

LISTING PARTICULARS DATED 9 JULY 2018



Vittoria Assicurazioni S.p.A.

€250,000,000 Fixed Rate Subordinated Notes due 11 July 2028

Issue Price: 100 per cent.

The €250,000,000 Fixed Rate Subordinated Notes due 11 July 2028 (the **Notes**) of Vittoria Assicurazioni S.p.A. (the **Issuer**) will be issued on 11 July 2018 (the **Issue Date**).

The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute unconditional, unsecured and subordinated obligations and rank *pari passu* without any preference among themselves and at least equally with all other Parity Securities but junior to any unconditional, unsubordinated, unsecured obligations of the Issuer (and the policyholders of the Issuer) (and any other obligations which are less subordinated than the Notes) and senior to any Junior Securities, as set out and defined in the "*Terms and Conditions of the Notes – Status of the Notes*".

Unless previously redeemed or repurchased and cancelled in accordance with the Terms and Conditions of the Notes (the **Conditions**) and subject as set out in Condition 5, the Notes will bear interest on their principal amount from (and including) the Issue Date at the rate of 5.750 per cent. per annum, payable, subject as provided in the Conditions, annually in arrear on 11 July in each year (each an **Interest Payment Date**). The first payment (representing a full year's interest) shall be made on 11 July 2019.

Payment of interest on the Notes shall be deferred under certain circumstances, as set out in "*Terms and Conditions of the Notes – Interest and Interest Deferral - Interest Deferral*".

Unless previously redeemed by the Issuer as provided below, the Notes will be redeemed on 11 July 2028 at their principal amount, together with interest accrued to, but excluding, such date and any Arrears of Interest. The Issuer may, at its option (but subject to satisfaction of the Conditions for Redemption and Purchase) and subject to certain conditions, redeem the Notes at the applicable Early Redemption Price at any time upon the occurrence of a Tax Event, a Rating Methodology Event or a Regulatory Event (each as defined in "*Terms and Conditions of the Notes*").

If at any time the Issuer determines that a Tax Event, a Regulatory Event or a Rating Methodology Event has occurred on or after the Issue Date, the Issuer may, as an alternative to exercising its right to call the Notes as described above, on any Interest Payment Date, without the consent of the Noteholders, (a) exchange the Notes for new notes replacing the Notes (the **Exchanged Notes**), or (ii) vary the terms of the Notes (the **Varied Notes**), so that (i) in the case of a Tax Event, the Exchanged Notes or Varied Notes (as the case may be) no longer trigger the relevant Tax Event, (b) in the case of a Regulatory Event, the aggregate nominal amount of the Exchanged Notes or Varied Notes (as the case may be) is treated under the Applicable Regulations as Tier 2 Own Funds of the Issuer and/or the Vittoria Insurance Group (as defined in "*Certain Defined Terms*" below) for the purposes of the determination of the Issuer's regulatory capital or, as appropriate, (c) in the case of a Rating Methodology Event, the Exchanged Notes or the Varied Notes receive (or continue to receive) the equity credit first assigned to the Notes by the relevant Rating Agency. Any such exchange or variation is subject to certain conditions. See "*Terms and Conditions of the Notes – Redemption and Purchase*".

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for the approval of this document as Listing Particulars. Application has also been made to Euronext Dublin for the Notes to be admitted to the official list (the **Official List**) and admitted to trading on the Global Exchange Market which is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU (as amended, **MIFID II**). References in these Listing Particulars to the Notes being listed (and all related references) shall mean that the Notes have been admitted to trading on the Global Exchange Market.

The Notes will initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on or about the Issue Date with a common depository for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons, on or after 20 August 2018 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances - see "*Summary of Provisions relating to the Notes while Represented by the Global Notes*".

The Notes are expected to be rated BBB- by Fitch Ratings Ltd., which is established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies as amended (the **CRA Regulation**) and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (www.esma.europa.eu/page/List-registered-and-certified-CRAs) as of the date of these Listing Particulars. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, change or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the risk factors described under the section headed "Risk Factors" in these Listing Particulars, in connection with any investment in the Notes.

Global Coordinator and Structuring Advisor

MORGAN STANLEY

Joint Lead Managers and Bookrunners

BANCA AKROS – GRUPPO BANCO BPM

MORGAN STANLEY

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

These Listing Particulars are to be read in conjunction with all documents which are incorporated in them by reference (see "*Documents Incorporated by Reference*"). These Listing Particulars should be read and construed on the basis that those documents are so incorporated and form part of these Listing Particulars.

Save for the Issuer, no other party has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Morgan Stanley & Co. International plc and Banca Akros S.p.A. – Gruppo Banco BPM (together, the **Joint Lead Managers** or the **Managers**) as to the accuracy or completeness of the information contained or incorporated in these Listing Particulars or any other information provided by the Issuer in connection with the offering of the Notes. The Managers do not accept any liability in relation to the information contained or incorporated by reference in these Listing Particulars or any other information provided by the Issuer in connection with the offering of the Notes or their distribution.

To the fullest extent permitted by law, none of the Managers or the Fiscal Agent accepts any responsibility for the contents of these Listing Particulars or for any other statements made or purported to be made by any Manager or on their behalf in connection with the Issuer or the issue and offering of any Notes. Each of the Managers and the Fiscal Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of these Listing Particulars or any such statement.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with these Listing Particulars or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Manager.

Neither these Listing Particulars nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any Manager that any recipient of these Listing Particulars or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither these Listing Particulars nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or any Manager to any person to subscribe for or to purchase any Notes.

Neither the delivery of these Listing Particulars nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer or the Group is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Managers expressly do not undertake to review the financial condition or affairs of the Issuer or the Group during the life of the Notes or to advise any investor in the Notes of any information coming to their attention. In addition, the Issuer is under no obligation to update the information contained in these Listing Particulars after their initial distribution and admission to trading and, save as required by applicable laws or regulations or the rules of any relevant stock exchange, or under the terms and conditions relating to the Notes, the Issuer will not provide any post-issuance information to investors.

These Listing Particulars do not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of these Listing Particulars and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer or the Managers represents that these Listing Particulars may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other

requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers which would permit a public offering of the Notes or the distribution of these Listing Particulars in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither these Listing Particulars nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession these Listing Particulars or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of these Listing Particulars and the offering and sale of Notes. .

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons as defined in Regulation S under the Securities Act. There are further restrictions on the distribution of these Listing Particulars and the offer or sale of Notes in the United States, the United Kingdom and the Republic of Italy. For a further description of those restrictions, see "*Subscription and Sale*" below.

In these Listing Particulars, all references in this document to **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

The language of these Listing Particulars is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Certain figures included in these Listing Particulars have been subject to roundings and adjustments; accordingly figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

MARKET AND INDUSTRY INFORMATION

These Listing Particulars include and refer to industry and market data derived from or based upon a variety of official, non-official and internal sources, such as internal surveys and management estimates, market research, publicly available information and industry publications.

Market share, ranking and other data contained in these Listing Particulars may also be based on the Group's good faith estimates, the Group's own knowledge and experience and such other sources as may be available. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. The information in these Listing Particulars that has been sourced from third parties has been accurately reproduced and, as far as the Issuer is aware and has been able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Neither the Issuer nor the Joint Lead Managers make any representation as to the accuracy or completeness of any such third party information in these Listing Particulars. Although the Issuer believes that this information is reliable, the Issuer has not independently verified the data from third party sources.

STABILISATION

In connection with the issue of the Notes, Morgan Stanley & Co. International plc (the **Stabilisation Manager**) (or any persons acting on behalf of the Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the

Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein are forward-looking statements including, but not limited to, statements with respect to the Issuer's business strategies, expansion and growth of operations, plans or objectives, trends in its business, competitive advantage and regulatory changes, based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "project", "anticipate", "seek", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitation, "will", "should", "would" and "could". Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties, and other factors and actual results may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Please refer to the section entitled "*Risk Factors*" below.

CERTAIN DEFINED TERMS

In these Listing Particulars, unless otherwise specified:

- (i) the **Group** means the Issuer and its Subsidiaries, taken as a whole;
- (ii) the **Issuer** means Vittoria Assicurazioni S.p.A.;
- (iii) **Vittoria Capital** means Vittoria Capital S.p.A., an intermediate holding company of the Issuer;
- (iv) the **Vittoria Capital Group** means Vittoria Capital and its subsidiaries, taken as a whole;
- (v) the **Vittoria Insurance Group** means *Gruppo Vittoria Assicurazioni*, being the insurance group enrolled under registration number 008 on the Register of Insurance Groups kept by the Italian supervisory authority for the insurance sector, IVASS (*Istituto per la Vigilanza sulle Assicurazioni*), and comprising Yafa S.p.A. and its subsidiaries; and
- (vi) **Yafa** means Yafa S.p.A., being the Issuer's ultimate parent company.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in these Listing Particulars or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and

- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

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

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **IMD**), 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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

TABLE OF CONTENTS

Section	Page
Overview	9
Risk Factors	15
Documents Incorporated by Reference	36
Terms and Conditions of the Notes	39
Summary of Provisions relating to the Notes while Represented by the Global Notes	57
Use of Proceeds	60
Description of the Issuer.....	61
Summary Financial Information.....	78
Taxation.....	91
Subscription and Sale	100
General Information	102

OVERVIEW

This Overview section must be read as an introduction to these Listing Particulars and any decision to invest in the Notes should be based on a consideration of these Listing Particulars as a whole.

Words and expressions defined in "Terms and Conditions of the Notes" have the same meanings in this section.

Issuer:	Vittoria Assicurazioni S.p.A.
Description:	€250,000,000 Fixed Rate Subordinated Notes due 11 July 2028 (the Notes).
Global Coordinator and Structuring Advisor:	Morgan Stanley & Co. International plc
Joint Lead Managers and Bookrunners:	Banca Akros S.p.A. – Gruppo Banco BPM Morgan Stanley & Co. International plc
Fiscal Agent:	BNP Paribas Securities Services, Luxembourg Branch
Use of proceeds:	The Notes are being issued in the context of a series of actions aimed at optimising the allocation of the Issuer's capital, while at the same time benefiting its regulatory capital structure, at present composed solely of Tier 1, also in the light of a possible successful outcome in the tender and exchange offer on the Issuer's shares announced by Vittoria Capital (as described in further detail in " <i>Description of the Issuer – Recent Developments</i> ") and the subsequent delisting of the Issuer and the possible merger of Vittoria Capital into the Issuer.
Maturity date:	11 July 2028
Denomination:	€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 each
Form of the Notes:	The Notes will be issued in bearer form and will initially be in the form of the Temporary Global Note, without Coupons, which will be deposited on or around the Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg. Interests in the Temporary Global Note will be exchangeable for interests in the Permanent Global Note, without Coupons, on or after the Exchange Date, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for Definitive Bearer Notes only in certain limited circumstances in accordance with the terms of the Permanent Global Note.
Ranking:	The Notes constitute unconditional and unsecured subordinated obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves and at least equally with all other Parity Securities but junior to any unconditional, unsubordinated, unsecured obligations of the Issuer (and the policyholders of the Issuer) (and any other obligations which are less subordinated than the Notes) and senior to

any Junior Securities.

Negative pledge:

There will be no negative pledge in respect of the Notes.

Enforcement Events; No Events of Default:

There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, to the date of payment and any Arrears of Interest, in the event that (i) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer or (ii) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in (i) above.

Interest:

Unless previously redeemed or repurchased and cancelled in accordance with the Conditions and subject to the further provisions of Condition 5, the Notes will bear interest on their principal amount from (and including) the Issue Date at the rate of 5.750 per cent. per annum (the **Rate of Interest**), payable annually in arrear on 11 July in each year (each an **Interest Payment Date**). The first payment (representing a full year's interest) shall be made on 11 July 2019.

Mandatory Interest Deferral and Arrears of Interest:

Mandatory Interest Deferral

On any Mandatory Interest Deferral Date, the Issuer shall, by giving notice to the Noteholders pursuant to Condition 5.2(c), defer payment of all (but not some only) of the interest accrued to that Interest Payment Date (and, if relevant, any Arrears of Interest). If interest is deferred pursuant to Condition 5.2(a), the Issuer shall have no obligation to make such payment and any such non-payment of interest shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose and shall not give the Noteholders or Couponholders the right to accelerate any payments.

Arrears of Interest

Any such unpaid amounts of interest pursuant to Condition 5.2(a) (*Mandatory Interest Deferral*) will constitute **Arrears of Interest**. Arrears of Interest will not themselves bear interest. Arrears of Interest may (subject to the fulfilment of the Conditions to Settlement) at the option of the Issuer be paid in whole or in part at any time but all outstanding Arrears of Interest shall become due upon the earliest of:

- (i) the next Interest Payment Date which is not a Mandatory Interest Deferral Date; or
- (ii) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; and
- (iii) the commencing of *Liquidazione Coatta Amministrativa* of the Issuer pursuant to the Consolidated Law on Private Insurance Companies or the Issuer becoming subject to a liquidation order.

Conditions to Settlement are satisfied on any day with respect to any

payment of Arrears of Interest which would not be a Mandatory Interest Deferral Date if such day were an Interest Payment Date.

If amounts in respect of Arrears of Interest become partially payable:

- (A) Arrears of Interest accrued for any Interest Period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier Interest Period; and
- (B) the amount of Arrears of Interest payable in respect of any Note shall be *pro rata* to the total amount of all unpaid Arrears of Interest accrued to the date of payment.

Redemption on the Maturity Date:

Unless previously redeemed or purchased and cancelled as provided in the Conditions, the Issuer will redeem the Notes on the Maturity Date at their principal amount, together with any interest accrued to (but excluding) the Maturity Date and any outstanding Arrears of Interest, subject to satisfaction of the Conditions for Redemption and Purchase.

If the Conditions for Redemption and Purchase are not satisfied, redemption of the Notes will be suspended and (unless Condition 6.10 applies) the Maturity Date will be postponed to the earlier of:

- (A) the date notified by the Issuer on giving at least 5 Business Days' notice to the Noteholders in accordance with Condition 13 following the day on which the Conditions for Redemption and Purchase are satisfied (and provided that the Conditions for Redemption and Purchase continue to be satisfied on the date of redemption); or
- (B) the date on which voluntary or involuntary winding up proceedings are instituted in respect of the Issuer in accordance with, as the case may be, (i) a resolution of the shareholders' meeting of the Issuer; (ii) any applicable provision of the By-laws of the Issuer (including expiry of the duration of the Issuer which, as at the Issue Date, is set at 31 December 2100 but, if it is extended, redemption of the Notes will be equivalently adjusted); or (iii) any applicable legal provision, or any decision of any jurisdictional or administrative authority.

Optional Early Redemption following a Gross-Up Event:

If, at any time, by reason of a change in any Italian law or regulation, or any change in the official application or interpretation thereof, becoming effective after the Issue Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 8 (a **Gross-Up Event**), the Issuer may, subject to satisfaction of the Conditions for Redemption and Purchase and to having given not more than 60 nor less than 30 days' prior notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable), redeem the Notes at any time in whole, but not in part, at their principal amount, together with all interest accrued (including any Arrears of Interest) to the date fixed for redemption.

Optional Early Redemption in case of Tax Deductibility Event:

If, an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in Italian law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in a material reduction of the deductibility of payments of interest by the Issuer in respect of the Notes (a **Tax Deductibility Event** and together with a Gross-Up Event, a **Tax Event**), so long as this cannot be avoided by the Issuer taking reasonable measures available to it at the time, the Issuer may, subject to satisfaction of the Conditions for Redemption and Purchase, redeem the Notes in whole, but not in part, at their principal amount together with all interest accrued (including any Arrears of Interest) to the date fixed for redemption, which may be at any time that is not earlier than 90 days before the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible in Italy or, if such date has passed, as soon as practicable thereafter. The Issuer shall give the Fiscal Agent notice of any such redemption not less than 30 nor more than 60 days before the date fixed for redemption and the Fiscal Agent shall promptly thereafter publish a notice of redemption in accordance with Condition 13.

Optional Early Redemption for Regulatory Reasons:

If at any time, the Issuer determines that a Regulatory Event has occurred with respect to the Notes on or after the Issue Date, the Issuer may, subject to satisfaction of the Conditions for Redemption and Purchase, redeem the Notes in whole, but not in part, subject to having given not more than 60 nor less than 30 days' prior notice to the Noteholders in accordance with Condition 13, at their principal amount plus any accrued interest (including Arrears of Interest) to the date fixed for redemption.

For the purpose of the Conditions, **Regulatory Event** means that, as a result of any replacement of or change to (or change to the interpretation by the Lead Regulator or any court or authority entitled to do so of) the Applicable Regulations after the Issue Date, the whole or any part of the Notes are no longer capable of counting as Tier 2 Own Funds, for the purposes of the Issuer or the Vittoria Insurance Group, whether on a solo, group or consolidated basis, except where such non-qualification is only as a result of exceeding any then applicable limits on the inclusion of the Notes as Tier 2 Own Funds.

Optional Early Redemption for Rating Reasons:

If at any time the Issuer determines that a Rating Methodology Event has occurred with respect to the Notes, such Notes will, subject to satisfaction of the Conditions for Redemption and Purchase, be redeemable at any time in whole, but not in part, at the option of the Issuer having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 at their principal amount plus any accrued interest (including Arrears of Interest if any) to the date fixed for redemption.

Exchange/Variation:

If at any time the Issuer determines that a Tax Event, a Regulatory Event or a Rating Methodology Event has occurred on or after the Issue Date, the Issuer may, as an alternative to exercising the available early redemption options described above, on any Interest Payment

Date, without the consent of the Noteholders, (i) exchange the Notes for new notes replacing the Notes (the **Exchanged Notes**), or (ii) vary the terms of the Notes (the **Varied Notes**), so that (i) in the case of a Tax Event, the Exchanged Notes or Varied Notes (as the case may be) no longer trigger the relevant Tax Event, (ii) in the case of a Regulatory Event, the aggregate nominal amount of the Exchanged Notes or Varied Notes (as the case may be) is treated under the Applicable Regulations as Tier 2 Own Funds of the Issuer and/or the Vittoria Insurance Group for the purposes of the determination of the Issuer's regulatory capital or (iii) in the case of a Rating Methodology Event, the Exchanged Notes or the Varied Notes receive (or continue to receive) the Equity Credit first assigned to the Notes by the relevant Rating Agency. Any such exchange or variation is subject to certain conditions.

Purchases:

The Issuer or any of the Issuer's Subsidiaries may at any time, subject to satisfaction of the Conditions for Redemption and Purchase being met, purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price. Such Notes may be held, reissued or resold or at the option of the Issuer, surrendered to the Fiscal Agent for cancellation.

Taxation and Additional Amounts:

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of any of the Relevant Jurisdictions, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; subject to customary exceptions.

Meetings of Noteholders and Modifications:

Schedule 3 (*Provisions for Meetings of Noteholders*) to the Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of the Conditions. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Any modifications of any of the Conditions shall be subject to the prior approval of the Lead Regulator (unless such approval is not required under Applicable Regulations).

Listing:

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and admitted to trading on the Global Exchange Market which is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of MiFID II.

Rating:

The Notes are expected to be rated BBB- by Fitch Ratings Ltd.

Clearing:	The Notes have been accepted for clearance through Clearstream Banking, S.A. and Euroclear Bank S.A./N.V.
Selling Restrictions:	There are restrictions on the offer and sale of the Notes and the distribution of offering material, including in the United States of America, the United Kingdom, and the Republic of Italy.
Governing Law:	The Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law, other than the provisions of Condition 3 which shall be governed by, and construed in accordance with, Italian law and provided that Condition 12 (<i>Meetings of Noteholders, Modification, Waiver, Authorisation and Determination</i>) and the provisions of Schedule 3 (<i>Provisions for Meetings of Noteholders</i>) of the Agency Agreement concerning meetings of Noteholders and the appointment of the <i>rappresentante comune</i> are subject to compliance with Italian law.

RISK FACTORS

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

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

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should read the entire Listing Particulars. The following is a disclosure of risk factors that are material to the Notes in order to assess the market risk associated with these Notes and risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes. Prospective investors should consider these risk factors before deciding to purchase Notes. The following statements are not exhaustive. Prospective investors should consider all information provided in these Listing Particulars and consult with their own professional advisers if they consider it necessary. In addition, investors should be aware that the risks described may combine and thus intensify one another. The occurrence of one or more risks may have a material adverse effect on the own funds, the financial position and the operating result of the Issuer.

Each of the risks highlighted below could have a material adverse effect on the business, operations, financial condition or prospects of the Issuer or the Group, which in turn could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

Words and expressions defined in the section entitled "Terms and Conditions of the Notes" herein shall have the same meanings in this section.

The order in which the following risks factors are presented is not an indication of the likelihood of their occurrence.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO MEET ITS OBLIGATIONS UNDER THE NOTES

Assumptions used to price products

The results of the Group's life and non-life businesses depend significantly upon the extent to which its actual claims experience remains consistent with the assumptions used in the pricing of its products. The Group's ability to set prices at the correct level may be adversely affected by a number of factors such as a lack of available or reliable data, incomplete or faulty analysis of the available data, uncertainty of estimates, in particular those linked to forecasts of the number and amount of claims that will need to be covered by premiums, the application of inappropriate formulas and methodology, and changes in the regulatory framework or its interpretation, as well as ongoing changes in the approach of courts to insurance claims.

The Group applies its experience in the sector and the information available to it to develop estimates of the liabilities arising from future policies. However, there is no guarantee that actual experience will match the assumptions used in initially establishing future policyholder claims and related premium levels. For example, the inadequacy of pricing data and methodology may result in incorrect pricing with respect to actual exposure to risk. The actual claims experience may be significantly greater in comparison to the forecasts used to calculate prices for the Group's products, both in terms of the number of claims and the

amounts paid out, and the resulting liabilities may have a material adverse effect on the Issuer and the Group's financial condition and results of operations.

Claims risk

The Group's results depend, from a practical standpoint and to a great extent, on the relationship between the amount of estimated and actual requests for payment from policyholders, particularly where the estimated amount has been used to determine the pricing of the insurance product and the level of cover. The Group uses its experience in the sector and the information available to it to elaborate estimates of the benefits from its future policies, including for the purposes of determining the amount of premiums and the actuarial price of its products. Notwithstanding this, actual requests for payment under insurance policies in the future could turn out to be significantly higher than the forecasts made by the Group for the purposes of pricing its products, which may have a material adverse effect on the financial condition and results of operations of the Issuer and the Group.

Adequacy of technical reserves

The technical reserves of the Group's insurance businesses serve to cover the current and future liabilities towards its policyholders and originate from the collection of insurance premiums. Technical reserves are established with respect to both the Group's life insurance businesses and non-life insurance businesses and are divided in different categories depending on the type of insurance business (life or non-life) to which they relate. These technical reserves and the assets backing them represent most of the Group's balance sheet. Depending on the actual materialisation of future liabilities (i.e. the claims as actually experienced), the current technical reserves may prove to be inadequate. This can occur due to factors that are beyond the control of insurers, such as unexpected legal developments, advances in medicine and changes in social attitudes. Although the Group has the necessary actuarial tools (such as liability adequacy testing) in place to closely monitor and manage reserve risk, a residual risk still exists and, to the extent that technical reserves are insufficient to cover the Group's actual insurance losses, expenses or future policy benefits, the Group would have to add to these technical reserves and incur a charge to its earnings, which could adversely affect its results and financial condition.

Investment risk

Investments by the Group are an essential element in its financial condition and results of operations. Following a move to diversify the Group's investment portfolio, fixed and floating rate bonds represented 58.5% of total investments as at 31 December 2017, followed by real estate investments (17.3%) and collective investment undertakings (11.3%). Although the Group pursues an investment policy that it believes to be prudent and in compliance with applicable regulations and the ethical values that it is guided by, it remains exposed to market risks that characterise its investments and, in particular, interest rate risk, credit and counterparty risk, liquidity risk, risks relating to equity instruments and risks relating to the performance of the real estate market. The Issuer is also exposed to sovereign debt risk – see “*Global financial conditions and sovereign debt*” below.

Interest rates

Significant changes in interest rates could materially and adversely affect the Group's business and financial performance. The level of, and changes in, interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) can affect the Group's life insurance results and interest payable on debt. In particular, interest rates can affect the availability of disposable income for investment in life assurance and other savings products, asset values, levels of bad debts, levels of income gains and losses on investments, funding costs and interest margins. Variations in interest rates, to the extent that they cannot be passed on to policyholders, are likely to result in a decrease in fixed income asset values for life insurance companies. Generally, the impact of rising interest rates on the asset management business is driven by the change in value of funds under management.

Fluctuations in interest rates (and returns from equity markets) also have an impact on consumer behaviour, especially in the life and asset insurance accumulation businesses, where demand for fixed income products may decline when interest rates fall and equity markets are performing well. The demand of general insurance, particularly commercial lines, can also vary with the overall level of economic activity.

Mismatches in assets and liabilities

In relation to the matching of the Group's assets and liabilities (asset and liabilities management or ALM), discrepancies between the maturity of investments and liabilities could have an adverse effect on the financial condition and results of operations of the Issuer and the Group. In particular, the Issuer's life business is exposed to the risk of mismatching between the payment date of amounts due from and to the Group. Liabilities, in particular, are conditional upon events linked to the duration of human life or the behaviour of policyholders in terms of their propensity for early lump sum payments.

Credit and counterparty risk

The Group is prone to credit risk in relation to third parties. For example, any failure by its counterparties to meet their obligations could have a material impact on its financial position. A default by an institution, or even concerns as to its creditworthiness, could lead to significant liquidity problems, losses or defaults by other institutions because the stability of many financial institutions may be closely linked to credit, trading, clearing or other relationships between institutions. This risk may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which the Group interacts on a daily basis, and therefore could adversely affect the Group. In addition, the Group's life insurance and, to a lesser extent, its general insurance businesses have substantial exposure to reinsurers through reinsurance arrangements (see "*Risks relating to reinsurance*" below).

