

Supplement dated 23 January 2019 to the Base Prospectus dated 25 May 2018



Società per la Gestione di Attività - S.G.A. S.p.A.

(incorporated with limited liability in the Republic of Italy)

€1,000,000,000

Euro Medium Term Note Programme

This supplement (the “**Supplement**”) to the base prospectus dated 25 May 2018 (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 Euro Medium Term Note Programme (the “**Programme**”) of Società per la Gestione di Attività – S.G.A. S.p.A. (“**SGA**” or the “**Issuer**”). This document is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements to the Base Prospectus issued by the Issuer. 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 16.1 of the Prospectus Directive in order to (A) amend the paragraph headed “Use of Benchmarks” in the section entitled “Important Notices”, and the paragraph headed “HISTORIC INTEREST RATES / BENCHMARK RATES (Floating Rate Notes only)” in the section entitled “Form of Final Terms”; (B) amend the paragraph headed “*No credit rating*” in the section entitled “*Risk Factors*”, the paragraph headed “*Rating*” in the section entitled “*General Description of the Programme*” and the “*Form of Final Terms of the Notes*”; (C) update the section of the Base Prospectus entitled “*Description of the Issuer*”; and (D) update the section of the Base Prospectus entitled “*Taxation*”.

(A) **IMPORTANT NOTICES and FORM OF FINAL TERMS**

1. The paragraph currently headed “*Use of Benchmarks*” in the section entitled “Important Notices” appearing on page 5 of the Base Prospectus shall be replaced in its entirety as follows:

USE OF BENCHMARKS

Interest amounts payable under the Notes may be calculated by reference, inter alia, to EURIBOR, LIBOR or CMS, or such other reference rate as specified in the relevant Final Terms. As at the date of this Base Prospectus, ICE Benchmark Administration (as administrator of LIBOR) is included in the European Securities and Markets Authority's (“ESMA's”) register of administrators under Article 36 of Regulation (EU) No. 2016/1011 (the “**Benchmarks Regulation**”). As at the date of this Base Prospectus, the European Money Markets Institute (“EMMI”, as administrator of EURIBOR) is not included in ESMA's register of administrators under Article 36 of the Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

2. The second paragraph of item 4 of the Form of Final Terms headed “(HISTORIC INTEREST RATES / BENCHMARK RATES (Floating Rate Notes only))” appearing on page 68 of the Base Prospectus shall be replaced in its entirety as follows:

[LIBOR/EURIBOR/CMS Rate/specify other] is provided by [ICE Benchmark Administration/European Money Markets Institute/specify other]. As at the date of these Final Terms, [ICE Benchmark Administration/European Money Markets Institute/specify other] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to article 36 of Regulation (EU) 2016/1011.] [As far as the Issuer is aware, [●] [does/do] not fall within the scope of the Benchmarks Regulation by virtue of Article 2 of that regulation] / [the transitional provisions in Article 51 of the Benchmark Regulation apply], such that [Administrator legal name] is not currently required to obtain authorisation or registration.]]

(B) **RISK FACTORS, GENERAL DESCRIPTION OF THE PROGRAMME and FORM OF FINAL TERMS**

1. The paragraph currently headed “*No credit rating*” in the section entitled “*Risk Factors*” appearing on page 18 of the Base Prospectus shall be replaced in its entirety as follows:

Credit ratings

One or more independent credit rating agencies may assign credit ratings to the Notes. Where an issue of Notes is rated, investors should be aware that: (i) such rating will reflect only the views of the rating agency and may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes; (ii) a rating is not a recommendation to buy, sell or hold securities and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency; and (iii) notwithstanding the above, an adverse change in a credit rating could adversely affect the trading price for the Notes.

2. The paragraph headed “*Rating*” in the section entitled “*General Description of the Programme*” appearing on page 24 of the Base Prospectus shall be replaced in its entirety as follows:

Rating:

Notes issued under the Programme may be rated or unrated. As at the date of this Base Prospectus (as supplemented by the Supplement), Fitch Ratings Limited (“**Fitch Ratings**”) has assigned ‘BBB-’ / ‘F3’ long- and short-term ratings to Notes issued under the Programme.

However, the ratings assigned by any rating agency may change from time to time.

