

Third Supplement dated 6 February 2020 to the Base Prospectus dated 18 July 2019



**Società per la Gestione di Attività - S.G.A. S.p.A.**  
*(incorporated with limited liability in the Republic of Italy)*

*newly named*



**AMCO - Asset Management Company S.p.A.**  
*(incorporated with limited liability in the Republic of Italy)*

**EUR 3,000,000,000**  
**Euro Medium Term Note Programme**

This third supplement (the “**Supplement**”) to the base prospectus dated 18 July 2019 (the “**Base Prospectus**”) constitutes a supplement to a base prospectus for the purposes of Article 13 of Chapter I of Part II of the Luxembourg Law dated 10 July 2005 on prospectuses for securities (the “**Prospectus Law**”) and is prepared in connection with the EUR 3,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) of Amco - Asset Management Company S.p.A., formerly known as Società per la Gestione di Attività - S.G.A. S.p.A. (“**Amco**” or the “**Issuer**”). This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus, the first and second supplement to the Base Prospectus dated 20 September 2019 and 15 November 2019, respectively. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in its capacity as competent authority in Luxembourg to approve this Supplement under the Prospectus Law.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below. References to page numbers are to the pages of the Base Prospectus.

## PURPOSE OF THE SUPPLEMENT

This Supplement has been prepared pursuant to Article 13 paragraph 1 of the Prospectus Law in order to (A) update the front cover of the Base Prospectus, (B) update the section of the Base Prospectus entitled "Important Notices", (C) update the section of the Base Prospectus entitled "Ratings", (D) update the section of the Base Prospectus entitled "General Description of the Programme", (E) update the section of the Base Prospectus entitled "Form of Final Terms", (F) update the section of the Base Prospectus entitled "Subscription and Sale" (G) update the section of the Base Prospectus entitled "*Description of the Issuer*" in light of (i) the proposal of a binding offer for the purchase of a high-risk portfolio of Carige; (ii) the increase in share capital to finance business growth; (iii) the purchase of a portfolio of non-performing loans from Carige; (iv) the creation of the first multi-originator fund to manage real estate UTP's in Italy; and (v) the change in rating assigned by Fitch to the Issuer on 12 December 2019, and (H) update the section of the Base Prospectus entitled "*Taxation*".

## AMENDMENTS AND ADDITIONS TO THE BASE PROSPECTUS

### 1. Front Cover

The penultimate paragraph of the front cover, beginning "*Notes issued under the Programme*", shall be deleted in its entirety and replaced by the following paragraph:

"Notes issued under the Programme may be rated or unrated. As at the date of this Base Prospectus, Fitch Ratings Limited ("**Fitch Ratings**") has assigned 'BBB-' /'F3' long- and short-term ratings to Notes issued under the Programme. Fitch Ratings is established in the UK and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). Fitch Ratings appears on the latest update of the list of registered credit rating agencies (as of 18 March 2019 on the ESMA website <http://www.esma.europa.eu>). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency."

### 2. Important Notices

The last paragraph of the Important Notices section on page (iii), entitled "**IMPORTANT - EEA RETAIL INVESTORS**", shall be deleted in its entirety and replaced by the following paragraph:

"**PRIIPs / IMPORTANT - EEA AND UK RETAIL INVESTORS** - If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA and UK 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 ("**EEA**") or in the United Kingdom (the "**UK**"). 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 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") or

(ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation."

### **3. Ratings**

The paragraph entitled "Ratings" on page (v), shall be deleted in its entirety and replaced by the following paragraph:

"Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA or the UK but will be endorsed by a CRA which is established in the EEA or the UK and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA or the UK but which is certified under the CRA Regulation will be disclosed in the Final Terms."

### **4. General Description of the Programme**

The fourth and fifth paragraphs of the section entitled "Rating" on pages 17 and 18, respectively, shall be deleted in their entirety and replaced by the following paragraphs:

"Whether or not each credit rating applied for in relation to the relevant Series of Notes will be (1) issued by a credit rating agency established in the EEA or the UK and registered (or which has applied for registration and not been refused) under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**"), or (2) issued by a credit rating agency which is not established in the EEA or the UK but will be endorsed by a CRA which is established in the EEA or the UK and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA or the UK but which is certified under the CRA Regulation will be disclosed in the relevant Final Terms.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation unless (i) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been

refused, or (ii) the rating is provided by a credit rating agency not established in the EEA or the UK but is endorsed by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation or (iii) the rating is provided by a credit rating agency not established in the EEA or the UK which is certified under the CRA Regulation."