Liquidity risk

The Group invests in financial instruments that can be readily converted into cash in compliance with the framework resolution on investments and assets covering the technical provisions adopted by the Group in accordance with current regulatory provisions. However, the possibility that it may be difficult to liquidate certain investments, or the risk that such instruments may need to be sold at less than the purchase price or the carrying amount, resulting in capital losses and/or difficulties in meeting commitments made, cannot be ruled out, which would have an adverse effect on the business, financial condition and results of operations of the Issuer and the Group.

Risks relating to equity instruments

Risks relating to equity investments arise from adverse changes in the market value or volatility of equity instruments. The Group is exposed to risks from the shares or investments in listed or unlisted companies or units in collective investment undertakings or mutual funds. By way of illustration, if the listed shares classified in the Issuer's 2017 year-end financial statements as Financial assets available for sale suffered a fall of 10%, the net assets of the Group would be reduced by €1,159 thousand.

Risk associated with real estate market performance

Particularly with respect to investments in buildings, in recent years there has been a downturn in market prices in that sector, in terms of the prices of real estate assets as well as the relative income, in addition to the number of real estate transactions carried out. As a result, the parties and institutional operators active in those sectors have had to face a decrease in transaction volumes and margins, with adverse consequences for the profitability of investments in that sector. The continuation of the weak performance currently characterising the real estate market or its further deterioration could have a negative impact on investment profitability and, more generally, on the investments of the Issuer in those sectors, affecting the business, financial condition and results of operations of the Issuer and the Group.

Furthermore, regulatory amendments and/or developments concerning construction or the environment, or building non-conformity or the failure to comply with those provisions, could result in penalties, for the Group and its representatives, as well as compensation claims from tenants, and have a material adverse effect on the business, financial condition and results of operations of the Issuer and the Group.

Risks relating to capital adequacy

The Group is subject to government regulation in the jurisdictions in which it conducts business. Regulatory agencies, in particular the *Istituto per la Vigilanza sulle Assicurazioni (IVASS)*, have broad jurisdiction over many aspects of these businesses, including capital adequacy, premium rates, marketing and selling practices, advertising, licensing agents, policy forms, terms of business and permitted investments. The Issuer, as an entity authorised to carry out insurance activities, is subject to Italian regulations applicable to the insurance sector which aim, *inter alia*, to limit the risk exposure of insurance companies in order to preserve their stability and strength.

In the European Union, risk-based capital requirements were introduced pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (as amended, the **Solvency II Directive**), which came into force on 1 January 2016. The Solvency II Directive was implemented in Italy by Legislative Decree No. 74 of 12 May 2015.

As at 31 December 2017, the Solvency II Ratio (the ratio between admissible own funds and the Solvency Capital Requirement (**SCR**)) of the Issuer was equal to 216.1%, (218.6% as at 31 December 2016) calculated using the standard formula with Undertaking Specific Parameter (USP) and the Volatility Adjustment discount curve determined by the European Insurance and Occupational Pensions Authority (EIOPA) for discounting the future cash flows of insurance commitments (designed to protect insurers with long-term liabilities from the impact of volatility on their solvency position). As regards the risk profile, the most significant change was the increase in the Market Risk module (one of the key modules in calculating SCR), mainly due to the Issuer's greater propensity to invest, directly or through funds, in debt instruments, as well as - to a lesser extent - in equity instruments. The other relevant modules did not give rise to significant changes and, as far as the insurance portfolio is concerned, risk exposures mainly relate to the non-life and health components. The overall increase in SCR (+13.4%) was partly offset by the increase in shareholders' equity (+12.0%). As at 31 December 2017, the Issuer's own funds for the purposes of SCR coverage amounted to €918.4 million, of which €915.3 million was classified as Tier 1, whereas its SCR was €425 million. As at 31 December 2017, the Solvency II Ratio of the Vittoria Insurance Group, on a consolidated basis, was equal to 144.8%.

There continue to be material uncertainties around the impact of the more detailed technical requirements of the Solvency II Directive and implementing regulations (together, **Solvency II**). The new framework covers the definition of "own funds" regulatory capital and, accordingly, will set out the features which any capital must have in order to qualify as regulatory capital. Even though "level two" implementation measures have been enacted and "level three" guidelines have been released, there can be no assurance that such implementation measures and guidelines will not be amended, supplemented or superseded. Moreover, there is considerable uncertainty as to how regulators will interpret the "level two" implementation measures and/or "level three" guidance and apply them to the Issuer. In addition, as at the date of these Listing Particulars, Solvency II is subject to an on-going review by the European Union that is currently projected to continue until the end of 2020, with EIOPA expected to publish its conclusions in January 2021. As a result, there is significant uncertainty as to how Solvency II will evolve over the next few years and how it will affect insurance companies.

If the Issuer were to fail to implement any future implementing legislation related to Solvency II within the time required by the regulations, such delay could result in regulatory sanctions and/or reputational risk for the Issuer. More generally, the implementation of Solvency II and any future amendments to it could, through its resulting costs and uncertainties, have a materially adverse effect on the financial condition,

solvency margin, dividend policy, operations and, consequently, on the business and prospects of the Issuer and the Group.

Risks relating to insurance operations

The complex and detailed nature of the Group's business requires, *inter alia*, an ability to perform a significant number of transactions with care and efficiency. In common with all operators in the insurance industry, the Group is exposed to a wide range of operating risks, including the risk of unforeseen losses arising from: company procedures being inadequate or not working properly; human error or staff shortages; inadequate internal verification processes; fraud (internal or external); unauthorised activities on the capital markets; interruptions and/or malfunctioning of services or systems (including IT systems); mistakes, oversights or delays in the provision of services; shortcomings in the preparation and storage of transaction documents; customer claims; the distribution of products that do not comply with legislation on insurance services; fines from infringement of laws and regulations; breach of contract; natural disasters and catastrophes; and failure to carry out procedures relating to the identification, monitoring and management of risks. These include legal risks, as well as those deriving from reinsurance and, in particular, the risk of default by the reinsurance provider and/or litigation with the reinsurer in relation to the claim to which the reinsurance relates.

Although the Group's procedures for the monitoring of operating risk are designed to mitigate and contain the risks associated with its business, as well as to prevent or limit their potentially adverse impact, they may prove to be inadequate for the purposes of dealing with every type of risk, possibly due to events that are unforeseen and/or beyond the Group's control, either wholly or partially.

Among other things, the Group offers policies which, under standard terms, allow for coverage of policyholders with the same insurance requirements under standard terms and conditions. In relation to those products, the Group cannot rule out the risk of multiple actions against the Group brought by policyholders wishing to challenge the standard terms and conditions of those policies or, more generally, the documentation originally used to sell the product.

Risks relating to catastrophic events

The Group seeks to limit the financial impact of catastrophic events by means of reinsurance, allocating the risk between reinsurance companies selected by the Group for their reliability and financial solidity. However, contracts for any such reinsurance provide for excess and a maximum amount of cover in relation to the various events that are insured, thereby leaving any remainder for the account of the Group. As a result, one or more catastrophic events such as earthquakes, storms, explosions, floods, fires and terrorist attacks, where they result in damage exceeding the maximum cover reinsured by the Group, could have an adverse effect on the business, financial condition and results of operations of the Issuer and the Group. See also "*Risks relating to reinsurance*" below.

Risks relating to fraud

The Group's insurance business is exposed to the risk of fraudulent claims. The Group has a unit specially set up to prevent, report and challenge insurance fraud and other speculative endeavours carried out to the Group's detriment. Its operations are based on specific internal procedures designed, *inter alia*, to commence, where applicable, the most appropriate legal action and, more generally, to comply with, affirm and safeguard principles based on legality and payment of the correct amount of compensation. Nevertheless, the Group's business is still exposed to risks from false claims or misrepresentations, in relation to either of factual background to the claim or the actual damage suffered or caused by customers or the injured party, which may lead to increases both in the number of claims, particularly in an unfavourable economic climate, and in the average cost of claims, thereby reducing the Group's profitability and adversely affecting the financial condition and results of operations of the Issuer and the Group.

Risks relating to the cyclical nature of the sector

The performance of the insurance industry, especially the Non-life sector, tends to be cyclical and, traditionally, is subject to fluctuations in turnover, mainly due to unpredictable and uncertain events, such as competition, the frequency and severity of natural disasters and catastrophes and other factors. The impact of its cyclical nature and of changes in the expectations of consumers as to the amount of premiums, the amount of compensation payable and other factors that may concern the insurance sector could therefore have an adverse effect on the financial condition and results of operations of the Issuer and the Group.

Risks specific to operations in the life insurance sector

The Issuer is exposed to a series of risks specific to life insurance activities.

Life expectancy and demographic risk

Risks associated with life insurance contracts include those linked to mortality rates and trends, morbidity rates, longevity and disability. The premiums relating to those contracts account for those risks and are calculated on the basis of statistical and actuarial projections concerning the population's life expectancy. If those projections turn out to be unreliable, the value of the Group's provisions for life insurance and pension products may need to be higher than estimated and the consequent adjustments would have an adverse effect on the Group's financial condition and results of operations.

Pandemics

The mortality assumptions used to price products are based on statistics and information obtained from the market. These assumptions reflect the Group's best estimates for each year. The occurrence of an epidemic could increase mortality and/or morbidity to above the normally expected rate, which could lead to the payment of more compensation than planned. These events are evaluated in relation to the possible forms of coverage that may be used, such as reinsurance agreements. However, coverage may not be sufficient to offset all of the Group's liabilities in the case of a pandemic, which may have an adverse impact on the Group's financial condition and results of operations.

Minimum guaranteed return

The Group's life insurance business policies generally entitle the policyholder to request full or partial redemption of the premiums paid in at the discretion of the policyholder. A significant portion of these life insurance policies offered to Group customers also has a minimum guaranteed return. Events such as interest rate fluctuations, particularly in the case of a rally, or financial market crises could lead customers to seek out/opt for more profitable investment opportunities than the Group's life insurance policies, resulting in increasing redemption levels, therefore making it necessary to liquidate assets in unfavourable economic conditions, with possible capital losses for the Group.

Furthermore, a high level of requests for redemption concentrated within a given period of time could require the Group to carry out a large-scale short-term divestment of the financial instruments in which it has invested. This could affect the actual marketability of those financial instruments as well as their sell-off prices, particularly when the need for disposal arises in a context of scarce market liquidity in general, the impact of which, if not entirely borne by customers, could have adverse consequences for the business, financial condition and results of operations of the Issuer and the Group.

Adequacy of resources to meet pension commitments

The Group determines the technical provisions associated with pension or supplementary pension plans provided to its customers by taking into consideration, *inter alia*, information about their marital status, the

breakdown of the policyholder's nuclear family and forecasts relating to: (i) mortality rates; (ii) job turnover rates in work activities; (iii) disability rates; (iv) early retirement rates; (v) discount rates; (vi) long-term interest expected on investments; and (vii) salary increases, future pension increases and increases in the cost of healthcare in the long term. These parameters may differ from actual results, partly due to changes in economic conditions linked to higher or lower policyholder life expectancy and/or intervening regulatory amendments. Any differences could, therefore, have an impact on the extent of pensions or pension expenses estimated over the coming years, rendering technical provisions linked to pension and/or supplementary pension products inadequate, which may then have an adverse impact on the Group's financial condition and results of operations.

Redemption of policies

The terms and conditions of the Group's life policies typically allow the policyholder to require redemption of premiums, either in whole or in part, at the option of the policyholder. Events such as interest rate fluctuations, particularly in an upwards direction, or a crisis in the financial markets may tempt policyholders to take the opportunity to reinvest in products offering higher returns, with a consequent increase in claims for redemption, requiring the Group to make lump sum payments under unfavourable terms and resulting in losses. Furthermore, large numbers of claims for redemption concentrated over a short period could then compel the Group to carry out significant divestments of the securities held by it. Any such circumstances could affect the tradability of those securities, as well as the price at which they are sold (particularly where the need to divest occurs in a general context of limited market liquidity) and the overall losses, unless they can be passed on to customers, may have an adverse effect on the financial condition and results of operations of the Issuer and the Group.

Risks relating to the Group's strategy

On 15 March 2017, the Issuer's board of directors approved its Strategic Plan 2017-2019 (the **Plan**), containing certain strategic objectives for the Issuer and its subsidiaries for the period from 2017 to 2019. The principal actions envisaged under the Plan involve investments and transformations which will need to be implemented by the Group in accordance with certain industrial guidelines. For further information, see "*Description of the Issuer – Strategy*". The achievement of the financial and other targets under the Plan are based on a number of assumptions as to future events and actions that will not necessarily take place and which the Group can only influence in part or which depend substantially on matters beyond the Group's control. Forecasts and other assumptions as to future events and actions are by their nature subjective and affected by uncertainty and differences between expected and actual outcomes, such as the actual macroeconomic environment and market conditions, as well as the future development of legislation and regulations. As a result, there is no assurance that the Group will be able to carry out all the proposed actions under the Plan or, more generally, that it will achieve its overall objectives under the Plan and any failure to do so could have an adverse effect on the financial condition and results of operations of the Issuer and the Group.

Risks relating to the tender and exchange offer currently planned by Vittoria Capital

As at the date of these Listing Particulars, there is an on-going tender and exchange offer on the Issuer's shares, initially announced by Vittoria Capital on 16 May 2018. Completion of the offer is conditional upon (i) the offer being taken up by holders of a sufficient number of shares to bring Vittoria Capital's stake in the Issuer up to at least 95% (including shares held both directly and indirectly) and (ii) non-occurrence of certain force majeure events relating to market conditions and of certain adverse events relating to the financial position or profitability of the Issuer. Vittoria Capital has fixed the minimum take-up on the basis of its wish to make a significant investment in the Issuer's shares and then to proceed with the delisting of the Issuer. If the above conditions are not satisfied, Vittoria Capital reserves the right to withdraw the offer and, in the event of a lower take-up than envisaged under condition (i) above, it also reserves the right to purchase fewer shares than currently envisaged, in which case it will reassess its options regarding the proposed delisting. Vittoria Capital may also modify the terms of the offer under certain circumstances. As a result, there is no assurance that the offer will be completed, either in whole or in part or as currently

planned, and any perceived benefits to the Issuer from the offer and subsequent delisting may not ultimately materialise.

Fluctuations in the financial markets

Market levels and investment returns are an important part of determining the Group's overall profitability, and fluctuations in the financial markets, such as the fixed income, equity, property and foreign exchange sectors, can have a material effect on its consolidated results of operations. Changes in these factors can be very difficult to predict. Any adverse changes in the economies and/or financial markets in which funds under management are invested could have a material adverse effect on the Group's consolidated financial condition, results of operations and cash flows.

Fluctuations in interest rates may affect returns on fixed income investments and their market value. Generally, investment income may be reduced during sustained periods of lower interest rates as higher yielding fixed income securities are called, mature or are sold, and the proceeds are reinvested at lower rates, even though prices of fixed income securities tend to rise and gains realised upon their sale tend to increase. During periods of rising interest rates, the prices of fixed income securities tend to fall, meaning gains made upon their sale are lower or the losses made are greater.

In addition, general economic conditions, stock market conditions, levels of disposable income and many other factors beyond the control of the Group can adversely affect the equity and property markets. Investment returns are also susceptible to changes in the general creditworthiness of the issuers of the debt securities and equity securities held in the businesses' portfolios. The value of fixed income securities may be affected by, amongst other things, changes in the issuer's credit rating. Where the credit rating of a debt security drops, the value of the security may also decline.

The investment risk on life insurance portfolios is often shared in whole or in part with policyholders, depending on the product sold. Fluctuations in the fixed income, equity and property markets will directly affect the financial results of life assurance operations and will also have indirect effects through their impact on the value of technical reserves, which, in most cases, are related to the value of the assets backing the policy liabilities. Should the credit rating of the issuer of the fixed income securities drop to a level such that regulatory guidelines prohibit the holding of such securities to back insurance liabilities, the resulting disposal may lead to a significant loss on the Issuer's investment.

Security breaches in relation to IT systems

The Group's website and mobile application, which are increasingly important to its business and continue to grow in complexity and scope, and the computer systems and operating systems on which they run, including those applications and systems in the Group's businesses, may be subject to cyber attacks. Those attacks could involve attempts to gain access to the website or mobile application to obtain and make unauthorised use of customers' or members' payment information. Such attacks, if successful, can also create denials of service or otherwise disable, degrade or sabotage the Group's website or mobile application and otherwise significantly disrupt customers' experience from using the website or mobile application. If the Group is unable to maintain the security of its website and mobile application and keep them operating within acceptable parameters, it could suffer loss of sales, reductions in traffic, reputational damage and deterioration of its competitive position and incur liability for any damage to customers whose personal information is unlawfully obtained and used, any of which events could have a material adverse effect on the Group's business, results of operations and financial condition, as well as impede the execution of the Group's strategy for the growth of its business. In addition, a security breach could require the Group to devote significant management resources to address the problems created by the breach and to expend significant additional resources to upgrade further the security measures employed by the Group to guard personal information against cyber attacks and other attempts to access such information with a material adverse effect on the Group's business, results of operations and financial condition.

Furthermore, the Group accepts payments using a variety of methods, including cash, cheques, credit and debit cards, and the Group may offer new payment options over time, which may have information security risk implications. Even though the Group complies with applicable standards and protocols and other information security measures, it cannot be certain that the security measures it maintains to protect all of its information technology systems are able to prevent, contain or detect any cyber attacks, cyber terrorism, or security breaches from known cyber attacks or malware that may be developed in the future. To the extent that any cyber attack or incursion in the Group's or one of its third-party service provider's information systems results in the loss, damage or misappropriation of information, the Group may be materially adversely affected by claims from customers, financial institutions, regulatory authorities, payment card networks or other third parties, which may then have a material adverse effect on the Group's business, results of operations and financial condition.

Management of information systems

The Group has outsourced certain system monitoring and maintenance services and services relating to its telecommunications systems to specialist companies. Under the Group's outsourcing policy, decision making is carried out internally and suppliers are only used to expand implementation/operational capacity. The lack of the supplier's operations does not compromise the continuity of the business processes in which the supplier operates and in the activities linked to daily support there are internal resources that do not make the same activity dependent on external suppliers.

The Group considers the quality and excellence of its IT systems to be of fundamental importance, since a considerable part of its activities rely on their efficiency and proper functioning. Although the Group's business continuity, crisis management and cyber risk systems and plans are up to industry standards and aim to protect the IT systems and services provided, any problems with the operations of or access to the Group's information systems or successful external cyber attacks could have negative effects on the Issuer and Group's business, financial condition and results of operations.

Increased competition

The Italian insurance market has experienced significant changes in recent years due to the introduction of several laws and regulations as a result of the implementation of a number of insurance directives issued by the European Union. Changes in the regulatory regime have also increased competitive pressure on insurance companies in the Italian market in general.

In this regard, the Italian insurance system is going through a period of consolidation leading to significant competitive pressure, especially in the non-life sector and, more specifically, motor vehicle insurance. Average premiums for third party vehicle insurance have decreased, as has customer loyalty, partly also due to new legislation, which imposes a one-year duration for policies without automatic renewal. At the same time, a gradual recovery in road traffic over the last few years has resulted in more claims.

There is no assurance that the Group will be able to compete successfully in the future against existing or potential competitors, or that the Group's business, financial condition and results of operations will not be adversely affected by increased competition.

Global financial conditions and sovereign debt

The continuing uncertainty regarding the development of the global economy, for example due to the sovereign debt crises and inflation and deflation risks in many parts of the world, particularly in Europe, the uncertainties associated with the outcome of the United Kingdom's vote to leave the European Union and the ongoing quantitative easing announced by the European Central Bank, may result in economic instability, limited access to debt and equity financing and possible defaults by the Group's counterparties. As a result, the Group's ability to access the capital and financial markets and to refinance debt to meet the financial requirements of the Group may be compromised and costs of financing may significantly increase, which

may have material adverse effect on the Issuer and Group's business, financial condition and results of operations.

Although the global economy has experienced a recovery in recent years, various concerns remain over the ability of certain countries to service their sovereign debt obligations. Economic stagnation in certain countries in the Eurozone, including Italy, in part due to the effects of the sovereign debt crisis and corresponding austerity measures in these markets, has added to these concerns. The measures implemented so far to reduce public debt and fiscal deficits have resulted in lower or negative gross domestic product (GDP) growth and high unemployment rates in these countries. If the fiscal obligations of these or other countries continue to exceed their fiscal revenue, taking into account the reactions of the credit and swap markets, or if their banking systems are further destabilised, the ability of such countries to service their debt in a cost efficient manner could be impaired.

In this connection, as at 31 December 2017 the Group's exposure to sovereign debt securities amounted to €1,826 million, of which €841.1 million was represented by Italian government bonds, nearly all of which was in the form of fixed rate interest securities. Of these, a significant proportion have long maturities: in the Group's Life business unit, 35.1% in principal amount had a maturity of between one and five years as at 31 December 2017, 42.7% between five and ten years, and 18.1% over ten years; in its Non-life business, 51.1% had a maturity of between one and five years; 33.6% between five and ten years, and 3.2% over ten years. In the Group's Life business, any potential loss in the value of government bonds would largely be borne by policyholders. Nevertheless, any downgrade of the credit rating of the Republic of Italy or of other states whose debt securities are held by the Group or, more generally, a deterioration in the situation relating to sovereign debt, or other tensions in the sovereign debt market including greater volatility, may significantly reduce the value of the Group's investments and have a material adverse effect on the Group's financial condition and results of operations.

Risks relating to reinsurance

In the normal course of business, the Group transfers exposure to certain risks in its non-life and life insurance businesses to others through reinsurance arrangements. Under these arrangements, reinsurers assume a portion of the Group's losses and expenses associated with reported and unreported claims in exchange for a portion of the premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly. If reinsurance is not available at commercially attractive rates and if the resulting additional costs are not compensated by premiums paid to the Group, this could adversely affect the Group's results. Also, increasing concentration in the reinsurance market reduces the number of major reinsurance providers and therefore could hamper the Group's efforts to diversify in its reinsurance risk.

Any decrease in the amount of the Group's reinsurance cover relative to its primary insurance liability could increase its risk of loss. Reinsurance arrangements do not eliminate the Group's obligation to pay claims and introduce credit risk with respect to the Group's ability to recover amounts due from the reinsurers. While the Group monitors the solvency of its reinsurers through a periodic review of their financial statements, the risk of default by a reinsurer cannot be excluded. Any inability of the Group's reinsurers to meet their financial obligations could materially adversely affect its insurance businesses' results.

Risks relating to the ability to maintain a high-quality network of agents

The Group dedicates particular attention to the selection, recruitment and training of its agents, with the aim of maintaining the high standards of its network. Despite this policy, the possibility of a reduction in the number of agents in the future and/or of their inability to meet the Group's standards cannot be excluded. This could have a negative impact on the Group's economic, asset and financial position. Furthermore, the ability to recruit new agents and consolidate relationships with existing agents is fundamental to achieving both qualitative and quantitative network growth objectives.

If the Group's recruitment and network consolidation policies are not suitable enough to meet established objectives (possibly due to the adoption of particularly aggressive pay policies by its main competitors) and if it is unable to attract new agents, or if highly skilled agents responsible for significant customer portfolios leave the Group, the business, financial condition and results of operations of the Group could suffer.

Risks from activities of agents

Although the Group monitors the conduct of its agents by verifying whether they comply with regulations in force and whether they are acting with integrity and transparency in relations with customers, individual intermediaries could carry out fraudulent, dishonest or otherwise unlawful activities. As at the date of these Listing Particulars, the Group is not aware of a significant number of cases of alleged fraudulent or dishonest conduct in this channel that have resulted in actions or charges against Group insurance companies, and only a limited number of cases have led to legal disputes. Nevertheless, the risk of the Group being held directly liable in disputes for the actions of its insurance brokers cannot be ruled out. Furthermore, unlawful conduct in the network could cause significant damage to the image and reputation of the Group and, more generally, to the trust of its customers or potential customers, with adverse consequences for the Issuer and Group's business, financial condition and results of operations.

Risks relating to termination benefits paid to agents and the associated reimbursement

Agreements between insurance companies and their agents generally establish termination benefits to be paid to agents by the company, provided "portfolio liberalisation" does not take place. In that case, the contracts typically entitle the company to receive reimbursement from the new agent for the benefits due to the former agent. In this respect, in its Note no 32-09-000107 of 23 July 2009 (**Note**), IVASS provided instructions on the procedures for accounting for the exercise of the right to reimbursement. It specified that the part of the benefits disbursed by insurance companies to agents that leave the company which is subject to reimbursement, and the amount of reimbursement received by the companies from the new agents, are to be recorded in the balance sheet, and therefore should not be charged to the income statement.

According to the same IVASS instructions, only if the termination benefits disbursed by companies to former agents and the reimbursement they receive from new agents are not equal, companies are required to charge exclusively the portion of benefits exceeding the amount subject to reimbursement to the income statement, according to the instructions set forth in the same Note, as this constitutes a cost to be recognised.

In this regard, if the Group is not able to exercise all or part of the above-mentioned right to reimbursement with respect to new agents following the termination of existing agent mandates, it may be forced to incur charges and costs exceeding those budgeted and/or set aside and record losses in the income statement due to the termination of agent relationships, with a consequent adverse effect on the Issuer and Group's business, financial condition and results of operations.

Risks relating to geographical concentration

Premium income generated by the Group relates entirely to the Italian portfolio, with over 80% of production concentrated in northern and central Italy. As result, the Group's business may be affected by negative trends in the macroeconomic scenario in central and northern Italy and by changes in social, economic and political conditions, both in in central and northern Italy and in Italy as a whole.

Risks relating to ongoing legal proceedings

At the date of these Listing Particulars, the Group is party to various legal proceedings involving total claims of an aggregate amount of around €6.7 million. As a result of these proceedings, the Group has set aside provisions for any liabilities arising from disputes which, as at 31 December 2017, amounted to €3.9 million. If the estimates on the basis of which the above provisions were made are not correct or if the provisions described above are not adjusted in the event of the Group being unsuccessful in the pending proceedings,

this could have an adverse impact, which may be significant, on the Issuer and the Group's business, financial condition and results of operations. See also “*Description of the Issuer*”.

