



Credemvita S.p.A.

€107,500,000 Fixed Rate Resettable Subordinated Notes due 18 February 2031

Issue Price: 98.330 per cent.

The €107,500,000 Fixed Rate Resettable Subordinated Notes due 18 February 2031 (the **Notes**) of Credemvita S.p.A. (the **Issuer**) will be issued on 18 November 2020 (the **Issue Date**).

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

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 or purchased and cancelled in accordance with the Terms and Conditions of the Notes (the **Conditions**) and subject as set out in Condition 5.2 (*Mandatory Interest Deferral*), the Notes will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 18 February 2026 (the **First Reset Date**) at a rate of 3.500 percent per annum, and payable annually in arrear on 18 February in each year, provided that the first payment shall be made on 18 February 2021 in respect of the shorter period from (and including) the Issue Date to (but excluding) 18 February 2021. From (and including) the First Reset Date to (and including) the Maturity Date, unless previously redeemed or purchased and cancelled in accordance with the Conditions, the Notes will bear interest at the Reset Rate of Interest and payable annually in arrear on 18 February in each year (each, an **Interest Payment Date**), commencing on 18 February 2026. The Issuer is required to defer accrued interest on the Notes in the circumstances set out in Condition 5.2 (*Mandatory Interest Deferral*).

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 18 February 2031 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 plus accrued interest on any day falling in the period commencing on the First Call Date and ending on the First Reset Date or at any time upon the occurrence of a Tax Event, a Regulatory Event or a Rating Methodology Event (each term as defined in the Conditions).

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 and to the extent permitted by the applicable laws and regulations, exchange the Notes for new notes replacing the Notes (the **Exchanged Notes**), so that (i) in the case of a Tax Event, the Exchanged Notes no longer trigger the relevant Tax Event, (ii) in the case of a Regulatory Event, the aggregate nominal amount of the Exchanged Notes is treated under the Applicable Regulations as Tier 2 Own Funds of the Issuer 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 receive (or continue to receive) the equity credit first assigned to the Notes by the relevant Rating Agency. Any such exchange 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 listing on the official list of Euronext Dublin (the **Official List**) and 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 depositary 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 28 December 2020 (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 BB by Fitch Ratings Ireland Limited Sede Secondaria Italiana, 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, Structuring Advisor and Sole Manager

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.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which these Listing Particulars refers does not form part of these Listing Particulars and has not been scrutinised or approved by the Central Bank of Ireland.

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 (the **Sole Manager**) 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 Sole Manager does 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, neither the Sole Manager nor 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 the Sole Manager or on its behalf in connection with the Issuer or the issue and offering of any Notes. Each of the Sole Manager 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 the Sole 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 the Sole 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 the Sole 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 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 Sole Manager expressly does not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to its 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. Neither of the Issuer nor the Sole Manager 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 Sole Manager 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 European Economic Area, 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 Issuer's good faith estimates, the Issuer'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 Sole Manager 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.

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, the **Issuer** means Credemvita S.p.A.

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 the 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 manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**) or in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation.

TABLE OF CONTENTS

Section	Page
Overview	8
Risk Factors.....	14
Documents Incorporated by Reference.....	37
Terms and Conditions of the Notes.....	39
Summary of Provisions relating to the Notes while Represented by the Global Notes	69
Use of Proceeds.....	71
Description of the Issuer.....	72
Taxation.....	94
Subscription and Sale.....	103
General Information.....	105

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:	Credemvita S.p.A.
Description:	€107,500,000 Fixed Rate Resettable Subordinated Notes due February 2031 (the Notes).
Global Coordinator and Structuring Advisor:	Morgan Stanley & Co. International plc
Sole Manager:	Morgan Stanley & Co. International plc
Fiscal Agent:	BNP Paribas Securities Services, Luxembourg Branch
Use of Proceeds:	The net proceeds of the issue of the Notes will be applied by the Issuer for its general corporate purposes and to benefit the Issuer's regulatory capital structure.
Maturity date:	18 February 2031
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 direct, unconditional and unsecured subordinated obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves and: (i) junior to any unconditional, unsubordinated, unsecured obligations of the Issuer (including liabilities to policyholders of the Issuer) and any other obligations which are less subordinated than the Notes; and (ii) at least equally with the Issuer's payment obligations in respect of any Parity Securities; and (iii) senior to the Issuer's payment obligations in respect of 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.

Initial Rate of Interest:

The Notes will bear interest on their principal amount from (and including) the Issue Date to (but excluding) the First Reset Date at a rate of 3.500%, and payable annually in arrear on 18 February in each year (**Interest Payment Date**), provided that the first payment shall be made on 18 February 2021 in respect of the shorter period from (and including) the Issue Date to (but excluding) 18 February 2021.

Reset Rate of Interest:

Unless the Notes are redeemed for the Optional Redemption or upon occurrence of an Early Redemption Event, the Notes will bear interest on their principal amount from (and including) the First Reset Date to (but excluding) the Maturity Date at the Reset Rate of Interest, and payable annually in arrear on every Interest Payment Date, commencing on 18 February 2026 and ending on (and including) the Maturity Date.

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 interest not paid on any Interest Payment Date, together with any other interest in respect thereof not paid on an earlier Interest Payment Date 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 and payable upon the earliest of:

- (i) the next Interest Payment Date which is a 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 date on which any winding up, dissolution, liquidation or bankruptcy (including, inter alia, *Liquidazione Coatta Amministrativa*) of the Issuer is commenced or on which the Issuer becomes 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 2070 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 Redemption by the Issuer:

The Notes may be redeemed at the option of the Issuer, subject to Conditions to Redemption and Purchase, in whole but not in part on any day falling in the period commencing on (and including) the First Call Date and ending on the First Reset Date at 100 per cent. of their nominal value together with accrued interest thereon.