Any rating applicable to any Tranche of Notes issued under the Programme will be specified in the relevant Final Terms. **A 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.**

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 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 but will be endorsed by a CRA which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA 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 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 but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (iii) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

The European Securities and Markets Authority (“ESMA”) is obliged to maintain on its website, <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>, a list of credit rating agencies registered and certified in accordance with the CRA Regulation.

3. Part B (*Other Information*) of the Form of Final Terms of the Notes (on pages 68 – 70 of the Base Prospectus) shall be amended and integrated by the item below to appear as item 2 after existing item 1 (*Listing and Admission to Trading*), with consequential renumbering of the remaining items:

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 and registered under the CRA Regulation

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

Option 2 - CRA established in the EEA, 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 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, 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 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 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 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 and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).

Option 5 - CRA is not established in the EEA 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 and the relevant rating is not endorsed under the CRA Regulation, but [*insert legal name of credit rating agency*] is certified under Regulation (EU) No 1060/2009, as amended (the

“CRA Regulation”).

Option 6 - CRA neither established in the EEA 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 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 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 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 but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA 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.)

(C) DESCRIPTION OF THE ISSUER

The section of the Base Prospectus entitled “*Description of the Issuer*” shall be amended as follows.

1. The first paragraph under the paragraph headed “*Overview*” appearing on page 76 of the Base Prospectus shall be replaced in its entirety by the following, in order to reflect the change of address of the Issuer’s registered office and headquarters:

Società per la Gestione di Attività – S.G.A. S.p.A. (**SGA** or the **Issuer**) is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law. Its registered office and headquarters are at Via Santa Brigida 39, 80133 Naples, Italy and Via del Lauro 5/7, 20121 Milan, respectively, and its telephone numbers are +39 081 7601111 (Naples) and +39 02 94457511 (Milan). SGA is registered with the register of companies of Naples under number 1635/89 and on the Registry of Financial Intermediaries pursuant to article 106 of Legislative Decree 385/93 (the **Consolidated Banking Act**) under number 6. Its fiscal code and VAT number is 05828330638.

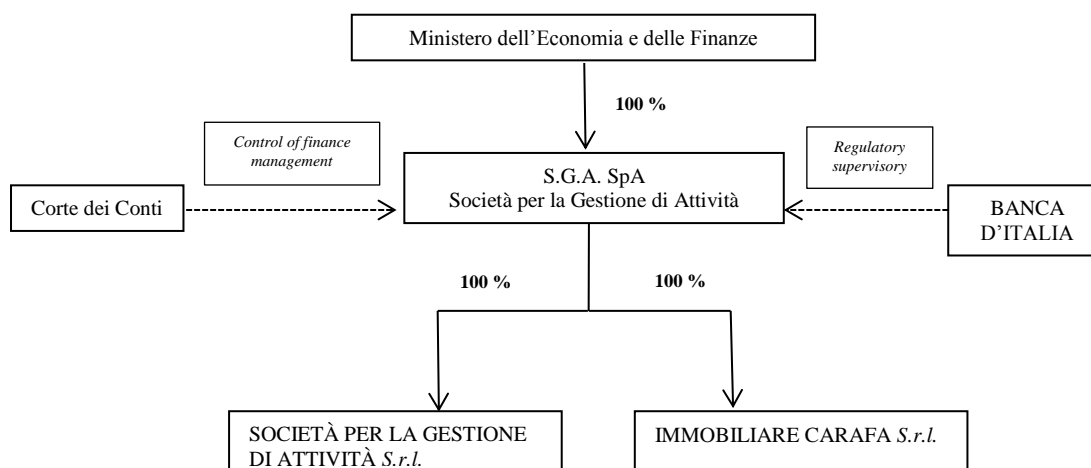
The registered office and the headquarters of the Issuer appearing on page 118 of the Base Prospectus shall also be amended as follows:

<i>Registered Office:</i>	<i>Headquarters:</i>
Via Santa Brigida 39	Via del Lauro 5/7
80133 Naples	20121 Milan
Italy	Italy

2. The last paragraph under the paragraph headed “*Overview*” appearing on page 77 of the Base Prospectus shall be integrated and supplemented by the following:

In addition, in August 2018, SGA has set up a new subsidiary in Romania, Società per la Gestione di Attività S.r.l. (“**SGA Srl**”). SGA Srl is wholly owned by SGA and has been incorporated to carry out the administration and recovery of receivables originated through operations of VB’s branches/subsidiaries in Romania (see further “*Recent developments – VB Receivables originated through operations of branches/subsidiaries in Croatia, Albania, Moldova and Romania*”).