Risks relating to the administrative liability of legal entities

Legislative Decree No. 231/2001 (**Decree 231/2001**) imposes direct liability on a company for certain unlawful actions taken by its executives, directors, agents and/or employees. The list of offences under Decree 231/2001 currently covers, among other things, bribery, theft of public funds, unlawful influence of public officials, corporate crimes (such as false accounting), fraudulent acts and market abuse, as well as health and safety and environmental hazards. The perpetration of these offences by and/or in the interests of the Group could lead to the imposition of fines and other penalties, as well as other measures such as a ban from participating in public tenders, all of which could adversely affect the business, financial condition and results of operations of the Group.

In order to reduce the risk of liability arising under Decree 231/2001, the Group has adopted an organisation, management and supervision model (the **Model**) to ensure the fairness and transparency of its business operations and corporate activities and provide guidelines to its management and employees to prevent them from committing offences. The Group has also appointed a supervisory body to oversee the functioning and updating of, and compliance with, the Model.

Notwithstanding the adoption of these measures, the Group could still be found liable for the unlawful actions of its officers or employees if, in the relevant authority's opinion, the Model is not adequate or effective. This could lead to a suspension or limitation of the Group's operating activities and/or an imposition of fines and other penalties, all of which could have a material adverse effect on the business, financial condition and results of operations of the Issuer and the Group.

Risk management policies, procedures and methods

The Group has devoted significant resources to developing policies, procedures and assessment methods to manage market, credit, underwriting, liquidity and operating risk and intends to continue to do so in the future. Nonetheless, the Group's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all market environments or against all types of risks, including risks that the Group fails to identify or anticipate. If existing or potential customers believe that the Group's risk management policies and procedures are inadequate, the Group's reputation, as well as its revenues and profits, may be adversely affected.

Risks associated with dependence on key figures

The results of the Group depend on its ability to attract, retain and train qualified internal personnel as well as on the contribution of some parties with significant roles within the Group and significant experience in the relevant sector in which it operates, who play a decisive role in development. The Group particularly focuses on the training and growth of its personnel in order to develop the skills necessary to cover each company function internally. In addition, the Issuer believes that adequate pay, retention and incentive systems have been adopted for its top management and other parties with key positions. Also, emergency plans have been approved in the event of unplanned absences of company representatives to ensure the continuity of top management functions. Nonetheless, if any key personnel cease to work with the Group, it may not be able to replace them promptly with people able to provide the same level of service, which could have an adverse impact on the business, financial condition and results of operations of the Issuer and the Group.

Risks relating to the collection, storage and processing of personal data

In carrying out its activities, the Group collects, stores and processes the personal data of its customers and has to comply with the applicable legal and regulatory provisions relating to data protection. The personal data of the Group's customers are stored at its offices and in archives managed by suppliers specialising in

record management and archiving that are equipped with the functions required to prevent unauthorised external access to or loss (total or partial) of the data and to guarantee service continuity. The Group also has internal procedures and measures governing data processing and access to data by personnel in order to prevent unauthorised access and processing.

Nonetheless, the Group is exposed to the risk that the procedures implemented and measures adopted could be inadequate and/or that the necessary privacy rules may not be implemented correctly in the various areas of activity, and therefore that the data could be damaged or lost, or stolen, disclosed or processed for purposes other than those announced to or authorised by the parties concerned. The occurrence of these events could (i) damage the Group's business, including its reputation, and (ii) entail the application by the Italian Data Protection Authority of administrative and criminal sanctions against the Group, all of which may adversely affect the business, financial condition and results of operations of the Issuer and the Group.

In this context, the General Data Protection Regulation (EU Regulation No. 2016/679; the **GDPR**) recently came into force and, with effect from 25 May 2018, repealed previous EU legislation on data protection and is aimed at providing a consistent and harmonised regulatory framework for the processing of personal data within the European Union. Broadly, the changes introduced by the GDPR include the following areas: (i) a single set of regulations across the EU; (ii) increased enforcement powers for the data protection authorities with the ability to impose fines of up to 4% of global annual turnover (or up to 2% for breach of certain provisions); (iii) the introduction of a new EU-wide advisory body, the European Data Protection Board; (iv) a single lead supervisory authority for handling issues connected with data processing operations performed in multiple jurisdictions of the EU; (v) the introduction of new principles, such as accountability; (vi) the obligation, under certain circumstances, to appoint an independent Data Protection Officer; (vii) new rights for individuals, including the "right to be forgotten" and the right to data portability; and (viii) provisions for mandatory data breach notification to the supervisory authorities and, in certain cases, the affected individuals. The changes introduced by the GDPR are likely to have a significant effect on the Group, as well as the European insurance market in general, as a result of, *inter alia*, an increase in compliance costs and obligations.

RISK FACTORS RELATING TO THE NOTES

1. General Risks relating to the Notes

Independent review and advice

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on the Issuer or the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in these Listing Particulars or any applicable supplement;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally purchase complex financial instruments as part of a wider financial structure rather than as stand alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legality of purchase

Neither the Issuer, the Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

Regulatory and legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon such tax summary contained in these Listing Particulars but should ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only that adviser is in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation-related sections of these Listing Particulars.

Change of law

The Terms and Conditions of the Notes are based on English law, other than the provisions regarding ranking and subordination as set out in Condition 3 of "*Terms and Conditions of the Notes*", which are based

on Italian law, in effect as at the date of these Listing Particulars. In addition, Condition 12 (*Meetings of Noteholders, Modification, Waiver, Authorisation and Determination*) and Schedule 3 (*Provisions for Meetings of Noteholders*) of the Agency Agreement are subject to compliance with Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English or Italian law or administrative practice after the date of these Listing Particulars. See also “*Noteholders’ meeting provisions may change by operation of law or because of changes in the Issuer’s circumstances*” below.

Decisions at Noteholders’ meetings bind all Noteholders

The Terms and Conditions of the Notes (at Condition 12 (*Meetings of Noteholders, Modification, Waiver, Authorisation and Determination*)) and the Agency Agreement (at Schedule 3 (*Provisions for Meetings of Noteholders*)) contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally, including modifications to the terms and conditions relating to the Notes and the waiver of rights that might otherwise be exercisable against the Issuer. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend or were not represented at the relevant meeting and Noteholders who voted in a manner contrary to the majority. Any such modifications to the Notes may have an adverse impact on Noteholders’ rights and on the market value of the Notes. See also “*Noteholders’ meeting provisions may change by operation of law or because of changes in the Issuer’s circumstances*” below.

Noteholders’ meeting provisions may change by operation of law or because of changes in the Issuer’s circumstances

As mentioned in “*Change of law*” above, the provisions relating to Noteholders’ meetings (including quorums and voting majorities) are subject to compliance with certain mandatory provisions of Italian law, which may change during the life of the Notes. In addition, as currently drafted, the rules concerning Noteholders’ meetings are intended to follow mandatory provisions of Italian law that apply to Noteholders’ meetings where the issuer is an Italian listed company. As at the date of these Listing Particulars, the Issuer’s ordinary shares are admitted to trading on the STAR segment of the MTA but, if its shares are delisted while the Notes are still outstanding, then the mandatory provisions of Italian law that apply to Noteholders’ meetings will be different (particularly in relation to the rules relating to the calling of meetings, participation by Noteholders at meetings, quorums and voting majorities). In addition, certain Noteholders’ meeting provisions could change as a result of amendments to the Issuer’s By-laws. Accordingly, Noteholders should not assume that the provisions relating to Noteholders’ meetings contained in the Agency Agreement and summarised in the Conditions will correctly reflect mandatory provisions of Italian law applicable to Noteholders’ meetings at any future date during the life of the Notes.

In this connection, as at the date of these Listing Particulars, Vittoria Capital intends to launch a tender and exchange offer on the Issuer’s shares which, if successful, is likely to result in the Issuer’s shares being delisted. See “*Description of the Issuer – Recent Developments*”.

Italian insolvency law

Italian insurance companies are subject to a special regime on insolvency, designed to ensure, *inter alia*, control by the supervisory authority, *Istituto per la Vigilanza sulle Assicurazioni (IVASS)* over the proceedings. In this context, Italian law provides for a variety of measures which may be ordered by IVASS in relation to insurance companies in the event of serious infringement of regulatory provisions, including in relation to breach of minimum regulatory capital requirements or similar situations indicative of financial distress. In these situations, an insurance company may be subject to measures such as an obligation to produce a financial plan, a prohibition against undertaking new business and/or an order freezing assets covering the technical reserves. In some circumstances, one or more commissioners (*commissari*) may be appointed in order to accomplish specific administrative actions and/or replace existing management of the insurance company. However, since these measures do not purport to affect the rights of creditors to an insurance company or to result in an acceleration of obligations of the insurance company generally, they

will not automatically result in amounts under the Notes becoming immediately due and payable and are not further addressed below.

The only insolvency proceeding in relation to the Issuer which will, of itself, result in an acceleration of amounts under the Notes is compulsory administrative liquidation (*liquidazione coatta amministrativa* or **Liquidation Proceedings**), as governed by Article 245 of the Consolidated Law on Private Insurance Companies. The Liquidation Proceedings may be initiated by the Italian Minister of Productive Activities if proposed by IVASS. Due to the public interest at stake in the regulation of insurance companies, it is not possible for the Liquidation Proceeding to be initiated directly by court order upon petition by one or more creditors. Creditors may, however, petition the court for a declaration of insolvency on the basis of unpaid claims or evident and material financial insufficiency and, if issued by the court, the declaration of insolvency will result in acceleration of the obligations of the Issuer under the Notes as a result of application of Article 1186 of the Italian Civil Code. In addition, a declaration of insolvency would certainly be brought to the attention of the Italian Minister of Productive Activities and IVASS for formal commencement of the Liquidation Proceedings.

As from the date of commencement of the Liquidation Proceedings, creditors are prohibited from undertaking or continuing executive measures against the debtor or its assets. Furthermore, any legal action resulting from commencement of the Liquidation Proceedings, including in relation to payment of amounts due under the Notes, must be brought before the courts of the place where the Issuer has its registered office.

In the event of Liquidation Proceedings, one or more liquidators (*commissari liquidatori*) will be appointed by IVASS, in addition to a supervisory committee composed of between three to five members. These appointments will be effective for a period of three years, renewable for an indefinite period if necessary in order to complete the procedure. At any time during the proceedings, IVASS may issue regulations or guidelines of general application or specifically addressed to the Issuer in connection with the conduct of the Liquidation Proceedings and may authorise the continuation of specifically identified transactions deemed necessary or useful for the conduct of the Liquidation Proceedings. Within sixty days of their appointment, the liquidators are obliged to notify all creditors of the commencement of the Liquidation Proceedings as well as the amount of claims resulting from the books and records of the Issuer. The liquidators will then have a further 90 days to submit to IVASS a list of creditors admitted to the Liquidation Proceedings and the amount recognised as owing to each. Creditors not admitted or whose claims are not fully recognised will have the right to challenge the list presented to IVASS.

The Italian Private Insurance Code provides the liquidators with all powers necessary to realise the assets of the Issuer, settle outstanding claims and/or enter into loans or other forms of financing, subject in each case to authorisation where applicable by the supervisory committee and/or IVASS. In particular, the liquidators may be empowered to sell the assets and liabilities of the Issuer, as well as the business or any line of business of the Issuer or assets and legal relationships identified on a block basis. Such transfers may occur at any point during the Liquidation Proceedings. The liquidators may likewise transfer the whole or any portion of the insurance portfolio of the Issuer.

At any point during the Liquidation Proceedings, the liquidators or shareholders of the Issuer may propose a composition with creditors, indicating the percentage of claims to be offered to unsecured creditors, as well as the time frame for payment and any security to be provided. The composition must be authorised by IVASS before being filed with the presiding Court. No voting procedure is contemplated in relation to the composition plan, although any creditor is entitled to file opposition, in which case it will be for the presiding Court to decide whether or not to authorise its execution.

As a result of the above, Noteholders should be aware that they will generally have limited ability to influence the outcome of any insolvency proceedings which any apply to the Issuer under Italian law.

Liquidity risks and market value of the Notes

The development or continued liquidity of any secondary market for the Notes will be affected by a number of factors such as general economic conditions, political events in Italy or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes or the reference rate are traded, the financial condition and the creditworthiness of the Issuer and/or the Group, and the value of any applicable reference rate, as well as other factors such as the complexity and volatility of the reference rate, the method of calculating the return to be paid in respect of such Notes, the outstanding amount of the Notes, any redemption features of the Notes and the level, direction and volatility of interest rates generally. Such factors also will affect the market value of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and in extreme circumstances such investors could suffer loss of their entire investment.

An active trading market for the Notes may not develop

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. The Issuer or its Subsidiaries are entitled to buy the Notes, which may then be cancelled, and to issue further Notes. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced into the market, this may adversely affect the value of the Notes.

Exchange rate risks and exchange controls

Payments of principal and interest on the Notes will be made in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes. In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

2. Risks relating to the structure of the Notes

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Notes are represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such

holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

The Notes are subordinated obligations of the Issuer

The Notes constitute unconditional and unsecured subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and at least equally with all other Parity Securities but junior to any unconditional, unsubordinated, unsecured obligations of the Issuer (and the policyholders of the Issuer) (and any other obligations which are less subordinated than the Notes) and senior to any Junior Securities.

The claims of the Noteholders against the Issuer in respect of Notes are, in the event of the winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of the Issuer, subordinated to all other current and future unsubordinated and unprivileged claims on the Issuer (including the claims of all policyholders of the Issuer and relevant beneficiaries).

By virtue of such subordination, payments to Noteholders will, in the event of the winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of the Issuer only be made after, and any set-off by any Noteholders shall be excluded until, all preferred and non-preferred unsubordinated obligations admissible in any such winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of the Issuer have been satisfied in full or after an arrangement or composition has been arrived at with them under which they have given full discharge against receipt of part of their claim.

The Noteholders, therefore, face a higher performance risk than holders of unsubordinated obligations of the Issuer.

Restrictions on interest payment

On any Mandatory Interest Deferral Date, the Issuer shall defer payment of all (but not some only) of the interest accrued to that Interest Payment Date (and, if relevant, any Arrears of Interest). A **Mandatory Interest Deferral Date** means each Interest Payment Date in respect of which a Regulatory Deficiency is continuing on such Interest Payment Date, or such interest payment (and, if relevant, any Arrears of Interest) would itself cause a Regulatory Deficiency provided, however, that the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such interest payment and, if relevant, Arrears of Interest (or such part thereof) if, cumulatively:

- (a) such Regulatory Deficiency is of the type described in paragraph (ii) of the definition of Regulatory Deficiency below;
- (b) the Lead Regulator has exceptionally waived the deferral of such interest payment (and, if relevant, any Arrears of Interest);
- (c) the Lead Regulator has confirmed to the Issuer that it is satisfied that payment of such interest (and, if relevant, any Arrears of Interest) would not further weaken the solvency position of the Issuer or the Vittoria Insurance Group; and
- (d) the Minimum Capital Requirement will be complied with immediately following such interest payment (and, if relevant, any Arrears of Interest) is made.

A **Regulatory Deficiency** will occur if:

- (i) payment of the relevant Interest and/or Arrears of Interest may cause the insolvency of the Issuer or may accelerate the process of the Issuer becoming insolvent in accordance with the provisions of the relevant insolvency laws and rules and regulations thereunder (including any applicable decision of a court) applicable to the Issuer from time to time;

- (ii) there is non-compliance with the Solvency Capital Requirement at the time for payment of such Interest Payment and/or Arrears of Interest, or non-compliance with the Solvency Capital Requirement would occur immediately following, and as a result of making, such Interest Payment;
- (iii) there is non-compliance with the Minimum Capital Requirement at the time for payment of such Interest Payment and/or Arrears of Interest, or non-compliance with the Minimum Capital Requirement would occur immediately following, and as a result of making, such Interest Payment;
- (iv) the Lead Regulator notifies the Issuer that it has determined that the financial and solvency condition of the Issuer or the Vittoria Insurance Group is deteriorating in such a manner that there would be non-compliance with the Solvency Capital Requirement or the Minimum Capital Requirement, as the case may be, in the short term; and/or
- (v) the Issuer is for any other reason otherwise required by the Applicable Regulations at the relevant time to defer payment of the relevant Interest and/or Arrears of Interest.

If interest is deferred pursuant to the Conditions, the Issuer shall have no obligation to make such payment and any such non-payment of interest shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose.

Arrears of Interest will not themselves bear interest. Arrears of Interest may (subject to the fulfilment of the Conditions to Settlement) at the option of the Issuer be paid in whole or in part at any time but all outstanding Arrears of Interest shall become due upon the earliest of: (i) the next Interest Payment Date which is not a Mandatory Interest Deferral Date, (ii) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; and (iii) the commencing of *Liquidazione Coatta Amministrativa* of the Issuer pursuant to the Consolidated Law on Private Insurance Companies or the Issuer becoming subject to a liquidation order. **Conditions to Settlement** are satisfied on any day with respect to any payment of Arrears of Interest which would not be a Mandatory Interest Deferral Date if such day were an Interest Payment Date.

Any deferral of interest payments will be likely to have an adverse effect on the market price of the Notes. In addition, as a result of the above provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Redemption of the Notes (including on the Maturity Date) will be deferred if conditions for redemption and purchase are not satisfied

Notwithstanding that a notice of redemption has been delivered to Noteholders, the Issuer must defer redemption of the Notes on the Maturity Date or on any date set for optional redemption of the Notes pursuant to Condition 6 in the event that, *inter alia*, the Issuer cannot make the redemption payments in compliance with minimum regulatory requirements and the Conditions for Waiver of Redemption Suspension have not been met. The deferral of redemption of the Notes does not constitute a default under the Notes for any purpose and does not give Noteholders any right to take any enforcement action under the Notes.

Where redemption of the Notes is deferred, the Maturity Date or date scheduled for optional redemption (as the case may be) will be suspended until the earlier of: (a) the date notified by the Issuer on giving at least 5 Business Days' notice to the Noteholders following the date on which the Conditions for Redemption and Purchase are satisfied and (b) the date on which winding-up proceedings are instituted in respect of the Issuer,

Any actual or anticipated deferral of redemption of the Notes is likely to have an adverse effect on the market price of the Notes. In addition, as a result of the redemption deferral provision of the Notes, the

market price of the Notes may be more volatile than the market prices of other debt securities without such deferral feature, and the Notes may accordingly be more sensitive generally to adverse changes in the Issuer's financial condition.

Early Redemption Risk

The Issuer may, at its option (but subject to the approval of the Lead Regulator in each case) but subject to certain conditions, redeem the Notes upon the occurrence of certain events, including a Gross-up Event, a Tax Deductibility Event, a Rating Methodology Event and a Regulatory Event, as further described in Condition 6. Such redemption options will be exercised at the principal amount of the Notes together with interest accrued to the date of redemption (including, for the avoidance of doubt, any Arrears of Interest).

The redemption at the option of the Issuer may affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

The Issuer may also be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

Optional Redemption, exchange or variations of the Notes for taxation reasons, regulatory reasons and rating reasons

The Notes will be issued for capital adequacy regulatory purposes with the intention of being eligible at least as Tier 2 Own Funds regulatory capital of the Issuer. If at any time, the Issuer determines that a Regulatory Event has occurred with respect to the Notes on or after the Issue Date, subject to the conditions set out in Condition 6.6, the Issuer reserves the right to exchange or vary the Notes, subject to such exchange or variation not being prejudicial to the interest of the Noteholders, without the consent of the Noteholders so that after such exchange or variation the aggregate nominal amount of the Exchanged Notes or the Varied Notes is treated as at least Tier 2 Own Funds. Alternatively, the Issuer may, under the same circumstances, elect to redeem the Notes early, subject to compliance with the Conditions for Redemption and Purchase.

The Notes may, subject to compliance with the Conditions for Redemption and Purchase, also be redeemed, exchanged or varied without the consent of the Noteholders if at any time the Issuer determines that a Rating Methodology Event or a Tax Event has occurred with respect to the Notes on or after the Issue Date.

There are no events of default under the Notes

The Conditions of the Notes do not provide for events of default allowing acceleration of the Notes if certain events occur. However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, to the date of payment and any Arrears of Interest, in the event that (i) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer or (ii) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in (i) above. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it. Investors should note, however, that pursuant to mandatory provisions of Italian law, debts may be accelerated in certain circumstances such as the insolvency of the Issuer.

No limitation on issuing or guaranteeing debt ranking senior or "pari passu" with the Notes

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer and its Subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the obligations under and in connection with the Notes. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including deferral of interest and, if the Issuer were liquidated (whether voluntarily or not), the Noteholders could suffer loss of their entire investment.

Credit ratings may not reflect all risks

The Notes are expected to be rated BBB- by Fitch Ratings Ltd. The rating 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. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Any decline in the credit ratings of the Issuer may affect the market value of the Notes

Notwithstanding the above, an adverse change in a credit rating could adversely affect the trading price for the Notes. This may arise as a result of the financial condition and results of the Issuer but may also be due to factors outside the Issuer's control, such as economic conditions in Italy or matters affecting the insurance sector generally.

Furthermore, a future change in the methodologies used by rating agencies for rating securities with features similar to the Notes could give rise to a rating downgrade. Changes in methodologies may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". A change in methodologies used by rating agencies may also give rise to early redemption of the Notes. See "*Early Redemption Risk*" above.

Interest rate risk

The Notes will carry fixed interest. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital market (the **Market Interest Rate**). While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of such security changes in the opposite direction. If the Market Interest Rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the Market Interest Rate. If the Market Interest Rate falls, the price of a security with a fixed interest rate typically increases, until the yield of such security is approximately equal to the Market Interest Rate. Investors should be aware that movements of the Market Interest Rate could adversely affect the market price of the Notes and lead to losses for Noteholders if they sell Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference in, and form part of, these Listing Particulars:

- the unaudited interim consolidated financial statements as at and for the three months period ended 31 March 2018 of the Group (the **2018 Group Q1 Interim Report**);
- the audited consolidated annual financial statements for each of the financial years ended 31 December 2017 and 31 December 2016 of the Group (the **2017 Group Annual Report** and the **2016 Group Annual Report**, respectively);
- the unaudited interim consolidated financial statements as at and for the three months period ended 31 March 2018 of the Vittoria Capital Group (as defined below) (the **2018 Vittoria Capital Group Q1 Interim Report**); and
- the audited consolidated annual financial statements for the financial year ended 31 December 2017 of the Vittoria Capital Group (the **2017 Vittoria Capital Group Annual Report**),

in each case to the extent specified in the table below, together with the accompanying notes and (where applicable) audit reports, save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of these Listing Particulars to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of these Listing Particulars.

Copies of documents incorporated by reference in these Listing Particulars will be available for inspection at the registered office of the Issuer and at the specified office of the Paying Agent for the time being in Luxembourg and will be available for viewing on the website of the Issuer at (www.vittoriaassicurazioni.com).

In particular, the following documents incorporated by reference can be accessed on the Issuer's website at the following addresses:

- 2018 Group Q1 Interim Report:
https://www.vittoriaassicurazioni.com/Allegati/Investor%20Relations/ENG/FinancialStatements/2018/ENG_VA_Consolidato%20IQ18.pdf
- 2017 Group Annual Report:
http://www.vittoriaassicurazioni.com/Allegati/Investor%20Relations/ENG/FinancialStatements/2017/Bilancio%20Consolidato%202017_ENG.pdf
- The 2016 Group Annual Report:
http://www.vittoriaassicurazioni.com/Allegati/Investor%20Relations/PDF_investor%20relations_FINANCIAL%20STATEMENT/2016/ENG_Bil_conso_2016_per%20pubblicazione_.pdf
- 2018 Vittoria Capital Group Q1 Interim Report:
https://www.vittoriaassicurazioni.com/Allegati/Investor%20Relations/ENG/Public%20and%20exchange%20tender%20offer%20launched%20by%20Vittoria%20Capital%20SpA/ENG_Vittoria%20Capital_Consolidato%20IQ18.pdf

- 2017 Vittoria Capital Group Annual Report:

https://www.vittoriaassicurazioni.com/Allegati/Investor%20Relations/ENG/Public%20and%20exchange%20tender%20offer%20launched%20by%20Vittoria%20Capital%20SpA/ENG_VC_Bil_conso_2017.pdf

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in these Listing Particulars.

2018 Group Q1 Interim Report

<i>Section</i>	<i>Page number(s)</i>
Directors' report	7 – 8
Condensed Consolidated quarterly report 2018	9 – 47
<i>Balance sheet</i>	49 – 55
<i>Income statement</i>	50 – 51
<i>Statement of other comprehensive income</i>	52
<i>Statement of changes in equity</i>	53
<i>Cash flow statement</i>	54
Accounting policies principles	55
Explanatory notes	56 – 81
Other disclosures	81 – 82
Annexes to Condensed quarterly consolidated financial statements	83 – 94
Independent Auditors' Report	97 – 99

2017 Group Annual Report

<i>Section</i>	<i>Page number(s)</i>
Directors' report	8 – 56
Consolidated 2017 financial statements	57 – 63
<i>Balance sheet</i>	58 – 59
<i>Income statement</i>	60
<i>Statement of other comprehensive income</i>	61
<i>Statement of changes in equity</i>	62
<i>Cash flow statement</i>	63
Accounting policies principles	64 – 94
Explanatory notes	95 – 127
Other disclosures	128 – 129
Annexes to Consolidated 2017 financial statements	131 – 151
Independent Auditors' Report	155 – 161

2016 Group Annual Report

<i>Section</i>	<i>Page number(s)</i>
Directors' report	8 – 52
Consolidated 2016 financial statements	53 – 59
<i>Balance sheet</i>	54 – 55
<i>Income statement</i>	56
<i>Statement of other comprehensive income</i>	57
<i>Statement of changes in equity</i>	58
<i>Cash flow statement</i>	59
Accounting policies principles	60 – 91
Explanatory notes	92 – 124
Other disclosures	125 – 127
Annexes to Consolidated 2016 financial statements	129 – 149
Independent Auditors' Report	153 – 155

2018 Vittoria Capital Group Q1 Interim Report

<i>Section</i>	<i>Page number(s)</i>
Accounting policies principles	8 – 9
Directors' report	10 – 47
Condensed consolidated quarterly report 2018	49 – 55
<i>Balance sheet</i>	50 – 51
<i>Income statement</i>	52
<i>Statement of other comprehensive income</i>	53
<i>Statement of changes in equity</i>	54
<i>Cash flow statement</i>	55
Explanatory notes	59 – 80
Other disclosures	80 – 81
Annexes to Condensed quarterly consolidated financial statements	83 – 93
Independent Auditors' Report	95 – 97

2017 Vittoria Capital Group Annual Report

<i>Section</i>	<i>Page number(s)</i>
Directors' report	7 – 51
Consolidated 2017 financial statements	53 – 59
<i>Balance sheet</i>	54 – 55
<i>Income statement</i>	56
<i>Statement of other comprehensive income</i>	57
<i>Statement of changes in equity</i>	58
<i>Cash flow statement</i>	59
Accounting policies principles	60 – 90
Explanatory notes	91 – 123
Other disclosures	124 – 125
Annexes to Consolidated 2017 financial statements	127 – 147
Independent Auditors' Report	149 – 152

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued).

