shall also be binding upon all the Class B Noteholders and the Class J Noteholders; and

(b) any resolution passed at a Meeting of the Class B Noteholders duly convened and held as aforesaid shall also be binding upon all the Class J Noteholders.

and, in each case above, all the relevant Classes of Noteholders shall be bound to give effect to any such resolution accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

In order to avoid conflict of interest that may arise as a result of the Originator having multiple roles in the Transaction, those Notes which are for the time being held by the Originator shall (unless and until ceasing
to be so held) be deemed not to remain “outstanding” for the purposes of the right to vote at any Meeting of Noteholders duly convened by the Representative of the Noteholders in accordance with the Conditions and these Rules to transact one of the following Business:

(i) the termination of the Originator in its capacity as Servicer under the Servicing Agreement;

(ii) the delivery of a Trigger Notice upon the occurrence of a Trigger Event in accordance with Condition 9 (Trigger Events);

(iii) the direction of the sale of the Portfolio after the delivery of a Trigger Notice upon occurrence of a Trigger Event in accordance with Condition 9 (Trigger Events);

(iv) the enforcement of any of the Issuer’s Rights against the Originator in any role under the Transaction;

(v) any amendment to the Transaction Document and the Conditions which, in the reasonable opinion of the Representative of the Noteholders, would be prejudicial to, or have a negative impact on, the Class A Noteholders and the Class B Noteholders;

(vi) any waiver of any breach or authorisation of any proposed breach by the Originator (in any of its capacity under the Transaction Documents) of their obligations under or in respect of the Transaction Documents to which it is a party; and

(vii) any other matter in relation to which, in the reasonable opinion of the Representative of the Noteholders, may exist a conflict of interest between the Class A Noteholders and the Class B Noteholders and the Originator in any role under the Transaction.

It remains understood that the above restriction on voting rights does not apply in case the then outstanding Notes are entirely held by the Originator.

Notice of the result of every vote on a resolution duly passed by the Noteholders shall be published, at the expense of the Issuer, in accordance with the Conditions and given to the Principal Paying Agent (with a copy to the Issuer and the Representative of the Noteholders) within 14 (fourteen) days of the conclusion of the Meeting.

Subject to the provisions of these Rules and the Conditions, joint meetings of the Class A Noteholders, the Class B Noteholders and the Class J Noteholders may be held to consider the same resolution and/or, as the case may be, the same Extraordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification) and the provisions of these Rules shall apply mutatis mutandis thereto.

The following provisions shall apply where outstanding Notes belong to more than one Class of Notes:

(i) Business which in the absolute opinion of the Representative of the Noteholders affects only one Class of Notes shall be transacted at a separate Meeting of the relevant Noteholders;

(ii) Business which in the absolute opinion of the Representative of the Noteholders affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single
Meeting of Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine at its absolute discretion;

(iii) Business which in the absolute opinion of the Representative of the Noteholders affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class of Notes;

(iv) in case of separate Meetings of the holders of each Class of Notes, these Rules shall be applied as if references to the Notes and the Noteholders are to the Notes of the relevant Class of Notes and to the holders of such Notes; and in the case of a joint meeting of the Noteholders of more than one Class of Notes, as if references to the Notes and the Noteholders are to the Notes of the relevant Class of Notes and to the holders of the Notes of such Classes of Notes.

Article 5 (Voting Certificates)

Noteholders may obtain a Voting Certificate from the relevant Monte Titoli Account Holder upon request in accordance with article 41 of the resolution of 13 August 2018 jointly issued by the Bank of Italy and CONSOB.

Subject to the provision of the resolution of 13 August 2018 jointly issued by the Bank of Italy and CONSOB (as subsequently amended and supplemented), a Voting Certificate shall be valid until the conclusion of the Meeting specified (if any) in the Voting Certificate, or any adjournment of such Meeting held prior to the expiration of the relevant Voting Certificate.

So long as a Voting Certificate is valid, the bearer thereof or any Proxy named therein shall be deemed to be the holder of the relevant Notes to which it relates for all purposes in connection with the Meeting.

Article 6 (Validity of Voting Certificates)

A Voting Certificate shall be valid only if it is deposited or sent (also by electronic means) at the Specified Office of the Principal Paying Agent, or at some other place approved by the Principal Paying Agent, at any time prior to the time fixed for a Meeting. If the Representative of the Noteholders requires satisfactory proof of the identity of each Proxy named in the relevant Voting Certificate, such proof shall be produced at the Meeting, but the Principal Paying Agent shall not be obliged to investigate the validity of any Voting Certificate or the authority of any Proxy.

Article 7 (Convening of Meeting)

The Issuer and the Representative of the Noteholders may convene a Meeting at any time, and shall be obliged to do so upon the request in writing of Noteholders holding not less than one-twentieth of the Principal Amount Outstanding of the outstanding Class of Notes or Classes of Notes in respect of which the Meeting is being convened. If the Issuer fails to take the necessary action to convene a Meeting when obliged to do so, the Meeting may be convened by the Representative of the Noteholders acting solely.

Whenever the Issuer is about to convene any such Meeting, it shall immediately give notice in writing to the Representative of the Noteholders of the day, time and place thereof and of the nature of the Business to be transacted thereat. Every such Meeting shall be held at such place as the Representative of the Noteholders may designate or approve.
Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Notedholders.

Meetings may be held in case Voters are located in different places and are connected via audio-conference or video-conference, provided that:

(a) the Chairman can ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;
(b) the person drawing up the minutes can clearly hear the meeting events being the subject-matter of the minutes;
(c) each Voter attending via audio-conference or video-conference can follow and intervene in the discussions and vote the items on the agenda in real-time;
(d) the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or videoconference equipment; and
(e) for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be.

**Article 8 (Notice)**

At least 21 (twenty-one) 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 relevant Noteholders and the Principal Paying Agent (with a copy to the Issuer and to the Representative of the Noteholders), and published in accordance with Condition 12 (Notices) at least 15 (fifteen) days before the date of the Meeting. The notice shall set forth the full text of any resolutions to be proposed and that Voting Certificates shall be obtained to participate to the Meeting.

The 21 (twenty-one) days’ notice of any Meeting shall be deemed to be waived by the Noteholders if:

Noteholders representing 100% (hundred per cent.) of the Principal Amount Outstanding of the relevant Class of Notes attend the relevant Meeting; or

Noteholders representing 100% (hundred per cent.) of the Principal Amount Outstanding of the relevant Class of Notes request the relevant Meeting.

**Article 9 (Chairman of the Meeting)**

An individual (who may, but need not, be a Noteholder) nominated in writing by the Representative of the Noteholders may take the chair at any Meeting but: (i) if no such nomination is made; (ii) if the individual nominated is not present within 15 (fifteen) minutes after the time fixed for the Meeting; or (iii) the Meeting resolves not to approve the appointment made by the Representative of the Noteholders, those present shall elect one of themselves to take the chair failing which the Issuer may appoint a Chairman.

The Chairman of an adjourned Meeting need not be the same person as the Chairman of the original Meeting.

The Chairman verifies that the Meeting is duly held, coordinates matters to be transacted at the Meeting and monitors the fairness of the Meeting’s proceedings.
Article 10 (Quorum and passing of resolutions)

The quorum at any Meeting shall be at least one or more Voters representing or holding not less than the Relevant Fraction of the aggregate Principal Amount Outstanding of the outstanding Notes of the relevant Class of Notes or Classes of Notes.

A resolution is validly passed when the majority of the votes cast by the Voters attending the relevant Meeting has been cast in favour of it.

Article 11 (Adjournment for want of quorum)

If within 15 (fifteen) minutes after the time fixed for any Meeting a quorum is not present, then it shall be adjourned for such period (which shall be not less than 14 (fourteen) days and not more than 42 (forty-two) days) and at such place as the Chairman determines; provided, however, that no Meeting may be adjourned more than once by resolution of Meeting that represents less than a Relevant Fraction applicable in the case of Meetings which have been resumed after adjournment. Notice shall be published in accordance with Condition 12 (Notices) of the relevant Class of Notes not more than 8 (eight) days before the date of the meeting.

Article 12 (Adjourned Meeting)

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, provided that no Business shall be transacted at any adjourned Meeting except Business which might lawfully have been transacted at the Meeting from which the adjournment took place.

Article 13 (Notice following adjournment)

Article 8 (Notice) shall apply to any Meeting which is to be resumed after adjournment save that:

(a) 8 (eight) days’ notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and

(b) the notice shall specifically set forth the quorum requirements which will apply when the Meeting resumes. It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

Article 14 (Participation)

The following may attend and speak at a Meeting:

(a) Voters;

(b) the Issuer or its representatives and the Principal Paying Agent;

(c) the statutory auditors (if any) and the financial advisers to the Issuer;

(d) the Representative of the Noteholders;
(e) the legal counsel to the Issuer, the Representative of the Noteholders, the Issuer or its representatives and the Principal Paying Agent; and

(f) such other person as may be resolved by the Meeting.

**Article 15 (Show of hands)**

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman’s declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

**Article 16 (Poll)**

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than ten (10) Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the Meeting for any other Business as the Chairman directs.

**Article 17 (Votes)**

Every Voter shall have one vote in respect of each Euro 1,000 in aggregate face amount of the outstanding Note(s) represented or held by him.

In the case of a voting tie the Chairman shall have a casting vote.

Unless the terms of any Voting Certificate state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same manner.

**Article 18 (Vote by Proxies)**

Any vote by a Proxy in accordance with the relevant Voting Certificate shall be valid even if such Voting Certificate or any instruction pursuant to which it was given has been amended or revoked, provided that the Issuer and the Principal Paying Agent have not been notified in writing of such amendment or revocation not less than 24 (twenty-four) hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Voting Certificate in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment, except for any appointment of a Proxy expiring prior to such adjournment in accordance with the relevant Voting Certificate. Any person appointed to vote at such Meeting must be re-appointed under a Proxy to vote at the Meeting when it is resumed.

**Article 19 (Exclusive Powers of the Meeting)**

The Meeting shall have exclusive powers:

(a) to approve any Basic Terms Modification, in accordance with Article 20 (Powers exercisable by Extraordinary Resolution) below;
(b) to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any of the Conditions (which is not a Basic Term Modification) or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;

(c) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(d) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute a Trigger Event under the Notes;

(e) to exercise, enforce or dispose of any right and power on payment and application of funds deriving from any claims on which a pledge or other security interest is created in favour of the Noteholders, otherwise than in accordance with the Transaction Documents.

Article 20 (Powers exercisable by Extraordinary Resolution)

A Meeting shall, in addition to the powers herein given, have the following powers exercisable by Extraordinary Resolution:

(a) power to sanction any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer or against any of its property or against any other Person whether such rights shall arise under these Rules, the Notes or otherwise;

(b) power to sanction any scheme or proposal for the exchange or substitution or sale of any of the Notes or any Class of the Notes for, or the conversion of the Notes or any Class of Notes into, or the cancellation of any of the Notes or any Class of 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, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;

(c) power to assent to any alteration of the provisions contained in these Rules, the Notes or any Class of Notes, the Intercreditor Agreement, the Cash Administration and Agency Agreement or any other Transaction Document which shall be proposed by the Issuer and/or the Representative of the Noteholders or any other party thereto;

(d) power to discharge or exonerate the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may be responsible under or in relation to these Rules, the Notes or any Class of Notes or any other Transaction Document;

(e) power to give any authority, direction or sanction which under the provisions of these Rules or the Notes or any Class of Notes, is required to be given by Extraordinary Resolution;

(f) power to authorise and sanction the actions, in compliance with these Rules, of the Representative of the Noteholders under the terms of the Intercreditor Agreement and any other Transaction Documents and in particular power to sanction the release of the Issuer by the Representative of the Noteholders;
(g) power to authorize or direct the Representative of the Noteholders to serve a Trigger Notice, as a consequence of a Trigger Event under Condition 9 (Trigger Events);

(h) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute a Trigger Event under the Notes (but excluding in any case any Trigger Event under Condition 9(i)(a));

(i) following the service of a Trigger Notice, or in any other circumstance upon request of the Issuer, power to resolve on the sale of one or more Claim(s) comprised in the Portfolio;

(j) power to sanction a Basic Terms Modification;

(k) with respect to the Class J Notes, power to provide the Issuer with the consents provided for by Condition 6.4 (Optional Redemption);

(l) power to resolve on the termination of the Servicer as appointed under the Servicing Agreement provided that this power shall be exercised by the Most Senior Class of Noteholders;

(l) power to resolve on the sale of one or more Claim(s) comprised in the Portfolio(s) when an Extraordinary Resolution is required under the Conditions; and

(m) power to give instructions to the Representative of the Noteholders in case the Representative of the Noteholders should express its discretion under Article 4 (General) points (v) and (vii) of these Rules.

provided that:

(a) 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);

(b) no Extraordinary Resolution of the Class B Noteholders shall be effective unless (A) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders (to the extent that there are Class A Notes then outstanding) or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders (to the extent that there are Class A Notes then outstanding); and

(c) 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 Senior Noteholders and/or the Mezzanine Noteholders (to the extent that there are Senior Notes and/or Mezzanine Notes, respectively, then outstanding) or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Senior Noteholders and/or the Mezzanine Noteholders (to the extent that there are Senior Notes and/or Mezzanine Notes, respectively, then outstanding).

Article 21 (Challenge of Resolution)
Each Noteholder who was absent and (or) dissenting can challenge resolutions which are not passed in conformity under the provisions of these Rules.

