The following is a non-official translation of

Law No. 130 of 30 April 1999

as amended by law No. 80 of 14 May 2005 converting,
with amendments, law decree No. 35 of 14 March 2005.

Article 1
Application and definitions

1. This law applies to securitisation transactions perfected by way of sale of receivables either existing or future, also identifiable as a pool of receivables, when the following requirements are satisfied:
   (a) the purchaser is a company identified under Article 3 below;
   (b) all sums paid by the debtor(s) are utilised exclusively by the purchaser to meet the claims relating to the notes issued by it or another company to finance the purchase of such receivables and to pay the transaction costs.
2. In this law, "the Banking Act" means Legislative Decree No. 385 of 1 September 1993, as amended.

Article 2
Transaction program

1. The receivables mentioned in Article 1 are financial instruments subject to the provisions of Legislative Decree no. 58 of 24 February 1998 ("The Consolidated Financial Services Act"), which is the consolidation act of the laws on financial activities.
2. The purchaser or the company issuing the notes, if the two are different entities, must draft a prospectus.
3. If the receivables involved in the securitisation are to be offered to professional investors, the prospectus must contain the following information:
   (a) the seller and the purchaser, the main features of the transaction, with regard to both receivables and the notes issued to finance the transaction;
   (b) the arranging and placing agent;
   (c) the collecting and paying agent;
   (d) the conditions upon which the purchaser is permitted to assign the receivables, on behalf of noteholders;
   (e) the conditions upon which the purchaser can re-invest (in other financial investments) the funds deriving from the management of the receivables which are not immediately utilised to satisfy the rights of the noteholders;
   (f) any ancillary financial transactions executed to complete the securitisation;
   (g) the key terms and conditions of the notes and how the prospectus will be publicised in order to make it easily available to noteholders;
   (h) the transaction costs and the conditions upon which the purchaser can deduct them from the sums paid by the debtor(s), as well as an indication of the anticipated profits of the entire transaction and who will receive those profits; and (i) any shareholding between the seller and the purchaser.
4. If the notes issued in the securitisation are to be offered to non-institutional investors, a credit rating must be given by a third party.
5. CONSOB shall issue a regulation, which must be published in the Official Gazette, establishing the professional requirements and the criteria to ensure that the credit agencies are independent and how any relationship between the credit agencies and any party to the transaction, even though a credit rating is not compulsory.

6. The services indicated in paragraph 3 (c) of this Article must be provided by banks or financial intermediaries duly recorded in the special roll provided by Article 107 of the Banking Act, for the purpose of controlling the compliance of the entire transaction with the law and the prospectus.
7. The prospectus must be given to noteholders on request.

Article 3
Securitisation companies

1. The purchaser, or the issuer if different from the purchaser, must have no corporate purpose other than securitisation transaction(s).
2. The receivables relating to each transaction form a separate estate from the company and from the estate relating to other transactions. On each estate no actions are permitted by creditors other than the holders of the notes issued to finance the purchase of the same receivables.
3. The provisions of Chapter V of the Banking Act except Article 106, paragraphs 2 and 3 (b) and (c)[1], and the corresponding sanctions under Chapter VIII of the same Act will apply to the purchaser and to the issuer.

Article 4
Formalities and effectiveness of the sale

1. The provisions of Article 58, paragraphs 2, 3 and 4 of the Banking Act2 shall apply to the sale(s) of receivables under this Law.
2. From the date of publication of the sale in the Official Gazette, the only enforceable actions against the receivables and the sums paid by the debtors are those intended to protect the rights referred to in Article 1, paragraph 1 (b). As from the date of publication, the sale of receivables is effective against:
   (a) other third parties having a claim against the seller, whose claim has not previously been perfected against third parties;
   (b) third party creditors of the seller who have not attached the receivables before the date of publication of the sale.
3. Article 67 of Royal Decree No. 267 of 16 March 19423, as amended, shall not apply to payments made by the debtors to the purchaser.
4. The terms of two years and of one year provided for by Article 67 of Royal Decree No. 267 of 16 March 1942, as amended, are reduced to six and three months respectively for the securitisations governed by this Law.

Article 5
Notes issued against purchased receivables

1. Art. 129 and 143 of the Banking Act[4] apply to notes issued by the purchaser or the issuing company to finance the acquisition of the receivables.
2. The prohibition against (entities other than banks) raising money from the public as set out in Article 11 paragraph 2 of the Banking Act[5] does not apply to the issue of such notes; furthermore, Art 2410 to 2420 of the Italian Civil Code do not apply to the issue of the notes.

Article 6
Tax and balance sheet provisions

1. For income-tax purposes, the provisions that apply to bonds issued by companies limited by shares and listed in the Italian Regulated Markets and similar securities will apply to the notes mentioned in Art. 5, including rules provided by the Legislative Decree of 1 April 1996 no. 239.
2. If the sale relates to receivables under transactions mentioned by Art. 15, 16 and 19 of Presidential Decree of 19 September 1973 no. 601, the benefits under Art. 15 will continue to apply.
3. The discount on the receivables and on the assets which secure the receivables may be included as financial reserves for the seller if they pertain to securitisation agreements entered into within two years from the date that this law becomes effective. They shall be transferred to the profit and loss account in equal instalments in the financial year during which the discount was booked and the following four financial years. The notes to the accounts must indicate any securitisation transactions, including the amount of any discount which has not yet been included in the profit and loss account.
4. Under the provisions of Art 3 the discount must be included in the business income of the financial year in which it has been recorded.
5. The loss of tax revenues due to the provisions of this article equal to ITL 300 million per annum from 1999 to 2005, will be compensated for in the years 1999, 2000 and 2001 by way of reduction of the corresponding amount indicated for the State budget on the basis of the same three-years financial statements, within a certain account referred to as “Special Reserve” of the financial statements of The Ministry of Treasury for the financial year 1999.
6. The Treasury has been authorised to modify the relevant financial statements accordingly.