Text set out within the Terms and Conditions of the Notes in italics is provided for information only and does not form part of the Terms and Conditions of the Notes.

The €250,000,000 Fixed Rate Subordinated Notes due 11 July 2028 (the **Notes**, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 14 and forming a single series with the Notes) of Vittoria Assicurazioni S.p.A. (the **Issuer**) are issued subject to and with the benefit of a fiscal agency agreement (as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 11 July 2018 with BNP Paribas Securities Services, Luxembourg Branch as fiscal agent and principal paying agent and the other paying agents named in the Agency Agreement. The fiscal agent and principal paying agent for the time being and the other paying agents are referred to in these Conditions as, respectively, the **Fiscal Agent** and the **Paying Agents** (which expression shall include the Fiscal Agent and any future paying agent duly appointed by the Issuer in accordance with the Agency Agreement), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the holders of the Notes (the **Noteholders**) and the holders of the interest coupons (the **Couponholders** and the **Coupons**) at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them.

References to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

1. DEFINITIONS

For the purposes of these Conditions:

Applicable Regulations means, at any time, any legislation, rules or regulations (whether having the force of law or otherwise) then applicable to the Issuer or the Vittoria Insurance Group relating to own funds, capital resources, capital requirements, financial adequacy requirements or other prudential matters (including, but not limited to, the characteristics, features or criteria of any of the foregoing) and without limitation to the foregoing, includes (to the extent then applying as aforesaid) Solvency II and any legislation, rules or regulations of the Lead Regulator relating to such matters.

Calculation Amount means €1,000;

Conditions for Redemption and Purchase has the meaning given to it in Condition 6.1;

Consolidated Law on Private Insurance Companies means Italian Legislative Decree No. 209 of 7 September 2005, as amended from time to time.

Day Count Fraction means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Interest Period in which the relevant period falls.

Equity Credit shall include such other nomenclature as any Rating Agency may use from time to time to describe the degree to which an instrument exhibits the characteristics of an ordinary share.

Extraordinary Resolution has the meaning given to it in the Agency Agreement.

Interest Amount means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period.

Interest Payment Date means 11 July in each year.

Interest Period means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date.

Issue Date means 11 July 2018.

IVASS means the *Istituto per la Vigilanza sulle Assicurazioni*, the Italian supervisory body for insurance;

Junior Securities means (A) all classes of share capital (including preference shares – *azioni privilegiate* – and savings shares – *azioni di risparmio*, if any) of the Issuer which rank, or are expressed to rank, junior to the Notes, (B) any obligation (including preferred securities, subordinated notes, bonds or other securities issued by the Issuer) which ranks, or is expressed to rank, junior to the Notes (including any other subordinated obligation of the Issuer which – but for any applicable limitation on the amount of such capital – are eligible for a regulatory treatment as Tier 1 Own Funds, including as a result of grandfathering) and (C) any guarantee or similar instrument granted by the Issuer which ranks, or is expressed to rank, junior to the Notes.

Lead Regulator means **IVASS**, or any successor entity of IVASS, or any other competent lead regulator to which the Issuer becomes subject.

Mandatory Interest Deferral Date means each Interest Payment Date in respect of which a Regulatory Deficiency is continuing on such Interest Payment Date, or such interest payment (and, if relevant, any Arrears of Interest) would itself cause a Regulatory Deficiency provided, however, that the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such interest payment and, if relevant, Arrears of Interest (or such part thereof) if, cumulatively:

- (a) such Regulatory Deficiency is of the type described in paragraph (ii) of the definition of Regulatory Deficiency;
- (b) the Lead Regulator has exceptionally waived the deferral of such interest payment (and, if relevant, any Arrears of Interest);
- (c) the Lead Regulator has confirmed to the Issuer that it is satisfied that payment of such interest (and, if relevant, any Arrears of Interest) would not further weaken the solvency position of the Issuer or the Vittoria Insurance Group; and
- (d) the Minimum Capital Requirement will be complied with immediately after such interest payment (and, if relevant, any Arrears of Interest) is made.

Minimum Capital Requirement means the minimum capital requirement of the Issuer, the minimum capital requirement of the Vittoria Insurance Group or the Vittoria Insurance Group minimum Solvency Capital Requirement (as applicable) referred to in the Applicable Regulations, where non-compliance with the Minimum Capital Requirement shall be deemed to have occurred if the amount of own fund items eligible to cover the Minimum Capital Requirement of the Issuer or, where applicable, the Vittoria Insurance Group is less than the Minimum Capital Requirement of the Issuer or, as the case may be, the Vittoria Insurance Group minimum Solvency Capital Requirement.

Parity Securities means any subordinated obligations, guarantees or instruments issued by the Issuer which rank, or are expressed to rank, equally with the Notes.

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

Presentation Date means a day which (subject to Condition 9):

- (a) is or falls after the relevant due date for payment of any amount in respect of any Note or Coupon;
- (b) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment (**Payment Business Day**); and
- (c) in the case of payment by credit or transfer to a euro account as referred to above, is a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

Rate of Interest means 5.750 per cent. per annum.

Rating Agency means Fitch Ratings Ltd, any affiliate of or successor thereto or any other rating agency substituted for them by the Issuer or any additional rating agency which, at the relevant time, (i) is established in the European Union and included on the list of credit rating agencies registered in accordance with Regulation (EC) No. 1060/2009 on Credit Rating Agencies; and (ii) has assigned a rating to the Notes (provided that such rating has been solicited by or on behalf of the Issuer).

Rating Methodology Event will be deemed to occur upon a change in the methodology of a Rating Agency (as defined above) (or in the interpretation of such methodology) as a result of which the Equity Credit previously assigned by such Rating Agency to the Notes is, in the reasonable opinion of the Issuer, materially reduced when compared to the Equity Credit first assigned by such Rating Agency.

Regulatory Deficiency means that:

- (i) payment of the relevant Interest and/or Arrears of Interest may cause the insolvency of the Issuer or may accelerate the process of the Issuer becoming insolvent in accordance with the provisions of the relevant insolvency laws and rules and regulations thereunder (including any applicable decision of a court) applicable to the Issuer from time to time;
- (ii) there is non-compliance with the Solvency Capital Requirement at the time for payment of such Interest Payment and/or Arrears of Interest, or non-compliance with the Solvency Capital Requirement would occur immediately following, and as a result of making, such Interest Payment;
- (iii) there is non-compliance with the Minimum Capital Requirement at the time for payment of such Interest Payment and/or Arrears of Interest, or non-compliance with the Minimum Capital Requirement would occur immediately following, and as a result of making, such Interest Payment;
- (iv) the Lead Regulator notifies the Issuer that it has determined that the financial and solvency condition of the Issuer or the Vittoria Insurance Group is deteriorating in such a manner that

there would be non-compliance with the Solvency Capital Requirement or the Minimum Capital Requirement, as the case may be, in the short term; and/or

- (v) the Issuer is for any other reason otherwise required by the Applicable Regulations at the relevant time to defer payment of the relevant Interest and/or Arrears of Interest.

Relevant Date means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 13; and

Relevant Jurisdiction means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax.

Relevant Proceedings means the winding-up of a Relevant Undertaking under applicable laws of the jurisdiction of the Relevant Undertaking in circumstances where the assets of the Relevant Undertaking (in the reasonable determination of the Issuer) may or will be insufficient to meet all amounts which, under applicable legislation or rules relating to the winding-up of insurance companies, the policyholders and beneficiaries are entitled to receive pursuant to a contract of insurance or reinsurance of the Relevant Undertaking.

Reserved Matter has the meaning given to it in the Agency Agreement and includes any proposal to modify the Terms and Conditions of the Notes falling within the scope of Article 2415, paragraph 1, number 2 of the Italian Civil Code (including any proposal to modify the maturity of the Notes or the dates on which interest is payable on them, to reduce or cancel the principal amount of, or interest on, the Notes, or to change the currency of payment of the Notes).

Solvency II means the Solvency II Directive and any implementing measures adopted pursuant to the Solvency II Directive (for the avoidance of doubt, whether implemented by way of regulation, implementing technical standards or by further directives, guidelines published by the European Insurance and Occupational Pensions Authority (or any successor entity) or otherwise) including, without limitation, the Solvency II Regulations.

Solvency II Directive means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking up and pursuit of the business of insurance and reinsurance (Solvency II), as amended or replaced from time to time.

Solvency II Regulations means Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking up and pursuit of the business of Insurance and Reinsurance (Solvency II), as amended or replaced from time to time.

Solvency Capital Requirement means the Solvency Capital Requirement of the Issuer or the Solvency Capital Requirement of the Vittoria Insurance Group (as applicable) referred to in, or any other capital requirement howsoever described in, the Applicable Regulation, provided that:

- (a) non-compliance with the Solvency Capital Requirement shall be deemed to have occurred if the amount of own fund items eligible to cover the Solvency Capital Requirement of the Issuer or the Solvency Capital Requirement of the Vittoria Insurance Group (as applicable), is less than the Issuer's Solvency Capital Requirement or the Vittoria Insurance Group Solvency Capital Requirement (as applicable); and
- (b) references to the Solvency Capital Requirement shall be read as references to the Minimum Capital Requirement where non-compliance with the Minimum Capital Requirement occurs

with respect to the Issuer or the Vittoria Insurance Group, before non-compliance with the Solvency Capital Requirement.

Subsidiary means, in relation to any Person (the **first Person**) at any particular time, any other Person (the **second Person**):

- (A) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (B) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

Tier 1 Own Funds means own funds which have the necessary features to be classified as tier 1 under the Applicable Regulations.

Tier 2 Own Funds means own funds which have the necessary features to be classified as tier 2 under the Applicable Regulations.

Vittoria Insurance Group means *Gruppo Vittoria Assicurazioni*, being (as at the Issue Date) the insurance group enrolled under registration number 008 on the Register of Insurance Groups kept by IVASS and comprising Yafa S.p.A. and its Subsidiaries or any other group of companies subject to supervision by IVASS (or any successor to IVASS responsible for supervision of the insurance sector) of which, at any later date and in place of *Gruppo Vittoria Assicurazioni*, the Issuer from time to time forms part.

2. FORM, DENOMINATION AND TITLE

2.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 each with Coupons attached on issue.

2.2 Title

Title to the Notes and to the Coupons will pass by delivery.

2.3 Holder Absolute Owner

The Issuer and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon).

3. STATUS OF THE NOTES

3.1 Status

The Notes constitute unconditional and unsecured subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and at least equally with all other Parity Securities but junior to any unconditional, unsubordinated, unsecured obligations of the Issuer (and the policyholders of the Issuer) (and any other obligations which are less subordinated than the Notes) and senior to any Junior Securities.

3.2 Payments on the Notes in the event of the liquidation of the Issuer

Noteholders acknowledge and agree that their claims against the Issuer in respect of Notes are, in the event of the winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of the Issuer, subordinated to all other current and future unsubordinated and unprivileged claims on the Issuer (including the claims of all policyholders of the Issuer and relevant beneficiaries) and any obligations which are less subordinated than the Notes.

By virtue of such subordination, payments to Noteholders will, in the event of the winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of the Issuer only be made after all preferred and non-preferred unsubordinated obligations and any obligations which are less subordinated than the Notes admissible in any such winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of the Issuer have been satisfied in full or after an arrangement or composition has been arrived at with them under which they have given full discharge against receipt of part of their claim.

3.3 Waiver of set-off

Each Noteholder is deemed to have unconditionally and irrevocable waived any right of set-off, netting, counterclaim, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising from, the Notes or the Coupons.

4. NEGATIVE PLEDGE

There will be no negative pledge in respect of the Notes.

5. INTEREST AND INTEREST DEFERRAL

5.1 Interest

Unless previously redeemed or repurchased and cancelled in accordance with these Conditions and subject to the further provisions of this Condition 5, the Notes will bear interest on their principal amount from (and including) the Issue Date at the Rate of Interest, payable annually in arrear on each Interest Payment Date. The first payment (representing a full year's interest) shall be made on 11 July 2019.

The amount of interest payable in respect of each Note on any Interest Payment Date shall be €57,50 in respect of each Calculation Amount. If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the Day Count Fraction and rounding the resulting figure to the nearest euro cent (half a euro cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount.

5.2 Interest Deferral

On each Interest Payment Date, the Issuer shall pay interest on the Notes accrued to that date ending immediately prior to such Interest Payment Date, subject to the provisions of the following paragraphs.

(a) Mandatory Interest Deferral

On any Mandatory Interest Deferral Date, the Issuer shall, by giving notice to the Noteholders pursuant to Condition 5.2(c) below, defer payment of all (but not some only) of the interest accrued to that Interest Payment Date (and, if relevant, any Arrears of Interest). If interest is deferred pursuant to this Condition, the Issuer shall have no obligation to make such payment and any such

non-payment of interest shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose and shall not give the Noteholders or Couponholders the right to accelerate any payments.

(b) **Arrears of Interest**

Any such unpaid amounts of interest pursuant to Condition 5.2(a) will constitute **Arrears of Interest**. Arrears of Interest will not themselves bear interest. Arrears of Interest may (subject to the fulfilment of the Conditions to Settlement) at the option of the Issuer be paid in whole or in part at any time but all outstanding Arrears of Interest shall become due upon the earliest of:

- (i) the next Interest Payment Date which is not a Mandatory Interest Deferral Date;
- (ii) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; and
- (iii) the commencing of *Liquidazione Coatta Amministrativa* of the Issuer pursuant to the Consolidated Law on Private Insurance Companies or the Issuer becoming subject to a liquidation order.

Conditions to Settlement are satisfied on any day with respect to any payment of Arrears of Interest which would not be a Mandatory Interest Deferral Date if such day were an Interest Payment Date.

If amounts in respect of Arrears of Interest become partially payable:

- (A) Arrears of Interest accrued for any Interest Period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier Interest Period; and
- (B) the amount of Arrears of Interest payable in respect of any Note shall be *pro rata* to the total amount of all unpaid Arrears of Interest accrued to the date of payment.

(c) **Notice of Interest Deferral**

The Issuer shall give not more than 25 nor less than 10 days prior notice to the Paying Agents and to the Noteholders in accordance with Condition 13 of any Mandatory Interest Deferral Date specifying that interest will not be paid due to a Regulatory Deficiency continuing on the next Interest Payment Date, provided that if the Regulatory Deficiency occurs less than five (5) Business Days before such Interest Payment Date, the Issuer shall give notice of the interest deferral as soon as practicable under the circumstances before such Mandatory Interest Deferral Date.

The information contained in any notice given in accordance with this Condition 5.2(c) will be available at the specified office of the Fiscal Agent from the date of the relevant notice.

5.3 Interest Accrual

The Notes will cease to bear interest from and including the due date for redemption unless payment of the principal in respect of the Notes is improperly withheld or refused on such date or unless default is otherwise made in respect of the payment. In such event, the Notes will continue to bear interest at the relevant rate as specified in this Condition 5.3 on their remaining unpaid amount until the day on which all sums due in respect of the Notes up to that day are received by or on behalf of the relevant Noteholders.

6. REDEMPTION, PURCHASE, EXCHANGE AND VARIATION

6.1 Conditions for Redemption and Purchase

- (a) Any redemption of Notes on the Maturity Date or on any date fixed for optional redemption pursuant to Condition 6.3, 6.4 or 6.5, and any purchase of the Notes pursuant to Condition 6.7, is subject to satisfaction of the Conditions for Redemption and Purchase on the relevant redemption or, as the case may be, purchase date.

Conditions for Redemption and Purchase means each of the following conditions:

- (i) if so required by the Applicable Regulations in order for the Notes to qualify as Tier 2 Own Funds, the relevant date of any redemption or purchase of the Notes pursuant to Condition 6.3, 6.4, 6.5 or 6.7 is after the fifth anniversary of the Issue Date, unless such redemption or purchase is funded out of the proceeds of a new issuance of, or the Notes are exchanged into, own funds of the same or higher quality than the Notes;
- (ii) the Solvency Capital Requirement is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Solvency Capital Requirement to be breached;
- (iii) the Minimum Capital Requirement is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Minimum Capital Requirement to be breached;
- (iv) the prior approval of the Lead Regulator has been obtained (if such prior approval is required under the then Applicable Regulations) and such approval continues to be valid and effective as of the date fixed for redemption or purchase;
- (v) redemption or purchase of the Notes does not result in the Issuer becoming insolvent in accordance with the provisions of the relevant insolvency laws and rules and regulations thereunder (including any applicable decision of a court) applicable to the Issuer from time to time; and
- (vi) where any insurance or reinsurance undertaking included in the scope of group supervision of the Issuer under the Applicable Regulations (a **Relevant Undertaking**) is subject to a Relevant Proceeding (as defined below) at the time of the proposed redemption, all claims owed by the Relevant Undertaking to its policyholders and beneficiaries have been met.

unless, in each case of the above cases, such Condition for Redemption is no longer a requirement under the Applicable Regulations at such time in order for the Notes to be recognised in the determination of at least Tier 2 Own Funds.

- (b) If the Conditions for Redemption and Purchase are not satisfied, redemption of the Notes shall be suspended and, unless Condition 6.10 applies:
- (i) the Maturity Date (in the case of a redemption of the Notes on the scheduled maturity date) shall be postponed in accordance with the provisions set forth in Condition 6.2(b); and
 - (ii) the date fixed for optional redemption, in the case of an optional redemption pursuant to Condition 6.3, 6.4 or 6.5, shall be postponed in accordance with the provisions set forth in Condition 6.9,

in each case, regardless of any prior notice of redemption that may already have been delivered to the Noteholders and interest will, subject to the applicable interest deferral provisions of these Conditions, continue to accrue on the principal amount outstanding of the Notes in accordance with Condition 5 until such Notes are redeemed in full pursuant to this Condition 6.

- (c) Failure to redeem the Notes on the original Maturity Date or the date fixed for any optional redemption pursuant to Condition 6.3, 6.4 or 6.5 shall not constitute a default of the Issuer or any other breach of obligations under the Conditions or for any purpose.
- (d) The Issuer shall give not less than 5 Business Days prior notice to the Paying Agents and to the Noteholders in accordance with Condition 13 of any date on which redemption of the Notes is to be suspended and the Maturity Date will be postponed, provided that if it is not practicable to deliver such notice at least 5 Business Days prior to the Maturity Date, the date fixed for any optional redemption pursuant to Condition 6.3, 6.4 or 6.5, such notice shall be delivered as soon as practicable thereafter; provided further that failure to deliver such notice shall not invalidate the suspension of redemption of the Notes.

6.2 Redemption on the Maturity Date

- (a) Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes on the Maturity Date at their principal amount, together with any interest accrued to (but excluding) the Maturity Date and any outstanding Arrears of Interest, subject to satisfaction of the Conditions for Redemption and Purchase.
- (b) If the Conditions for Redemption and Purchase are not satisfied, redemption of the Notes will be suspended and (unless Condition 6.10 applies) the Maturity Date will be postponed to the earlier of:
 - (A) the date notified by the Issuer on giving at least 5 Business Days' notice to the Noteholders in accordance with Condition 13 following the day on which the Conditions for Redemption and Purchase are satisfied (and provided that the Conditions for Redemption and Purchase continue to be satisfied on the date of redemption); or
 - (B) the date on which voluntary or involuntary winding up proceedings are instituted in respect of the Issuer in accordance with, as the case may be, (i) a resolution of the shareholders' meeting of the Issuer; (ii) any applicable provision of the By-laws of the Issuer (including expiry of the duration of the Issuer which, as at the Issue Date, is set at 31 December 2100 but, if it is extended, redemption of the Notes will be equivalently adjusted); or (iii) any applicable legal provision, or any decision of any jurisdictional or administrative authority.

6.3 Optional Redemption for Taxation Reasons

- (1) If, at any time, by reason of a change in any Italian law or regulation, or any change in the official application or interpretation thereof, becoming effective after the Issue Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 8 (a **Gross-Up Event**), the Issuer may, subject to satisfaction of the Conditions for Redemption and Purchase and to having given not more than 60 nor less than 30 days' prior notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable), redeem the Notes at any time in whole, but not in part, at their principal amount, together with all interest accrued (including any Arrears of Interest) to the date fixed for redemption.

- (2) If, an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in Italian law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in a material reduction in the deductibility of payments of interest by the Issuer in respect of the Notes (a **Tax Deductibility Event** and, together with a Gross-Up Event, a **Tax Event**), so long as this cannot be avoided by the Issuer taking reasonable measures available to it at the time, the Issuer may, subject to satisfaction of the Conditions for Redemption and Purchase, redeem the Notes in whole, but not in part, at their principal amount together with all interest accrued (including any Arrears of Interest) to the date fixed for redemption, which may be at any time that is not earlier than 90 days before the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible in Italy or, if such date has passed, as soon as practicable thereafter. The Issuer shall give the Fiscal Agent notice of any such redemption not less than 30 nor more than 60 days before the date fixed for redemption and the Fiscal Agent shall promptly thereafter publish a notice of redemption in accordance with Condition 13.

6.4 Optional Redemption for Regulatory Reasons

If at any time, the Issuer determines that a Regulatory Event has occurred with respect to the Notes on or after the Issue Date, the Issuer may, subject to satisfaction of the Conditions for Redemption and Purchase, redeem the Notes at any time in whole, but not in part, subject to having given not more than 60 nor less than 30 days' prior notice to the Noteholders in accordance with Condition 13, at their principal amount plus any accrued interest (including Arrears of Interest) to the date fixed for redemption.

For the purpose of these Conditions, **Regulatory Event** means that, as a result of any replacement of or change to (or change to the interpretation by the Lead Regulator or any court or authority entitled to do so of) the Applicable Regulations after the Issue Date, the whole or any part of the Notes are no longer capable of counting as Tier 2 Own Funds, for the purposes of the Issuer or the Vittoria Insurance Group, whether on a solo, group or consolidated basis, except where such non-qualification is only as a result of exceeding any then applicable limits on the inclusion of the Notes as Tier 2 Own Funds.

6.5 Optional Redemption for Rating Reasons

If at any time the Issuer determines that a Rating Methodology Event has occurred with respect to the Notes, such Notes will, subject to satisfaction of the Conditions for Redemption and Purchase, be redeemable at any time in whole, but not in part, at the option of the Issuer having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 at their principal amount plus any accrued interest (including Arrears of Interest if any) to the date fixed for redemption.

6.6 Exchange and/or Variation for Taxation Reasons, Regulatory Reasons or Rating Reasons

If at any time the Issuer determines that a Tax Event, a Regulatory Event or a Rating Methodology Event has occurred on or after the Issue Date, the Issuer may, as an alternative to, as appropriate, Condition 6.3, Condition 6.4 or, as appropriate, Condition 6.5 above, on any Interest Payment Date, without the consent of the Noteholders, (a) exchange the Notes for new notes replacing the Notes (the **Exchanged Notes**), or (b) vary the terms of the Notes (the **Varied Notes**), so that (i) in the case of a Tax Event, the Exchanged Notes or Varied Notes (as the case may be) no longer trigger the relevant Tax Event, (ii) in the case of a Regulatory Event, the aggregate nominal amount of the Exchanged Notes or Varied Notes (as the case may be) is treated under the Applicable Regulations as Tier 2 Own Funds of the Issuer and/or the Vittoria Insurance Group for the purposes of the determination of the Issuer's regulatory capital or, as appropriate, (iii) in the case of a Rating

Methodology Event, the Exchanged Notes or the Varied Notes receive (or continue to receive) the Equity Credit first assigned to the Notes by the relevant Rating Agency. Any such exchange or variation is subject to the following conditions:

- (A) the Issuer giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13;
- (B) the Exchanged Notes or Varied Notes containing terms which comply with the then current requirements of the Lead Regulator in relation to Tier 2 Own Funds;
- (C) the prior approval of the Lead Regulator being obtained (unless such approval is not required under Applicable Regulations);
- (D) the Issuer being in compliance with Applicable Regulations on the date of such exchange or variation, and such exchange or variation not resulting directly or indirectly in a breach of Applicable Regulations;
- (E) the Issuer complying with the rules of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed or admitted to trading and the Exchanged or Varied Notes continue to be listed or admitted on the same stock exchange as the Notes if they were listed immediately prior to the relevant exchange and/or variation;
- (F) the Exchanged Notes or Varied Notes maintaining at least the same ranking in liquidation, the same interest rate and interest payment dates; the same early redemption rights (provided that the relevant exchange or variation may not itself trigger any early redemption right); the same rights to accrued interest or Arrears of Interest; the same rights to principal; and the Exchange Notes or Varied Notes not containing any terms providing for contractual loss absorption through principal write-down or conversion into ordinary shares;
- (G) the terms of the exchange or variation not being prejudicial to the interests of the Noteholders, provided that, any exchange or variation made in compliance with paragraphs (A) through (F) shall not breach this paragraph (G); and
- (H) the issue of legal opinions addressed to the Fiscal Agent from one or more law firms of good reputation confirming (x) that, in respect of Italian law, the Issuer has capacity to assume all rights and obligations under the Exchanged Notes or Varied Notes and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations and (y) in respect of English law, the legality, validity and enforceability of the Exchanged Notes or Varied Notes.