**Article 22 (Minutes)**

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

**Article 23 (Written Resolution)**

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

**Article 24 (Individual Actions and Remedies)**

The right of each Noteholder to bring individual actions or take other individual remedies, that do not amount to bankruptcy, insolvency or compulsory liquidation proceedings, or other proceedings under any bankruptcy or similar law, to enforce his/her rights under the Notes will be subject to the Meeting not passing a resolution objecting to such individual action or other remedy on the grounds that it is not convenient at the time when the Meeting is held, having regard to the interests of the Noteholders. In this respect, the following provisions shall apply:

(a) the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders in writing of his/her intention;

(b) the Representative of the Noteholders will, without delay, call for the Meeting, in accordance with these Rules;

(c) if the Meeting passes a resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (provided that the same matter can be submitted again to a further Meeting of Noteholders after a reasonable period of time has elapsed); and

(d) if the Meeting passes a resolution not objecting to the enforcement of the individual action or remedy, or if no resolution is taken by the Meeting for want of quorum, the Noteholder will not be prevented from taking such action or remedy.

No individual action or remedy can be taken by a Noteholder to enforce his/her rights under the Notes before the Meeting has been held to resolve on such action or remedy in accordance with the provisions of this Article 24 (Individual Actions and Remedies).

The provisions of the Intercreditor Agreement govern the right of the Noteholders to institute against, or join any other Person in instituting against, the Issuer any bankruptcy, insolvency or compulsory liquidation and similar proceedings.

**TITLE III - THE REPRESENTATIVE OF THE NOTEHOLDERS**
Article 25 (Appointment, Removal and Remuneration)

The appointment of the Representative of the Noteholders takes place at the Meeting in accordance with the provisions of this Article 25 (Appointment, Removal and Remuneration). As regards the appointment of the first representative of the noteholders, the Class A Noteholders, the Class B Noteholders and the Class J Noteholders by subscribing respectively for the Class A Notes, the Class B Notes and the Class J Notes and paying the relevant subscription price in accordance with the provisions of the Notes Subscription Agreement recognize the appointment of 130 Finance S.r.l. as Representative of the Noteholders.

Simultaneously with the issue and delivery of the Notes, the Class A Noteholders, the Class B Noteholders and the Class J Noteholders, pursuant to the terms of the Notes Subscription Agreement, will confirm the appointment of 130 Finance S.r.l. as Representative of the Noteholders and 130 Finance S.r.l. will accept such appointment.

The Issuer acknowledges and accepts the appointment of 130 Finance S.r.l. as Representative of the Noteholders and each initial holder of the Class A Notes and each subsequent holder of the Class A Notes as well as each initial holder of the Class B Notes and each subsequent holder of the Class B Notes as well as each initial holder of the Class J Notes and each subsequent holder of the Class J Notes, by reason of purchase and holding the Class A Notes, the Class B Notes or the Class J Notes, as the case may be, will recognize the Representative of the Noteholders as its representative and is deemed to be bound by the terms and conditions of the Transaction Documents signed by the Representative of the Noteholders as if such holder of the Class A Notes, the Class B Notes or the Class J Notes was a signatory thereto.

Each initial holder of the Class A Notes and each subsequent holder of the Class A Notes as well as each initial holder of the Class B Notes and each subsequent holder of the Class B Notes as well as each initial holder of the Class J Notes and each subsequent holder of the Class J Notes, by reason of purchase and holding the Notes:

(i) confer to the Representative of the Noteholders all powers, rights and authority, to act as representative of the holders of the Class A Notes, the Class B Notes and the Class J Notes, as the case may be, and in such capacity to make all decisions, calculations and determinations, take all steps and actions, institute all legal proceedings, execute all agreements, instruments and documents which might be necessary or which it might deem advisable to protect the interests of the holders of the Class A Notes, the Class B Notes and the Class J Notes, as the case may be, in connection with the issue of the Class A Notes, the Class B Notes and the Class J Notes, as the case may be in accordance with these Rules; and

(ii) appoint, under article 1726 and article 1723(2) of the Italian civil code, the Representative of the Noteholders to exercise their respective rights and to act as their agent in relation to the Intercreditor Agreement and the Security Document (to the extent the Security Document creates a valid Security Interest).

Subject to and following the delivery of a Trigger Notice, the Representative of the Noteholders is entitled to receive as collection agent (“mandatario all’incasso”) respectively of the Class A Noteholders, the Class B Noteholders and the Class J Noteholders, in their name and on their behalf, all payments to be made by the Issuer pursuant to the applicable Order of Priority as set forth in the Conditions and the Intercreditor Agreement and to apply all cash deriving from time to time from the subject matter of the Security Document, as well as all proceeds upon the enforcement thereof in accordance with the Acceleration Order of Priority.
The Representative of the Noteholders shall be:

(a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through a branch situated in a European Union country; or

(b) a company or financial institution registered under Article 107 of the Consolidated Banking Act or, following the implementation of the provisions for the cancellation of such register, a company or financial institutions registered under Article 106 of the Consolidated 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.

The Representative of the Noteholders shall be appointed for unlimited term and can be removed by the Meeting at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, the Representative of the Noteholders shall remain in office until acceptance of appointment by the substitute representative of the Noteholders designated among the entities indicated in 1), 2) and 3) above and until such substitute representative of the Noteholders has entered into the Intercreditor Agreement and the other Transaction Documents to which the Representative of the Noteholders is a party; should said acceptance of appointment by the substitute representative of the Noteholders not occur within thirty days after such termination, the terminated Representative of the Noteholders shall be entitled to appoint, in the name and on behalf of the Issuer, its own successor convening a fee not higher than the fee that such terminated Representative of the Noteholders agreed with the Issuer, provided that any such successor shall satisfy all the conditions set out above; and the powers and authority of Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes. In case of termination of the Representative of the Noteholders a written notice will be given to the Rating Agencies.

The directors and auditors of the Issuer and those who fall within the conditions indicated in Article 2382 and Article 2399 of the Italian civil code in respect of the Issuer cannot be appointed Representative of the Noteholders, and, if appointed, shall be automatically removed from the appointment.

As consideration to the Representative of the Noteholders for the obligations undertaken by the same as from the date hereof under these Rules and the Transaction Documents, the Issuer shall pay to the Representative of the Noteholders an annual fee, such fee being agreed in a separate side letter. The above fees and remuneration shall accrue from day to day and shall be payable in accordance with the applicable Order of Priority up to (and including) the date when the Notes have been repaid in full or cancelled in accordance with the Conditions. For the avoidance of doubt, such annual fee is inclusive of the annual remuneration of the Representative of the Noteholders for its role as security trustee or agent under the Deed of Charge and for all activities performed by it pursuant to the other Transaction Documents.

In the event of the Representative of the Noteholders considering it expedient or necessary or being requested by the Issuer to undertake duties which the Representative of the Noteholders and the Issuer agree to be of an exceptional nature (in particular, following a Trigger Event) or otherwise outside the scope of the normal duties of the Representative of the Noteholders as contemplated in these Rules of the Organisation of the Noteholders, the Issuer shall pay to the Representative of the Noteholders such additional remuneration as shall be agreed between them. If the Representative of the Noteholders and the
Issuer fail to agree upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Representative of the Noteholders as contemplated in these Rules of the Organisation of the Noteholders, or upon such additional remuneration, then such matter shall be determined (at the Issuer’s expense) by an investment bank (acting as an expert and not as an arbitrator) selected by the Representative of the Noteholders and approved by the Issuer or, failing such approval within thirty (30) calendar days, nominated (on the application of either the Issuer or the Representative of the Noteholders) by a third investment bank (the expenses involved in such nomination and the fees of such investment banks being payable by the Issuer) and the determination of any such investment bank shall be final and binding upon the Representative of the Noteholders and the Issuer.

Article 26 (Duties and Powers)

The Representative of the Noteholders is the legal representative of the Organisation of Noteholders subject to and in accordance with the Conditions, these Rules, the Intercreditor Agreement and the other Transaction Documents to which it is a party (together, the “Relevant Provisions”).

Subject to the Relevant Provisions, the Representative of the Noteholders is responsible for implementing the decisions of the Meeting and for protecting the Noteholders’ interests vis-à-vis the Issuer, in accordance with and following any resolution taken by the Meeting. The Representative of the Noteholders has the right to attend Meetings. The Representative of the Noteholders may convene a Meeting to obtain instructions from the Relevant Class Noteholders on any action to be taken.

All actions taken by the Representative of the Noteholders in the execution and exercise of all its powers and authorities and of discretion vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders.

The Representative of the Noteholders may also, whenever it considers to be expedient and in the interests of the Noteholders, whether by power of attorney or otherwise, delegate to any Person(s) all or any of the powers, authorities and discretion vested in it as aforesaid. Any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit, provided that: (a) the Representative of the Noteholders shall use all reasonable care and skill in the selection of the sub-agent, sub-contractor or representative which must fall within one of the categories set forth in Article 25 (Appointment, Removal and Remuneration) herein; and (b) the sub-agent, sub-contractor or representative shall undertake to perform the obligations of the Representative of the Noteholders in respect of which it has been appointed.

The Representative of the Noteholders shall in any case be responsible for any loss incurred by the Issuer as a consequence of any misconduct or default on the part of such delegate or sub-delegate. The Representative of the Noteholders shall as soon as reasonably practicable give notice to the Issuer of the appointment of any delegate and the renewal, extension and termination of such appointment and shall procure that any delegate shall also as soon as reasonably practicable give notice to the Issuer of any sub-delegate.

The Representative of the Noteholders shall act in accordance with the provisions of article 1176, second paragraph of the Italian civil code.

The Class A Noteholders, the Class B Noteholders and the Class J Noteholders recognize that the Representative of the Noteholders shall have all the necessary powers and authority to make all decisions, calculations and determinations, take all steps and actions, institute all legal proceedings, execute all agreements, instruments and documents which might be necessary or which it might deem advisable in
connection with the issue of the Notes, and in particular (but not limited to) to execute and deliver the Transaction Documents to which respectively the holders of the Class A Notes, the Class B Notes and the Class J Notes are or will be a party. Each of the Class A Noteholders, the Class B Noteholders and the Class J Noteholders recognise, pursuant to article 1395 of the Italian civil code ("contratto con se stesso"), that the Representative of the Noteholders is authorised to deliver and execute any Transaction Documents to which it is and the holders of the Class A Notes, the Class B Notes or the Class J Notes, as the case may be, are parties.

The Representative of the Noteholders shall be authorised to represent the Organisation of Noteholders in judicial proceedings, including in proceedings involving the Issuer, creditors’ agreement ("concordato preventivo"), forced liquidation ("fallimento") or compulsory administrative liquidation ("liquidazione coatta amministrativa") or restructuring agreement ("accordi di ristrutturazione dei debiti").

Article 27 (Resignation of the Representative of the Noteholders)

The Representative of the Noteholders may resign at any time upon giving not less than three calendar months’ notice in writing to the Issuer and the Rating Agencies without giving any reason therefore and without being responsible for any costs occasioned by such resignation. The resignation of the Representative of the Noteholders shall not become effective until the Meeting has appointed a new representative of the Noteholders and until such new representative of the Noteholders has entered into the Intercreditor Agreement and the other Transaction Documents to which the Representative of the Noteholders is a party. If a new representative of the Noteholders is not appointed by the Meeting ninety days after such notice of resignation, the resigning Representative of the Noteholders will be entitled to appoint its own successor, in the name and on behalf of the Issuer and convening a fee not higher than the fee that the resigning Representative of the Noteholders agreed with the Issuer, provided that any such successor shall satisfy with the conditions of Article 25 (Appointment, Removal and Remuneration) herein.

Article 28 (Exoneration of the Representative of the Noteholders)

The Representative of the Noteholders shall not assume any other obligations in addition to those expressly provided herein and in the Transaction Documents.

Without limiting the generality of the foregoing, the Representative of the Noteholders shall not be:

(i) under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any of the other Transaction Documents has happened and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that no Trigger Event has occurred;

(ii) under any obligation to monitor or supervise the observance and performance by the Issuer or any of the other parties to the Transaction Documents of their obligations 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 party to any Transaction Document is observing and performing all the obligations on its part contained herein and therein;

(iii) under any obligation to give notice to any Person of the execution of these Rules or any of the Transaction Documents or any transaction contemplated hereby or thereby;
(iv) responsible for or for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto;

(v) responsible for or have any duty to make any investigation in respect of or in any way be liable whatsoever for: (i) the nature, status, creditworthiness or solvency of the Issuer, (ii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection herewith; (iii) the suitability, adequacy or sufficiency of any collection procedures operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any license, consent or other authority in connection with the purchase or administration of the Portfolio; and (v) any accounts, books, records or files maintained by the Issuer, the Servicer, the Principal Paying Agent, and the Corporate Services Provider or any other Person in respect of the Portfolio;

(vi) responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the Persons entitled thereto;

(vii) responsible for the maintenance of any rating of the Senior Notes and the Mezzanine Notes by the Rating Agencies or any other credit or rating agencies or any other Person;

(viii) responsible for or for investigating any matter which is the subject of, any recitals, statements, warranties or representations of any party other than the Representative of the Noteholders contained herein or any other Transaction Document;

(ix) bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to the Portfolio or any part thereof whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of remedy or not;

(x) liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules, the Notes or any Transaction Document;

(xi) under any obligation to insure the Portfolio or any part thereof;

(xii) obliged to have regard to the consequences of any modification of these Rules or any of the Transaction Documents for the Noteholders or any relevant Persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory;

(xiii) under any obligation to disclose to any Noteholder, any Other Issuer Creditors or any other party any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other Person in connection with these Rules or the Transaction Documents and the Noteholders, the Other Issuer Creditors or any other party shall not be entitled to take any action to obtain from the Representative of the Noteholders any such information (unless and to the extent ordered so to do by a court of competent jurisdiction);

(xiv) bound to take any steps or institute any proceedings after a Trigger Notice is served upon the Issuer following the occurrence of a Trigger Event, or to take any other action (or direct any action to be taken) to enforce any security interest created by the Security Document or any rights under the Intercreditor Agreement unless it has been indemnified and/or secured to its satisfaction against all
actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing;

(xv) liable for acting upon any resolution purporting to have been passed at any Meeting of the relevant Class of Notes or Classes of Notes in respect whereof minutes have been made and signed, also in the event that, subsequent to its acting it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the Noteholders, in connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, and

(xvi) liable for not having acted in any manner whatsoever for the protection of the Noteholders’ interests in all circumstances where, according to these Rules and the Transaction Documents, it was not expressly required to take any such action.