The following diagram illustrates the updated structure of SGA following the incorporation of the Romanian subsidiary.



In compliance with the applicable accounting principles, SGA is not required to prepare consolidated financial statements notwithstanding that SGA has two subsidiaries (together with SGA, the “Group”), in consideration of the negligible impact of these equity investments and taking into consideration also the following:

- the irrelevance of the assets of the wholly-owned subsidiaries (Immobiliare Carafa S.r.l. and SGA Srl), compared to the overall assets of SGA at Group level;
- the absence of minority interests in the shareholding structure of SGA on the one hand, and of Immobiliare Carafa S.r.l. and SGA Srl on the other hand;
- the substantial representation of the equity and profitability of the Group is already reflected in SGA’s non-consolidated financial statements.

3. The last paragraph under the paragraph headed “*Business*” and before the sub-paragraph “*The Banco di Napoli Receivables, the Isveimer Receivables and the GRAAL Receivables*” appearing on page 80 of the Base Prospectus shall be amended and replaced in its entirety by the following:

To assist in the pursuit of its objective to become a leading player in the Italian NPE market, SGA has obtained a servicer rating from Fitch Ratings. In particular, Fitch Ratings assigned to SGA an Italian Residential and Commercial Special Servicer rating of respectively ‘RSS2-’ and ‘CSS2-’, and an Asset-Backed Securities (ABS) Special Servicer rating of ‘ABSS2-’. Level 2 ratings are assigned to servicers that demonstrate high performance in overall servicing ability.

Furthermore, on 27 September 2018, Fitch Ratings has assigned to SGA a Long-Term Issuer Default Rating (IDR) of ‘BBB-’ and Short-Term IDR of ‘F3’.

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

4. The paragraph headed “*Information Technology infrastructure*” appearing on page 89 of the Base Prospectus shall be replaced in its entirety by the following:

Information Technology infrastructure

SGA’s information technology system comprises a set of accounting, management and regulatory reporting applications to support its core business processes. Customised data management procedures generate periodic analyses and reports according to SGA’s specific needs, including impairment tests, recovery forecasts, outstanding and extinguished positions, breakdown by geographic areas and by business sector.

An important part of the actions contemplated by SGA refers to the implementation of a new ICT infrastructure, integrating SGA’s pre-existing core business platform with the ICT infrastructure and system used in the administration of the BPVI/VB Receivables, which also incorporates applications dedicated to the credit accounting and management of unlikely-to-pay and past due positions. The objective is to achieve a target ICT model based on a tailored ICT architecture with fully integrated back-end and front-end platforms. Following the completion of a competitive process to select the new provider for its core banking system, SGA has appointed Cedacri (a leading non-captive supplier of ICT services to financial institutions in the Italian market). The migration from the core banking systems of the BPVI/VB Receivables of the previous provider is expected to be completed during the first quarter of 2019. With reference to the core business platform that has been selected (EPC provided by RAD Informatica S.p.A.), the installation project has been completed for the main baselines and the platform is currently used by internal and external asset managers.

Furthermore, SGA has started other important projects - according to the set-up of a new data governance environment - involving selection of business intelligence solutions through a competitive process, with a view to achieving a fully operational new ICT infrastructure from the beginning of 2019.

5. The table appearing under the paragraph headed “*Corporate Governance, Organisational Structure and Internal Controls – Management – Senior management*” appearing on pages 90 to 91 of the Base Prospectus shall be integrated and supplemented by the following additional members of Senior Management:

Name	Position
Marco Salemi (*)	Chief Risk Officer
Claudia Mangione	Head of Internal Audit
Paolo Tosi	Head of Workout
Fabio Pettirossi	Head of UTP/PD
Roberto Zambotti	Project Management Office

(*) Appointment approved by the Board of Directors and will take effect as of 1 February 2019

6. The paragraph headed “*Corporate Governance, Organisational Structure and Internal Controls – Management – Board of Statutory Auditors*” appearing on page 91 of the Base Prospectus shall be replaced in its entirety as follows:

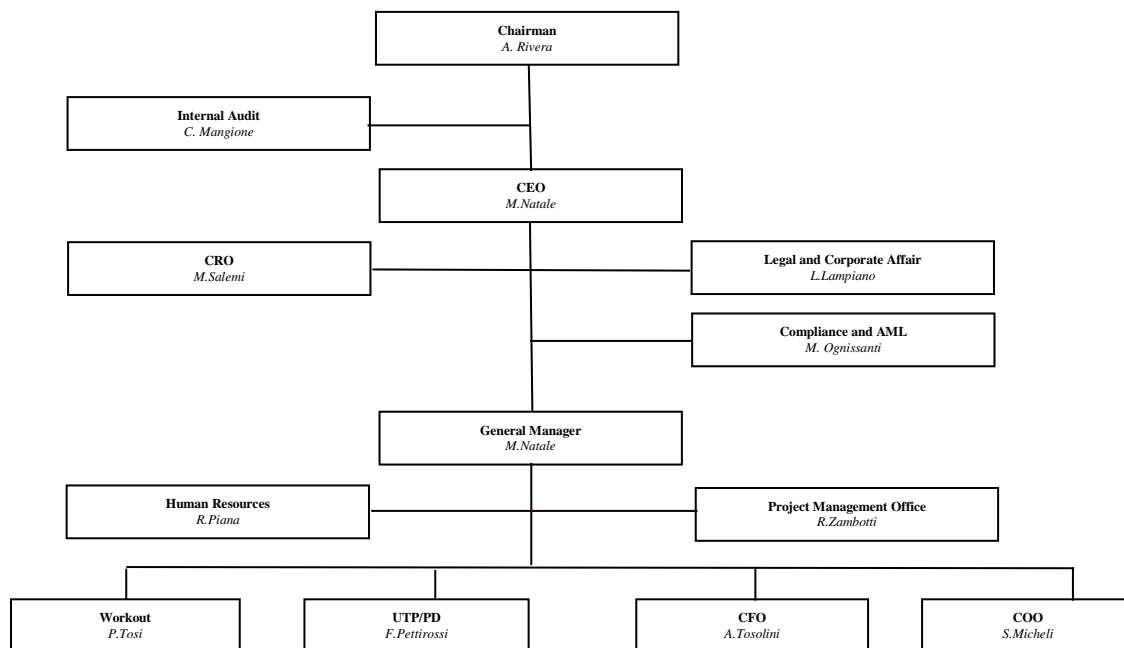
The term of office of the current Board of Statutory Auditors, appointed at the shareholders’ meeting of 2 August 2018, shall expire at the shareholders’ meeting called to approve SGA’s financial statements for the financial year ending 31 December 2020. The following table sets out the current members of SGA’s Board of Statutory Auditors:

Name	Position
Giampiero Riccardi	Chairman
Giuseppa Puglisi	Statutory Auditor
Giovanni Battista Lo Prejato	Statutory Auditor

The business address of each member of the Board of Statutory Auditors is Via Santa Brigida 39, 80133 Naples, Italy.

Legislative Decree no. 231 of 8 June 2001 (**Legislative Decree 231/2001**) introduced the corporate administrative liability regime in Italy and requires companies to implement an organisational model aimed at preventing the commission by its officers of offences in the interest (or to the benefit) of the company and consequential liability of the company under Legislative Decree 231/2001, and to set up an internal organ (*Organismo di Vigilanza*) to oversee the implementation of the organisational model. The current *Organismo di Vigilanza*, appointed by the company’s Board of Directors on 16 November 2018, is comprised of 3 members, namely Mr. Arturo Betunio (Chairman), Ms. Olga Cuccurullo and Mr. Lorenzo Lampiano (members).

7. The organisational structure diagram in the paragraph headed “*Corporate Governance, Organisational Structure and Internal Controls – Organisational structure*” appearing on page 92 of the Base Prospectus shall be replaced in its entirety by the diagram below:



8. The paragraph headed “*Control Functions*” appearing on page 92 of the Base Prospectus shall be replaced in its entirety by the following:

Control Functions

Internal Audit Function

The Internal Audit function is responsible for providing an independent evaluation of the completeness, adequacy and effectiveness of the internal control system and of the organizational model of SGA.

In particular, Internal Audit function is in charge of risks mitigation within the organization with regards to governance processes, business processes, operations and information systems.