Any such exchange or variation shall be binding on the Noteholders and shall be notified to them in accordance with Condition 13 as soon as practicable thereafter.

6.7 Purchases

The Issuer or any of the Issuer's Subsidiaries may at any time, subject to satisfaction of the Conditions for Redemption and Purchase being met, purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price. Such Notes may be held, reissued or resold or at the option of the Issuer, surrendered to the Fiscal Agent for cancellation.

6.8 Cancellation

All Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer or any of the Issuer's Subsidiaries and surrendered for cancellation and any unmatured Coupons attached to the Notes or surrendered with them, shall be cancelled and may not be reissued or resold.

6.9 Postponement of optional redemption dates

- (a) Any redemption of Notes notified to Noteholders pursuant to Condition 6.3, 6.4 or 6.5 shall be suspended (in whole or in part), and the Issuer shall not be entitled to give any notice of redemption pursuant to those Conditions, if the Conditions for Redemption and Purchase are not satisfied.
- (b) Following any suspension of redemption in accordance with the provisions of sub-paragraph (a) above, the date originally fixed for redemption of the Notes pursuant to Condition 6.3, 6.4 or 6.5 shall (unless Condition 6.10 applies) be postponed to the earlier of:
 - (i) the date notified by the Issuer on giving at least 5 Business Days' notice to the Noteholders in accordance with Condition 13 following the day on which the Conditions for Redemption and Purchase are satisfied (and provided that the Conditions for Redemption and Purchase continue to be satisfied on the date of redemption); or
 - (ii) the date on which voluntary or involuntary winding up proceedings are instituted in respect of the Issuer in accordance with: (a) a resolution of the shareholders' meeting of the Issuer; (b) any applicable provision of the By-laws of the Issuer (including expiry of the duration of the Issuer which, as at the Issue Date, is set at 31 December 2100, but if it is extended, redemption of the Notes will be equivalently adjusted); or (c) any applicable legal provision, or any decision of any jurisdictional or administrative authority.

6.10 Waiver of redemption suspension

- (a) Notwithstanding the provisions of Condition 6.1 and of Condition 6.9, the Notes may be redeemed even though there is non-compliance with the Solvency Capital Requirement or if redemption or repayment would lead to such non-compliance, where all of the following conditions are met:
 - (i) all of the Conditions to Redemption and Purchase are met other than that described in 6.1(a)(ii);
 - (ii) the Lead Regulator has exceptionally waived the suspension of redemption of the Notes;
 - (iii) if so required by the Applicable Regulations in order for the Notes to qualify as Tier 2 Own Funds, all, but not some only of the Notes are exchanged for, or replaced by, a new issue of own funds of the same or higher quality than the Notes; and
 - (iv) the Minimum Capital Requirement will be complied with immediately following such redemption,(together, **the Conditions for Waiver of Redemption Suspension**).
- (b) The Issuer shall give at least 5 Business Days' notice to the Noteholders in accordance with Condition 13 informing the Noteholders of the day on which any redemption that has been

suspended may take place following satisfaction of the Conditions for Waiver of Redemption Suspension. For the avoidance of doubt, if the Conditions for Waiver of Redemption Suspension have been satisfied before any suspension of redemption has been notified to the Noteholders in accordance with these Conditions, no notice needs to be given by the Issuer under this Condition 6.10.

7. PAYMENTS

Provisions for payments in respect of Global Notes are set out under "Summary of Provisions Relating to the Notes while represented by the Global Notes" below.

7.1 Payments in respect of Notes

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

7.2 Method of Payment

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

7.3 Missing Unmatured Coupons

Upon the date on which any Note becomes due and repayable, all unmatured Coupons appertaining to the Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

7.4 Payments subject to Applicable Laws

Payments in respect of principal and interest on the Notes are subject in all cases (i) to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

7.5 Payment only on a Presentation Date

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 5, be entitled to any further interest or other payment if a Presentation Date is after the due date for payment of any amount in respect of any Note or Coupon.

If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

7.6 Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Fiscal Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

8. TAXATION

8.1 Payment without Withholding

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of any of the Relevant Jurisdictions, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (a) presented for payment in the Republic of Italy; or
- (b) presented for payment by or on behalf of, a holder who is liable to any such Taxes in respect of the Note or Coupon by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (c) by, or on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of the Note or Coupon by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption; or
- (d) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts are paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or
- (e) in relation to any payment or deduction of any interest, premium or other proceeds of any Note, Receipt or Coupon on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended from time to time; or
- (f) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Presentation Date.

8.2 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

8.3 FATCA

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto.

9. PRESCRIPTION

Notes and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 7.

10. ENFORCEMENT EVENTS

There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, to the date of payment and any Arrears of Interest, in the event that (i) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer or (ii) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in (i) above.

11. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

12. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

12.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including, *inter alia*, the modification or abrogation by Extraordinary Resolution of any of these Conditions, the Notes or any of the provisions of the Agency Agreement. Such provisions for convening meetings of Noteholders are subject to compliance with mandatory laws, legislation, rules and regulations of Italy applicable to the Issuer in force from time to time and, where applicable Italian law so requires, the Issuer's By-laws (*statuto*), including any amendment, restatement or re-enactment of such laws, legislation, rules and regulations (or, where applicable, the Issuer's By-laws) taking effect at any time on or after the Issue Date.

Subject to the above, in relation to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution at a meeting of Noteholders:

- (a) any such meeting may be convened by the board of directors of the Issuer or the Noteholders' Representative (as defined below) at their discretion and, in any event, upon a request in writing signed by the Noteholder(s) holding not less than one-twentieth in aggregate principal amount of the Notes for the time being outstanding or, in default, by a decision of the competent court upon request by such Noteholders in accordance with the provisions of Article 2367, paragraph 2, of the Italian Civil Code;
- (b) every such meeting shall be held at such time and place as provided pursuant to Article 2363 of the Italian Civil Code and, to the extent applicable, by the Issuer's By-laws (*statuto*);
- (c) such a meeting will be validly convened if:
 - (i) in the case of a single call meeting that cannot be adjourned for want of quorum (*convocazione unica*), there are one or more persons being or representing Noteholders holding at least one fifth of the aggregate principal amount of the outstanding Notes; or
 - (ii) in the case of a multiple call meeting that may be adjourned for want of quorum: (A) in the case of the initial meeting, there are one or more persons present being or representing Noteholders holding at least one half of the aggregate principal amount of the outstanding Notes; (B) in the case of a meeting convened following adjournment of the initial meeting for want of quorum, there are one or more persons present being or representing Noteholders holding more than one third of the aggregate principal amount of the outstanding Notes; or (C) in the case of any subsequent adjourned meeting, there are one or more persons present being or representing Noteholders holding at least one fifth of the aggregate principal amount of the outstanding Notes,

provided that the Issuer's By-laws (*statuto*) may in each case (to the extent permitted under the applicable laws and regulations of the Republic of Italy) provide for higher quorums; and

- (d) the majority required to pass an Extraordinary Resolution at any meeting (including any adjourned meeting) convened to vote on any Extraordinary Resolution will be:
 - (i) for voting on any matter other than a Reserved Matter, one or more persons holding or representing at least two-thirds of the aggregate principal amount of the outstanding Notes represented at the meeting; or
 - (ii) for voting on a Reserved Matter, the higher of (A) one or more persons holding or representing not less than one half of the aggregate principal amount of the outstanding Notes and (B) one or more persons holding or representing not less than two thirds of the Notes represented at the meeting,

provided that the Issuer's By-laws (*statuto*) may in each case (to the extent permitted under the applicable laws and regulations of the Republic of Italy) provide for higher majorities.

Any Extraordinary Resolution duly passed at any such meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting and irrespective of how their vote was cast (provided that their vote was cast in accordance with the provisions of the Agency Agreement) and on all Couponholders.

12.2 Noteholders' Representative

A representative of the Noteholders (*rappresentante comune*) (the **Noteholders' Representative**), subject to applicable provisions of Italian law, may be appointed pursuant to Articles 2415 and 2417

of the Italian Civil Code, *inter alia*, in order to represent the Noteholders' interests under these Conditions and to give effect to resolutions passed at a meeting of the Noteholders. If the Noteholders' Representative is not appointed by an Extraordinary Resolution of such Noteholders, the Noteholders' Representative shall be appointed by a decree of the court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the directors of the Issuer. The Noteholders' Representative shall have the powers and duties set out in Article 2418 of the Italian Civil Code and shall remain appointed for a maximum period of three years but may be reappointed again thereafter.

12.3 Modification

The Notes, the Coupons and these Conditions may be amended, without the consent of the Noteholders or Couponholders, to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless (i) it is of a formal, minor or technical nature, (ii) it is made to correct a manifest error or (iii) it is not materially prejudicial to the interests of the Noteholders. In addition, the parties to the Agency Agreement may agree, without the consent of the Noteholders, to modify any provision thereof in order to comply with mandatory laws, legislation, rules and regulations of the Republic of Italy and the Issuer's By-laws (*statuto*), entered into force at any time while the Notes remain outstanding, applicable to the convening of meetings, quorums and the majorities required to pass any Extraordinary Resolution at a meeting of Noteholders.

Any modifications of any of these Conditions shall be subject to the prior approval of the Lead Regulator, unless such approval is not required by Applicable Regulations.

13. NOTICES

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Issuer may decide and, so long as the Notes are admitted to trading on, and listed on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) and the listing rules of Euronext Dublin so require, all notices to Noteholders shall be deemed to be duly given if they are filed with the Companies Announcement Office of Euronext Dublin. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this paragraph.

14. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes or bonds having terms and conditions the same as those of the Notes, or the same except for the amount of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

15. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

16. GOVERNING LAW AND JURISDICTION

16.1 Governing Law

The Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law, other than the provisions of Condition 3 which shall be governed by, and construed in accordance with, Italian law and provided that Condition 12 and the provisions of the Agency Agreement concerning meetings of Noteholders and the appointment of the *rappresentante comune* are subject to compliance with Italian law.

16.2 Jurisdiction of English Courts

- (a) Subject to Condition 16.2(c) below, the courts of England have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Agency Agreement, the Notes or the Coupons including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes or the Coupons (a Dispute) and accordingly each of the Issuer and any Noteholders and Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 16, each of the Issuer and any Noteholders or Couponholders in relation to any Dispute waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum to settle Disputes.
- (c) This Condition 16.2(c) is for the benefit of the Noteholders and the Couponholders only. To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court of competent jurisdiction and (ii) concurrent proceedings in any number of jurisdictions.

16.3 Appointment of Process Agent

The Issuer irrevocably appoints the London Law Agency Limited currently at Collingham House, 6-12 Gladstone Road, Wimbledon, London SW19 1QT or at its registered office for the time being to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent. Nothing shall affect the right to serve process in any manner permitted by law.

16.4 Other Documents

The Issuer has in the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

*The following is a summary of the provisions to be contained in the Temporary Global Note and the Permanent Global Note (together the **Global Notes**) which will apply to, and in some cases modify, the Terms and Conditions of the Notes while the Notes are represented by the Global Notes.*

1. Exchange

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only if:

- (a) an enforcement event (as set out in Condition 10) has occurred and is continuing; or
- (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

The Issuer will promptly give notice to Noteholders if an Exchange Event (as defined in the Permanent Global Note) occurs. In the case of (a) or (b) above, the holder of the Permanent Global Note, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Fiscal Agent and, in the case of (c) above, the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of (a) above, shall surrender the Permanent Global Note to or to the order of the Fiscal Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

For these purposes, **Exchange Date** means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given, being a day on which banks are open for general business in the place in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

2. Payments

Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made to the bearer of such Global Note and, if no further payment falls to be made in respect of the Notes, against surrender of such Global Note to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Fiscal Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Notes. Payments of interest on the Temporary Global Note

(if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

3. Notices

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 13, provided that, so long as the Notes are listed and admitted to trading on the Official List of Euronext Dublin, and the listing rules of Euronext Dublin so require, an announcement is released by the Issuer through the Companies Announcement Office of Euronext Dublin. Any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through Euroclear and/or Clearstream, Luxembourg and otherwise in such manner as the Fiscal Agent and Euroclear and Clearstream, Luxembourg may approve for this purpose.

4. Accountholders

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of that principal amount for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders other than with respect to the payment of principal and interest on the principal amount of such Notes, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Note in accordance with and subject to its terms). Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

5. Prescription

Claims against the Issuer in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 1).

6. Cancellation

Cancellation of any Note represented by a Global Note and required by the Terms and Conditions of the Notes to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the principal amount of the relevant Global Note on the relevant part of the schedule thereto.

7. Euroclear and Clearstream, Luxembourg

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate. References in the Global

Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system (including, without limitation, Euroclear France and any relevant financial intermediary entitled to hold, directly or indirectly, accounts on behalf of its customers therewith) through which interests in the Notes are held.

USE OF PROCEEDS

The Notes are being issued in the context of a series of actions aimed at optimising the allocation of the Issuer's capital, while at the same time benefiting its regulatory capital structure, at present composed solely of Tier 1, also in the light of a possible successful outcome in the tender and exchange offer on the Issuer's shares announced by Vittoria Capital (as described in further detail in "*Description of the Issuer – Recent Developments*") and the subsequent delisting of the Issuer and the possible merger of Vittoria Capital into the Issuer.

DESCRIPTION OF THE ISSUER

Vittoria Assicurazioni S.p.A. (**Vittoria Assicurazioni** or the **Issuer**) is a company limited by shares (*società per azioni*) incorporated and operating under the laws of the Republic of Italy. Its principal business is life and non-life insurance, while its subsidiaries (together with the Issuer, the **Group**) carry on ancillary businesses such as insurance brokerage and real estate investment and development.

Vittoria Assicurazioni was incorporated on 21 September 1921 for a period expiring on 31 December 2100 (which may be extended) and is registered at the Companies' Registry of Milan under registration number 01329510158. Its registered office is at Via Ignazio Gardella, 2, 20149 Milan (MI), Italy and the telephone number of its registered office is +39 02 482191. The Issuer may also be contacted by fax on +39 02-48203893 or by e-mail at the certified email address vittoriaassicurazioni@pec.vittoriaassicurazioni.it. Its website address is www.vittoriaassicurazioni.com.

The Issuer is subject to supervision by *Istituto per la vigilanza sulle assicurazioni* (the Italian Insurance Supervisory Body or **IVASS**) and is entered on the Register of Insurance and Reinsurance Companies, Section I under registration number 1.00014. The Issuer is also part of *Gruppo Vittoria Assicurazioni* (the **Vittoria Insurance Group**), being the insurance group enrolled under registration number 008 on the Register of Insurance Groups kept by IVASS and comprising the Issuer's ultimate parent company, Yafa S.p.A. (**Yafa**) and its subsidiaries.

Thanks to continuous actions aimed at the consolidation and development of the existing portfolio, the Group's total gross premiums written amounted to €1,339,317 thousand for the year ended 31 December 2017, representing an increase of 5.4% on the 2016 figure (€1,270,731 thousand), with an increase of 6.2% in non-life business.

The Issuer achieved a net consolidated profit of €77,480 thousand for the year ended 31 December 2017, compared to €135,362 thousand in the previous year. The 2016 result benefited from extraordinary capital gains of approximately €47 million (net of tax) from a partial sale of Italian government bonds, which allowed the Issuer to diversify its fixed income investments better in 2017. Without the impact of the capital gains, the decrease in 2017 net profit would have been -12%, which was mainly due to weaker financial results and a slight decrease in the Motor business technical results, as a result of high value claims arising in 2017.

The following table sets out certain key financial information for the years ended 31 December 2017 and 2016 as well as the change year on year in absolute and percentage terms.

	Year ended 31 December		Change	
	2017	2016	Amount	%
	(€ millions)		(€ millions)	
Total net premiums written	1,301.3	1,237.9	63.4	5.1%
of which:				
Gross premiums written	1,339.3	1,270.7	68.6	5.4%
Direct business – non-life	1,148.1	1,081.1	67.0	6.2%
Direct business – life	191.1	189.5	1.6	0.8%
Indirect business – non-life	0.1	0.1	-	n.s.
Indirect business – life	-	-	-	n.s.
of which:				
Investment contracts	18.0	4.8	13.2	275.0%
Consolidated net profit for the period	77.5	135.4	-57.9	-42.8%

The following table sets out certain key financial information (unaudited) for the three months ended 31 March 2018 and 2017 as well as the change year on year in absolute and percentage terms.

	Three months ended 31 March		Change	
	2018	2017	Amount	%
	(Unaudited)	(Unaudited)	Amount	%
	(€ millions)		(€ millions)	
Total net premiums written	320.4	310.5	9.9	3.2%
of which:				
Gross premiums written	328.0	316.7	11.3	3.6%
Direct business – non-life	280.9	263.6	17.3	6.6%
Direct business – life	47.0	53.1	-6.1	-11.5%
Indirect business – non-life	0.1	-	0.1	n.s.
Indirect business – life	-	-	-	n.s.
of which:				
Investment contracts	2.4	4.4	-2.0	-45.5%
Consolidated net profit for the period	22.7	21.8	0.9	4.1%

As indicated in the tables above, most of the Group's overall business is accounted for by its Non-life segment, representing 85.7% of total gross premium for the year ended 31 December 2017.

Market Position

At 31 December 2017, Vittoria Insurance Group occupied the eighth position in the ranking of the Italian Non-Life insurance market, with a market share of 3.12%. In particular, as regards the Motor third-party liability (TPL) class, Vittoria Assicurazioni Group holds a market share of 4.8%. In the Non-life sector, on the other hand, it occupies the thirtieth (30) position with a 0.16% share of the Italian market. Overall, as at 31 December 2017, the Vittoria Insurance Group ranks at nineteenth position with a total market share (Non-Life + Life business) of 0.88%. (*Source: ANIA (Italian National Association of Insurance Companies).*)

History and Development

The Issuer was first incorporated in Cremona in 1921 under the name "*Italian Excess Insurance Company*".

In 1932, it was acquired by Toro Assicurazioni S.p.A. (**Toro Assicurazioni**) and subsequently changed its name to "*La Vittoria Assicurazioni Compagnia di Assicurazioni Generali*".

In 1946, the Issuer's name was changed to "*La Vittoria Assicurazioni*" and it adopted the winged victory symbol as its logo.

In 1959, Vittoria Assicurazioni was authorised by the IVASS to carry on life insurance business and in 1968 changed to its current name "*Vittoria Assicurazioni S.p.A.*".

In 1986, the Issuer became independent from Toro Assicurazioni and in 1988 its ordinary shares were listed on the *Mercato Telematico Azionario*, the regulated market organised and operated by Borsa Italiana S.p.A. (the **MTA**). Subsequently, in 2001 it was admitted to the STAR segment (FTSE Italia Mid Cap) of the MTA.

In 1990, Vittoria Assicurazioni insured Italian soldiers on missions in the Persian Gulf.

In 1998, the Issuer passed the landmark of 1 trillion Italian lire under management and, in 1999, it obtained authorisation to manage pension funds. In 2000, it launched the first unit-linked policy that could be acquired via the Internet.

For the third consecutive year in 2002 Vittoria Assicurazioni confirmed itself among the companies offering a customer service higher than the market standard. In 2004, for the fifth time, the Issuer won the "*Le Tre Frecce d'Argento della Finanza*" award in the pension funds category.

In 2008 the Issuer started a major internal restructuring in line with five-year growth programmes and in 2009 it launched an important multi-year programme for the development of its distribution network.

In 2011, on the 90th anniversary of the Issuer's incorporation, a new head office was established at its freehold premises in Portello, Milan, forming part of an innovative property complex, and in 2012, the Issuer passed the landmark of €1 billion in premiums and further increased the number of agencies on the territory, with 100 new agencies in three years.

In 2013 it exceeded the ambitious objective of 400 agencies throughout Italy and in 2015 launched a project on its sales network for the dissemination of agency models more consistent with the needs of the market and customers.

See also "*Recent Developments*" below.

Business Overview

Vittoria Assicurazioni operates in all risk sectors, basing its activity on a long experience in the insurance field for the protection of individuals, families and companies. The Issuer is active in both the non-life and life insurance businesses, operating mainly in Italy. The business of the Issuer's subsidiaries is related and ancillary to the insurance business, making up the Group's real estate and services divisions.

The main objective of the Issuer is to honour in proper time contractual commitments to policyholders, while achieving a reasonable profit margin. This goal is supported by the achievement of technical profitability, a policy of consolidation of the portfolio acquired, the loyalty of existing customers and by an increase in market share in non-life insurance business and the acquisition of new production in the life insurance business.

In carrying out its insurance activities, Vittoria Assicurazioni dedicates significant attention to the management of its risk profile, principally through:

- accurate risk pricing;
- a careful diversification of risks based on customer segmentation - in particular, while giving priority to individuals and small and medium-sized enterprises (SME), the Issuer does not disregard large-sized companies, for which it provides reinsurance cover;
- diversification of sales channels achieved through careful geographical segmentation of markets; and
- the continuous training of the agency network that makes for careful portfolio selection and a constant search for common objectives.

Vittoria Assicurazioni presents itself as the insurer of choice for families, businesses, freelancers, public and private employees, members of the armed forces and members of bodies and associations. It pays particular attention to the family segment and, in addition to the more traditional types of insurance cover, it offers assistance targeted at those in need of greater support, such as the critically ill, those lacking autonomy and minors. The Group also offers insurance to customers in the real estate segment, made up of purchasers of the Group's residential premises or tenants. The Group also seeks to develop close ties involving co-operate with certain business partners (the "affinity group"), for the overall benefit of the service and quality of the products offered to customers (see "*Partnerships*" below).

Non-life insurance business

Direct non-life business premiums are composed of the non-marine, specialty and motor businesses. In particular, the lines of business covered by Vittoria Assicurazioni include the following:

- Motor businesses:
 - land motor vehicles;
 - third-party liability (TPL) for land motor vehicles and for watercraft (sea, lake, and river); and
 - roadside assistance;
- Non marine businesses:
 - accident;
 - health;
 - fire and natural events;
 - miscellaneous property damages;
 - general third-party liability (TPL);
 - various pecuniary losses (mainly motor vehicle-related); and
 - legal protection; and
- Specialty businesses:
 - watercraft (sea, lake and river) and railway rolling stock;
 - goods in transit;
 - credit (this line of business includes exclusively the risks related to salary-backed loans for which it has retained the right of recourse against the borrowers); and
 - surety.

Some of the products offered in the Issuer's Non-life business are as follows:

- *Rimborso Spese Sanitarie Elite*: This is an “elite” product which, in addition to comprehensive cover for the reimbursement of medical expenses, is designed to guarantee a preventive medical service for the diagnosis of potential illnesses, with certain additional services such as doctors' home visits, delivery of urgent medicines, travel expenses to return from abroad, the availability of an interpreter, general and specialist medical advice by telephone and second opinions.
- *Infortuni*: This includes provision for additional assistance in the event of critical illness, such as expenses for adapting the policyholder's home and car, as well as the possibility, under a single contract, to insure an annuity in the event of accidents that involve loss of autonomy or critical illness (representing a new development in the market). The “*Infortuni Globale*” product extends cover to voluntary work carried out by the policyholder. Specific assistance is also offered to support minors, in the case of death of both parents, with a lump sum payment topped up by 100%. In addition, a bonus is provided for recovery of an academic year that is missed as a result of the accident.
- *Casa e Protezione delle Famiglie*: In addition to the usual cover for fire and theft at homes, natural calamities can be added, such as earthquakes, floods and damage from storms involving heavy rainfall or wind.

- *Linea Strada Lifestyle e Lifestyle Plus*: This is an innovative product for the third party liability motor insurance sector which, in the event of involuntary loss of employment or cessation of business, refunds the premium and road tax for the year following the event.
- *Danni indiretti*: Aimed at restoring a business in financial difficulty to the situation which it would have been in had the accident not taken place, the payment therefore allows for the affected business to restart, as well as for employment protection.
- *All Risks Energia Solare*: Dedicated to the world of renewable energy, this product is designed to cover damage to photovoltaic plants for generation of electricity and solar installations for water heating in private property. Cover is provided for damage caused by fire, theft, floods and other atmospheric events of a particularly severity. For photovoltaic plants, cover may also be extended to loss of earnings suffered by the plant owner from the interruption of output.

Life insurance business

The range of products currently distributed by Vittoria Assicurazioni covers all non-life insurance lines of business, including:

- savings (policies relating to segregated funds);
- protection (policies covering risks of death, disability, critical illness and long-term care);
- supplementary pension plans (individual pension schemes and open-ended pension fund); and
- unit linked policies.

The pricing formulae applied by the Issuer are mixed, fixed term, entire life and temporary, with premiums payable either annually or on a one-off basis, together with group rates for death and/or disability. The segments offered also include policies that allow for conversion of the accrued benefit into an annuity and the contractual conditions are constantly updated to be in line with those offered by the market.

The persistence of low interest rates has induced the Issuer to review its policies through a gradual shift in distribution to those products with a predominantly financial component rather than purely technical-insurance products.

Some of the products offered in the Issuer's Life business are as follows:

- *Vittoria Fianco a Fianco*: a long-term care (LTC) product involving an annuity over and above family income where the insured suffers critical illness, allowing them to maintain financial independence, which was first in the league table for LTC guarantees on the market, compiled on the basis of an independent analysis by Altroconsumo in 2015;
- *Vittoria Tutela Futuro Doppia Protezione*: a more traditional product providing for payment in the event of death or permanent invalidity and allowing the beneficiary to choose between a lump sum payment or temporary periodic payments; and
- *Vittoria Formula Rendita Plus*: a product for the next generation, allowing the policyholder to receive periodic payments but without foregoing payment of the remaining capital to the beneficiaries upon death.