The Representative of the Noteholders may:

(i) agree (in the name and on behalf of the Noteholders) amendments or modifications to these Rules or to any of the Transaction Documents which in the sole and absolute opinion of the Representative of the Noteholders it is expedient to make or is to correct a manifest error or is of a formal, minor or technical nature. Any such modification shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall cause such modification to be notified to the Noteholders as soon as practicable thereafter;

(ii) agree (in the name and on behalf of the Noteholders) amendments or modifications to these Rules (other than in respect of a Basic Terms Modification or any provision in these Rules referred to in the definition of Basic Terms Modification) or to the other Transaction Documents which, in the sole and absolute opinion the Representative of the Noteholders, it may be proper to make, provided that (i) the Representative of the Noteholders is of the sole and absolute opinion that such modification will not be materially prejudicial to the interests of the holder of the holder of the Most Senior Class of Notes; and (ii) a prior written notice is given to the Rating Agencies;

(iii) act on the advice or a certificate or opinion of, or any information obtained from, any lawyer, accountant, banker, broker, credit or rating agencies or other expert whether obtained by the Issuer, or the Representative of the Noteholders or otherwise and shall not, in the absence of fraud (“frode”), gross negligence (“colpa grave”) or wilful misconduct (“dolo”) on the part of the Representative of the Noteholders, be responsible for any loss occasioned by so acting. Any such advice, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission, e-mail or cable and, in the absence of fraud (“frode”), gross negligence (“colpa grave”) or wilful misconduct (“dolo”) on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting on any advice, opinion or information contained in or purported to be conveyed by any such letter, telex, telegram, facsimile transmission, e-mail or cable notwithstanding any error contained therein or the non-authenticity of the same;

(iv) call for and accept as sufficient evidence of any fact or matter, unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice to the contrary, a certificate duly signed by or on behalf of the Issuer, and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by the Representative of the Noteholders acting on such certificate;
(v) have absolute discretion as to the exercise, non exercise or refraining from exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law, save as expressly otherwise provided herein, and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or inconveniences that may result from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its fraud ("frode"), gross negligence ("colpa grave") or wilful misconduct ("dolo");

(vi) hold or leave in custody these Rules, the Transaction Documents and any other documents relating hereto in any part of the world with any bank officer or financial institution or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Representative of the Noteholders to be of good repute, and the Representative of the Noteholders shall not be responsible for or required to insure against any loss incurred in connection with any such custody and may pay all sums required to be paid on account of or in respect of any such custody;

(vii) call for, accept and place full reliance on and as sufficient evidence of the facts stated therein, a certificate or letter of confirmation certified as true and accurate and signed on behalf of any common depository as the Representative of the Noteholders considers appropriate, or any form of record made by any such depository to the effect that at any particular time or throughout any particular period, any particular Person is, was, or will be, shown in its records as entitled to a particular number of Notes;

(viii) certify whether or not a Trigger Event is in its opinion materially prejudicial to the interests of the Noteholders and if any proceedings referred to under Condition 9(iv) (Insolvency) are disputed in good faith, and any such certificate or opinion shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other relevant Person and if the Representative of the Noteholders so certifies and serves a Trigger Notice pursuant to Condition 9 (Trigger Events), it shall, in the absence of fraud (frode), gross negligence (colpa grave) or wilful misconduct (dolo) on its part, be fully indemnified by the Issuer against all fees, costs, expenses, liabilities, losses and charges which it may incur as a result;

(ix) determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these Rules or contained in the Notes or any of the other Transaction Documents is capable of remedy and, if the Representative of the Noteholders shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders and any relevant Person and the Representative of the Noteholders shall not be responsible for or required to insure against any cost and loss incurred in connections with any such certificate;

(x) assume without enquiry that no Notes are for the time being held by or for the benefit of the Issuer.

The Representative of the Noteholders shall be entitled to:

(a) call for and to rely upon a certificate or any letter of confirmation or explanation reasonably believed by it to be genuine, of any party to the Intercreditor Agreement or any other of the Other Issuer Creditors in respect of every matter and circumstance for which a certificate is expressly provided for hereunder or any other Transaction Document and it shall not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its failing so to do;
(b) for the purposes of exercising any right, power, trust, authority, duty or discretion under or in relation to the Transaction Documents or the Notes, in considering whether that such exercise would not be materially prejudicial to the interests of the Noteholders and the Other Issuer Creditors, take into account, among the other things, any confirmation from the Rating Agencies that the then current ratings of the Notes would not be adversely affected by such exercise;

(c) without prejudice for what provided in this Article 29 (Exoneration of the Representative of the Noteholders) point below, convene a Meeting of the Noteholders of the relevant Class of Notes or Classes of Notes, in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, in order to obtain from them instructions upon how the Representative of the Noteholders should exercise such discretion, provided that nothing herein shall be construed so as to oblige the Representative of the Noteholders to convene such a Meeting. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request at the Meeting to be indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by taking such action.

In case the Representative of the Noteholders exercises its discretion in accordance with Article 4 (General) points (v) and (vii) of these Rules, the Representative of the Noteholders shall convene a Meeting of the Class A Noteholders in order to obtain an Extraordinary Resolution of the Class A Noteholders providing instructions upon how the Representative of the Noteholders should exercise such discretion. Upon determination by the Meeting of the Class A Noteholders, the Representative of the Noteholders shall comply and shall act in accordance with the instructions contained in the Extraordinary Resolution of the Class A Noteholders.

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained herein, or in other Transaction Document, such consent or approval may be given retroactively.

Any consent, approval or waiver by the Representative of the Noteholders shall be notified to the Rating Agencies.

No provision of these Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers, if the Representative of the Noteholders shall have reasonable grounds for believing that it will not be reimbursed for any amounts, or that it will not be indemnified against any loss or liability, which it may incur as a result of such action.

**Article 29 (Security Document)**

The Representative of the Noteholders in its capacity as Security Trustee is entitled to exercise all rights granted by the Issuer to it in its capacity as trustee for the Other Issuer Creditors under the Deed of Charge.

The Representative of the Noteholders, acting on behalf of the Secured Parties, agrees:

(a) prior to the enforcement of the Security Document, to permit the Issuer to collect, in the Secured Parties’ interest and on their behalf, any amounts deriving from the pledged claims and rights and
may instruct, jointly with the Issuer, the relevant debtors of the pledged claims to make any payments to be made thereunder to an Account of the Issuer;

(b) that all funds credited to the Accounts from time to time shall be applied in accordance with the Cash Administration and Agency Agreement and the Intercreditor Agreement and that available funds standing to the credit of certain Accounts specified in the Cash Administration and Agency Agreement may be used for investments in Eligible Investments.

The Secured Parties have irrevocably waived any right which they may have hereunder in respect of cash deriving from time to time from the pledged claims and amounts standing to the credit of the Accounts which is not in accordance with the foregoing. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged and secured claims under the Security Document except in accordance with the foregoing and the Intercreditor Agreement.

**Article 30 (Indemnity)**

It is hereby acknowledged that the Issuer shall reimburse, pay or discharge (on a full indemnity basis) on demand, to the extent not already reimbursed, paid or discharged by any Noteholders, all adequately documented costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (the “Requests” including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders, or any Person to whom any power, authority or discretion has been delegated by the Representative of the Noteholders, in relation to the preparation and execution of, the exercise, non exercise or purported exercise of its powers and performance of its duties under, and in any other manner in relation to, these Rules or the Transaction Documents, including but not limited to duly documented and reasonable legal and travelling expenses and any duly documented stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant the Transaction Documents, or against the Issuer or any other Person for enforcing any obligations hereunder, the Notes or the Transaction Documents, except insofar as the same are incurred as a result of gross negligence (“colpa grave”) or wilful misconduct (“dolo”) of the Representative of the Noteholders. It remains in any case understood that no amounts shall be paid by the Issuer for Requests that would have been avoided had the Representative of the Noteholders acted with professional care and diligence.

**TITLE IV - THE ORGANISATION OF NOTEHOLDERS UPON A SERVICE OF A TRIGGER NOTICE**

**Article 31 (Powers)**

It is hereby acknowledged that, upon service of a Trigger Notice and/or failure by the Issuer to exercise its rights under the Transaction Documents, the Representative of the Noteholders shall, pursuant to the Intercreditor Agreement, be entitled to exercise, in the name and on behalf of the Issuer and as mandatario in rem propriam of the Issuer, all and any of the Issuer’s Rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents. In connection with any proposed sale of one or more Claims comprised in the Portfolio, the Representative of the Noteholders may, but shall not be obliged to, convene a Meeting in accordance with the provisions set forth in these Rules to resolve on the proposed sale.

**TITLE V - DISPUTES RESOLUTIONS**
Article 32 (Law and Jurisdiction)

These Rules and all non-contractual obligations arising out or in connection with them are governed by, and will be construed in accordance with, the laws of Italy.

Any disputes arising out of or in connection with the present Rules, including those concerning its validity, interpretation, performance and termination, as well as all non-contractual obligations arising out or in connection with the present Rules, shall be submitted to the exclusive jurisdiction of the courts of Milan, Italy.
SELECTED ASPECTS OF ITALIAN LAW

The following is a description of certain aspects of Italian Law that are relevant to the transactions described in this Prospectus and of which prospective Noteholders should be aware. It is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this Prospectus.

The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

It applies to securitisation transactions involving the “true” sale (by way of non-gratuitous assignment) of claims, where the sale is to a company created in accordance with article 3 of the Securitisation Law and all amounts paid by the assigned debtors in respect of the claims are to be used by the relevant company exclusively to meet its obligations under the notes issued to fund the purchase of such claims and all costs and expenses associated with the securitisation transaction. It should be noted that Law Decree No. 145 of 23 December 2013 (“Interventi urgenti di avvio del piano “Destinazione Italia”, per il contenimento delle tariffe elettriche e del gas, per la riduzione dei premi RC-auto, per l’internazionalizzazione, lo sviluppo e la digitalizzazione delle imprese, nonché misure per la realizzazione di opere pubbliche ed EXPO 2015”) converted with amendments into Law No. 9 of 21 February 2014 (“Law 9/2014”) and Italian Law Decree no. 91 of 24 June 2014 (“Disposizioni urgenti per il settore agricolo, la tutela ambientale e l’efficientamento energetico dell’edilizia scolastica e universitaria, il rilancio e lo sviluppo delle imprese, il contenimento dei costi gravanti sulle tariffe elettriche, nonché per la definizione immediata di adempimenti derivanti dalla normative europee”) converted with amendments into Law No. 116 of 11 August 2014, (“Law 116/2014”) introduced certain amendments to the Securitisation Law to the purpose of improving the Securitisation Law by granting additional legal benefits to the entities involved in the securitisation transactions in Italy and better clarifying certain provisions of the Securitisation Law.

In particular, the following main changes have been introduced by such laws in respect of the Securitisation Law:

1. the assigned debtors in securitisation transactions shall not be entitled to exercise any set-off between the amounts due by them under the assigned claims and their claims arisen after the date of publication in the Official Gazette of the notice of transfer of the relevant portfolio or the date certain at law (“data certa”) on which the relevant purchase price (even if partial) has been paid;

2. payments made by assigned debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law;

3. the assignment of receivables owed by public entities made under the Securitisation Law will now be subject only to the formalities contemplated by the Securitisation Law (i.e., the publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled) and no other formalities shall apply; and

4. where the Notes issued by the special purpose vehicle are subscribed by qualified investors, the underwriter can also be a sole investor.

5. if the servicer, the sub-servicer or the depositary bank, with which the accounts for the deposit of the collections received from the assigned debtors of securitisation transactions have been opened,
becomes subject to insolvency proceedings, the amounts credited on such accounts will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan;

6. securitisation companies established under the Securitisation Law are allowed to grant direct financings to entities which are not individuals or so called micro-companies, subject to certain conditions;

7. certain consequential changes are made to the Securitisation Law to reflect such new possibility;

8. the segregation principle set out in the second paragraph of article 3 of the Securitisation Law is widened to include any right arising in favour of the securitisation company in the context of the relevant securitisation transaction, the relevant collections and the financial assets acquired with such collections.

Amendments to the Securitisation Law for NPLs and UTPs securitisation transactions

By the Law Decree n. 50 of 24 April 2017 (containing urgent provisions on financial matters, initiatives in favour of territorial authorities, further actions for areas affected by seismic events and development measures) (the “Decree 50/2017”), converted with amendments by Law n. 96 of 21 June 2017, some changes and supplements have been made to the Securitisation Law in order to, mainly, be a more useful management tool of the non performing loans (the “NPLs”) of leasing companies, the non performing loans secured by assets and the unlikely to pay debts (the “UTPs”).

The above provisions apply to NPLs’ and UTPs securitisation transactions and are mainly aimed to:

(i) facilitate the NPLs' trade of leasing companies and secured NPLs;

(ii) facilitate the trade of NPLs' and UTPs owed to banks by companies that are in a situation of crisis.