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 Relevant Supervisory Authority 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, 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:

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 and to the extent permitted by the applicable laws and regulations, exchange the Notes for new notes replacing the Notes (the **Exchanged Notes**) so that (i) in the case of a Tax Event, the Exchanged Notes no longer trigger the relevant Tax Event, (ii) in the case of a Regulatory Event, the aggregate nominal amount of the Exchanged Notes is treated under the Applicable Regulations as Tier 2 Own Funds of the Issuer 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 receive (or continue to receive) the equity credit first assigned to the Notes by the relevant Rating Agency. Any such exchange is subject to certain conditions.

Purchases:

The Issuer 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) at any price in the open market or otherwise. Where permitted by applicable law and regulation, all Notes purchased may be cancelled or held, reissued or resold at the discretion of the relevant purchaser.

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 Relevant Supervisory Authority (unless such approval is not required under Applicable Regulations).

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

Listing:

Application has been made to Euronext Dublin for the Notes to be admitted to listing on the Official List and 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 BB by Fitch Ratings Ireland Limited Sede Secondaria Italiana.
- 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 EEA, the UK 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 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, 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

Risks relating to the Issuer

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes

The Issuer's business is subject to global macroeconomic conditions and conditions in financial markets

The profitability and solvency of the Issuer is influenced by the conditions of the general economy and of the financial markets and, above all, by the stability, economic growth prospects and creditworthiness of Italy, the main country in which the Issuer and the Credem Group operates. The global financial system still has to overcome some of the difficulties which began in August 2007 and which were intensified by the bankruptcy of Lehman Brothers in September 2008. Financial market conditions have remained challenging and, in certain respects, have deteriorated. Credit quality has generally declined, as reflected by the downgrades suffered by several countries in the Eurozone, including Italy, since the start of the sovereign debt crisis. The large sovereign debts and/or fiscal deficits in certain European countries, including Italy, have raised concerns regarding the financial condition of Eurozone financial institutions and their exposure to such countries. The principal international organisations devoted to analysis of the economy (such as the International Monetary Fund) have further adjusted their negative projections made in 2012 for the growth of the Italian economy. A further deterioration of the existing economic and financial conditions and continuing stagnation of the Italian economy could slow down the Issuer and the Credem Group's business activities and

render it more difficult and costly to obtain the necessary funding, with consequential negative effects on the results of operation and/or financial condition of the Issuer and the Credem Group. The current dislocation in the global and Italian capital markets and credit conditions has had an impact on the wider economy. Individual institutions have faced varying degrees of stress. Should the Issuer and the Credem Group be unable to continue to source a sustainable funding profile which can absorb these sudden shocks, the Issuer and the Credem Group's ability to meet their financial obligations at a competitive cost, or at all, could be adversely affected.

The Issuer's business is subject to financial market and macroeconomic conditions in Italy

The Issuer's business is focused on the Italian domestic market and therefore is particularly sensitive to adverse macroeconomic conditions in Italy. The persistence of adverse economic conditions in Italy, or a slower recovery in Italy compared to other OECD nations, could have a material adverse effect on the Issuer and the Credem Group's business, results of operations or financial condition. In addition, any downgrade of the Italian sovereign credit rating, or the perception that such a downgrade may occur, may destabilise the markets and have a material adverse effect on the Issuer and the Credem Group's operating results, financial condition and prospects as well as on the marketability of the Notes.

Market declines and volatility

The results of the Issuer and the Credem Group could be affected by general economic, financial and other business conditions. During a recession, there may be less demand for mortgages and other loan products and a greater number of the Issuer and the Credem Group's customers may default on their loans or other obligations. An increase in the cost of funding and interest rate may also have an impact on the demand for mortgages and other loan products. The risk arising from the impact of the economy and business climate on the credit rating of the Issuer and the Credem Group's debtors and counterparties can affect the overall credit quality and the recoverability of mortgages and loans and amounts due from counterparties. Fluctuations in interest rates and the cost of funding in Italy and in the Eurozone, and in the other markets in which the Issuer and the Credem Group operate, will influence their performance.

Risks connected with the political and economic decisions of EU and Eurozone countries and the United Kingdom leaving the European Union (Brexit)

On 23 June 2016, the United Kingdom voted, in a referendum, to leave the European Union (Brexit). On 29 March 2017, the British Prime Minister gave formal notice to the European Council under Article 50 of the Treaty on European Union of the UK's intention to withdraw from the European Union (the **Article 50 Withdrawal Agreement**). On 31 January 2020, the UK withdrew from the European Union. According to Articles 126 and 127 of the Article 50 Withdrawal Agreement (approved by the European Parliament on 29 January 2020), the UK entered an implementation period during which it will negotiate its future relationship with the European Union. During such implementation period – which is due to operate until 31 December 2020 – EU law shall continue to apply in the United Kingdom. Regardless of those facts, the result of the referendum in June 2016 created significant uncertainties with regard to the political and economic outlook of the United Kingdom and the European Union. The possibility that other European Union countries could hold similar referendums to the one held in the United Kingdom and/or call into question their membership of the European Union; and the possibility that one or more countries that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency, or prolonged periods of uncertainty connected to these eventualities, could have significant negative impacts on global economic conditions and the stability of international financial markets. These could include further falls in equity markets, a further fall in the value of the pound and, in a more general context, an increase in financial markets volatility, reduction of global markets liquidities with possible negative consequences on the asset prices, operating results and capital and/or financial position of the Issuer and/or the Credem Group. In addition to the above and in consideration of the fact that at the date of this Base Prospectus there is no legal procedure or practice aimed at facilitating the exit of a Member State from the Euro, the consequences of these decisions are exacerbated by the uncertainty regarding the methods by which a Member State could manage its current assets and liabilities denominated in Euros and the exchange rate between the newly adopted currency and the Euro. A collapse of the Eurozone could be accompanied by the deterioration of the economic and financial situation of the European Union and could have a significant negative effect on the entire financial sector, creating new difficulties in the granting of sovereign loans and loans to businesses and involving

considerable changes to financial activities, both at market and retail level. This situation could therefore have a significant negative impact on the operating results and capital and financial position of the Issuer and/or the Credem Group.