Real estate

The Group's real estate business comprises mainly the development, trading, brokerage and management of freehold properties. Trading, development and rental operations are carried on by the following Group companies:

- *Vittoria Immobiliare S.p.A., Milan*: operating in the area of development and trading, both directly and through companies incorporated specifically for that purpose;
- *Immobiliare Bilancia S.r.l., Milan*: dealing mainly with the marketing of freehold properties in San Donato Milanese, Rome and Genoa, and the development of an area in Viale Michelangelo, Florence;
- *Immobiliare Bilancia Prima S.r.l., Milan*: holding an area earmarked for development in the city of Parma (for which a development project is being prepared), a real estate complex designated mainly for office space in Via Adamello 10 in Milan, building development activity in Rome, a complex of residential buildings in Corso Cairoli and Corso Francia in Turin, and an area planned for development in the town of Peschiera Borromeo, where the construction of four buildings is in the process of being implemented.
- *Acacia 2000 S.r.l., Milan*: holding a real estate complex designated for residential use, comprising eight buildings and an underground car park on two levels in Portello, Milan and known as "Residenze Parco Vittoria", the activity of selling and renting is proceeding, in the case of renting as a result of the reorganisation of the Group's real estate division, with the aim of seeking returns which would make them attractive to purchasers, in particular institutional investors.
- *V.R.G. Domus S.r.l., Turin*: representing the remainder of the real estate transaction "Spina I" in Turin and a real estate complex for industrial/service sector use in Via della Vignaccia, Rome.
- *Vaimm Sviluppo S.r.l., Milan*: holding real estate units in Piazza De Ferrari, Via Orefici and Via Conservatori del Mare in Genoa;
- *Valsalaria S.r.l., Roma*: dealing with a development project in Rome;
- *VP Sviluppo 2015 S.r.l., Milan*: carrying out a development project in Peschiera Borromeo, near Milan; and
- *Vittoria Properties S.r.l., Milan*: managing and creating value from its real estate assets amounting to €14,316 thousand as at 31 March 2018.

Other subsidiaries operating in the Group's real estate division are:

- *Interimmobili S.r.l., Rome*: carrying on a brokerage business for the sale of properties mainly in Rome, Turin and Milan for other Group companies, as well as for investors and individuals; and
- *Gestimmobili S.r.l., Milan*: carrying out administrative and technical management of real estate assets.

Services

The operations of the Group's services division involves insurance brokerage, which is performed by four of the Issuer's subsidiaries, namely Interbilancia S.r.l.: Plurico S.r.l. (in liquidation), Aspevi Firenze S.r.l. and Assiorviato Servizi S.r.l., as well as by Aspevi Roma S.r.l. and Aspevi Milano S.r.l., in which the Group has a 49% shareholding.

Distribution

Vittoria Assicurazioni has a presence throughout Italy and, for the distribution of its Non-life and Life insurance products, it had 444 general agencies, plus a further 1,099 professional sub-agencies, in each case as at 31 December 2017. The distribution of the Issuer's insurance products is carried out through the following channels:

- agencies under contract;
- agreements with brokers enrolled in Section D of the (*registro unico di intermediari assicurativi* or RUI) pursuant to Article 109 of Legislative Decree No. 209 of 7 September 2005 (the Private Insurance Code); and
- brokers co-operating directly with the Issuer.

Agencies

Agencies have always represented the Issuer's preferred channel for the sale of insurance policies. Making up a distribution network of general agents and their respective sales organisations, they undergo continuous training, aimed at maintaining a high standard, both in dealings with customers (for management of all the stages in the brokerage process, consultancy and post-sales) and in the management of points of sale, with a view to ensuring compliance with the legislation applicable to the sector. The number of the Issuer's agencies has steadily progressed from 419 as at 31 March 2016 to 432 as at 31 March 2017 and 444 as at 31 March 2018. See also "*Geographical Breakdown*" below.

The tendency among agencies is to be appointed on a sole agency basis, in many cases side-by-side with an appointment by the Difesa Automobilistica Sinistri S.p.A. di Assicurazione, designed to guarantee legal support for citizens.

Agreements with brokers under Section D of the RUI

The distribution of standardised insurance products through qualified brokers is regulated by specific distributorships, in compliance with the operating principles and rules provided for under legislation relating to brokers. The distribution agreements provide for, *inter alia*:

- the use of insurance products that are standardised or featuring clauses pre-set by Vittoria Assicurazioni, which cannot be amended in any way by the broker, in either the pre- or the post-sale stage;
- conformity from a technical and commercial standpoint of the products supplied to the broker for distribution;
- supply and illustration of the necessary instructions in the event of new products being introduced to the market by the Issuer; and
- compliance with continuing professional development obligations under IVASS Regulation No. 6 of 2 December 2014.

Distribution through the bancassurance channel is carried out through 11 distribution agreements with banks and one with a real estate brokerage (as at 31 March 2018). This channel mainly relates to the Issuer's Life division, including certain financial products.

Brokers

The level of distribution of insurance products through brokers has undergone a steady fall in recent years in favour of management of the contracts through the establishment of co-operation between those brokers and general agents in which the Issuer holds an indirect interest.

New products

A new motor risks product called “Autosicura” has been introduced as part of the Group’s motor business, which enables the insured to cover the cost of repair of the vehicle by an authorised mechanic without any excess.

In the life business, the following new products have been launched:

- the full-life multi-brand called Vittoria InvestiMeglio-MultiRamo OPEN, single premium rate and additional payments linked to the segregated fund “*Vittoria Obiettivo Crescita*” and to UCITS funds;
- the full-life multi-brand called Vittoria InvestiMeglio-MultiRamo - Multiramo FLEX, single premium rate and additional payments, which invests part of the premium in the segregated fund “*Vittoria Obiettivo Crescita*” and in the Internal Funds “*Vittoria Equilibrato*” and “*Vittoria Dinamic*”;
- Vittoria InvestiMeglio - EvoluzioneOC and Vittoria InvestiMeglio - EvoluzioneRM, mixed class I mixed-rate tariffs with profit sharing, by which the products invest the premium respectively in the segregated fund “*Vittoria Obiettivo Crescita*” and “*Vittoria Rendimento Mensile*”;
- Vittoria Formula Rendita Plus, a single premium Class I product that guarantees a revalued income on the basis of the segregated fund “*Obiettivo Crescita*” in the event of survival, and decreasing capital in the event of death consisting of the premium paid net of the annuity payments already received;
- “*Vittoria Tutela Futuro - Doppia Protezione*”, product of Class I with the option of choosing between a constant capital coverage and variable annual premiums and a decreasing capital coverage and constant annual premiums;
- “*Vittoria Tutela Futuro - Classic Smart*”, product of Class I case of death with capital and constant annual premium; and
- “*Vittoria In Azione Italia – PIR*”, a single-premium Class III life product with additional payments, which invests in the Internal Fund “*Vittoria Crescita Italia PIR cl. B*”.

Customers

The Issuer’s policyholders include specific client groups, in particular:

- members of the National Association of Magistrates (*Associazione Nazionale Magistrati*);
- members of the Italian General Confederation of Enterprises, Professional Activities and Self-Employment (*Confederazione Generale Italiana delle Imprese, delle Attività Professionali e del Lavoro Autonomo* or *Confcommercio*);
- employees of the Armed Forces and Law Enforcement;
- members of the National Association of Motorhome Insurance Co-ordination (*Associazione Nazionale Coordinamento Camperisti*); and
- members of the Italian Touring Club.

In addition, important internationally renowned companies, associations and trade unions form part of the Issuer's client base, including:

- the Italian Autonomous Banking Federation (*Federazione Autonoma Bancari Italiani*);
- Indena S.p.A., a supplier of ingredients from medicinal plants; and
- the Italian Touring Club.

Customers also include many Italian families through automobile, life, accident, health, social security and financial insurance coverage.

Geographic Areas

The Issuer carries on its business principally in northern and central Italy. By way of illustration, in relation to the Issuer's agencies, the geographical breakdown of its 444 points of sale as at 31 March 2018 was as follows:

- 268 or 60.36% in northern Italy;
- 125 or 28.15% in central Italy; and
- 51 or 11.49% in the South.

Partnerships

Vittoria Assicurazioni has identified certain partners with a view to developing co-operation for the benefit of its customers and is supported by some prestigious organisations, including the following:

- **National Association of Motorhome Insurance Co-ordination:** the Association carries out and promotes initiatives aimed at, *inter alia*, the application of road traffic rules for motorhomes, tourism, road safety, civil defence, employment and culture and environmental protection of the territory, working with Vittoria Assicurazioni since 1998 to develop a complete and affordable motorhome policy and to study personalised insurance for families in motorhomes;
- **Consultinvest S.p.A.:** one of the leading independent Italian groups with businesses in asset management through its subsidiary Consultinvest SGR (with asset under management of €1.5 billion) and financial product advisory through Consultinvest SIM (intermediated assets of €1.2 billion and a network of more than 350 independent financial promoters) (see also "*Recent Developments - Acquisition of stake in Consultinvest and exclusive distribution agreement*");
- **Confcommercio:** the Italian General Confederation of Enterprises, Professional Activities and Self-Employment (*Confederazione Generale Italiana delle Imprese, delle Attività Professionali e del Lavoro Autonomo*) is the largest business representative in Italy, associating over 820,000 businesses in commerce, tourism and services and, pursuant to the agreement signed at national level with Confcommercio, Vittoria Assicurazioni offers member companies insurance solutions for their personal and professional protection needs; and
- **Italian Touring Club:** one of the largest, most important and prestigious free associations in Europe, promoting the protection of the environmental and cultural heritage, civil and respectful tourism, the enhancement of craftsmanship and local traditions, the Italian Touring Club's co-operation with Vittoria Assicurazioni takes the form of, among other things, innovative products reserved for its members.

Strategy

On 15 March 2017, the Issuer's board of directors approved its Strategic Plan 2017-2019 (the **Plan**), containing certain strategic objectives for the Issuer and its subsidiaries for the period from 2017 to 2019. The principal actions envisaged under the Plan involve investments and transformations which will need to be implemented by the Group in accordance with the industrial guidelines summarised as follows:

- *Customers:*
 - Organic development with constant support to the sale network through continuing professional development, technological back-up and a company interface characterised by a strong technical content and a lean decision-making process;
 - maintaining the Issuer's target customers such as families, small and medium-sized enterprises, and the "affinity group", thereby further strengthening the network, placing new channels and alternative sales methods next to the traditional network;
 - maintaining the current TPL portfolio, notwithstanding a gradual increase in the average premium;
 - gradually altering the mix of the Non-life portfolio, by cross-selling activities with TPL customers and development of new products, and of the Life portfolio by the creation of specialist channels; and
 - growth in premiums in the Non-life division through sales actions aimed at the motor and non-marine sectors and growth in the Life division through sales and marketing initiatives directed at the traditional agencies channel and diversification of distribution channels through financial networks and an on-going shift towards unit-linked and pension funds.
- *Profitability:*
 - Priority in pursuing profitability through careful pricing of risks, obtained with a segmentation of the portfolio in clusters of customers, geographical areas and specific interest groups;
 - continuous verification and selection of portfolio risks; and
 - making processes and the organisational structure more efficient, in order to achieve a reduction in the impact of costs in the medium term.
- *Investments:*
 - Optimising the allocation of capital through a "Core-Satellite" strategy, where (i) the "Core" component is generally invested in investment grade debt securities or in liquid instruments, the principal aim being to generate cash flows and (ii) the "Satellite" component is invested in a diversified portfolio of assets with fewer restrictions regarding safety and liquidity, the aim being to generate additional yields, while directing the portfolio to diversification with the introduction of new asset classes; and
 - stabilising the real estate division through the opening-up of new opportunities for turnover, such as rent-to-buy and restructuring of the segment.
- *Capital:*
 - Self-financing and consolidation of the solidity of the Issuer's capital through a balanced trade-off between profitability and solvency requirements with a long-term view; and

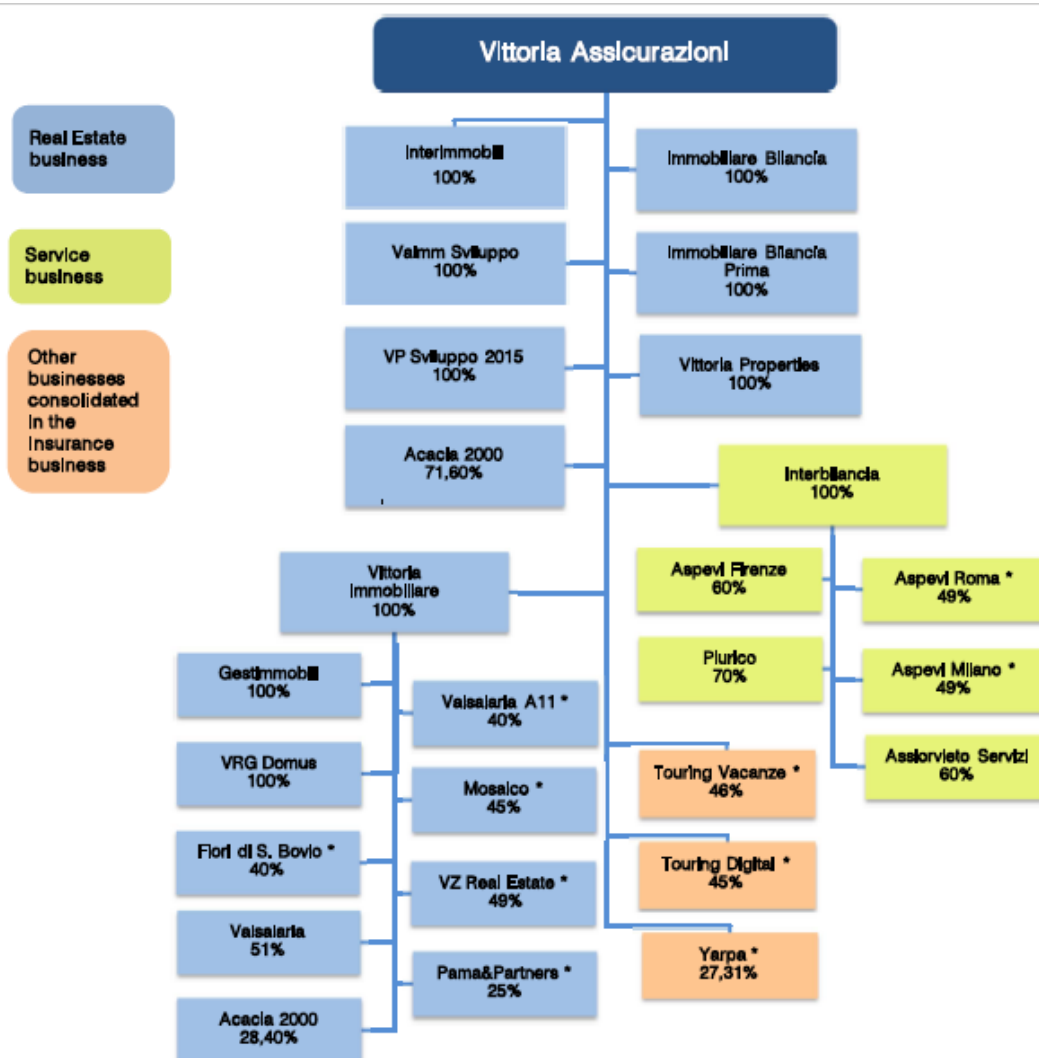
- an average dividend payout of approximately 20% over the three-year period.

Group Structure

Vittoria Assicurazioni's ultimate parent company is Yafa, which controls the Issuer through a shareholding chain comprising Yafa Holding S.p.A. (**Yafa Holding**) and Vittoria Capital S.p.A. (**Vittoria Capital**). See also “*Shareholders and Share Capital – Shareholders*” below. Yafa exercises management and coordination (*direzione e coordinamento*) over the Issuer pursuant to Article 2497 of the Italian Civil Code.

As at the date of these Listing Particulars, there is an ongoing plan by Vittoria Capital to launch a tender offer on the Issuer's shares, which may subsequently lead to changes in the shareholding structure above the Issuer. See “- *Recent Developments - Tender and exchange offer on Issuer's shares*”.

The following chart illustrates the structure of Vittoria Assicurazioni and its consolidated subsidiaries as at the date of these Listing Particulars.



Note: Plurico S.r.l. is in liquidation.

Share Capital and Shareholders

Share capital

As at the date of these Listing Particulars, the Issuer has a share capital of €67,378,924, fully paid up and consisting of 67,378,924 ordinary shares with a nominal value of €1.00 each.

The Issuer's shares are admitted to trading on the STAR segment (FTSE Italia Mid Cap) of the MTA and have the following ISIN: IT000062882.

Shareholders

As at the date of these Listing Particulars, the Issuer's share capital is owned as set out in the following table:

Shareholder	(%)
Vittoria Capital S.p.A.	51.15
Yafa Holding S.p.A.	8.09
Arbus S.r.l.	5.90
Other shareholders	34.86
Total	100.00

In addition to its directly held stake in the Issuer, Yafa Holding has an 82% stake in Vittoria Capital. Both shareholders are controlled by Yafa, which is in turn controlled by Carlo Acutis, who therefore indirectly controls a majority stake in the Issuer, representing 59.24% of its share capital.

See also “Recent Developments – Tender and exchange offer on Issuer's shares” below.

Shareholders' agreement

On 21 November 2017, a shareholders' agreement was entered into between Yafa Holding and Münchener Rückversicherungs - Gesellschaft Aktiengesellschaft, which holds a 12% stake in Vittoria Capital. The agreement relates to 44,744,000 ordinary shares of Vittoria Capital, representing 94% of its share capital. In particular, the agreement provides for reciprocal pre-emption rights between the parties, joint-selling rights and automatic application of the agreement to 35% of the shares of Vittoria Assicurazioni in the event of the dissolution of Vittoria Capital. The new shareholders' agreement has essentially the same characteristics as the agreement previously terminated on 16 November 2017.

Administrative, Management and Supervisory Bodies

The Issuer has adopted a traditional model of administration and control, where the board of directors is the central body of the system of corporate governance and the board of statutory auditors performs control functions. The board is supported by specific committees created within it.

Board of Directors

The Issuer's board of directors is composed of the following fourteen directors, appointed for a period expiring on the date of the shareholders' meeting held to approve the financial statements as at and for the year ending 31 December 2018.

Name	Position	Main activities outside of the Issuer
Carlo Acutis	Honorary Chairman	Vice President at Banca Passadore & C. S.p.A. Director at Yafa S.p.A Member of the Supervisory Board of Yam Invest NV
Andrea Acutis	Chairman of the Board of Directors	Director at Yafa S.p.A. and at Nuove Partecipazioni S.p.A.
Roberto Guarena	Vice Chairman of the Board of Directors	-
Cesare Caldarelli	Chief Executive Officer	-
Giorgio Roberto Costa	Director	Director at Banca Leonardo S.p.A.
Marco Brignone	Director	-
Giorgio Marsiaj	Director	Chairman and CEO at Sabelt S.p.A. Chairman at Olympic Real Estate S.p.A. and Moncanino S.p.A. Vice President at CEO of M. Marsiaj & C. S.r.l.
Luca Paveri Fontana	Director	Chairman at YFL S.p.A. and Yura International S.p.A. Vice Chairman at Yarpa Investimenti SGR and Yarpa S.p.A.
Adriana Acutis	Director	Managing Director at Yafa S.p.A. Member of the Supervisory Board and Strategic Committee of Yam Invest N.V. Member of the Supervisory Board of Yareal International N.V. Director at Yafa Holding S.p.A., Yarpa Investimenti SGR S.p.A., Yura International BV and Vittoria Capital S.p.A.
Giuseppe Spadafora	Director	Chairman at Anthilia Capital Partners SGR S.p.A. Director at Yarpa Investimenti SGR S.p.A.
Lorenza Guerra Seragnoli	Director	Sole Director at LGS Organization S.r.l. CEO of Lole S.p.A. Director at Compagnia Sviluppo Industriali and Immobiliari S.p.A., Montenegro S.p.A., SLLI Group S.p.A., Coesia S.p.A. and Bonomelli S.r.l.

Name	Position	Main activities outside of the Issuer
Marzia Morena	Director	Professor at the School of Architecture, Urban Planning and Construction Engineering of Politecnico of Milan
Roberta Urban	Director	Manager in charge of Business Development at Munich Re Italia
Maria Antonella Massari	Director	Secretary-General and member of the Board of Directors of AIPB (Italian Private Banking Association).

The business address of each member of the board of directors is the Issuer's registered office.

Board of Statutory Auditors

The board of statutory auditors is composed of three standing auditors and two alternate auditors, who were appointed for a period of three financial years expiring on the date of the shareholders' meeting held to approve the financial statements as at and for the year ending 31 December 2018.

Name	Position	Main activities outside of the Issuer
Giuseppe Cerati	Chairman of the Board of Statutory Auditors	Chartered Accountant Statutory Auditor of Beni Stabili Siiq S.p.A., YOOX NET – A – PORTER Group S.p.A., Cad Dogana Logica S.p.A., Easy Market S.p.A., Medicina Viva S.p.A., Rizzoli Emanuelli S.p.A. and Scandicar S.p.A.
Giovanni Maritano	Auditor	Chartered Accountant Statutory Auditor of Vittoria Capital S.p.A., Abc Farmaceutici S.p.A., International Cosmetic Development S.p.A., Kelemata S.r.l., Perlier S.r.l.
Francesca Sangiani	Auditor	Chartered Accountant
Maria Filomena Trotta	Alternate Auditor	Chartered Accountant Statutory Auditor of Valdarno S.r.l.
Monica Mannino	Alternate Auditor	Chartered Accountant Chairman of the Board of Statutory Auditors of Diasorin S.p.A. (listed), Casta Diva Group S.p.A. (AIM), Business School24 S.p.A., the Istituto Stomatologico Italiano Società Cooperativa Sociale Onlus and ADES Acciai S.r.l. Standing Auditor of Milano Ristorazione, Giglio Group S.p.A. (AIM) and Il Sole 24 Ore - Trading Network S.p.A.

The business address of each member of the board of statutory auditors is the Issuer's registered office.

General management

The general management of the Issuer is composed of the following members.

Name	Position
Claudio Rampin	Joint General Manager
Matteo Campaner	Deputy General Manager
Paolo Novati	Deputy General Manager
Luca Arensi	Central Manager
Adriano Chioetto	Central Manager
Maurizio Monticelli	Central Manager
Giuseppe Traverso	Central Manager
Enzo Vighi	Central Manager

Supervisory Body

As part of a wider governance project, Vittoria Assicurazioni adopted the organisational and control model (the **Model**) pursuant to Legislative Decree No. 231/2001 on corporate liability.

The Issuer has therefore established an internal and permanent supervisory body (*organismo di vigilanza*) with the power to oversee and verify the implementation and compliance with the Model. The supervisory body is currently composed of the following persons.

Name	Position
Giovanni Ponti	Chairman
Giovanni Maritano	Member
Alberto Giani	Member
Massimo Marchegiani	Member
Vincenzo Coppa	Member
Maria Giuseppina Marchetti	Member

Code of Ethics

In 2005 the Issuer published its first Code of Ethics. The Code of Ethics is meant to disclose the ethical principles and the rules of conduct to be adopted in dealings with all parties involved with Vittoria Assicurazioni on a daily basis (employees and/or agents and, more in general, those who entertain a regular relationship with the Issuer).

Conflicts of Interest

As far as the Issuer is aware, save as set out in the table below, none of its directors, statutory auditors or senior managers has any private interest and/or other duty which conflicts with their obligations deriving from their office.

The following table shows the interests of members of the board of directors in the Issuer's share capital.

Name	Position	No. of shares held in Vittoria Assicurazioni
Carlo Acutis	Honorary Chairman	39,914,400 ⁽¹⁾
Andrea Acutis	Chairman of the Board of Directors	117,730
Roberto Guarena	Vice Chairman of the Board of Directors	50,000 ⁽²⁾
Cesare Caldarelli	Chief Executive Officer	11,500 ⁽³⁾
Giorgio Roberto Costa	Director	64,750
Marco Brignone	Director	20,000
Adriana Acutis	Director	43,000

⁽¹⁾ Held through subsidiaries.

⁽²⁾ Held directly and through family members.

⁽³⁾ Held through family members.

Independent Auditors

The Issuer's independent auditors are Deloitte & Touche S.p.A., who were appointed on 20 April 2012 for a period of nine financial years.

Employees

As at 31 December 2017, the Group had 599 employees (compared to 609 as at 31 December 2016, 27 of which were senior managers, 186 officers or executives and 397 administrative staff.

Legal and Arbitration Proceedings

At the date of these Listing Particulars, the Group is party to various legal proceedings involving total claims of an aggregate amount of around €6.7 million. As a result of these proceedings, the Group has set aside provisions for any liabilities arising from disputes which, as at 31 December 2017, amounted to approximately €3.9 million. See also "*Risk Factors – Risks relating to ongoing legal proceedings*".

Recent Developments

Acquisition of stake in Consultinvest and exclusive distribution agreement

In February 2018, the Issuer acquired a 9.62% shareholding in Consultinvest S.p.A. for a consideration of €2.5 million. Consultinvest S.p.A. is an Italian holding company which controls Consultinvest Asset Management SGR S.p.A., an asset management company, and Consultinvest Investimenti SIM S.p.A. (**Consultinvest SIM**), which distributes financial products through a network of approximately 360 independent financial advisors, mainly based in the north and centre of Italy. The Issuer has also signed an exclusive distribution agreement with Consultinvest SIM with the aim of increasing its unit-linked life business. See also "*Partnerships*" above.

Tender and exchange offer on Issuer's shares

On 16 May 2018, Vittoria Capital published an announcement pursuant to Article 102 of Legislative Decree No. 58 of 24 February 1998, giving notice of its decision to make a voluntary tender and exchange offer to the Issuer's minority shareholders, representing a total of 40.76% of the Issuer's share capital. The proposed consideration under the offer is a cash consideration of €14 per share or, at the option of each shareholder,

the allotment of ordinary shares of Vittoria Capital (an unlisted company) at an exchange ratio of 1.4 shares of Vittoria Capital for each ordinary share of Vittoria Assicurazioni. The offer price includes a premium of 20.1% over the official price of the Issuer's shares on the last trading day preceding the initial announcement of the offer. In addition, the offer is subject to a maximum overall consideration of €385 million, calculated in the event of full acceptance by shareholders and assuming that all tendering shareholders opt to receive cash consideration. The offer period is expected to be agreed with the Italian Stock Exchange, once the Italian financial services regulator, the *Commissione Nazionale per la Società e la Borsa* (**CONSOB**), has approved the publication of an offering memorandum (*documento di offerta*) in respect of the transaction in accordance with the applicable legislation.