The Internal Audit function activity is mainly focused on:

- achievement of the organization’s strategic goals;
- effectiveness and efficiency of operations and processes; and
- compliance with external and internal regulatory framework.

The Internal Audit function manages its tasks on a medium/long term planning basis, with a specific focus on the analysis of the company’s processes, life cycle and related combined risk assessment. To this extent the Internal Audit team carries out periodic audits and specific investigations. The audit results are reported to:

- the Board of Directors and the Board of Statutory Auditors (annual audit report, infra-annual audit report on the status of the audit activities, quarterly report on audit tracking);
- the Chief Executive Officer, the board of statutory auditors and the senior management as far as single audit reports are concerned, if any major issue is disclosed during the audit.

The Internal Audit function implements monitoring activities on audit findings and relevant prompt management action, with escalation procedures in case of postponement.

In accordance with Italian legislation on anti-corruption and transparency (Law no. 190/2012 and Legislative Decree no. 33/2013), the Board of Directors on 28 February 2018 appointed the Head of Internal Audit function also as the Responsible for Anti-Corruption and Transparency.

Risk Management Function

The Risk Management function reports directly to the Chief Executive Officer and supports the management in risk valuation and in the definition of measures to manage risks. In particular, risk management is responsible for defining the methodologies of evaluation of risks, calculation of capital requirements and performance of stress test on budget for the purpose of the Internal Capital Adequacy Assessment. In addition, risk management carries out risk assessment and identifies roles and responsibilities; performs tests on operating procedures and analyses of internal process of credit loans monitoring; and coordinates SGA's Pillar III disclosure.

Compliance and Anti money-laundering (AML) Functions

The Compliance function is responsible for ensuring compliance with applicable regulations through ex ante assessments of operating procedures and ex post verifications that correct operating procedures have been applied. Core compliance activities and controls are:

- developing a Compliance programme which describes and analyses in terms of compliance risk those laws, regulations and standards which are material and relevant to the business and fall within the generic scope of the Compliance function;
- managing the drafting and the implementation of the management, organization and control model pursuant to Legislative Decree 231/2001;
- participating and consulting in company's projects in order to advise and assist the business to identify compliance risks, implementing risk mitigating measures, including clear standards, procedures and guidelines, to prevent, mitigate or minimise compliance risks and to detect, report and respond to compliance violations;
- managing the preparation of periodical compliance reporting to the management;
- preparing any necessary reporting to ensure appropriate information of the relevant management and departments and manage the necessary follow-up;
- provide support in the preparation of periodic reports required by regulators;
- supporting the set-up, the planning and the roll-out of the Compliance training in-class courses and the communications to the employees of SGA.

The AML function ensures compliance with anti-money laundering obligations applicable to SGA, evaluates the adequacy of internal procedures and assesses their correct application. Core anti-money laundering activities and controls are:

- performing controls on clients and transactions against OFAC, UN, UE and internal sanction lists, assessing positive matches, ensuring that all suspicious activities are promptly investigated and reporting any findings in accordance with local regulations;
- ensuring adequacy of AML compliance procedures (KYC, SAR procedure);
- performing periodic analysis, reviewing of high-risk clients' categories and approving specific clients' due diligence;
- analysing anomalous transactions that could be deemed suspicious and executing the necessary reporting to Authorities;
- establishing and executing a complete AML Monitoring and Testing Plan.

SGA has in place a series of internal regulations and manuals laying down relevant procedures and guidelines to be followed by the internal control functions, as well as other rules and procedures manuals to govern on all aspects and functioning of SGA, including governance, business, organisation and communications. These internal regulations and procedures have been recently reviewed for updates to take into account evolutions in the regulatory framework, and new regulations and procedures have been adopted to align with the new business model of SGA.

9. The paragraph headed "*Business – Other investments and activities – Italian Recovery Fund*" appearing on page 82 of the Base Prospectus shall be integrated and supplemented by the following:

As at 31 December 2018, the total commitment of the fund amounted to €2,480 million represented by 2,480 units. As at the same date, SGA paid up €493 million of its overall commitment of €520 million, further to investments by IRF in a series of securitisation transactions. Approximately 20.96% of IRF's units belong to SGA, and SGA has the right to appoint one member of the board of

investments of the fund. Further analysis is underway to modify the evaluation of SGA's exposure to credit risk (and compliance with applicable limits on "Large Exposures"), switching from the look-through approach to the treatment granted by Article 128 (*Items associated with particular high risk*) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms.