The current outbreak of the novel coronavirus, or COVID-19, could adversely impact or cause disruption to the Issuer and the Credem Group's financial condition and results of operation

In December 2019, a novel strain of coronavirus (**COVID-19**) was reported to have surfaced in Wuhan, China. COVID-19 has since spread to over 100 countries, including Italy. On 11 March 2020 the World Health Organization declared COVID-19 a pandemic.

The potential impact and duration of COVID-19 could have repercussions across regional and global economies and financial markets. The outbreak of COVID-19 in many countries continues to adversely impact global economic activity and has contributed to significant volatility and negative pressure in financial markets. The global impact of the outbreak has been rapidly evolving and, as cases of the virus have continued to be identified in additional countries, many countries, including Italy, have reacted by instituting quarantines and restrictions on travel. Such actions may create disruption in global supply chains, and adversely impact a number of industries. The COVID-19 outbreak, and future pandemics, could have a significant adverse impact on economic and market conditions on economies around the world, including Italy, and trigger a period of global economic slowdown or global recession. The effects of COVID-19 or another pandemic on the Issuer and the Credem Group's ability to successfully operate, and their customers' creditworthiness, could be adversely impacted due to, among other factors:

- the continued service and availability of skilled personnel, including the Issuer and the Credem Group's executive officers and other leaders that are part of the Issuer and the Credem Group's management team and the Issuer and the Credem Group's ability to recruit, attract and retain skilled personnel—to the extent the management or personnel are impacted in significant numbers by the outbreak of pandemic or epidemic disease and are not available to conduct work, our business and operating results may be negatively impacted;
- difficulty accessing debt and equity capital on attractive terms, or at all, and severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may affect the Issuer and the Credem Group's ability to access capital necessary to fund business operations, and may adversely affect the valuation of financial assets and liabilities, any of which could have a material adverse effect on the Issuer and the Credem Group's business, financial condition and results of operations;
- the Issuer and the Credem Group's ability to operate in affected areas or delays in the supply of products or services from their suppliers that are needed for the Issuer and the Credem Group to operate effectively;
- the Issuer and the Credem Group's ability to ensure business continuity in the event our continuity of operations plan is not effective or improperly implemented or deployed during a period of disruption; and
- the Issuer and the Credem Group's ability to operate, which may cause our business and operating results to decline or impact their ability to comply with regulatory obligations leading to reputational harm and regulatory issues or fines.

The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of COVID-19. Nevertheless, in the context of the material uncertainty surrounding the COVID-19 outbreak and its unprecedented global and domestic economic implications, it is reasonable to expect an adverse impact on the Issuer and the Credem Group's performance, financial condition and results of operations, the magnitude of which cannot be foreseen under the current situation.

Risks relating to the Issuer's dependency on the Shareholder and the Credem Group

As at the date of these Listing Particulars, Credito Emiliano S.p.A. (the **Shareholder**) holds 100% of the outstanding ordinary shares of the Issuer, and any decisions taken by the Shareholder may therefore directly affect the Issuer's business. As part of the Credem Group, the Issuer relies entirely on the retail branches and financial promoters of the Credem Group for the distribution of its products.

The Issuer is exposed to the risk of financial contagion, management complexity and conflicts of interest vis-à-vis the other companies of the Credem Group. As the products of the Issuer are entirely sold through the Credem Group's distribution networks and different services are supplied by the Credem Group, any disruptions in the Shareholders' operations or those of other companies of the Credem Group will negatively affect the Issuer's conduct of business. Any decline in the financial condition, earnings and liquidity of the Shareholder, deterioration in its business reputation or insolvency of a company in the Credem Group may adversely affect the financial condition and results of operations of the Issuer. In order to minimise the impact of the risk of contagion, the Issuer has adopted specific guidelines and set limits to investments and other relations with the Credem Group.

Specific policies governing conflict of interest and intra-group transactions are also in place and are subject to annual review.

Risks relating to interest rates

Changes in prevailing interest rates may adversely affect the Issuer's results and its investment portfolios, by affecting the availability of customers' disposable income for investments in insurance products and by impacting the value of the Issuer's investment portfolios. Credemvita operates an accurate asset liability management process, managing the profile of its assets mismatched within predefined limits with its liabilities. However, reductions in effective investment income to a level that is below the interest rate prevailing at the issue date of the policies or below guarantees could reduce profit margins or lead to losses on the insurance business conducted by the Issuer in relation to the maturity composition of the insurance obligations they are backing.

Mismatches in assets and liabilities

In relation to the matching of the Issuer'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. 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 Issuer. 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.

Market and credit risk

The instruments and strategies of the Issuer used to manage their exposure to credit and/or market risk may not be effective and the Issuer may not be able to effectively mitigate its risk exposure in particular market environments or against particular types of risk. The Issuer's trading revenues and interest rate risk are dependent upon its ability to identify properly, and mark to market, changes in the value of financial instruments caused by changes in market prices or interest rates. The Issuer's financial results also depend upon how effectively it determines and assesses the cost of credit and manages its own credit risk and market risk concentration.

Protracted market declines and reduced liquidity in the markets

In some of the Issuer's businesses, protracted adverse market movements, particularly the decline of asset prices, can reduce market activity and market liquidity. These developments can lead to material losses if the Issuer cannot close out deteriorating positions in a timely way. This may especially be the case for assets that do not benefit from a liquid market. The value of assets that are not traded on stock exchanges or other public trading markets, such as derivatives contracts between banks, may be calculated by the Issuer and the Credem Group using models other than publicly quoted prices. Monitoring the deterioration of the prices of assets like these is difficult and failure to do so effectively could lead to unanticipated losses. This in turn could adversely affect the Issuer's operating results and financial condition. In addition, protracted or steep

declines in the stock or bond markets in Italy and elsewhere may adversely affect the Issuer's securities trading activities and its asset management services, as well as its investments in and sales of products linked to the performance of financial assets.