The offer is aimed at ultimately delisting the Issuer's shares from the MTA, with a view to simplifying governance at group level and making better use of the overall vision of the Issuer's business in the medium-to-long term. It is also expected that the offer will allow for full integration of the activities of the Vittoria Insurance Group comprising the Issuer's ultimate parent company, Yafa, and its subsidiaries, through a simplification of the Issuer's ownership structure. In this context, after completion of the offer, Vittoria Capital also intends to evaluate whether to press ahead with a reverse merger with the Issuer.

In connection with the offer, Vittoria Capital has prepared the following financial statements: (i) audited consolidated annual financial statements of Vittoria Capital Group as at and for the year ended 31 December 2017; and (ii) unaudited consolidated interim financial statements of the Vittoria Capital Group as at and for the three months ended 31 March 2018, both of which are incorporated by reference in these Listing Particulars (see "*Documents Incorporated by Reference*" above).

SUMMARY FINANCIAL INFORMATION

The following tables contain:

- (i) consolidated balance sheet and income statement information of the Issuer as at and for the years ended 31 December 2017 and 2016; and
- (ii) consolidated balance sheet and income statement information of the Issuer as at and for the three months ended 31 March 2018, with comparative tables as at 31 December 2017 (for balance sheet purposes) and 31 March 2017 (for income statement purposes).

Such financial information is derived from, should be read in conjunction with and is qualified in its entirety by reference to the Issuer's audited consolidated annual financial statements as at and for the years ended 31 December 2017 and 2016, and its unaudited interim consolidated financial statements as at and for the three months ended 31 March 2018, together with the accompanying notes and auditors' reports, all of which are incorporated by reference in these Listing Particulars. See "*Documents Incorporated by Reference*".

In addition, the audited consolidated annual financial statements of Vittoria Capital as at and for the year ended 31 December 2017 and its unaudited interim consolidated financial statements as at and for the three months ended 31 March 2018 are incorporated by reference in these Listing Particulars. See "*Documents Incorporated by Reference*" above. These have been prepared in connection with the on-going tender and exchange offer on the Issuer's shares. See "*Description of the Issuer – Recent Developments*" above. However, investors should be aware that Vittoria Capital is not guaranteeing the Notes in any way.

The consolidated annual financial statements of the Issuer and Vittoria Capital referred to above have been prepared in accordance with International Financial Reporting Standards. Deloitte & Touche S.p.A., independent auditors to the Issuer and to Vittoria Capital, have audited the consolidated annual financial statements of the Issuer and Vittoria Capital referred to above and have performed a review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" on their unaudited interim consolidated financial statements as at and for the three months ended 31 March 2018.

Copies of the above-mentioned annual financial statements of the Issuer and Vittoria Capital are available for inspection by the Noteholders, as described in "*Documents Incorporated by Reference*" above.

Vittoria Assicurazioni S.p.A.

Consolidated financial statements as at 31 December 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)

BALANCE SHEET - ASSETS		Note	31/12/2017	31/12/2016
1	INTANGIBLE ASSETS		6,673	9,065
1.1	Goodwill	1	0	0
1.2	Other intangible assets	2	6,673	9,065
2	PROPERTY, PLANT AND EQUIPMENT		507,367	545,488
2.1	Property	2	500,625	537,862
2.2	Other items of property, plant and equipment	2	6,742	7,626
3	REINSURERS' SHARE OF TECHNICAL RESERVES	3	63,263	63,481
4	INVESTMENTS		2,999,762	2,548,149
4.1	Investment property	4	111,240	89,428
4.2	Investments in subsidiaries and associates and interests in joint ventures	5	19,357	20,138
4.3	Held to maturity investments	6	44,051	44,268
4.4	Loans and receivables	6	192,126	128,677
4.5	Financial assets available for sale	6	2,556,399	2,208,766
4.6	Financial assets at fair value through profit or loss	6	76,589	56,872
5	OTHER RECEIVABLES		190,581	188,720
5.1	Receivables relating to direct insurance	7	155,238	153,950
5.2	Receivables relating to reinsurance business	8	3,045	811
5.3	Other receivables	9	32,298	33,959
6	OTHER ASSETS		140,567	132,205
6.1	Non-current assets or assets of a disposal group classified as held for sale		0	0
6.2	Deferred acquisition costs	10	6,236	5,876
6.3	Deferred tax assets	11	91,506	103,774
6.4	Current tax assets	12	32,552	12,429
6.5	Other assets	13	10,273	10,126
7	CASH AND CASH EQUIVALENTS	14	113,650	262,936
	TOTAL ASSETS		4,021,863	3,750,044

Vittoria Assicurazioni S.p.A.

Consolidated financial statements as at 31 December 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)

BALANCE SHEET - EQUITY AND LIABILITIES		Note	31/12/2017	31/12/2016
1	EQUITY		828,827	745,805
1.1	attributable to the shareholders of the parent		828,636	745,611
1.1.1	Share capital	15	67,379	67,379
1.1.2	Other equity instruments	15	0	0
1.1.3	Equity-related reserves	15	33,874	33,874
1.1.4	Income-related and other reserves	15	572,926	450,642
1.1.5	(Treasury shares)	15	0	0
1.1.6	Translation reserve	15	0	0
1.1.7	Fair value reserve	15	76,985	58,612
1.1.8	Other gains or losses recognised directly in equity	15	-11	-263
1.1.9	Profit for the year attributable to the shareholders of the parent		77,483	135,367
1.2	attributable to minority interests	15	191	194
1.2.1	Share capital and reserves attributable to minority interests		194	199
1.2.2	Gains or losses recognised directly in equity		0	0
1.2.3	Profit for the year attributable to minority interests		-3	-5
2	PROVISIONS	16	16,549	12,829
3	TECHNICAL RESERVES	17	2,773,170	2,661,219
4	FINANCIAL LIABILITIES		237,877	158,707
4.1	Financial liabilities at fair value through profit or loss	18	76,576	56,866
4.2	Other financial liabilities	18	161,301	101,841
5	PAYABLES		83,042	78,258
5.1	Payables arising from direct insurance business	19	9,129	8,454
5.2	Payables arising from reinsurance business	20	8,676	7,504
5.3	Other sums payable	21	65,237	62,300
6	OTHER LIABILITIES		82,398	93,226
6.1	Liabilities of a disposal group held for sale		0	0
6.2	Deferred tax liabilities	22	45,645	50,335
6.3	Current tax liabilities	23	525	4,484
6.4	Other liabilities	24	36,228	38,407
	TOTAL EQUITY AND LIABILITIES		4,021,863	3,750,044

Income Statement

Vittoria Assicurazioni S.p.A.

Consolidated financial statements as at 31 December 2017

INCOME STATEMENT

(€/000)

	Income Statement	Note	31/12/2017	31/12/2016
1.1	Net premiums		1,270,013	1,233,106
1.1.1	Gross premiums	25	1,311,685	1,266,110
1.1.2	Ceded premiums	25	41,672	33,004
1.2	Commission income	26	333	901
1.3	Gains or losses on remeasurement of financial instruments at fair value through profit or loss	27	7	-4
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	27	529	567
1.5	Gains on other financial instruments and investment property	27	51,650	132,063
1.5.1	Interest income		29,969	53,558
1.5.2	Other income		19,455	8,113
1.5.3	Realised gains		2,226	70,351
1.5.4	Unrealised gains		-	41
1.6	Other income	28	23,483	23,093
1	TOTAL REVENUE		1,346,015	1,389,726
2.1	Net charges relating to claims		900,482	872,542
2.1.1	Amounts paid and change in technical reserves	25	942,541	893,769
2.1.2	Reinsurers' share	25	-42,059	-21,227
2.2	Commission expense	29	117	53
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	27	1,717	4,450
2.4	Losses on other financial instruments and investment property	27	9,971	9,358
2.4.1	Interest expense		342	2,193
2.4.2	Other expense		2,588	2,085
2.4.3	Realised losses		149	9
2.4.4	Unrealised losses		6,892	5,071
2.5	Operating costs		289,860	278,946
2.5.1	Commissions and other acquisition costs	30	238,921	221,162
2.5.2	Investment management costs	30	2,019	1,552
2.5.3	Other administrative costs	30	48,920	56,232
2.6	Other costs	31	33,030	35,788
2	TOTAL COSTS		1,235,177	1,201,137
	PROFIT FOR THE YEAR BEFORE TAXATION		110,838	188,589
3	Income taxes	32	33,068	53,227
	PROFIT FOR THE YEAR		77,770	135,362
4	GAIN (LOSS) ON DISCONTINUED OPERATIONS		-290	-
	CONSOLIDATED PROFIT (LOSS)		77,480	135,362
	of which attributable to the shareholders of the parent		77,483	135,367
	of which attributable to minority interests	15	-3	-5

Basic EARNINGS per share		1.15	2.01
Diluted EARNINGS per share		1.15	2.01

Balance Sheet

Vittoria Assicurazioni S.p.A.

Consolidated financial statements as at 31 March 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)

BALANCE SHEET - ASSETS		Note	31/03/2018	31/12/2017
1	INTANGIBLE ASSETS		5,971	6,673
1.1	Goodwill	1	0	0
1.2	Other intangible assets	2	5,971	6,673
2	PROPERTY, PLANT AND EQUIPMENT		503,805	507,367
2.1	Property	2	497,496	500,625
2.2	Other items of property, plant and equipment	2	6,309	6,742
3	REINSURERS' SHARE OF TECHNICAL RESERVES	3	60,149	63,263
4	INVESTMENTS		2,962,263	2,999,762
4.1	Investment property	4	110,201	111,240
4.2	Investments in subsidiaries and associates and interests in joint ventures	5	19,618	19,357
4.3	Held to maturity investments	6	37,936	44,051
4.4	Loans and receivables	6	198,034	192,126
4.5	Financial assets available for sale	6	2,519,571	2,556,399
4.6	Financial assets at fair value through profit or loss	6	76,903	76,589
5	OTHER RECEIVABLES		168,325	190,581
5.1	Receivables relating to direct insurance	7	131,249	155,238
5.2	Receivables relating to reinsurance business	8	4,732	3,045
5.3	Other receivables	9	32,344	32,298
6	OTHER ASSETS		138,646	140,567
6.1	Non-current assets or assets of a disposal group classified as held for sale		0	0
6.2	Deferred acquisition costs	10	6,058	6,236
6.3	Deferred tax assets	11	91,605	91,506
6.4	Current tax assets	12	32,004	32,552
6.5	Other assets	13	8,979	10,273
7	CASH AND CASH EQUIVALENTS	14	240,510	113,650
	TOTAL ASSETS		4,079,669	4,021,863

Vittoria Assicurazioni S.p.A.

Consolidated financial statements as at 31 March 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)

BALANCE SHEET - EQUITY AND LIABILITIES		Note	31/03/2018	31/12/2017
1	EQUITY		855.246	828.827
1.1	attributable to the shareholders of the parent		855.058	828.636
1.1.1	Share capital	15	67.379	67.379
1.1.2	Other equity instruments	15	0	0
1.1.3	Equity-related reserves	15	33.874	33.874
1.1.4	Income-related and other reserves	15	650.408	572.926
1.1.5	(Treasury shares)	15	0	0
1.1.6	Translation reserve	15	0	0
1.1.7	Fair value reserve	15	80.705	76.985
1.1.8	Other gains or losses recognised directly in equity	15	-11	-11
1.1.9	Profit for the year attributable to the shareholders of the parent		22.703	77.483
1.2	attributable to minority interests	15	188	191
1.2.1	Share capital and reserves attributable to minority interests		191	194
1.2.2	Gains or losses recognised directly in equity		0	0
1.2.3	Profit for the year attributable to minority interests		-3	-3
2	PROVISIONS	16	17.355	16.549
3	TECHNICAL RESERVES	17	2.802.937	2.773.170
4	FINANCIAL LIABILITIES		243.770	237.877
4.1	Financial liabilities at fair value through profit or loss	18	76.894	76.576
4.2	Other financial liabilities	18	166.876	161.301
5	PAYABLES		65.367	83.042
5.1	Payables arising from direct insurance business	19	6.451	9.129
5.2	Payables arising from reinsurance business	20	6.638	8.676
5.3	Other sums payable	21	52.278	65.237
6	OTHER LIABILITIES		94.994	82.398
6.1	Liabilities of a disposal group held for sale		0	0
6.2	Deferred tax liabilities	22	47.041	45.645
6.3	Current tax liabilities	23	10.494	525
6.4	Other liabilities	24	37.459	36.228
	TOTAL EQUITY AND LIABILITIES		4.079.669	4.021.863

Income Statement

Vittoria Assicurazioni S.p.A.
Consolidated financial statements as at 31 March 2018

(€/000)

Income Statement		Note	31/03/2018	31/03/2017	31/12/2017
1.1	Net premiums		325,945	311,081	1,270,013
1.1.1	Gross premiums	25	333,622	318,115	1,311,685
1.1.2	Ceded premiums	25	7,677	7,034	41,672
1.2	Commission income	26	591	88	333
1.3	Gains or losses on remeasurement of financial instruments at fair value through profit or loss	27	-4	-1	7
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	27	135	170	529
1.5	Gains on other financial instruments and investment property	27	12,726	13,864	51,650
1.5.1	Interest income		7,837	6,870	29,969
1.5.2	Other income		4,587	6,977	19,455
1.5.3	Realised gains		302	17	2,226
1.5.4	Unrealised gains		-	-	0
1.6	Other income	28	4,393	3,236	23,483
1	TOTAL REVENUE		343,786	328,438	1,346,015
2.1	Net charges relating to claims		226,769	217,667	900,482
2.1.1	Amounts paid and change in technical reserves	25	230,669	222,418	942,541
2.1.2	Reinsurers' share	25	-3,900	-4,751	-42,059
2.2	Commission expense	29	215	226	117
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	27	174	102	1,717
2.4	Losses on other financial instruments and investment property	27	1,959	1,733	9,971
2.4.1	Interest expense		60	157	342
2.4.2	Other expense		731	570	2,588
2.4.3	Realised losses		125	7	149
2.4.4	Unrealised losses		1,043	999	6,892
2.5	Operating costs		71,763	69,162	289,860
2.5.1	Commissions and other acquisition costs	30	58,586	56,582	238,921
2.5.2	Investment management costs	30	360	373	2,019
2.5.3	Other administrative costs	30	12,817	12,207	48,920
2.6	Other costs	31	10,605	9,005	33,030
2	TOTAL COSTS		311,485	297,895	1,235,177
	PROFIT FOR THE YEAR BEFORE TAXATION		32,301	30,543	110,838
3	Income taxes	32	9,632	8,715	33,068
	PROFIT FOR THE YEAR		22,669	21,828	77,770
4	GAIN (LOSS) ON DISCONTINUED OPERATIONS		31	-	290
	CONSOLIDATED PROFIT (LOSS)		22,700	21,828	77,480
	of which attributable to the shareholders of the parent		22,703	21,810	77,483
	of which attributable to minority interests	15	-3	18	-3
	Basic EARNINGS per share		0.34	0.32	1.15
	Diluted EARNINGS per share		0.34	0.32	1.15

Balance Sheet

Vittoria Capital S.p.A.

Consolidated financial statements as at 31 December 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)

BALANCE SHEET - ASSETS		Note	31/12/2017	31/12/2016
1	INTANGIBLE ASSETS		13,683	16,075
1.1	Goodwill	1	7,010	7,010
1.2	Other intangible assets	2	6,673	9,065
2	PROPERTY, PLANT AND EQUIPMENT		507,367	545,488
2.1	Property	2	500,625	537,862
2.2	Other items of property, plant and equipment	2	6,742	7,626
3	REINSURERS' SHARE OF TECHNICAL RESERVES	3	63,263	63,481
4	INVESTMENTS		3,001,262	2,549,649
4.1	Investment property	4	111,240	89,428
4.2	Investments in subsidiaries and associates and interests in joint ventures	5	19,357	20,138
4.3	Held to maturity investments	6	44,051	44,268
4.4	Loans and receivables	6	193,626	130,177
4.5	Financial assets available for sale	6	2,556,399	2,208,766
4.6	Financial assets at fair value through profit or loss	6	76,589	56,872
5	OTHER RECEIVABLES		190,581	188,720
5.1	Receivables relating to direct insurance	7	155,238	153,950
5.2	Receivables relating to reinsurance business	8	3,045	811
5.3	Other receivables	9	32,298	33,959
6	OTHER ASSETS		140,573	132,205
6.1	Non-current assets or assets of a disposal group classified as held for sale		0	0
6.2	Deferred acquisition costs	10	6,236	5,876
6.3	Deferred tax assets	11	91,506	103,774
6.4	Current tax assets	12	32,552	12,429
6.5	Other assets	13	10,279	10,126
7	CASH AND CASH EQUIVALENTS	14	115,191	264,161
	TOTAL ASSETS		4,031,920	3,759,779

Vittoria Capital S.p.A.

Consolidated financial statements as at 31 December 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)

BALANCE SHEET - EQUITY AND LIABILITIES		Note	31/12/2017	31/12/2016
1	EQUITY		838,755	755,389
1.1	attributable to the shareholders of the parent		433,776	390,965
1.1.1	Share capital	15	47,600	47,600
1.1.2	Other equity instruments	15	0	0
1.1.3	Equity-related reserves	15	0	0
1.1.4	Income-related and other reserves	15	307,353	244,459
1.1.5	(Treasury shares)	15	0	0
1.1.6	Translation reserve	15	0	0
1.1.7	Fair value reserve	15	39,378	29,980
1.1.8	Other gains or losses recognised directly in equity	15	-6	-134
1.1.9	Profit for the year attributable to the shareholders of the parent		39,451	69,060
1.2	attributable to minority interests	15	404,979	364,424
1.2.1	Share capital and reserves attributable to minority interests		329,530	269,798
1.2.2	Gains or losses recognised directly in equity		37,602	28,504
1.2.3	Profit for the year attributable to minority interests		37,847	66,122
2	PROVISIONS	16	16,585	12,865
3	TECHNICAL RESERVES	17	2,773,170	2,661,219
4	FINANCIAL LIABILITIES		237,877	158,707
4.1	Financial liabilities at fair value through profit or loss	18	76,576	56,866
4.2	Other financial liabilities	18	161,301	101,841
5	PAYABLES		83,134	78,355
5.1	Payables arising from direct insurance business	19	9,129	8,454
5.2	Payables arising from reinsurance business	20	8,676	7,504
5.3	Other sums payable	21	65,329	62,397
6	OTHER LIABILITIES		82,399	93,244
6.1	Liabilities of a disposal group held for sale		0	0
6.2	Deferred tax liabilities	22	45,645	50,335
6.3	Current tax liabilities	23	525	4,484
6.4	Other liabilities	24	36,229	38,425
	TOTAL EQUITY AND LIABILITIES		4,031,920	3,759,779

Income Statement

Vittoria Capital S.p.A.

Consolidated financial statements as at 31 December 2017

INCOME STATEMENT

(€/000)

	Income Statement	Note	31/12/2017	31/12/2016
1.1	Net premiums		1,270,013	1,233,106
1.1.1	Gross premiums	25	1,311,685	1,266,110
1.1.2	Ceded premiums	25	41,672	33,004
1.2	Commission income	26	333	901
1.3	Gains or losses on remeasurement of financial instruments at fair value through profit or loss	27	7	-4
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	27	529	567
1.5	Gains on other financial instruments and investment property	27	51,678	132,105
1.5.1	Interest income		29,997	53,558
1.5.2	Other income		19,455	8,155
1.5.3	Realised gains		2,226	70,351
1.5.4	Unrealised gains		-	41
1.6	Other income	28	23,484	23,093
1	TOTAL REVENUE		1,346,044	1,389,768
2.1	Net charges relating to claims		900,482	872,542
2.1.1	Amounts paid and change in technical reserves	25	942,541	893,769
2.1.2	Reinsurers' share	25	-42,059	-21,227
2.2	Commission expense	29	117	53
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	27	1,717	4,450
2.4	Losses on other financial instruments and investment property	27	9,971	9,358
2.4.1	Interest expense		342	2,193
2.4.2	Other expense		2,588	2,085
2.4.3	Realised losses		149	9
2.4.4	Unrealised losses		6,892	5,071
2.5	Operating costs		289,860	278,946
2.5.1	Commissions and other acquisition costs	30	238,921	221,162
2.5.2	Investment management costs	30	2,019	1,552
2.5.3	Other administrative costs	30	48,920	56,232
2.6	Other costs	31	33,184	35,948
2	TOTAL COSTS		1,235,331	1,201,297
	PROFIT FOR THE YEAR BEFORE TAXATION		110,713	188,471
3	Income taxes	32	33,125	53,289
	PROFIT FOR THE YEAR		77,588	135,182
4	GAIN (LOSS) ON DISCONTINUED OPERATIONS		-290	-
	CONSOLIDATED PROFIT (LOSS)		77,298	135,182
	of which attributable to the shareholders of the parent		39,451	69,060
	of which attributable to minority interests	15	37,847	66,122
	Basic EARNINGS per share		0.83	1.45
	Diluted EARNINGS per share		0.83	1.45

Balance Sheet

Vittoria Capital S.p.A.

Consolidated financial statements as at 31 March 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)

BALANCE SHEET - ASSETS		Note	31/03/2018	31/12/2017
1	INTANGIBLE ASSETS		12,981	13,683
1.1	Goodwill	1	7,010	7,010
1.2	Other intangible assets	2	5,971	6,673
2	PROPERTY, PLANT AND EQUIPMENT		503,805	507,367
2.1	Property	2	497,496	500,625
2.2	Other items of property, plant and equipment	2	6,309	6,742
3	REINSURERS' SHARE OF TECHNICAL RESERVES	3	60,149	63,263
4	INVESTMENTS		2,963,763	3,001,262
4.1	Investment property	4	110,201	111,240
4.2	Investments in subsidiaries and associates and interests in joint ventures	5	19,618	19,357
4.3	Held to maturity investments	6	37,936	44,051
4.4	Loans and receivables	6	199,534	193,626
4.5	Financial assets available for sale	6	2,519,571	2,556,399
4.6	Financial assets at fair value through profit or loss	6	76,903	76,589
5	OTHER RECEIVABLES		168,335	190,581
5.1	Receivables relating to direct insurance	7	131,249	155,238
5.2	Receivables relating to reinsurance business	8	4,732	3,045
5.3	Other receivables	9	32,354	32,298
6	OTHER ASSETS		138,651	140,573
6.1	Non-current assets or assets of a disposal group classified as held for sale		0	0
6.2	Deferred acquisition costs	10	6,058	6,236
6.3	Deferred tax assets	11	91,605	91,506
6.4	Current tax assets	12	32,004	32,552
6.5	Other assets	13	8,984	10,279
7	CASH AND CASH EQUIVALENTS	14	241,946	115,191
	TOTAL ASSETS		4,089,630	4,031,920

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)

BALANCE SHEET – EQUITY AND LIABILITIES		31/03/2018	31/12/2017
1	EQUITY	865,167	838,755
1.1	attributable to the shareholders of the parent	447,283	433,776
1.1.1	Share capital	47,600	47,600
1.1.2	Other equity instruments	0	0
1.1.3	Equity-related reserves	0	0
1.1.4	Income-related and other reserves	346,804	307,353
1.1.5	(Treasury shares)	0	0
1.1.6	Translation reserve	0	0
1.1.7	Fair value reserve	41,280	39,378
1.1.8	Other gains or losses recognised directly in equity -	-6	-6
1.1.9	Profit for the year attributable to the shareholders of the parent	11,605	39,451
1.2	attributable to minority interests	417,884	404,979
1.2.1	Share capital and reserves attributable to minority interests	367,378	329,530
1.2.2	Gains or losses recognised directly in equity	39,419	37,602
1.2.3	Profit for the year attributable to minority interests	11,087	37,847
2	PROVISIONS	17,355	16,585
3	TECHNICAL RESERVES	2,802,937	2,773,170
4	FINANCIAL LIABILITIES	243,770	237,877
4.1	Financial liabilities at fair value through profit or loss	76,894	76,576
4.2	Other financial liabilities	166,876	161,301
5	PAYABLES	65,407	83,134
5.1	Payables arising from direct insurance business	6,451	9,129
5.2	Payables arising from reinsurance business	6,638	8,676
5.3	Other sums payable	52,318	65,329
6	OTHER LIABILITIES	94,994	82,399
6.1	Liabilities of a disposal group held for sale	0	0
6.2	Deferred tax liabilities	47,041	45,645
6.3	Current tax liabilities	10,494	525
6.4	Other liabilities	37,459	36,229
	TOTAL EQUITY AND LIABILITIES	4,089,630	4,031,920

Income Statement

Vittoria Capital S.p.A.

Consolidated financial statements as at 31 March 2018

(€/000)

Income Statement	31/03/2018	31/03/2017	31/12/2017
Net premiums	325,945	311,081	1,270,013
<i>Gross premiums</i>	333,622	318,115	1,311,685
<i>Ceded premiums</i>	7,677	7,034	41,672
Commission income	591	88	333
Gains or losses on remeasurement of financial instruments at fair value through profit or loss	-4	-1	7
Gains on investments in subsidiaries and associates and interests in joint ventures	135	170	529
Gains on other financial instruments and investment property	12,730	13,874	51,678
<i>Interest income</i>	7,841	6,880	29,997
<i>Other income</i>	4,587	6,977	19,455
<i>Realised gains</i>	302	17	2,226
<i>Unrealised gains</i>	-	-	0
Other income	4,429	3,236	23,484
TOTAL REVENUE	343,826	328,448	1,346,044
Net charges relating to claims	226,769	217,667	900,482
<i>Amounts paid and change in technical reserves</i>	230,669	222,418	942,541
<i>Reinsurers' share</i>	-3,900	-4,751	-42,059
Commission expense	215	226	117
Losses on investments in subsidiaries and associates and interests in joint ventures	174	102	1,717
Losses on other financial instruments and investment property	1,959	1,733	9,971
<i>Interest expense</i>	60	157	342
<i>Other expense</i>	731	570	2,588
<i>Realised losses</i>	125	7	149
<i>Unrealised losses</i>	1,043	999	6,892
Operating costs	71,763	69,162	289,860
<i>Commissions and other acquisition costs</i>	58,586	56,582	238,921
<i>Investment management costs</i>	360	373	2,019
<i>Other administrative costs</i>	12,817	12,207	48,920
Other costs	10,652	9,043	33,184
TOTAL COSTS	311,532	297,933	1,235,331
PROFIT FOR THE YEAR BEFORE TAXATION	32,294	30,515	110,713
Income taxes	9,633	8,715	33,125
PROFIT FOR THE YEAR	22,661	21,800	77,588
GAIN (LOSS) ON DISCONTINUED OPERATIONS	31	-	290
CONSOLIDATED PROFIT (LOSS)	22,692	21,800	77,298
of which attributable to the shareholders of the parent	11,605	10,631	39,451
of which attributable to minority interests	11,087	11,169	37,847
Basic EARNINGS per share	0.24	0.22	0.83
Diluted EARNINGS per share	0.24	0.22	0.83

TAXATION

The following summary contains a description of certain Italian and EU tax consequences in respect of the purchase, ownership and disposal of Notes.