## 5. Form of final terms

The second paragraph of the Form of Final Terms, on page 53, shall be deleted in its entirety and replaced by the following paragraph:

"**[PRIIPs Regulation - PROHIBITION OF SALES TO EEA AND UK 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 ("EEA") or in the United Kingdom (the "UK"). 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 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]"

The section entitled "Ratings" in PART B – OTHER INFORMATION on pages 60 and 61 shall be deleted in its entirety and replaced by the following paragraph:

## 2. RATINGS

Ratings:

[The Notes are not expected to be rated]/[The Notes to be issued have been rated:

[Fitch: [ ]]

[[Other]: [ ]]

***Option 1 - CRA established in the EEA or the UK and registered under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA or the UK and registered under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation").

***Option 2 - CRA established in the EEA or the UK, not registered under the CRA Regulation but has applied for registration***

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA or the UK and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority]/[European Securities and Markets Authority].

***Option 3 - CRA established in the EEA or the UK, not registered under the CRA Regulation and not applied for registration***

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA or the UK and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 4 - CRA not established in the EEA or the UK but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA or the UK and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 5 - CRA is not established in the EEA or the UK and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK but is certified under Regulation (EU) No

1060/2009, as amended (the "**CRA Regulation**").

***Option 6 - CRA neither established in the EEA nor the UK nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EEA or the UK and is not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation.

[In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA or the UK but is endorsed by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA or the UK which is certified under the CRA Regulation.]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*(The above disclosure should reflect the rating allocated to Notes being issued under the Programme generally or, where the issue has been specifically rated, that rating.)"*

## 6. Subscription and Sale

The paragraph entitled "Prohibition of sales to EEA Retail Investors" on page 104 shall be deleted in its entirety and replaced by the following paragraph:

### *Prohibition of sales to EEA Retail Investors*

"Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or the United Kingdom. For the purposes of this provision:

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 Directive 2014/65/EU (as amended, "**MiFID II**"); or
- (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II."

## 7. Description of the Issuer

### **Business**

The seventh paragraph of the section entitled "Business" on page 72, beginning "Fitch Ratings Limited" shall be deleted in its entirety and replaced by the following paragraph:

"Fitch Ratings Limited is established in the United Kingdom and is registered under Regulation (EU) No. 1060/2009, as amended."

### **Recent Developments**

The following paragraphs shall be inserted after the last paragraph of the *Description of the Issuer - Recent Developments* section appearing on page 84 of the Base Prospectus.

#### **"New Binding Offer on Carige High-Risk Portfolio**

*On 31 October 2019 the Issuer made a binding offer to Banca Carige in relation to a high-risk portfolio valued at approximately 1.2 billion euros. The binding offer expires on 29 February 2020 and provides, in the case of acceptance, for execution of the relevant documentation by 31 March 2020. The binding offer also includes a provision for the Issuer to act as Servicer of the high-risk portfolio.*

### **Share Capital Increase**

*On 29 November 2019, the Extraordinary Shareholders' Meeting of Issuer approved a €1 billion capital increase which was fully subscribed and paid-in by the sole shareholder, the Ministry of*

*Economy and Finance. As a result of the capital increase, the Issuer's total shareholders' equity increased from approximately €800 million to approximately €1.8 billion. The capital increase is aimed at supporting the Issuer in pursuing business growth by increasing assets under management via the purchase and management of new portfolios. In particular, the capital increase will allow the company to finance business growth in a balanced way, with substantial mix between equity and debt instruments, taking into account regulatory capital ratios to be met by the Issuer and an adequate finance leverage.*

### **Banca Carige**

*On 20 December 2019, the Issuer's sale and purchase agreement of a portfolio of non-performing loans from Carige Group became effective following the closing of the capital increase of Banca Carige, which was a condition precedent to the contract. The portfolio was purchased on a non-recourse basis (pro soluto) has a gross book value (GBV) of approximately €2.8 billion, and as a result of the transaction, the Issuer's assets under management will increase to approximately €24 billion.*