10. The paragraph headed "*Business – Other investments and activities – Banca Carige*" appearing on page 82 of the Base Prospectus shall be integrated and supplemented by the following:

As at 31 December 2018, SGA's participation in Banca Carige amounted to 698,156,788 ordinary shares (corresponding to 1.2% of Banca Carige's issued share capital), following several disposals made by SGA toward the end of August 2018 and during September 2018.

11. The paragraph headed "*SGA's portfolio management platform*" appearing on page 87 of the Base Prospectus shall be integrated by the following sub-paragraph, to appear after the sub-paragraph headed "*In house structure*":

Outsourcing of non-securitised receivables in Italy

The recovery of positions with low gross book value (small ticket) are outsourced by SGA, also to leverage on the economies of scale of external specialised servicers. In this connection, SGA entered into agreements in June 2018, with step-in as of 10 August 2018, to outsource to third party servicers the recovery of certain non-securitised legacy BPVi and VB receivables in Italy. The external servicers have been chosen following a transparent and competitive selection based on the characteristics of the different portfolio segments and the area of specialization of each company. The outsourcing agreements have a three-year duration, with the right of termination by SGA in case of underperformance. Multiple outsourcing mandates have been granted referring to the same portfolio clusters to stimulate competition and therefore to optimize performance. The external servicers are required to follow common "collection policies" that regulate standard processes and timings (for example, policies limiting instances in which recourse is to be made to judicial recovery procedures). Under these outsourcing agreements, SGA pays to the external servicers a servicing fee calculated as a percentage of the recoveries, with different commission levels depending on the nature of the position(s) managed.

12. The paragraph headed "**Recent Developments**" appearing on pages 82 to 87 of the Base Prospectus shall be supplemented by the following additional sub-paragraphs:

Assignment to SGA (acting through Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato) of additional non-performing receivables forming part of legacy BPVi and BV securitisation transactions

The sale of part of the business activities of BPVi and VB to Intesa Sanpaolo (other than non-performing exposures and the other assets and liabilities excluded pursuant to Law Decree 99/2017 from the sale to Intesa Sanpaolo) envisaged, *inter alia*, that in connection with Intesa Sanpaolo's acquisition of certain asset-backed notes issued in the context of performing loans securitisation transactions implemented by BPVi and VB, non-performing receivables included in the portfolios underlying these securitisations would be transferred back to the BPVi/VB and would be added to the BPVi/VB Receivables assigned to SGA (acting through Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato) pursuant to the BPVi/VB Receivables Transfer Agreements.

Intesa Sanpaolo therefore transferred back to BPVi, on three separate occasions, nine portfolios of non-performing receivables (comprising, in aggregate, approximately 3,220 debt positions with a gross book value of approximately €560 million) underlying securitisation transactions implemented by BPVi through (i) Berica 5 Residential MBS S.r.l., Berica 6 Residential MBS S.r.l. and Berica Funding 2016 S.r.l.; (ii) Berica ABS S.r.l., Berica 9 Residential MBS S.r.l. and Berica 8 Residential S.r.l.; and (iii) Berica ABS 2 S.r.l., Berica 10 Residential MBS S.r.l. and Berica PMI2 S.r.l. These receivables were subsequently assigned by BPVi to SGA (acting through the Gruppo

Vicenza Patrimonio Destinato) pursuant to three separate agreements entered into on 2 August 2018, 10 October 2018 and 23 November 2018, respectively, on substantially the same terms and conditions as the BPVi Receivables Transfer Agreement (including as to Purchase Price and the adjustment thereof, the retention by SGA of the SGA's Share of Recoveries as well as provisions relating to the recovery of these receivables).