The Credem Group is vulnerable to the current disruptions and volatility in the global financial markets

The Credem Group's business is subject to risks concerning liquidity, which are inherent in its banking operations, and could affect the Credem Group's ability to meet its financial obligations as they fall due or to fulfil commitments to lend. In order to ensure that the Credem Group continues to meet its funding obligations and to maintain or grow its business generally, it relies on customer savings and transmission balances, as well as on-going access to the wholesale lending markets. The ability of the Credem Group to access wholesale and retail funding sources on favourable economic terms is dependent on a variety of factors, including a number of factors outside of its control, such as liquidity constraints, general market conditions and confidence in the Italian banking system.

Financial markets conditions remain challenging since the 2010 European financial crisis and, in certain respects, they have continued to deteriorate over the years. Credit quality has generally declined, as reflected by the downgrades suffered by several countries in the Eurozone, including Italy. The global macroeconomic situation is tense and the large sovereign debts and/or fiscal deficits in certain European countries, including Italy, paired with sluggish economic growth, have raised concerns regarding the financial condition of Eurozone financial institutions and their exposure to such countries.

Currently, despite measures taken by several governments, international and supranational organisations and monetary authorities to provide financial assistance to Eurozone countries and financial institutions in economic difficulty, it remains difficult to predict the medium term effect of these measures on the economy and on the financial system and to what extent the Credem Group's business, results of operations and financial condition may be affected. There is no guarantee that such measures will ultimately and finally resolve uncertainties affecting such Eurozone states. Due to these concerns, during 2018, the financial markets and the global financial system in general were impacted by turmoil and uncertainty, resulting in wide and volatile credit spreads (in particular on the sovereign debt of many European Union countries). Changes in financial and investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments, may affect the Credem Group's ability to access the capital and financial markets and, in turn, the Credem Group's ability to meet its financial requirements. The continuing difficulties in global and EU economies, the substantial bailouts of financial and other institutions by governments as well as measures designed to reignite economic growth, have led to significant increases in the debt of several countries.

With specific reference to Italy, the economic performance of the country has been significantly impacted by the international crisis and since then, it has been characterised by the stagnation of the national economy, several downgrading actions of the Italian rating and an increased spread between BTP and Bund. In autumn 2019, nevertheless, after the formation of the new Italian government, the spread between BTP and Bund showed a reduction, although the potential volatility remains high due also to the negative macroeconomic outlook and future political uncertainties.

Any further downgrade of the Italian sovereign credit rating or the perception that such a downgrade may occur may severely affect the markets and have a material adverse effect on the Credem Group's operating results, financial condition and prospects. This might also impact on the Credem Group's credit ratings, borrowing costs and access to liquidity. A further Italian sovereign downgrade or the perception that such a downgrade may occur would likely have an effect in depressing consumer confidence, restricting the availability, and increasing the cost, of funding for individuals and companies, depressing economic activity, increasing unemployment, reducing asset prices and consequently increasing the risk of a new recession. These risks are exacerbated by concerns over the levels of the public debt. Further instability within the Eurozone, including as a result of the COVID-19 outbreak, might lead to more widespread problems.

These concerns may impact the ability of Eurozone banks to access the funding they need – although the systemic liquidity risk has been partially mitigated by the TLTRO III announcement (the new programme consists of a series of seven targeted longer-term refinancing operations, each with a maturity of three years, starting in September 2019 at a quarterly frequency until March 2021) - or may increase the costs of such

funding, which could in turn cause such banks to suffer liquidity stress. Furthermore, banks will need to increase their wholesale issuances in order to meet their Minimum Requirement for Own Funds and Eligible Liabilities (**MREL**) / Total Loss Absorbing Capacity (**TLAC**) requirements set by the resolution authority. If concerns over sovereign and bank solvency rose again, there would be a danger that inter-bank funding may become generally unavailable or available only at elevated interest rates, which might have an impact on the Credem Group's cost of funding and, thus, to its accessibility. Should the Credem Group be unable to continue to source a sustainable funding profile, the Credem Group's ability to fund its financial obligations at a competitive cost, or at all, could be adversely impacted.

In addition, the Credem Group's earnings and business are affected by general economic conditions, the performance of financial markets and of market participants, interest rate levels, currency exchange rates, changes in laws and regulation, changes in the policies of central banks, particularly the Bank of Italy and the European Central Bank, and competitive factors, at a regional, national and international level. Each of these factors can change the level of demand for the Credem Group's products and services, the credit quality of debtors and counterparties, the interest rate margin between lending and borrowing costs and the value of its investment and trading portfolios and can influence the Credem Group's balance sheet and economic results.

Additional sources of uncertainty are those related to the geopolitical environment including, among others, the political uncertainty in Italy and the exit of the United Kingdom (the **UK**) from the European Union. On 29 March 2017, the UK invoked Article 50 of the Lisbon Treaty and officially notified the European Union (**EU**) of its decision to withdraw from the EU. This commenced the formal two-year process (extended multiple times) of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the EU (the **article 50 withdrawal agreement**). The UK formally withdrew from the EU on 31 January 2020, subject to a transitional withdrawal agreement which extends the application of EU law in the UK and provides for continuing UK access to the EU single market until 31 December 2020. The UK and the EU are currently negotiating the trade and other arrangements that will apply following the transitional period.

Due to the on-going political uncertainty as regards the terms of the UK's withdrawal from the EU and the structure of the future relationship between the EU and the UK, the precise impact on the business of the Credem Group is difficult to determine. As such, no assurance can be given that such matters would not adversely affect the Credem Group's business, financial condition and results of operations.