Latest amendments to the Securitisation Law introduced by 2019 Budget Law

Law No. 145 of 30 December 2018 (the “2019 Budget Law”), as published in the Official Gazette No. 302 of 31 December 2018, provided, inter alia, for certain amendments to the Securitisation Law applicable as of 1 January 2019.

In particular, 2019 Budget Law introduced new measures to the Securitisation Law aiming at:

(i) further favouring the realization of securitisations through the purchase or subscription by the SPV of, inter alia, bonds or debt securities, by providing that where the notes issued in the context of the securitisation are to be purchased by qualified investors pursuant to article 100 of the Consolidated Financial Act, certain restrictions do not apply;

(ii) allowing SPVs to grant financings also in conjunction with and in addition to the transactions provided for under article 1, paragraphs 1 and 1-bis of the Securitisation Law;

(iii) clarifying certain aspects of article 7, paragraph 1(a) of the Securitisation Law, on lending operations carried out by the SPV vis-à-vis the transferor;
(iv) extending the application of the Securitisation Law to securitisation transactions concerning the securitization of proceeds deriving from the ownership or other rights on real estates, registered movable properties; and

(v) introducing new measures allowing the borrowers of the SPV to segregate the claims and assets representing the guarantee for the financings received and/or to constitute a pledge over such claims and assets.

It has to be noted that 2019 Budget Law requires for the adoption of one or more decrees to be issued by the Ministry of Economics and Finance within 90 (ninety) days from the entry into force of the 2019 Budget Law in order to enact and implement the aforementioned amendments to the Securitisation Law. As at the date of this Prospectus, the decrees implementing the amendments to the Securitisation Law have not been published yet and, therefore, possible risks for the Noteholders cannot be assessed.

The Assignment

The assignment of the claims under the Securitisation Law is governed by article 58, paragraphs 2, 3 and 4, of the Consolidated Banking Act. According to the prevailing interpretation of such provisions, which has been strengthened by article 4 of the Securitisation Law, the assignment can be perfected against the originator, assigned debtors and third party creditors by way of publication of the relevant notice in the Official Gazette and registration of the transfer in the companies’ register where the Issuer is enrolled, so avoiding the need for notification to be served on each assigned debtor.

Upon compliance with the formalities set forth by the Securitisation Law, the assignment becomes enforceable against:

(a) the assigned debtors and any creditors of the originator who have not, prior to the date of publication of the notice of assignment in the Official Gazette and registration of the assignment in the companies’ register where the assignee is enrolled, commenced enforcement proceedings in respect of the relevant claims;

(b) the liquidator or any other bankruptcy officials of the assigned debtors (so that any payments made by an assigned debtor to the purchasing company may not be subject to any claw-back action according to article 67 of the Bankruptcy Law; and (ii) the liquidator of the originator (provided that the originator has not been subjected to insolvency proceeding prior to the date of publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled); and

(c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication of the notice of assignment in the Official Gazette and the registration of the assignment in the companies’ register where the assignee is enrolled.

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned claims will automatically be transferred to and perfected with the same priority in favour of the company which has purchased the claims, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette and registration of the assignment in the companies’ register where the assignee is enrolled, no legal action may be brought against the claims assigned or the sums derived therefrom other than for the purposes of enforcing the rights
of the holders of the notes issued for the purpose of financing the acquisition of the relevant claims and to meet the costs of the transaction.

Notice of the assignment of the Claims pursuant to the Transfer Agreement was published in the Official Gazette No. 43 of 11 April 2019, Part II, and registered with the Register of Enterprises of Milan – Monza - Brianza - Lodi on 5 April 2019.

Assignments executed under the Securitisation Law are subject to revocation upon bankruptcy under article 67 of the Bankruptcy Law but only in the event that the securitisation transaction is entered into within three months of the adjudication of bankruptcy of the relevant party or, in cases where paragraph 1 of article 67 of the Bankruptcy Law applies, within six months of the adjudication of bankruptcy.

On 11 October 2017, Italian Parliament approved Law No. 155 of 19 October 2017 (Legge Delega) conferring to the Italian Government the powers to reform the Bankruptcy Law. On 14 February 2019, Legislative Decree No. 14 of 12 January 2019, enacting Law No. 155 of 19 October 2017, has been published on the Official Gazette of the Republic of Italy and will enter into force as of 15 August 2020 except for certain provisions relating to the corporate organisation and director liabilities that will enter into force as of March 2019.

Ring Fencing of the Assets

Pursuant to operation of article 3 of the Securitisation Law, the assets relating to each securitisation transaction are segregated, by operation of law, for all purposes from all other assets of the company which purchases the claims (including, for the avoidance of doubt, any other portfolio purchased by the company pursuant to the Securitisation Law). Prior to and on a winding up of such a company, such assets (for so long as such amounts are credited to one of the Issuer’s accounts under the Transaction and not commingled with other sums) will only be available to holders of the notes issued to finance the acquisition of the relevant claims and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant assets. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the Issuer. However, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt.

In addition to the above, it should be noted that, pursuant to the amendments recently introduced to the Securitisation Law by Law 9/2014 and Law 116/2014, it has been provided for that inter alia:

(i) the amounts credited into the accounts opened by companies incorporated as special purpose vehicles pursuant to article 3 of Law 130 with the servicers or with the depositary bank of securitisation transactions, on which the amounts paid by the assigned debtors as well as any other amount due to the relevant special purpose vehicle under the securitisation may be credited, may be utilised only to fulfil the obligations of the relevant special purpose vehicle against the noteholders and the other creditors under the securitisation and to pay the expenses to be borne in connection with the securitisation. Should any proceeding under Title IV of the Consolidated Banking Act, or any other insolvency procedure apply to the relevant servicer or depositary bank, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan; and
in respect of the accounts opened by the servicers and the sub-servicers with banks, and into which the amounts paid by the assigned debtors may be credited, the creditors of the relevant servicer or sub-servicer may exercise claims only in respect of the amounts credited on such accounts that exceed the amounts due to the relevant special purpose vehicle. Should any insolvency procedure apply to the relevant servicer or sub-servicer, the amounts credited on such segregated accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan. Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

Claw-Back of the sale of the Claims

The sale of the Portfolio by the Originator to the Issuer may be clawed back by a receiver of the Originator under article 67, paragraphs 1(4) and 2 of the Bankruptcy Law but only in the event that the Originator was insolvent when the assignment was entered into and was executed within three months of the admission of the Originator to compulsory liquidation (liquidazione coatta amministrativa) pursuant to Title IV, Heading I, Section III of the Consolidated Banking Act or in cases where paragraphs 1(1), 1(2) and 1(3) of article 67 of the Bankruptcy Law apply, within six months of the admission to compulsory liquidation.

On 11 October 2017, Italian Parliament approved Law No. 155 of 19 October 2017 (Legge Delega) conferring to the Italian Government the powers to reform the Bankruptcy Law. On 14 February 2019, Legislative Decree No. 14 of 12 January 2019, enacting Law No. 155 of 19 October 2017, has been published on the Official Gazette of the Republic of Italy and will enter into force as of 15 August 2020 except for certain amendments which will enter into force as of 16 March 2019.

Payments made by the debtors to the Issuer

Pursuant to article 4 of the Securitisation Law (as recently amended by Law 9/2014 and Law 116/2014) the payments made by an assigned debtor to the Issuer may not be subject to any claw-back action pursuant to article 67 of the Bankruptcy Law.

All other payments made to the Issuer by any party under a Transaction Document in the six months or one year suspect period prior to the date on which such party has been declared bankrupt or has been admitted to the compulsory liquidation (liquidazione coatta amministrativa) may be subject to claw-back action according to article 67 of the Bankruptcy Law. The relevant payment will be set aside and clawed back if the receiver gives evidence that the recipient of the payments had knowledge of the state of insolvency when the payments were made. The question as to whether or not the Issuer had actual or constructive knowledge of the state of insolvency at the time of the payment is a question of fact with respect to which a court may in its discretion consider all relevant circumstances.

In addition to the above, in the event of insolvency of a Borrower (to the extent the same is subject to the Bankruptcy Law), the relevant payments or prepayments under a mortgage loan agreement may be declared ineffective pursuant to articles 65 or 67 of the Bankruptcy Law.

The Securitisation Law, as recently amended, expressly provides that (i) the claw-back provisions set forth under article 67 of the Bankruptcy Law do not apply to payments made by assigned debtors to the Issuer in respect of the securitised Claims and (ii) the payments made by assigned debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law.
Mutui Fondiari

The mortgage loans include *inter alia* mortgage loans qualifying as *mutui fondiari*. In addition to the general legislation commonly applicable to mortgage lending, mortgage loans which qualify as *mutui fondiari* are regulated by specific legislation (*credito fondiario*) which provides for a number of rights in favour of the mortgage lender that are not provided for by general legislation.

Agreements relating to *mutui fondiari* executed before 1 January 1994 are regulated by the Italian legislation on *credito fondiario* in force prior to that date, which permitted only credit institutions having special license to grant *mutui fondiari*. All other credit institutions were not permitted to conduct mortgage lending business. As of 1 January 1994, under the new legislative framework under the Consolidated Banking Act, all banks having a general banking license became qualified to enter into *mutui fondiari* agreements. The new legislation applies only to *mutui fondiari* agreements executed, and foreclosure proceedings commenced, on or after 1 January 1994.

With respect to the legislative framework under the Consolidated Banking Act, certain provisions under the *mutuo fondiario*’s legislation entitle the lender to commence or continue foreclosure proceedings also after the declaration of insolvency (*fallimento*) of the affected debtor, to receive repayment from the price paid for a mortgaged property at auction up to the price corresponding to the *mutui fondiari* debt directly from the purchaser (without having to await disbursement by the court) and to an assignment of any rentals earned by the mortgaged property, net of administration expenses and taxes.

With respect to the borrowers, such *mutuo fondiario*’s legislation provides that: (a) the borrower is entitled to a thirty calendar day grace period on payments of instalments; delays in payment of instalments of not over one hundred and eighty days may justify termination of the mortgage loan only starting from the eighth (also non consecutive) unpaid instalment; and (b) each time the borrower has repaid one fifth of its original debt, it is entitled to a corresponding reduction of the amount covered by the mortgage; to the extent that a mortgage loan is secured by mortgages on more than one asset, the borrower is entitled to the release of one or more assets from the mortgage to the extent it is able to prove that the remaining assets would be sufficient to ensure a loan to value of at least 120% (or, according to an interpretation, the original loan to value, if higher).

Foreclosure Proceedings

Mortgages may be “voluntary” (“*ipoteche volontarie*”) if granted by a borrower or a third party guarantor by way of a deed or “judicial” (“*ipoteche giudiziarie*”) if registered in the appropriate land registry (“Conservatorìa dei Registri Immobiliari”) following a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

A mortgage lender (whose claim is secured by a mortgage whether “voluntary” or “judicial”) may commence foreclosure proceedings by seeking a court order or injunction for payment in the form of an enforcement order (“*titolo esecutivo*”) from the court in whose jurisdiction the mortgaged property is located. This court order or injunction must be served on the debtor.

If the mortgage loan was executed in the form of a public deed, a mortgage lender can serve a copy of the mortgage loan agreement, stamped by a notary public with an order for the execution thereof (*formula esecutiva*) directly on the debtor without the need to obtain an enforcement order (“*titolo esecutivo*”) from the court. A writ of execution (“*atto di precetto*”) is notified to the debtor together with either the enforcement order (“*titolo esecutivo*”) or the loan agreement, as the case may be.
Within ten days of filing, but not later than ninety days from the date on which notice of the writ of execution ("atto di precetto") is served, the mortgage lender may request the attachment of the mortgaged property.

The property will be attached by a court order, which must then be filed with the appropriate land registry ("Conservatoria dei Registri Immobiliari"). The court will, at the request of the mortgage lender, appoint a custodian to manage the mortgaged property in the interest of the mortgage lender. If the mortgage lender does not make such a request, the debtor will automatically become the custodian of such property.

The mortgage lender is required to search the land registry to ascertain the identity of the current owner of the property and must then serve notice of the request for attachment on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been previously notified to the mortgage lender. Not earlier than ten days and not later than ninety days after serving the attachment order, the mortgage lender may request the court to sell the mortgaged property. The court may delay its decision in respect of the mortgage lender’s request in order to hear any challenge by the debtor to the attachment.

Technical delays may be caused by the need to append to the mortgage lender’s request for attachment copies of the relevant mortgage and cadastral (i.e. land registry) certificates ("certificati catastali"), which usually take some time to obtain. Law No. 302 should reduce the duration of the foreclosure proceedings by allowing the mortgage lender to substitute such cadastral certificates with certificates obtained from public notaries and by allowing public notaries to conduct various activities which were before exclusively within the powers of the courts.

If the court decides to proceed with an auction ("vendita con incanto") of the mortgaged property, it will usually appoint an expert to value the property. The court will then order the sale by auction. The court determines on the basis of the expert’s appraisal the minimum bid price for the property at the auction. If an auction fails to result in the sale of the property, the court will arrange a new auction with a lower minimum bid price. The courts have discretion to decide whether, and to what extent, the bid price should be reduced (the maximum permitted reduction being one-fifth of the minimum bid price of the previous auction). In practice, the courts tend to apply the one-fifth reduction. In the event that no offer is made during an auction, the mortgage lender may apply to the court for a direct assignment of the mortgaged property to the mortgage lender itself. In practice, however, the courts tend to hold auctions until the mortgaged property is sold.

The sale proceeds, after deduction of the expenses of the foreclosure proceedings and any expenses for the deregistration of the mortgages, will be applied in satisfaction of the claims of the mortgage lender in priority to the claims of any other creditor of the debtor (except for the claims for taxes due in relation to the mortgaged property and for which the collector of taxes participates in the foreclosure proceedings).