Banca Apulia and Intesa Sanpaolo similarly transferred back to VB five portfolios of non-performing receivables (comprising, in aggregate, approximately 2,060 debt positions with a gross book value of approximately €321 million). In particular, (i) Banca Apulia transferred back to VB two portfolios of non-performing receivables underlying the securitisation transactions implemented by Banca Apulia through Apulia Finance 2 S.r.l. and Apulia Finance 4 2008 – S II S.r.l.; (ii) Intesa Sanpaolo transferred back to VB a portfolio of non-performing receivables underlying the securitisation transactions implemented by VB through Claris Finance 2006 S.r.l.; and (iii) Banca Apulia and Intesa Sanpaolo transferred back to VB their respective portions of two portfolios of non-performing receivables underlying the securitisation transaction implemented by Banca Apulia and VB through Claris ABS 2011 S.r.l. – in addition, Intesa Sanpaolo transferred back to VB a portfolio of non-performing receivables underlying the securitisation transaction implemented by VB through Claris RMBS 2011 S.r.l.. These receivables were subsequently assigned by VB to SGA (acting through the Gruppo Veneto Patrimonio Destinato) pursuant to three separate agreements entered into on 20 July 2018 and 6 December 2018, on substantially the same terms and conditions as the VB Receivables Transfer Agreement (including as to Purchase Price and the adjustment thereof, the retention by SGA of the SGA's Share of Recoveries as well as provisions relating to the recovery of these receivables).

VB Receivables originated through operations of branches/subsidiaries in Croatia, Albania, Moldova and Romania

The VB Receivables Transfer Agreement provides that the assignment of those VB Receivables originated through VB's operations of branches/subsidiaries in Croatia, Albania, Moldova and Romania is subject to obtaining all relevant Italian and foreign authorisations as well as the appointment by SGA of sub-servicers to perform the management and recovery of these receivables. Pursuant to the VB Receivables Transfer Agreement, the legal and economic effective date of the assignment of these receivables shall take place as of the first day of the calendar month following satisfaction of both conditions precedent to their assignment which, in any case, shall be deemed to be satisfied one month after all relevant Italian and foreign authorisations have been obtained.

After having obtained confirmation that no authorisation was required relating to the assignment of the receivables originated through operations of branches/subsidiaries in Croatia, Albania and Moldova, SGA and the VB Liquidators reached an agreement on 19 July 2018 to amend and supplement the VB Receivables Transfer Agreement, pursuant to which the parties agreed that the legal and economic effective date for the assignment of these receivables shall be 1 July 2018. With reference to the receivables originated through operations of subsidiaries in Romania, the parties furthermore agreed that the legal and economic effective date for their assignment shall be 1 August 2018 (or, in the case of properties that are the subject of leasing receivables, such later date indicated in the notarised deed, if any) and 1 July 2018, respectively.

SGA (acting through the Gruppo Veneto Patrimonio Destinato) has entered into agreements to outsource the recovery of certain of these receivables (including leasing receivables) to third party servicers, while the administration and recovery activities relating to certain other exposures in excess of €1 million in gross book value originated through operations of VB's branches/subsidiaries in Romania shall be performed by SGA directly through its Romanian subsidiary, which shall also monitor and supervise the activities that have been outsourced.

Banca del Fucino

On 21 December 2018, SGA made a binding offer to Banca del Fucino S.p.A. ("**Banca del Fucino**") in relation to a securitisation transaction on a portfolio of non-performing exposures with a gross book value of €314 million to be implemented by the bank. The portfolio is constituted of

over 3,200 debt positions and comprises both defaulted receivables (*in sofferenza*) (€211 million) as well as unlikely to pay/past due receivables (€103 million).

SGA will perform the roles of Master Servicer and Special Servicer of the securitisation transaction, and will also be subscribing for the equity tranche. The transaction is currently expected to be completed during the first quarter of 2019, in parallel to the process for the aggregation of Banca del Fucino with Igea Banca.

The Banca del Fucino transaction is part of SGA's plan to increase its business volumes, as contemplated in the recently approved 2019 – 2023 Strategic Guidelines.

Special Servicing of the securitised receivables (Ambra SPV S.r.l. and Flaminia SPV S.r.l.)

Between 9 and 12 October 2018, Credito Fondiario S.p.A. (in its capacity as master servicer), with the consent of SGA (in its capacity, on behalf of the relevant *Patrimonio Destinato*, as holder of the asset backed securities issued in the context of the securitisation transactions implemented by Ambra SPV S.r.l. and Flaminia SPV S.r.l.), entered into agreements for the appointment of special servicers of these securitisation transactions. As a result, with effective *step-in* date from 22 October 2018, the special servicing activities relating to these portfolios are performed by: (i) SGA, with regard to those clusters identified as medium secured (Euro 200-500k) and large (Euro >500k); (ii) third party special servicers, with regard to those clusters identified as small (Euro 0-200k) and medium unsecured (Euro 200-500k); and (iii) Farbanca, in respect of the portion of the portfolio originated by it with reference to the Ambra securitisation.