Claims risk

The Issuer'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 Issuer uses its experience in the sector and the information available to it to create 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 Issuer 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.

Risks relating to the Credem Group's strategy

The Issuer is subject to the risk of failing to comply with the Credem Group's strategic plan adopted for the years 2020 – 2022 (the **Strategic Plan**). Such risk is mitigated by the Issuer through specific assessments and stress tests periodically made on the main targets and drivers set forth under the Strategic Plan. The Issuer's monitoring of the deviations allows the Issuer to monitor its actual and prospective solvency capacity. However, there is no assurance that the Issuer will be able to carry out all the proposed actions under the Strategic Plan or, more generally, that it will achieve its overall objectives under the Strategic Plan, and any failure to do so could have an adverse effect on the financial condition and results of operations of the Issuer.

Risk relating to the nature of the Issuer's insurance business

The business, results of operations and financial condition of the Issuer depend on its ability to select and underwrite risks, and in particular the ability to price accurately its different insurance products, and to establish appropriate loss reserves to cover the underwritten risks and the performance of its obligations. With respect to its life operations and pension products, the Issuer depends on its ability to perform correct statistical and actuarial projections regarding life expectancies and factors related to claims.

The Issuer's ability to set adequate premium rates can be adversely affected by several factors, including the lack of sufficient reliable data, the incomplete or incorrect analysis of available data, the uncertainties inherent in estimates and assumptions, the application of inappropriate or inadequate formulas or methodologies, unexpected changes in the regulatory and judicial framework as well as changes in claims settlement practices. The Issuer uses different sources and the experience developed from its operations to create estimates of future revenues and profits from its insurance portfolios. Nevertheless, future claims might exceed the estimates adopted by the Issuer which in turn can result in material adverse effects on its business and financial results.

Risks relating to the cyclical nature of the sector

The performance of the insurance industry 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 catastrophes (such as the Covid-19 pandemic emergency) 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.

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 financial guarantees, mortality rates and trends. 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 Issuer'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 Issuer and the Credem 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 Issuer'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 Issuer's liabilities in the case of a pandemic, which may have an adverse impact on the Issuer and the Credem Group's financial condition and results of operations.

Minimum guaranteed return

The Issuer's life insurance business policies generally entitle the policyholder to request full or partial redemption of the premiums paid at the discretion of the policyholder. A significant portion of these life insurance policies offered to the Issuer and Credem 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 Issuer'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 Issuer and the Credem Group.

Furthermore, a high level of requests for redemption concentrated within a given period of time could require the Issuer 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 Credem Group.

Adequacy of resources to meet pension commitments

The Issuer determines the technical provisions associated with pension or supplementary pension plans provided to its customers by taking into consideration, *inter alia*, information about forecasts relating to: (i) mortality rates; (ii) early retirement rates; (iii) discount rates; and (iv) long-term interest expected on investments. 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 Issuer and the Credem Group's financial condition and results of operations.

Redemption of policies

The terms and conditions of the Issuer'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 Issuer 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 Issuer 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 Credem Group.

Projections underlying technical reserve calculations for life insurance policies may be incorrect and net income could be adversely affected by policy surrender rates, demographic assumptions and investment returns

Premiums payable in connection with life insurance policies are calculated based on statistical and actuarial estimates with respect to life expectancies. If such statistical data is unreliable, the Issuer's loss reserves with respect to life insurance and pension products may be insufficient, and this could have adverse effects on its business, results of operations and financial conditions.

The Issuer determines technical reserves based on forecasts of many different parameters, of which mortality rates, invalidity rates, discount rates and long-term interest on investments are the most relevant. These parameters may differ from actual data due to, among other things, changes related to increased or decreased life expectancies of the insured clients. This may have a material adverse effect on the Issuer's business, results of operations and financial condition.

With respect to profitability on segregated funds (*gestioni separate*) providing for minimum guaranteed returns (in accordance with applicable law and regulations), the Issuer is subject to financial risk related to the performance of the assets underlying such policies. If such assets fail to perform at a level required to fund the guaranteed return, the Issuer's profitability will be adversely affected, and result in material adverse effects on its business, results of operations and financial condition.

Surrenders and early redemptions of insurance and investment products can result in losses and decreased revenues if their levels differ significantly from assumed levels. Such surrenders and early redemptions could require the Issuer to dispose of assets earlier than planned, potentially at a lower price than the

acquisition price of such assets, or to adjust the maturity profile of its investment portfolio in order to meet obligations towards customers.

Risks relating to fraud

The Issuer's insurance business is exposed to the risk of fraudulent claims. The Issuer has a unit specially set up to prevent, report and challenge insurance fraud and other speculative endeavours carried out to the Issuer and the Credem 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 Issuer and the Credem Group's business is still exposed to risks from false claims or misrepresentations, in relation to either the 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 Issuer and the Credem Group's profitability and adversely affecting the financial condition and results of operations of the Issuer and the Credem Group.

Operational risks

The Issuer and the Credem Group, like all financial institutions, are exposed to the risk of incurring losses due to the inadequacy or inefficiency of processes, personnel and internal systems, or caused by external factors. For example, these include losses due to fraud, human error, interruptions in operations, system unavailability (including information technology (IT) systems; see also "*Risk relating to information technology systems*" below), contractual breaches and natural disasters. In terms of their monetary manifestation, this definition includes legal risk, model-related risk, operating losses overlapping market risk (*i.e.* losses and/or additional costs related to financial transactions) and operating losses overlapping credit risk (*i.e.* losses generated during the placement of a product and/or within a lending process, due to an operational risk). Operational risk does not include reputational risk or strategic risk. The Issuer's systems and processes are designed to ensure that the operational risks associated with its activities are appropriately monitored. Any failure or weakness in these systems could however adversely affect its financial performance and business activities.