Upon payment in full of the purchase price by the purchaser within the specified time period, title to the property will be transferred after the court issues an official decree ordering the transfer. In the event that proceedings have been commenced by creditors other than the mortgage lender, the mortgage lender will have priority over such other creditors in having recourse to the assets of the borrower during such proceedings, such recourse being limited to the value of the mortgaged property.

The average length of foreclosure proceedings beginning with the court order or injunction of payment until the final sharing out is between six and seven years. In the medium-sized central and northern Italian cities, it can be significantly less whereas in major cities or in southern Italy, the duration of the procedure can significantly exceed the average.
**Mutui Fondiari Enforcement Proceedings**

Almost all the mortgage loans comprised in the Portfolio are “mutui fondiari”. Enforcement proceedings in respect of “mutui fondiari” commenced after 1 January 1994 are currently regulated by article 38 et seq. of the Consolidated Banking Act in which several exceptions to the rules applying to enforcement proceedings in general are provided for. In particular, there is no requirement to serve a copy of the loan agreement directly on the borrower and the mortgage lender of “mutui fondiari” is entitled to commence or continue enforcement proceedings after the debtor is declared insolvent or insolvency proceedings have been commenced.

Moreover, the custodian appointed to manage the mortgaged property in the interest of the fondiario lender pays directly to the lender the revenues recovered on the mortgaged property (net of administration expenses and taxes). After the sale of the mortgaged property, the court orders the purchaser (or the assignee in the case of an assignment) to pay that part of the price corresponding to the mutui fondiari lender’s debt directly to the lender.

Pursuant to article 58 of the Consolidated Banking Act, the Issuer will be entitled to benefit from such procedural advantages which apply in favour of a lender of a “mutuo fondiario” loan.

Enforcement proceedings for “mutui fondiari” commenced on or before 31 December 1993 are regulated by the Royal Decree No. 646 of 16 July 1905, which confers on the “mutuo fondiario” lender rights and privileges that are not provided for by the Consolidated Banking Act with respect to enforcement proceedings on “mutui fondiari” commenced on or after 1 January 1994. Such additional rights and privileges include the right of the bank to commence enforcement proceedings against the borrower even after the real estate has been sold to a third party who has taken the place of the borrower as debtor under the “mutuo fondiario” provided that the name of such third party has not been notified to the lender. Further rights include the right of the bank to apply for the real estate to be valued by the court after commencement of enforcement proceedings, at the value indicated in the “mutuo fondiario” agreement without having to have a further expert appraisal.

**The impact of Law No. 302**

Italian Law No. 302 of 3 August 1998, Italian Law No. 80 of 15 May 2005, Italian Law No. 263 of 28 December 2005 and the Italian code of civil procedure as amended thereby have introduced certain rules according to which some of the activities to be carried on in a foreclosure procedure may be entrusted to a notary public, lawyers or chartered accountants duly registered with the relevant register as kept and updated from time to time by the chairman of the competent court (Presidente del Tribunale).

In particular, if requested by a creditor, the notary public may issue a notarial certificate attesting the results of the searches with the “catasto” and with the appropriate land registry (Conservatoria dei Registri Immobiliari). Such notarial certificate replaces several documents that are usually required to be attached to the motion for the auction and reduces the timing normally required to obtain the documentation from the relevant public offices. Moreover, if appointed by the foreclosure judge, the notary public may execute the sale by auction by: (a) determining the value of the property; (b) deciding on the offers received after the auction and concerning the payment of the relevant price; (c) initiating further auctions or transfer; (d) executing certain formal documents relating to the registration and filing with the land registry of the transfer decree prepared by the same notary public and issued by the foreclosure judge; and (e) preparing the proceeds’ distribution plan and forwarding the same to the foreclosure judge.
With regard to the above, the involvement of a notary public by the foreclosure judge is permitted when: (a) the foreclosure judge has not yet decided on the motion for an auction; (b) a sale without auction has not been performed successfully and the foreclosure judge after consultation with the creditors decides to proceed with an auction; and (c) a possible receivership has ceased and the foreclosure judge decides to proceed with a sale by auction. On the other hand, the involvement of a notary public does not seem to be possible both when a decree providing for the sale without auction has already been issued and when an auction before the foreclosure judge has already been fixed. If the auction is concluded without a sale, it is possible that the foreclosure judge may delegate the power to execute further auctions to the notary public.

**Priority of Interest Claims**

Pursuant to article 2855 of the Italian civil code, the claims of a mortgage lender in respect of interest may be satisfied in priority to the claims of all other unsecured creditors in an amount equal to the aggregate of: (i) the interest accrued at the contractual rate in the calendar year in which the initial stage of the enforcement proceedings are taken and in the two preceding calendar years; and (ii) the interest accrued at the legal rate (currently 0.8%) from the end of the calendar year in which the initial stage of the enforcement proceeding is commenced to the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy the claims of any other creditor participating in the enforcement proceedings. The mortgage lender will be entitled to participate in the distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

**Cancellation of mortgages**

Art. 40-bis of the Consolidated Banking Act and Law decree No. 7 of 31 January 2007 (the “Bersani Decree”) as converted into law by Law No. 40 of 2 April 2007, as applicable, set out certain provisions relating to mortgage loans which include, inter alia, simplified procedures meant to allow a more prompt cancellation of mortgages securing loans granted by banks or financial intermediaries in the event of a documented repayment in full by the debtors of the amounts due under the loans. While such provisions do not impact on the monetary rights of the lenders under the loans (lenders retain the right to oppose the cancellation of a mortgage), the impact on the servicing procedures in relation to the applicable loan agreements cannot be entirely assessed at this time.

**Insolvency proceedings**

A company or individual qualifying as commercial entrepreneur (imprenditore che esercita un’attività commerciale) under article 1 of the Bankruptcy Law may be subject to insolvency proceedings (procedure concorsuali). Insolvency proceedings (procedure concorsuali) under Bankruptcy Law may take the form of, inter alia, bankruptcy (fallimento), composition with creditors (concordato preventivo).

Bankruptcy proceedings are applicable to commercial entrepreneurs (companies or individuals) that are in state of insolvency (stato di insolvenza) pursuant to article 5 of the Bankruptcy Law. A debtor can be declared bankrupt (fallito) (either by its own initiative, upon the initiative of any of its creditors or of the Public Prosecutor) if it is not able to timely and duly fulfil its obligations. The debtor loses control over all its assets and of the management of its business which is taken over by a court-appointed receiver (curatore fallimentare).

Once judgment has been made by the court on the basis of the evidence of the creditors and the opinion of the court-appointed receiver (curatore fallimentare), and the creditors’ claims have been approved, the sale of the borrower’s property is conducted in a manner similar to foreclosure proceedings or forced sale of goods, as the case may be. After insolvency proceedings are commenced, no legal action can be taken
against the debtor and no foreclosure proceedings or forced sale proceedings may be initiated. Moreover, all action taken and proceedings already initiated by creditors are automatically suspended.

An entrepreneur that is in crisis (stato di crisi) or insolvent may propose, pursuant to articles 160 and following of the Bankruptcy Law, to its creditors a creditors’ composition (concordato preventivo). The proposed composition plan may provide for the restructuring of debt and terms for the satisfaction of creditors, the transfer of business activities, the grouping of creditors in classes and their proposed treatment. The proposed composition plan must be accompanied by specific documentation relating to, inter alia, the financial situation of the enterprise and a report by an expert certifying that the data relating to the enterprise are true and the proposed composition plan is feasible.

A proposal for a composition plan is approved if it receives the favourable vote of 50%+1 (in term of amount of claims) of the unsecured creditors an impaired secured creditors; whenever classes of creditors are created a majority of the classes is also needed. If an approved composition plan is not challenged in court, the court will validate the composition plan by decree; such decree terminates the procedure.

Pursuant to the newly introduced Italian Law 27 January 2012, No. 3 (Disposizioni in materia di usura e di estorsione, nonché di composizione delle crisi da sovraindebitamento), a debtor who is not eligible to be adjudicated bankrupt under the Bankruptcy Law is entitled to file to the competent court a restructuring plan, to be approved by its creditors representing at least 60% of the outstanding debts, in order to request, among others, up to a one-year suspension of the payments of the outstanding debts and a rescheduling of any other payments.

Recent Amendment to Enforcement and Bankruptcy Proceedings

On June 30, 2016, the Italian Parliament approved Law no. 119 (“Conversion Law”), which converts law decree no. 59/2016, published on the Official Gazette no. 102, on May 3, 2016 introducing “urgent provisions relating to the enforcement and insolvency proceedings, as well as in favor of investors of banks subject to winding up” (“Law Decree”). The Conversion Law has been published on the Official Gazette no. 153 dated July 2, 2016 and entered into force on July 3, 2016. The Conversion Law confirmed almost in full the content of the Law Decree, with certain amendments and integrations. The Law Decree has been adopted with the aim of improving the efficiency of the civil justice system and the insolvency proceedings, with particular regard to the safeguard and the valorisation of credits recovery. The main relevant changes introduced by the Law Decree and by the Conversion Law relate to:

1. the enforcement proceedings regulated by the Italian code of civil procedure;

2. the insolvency proceedings regulated by the Bankruptcy Law.

For some of the changes introduced by the Law Decree, especially in relation to forced expropriation issues, a transitory period is provided. More in particular, the Law Decree provides that certain provisions shall apply:

- only to enforcement proceedings commenced after the entry into force of the Conversion Law;
- also to enforcement proceedings already pending, but only to the extent that the enforcement acts subject to the provisions amended by the Law Decree shall be carried out once a certain period of time has elapsed (which varies between 30 and 90 days) following the entry into force of the Conversion Law.
The Law Decree demonstrates the attention paid to enterprises and investors in relation to the difficulties that, for a long time, have been affecting the civil justice system. Two significant bills concerning the civil process and the insolvency proceedings system are in any case subject to the parliamentary scrutiny and may introduce more important changes in such context, and in accordance with the improvements already adopted.

However, the guidelines of the reform project are the following:

- to optimize the overall functioning of the judicial offices with a progressive implementation of their computerisation - especially with respect to the enforcement proceedings some case the duty) to perform procedural steps by digital means;
- to ensure more transparency to investors and economic subjects in relation to relevant information concerning their debtors, if such debtors are parties to enforcement or insolvency proceedings or if they made recourse to other instruments aimed at the management of the business crisis;
- to reduce the duration of recovery proceedings, both individual and insolvency ones, and consequently to fasten the timing of credit recovery, through the restriction of the terms of certain procedural steps (e.g., introduction of a term for the opposition against the enforcement, introduction of a limit in the number of sales attempts in the context of expropriation procedures concerning movable assets together with the introduction of a time limit for their performance, etc.), the disempowering of the specious initiatives of the debtors and the optimization of the negotiation of the pledged assets;
- to increase the instruments aimed at safeguarding the creditors providing more flexible securities which allow a faster credit recovery and, in some cases, without the need to make recourse to the judicial authorities.

With respect to the provisions concerning the use of digital instruments, their actual application will require the adoption of ministerial implementing provisions. As of today, the timing for the actual entry into functioning of such systems remains unknown.

**Delegation of powers to the Italian Government for the reform of corporate reorganization and Insolvency Law**

On 11 October 2017 the Italian Parliament approved the text of law which confers powers on the Italian government for an overall reform of insolvency law and corporate reorganisation proceedings in the context of over-indebted corporate entities (the “**Delegated Legislation**”).

The Delegated Legislation is the result of a review of the Italian legislative decree no. 267 of 16 March 1942 (hereinafter the “**Bankruptcy Law**”) conducted by an experts' committee set up in 2015. Such review aims at introducing reform of insolvency legislation that is better suited to the current economic situation and consistent with the indications received from the European legislator.

The Delegated Legislation is inspired by the principle of an early detection and resolution of corporate insolvency also through flexible and modern reorganisation methods; in such a context, the declaration of bankruptcy (now defined as judicial liquidation, “*liquidazione giudiziale*”) is considered as a last resort alternative in absence of other options that can guarantee continuation of the corporate activity. Please note that it is likely that in the coming months this Delegated Legislation may be amended to correct certain aspects that, according to the current wording of the law, are not clear or in any case need improvements.

In accordance with the above principles, the Delegated Legislation introduces the new “preemptive and assisted reorganisation procedures” further complementing in this way the regulation of the currently existing pre-insolvency proceedings (i.e. restructuring proceedings under article 182bis and certified plans.
under article 67(3)(d) of the Bankruptcy law) and insolvency proceedings (scheme of arrangements with creditors and bankruptcy). The reform of the so-called extraordinary administration proceedings has not been included in the scope of the Delegated Legislation and will likely require an ad hoc intervention.

The principal envisaged amendments to the current legal framework contained in the Delegated Legislation are as follows.

Stakeholders have long faced a difficulty in coordinating the restructuring proceedings of companies belonging to the same group. The legislation currently in force does not provide for the opening of a single restructuring proceedings with regard to multiple affiliated companies, this resulting in an inefficient process also compounded by the fact that different territorial courts have competence for each different single proceedings. Therefore in order to address such issues, the Delegated Legislation provides for the introduction of a new joined proceedings for group insolvencies. More specifically, the Delegated Legislation introduces:

a) a definition of “corporate group” by reference to the criteria of direction and coordination referred to in articles 2497 et seq. and 2545 septies of the Italian civil code; such criteria are presumed as met in case within the group there are controlling and controlled entities pursuant to article 2359 of Italian civil code;

b) joined single proceedings: the possibility for companies belonging to the same group to file a single application for approval of a debt restructuring plan agreement under article 182bis of the Bankruptcy Law or admission to an out-of-court arrangement with creditors or judicial liquidation or a court settlement agreement before a single court of law (as determined in accordance with the European principle of “center of main interests” of the debtor); hence the subsequent appointment of only one single (i) judge and (ii) court-appointed receiver with regard to a scheme of arrangement or judicial dissolution and payment of a single fund of expenses in the case of a scheme of arrangement with creditors.

c) separate resolution meetings with regard to schemes of arrangement with creditors: in case of a scheme of arrangement, separate resolutions on the proposal by the creditors of each company and the exclusion of infra-group creditors from voting in order to mitigate any “distortion” effects;

d) subordination of infra-group debt in situations described by article 2467 of the Italian civil code (i.e. the company has resorted to additional debt in situations where a capital contribution was instead required), with the exception of infra-group loans granted in the context of schemes of arrangement or a debt restructuring agreement under article 182bis of Bankruptcy Law;

e) extension of the receiver’s powers with regard to solvent companies: in the event of a judicial liquidation, the power of the receiver, inter alia, to report irregularities in the management of the solvent companies of the group (e.g. article 2409 of the Italian civil code) and to request their bankruptcy in the event of insolvency.