Collaboration agreement with Banca IFIS

Banca IFIS and SGA entered into an agreement on 27 September 2018 aimed at facilitating access of assigned debtors to factoring services offered by Banca IFIS. The initiative targets predominantly small and medium-sized enterprises with exposures towards SGA classified as unlikely to pay or past due. Under this agreement, factoring services will be offered to SGA's assigned debtors on terms (including pricing) that are more favorable than the standard terms offered by Banca IFIS to customers with a similar risk profile. Through this initiative, SGA aims to widen the range of financial support available to the assigned debtors and to offer them new solutions for restructuring their debt positions.

BPVi/VB Strategic Guidelines

On 18 October 2018, the Board of Directors of SGA approved the Strategic Guidelines for the 2019 – 2023 period governing the administration and recovery of the BPVi/VB Receivables and the development plans of SGA in general. The Strategic Guidelines are based on three fundamental pillars:

- pursuing a diversified portfolio of receivables under management, comprised of defaulted receivables (so-called 'gone-concern'), unlikely-to-pay and past due (so-called 'going-concern') receivables. These are to be managed with distinct recovery strategies and involvement of in-house specialists as well as external partners, with the objective of optimising their recovery values over time;
- adopting a proactive approach in the management of going concern positions, with the possibility of granting new loans to safeguard business continuity and to restore the financial position of the assigned debtors. In the case of gone concern positions, SGA collaborates with external specialist operators for the management of less significant receivables, in order to leverage on the economies of scale of the external servicers, optimise costs and maximise recovery performance for receivables of diverse categories;
- equipping SGA with specialist expertise and innovative technological infrastructure, so as to optimise organisation, efficacy, flexibility and business model scalability. SGA has a team of skilled employees - with specific competence in recovery strategies as well as financial and industrial restructuring - that is strategically dislocated throughout Italy to facilitate contacts and relationships with clients and assigned debtors. SGA has also adopted an innovative technological infrastructure based on an open and flexible operating model, with diversified processes to enable differentiated recovery strategies, instruments to monitor in-house and

outsourced activities, as well as defined procedures for analysing and evaluating credit profiles for the granting of new loans to assigned debtors.

By focusing on these fundamental factors, SGA aims to pursue new business opportunities with a view to reaching an adequate critical mass of receivables under management, thereby enabling it to leverage on the scalability of its business model. The goal is to maximise economies of scale and to improve the efficacy and sustainability of its recovery activities through new mandates for the servicing and recovery of receivables, especially in the going concern business segment.

(D) TAXATION

1. On page 107 at the end of the second paragraph, under the sub-section headed "*Capital Gains - Italian resident Noteholders*" of the section headed "*Taxation*" of the Base Prospectus, the following sentence shall be deleted:

"Pursuant to Law Decree No. 66 of 24 April 2014, as converted into law with amendments by Law No. 89 of 23 June 2014 published in the Official Gazette No. 143 of 23 June 2014, ("Decree No. 66"), capital losses realized from 1 January 2012 to 30 June 2014 may be offset against capital gains of the same nature realized after 30 June 2014 for an overall amount of 76.92 per cent. of the same capital losses".

2. On page 108 at the end of the first paragraph, under the sub-section headed "*Capital Gains - Italian resident Noteholders*" of the section headed "*Taxation*" of the Base Prospectus, the following sentence shall be deleted:

"Pursuant to Decree No. 66, capital losses realised from 1 January 2012 to 30 June 2014 may be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of 76.92 per cent. of the same capital losses".

3. On page 108 at the end of the second paragraph, under the sub-section headed "*Capital Gains - Italian resident Noteholders*" of the section headed "*Taxation*" of the Base Prospectus, the following sentence shall be deleted:

"Pursuant to Decree No. 66, depreciations of the managed assets registered from 1 January 2012 to 30 June 2014 may be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of 76.92 per cent. of the same depreciations in value".

* * *

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 Paying Agents 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.

In accordance with article 16.2 of the Prospectus Directive, in case of any offer to the public, investors who have already agreed to purchase or subscribe for Notes before this Supplement is published have the right, exercisable by 25 January 2019, to withdraw their acceptances.