Risks connected with information technology

The Issuer's business relies upon integrated information technology systems, including an offsite back-up system. It relies on the correct functioning and reliability of such system and on its ability to protect the Issuer's network infrastructure, information technology equipment and customer information from losses caused by technical failure, human error, natural disaster, sabotage, power failures and other losses of function to the system. The loss of information regarding customers or other information central to the Issuer's business, such as credit risk control, or material interruption in the service, could have a material adverse effect on its results of operations. In addition, upgrades to the Issuer's information technology equipment required by law or necessitated by future business growth may require significant investments.

Risks relating to information technology systems

The Issuer and the Credem Group depend on their IT and data processing systems to operate their business, as well as on their continuous maintenance and constant updating. The Issuer and the Credem Group are exposed to the risk that data could be damaged or lost, or removed, disclosed or processed (data breach) for purposes other than those authorised by the customer, including by unauthorised parties.

The possible destruction, damage or loss of customer, employee or third party data, as well as its removal, unauthorised processing or disclosure, would have a negative impact on the Issuer and the Credem Group's business and reputation, and could subject the Issuer and the Credem Group to fines, with consequent negative effects on the Issuer and the Credem Group's business, results of operations or financial condition.

In addition, changes to relevant regulations could impose more stringent sanctions for violations, and could have a negative impact on the Issuer and the Credem Group's business insofar as they lead the Issuer and the Credem Group to incur additional compliance costs.

There are possible risks with regard to the reliability of IT systems (disaster recovery), the quality and integrity of the data managed and the threats to which IT systems are subject, as well as physiological risks related to the management of software changes (change management), which could have negative effects on the Issuer and the Credem Group's operations, as well as on the Issuer and the Credem Group's capital and financial situation.

Risks faced by the Issuer and the Credem Group relating to the management of IT systems include possible violations of their systems due to unauthorised access to the Issuer and the Credem Group's corporate network or IT resources, the introduction of viruses into computers or any other form of abuse committed via the Internet. Like attempted hacking, such violations have become more frequent over the years throughout the world and therefore can threaten the protection of information relating to the Issuer and the Credem Group and our customers and can have negative effects on the integrity of the Issuer and the Credem Group's IT systems, as well as on the confidence of the Issuer and the Credem Group's customers and on the Issuer and the Credem Group's reputation, with possible negative effects on the Issuer and the Credem Group's capital and financial condition.

Competition

The Issuer is subject to competition from a large number of companies who may offer the same financial products and services and other forms of alternative and/or novel forms of borrowing or investment. Such competitors include banks and other financial intermediaries. In addition, the formation of increasingly large banking groups, and the entry of foreign financial institutions and new fintech competitors as well as pure digital players into the Italian banking market, may allow such companies to offer products and services on terms that are more financially advantageous than those which the Issuer and the Credem Group are able to offer as a result of their possible economies of scale.

Competitive pressure may arise either from consumer demand for new services as well as technological demand, with the consequent necessity to make investments, or as a result of competitors' specific competitive actions.

In the event that the Issuer or the Credem Group are not able to respond to the increasing competitive pressure by, for example, offering profitable new services and products that meet client demands, the Issuer and the Credem Group could lose market share in a number of business sectors and/or fail to increase or maintain the volumes of business and/or profit margins it has achieved in the past, with possible adverse effects on the Issuer and the Credem Group's financial condition and results of operations.

Regulatory compliance and regulatory changes

The Credem Group is subject to supervisory 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 subsequently amended and supplemented, in particular by Directive 2014/51/EU (the **Omnibus II Directive**) (the **Solvency II Directive**), which came into force on 1 January 2016. Implementing provisions of the Solvency II Directive are set forth by EU Commission Delegated Regulation No. 2015/35 as amended by EU Commission Delegated Regulation No 2016/467 (the **Solvency II Regulations**), aimed at ensuring harmonisation of the Solvency II Directive throughout the European Union, with particular regard to capital requirements and other measures related to

long-term investments, requirements on the composition of insurers' own funds as well as remuneration issues.

The Solvency II Directive was implemented in Italy by Legislative Decree No. 74 of 12 May 2015, which amended and supplemented Legislative Decree No. 209 of 7 September 2005 (the Italian Code of Private Insurance).

As at 31 December 2019, the Solvency II Ratio (the ratio between eligible own funds and the Solvency Capital Requirement (SCR)) of the Issuer was equal to 204.60%, (158.72% as at 31 December 2018) calculated using the standard formula. As regards the risk profile, the most significant changes were the increase in the interest rate and currency modules (these are two of the most relevant modules in calculating SCR), mainly due to the duration of the assets related to the *gestioni separate* and an increase in treasury exposures. 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 counterparty default risk and life underwriting risk. The overall increase in SCR (+ €26.98 million) was partly offset by the increase in shareholders' equity. As at 31 December 2019, the Issuer's own funds for the purposes of SCR coverage amounted to €450.35 million, of which €343.47 million was classified as Tier 1, whereas its SCR was €220.11 million.

Solvency II Directive and implementing regulations (together, **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 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. In addition, on 1 July 2020 the European Commission launched a public consultation on the possible review of "prudential rules for insurance and reinsurance companies (Solvency II)" which closed on 21 October 2020.

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 Credem Group.

Risks relating to reinsurance

In the normal course of business, the Issuer transfers exposure to certain risks in its life insurance businesses to others through reinsurance arrangements. Under these arrangements, reinsurers assume a portion of the Issuer's losses and expenses associated with 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 Issuer, this could adversely affect the Issuer's results. Furthermore, increasing concentration in the reinsurance market reduces the number of major reinsurance providers and therefore could hamper the Issuer and the Credem Group's efforts to diversify their reinsurance risk.