Preemptive Proceedings

As mentioned above, the Italian legislator has worked on the assumption (shared by the European regulator and business philosophy) that the successful recovery of a business largely depends on early detection of crisis situations, which instead the entrepreneur often tends to deny.

In order to facilitate a prompt detection of the crisis, on one hand the Delegated Legislation requires the entrepreneur to have in place an adequate corporate structure which can detect a crisis situation in a timely manner, and on the other hand, has introduced preemptive proceedings and crisis-assisted reorganisation proceedings (the “Preemptive Proceedings”) to induce the distressed company to address the crisis early on.
Such regulation however does not apply to listed and large companies on the assumption that, due to their dimension, such entities have adequate resources to detect the crisis and address it on an early stage.

The Preemptive Proceedings are based on a resolution of the crisis agreed with creditors and implemented through the assistance of a body of experts activated by the debtor or indirectly by public creditors or corporate auditing entities. The Preemptive Proceedings - which are to be conducted in a confidential manner – provide for the following:

a) the debtor who acknowledges a state of crisis files an application with a body set up in the relevant Chamber of Commerce (the “Committee”) in order to receive assistance in finding an agreed solution to the crisis with the creditors within a maximum period of 6 months;

b) qualified public creditors (including the Tax Agency and Social Security Agency) must (i) inform the relevant debtor that its debt exposure has exceeded a significant amount and (ii) inform the supervisory entities and the Committee, in case the debtor has not addressed the problem within a 3 months period (such as by starting the Preemptive Proceedings, or by carrying out a scheme of arrangement or a debt restructuring);

c) in the event of the debtor's inaction, the above-mentioned public creditors must report to the supervisory entities and the Committee ongoing defaults of a significant amount;

d) in addition, in all cases of inaction on the part of the debtor (and regardless of reporting by qualified public creditors) the corporate auditing bodies, auditors and auditing firms are obliged to immediately notify the administrative entities of any well-grounded indications of a crisis situation (the chartered accountant representative body shall prepare indexes to be used to establish when a company is to be considered in crisis) and, in the event of inadequate or lacking response by these, the Committee;

e) during the proceedings, the debtor may apply to the relevant Court for the adoption of protective measures to enable the same to enter into negotiations protected from any action of creditors (in respect of such protective measures, the debtor may postpone the reduction of any losses pursuant to the provisions of article 182 sexies of the Bankruptcy Law with reference to the debt restructuring agreements and the schemes of arrangements;

f) if within six months from the start of the proceeding the relevant debtor does not adopt appropriate measures to overcome the crisis (including entering into agreements with creditors or filing a debt restructuring agreement in court or apply for an in-court composition with creditors), the Committee reports the state of insolvency, (if any) to the Public Prosecutor (who will be able to file for bankruptcy where the conditions are met).

Finally, in order to encourage the use of Preemptive Proceedings, the Law provides for a system of incentives and penalties:

- **Incentives:**

3. for debtors who have taken action to overcome the crisis within 6 months from the first sign of its occurrence (using the assistance of the Committee or the proceedings for the approval of a debt restructuring agreement under article 182bis of the Bankruptcy Law, or a scheme of arrangement with creditors): (a) there will no penalty for bankruptcy by fund distraction crimes and other bankruptcy offences when they have caused minor damage; (b) a mitigating circumstance with special effect for the other crimes and (c) a reduction of interest and penalties on tax debt;

4. for statutory auditors who immediately report to the directors well-grounded indications of a crisis situation and, in the event of inaction, inform the Committee: exemption from joint liability with the company directors for the damages resulting from events or omissions following their report;}
Penalties:

for qualified public creditors: loss of their priority in payment over their debt in case of failure to report to the supervisory entities and the Committee the persisting default on obligations of a significant amount by the relevant insolvent debtor.

Debt restructuring agreements pursuant to article 182bis of Bankruptcy Law and certified plans under article 67(3)(d) of the Bankruptcy Law

The amendments introduced by the Delegated Legislation aim to encourage the use of debt restructuring agreements under article 182bis of the Bankruptcy Law (the “182bis Agreements”).

As for the certified plans under article 67(3)(d) of the Bankruptcy Law (the “Certified Plans”), the legislator has considered necessary to regulate more specifically their content in order to limit the possibility that these are drafted loosely.

Starting from the 182bis Agreements, the Delegated Legislation provides as follows:

a) extended application of the cram down: possibility to apply the “cram down” model envisaged in the case of arrangements with banks and financial intermediaries under article 182septies of the Bankruptcy Law to all debt restructuring agreements and moratorium agreement which do not provide for liquidation: this means that, once the creditors have been assigned to homogeneous classes based on their economic and legal position, a company may bind all creditors belonging to a certain class to complying with agreements approved by at least 75% of creditors belonging to the relevant class provided that they have been informed of the opening of negotiations and have been enabled to participate to the resolution;

b) reduction of the required quorum: reduction of the 60% quorum currently required by law for the use of such measure to 30% provided that: (a) the debtor pays creditors not adhering to the plan as their debs become due and (b) does not request protection from enforcement proceedings (see letter c) below);

c) extension of protection: application of a debt moratorium starting from the opening and until the end of the proceedings (today it applies for only 60 days starting from the opening);

d) extension to members with unlimited liability: extension of the effects of the agreement to members with unlimited liability.

As for the certified plans, the Law merely requires that they must be in writing, bear certain date and the content is precisely determined.

Schemes of Arrangement

The Law provides for a reorganisation of the provisions on the schemes of arrangement with creditors in order to preserve business continuity and simplification of proceedings. More specifically, the Delegated Legislation provides as follows:

a) marginalisation of schemes of arrangement providing for liquidation: schemes of arrangements with liquidation are only possible where: (i) there is a contribution of external resources which appreciably increases payments in favours of unsecured creditors for at least 10% and, in any case, (ii) a minimum payment of 20% of the total amount of unsecured claims is envisaged;

b) extending the powers of the relevant bankruptcy Court: the Court has the power to assess not only the legal but also the economic feasibility of a scheme of arrangement (this is a step back in respect of the “private” nature of the 2015 reform as well as of the same indications received from the Joint Sections of the Italian Supreme Court (Corte di Cassazione a Sezioni Unite) that will not contribute to the success of the provision);
qualified majorities: a majority is required not only based on the amount of debt owed but also based on the number of voting creditors if a single creditor holds unsecured debt for an amount equal to or higher than the majority of those eligible to vote; furthermore, the Delegated Legislation calls for a specific regulation on conflict of interest situations. Such choice will make it difficult to carry out typical investment operations involving the purchase of receivables from distressed/insolvent companies in order to then “control” and approve the relevant scheme of arrangement proposal;

d) the definition of a scheme of arrangement in continuity and deferment of privileged claims: it is clarified that a scheme of arrangement in continuity refers to both mixed schemes of arrangements (continuity plus disposal of non-instrumental assets); furthermore, payment of privileged creditors may be postponed up to two years, provided that they are granted voting rights;

e) super senior loans authorized by the court: super senior are confirmed during the proceedings and by way of execution of the plan; super senior loans are no longer permitted;

f) mandatory classification of creditors: creditors must necessarily be divided into classes if there are, among others, creditors assisted by third-party guarantees (and in other cases where there are homogeneous legal positions and economic interests that are to be identified by the Government);

g) electronic vote: the meeting of creditors is replaced by an electronic voting procedure;

h) provisional administration: in the event of obstruction by the debtor, the Court may entrust the implementation of the scheme of arrangement to a provisional administrator entrusted with the powers usually belonging to the creditors' meeting (this power is currently only provided if a competing proposal is accepted);

i) termination of the scheme arrangement by the receiver: the receiver has the power to require, following the request from a creditor, that the scheme of arrangement must be terminated, inter alia, for non-performance (currently, such right is recognised only to creditors);

j) mergers/demergers/transformations: in the case of extraordinary transactions (mergers, demergers and transformations), (i) the creditors' opposition is exercised in the context of the schemes of arrangement; (ii) the effects of extraordinary transactions are irreversible once executed; (iii) the right of withdrawal of shareholders is excluded in the presence of transactions impacting on the organization or financial structure of the company.

Judicial liquidation

Under the Delegated Legislation bankruptcy is defined as “judicial liquidation”, and aims at standardising and simplifying the relevant proceedings which however becomes now residual if a restructuring proceedings on a going concern basis is possible (and reasonably achievable). Among the most important changes there are the following:

a) assignment of assets to creditors: the participation of creditors in the auctions of the debtors' assets is facilitated (however, certain aspects of the Delegated Legislation are not very clear on this point); to this end, a body is established which certifies “the reasonable probability of satisfaction of the debts incurred in respect of each proceeding” and which issues to the creditors who so request a debt certificate enabling them to participate to the relevant auction "in proportion to the probability of satisfaction of their credit"; the provision is presumably aiming at giving to the creditors the option to request the assignment of the debtor's assets and pay by means of their debt certificates as endorsed by the certifying body; in fact the law provides for the appointment of a “settlement and central counterparty system operator” which it can be presumed will oversee such operations; the relevant proceedings however remain still to be regulated;
b) *one type of proceedings*: judicial liquidation applies to every category of debtors (e.g. limited liability companies, individuals, professionals) with the sole exclusion of public entities;

c) *efficiency of the proceedings*: a number of further actions are planned in order to reduce the duration and cost of the procedure and make more effective and transparent the receiver’s activity as well as the process of determining the bankruptcy estate’s liabilities.

Finally, the Delegated Legislation also provides for some further measures intended to reorder and simplify over-indebtedness proceedings by prioritising business continuity and ensuring the competitiveness of asset sale auctions;

On 14 February 2019, the Legislative Decree No. 14 of 12 January 2019, enacting the above provisions set out under the Delegated Legislation, has been published in the Official Gazette of the Republic of Italy and will enter into force as of 15 August 2020 except for certain provisions relating to corporate organization and director liabilities that will enter into force as of 16 March 2019.
TAXATION IN THE REPUBLIC OF ITALY

The following is a general description of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Rated Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Notes, some of which may be subject to special rules. The following description does not discuss the treatment of the Notes that are held in connection with a permanent establishment or fixed base through which a non Italian resident beneficial owner carries on business or performs professional services in Italy.

This description is based upon tax laws and practice of Italy in effect on the date of this Prospectus which are however subject to a potential retroactive change. Prospective noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Prospective noteholders should in any event seek their own professional advice regarding the Italian or other jurisdictions’ tax consequences of the subscription, purchase, ownership and disposition of the Notes, including the effect of Italian or other jurisdictions’ tax rules on residence of individuals and entities.

Tax Treatment of the Rated Notes

1. Income Tax

Under the current legislation, pursuant to the combined provision of article 6, paragraph 1, of Law 130, articles 1 and 2 of Legislative Decree No. 239 of 1 April 1996, as amended and restated (“Law 239”) and Law Decree No. 66 of 24 April 2014 converted into Law No. 89 of 23 June 2014 (“Decree 66/2014”), payments of interest and other proceeds in respect of the Rated Notes:

(i) will be subject to imposta sostitutiva at the rate of 26 per cent. in the Republic of Italy levied as final tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships; (iii) Italian resident public and private entities, other than companies, not carrying out commercial activities as their exclusive or principal purpose (including the Italian State and public entities); and (iv) Italian resident entities exempt from corporate income tax.

Payments of interest and other proceeds in respect of the Rated Notes will not be included in the general taxable base of the above mentioned individuals, partnerships and entities.