### **Creation of the first multi-originator fund to manage real estate UTP's in Italy**

*On 27 December 2019, the Issuer and the Prelios group signed an agreement with Banca Monte dei Paschi di Siena, MPS Capital Services per le imprese, UBI Banca and Banco BPM to create a multi-originator platform to manage unlikely-to-pay loans relating to the real estate sector. The project entails the Issuer and Prelios group jointly managing a portfolio of UTP loans ranging from 3 to 30 million euros granted to real estate companies undergoing restructuring activities or experiencing financial difficulties, the project will be implemented by means of a securitisation process of the loans granted by the banks and the Issuer, and with the support of a closed-end mutual investment Fund managed by Prelios SGR. The banks involved and the Issuer will hold the quotas of the Fund. The Issuer will act in the capacity of Master and Special Servicer of the securitisation, while the Prelios Group will act as real estate partner, as well the Fund Manager through its SGR. The partnership allows the merger of financial management skills together with specific expertise in the real estate sector, generating synergies and increasing the probability of credit recovery. Furthermore, the Fund is also expected to provide new financing to support the turnaround of the companies and the completion of worthy real estate projects. During the current first phase of the project, 50 borrowers are transferred to the Fund for a total of approximately 450 million Euro (111 million Euro from MPS Group, 121 million Euro from UBI Banca, 66 million Euro from Banco BPM and 154 million Euro from the Issuer, also via "patrimoni destinati", i.e. Italian law segregated accounts). The overall target size of the Fund is 1.5 billion Euro under management to be achieved through further transfers. The structure of the project, which could be replicated to manage other multi-originator operations related to different industries, allows banks to benefit from the potential value recovery of the UTP loans through the quotas held in the Fund. As to the borrowers, the project increases the chances of their successful turnaround thanks to the provision of new financing, allowing for proactive management of loans and underlying real estate assets."*



## 8. Overview

The ninth paragraph in the section entitled “*Description of the Issuer - Overview*” appearing on page 69 of the Base Prospectus, beginning “*As at the date of this Base Prospectus*” shall be deleted in its entirety and replaced with the following:

*“As at 29 November 2019, AMCO’s share capital is equal to 600 million euros (divided into 600 million ordinary shares with no nominal value) and is entirely owned by the MEF.”*

## 9. Rating

The penultimate paragraph currently headed “*Business*” in the section “*Description of the Issuer*” appearing on page 72 of the Base Prospectus shall be deleted in its entirety and replaced with the following:

*“On 12 December 2019, the rating agency Fitch placed AMCO’s Long-Term and Short-Term Issuer Default Ratings (IDRs), respectively “BBB-” and “F3”, on positive watch. The decision follows the resolution of the capital increase (announced on 29 November 2019) and the involvement in the derisking plan of Carige Group (announced on 3 December 2019).”*

## 10. Taxation

In the paragraph headed “Tax treatment of the Notes issued by the Issuer - Italian Resident Noteholders” in the section “Taxation”, on page 97 of the Base Prospectus, the following paragraph:

*“Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest if the Notes are included in a long-term savings account (piano di risparmio a lungo termine) that meets the requirements set forth in Article 1, paragraph 100-114 of Law No. 232 of 11 December 2016 (“**Law No. 232**”) and in Article 1, paragraph 211-215 of Law No. 145 of 30 December 2018 (“**Law. No. 145**”).”*

shall be deleted in its entirety and replaced by the following:

*“Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may*

be exempt from any income taxation, including the *imposta sostitutiva*, on Interest if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100-114 of Law No. 232 of 11 December 2016 ("**Law No. 232**"), in Article 1, paragraph 211-215 of Law No. 145 of 30 December 2018 ("**Law. No. 145**") and, for the long-term individual savings account established from 1° January 2020, in Article 13-*bis* of Law Decree No. 124 of 26 October 2019 ("**Law Decree No. 124**")."

In the paragraph headed "Tax treatment of the Notes issued by the Issuer - Italian Resident Noteholders" in the section "Taxation", on page 98 of the Base Prospectus, the following paragraph:

"Subject to certain conditions (including minimum holding period) and limitations, Interest relating to the Notes may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100 - 114 of Law No. 232 and in Article 1, paragraph 211-215 of Law No. 145."

shall be deleted in its entirety and replaced by the following:

"Subject to certain conditions (including minimum holding period) and limitations, Interest relating to the Notes may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100 - 114 of Law No. 232, in Article 1, paragraph 211-215 of Law No. 145 and, for the long-term individual savings account established from 1° January 2020, in Article 13-*bis* of Law Decree No. 124."