Any decrease in the amount of the Issuer's reinsurance cover relative to its primary insurance liability could increase its risk of loss. Reinsurance arrangements do not eliminate the Issuer's obligation to pay claims and introduce credit risk with respect to the Issuer's ability to recover amounts due from the reinsurers. While the Issuer 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 Issuer and the Issuer's reinsurers to meet their financial obligations could materially adversely affect the insurance businesses' results of the Issuer.

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

The Issuer and the Credem Group dedicate particular attention to the selection, recruitment and training of their sellers involved in the sales network, with the aim of maintaining the high standards of their network. Despite this policy, the possibility of a reduction in the number of sellers involved in the sales network in the future and/or of their inability to meet the Issuer and the Credem Group's standards cannot be excluded. This could have a negative impact on the Issuer and the Credem Group's economic, asset and financial position. Furthermore, the ability to recruit new sellers involved in the sales network and consolidate relationships

with existing sellers involved in the sales network is fundamental to achieving both qualitative and quantitative network growth objectives.

If the Issuer and the Credem 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 their main competitors) and if they are unable to attract new sellers involved in the sales network, or if highly skilled sellers involved in the sales network responsible for significant customer portfolios leave the Issuer and the Credem Group, the business, financial condition and results of operations of the Issuer and the Credem Group could suffer.

Risks from activities of sellers involved in sales network

Although the Issuer and the Credem Group monitor the conduct of their sellers involved in the sales network 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 Issuer and the Credem Group are 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 Credem Group insurance companies, and only a limited number of cases have led to legal disputes. Nevertheless, the risk of the Issuer and the Credem Group being held directly liable in disputes for the actions of their insurance brokers cannot be ruled out. Furthermore, unlawful conduct in the network could cause significant damage to the image and reputation of the Issuer and the Credem Group and, more generally, to the trust of their customers or potential customers, with adverse consequences for the Issuer and Credem Group's business, financial condition and results of operations.

Risks relating to geographical concentration

Premium income generated by the Issuer relates entirely to the Italian portfolio, with over 85% (as of 31 December 2019) of production concentrated in northern and central Italy. As result, the Issuer'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 central and northern Italy and in Italy as a whole.

Risks relating to ongoing legal proceedings

As of 31 December 2019, the Issuer and the Credem Group are party to various legal proceedings involving total claims of an aggregate amount of around €411 million. As a result of these proceedings, the Issuer and the Credem Group have set aside provisions for any liabilities arising from disputes which, as at 31 December 2019, amounted to €20 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 Issuer and the Credem Group being unsuccessful in the pending proceedings, this could have an adverse impact, which may be significant, on the Issuer and the Credem 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 is provided for by Decree 231/2001. The perpetration of these offences by and/or in the interests of the Credem Group could lead to the imposition of fines and other penalties, as well as other measures.

In order to reduce the risk of liability arising under Decree 231/2001, the Credem 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 to provide guidelines for its management and employees to prevent them from committing offences. The Credem Group has also appointed a supervisory body to oversee the functioning and updating of, and compliance with, the Model.

Risk management policies, procedures and methods

The Issuer has devoted significant resources to developing policies, procedures and assessment methods to manage market, credit, underwriting, alm, liquidity and operating risk (including IT and Cyber risk) and intends to continue to do so in the future. Nonetheless, the Issuer'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 Issuer fails to identify or anticipate. If existing or potential customers believe that the Issuer's risk management policies and procedures are inadequate, the Issuer's reputation, as well as its revenues and profits, may be adversely affected.

Risks associated with dependence on key figures

The results of the Issuer and the Credem Group depend on their ability to attract, retain and train qualified internal personnel as well as on the contribution of some parties with significant roles within the Issuer and the Credem Group and significant experience in the relevant sector in which it operates, who play a decisive role in development. The Issuer and the Credem Group particularly focus on the training and growth of their 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. In addition, 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 Issuer and the Credem 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 Credem Group.

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

In carrying out their activities, the Issuer and the Credem Group collect, store and process the personal data of their customers and have to comply with the applicable legal and regulatory provisions relating to data protection. The personal data of the Issuer and the Credem Group's customers are stored at their 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 Issuer and the Credem Group also have internal procedures and measures governing data processing and access to data by personnel in order to prevent unauthorised access and processing.

Nonetheless, the Issuer and the Credem Group are 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 Issuer and the Credem Group's business, including their reputation, and (ii) entail the application by the Italian Data Protection Authority of administrative and criminal sanctions against the Issuer and the Credem Group, all of which may adversely affect the business, financial condition and results of operations of the Issuer and the Credem Group.

In this context, the General Data Protection Regulation (EU Regulation No. 2016/679; the **GDPR**) 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 Issuer and the Credem Group, as well as the European insurance market in general, as a result of, *inter alia*, an increase in compliance costs and obligations.

The Issuer and the Credem Group may be affected by new accounting standards

Following the entry into force and subsequent application of new accounting standards, regulatory rules and/or the amendment of existing standards and rules, the Issuer and the Credem Group may have to revise the accounting and regulatory treatment of certain outstanding assets and liabilities (eg. deferred tax assets) and transactions (and the related income and expense). This may have potentially negative effects, also significant, on the estimates contained in the financial plans for future years and may cause the Issuer and the Credem Group to have to restate previously published financials.

More generally, changes in accounting standards or their interpretation or changes in underlying assumptions, estimates or judgments could impact the Issuer and the Credem Group's reported (or expected) financial performance or financial condition.

RISK FACTORS RELATING TO THE NOTES

2. 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 Sole Manager 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 Sole Manager 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.

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 and vote upon 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.

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 60 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 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 is 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.