Article 7
Other transactions

1. The provisions of this law will apply, if compatible, to:
   (a) any securitisation structured as a loan granted by the purchaser which issues the notes to the seller;
   (b) any sale to mutual funds set up pursuant to the provisions of The Consolidated Financial Services Act.
2. In any transaction structured as a loan, each reference to the seller and purchaser must be treated as a reference to the borrower and the lender.

Article 7- *bis*
Covered bonds

1. The provisions contained in article 3, paragraphs 2 and 3, article 4 and article 6, paragraph 2, apply, save as differently provided in paragraph 2 and 3 below, to transactions contemplating the assignment of receivables arising from mortgage loans and *fondiari* mortgage loans, receivables vis-à-vis public entities or guaranteed by them, also identifiable as a pool (*in blocco*), as well as of notes issued in the context of securitisation transactions backed by receivables of the same nature, from banks to companies whose only corporate purpose is the purchase of such receivables and notes through the loans granted or guaranteed also by the assigning banks and the granting of a guarantee securing the bonds issued by

the same or other banks.

2. The receivables and the notes purchased by the company identified under paragraph 1 above and the amounts paid by the underlying debtors are utilised to satisfy the rights, also pursuant to article 1180 of the Italian civil code, of the holders of the bonds identified under paragraph 1 above, of the counterparties of the hedging agreements entered into to hedge the risks connected with the receivables and the notes, of the counterparties of the ancillary agreements entered into in the context of the transaction, as well as to pay the costs of the transaction, in priority to the repayment of the loans identified under paragraph 1 above.
3. The provisions set forth in article 3, paragraph 2, and article 4, paragraph 2, shall apply in favour of the entities identified under paragraph 2 above. In this respect, by noteholders it is meant the holders of the bonds under paragraph 1 above.
4. Articles 69 and 70 of the royal decree No.2440 of 18 November 1923 shall not apply to the assignments under paragraph 1 above. If the role set forth under article 2, paragraph 3 letter c), is performed by, or transferred to, an entity other than the bank which has assigned the receivables, a notice shall be (i) published in the Italian Official Gazette and (ii) given to the assigned public entity debtor by way of registered mail return receipt. Article 67, third paragraph, of the royal decree No. 267 of 16 March 1942 as amended, shall not apply to the loans granted in favour of the companies under paragraph 1 above and to the guarantee granted by the same companies.
5. The Ministry of economy and finance shall, by way of a regulation issued pursuant to law No. 400 of 23 August 1988, following consultations with the Bank of Italy, adopt implementing regulations of this article with particular regard to the maximum ratio between covered bonds and assigned assets, the type of the assigned assets and of those assets, having an equivalent risk profile, which can be used to integrate them as well as the characteristics of the guarantee identified under paragraph 1 above.
6. Pursuant to article 53 of the Banking Act, as amended, implementing regulations of this article shall be issued. These regulations shall also establish the requirements of the banks, the criteria which shall be adopted for the evaluation of the assigned receivables and the notes, the terms for the integration of the assigned assets and the controls which the banks shall adopt with reference to the duties set out in this article also through auditors specifically appointed for such purpose.
7. Each and every tax and fiscal duty shall be due as if the transactions under paragraph 1 above did not occur and the assigned receivables and notes are registered in the financial statements of the assignor bank, provided that the purchase price paid for the assigned receivables and notes is equal to the last book value of such receivables and notes and the loan under paragraph 1 above is granted or guaranteed by the same assignor bank.

Article 7- ter
Applicable rules

1. Article 7–*bis*, paragraphs 5 and 6 shall apply to the creation of pools of segregated assets (*patrimonio separato*) regulated by article 2447–*bis* of the Italian civil code, comprised of receivables and notes identified under article 7–*bis* paragraph 1 and to the destination of the proceeds arising therefrom, in order to guarantee the rights of the holders of the bonds issued by banks pursuant to article 7–*bis*, paragraph 1.

[1] Under paragraphs 2 and 3 (b) of article 106 of the Banking Act regulated financial intermediaries may only carry out financial activities. Paragraph 3 (c) provides for minimum capital requirements.

[2] Under Article 58 paragraph 2, the assignment is perfected by way of publication in the Official Gazette and the competent companies' register. Under Article 58 paragraph 3, all existing security in favour of the assignor becomes effectively in favour of the assignee without need of annotation or re-registration. Under Article 58 paragraph 4, the publication of the assignment in the Official Gazette and in the competent companies' register has the same effect as the assignment notice or the express acceptance of the assignment by the counterparty under the Italian civil code.

[3] Under Article 67 of the Bankruptcy Law, depending on the circumstances, the assignment agreement or payments made by the counterparty under the assignment agreement may be clawed back by the receiver of the assignor within certain periods of time from the bankruptcy of the assignor.

[4] Article 129 of the Banking Act deals with standard issues and placement in Italy of securities which do not require a prior authorisation by the Bank of Italy. Article 143 establishes the sanctions applicable where issues are not in compliance with Article 129.

[5] Article 11 of the Banking Act provides that money raising from the public is reserved to banks and indicates exceptions to this principle.