In the paragraph headed "Atypical securities" in the section "Taxation", on page 99 of the Base Prospectus, the following paragraph:

"Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to "*titoli atipici*", if those Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the

requirements set forth in Article 1, paragraph 100-114 of Law No. 232 and in Article 1, paragraph 211-215 of Law No. 145."

shall be deleted in its entirety and replaced by the following:

"Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to "*titoli atipici*", if those Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100-114 of Law No. 232, in Article 1, paragraph 211-215 of Law No. 145 and, for the long-term individual savings account established from 1° January 2020, in Article 13-*bis* of Law Decree No. 124."

In the paragraph headed "Capital Gains" in the section "Italian Taxation", on page 100 of the Base Prospectus, the following paragraph:

"Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Notes realized upon sale, transfer or redemption by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100 – 114, of Law No. 232 and in Article 1, paragraph 211-215 of Law No. 145."

shall be deleted in its entirety and replaced by the following:

"Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Notes realized upon sale, transfer or redemption by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100 – 114, of Law No. 232, in Article 1, paragraph 211-215 of Law No. 145 and, for the long-term individual savings account established from 1° January 2020, in Article 13-*bis* of Law Decree No. 124."

In the paragraph headed "Capital Gain" in the section "Taxation", on page 101 of the Base Prospectus, the following paragraph:

"Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Pension Fund Tax. Subject to certain conditions (including minimum holding period) and limitations, capital gains in respect of Notes realized upon sale, transfer or redemption by Italian Pension Fund may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100 - 114 of Law No. 232 and in Article 1, paragraph 211-215 of Law No. 145."

shall be deleted in its entirety and replaced by the following:

"Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Pension Fund Tax. Subject to certain conditions (including minimum holding period) and limitations, capital gains in respect of Notes realized upon sale, transfer or redemption by Italian Pension Fund may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100 - 114 of Law No. 232 and in Article 1, paragraph 211-215 of Law No. 145 and, for the long-term individual savings account established from 1° January 2020, in Article 13-bis of Law Decree No. 124."

In the paragraph headed "Wealth tax on financial assets deposited abroad" in the section "Taxation", on page 103 of the Base Prospectus, the following paragraph:

"According to Article 19 of Decree No. 201 of 6 December 2011, Italian resident individuals holding financial assets – including the Notes – outside of the Italian territory are required to pay in its own annual tax declaration a wealth tax at the rate of 0.2 per cent. This tax is calculated on the market value at the end of the relevant year (or at the end of the holding

period) or, if no market value figure is available, on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes) held abroad by Italian resident individuals. A tax credit is granted for any foreign property tax levied abroad on such financial assets. The financial assets held abroad are excluded from the scope of the wealth tax if administered by Italian financial intermediaries pursuant to an administration agreement."

shall be deleted in its entirety and replaced by the following:

"According to Article 19 of Decree No. 201 of 6 December 2011, Italian resident individuals and, starting from fiscal year 2020, non-commercial entities, non-commercial partnerships and similar institutions holding financial assets - including the Notes - outside of the Italian territory are required to pay in its own annual tax declaration a wealth tax at the rate of 0.2 per cent. This tax is calculated on the market value at the end of the relevant year (or at the end of the holding period) or, if no market value figure is available, on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes) held abroad by Italian resident individuals. A tax credit is granted for any foreign property tax levied abroad on such financial assets. The financial assets held abroad are excluded from the scope of the wealth tax if administered by Italian financial intermediaries pursuant to an administration agreement."

In the paragraph headed "FATCA" in the section "Taxation", on page 103 of the Base Prospectus, the following paragraph:

"Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. However, if additional notes (as described under "Terms and Conditions - Further Issues") that are not distinguishable from previously issued Notes are

issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes."

shall be deleted in its entirety and replaced by the following:

"Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payment" are published in the U.S. Federal Register. However, if additional notes (as described under "Terms and Conditions - Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes."

\* \* \*

Copies of this Supplement will be available (i) free of charge at the registered office of the Issuers and from the principal office of the Fiscal Agent in Luxembourg; and (ii) on the website of the Luxembourg Stock Exchange at <http://www.bourse.lu>.

To the extent that there is any inconsistency between (a) any statement in or incorporated by reference into this Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.