The imposta sostitutiva will be levied by the Italian resident qualified financial intermediaries that will intervene, in any way, in the collection of interest and other proceeds on the Rated Notes or in the transfer of the Rated Notes:

(ii) will be subject to imposta sostitutiva at the rate of 26 per cent. in the Republic of Italy levied as provisional tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships; and (iii) Italian resident public and private entities, other than companies; any of them engaged in an entrepreneurial activity – to the extent permitted by law – to which the Rated Notes are connected;
will not be subject to the *imposta sostitutiva* if made to beneficial owners who are: (i) Italian resident corporations, commercial partnerships or permanent establishments in Italy of non resident corporations to which the Rated Notes are effectively connected; (ii) Italian resident collective investment funds, SICAVs, Italian resident pension funds referred to in Legislative Decree No. 124 of 21 April 1993, as further superseded by Legislative Decree 5 December 2005, No. 252 and Italian resident real estate investment funds established pursuant to article 37 of Legislative Decree No. 58 of February 24, 1998 and article 14-bis of law No. 86 of January 25, 1994; (iii) Italian resident individuals who have entrusted the management of their financial assets, including the Rated Notes, to an Italian authorised financial intermediary and have opted for the so-called “risparmio gestito regime” according to article 7 of Legislative Decree No. 461 of 21 November 1997 (the “Asset Management Option”) and (iv), non Italian resident with no permanent establishment in Italy to which Rated Notes are effectively connected, provided that:

(a) they are (i) resident of a country which allows an adequate exchange of information with Italy, which are those countries listed in the Ministerial Decree of 4 September 1996 (pursuant to article 1-bis of such Ministerial Decree, the Ministry of Economy and Finance holds the right to test the actual compliance of each country included in the list with exchange of information obligation and, in case of reiterated violations, to remove from the list the uncooperative countries), as amended from time to time, or, in the case of qualifying institutional investors not subject to tax, they are established in such a country, (ii) supranational entities set up in accordance with an international treaty executed by Italy, or (iii) central banks of foreign countries, or other entities also managing the official reserves of such countries; and

(b) the Rated Notes are deposited directly or indirectly: (i) with a bank or an Italian securities dealing firm (“SIM”) resident in Italy; (ii) with the Italian permanent establishment of a non-resident bank or brokerage company which is electronically connected with the Italian Ministry of Economy and Finance; or (iii) with a non-resident entity or company which has an account with a centralised clearance and settlement system which has a direct relationship with the Italian Ministry of Economy and Finance; and

(c) as for recipients characterizing under category (a)(i) above, the banks or brokers mentioned in (b) above receive a self-declaration from the beneficial owner of the interest which states that the beneficial owner is a resident of that country. The self-declaration must be in conformity with the model approved by the Ministry of Economy and Finance (approved with Decree of the Ministry of Economy and Finance 12 December 2001, published on the Ordinary Supplement No. 287 to the Official Journal No. 301 of 29 December 2001) and its further amendments and is valid until revoked by the investor. A self statement does not have to be filed if an equivalent self-declaration (including Form 116/IMP) has already been submitted to the same intermediary for the same or different purposes; in the case of institutional investors not subject to tax, the institutional investor shall be regarded as the beneficial owner and the relevant self-declaration shall be produced by the management company; and

(d) the banks or brokers mentioned in (b) and (c) above receive all necessary information to identify the non-resident beneficial owner of the deposited Rated Notes and all necessary information in order to determine the amount of interest that such beneficial owner is entitled to receive.

Non-resident holders are subject to the 26 per cent. tax (*imposta sostitutiva*) on interest and other proceeds on the Rated Notes if any or all of the above conditions (a), (b), (c) and (d) are not satisfied. In this case, *imposta sostitutiva* may be reduced under double taxation treaties, where applicable.
Italian resident individuals holding Rated Notes not in connection with an entrepreneurial activity who have opted for the Asset Management Option are subject to an annual substitute tax levied at the rate of 26 per cent. (the “Asset Management Tax”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest and other proceeds accrued on the Rated Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Interest and other proceeds accrued on the Rated Notes held by Italian resident corporations, commercial partnerships, individual entrepreneurs as well as Italian resident public and private entities, other than companies, holding Rated Notes in connection with entrepreneurial activities or permanent establishments in Italy of non-resident corporations to which the Rated Notes are effectively connected, are included in the taxable base for the purposes of: (i) corporate income tax (imposta sul reddito delle società, “IRES”); or (ii) individual income tax (imposta sul reddito delle persone fisiche, “IRPEF”) plus local surtaxes, if applicable; under certain circumstances, such interest is included in the taxable basis of the regional tax on productive activities (imposta regionale sulle attività produttive, “IRAP”).

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF (“Società di investimento a capitale fisso”) or a SICAV (“Società di investimento a capitale variabile”) established in Italy and either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the "Fund"), and the relevant Rated Notes are held by an authorised intermediary, interest accrued during the holding period on the Rated Notes will not be subject to imposta sostitutiva, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the “Collective Investment Fund Tax”).

Italian resident pension funds are subject to a 20 per cent. annual substitute tax (the “Pension Fund Tax”) on the increase in value of the managed assets accrued at the end of each tax year.

Any positive difference between the nominal redeemable amount of the Rated Notes and their issue price is deemed to be interest for capital income (redditi di capitale) tax purposes. In general terms, income from capital is treated as a separate classification of tax liability only for tax-payers who are not engaged in entrepreneurial activities.

2. Capital Gains

Any capital gain realised upon the sale for consideration or redemption of Rated Notes would be treated for the purpose of corporate income tax and of individual income tax as part of the taxable business income of the holders of the Rated Notes (and, in certain cases, depending on the status of the holders of the Rated Notes, may also be included in the taxable basis of IRAP), and therefore subject to tax in Italy according to the relevant tax provisions, if derived by the holders of the Rated Notes who are:

(a) Italian resident corporations;

(b) Italian resident commercial partnerships;

(c) permanent establishments in Italy of foreign corporations to which the Rated Notes are effectively connected; or

(d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of their commercial activity.
Pursuant to Legislative Decree No. 461 of 21 November 1997, any capital gain realised by Italian resident individuals holding the Rated Notes not in connection with an entrepreneurial activity and by certain other persons upon the sale for consideration or redemption of the Rated Notes would be subject to an "imposta sostitutiva" at the rate of 26 per cent. Under the tax declaration regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity, "imposta sostitutiva" on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by Italian resident individual noteholders holding Rated Notes not in connection with an entrepreneurial activity pursuant to all disposals on Rated Notes carried out during any given fiscal year. These individuals must report the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax declaration to be filed with the Italian tax authority for such year and pay "imposta sostitutiva" on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual noteholders holding the Rated Notes not in connection with an entrepreneurial activity may elect to pay "imposta sostitutiva" separately on the capital gains realised upon each sale or redemption of the Rated Notes (the "Risparmio Amministrato" regime). Such separate taxation of capital gains is permitted subject to: (i) the Rated Notes being deposited with Italian banks, società di intermediazione mobiliare (SIM) or certain authorised financial intermediaries; and (ii) an express election for the Risparmio Amministrato regime being timely made in writing by the relevant noteholder. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for "imposta sostitutiva" in respect of capital gains realised on each sale or redemption of the Rated Notes, net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authority on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the noteholder. Under the Risparmio Amministrato regime, where a sale or redemption of the Rated Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised in the same tax year or in the following tax years up to the fourth. Under the Risparmio Amministrato regime, the noteholder is not required to report capital gains in its annual tax declaration.

Any capital gains realised by Italian resident individuals holding the Rated Notes not in connection with an entrepreneurial activity who have elected for the Asset Management Option will be included in the calculation of the annual increase in net value of the managed assets accrued, even if not realised, at year end, subject to the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the Asset Management Option, any depreciation of the managed assets accrued at year end may be carried forward against an increase in the net value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Option, the noteholder is not required to report capital gains realised in its annual tax declaration.

Any capital gains realised by an holder of the Rated Notes which is a Fund (as defined above) will be included in the results of the relevant portfolio accrued at the end of the tax period. The Fund will not be subject to taxation on such result, but the Collective Investment Fund Tax, up to 26 per cent., will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Any capital gains realised by the holders of the Rated Notes who are Italian resident pension funds will be included in the calculation of the taxable basis of Pension Fund Tax.

The 26 per cent. "imposta sostitutiva" may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of the Rated Notes by non Italian resident persons or entities without a permanent establishment in Italy to which the Rated Notes are effectively connected, if the Rated Notes are held in Italy.
However, pursuant to article 23 of Presidential Decree of 22 December 1986, No. 917, any capital gains realised, by non-Italian residents without a permanent establishment in Italy to which the Rated Notes are effectively connected, through the sale for consideration or redemption of the Rated Notes are exempt from taxation in Italy to the extent that the Rated Notes are listed on a regulated market in Italy or abroad and in certain cases subject to filing of required documentation, even if the Rated Notes are held in Italy. The exemption applies provided that the non Italian investor promptly file with the authorised financial intermediary an appropriate affidavit (autodichiarazione) stating that the investor is not resident in Italy for tax purposes.

In case the Rated Notes are not listed on a regulated market in Italy or abroad:

(1) non Italian resident beneficial owners of the Rated Notes with no permanent establishment in Italy to which the Rated Notes are effectively connected are exempt from imposta sostitutiva in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Rated Notes if they are resident, for tax purposes, in a country which allows an adequate exchange of information with Italy, which are those countries listed in the Ministerial Decree of 4 September 1996 (pursuant to article 1-bis of such Ministerial Decree, the Ministry of Economy and Finance holds the right to test the actual compliance of each country included in the list with exchange of information obligation and, in case of reiterated violations, to remove from the list the uncooperative countries), as amended from time to time, or, in the case of qualifying institutional investors not subject to tax, are established in such a country (see article 5, paragraph 5, letter a) of Italian Legislative Decree No. 461 of 21 November 1997); in this case, if non Italian residents without a permanent establishment in Italy to which the Rated Notes are effectively connected have opted for the Risparmio Amministrato regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (autocertificazione) stating that they meet the requirements indicated above; and

(2) in any event, non Italian resident persons or entities without a permanent establishment in Italy to which the Rated Notes are effectively connected that may benefit from a double taxation treaty with the Republic of Italy, providing that capital gains realised upon the sale or redemption of the Rated Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to imposta sostitutiva in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Rated Notes; in this case, if non Italian residents without a permanent establishment in Italy to which the Rated Notes are effectively connected have opted for the Risparmio Amministrato regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon the condition that they file in due course with the authorised financial intermediary appropriate documents which include, inter alia, a statement issued by the competent tax authorities of the country of residence of the non Italian residents.

3. Anti - Abuse Provisions and General Abuse of Law Doctrine

With Legislative Decree 5 August 2015, no. 128, the Italian Government introduced a new definition of “abuse of law or tax avoidance” ("abuso del diritto o elusione fiscale") that replaces all definitions and doctrines previously developed by the Italian tax authorities and endorsed by case law. Under the new definition, abuse of law occurs when one or more transactions, formally compliant with tax law, instead are lacking economic substance and are essentially aimed at obtaining undue tax advantages. There is no abuse of law when a transaction is justified by sound and material non-tax reasons, including managerial and organisational ones, aimed at improving the structure or the functionality of the business. Consequently, it is not possible to exclude, if the parties involved are not able to demonstrate that this securitisation
transaction has been implemented not essentially for the purpose of obtaining a tax saving or reduction and that there are alternative or concurring financial motivation that are not of a merely marginal or theoretical character, that the tax regime of the securitisation as herein outlined is disallowed by the Italian Tax Authority, thereby possibly causing, amongst other, the recharacterisation of the Notes as shares-like securities or in any case securities not having the legal nature of a bond.

4. Inheritance and Gift Taxes

Italian inheritance and gift taxes were first abolished by Law No. 383 of 18 October, 2001 in respect of gifts made or succession proceedings started after 25 October, 2001 and then reintroduced by Law Decree No. 262 of 3 October 2006, converted with amendments into Law No. 286 of 24 November 2006, entered into force on 29 November 2006 and further modified by Law No. 296 of 27 December 2006, effective as of 1 January 2007.

Further to the above amendments to the legislation in force, the transfer by inheritance of the Notes is currently subject to inheritance tax at the following rates:

(i) when the beneficiary is the spouse or a relative in direct lineage, the value of the Notes transferred to each beneficiary exceeding Euro 1,000,000 is subject to a 4 per cent. rate;

(ii) when the beneficiary is a brother or sister, the value of the Notes exceeding Euro 100,000 for each beneficiary is subject to a 6 per cent. rate;

(iii) when the beneficiary is a relative within the fourth degree or is a relative-in-law in direct and collateral lineage within the third degree, the value of the Notes transferred to each beneficiary is subject to a 6 per cent. rate;

(iv) in any other case, the value of the Notes transferred to each beneficiary is subject to an 8 per cent. rate.

The transfer of the Notes by donation is subject to gift tax at the same rates as in case of inheritance.

5. Tax Monitoring

Pursuant to Law Decree No. 167 of 28 June, 1990, converted by Law No. 227 of 4 August, 1990, as amended, individuals resident in Italy who, during the fiscal year, hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). This obligation is also provided for those individuals who are not direct holders (“possessori diretti”) of foreign investments or foreign financial activities but who are the beneficial owners (“titolari effettivi”) of such investments or financial activities.

6. Stamp Duty

Article 13, paragraph 2-ter, of the First Part of the Tariff attached to Presidential Decree No. 642 of 26 October 1972 (“Stamp Duty Law”), as amended by Law Decree No. 201 of 6 December 2011, converted into Law No. 214 of 22 December 2011, and by Law No. 147 of 27 December 2013 introduced a stamp duty on the value of the financial products and/or financial instruments included in the statement sent to the
clients as of 1 January 2012 (“Statement Duty”). The statement is deemed to be sent to the clients once a year, irrespective of any legal or contractual obligation to do so. The Statement Duty is levied at the rate of 0.2 per cent. (but in any case not exceeding € 14,000.00 and such cap is not applied to individuals). According to a literal interpretation of the amended article 13, the Statement Duty seems to be applicable to the value of the Notes included in any statement sent to the clients, as the Notes are to be characterized for tax purposes as “financial instruments”. The relevant taxable basis shall be determined as of the sending of each periodic statement and, therefore, shall be liquidated taking into account the period of the relevant statement.

The stamp duty must be levied on:

(i) whoever executes or takes advantage (in Italian known as the “caso d’uso”) of the document included in the Tariff, as the main obligors (obbligati in via principale);

(ii) whoever signs, receives, accepts or negotiates the document included in the Tariff, if the stamp duty has not already been properly paid, as the joint obligors (obbligati in via solidale).

The Italian Ministerial Decree dated May 24, 2012 stated that the Stamp Duty has to be applied by the financial intermediary which has the relationship with the clients and qualified it as an “ente gestore” (managing entity). Such “ente gestore”, according to the law, is the financial intermediary that has direct or indirect contact with the clients for the purposes of periodical reports relating to the relationship in place and the statement made in any form.