The following is a general description of certain Italian tax consequences relating to the purchase, the ownership and the disposal of the Notes. It does not purport to be a comprehensive analysis of all tax considerations relating to the Notes and does not discuss every aspect of Italian taxation that may be relevant to a holder of the Notes especially but not only if such holder is subject to special circumstances or if such holder is subject to special treatment under applicable law.

Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

This overview is based upon Italian tax laws and practice in effect as at the date of these Listing Particulars and is subject to any change in law that may take effect after such date, potentially with retroactive effect. For Holders who are not resident in Italy for tax purposes, applicable tax treaties may reduce or nullify the Italian withholding tax rates set out below.

Italian Tax Treatment of the Notes

Italian Legislative Decree No. 239 of April 1, 1996, as amended and supplemented (**Decree 239**), regulates the tax treatment of interest, premium and other income, including the difference between the redemption amount and the issue price (hereinafter collectively referred to as **Interest**) from certain securities (i) issued, *inter alia*, by Italian stock companies listed in a regulated market or multilateral trading facility situated or operating in an EU country or in a white list country of the European Economic Area; or (ii) listed in one of the above mentioned markets or multilateral trading facilities.

The provisions of Decree 239 apply to Notes issued by the Issuer that qualify as *obbligazioni* (bonds) or *titoli similari alle obbligazioni* (debentures similar to bonds) pursuant to Article 44 of Presidential Decree No. 917 of December 22, 1986, as amended and supplemented (**Decree 917**).

The tax regime set forth by Decree 239 also applies to interest, premium and other income from regulatory capital financial instruments complying with EU and Italian regulatory principles, issued by, *inter alia*, Italian insurance companies, other than shares and assimilated instruments.

Taxation of Interests

Italian Resident Holders

Pursuant to Decree 239, as amended:

- (a) payments of Interest in respect of Notes are not subject to withholding taxes but to a final *imposta sostitutiva* at the rate of 26 per cent if made to beneficial owners who are: (i) individuals resident in Italy for tax purposes not holding the Notes in connection with entrepreneurial activities, unless they have entrusted the management of their financial assets, including the Notes, to an authorized intermediary and have opted for the *Risparmio Gestito* Regime according to Article 7 of Legislative Decree 461 of November 21, 1997 (see “*Capital gains*” below); (ii) non-commercial Italian resident partnerships (other than *società in nome collettivo*, *società in accomandita semplice* or similar partnerships), *de facto* partnerships not carrying out commercial activities and professional associations; (iii) non-commercial Italian resident public and private entities, other than companies and trusts; and (iv) investors exempt from Italian corporate income taxation.

In the event that the Holders described under (i) and (iii) above are engaged in entrepreneurial activities to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Law No. 232 of 11 December 2016 (**Finance Act 2017**), as amended and supplemented), introduced a special exemption regime for income arising *inter alia* from securities (including the Notes) held in a long-term savings account (*piano individuale di risparmio a lungo termine*). In particular, subject to certain conditions (including minimum holding period requirement) and limitations and Interest arising from financial assets held in a long-term savings account (*piano individuale di risparmio a lungo termine*) by: (i) Italian resident individuals, not engaged in an entrepreneurial activity, or (ii) social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996, may be exempt from any income taxation (including *imposta sostitutiva*).

- (b) payments of Interest in respect of Notes are not subject neither to the final withholding tax nor to *imposta sostitutiva* if made to beneficial owners that are: (i) Italian resident corporations or permanent establishments in Italy of non-resident entities to which the Notes are effectively connected; (ii) Italian resident collective investment funds, Italian resident pension funds and Italian resident real estate investment funds; (iii) Italian resident partnerships carrying out commercial activities (*società in nome collettivo* or *società in accomandita semplice*); (iv) public or private entity, other than a company, carrying out a commercial activity and holding the Notes in connection with such commercial activity (v) Italian resident individuals and any person that can opt for the regime provided for by Article 7 of the Legislative Decree 461/1997 not holding the Notes in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an Italian authorized financial intermediary and have opted for the *Risparmio Gestito* Regime.

To ensure that payment of Interest in respect of Notes is made without the application of the *imposta sostitutiva*, investors indicated in sub-paragraph (b) above must (i) be the beneficial owners of Interest payments; and (ii) deposit the Notes and the relevant coupons (if any) in due time directly or indirectly with an Italian authorized financial intermediary or a permanent establishment in Italy of a foreign intermediary (hereinafter referred to as the **Intermediary** and collectively, the **Intermediaries**).

Interest accrued on the Notes is included in the corporate taxable income (and in certain circumstances, depending on the “status” of the Holders, also in the net value of production for the purposes of regional tax on productive activities – **IRAP**) of beneficial owners who are Italian resident corporations or Italian permanent establishments of foreign entities to which the Notes are effectively connected, subject to taxation according to the ordinary rules and at the ordinary rates.

Italian resident open-ended or closed-ended collective investment funds, *Società di Investimento a Capitale Fisso* (**SICAF**) or *Società di Investimento a Capitale Variabile* (**SICAV**) (together the **Funds** and each a **Fund**) will not be subject to *imposta sostitutiva* provided that (i) their manager is subject to the supervision of a regulatory authority and (ii) the Notes and the relevant coupons (if any) are deposited in a proper and timely manner directly or indirectly with an Intermediary. In such case, Interest is included in the annual net accrued result of the Fund, which may be subject to a withholding tax of 26 per cent upon distribution to the unitholders (final or on account depending on the status of the unitholder).

Italian resident pension funds subject to the regime provided by Article 17 of Legislative Decree No. 252 of 5 December 2005 (**Pension Funds**) are generally subject to a 20 per cent substitute tax on their annual net accrued result. To the extent that the Notes and the relevant coupons (if any) are deposited in a proper and timely manner directly or indirectly with an Intermediary, Interest on Notes is not subject to *imposta sostitutiva* but is included in the calculation of the above mentioned annual net accrued result. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term

savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017.

For Italian resident real investment funds to which the provisions of Law Decree No. 351 of September 25, 2001, as subsequently amended (the **Real Estate Investment Funds**), apply, Interest accrued during the holding period on the Notes is subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Investment Fund to the extent that the Notes and the relevant coupons (if any) are deposited in a proper and timely manner directly or indirectly with an Intermediary. The income of the Real Estate Investment Fund is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Non-Italian Resident Holders

According to Decree 239, Interest in respect of Notes paid to non-Italian resident beneficial owners of the Notes without permanent establishment in Italy to which the Notes are effectively connected, are not subject to *imposta sostitutiva* provided that:

- (a) such beneficial owners are resident, for tax purposes, in a country which allows for an adequate exchange of information with the Italian tax authorities as listed in the Italian Ministerial Decree dated 4 September 1996, as amended and supplemented by Ministerial Decree dated 23 March 2017 pursuant to Article 11 (4) (c) of Decree 239 (as amended by Article 10 of Legislative Decree No. 147 of 14 September 2015) (the **White List**); and
- (b) all the requirements and procedures set forth in Decree 239 and in its implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met and complied with in due time.

Decree 239 also provides for additional exemptions from *imposta sostitutiva* on Interest paid to (i) international bodies or entities set up in accordance with international agreements which have entered into force in Italy; (ii) institutional investors, whether or not subject to tax, listed in the White List, even if they do not possess the status of taxpayer therein; and (iii) Central Banks or other entities managing, *inter alia*, the official reserves of a foreign State.

To ensure that payment of Interest in respect of Notes is made without the application of 26 per cent. *imposta sostitutiva*, investors indicated above must (i) be the beneficial owners of Interest payments (or must be certain non-Italian resident institutional investors indicated under the previous paragraph); (ii) deposit in due time the Notes together with the relevant coupons (if any) directly or indirectly with an Italian Intermediary, or a permanent establishment in Italy of a non-Italian Intermediary, or with a non-Italian resident operator participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; and (iii) file in due time with the relevant depository a declaration (*autocertificazione*), in which they declare that they are eligible to benefit from the applicable exemption from *imposta sostitutiva* (certain non-Italian resident institutional investors may be required to file certain additional documentation) (iv) declare to the relevant depository all necessary information to identify the non-resident beneficial owner of the deposited debt securities, and all necessary information in order to determine the amount of interest that such beneficial owner is entitled to receive. Such declaration is valid until withdrawn or revoked and must not be submitted if a certificate, declaration or other similar document meant for equivalent uses has been submitted previously to the same depository.

Imposta sostitutiva will be applicable at the rate of 26 per cent (or, in any case, at the reduced rate provided for by the applicable double tax treaty, if any) to interest paid to Holders who do not fall in any of the above mentioned categories or do not timely and properly comply with the set procedural requirements.

Taxation of Capital gains

Italian Resident Holders

Pursuant to Legislative Decree No. 461 of 21 November 1997 (**Decree 461**) as amended, a 26 per cent. Italian capital gains tax (**CGT**) is in certain cases applicable to capital gains realized on the sale or transfer of the Notes for consideration or on redemption thereof.

For the purposes of determining the taxable capital gain, any Interest on the Notes accrued and unpaid up to the time of, respectively, the purchase and the sale of the Notes must be deducted both from the purchase price and the sale price.

The CGT is payable on capital gains realized on any sale or transfer for consideration of the Notes or redemption thereof by:

- (i) any Italian resident individual not holding the Notes in connection with an entrepreneurial activity to which the Notes are effectively connected;
- (ii) an Italian resident partnership not carrying out commercial activities;
- (iii) an Italian private or public institution not carrying out mainly or exclusively commercial activities.

Such Holders can opt for one of the three following regimes:

- (a) pursuant to the tax declaration regime (***Regime della Dichiarazione***), which is the default regime for Holders under (i) to (iii) above, the Holder has to indicate the overall capital gains realized in a given fiscal year, net of any relevant incurred capital losses, in his annual income tax return and pay CGT due on capital gains so determined together with any balance income tax due for such fiscal year. Capital losses exceeding capital gains may be carried forward against capital gains realized in any of the four succeeding fiscal years. 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 66**), capital losses may be carried forward to 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 capital losses realised from 1 January 2012 to 30 June 2014;
- (b) pursuant to the administrated savings regime (the ***Risparmio Amministrato Regime***), Italian resident individual Holders under (i) to (iii) above may elect to pay CGT separately on capital gains realized on each sale, transfer or redemption of the Notes. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with an Intermediary and (ii) an express election for the *Risparmio Amministrato* Regime being timely made in writing by the relevant Holder. The Intermediary is responsible for accounting for CGT in respect of capital gains realized on each sale, transfer or redemption of the Notes (as well as in respect of capital gains realized upon the revocation of its mandate), net of any incurred capital loss. The Intermediary must also pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Holder or using funds provided by the Holder for this purpose. Where a particular sale, transfer or redemption of the Notes results in a capital loss, the Intermediary is entitled to deduct such loss from capital gains subsequently realized, within the same securities management, in the same fiscal year or in the following fiscal years up to the fourth. Pursuant to Decree 66, capital losses may be carried forward to 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 capital losses realised from 1 January 2012 to 30 June 2014. Under the *Risparmio Amministrato* Regime, the Holder is not required to declare the gains in its annual income tax return; and
- (c) pursuant to the managed savings regime (***Risparmio Gestito Regime***), if the management of the financial assets (including the Notes) held by Holders under (i) to (iii) above is entrusted to an

authorized Intermediary, the related capital gains are not subject to CGT, but must be included in the computation of the annual increase in value of the Notes accrued, even if not realized, at year end and subject to a 26 per cent substitute tax, to be paid by the managing authorized Intermediary on behalf of the Holder. Any depreciation of the managed assets investment portfolio accrued at year end may be carried forward against future increase in value of the managed assets accrued in any of the four succeeding fiscal years. Under the *Risparmio Gestito* Regime, the Holder is not required to declare the gains in its annual income tax return. Pursuant to Decree No. 66, decreases in value of the managed assets registered from 1 January 2012 to 30 June 2014 may be carried forward to 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 decreases in value.

Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains realized from the disposal or redemption of financial assets held in a long-term savings account (*piano individuale di risparmio a lungo termine*) by: (i) Italian resident individuals, not engaged in an entrepreneurial activity, or (ii) social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996, may be exempt from any income taxation (including CGT) under the special regime introduced by Finance Act 2017.

Any capital gains realized upon the sale for consideration or redemption of the Notes would be treated as part of the taxable business income (and, in certain cases, also be included in the taxable net value of the production for IRAP purposes) and subject to tax in Italy according to the relevant tax provisions, if derived by Holders who are (i) Italian resident companies or similar commercial entities; (ii) Italian permanent establishments of foreign entities to which the Notes are effectively connected; or (iii) Italian resident individuals engaged in entrepreneurial activities, where such capital gains are realized within the scope of the entrepreneurial activity carried out.

Funds will not be subject to the CGT, but capital gains realized on the sale or redemption of the Notes will be included in the result of the relevant portfolio accrued at the end of the relevant fiscal year. Such result will not be taxed at the level of the Funds, but income realized in case of distributions, redemption or sale of the units or shares by unitholders or shareholders may be subject to a 26 per cent withholding tax.

Any capital gains realized on the sale or redemption of the Notes by Italian Pension Funds will be included in the result of the relevant portfolio accrued at the end of the fiscal year and subject to a 20 per cent substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest arising from financial assets held in a long-term savings account (*piano individuale di risparmio a lungo termine*) by: (i) Italian resident individuals, not engaged in an entrepreneurial activity, or (ii) social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996, may be exempt from any income taxation (including CGT) under the special regime introduced by Finance Act 2017.

Any capital gains realized by Italian Real Estate Investment Funds will be subject neither to CGT nor to any other income tax at the level of the Real Estate Investment Funds. However, a 26 per cent withholding tax will apply to distributions made to unitholders.

Non-Italian Resident Holders

According to the provisions set forth by Articles 23 and 67 of the Decree 917, the 26 per cent CGT provided for by Article 5 of Decree 461 may in certain circumstances be payable on capital gains realized upon sale, transfer or redemption of the Notes by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23 of Decree 917, any capital gains realized by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market (as defined in the EU Directive No. 2014/65/EU) in Italy or abroad, and that in

certain cases subject to timely filing of required documentation (in the form of a declaration (*autocertificazione*) of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, and regardless of the provisions of any applicable double tax treaty.

Where the Notes are not listed on a regulated market in Italy or abroad:

- (a) pursuant to Article 5 of Decree 461, and to Article 6 of Decree 239, non-Italian resident beneficial owners of Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from taxation in Italy on any capital gains realized upon sale for consideration or redemption of the Notes if they are resident, for tax purposes, in a country which recognizes the Italian tax authorities' right to a satisfactory exchange of information (included in the White List). Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the *Risparmio Amministrato* Regime or the *Risparmio Gestito* Regime, exemption from Italian taxation on capital gains applies on condition that they file in time with the authorized financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirement of residence, for tax purposes, in a country included in the White List; and
- (b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy providing that capital gains realized upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, are not subject to taxation in Italy on any capital gains realized upon sale for consideration or redemption of the Notes. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the *Risparmio Amministrato* Regime or the *Risparmio Gestito* Regime, exemption from Italian taxation on capital gains generally applies on the condition that they promptly file in time with the authorized financial intermediary appropriate documents which include, *inter alia*, a self-declaration attesting that all the requirements for the application of the relevant double taxation treaty are met.

Inheritance and Gift Taxes

Transfers of any valuable assets (including the Notes) as a result of death or donations (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are subject to inheritance and gift taxes, as follows:

- (a) transfers of the Notes in favour of the spouse and of direct descendants or ascendants are subject to a 4 per cent inheritance and gift tax on the value of the Notes exceeding €1,000,000.00 for each beneficiary;
- (b) transfers of the Notes in favour of brothers and sisters are subject to a 6 per cent inheritance and gift tax on the value of the Notes exceeding €100,000.00 for each beneficiary;
- (c) transfers of the Notes in favour of relatives ("*parenti*") up to the fourth degree, of direct relatives-in-law ("*affini in linea retta*") and of indirect relatives-in-law ("*affini in linea collaterale*") within the third degree are subject to a 6 per cent inheritance and gift tax on the value of the Notes; and
- (d) any other transfer is subject to a 8 per cent inheritance and gift tax on the value of the Notes.

For the purposes of the inheritance and gift tax, transfers performed upon constitution of trusts may also be regarded as taxable transfers, with the tax varying depending on the familiar relationship between the settlor and the beneficiaries.

If the beneficiary of any of such transfers is made in favour of persons with severe disabilities recognized pursuant to Law No. 104 of 5 February 1992, the inheritance and gift tax applies only on the value of the Notes exceeding €1,500,000.00 (per beneficiary), at the rates illustrated above, depending on the relationship existing between the deceased or donor and the beneficiary.

With respect to listed Notes, the value for inheritance and gift tax purposes is the average stock exchange price of the last quarter preceding the date of the succession or of the gift (increased by the interest accrued meanwhile). On the contrary, the value non-listed Notes for inheritance and gift tax purposes is determined by reference to the value of listed debt securities having similar features or based on other certain elements.

Pursuant to Law No. 112 of 22 June 2016, special exemption from inheritance and gift tax apply to transfers to trust or other fiduciary schemes in favour of persons with severe disabilities on condition that they have been established with the exclusive purpose – to be indicated in the trust deed – of taking care and assisting people with severe disabilities.

Transfer Tax

Contracts relating to the transfer of securities (including the Notes) are subject to a €200.00 registration tax as follows: (i) public deeds and notarized deeds (“*atti pubblici e scritture private autenticate*”) must be mandatory registered; (ii) private deeds (“*scritture private non autenticate*”) must be registered only in the case of use or voluntary registration.

Stamp Duty

Pursuant to Article 13(2-ter) of the Tariff, Annex A, Part I, attached to Presidential Decree No. 642 of 26 October 1972, a proportional stamp duty applies on a yearly basis at the rate of 0.2 per cent on the market value or – in the lack of a market value – on the nominal value or the redemption amount of any financial product (including the Notes). The stamp duty cannot exceed €14,000.00 for taxpayers different from individuals. Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy of 29 July 2009, as subsequently amended and restated) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth Tax on Financial Products Deposited Abroad

In accordance with Article 19 of Decree No. 201 of 6 December 2011, converted into Law No. 214 of 22 December 2011, Italian resident individuals holding financial products (including the Notes) outside of the Italian territory are required to pay an additional wealth tax at a rate of 0.2 per cent in proportion to the holding period. The wealth tax applies on the market value of the Notes at the end of the relevant fiscal year or – if no market value is available – the nominal value or the redemption value of such financial products held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial products are held (up to an amount equal to the Italian wealth tax due).

Financial assets held abroad are excluded from the scope of the wealth tax if such assets are administered by Italian financial intermediaries pursuant to an administration agreement. In this case, the above mentioned stamp duty provided for by Article 13(2-ter) of the Tariff, Annex A, Part I, attached to Presidential Decree No. 642 of 26 October 1972, does apply.

Tax Monitoring Obligations

Italian resident individuals, non-commercial entities, non-commercial partnerships and similar institutions are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990 converted into law by Law Decree No. 227 of 4 August 1990, as amended from time to time, for tax monitoring purposes, the amount of Notes held abroad during each tax year. The requirement applies also

where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through their intervention, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a €15,000.00 threshold throughout the year.

Foreign Account Tax Compliance Act (FATCA)

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.

The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions, including the Republic of Italy, 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. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. 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 and Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay Additional Amounts as a result of the FATCA withholding.

The proposed European Union financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission’s Proposal**) for a Directive for a common EU FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Morgan Stanley & Co. International plc and Banca Akros S.p.A. – Gruppo Banco BPM (the **Joint Lead Managers** or the **Managers**) have, pursuant to a Subscription Agreement (the **Subscription Agreement**) dated 9 July 2018 and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Notes and will be paid certain commission as set out therein. The Issuer will also reimburse the Managers in respect of certain of their expenses. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Each Manager has represented and agreed that, except as permitted by the relevant Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to EEA retail investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression **retail investor** means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Each Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Market Act 2000 (the **FSMA**) received by it in connection

with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each of the Managers has represented and agreed that no Notes may be offered, sold or delivered, nor may copies of these Listing Particulars or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) as implemented by Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**) and by Article 35, first paragraph, letter (d) of CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time (**Regulation No. 20307**); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act or CONSOB's implementing regulations, including Article 34-ter of Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of these Listing Particulars or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must:

- (i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Regulation No. 20307 and Legislative Decree No. 385 of 1st September 1993, as amended (the **Banking Act**); and
- (ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, issued on 25 August 2015 as amended on 10 August 2016, as further amended from time to time) and/or any other competent authority.

General

Each Manager has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the Notes or possesses or distributes these Listing Particulars and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer nor any of the Managers shall have any responsibility therefor.

None of the Issuer and the Managers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The issue of the Notes was duly authorised by a resolution of the Board of Directors of the Issuer dated 4 June 2018.

Listing, Admission to Trading and Approval

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on the Global Exchange Market which is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of MiFID II.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the Global Exchange Market of Euronext Dublin.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for the Notes is XS1855456288 and the Common Code is 185545628.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

No Significant Change and No Material Adverse Change

There has been no significant change in the financial or trading position of the Group since 31 March 2018 and no material adverse change in the prospects of the Issuer since 31 December 2017.

Legal and Arbitration Proceedings

Save as disclosed in "*Description of the Issuer – Legal and Arbitration Proceedings*" of these Listing Particulars, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Auditors

The independent auditors of the Issuer are Deloitte & Touche S.p.A., who have audited the Issuer's consolidated financial statements, without qualification, in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the European Union for the financial year ended, respectively, on 31 December 2016 and 31 December 2017.

Deloitte & Touche S.p.A. is registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) maintained by Minister of Economy and Finance effective from June 7, 2004. The registration number is no. 132587.

U.S. tax

The Notes and Coupons will contain the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Documents Available

For as long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market, copies of the following documents will, when published, be available in physical format for inspection from the specified office of the Fiscal Agent.

- (1) the By-laws (*statuto*) of the Issuer (with an English translation thereof);
- (2) the unaudited interim consolidated financial statements of the Issuer in respect of the three months period ended 31 March 2018 (with an English translation thereof);
- (3) the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2017 and 2016 (with an English translation thereof), in each case together with the audit reports prepared in connection therewith. The Issuer currently prepares audited accounts on an annual basis;
- (4) the unaudited quarterly consolidated interim financial results as at and for the three months period ended 31 March 2018 of the Vittoria Capital Group (with an English translation thereof);
- (5) the audited consolidated annual financial statements for the financial year ended 31 December 2017 of the Vittoria Capital Group (with an English translation thereof), together with the audit report prepared in connection therewith;
- (6) these Listing Particulars; and
- (7) the Agency Agreement.

In addition, copies of each document incorporated by reference herein are available on the Issuer's website at www.vittoriaassicurazioni.com.

Yield

The yield on the Notes will be 5.750 per cent. per annum.

Interests of natural and legal persons involved in the issue of Notes

Certain of the Managers and their affiliates have engaged, and may in the future engage, in lending, advisory, investment banking, corporate finance services and other related transactions with the Issuer and/or Issuer's affiliates and/or companies involved directly or indirectly in the sectors in which the Issuer operates. In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers.

Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Managers or their affiliates that have a significant lending relationship with the Issuer and/or Issuer's affiliates, may routinely hedge their credit exposure to the Issuer and/or Issuer's affiliates consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Listing Particulars. Any such short positions could affect future trading prices of Notes issued under the Listing Particulars.

The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In relation to the issue and subscription of the Notes, fees and/or commissions may be payable to the relevant Managers. In addition, certain Managers and/or their affiliates are lenders under financing facilities that may be repaid as part of the Issuer's refinancing arrangements following the issue of the Notes. Certain Managers or their affiliates may also act as counterparties in the hedging arrangements that the Issuer may enter into in connection with such refinancing arrangements and receive customary fees for their services in such capacities.

For the purpose of the above paragraphs in this sub-section, the term "affiliates" also includes parent companies.

With specific reference to Banca Akros S.p.A. – Gruppo Banco BPM and Banco BPM S.p.A., parent company of Banca Akros S.p.A. – Gruppo Banco BPM, please also see below.

Banca Akros S.p.A. – Gruppo Banco BPM as intermediary responsible for the tender and exchange offer announced by Vittoria Capital

In the context of the tender and exchange offer on the shares of the Issuer announced by Vittoria Capital with its press release dated 16 May 2018, Banca Akros S.p.A. – Gruppo Banco BPM is the Intermediary Responsible for the collection of adhesions (*Intermediario Incaricato della raccolta delle adesioni*).

Banco BPM S.p.A. as lender in favour of Vittoria Capital in the context of the tender and exchange offer announced by Vittoria Capital

On 19 June 2018, Banco BPM S.p.A. approved in favour of Vittoria Capital credit facilities for a total amount equal to €385,000,000 in the context of the tender and exchange offer announced by Vittoria Capital. These credit facilities are still subject to the approval by the relevant parties of contractual terms, conditions and guarantees that will be negotiated in line with market practice for transactions having similar nature and duration.

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Fiscal Agent and Principal Paying Agent

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