The Issuer seems not to fall within the list of the obligors, as set forth in the Stamp Duty Law, neither in the definition of “ente gestore”. However, the lack of an interpretation by the Italian tax authority with respect to securitisation transactions and the broad scope of the Statement Duty could lead the Italian tax authority to a different interpretation and may induce the authority to include the Issuer among the obligors.
SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

Pursuant to the Notes Subscription Agreement entered into on or about the Issue Date between the Issuer, the Originator, the Arrangers and the Representative of the Noteholders, the Originator has agreed to subscribe and pay the Issuer for the Notes and to appoint the Representative of the Noteholders to act as the representative of the Noteholders, subject to the conditions set out therein.

The Notes Subscription Agreement will be subject to a number of conditions and may be terminated in certain circumstances prior to the payment of the Issue Price to the Issuer.

Under the Notes Subscription Agreement and the Intercreditor Agreement, the Originator has undertaken that it will retain at the origination and maintain on an ongoing basis a material net economic interest of not less than 5% in the securitisation in accordance with paragraph 3(d) of article 6 of the Securitisation Regulation. As at the Issue Date, such interest will be comprised of an interest in the first loss tranche (being the Junior Notes). Please refer to section headed “Regulatory Capital Requirements”.

UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act.

The Originator under the Notes Subscription Agreement has represented and agreed that it has not offered or sold the Notes, and will not offer or sell the Notes within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time and (ii) otherwise until 40 calendar days after the completion of the distribution of all Notes except in accordance with Rule 903 of the Regulation S promulgated under the Securities Act. Neither the Originator, under the Notes Subscription Agreement, nor its Affiliates nor any persons acting respectively on behalf of the Originator or on behalf of its Affiliates have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect.

The Notes covered hereby have not been 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, U.S. persons by any person referred to in Rule 903(b)(2)(iii), (x) as part of their distribution at any time or (y) otherwise until 40 calendar days after the completion of the distribution of Securities as determined and certified by the Originator, except in either case in accordance with Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Notwithstanding the foregoing, in no event shall any Notes be sold, directly or indirectly, to or for the account of a U.S. person (as that term is defined in the U.S. Risk Retention Rules) nor otherwise in a manner intended to evade the requirements of the U.S. Risk Retention Rules.

Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.
REPUBLIC OF ITALY

Each of the Issuer and the Originator under the Notes Subscription Agreement acknowledges that no action has been or will be taken by it, its affiliates or any other person acting on its behalf which would allow an offering (or an "offerta al pubblico di prodotti finanziari") of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations. Individual sales of the Notes to any persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations.

Pursuant to the Notes Subscription Agreement, each of the Issuer and the Originator has acknowledged that no application has been made by the Issuer to obtain an authorisation from CONSOB for the public offering of the Notes in the Republic of Italy.

Accordingly, each of the Issuer and the Originator under the Notes Subscription Agreement, has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, and has not distributed and will not distribute and has not made and will not make available in the Republic of Italy the Notes, this Prospectus nor any other offering material relating to Notes other than to professional investors ("investitori qualificati"), pursuant to article 100, paragraph 1, letter (a), of the Consolidated Financial Act or in other circumstances where an express exemption from compliance with the restrictions to the offerings to the public applies, as provided under the Consolidated Financial Act and article 34-ter, paragraph 1, letter (b) of CONSOB regulation number 11971 of 14 May 1999 (as amended and integrated from time to time), and in accordance with applicable Italian laws and regulations. In any case the Class J Notes may not be offered to individuals or entities not being professional investors in accordance with the Securitisation Law. Additionally the Class J Notes may not be offered to any investor qualifying as “cliente al dettaglio” pursuant to CONSOB regulation number 20307/2018.

Each of the Issuer and the Originator under the Notes Subscription Agreement has represented and agreed that any offer by it of the Notes of the relevant Class or Classes in the Republic of Italy shall be made only by banks, investment firms or financial companies permitted to conduct such activities in Italy in accordance with Legislative Decree number 385 of 1 September 1993, as amended, the Consolidated Financial Act, CONSOB Regulation number 20307 of 15 February 2018 and any other applicable laws and regulations and in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

In connection with the subsequent distribution of the Notes in the Republic of Italy, article 100-bis of the Consolidated Financial Act requires to comply also on the secondary market with the public offering rules and disclosure requirements set forth under the Consolidated Financial Act and relevant CONSOB implementing regulations, unless the above subsequent distribution is exempted from those rules and requirements according to the Consolidated Financial Act and relevant CONSOB implementing regulations.

FRANCE

Each of the Issuer and the Originator, under the Notes Subscription Agreement, has represented and agreed that this Prospectus has not been prepared in the context of a public offering in France within the meaning of article L. 411-1 of the Code monétaire et financier and Title I of Book II of the Règlement Général de l’Autorité des marchés financiers (the “AMF”) and therefore has not been approved by, or registered or filed with the AMF. Consequently, neither this Prospectus nor any other offering material relating to the Notes has been and will be released, issued or distributed or caused to be released, issued or distributed by
it to the public in France or used in connection with any offer for subscription or sale of notes to the public in France.

Each of the Issuer and the Originator, under the Notes Subscription Agreement, has also represented and agreed in connection with the initial distribution of the Notes by it that:

(a) there has not been and there will be no offer or sale, directly or indirectly, of the Notes by it to the public in the Republic of France (an offrè au public de titres financiers as defined in article L. 411-1 of the French Code monétaire et financier);

(b) offers and sales of the Notes in the Republic of France will be made by it in compliance with applicable laws and regulations and only to (i) qualified investors (investisseurs qualifiés) acting for their own account, as defined in, and in accordance with articles L411-1, L.411-2 and D.411-1 of the French Code monétaire et financier; or (ii) a restricted circle of investors (cercle restreint d'investisseurs) as defined in article L. 411-2 and D. 411-4 of the French Code monétaire et financier acting for their own account; or (iii) providers of investment services relating to portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers) as mentioned in article L. 411-2, L. 533-16 and L. 533-20 of the French Code monétaire et financier (together the “Investors”);

(c) offers and sales of the Notes in the Republic of France will be made by it on the condition that:

(i) this Prospectus shall not be circulated or reproduced (in whole or in part) by the Investors; and

(ii) the Investors undertake not to transfer the Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Code monétaire et financier).

UNITED KINGDOM

Each of the Issuer and the Originator under the Notes Subscription Agreement, has represented and warranted with respect to itself, that:

(i) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For the purposes of this provision:
(a) the expression “retail investor” means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of article 4(1) of MiFID II; or

(ii) a customer within the meaning of IDD, where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Directive; and

(b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

GENERAL RESTRICTIONS

Other than admission of the Rated Notes to the Official List of Euronext Dublin and the admission of the Rated Notes to trading on its Regulated Market, no action has been taken by the Issuer or the Originator that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Each of the Issuer and the Originator shall comply with all applicable laws and regulations in each jurisdiction in or from which it may offer or sell Notes. Furthermore, they will not, directly or indirectly, offer, sell or deliver of any Notes or distribute or publish any prospectus, form of application, prospectus (including this Prospectus), advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise herein provided, no action will be taken by them to obtain permission for public offering of the Notes in any country where action would be required for such purpose.
GENERAL INFORMATION

The Issuer’s LEI number

The Issuer’s LEI number is 8156000FD93A1B601674.

Authorisation

Since the date of its incorporation, the Issuer has not entered into any agreement or effected any transaction other than those related to the purchase of the Claims or which are instrumentals to the Transaction. The execution by the Issuer of the Transaction Documents and the issue of the Notes were authorised by a board of directors resolution of the Issuer which took place on 20 March 2019. 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 collections made in respect of the Claims thereunder.

Listing

Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin for the Senior Notes and Mezzanine Notes to be admitted to its official list and to trading on its regulated market.

The estimated aggregate fees and expenses in relation to the admission to listing on the Official List and to trading on the Regulated Market of Euronext Dublin of the Senior Notes and of the Mezzanine Notes are Euro 8,140.00 (inclusive of any applicable value added tax) which will be paid up-front on or about the date of this Prospectus.

Clearing systems

The Notes have been accepted for clearance through Monte Titoli by Euroclear and Clearstream, Luxembourg. Monte Titoli will act as depository for Euroclear and Clearstream, Luxembourg. The ISIN Codes for the Notes are as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>ISIN Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Notes</td>
<td>IT0005368003</td>
</tr>
<tr>
<td>Class B Notes</td>
<td>IT0005368011</td>
</tr>
<tr>
<td>Class J Notes</td>
<td>IT0005368029</td>
</tr>
</tbody>
</table>

No significant change

Save as disclosed in this Prospectus in the section headed “The Issuer”, there has been no material adverse change in the financial position, trading and prospects of the Issuer since the date of its incorporation.

Litigation
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 the date of its incorporation, a significant effect on the financial position or profitability of the Issuer.

**Accounts**

The Issuer will produce, and will make available at its registered office, proper accounts (“ordinaria contabilità interna”) and audited (to the extent required by applicable law or regulation) financial statements in respect of each financial year but will not produce interim financial statements. The annual audited financial statements have not yet been produced but will be made available once produced.

**Post Issuance Reporting**

Under the terms of the Cash Administration and Agency Agreement, the Computation Agent has undertaken to prepare not later than each Investors Report Date, the Investors Report related to the immediately preceding Payment Date, based on the data contained in the Quarterly Servicing Report and in the Payments Report and setting forth the performance of the Portfolio and information, and amounts paid, payable and/or unpaid on the Notes in respect to the immediately preceding Payment Date. Each Investors Report will be made available for collection at the registered office of the Issuer and the Representative of the Noteholders and at the Specified Office of the Principal Paying Agent (as set forth in Condition 12 (Notices)) and on a quarterly basis via the Computation Agent’s internet website currently located at www.centotrenta.com.

**Borrowings**

Save as disclosed in this Prospectus in the section headed “The Issuer” and as provided in the Conditions, after the issue of the Notes, the Issuer will have no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor will the Issuer create any mortgages or charges or given any guarantees.

**Documents**

Copies of the following documents in electronic form may be inspected during (i) usual office hours on any weekday at the registered office of the Issuer and of the Representative of the Noteholders and at the Specified Office of the Principal Paying Agent and (ii) within 15 days of the Issue Date, on the web site located at https://editor.eurodw.eu/, at any time after the Issue Date and so long as any of the Notes remain listed on Euronext Dublin:

(a) the by-laws (“statuto”) and the deed of incorporation (“atto costitutivo”) of the Issuer;

(b) the Quarterly Servicing Report, which has a quarterly frequency, setting forth the performance of the Claims and the Collections made in respect of the Claims prepared by the Servicer;

(c) the Investors Report, which has a quarterly frequency, setting forth the performance of the Portfolio and amounts paid, payable and/or unpaid on the Notes in respect to each Payment Date and information on the material net economic interest of not less than 5% in the securitisation maintained by the Originator in accordance with paragraph 3(d) of article 6 of the Securitisation Regulation or any permitted alternative method thereafter prepared by the Computation Agent and any change to the manner in which the material net economic interest set out above is held, together with any relevant information in this respect; each Investors Report will be also made available on a quarterly basis via the Computation Agent’s internet website currently located at www.centotrenta.com.
Computation Agent’s 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.

(d) copies of the following documents:

(i) the Transfer Agreement;
(ii) the Servicing Agreement;
(iii) the Warranty and Indemnity Agreement;
(iv) the Administrative Services Agreement;
(v) the Corporate Services Agreement;
(vi) the Intercreditor Agreement;
(vii) the Cash Administration and Agency Agreement;
(viii) the Back-Up Servicing Agreement;
(ix) the Subordinated Loan Agreement;
(x) the Quotaholder Agreement;
(xi) the Notes Subscription Agreement;
(xii) the Swap Agreement;
(xiii) the Deed of Charge; and
(xiv) this Prospectus.

Websites and webpages

The websites and webpages referred to in this Prospectus and the information contained in such websites and webpages do not form part of this Prospectus. Neither the Issuer nor any of the parties listed under this Prospectus take responsibility for the further information available in the websites and webpages referred to in this Prospectus.

Annual fees

The proceeds arising out of the Notes amount to Euro 149,902,000.00. The Issuer estimates that its aggregate ongoing expenses in relation to the Transaction amount to approximately Euro 130,000.00 per annum (VAT excluded), excluding the Servicing Fee. The upfront expenses for admission to trading of the Rated Notes will be borne by the Originator.

Home Member State for the purpose of the Transparency Directive
ISSUER
Fucino RMBS S.r.l.
Via San Prospero 4
20121 Milan
Italy

ORIGINATOR, SERVICER, COLLECTION ACCOUNT BANK, ADMINISTRATIVE SERVICES PROVIDER AND INITIAL SUBSCRIBER
Banca del Fucino S.p.A.
Via Tomacelli, 107
00186 Rome
Italy

CORPORATE SERVICES PROVIDER, COMPUTATION AGENT AND BACK-UP SERVICER
Centotrenta Servicing S.p.A.
Via San Prospero, 4
20121 Milan
Italy

REPRESENTATIVE OF THE NOTEHOLDERS AND SECURITY TRUSTEE
130 Finance S.r.l.
Via Dante, 4
20121 Milan
Italy

PRINCIPAL PAYING AGENT, TRANSACTION BANK AND CASH MANAGER
BNP Paribas Securities Services, Milan Branch
Piazza Lina Bo Bardi 3
20124 Milan
Italy

LEGAL ADVISERS
AS TO ITALIAN LAW
Orrick, Herrington & Sutcliffe
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AS TO ENGLISH LAW
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LEGAL ADVISERS TO THE ORGINATOR
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Via Boschetti 1
20121 Milan
Italy