Risk relating to the governing law of the Notes

The Terms and Conditions of the Notes will be governed by the laws of Italy and Condition 15.1 (*Governing law*) of the Terms and Conditions of the Notes provides that contractual and non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, Italian Law. The Global Notes representing the Notes provide that all contractual and non-contractual obligations arising out of or in connection with the Global Notes are governed by Italian law, save for the form and transferability of the Global Notes which are governed by English law. Furthermore, the Temporary Global Note and the Permanent Global Note will be signed by the Issuer in the United Kingdom and, thereafter, delivered to BNP Paribas Securities Services, Luxembourg Branch as issuing and paying agent, being the entity in charge for, *inter alia*, completing, authenticating and delivering the Temporary Global Note and Permanent Global Note and (if required) authenticating and delivering Definitive Notes, hence the Notes would be deemed to be issued in England. As article 59 of Law No. 218 of 31 May 1995 (regarding Italian international private law rules) provides that "other debt securities (*titoli di credito*) are governed by the law of the State in which the security was issued", the Issuer cannot foresee the effect of any potential misalignment between the laws applicable to the Terms and Conditions of the Notes and the Global Notes and the laws applicable to their transfer and circulation for any prospective investors in the Notes and any disputes which may arise in relation to, *inter alia*, the transfer of ownership in the Notes.

3. 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 direct, unconditional and unsecured subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and: (i) junior to any unconditional, unsubordinated, unsecured obligations of the Issuer (including liabilities to policyholders of the Issuer) and any other obligations which are less subordinated than the Notes; and (ii) at least equally with the Issuer's payment obligations in respect of any Parity Securities; and (iii) senior to the Issuer's payment obligations in respect of 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 Relevant Supervisory Authority has exceptionally waived the deferral of such interest payment (and, if relevant, any Arrears of Interest);

- (c) the Relevant Supervisory Authority 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; 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 Relevant Supervisory Authority notifies the Issuer that it has determined that the financial and solvency condition of the Issuer 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 date on which any winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of the Issuer is commenced or on which the Issuer becomes 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 Relevant Supervisory Authority 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 Regulatory Event and a Rating Methodology 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 of the Notes for taxation reasons or regulatory 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 0, the Issuer reserves the right to exchange the Notes, subject to such exchange not being prejudicial to the interest of the Noteholders, without the consent of the Noteholders and to the extent permitted by the applicable laws and regulations, so that after such exchange the aggregate nominal amount of the Exchanged 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 without the consent of the Noteholders and to the extent permitted by the applicable laws and regulations 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 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 BB by Fitch Ratings Ireland Limited Sede Secondaria Italiana. 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.

Reform of EURIBOR and other interest rate "benchmarks"

The Euro Interbank Offered Rate (**EURIBOR**) and other interest rates or other types of rates and indices such as the annual mid-swap rate for euro swap transactions which are deemed "benchmarks", to which the distributions on the Notes will, from and including the First Reset Date, be calculated by reference to, are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Notes.

Key international reforms of "benchmarks" include IOSCO's proposed Principles for Financial Market Benchmarks (July 2013) (the **IOSCO Benchmark Principles**) and the EU's Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the **Benchmarks Regulation**).

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability, as well as the quality and transparency of benchmark design and methodologies. A review published in February 2015 on the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, and widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

On 17 May 2016, the Council of the European Union adopted the Benchmarks Regulation. The Benchmarks Regulation was published in the Official Journal on 29 June 2016 and entered into force on 30 June 2016. Subject to various transitional provisions, the Benchmarks Regulation applies from 1 January 2018, except that the regime for ‘critical’ benchmarks has applied from 30 June 2016 and certain amendments to Regulation (EU) No 596/2014 (the **Market Abuse Regulation**) have applied from 3 July 2016. The Benchmarks Regulation applies to the provision of “benchmarks”, the contribution of input data to a “benchmark” and the use of a “benchmark” within the EU (which, for these purposes, includes the United Kingdom). It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities (such as the Issuer) of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The scope of the Benchmarks Regulation is wide and, in addition to so-called “critical benchmark” indices such as EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including “proprietary” indices or strategies) which are referenced in listed financial instruments (including listed Notes), financial contracts and investment funds.

The Benchmarks Regulation could also have a material impact on the Notes in any of the following circumstances:

- (i) any “benchmark” for determining the relevant 5-year Mid-Swap Rate could not be used as such if its administrator does not obtain appropriate EU authorisations or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation. In such event the Notes could be impacted;
- (ii) the methodology or other terms of any “benchmark” related to the Notes could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing, increasing or affecting the volatility of the published rate or level of the relevant “benchmark”, and could lead to adjustments to the 5-year Mid-Swap Rate, including Independent Adviser determination of the rate or level of such benchmark in its discretion.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that the Mid-Swap Benchmark Rate (as defined below) used in the determination of the Reset Reference Bank Rate (each an **Original Reference Rate**) becomes unavailable, including the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate determined by an Independent Adviser in consultation with the Issuer or failing that, by the Issuer, and that such Successor Rate or Alternative Rate may be adjusted (if required) by the application of an Adjustment Spread.

The Adjustment Spread is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Independent Adviser or the Issuer (as applicable) determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate, or (iii) if the Independent Adviser or the Issuer (as applicable) determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser or the Issuer (as applicable) determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original

Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

The application of an Adjustment Spread may result in the relevant Notes performing differently (which may include payment of a lower interest rate) than they would do if the relevant Original Reference Rate were to continue to apply in its current form. If no Adjustment Spread is determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the rate of interest. Furthermore, if the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser appointed by the Issuer fails to determine an Successor Rate or Alternative Rate, the Issuer may have to exercise its discretion to determine (or to elect not to determine) a Successor Rate or Alternative Rate in a situation in which it is presented with a conflict of interest.

The ultimate fallback for calculating interest for a particular Reset Interest Period under the Terms and Conditions of the Notes may result in the rate of interest for the last preceding Reset Interest Period being used. If in relation to a Reset Interest Period, the 5-year Mid-Swap Rate cannot be determined because the annual mid-swap rate for euro swaps with a term of five years (the **Mid-Swap Benchmark Rate**) does not appear on the Screen Page at the Relevant Time, a fallback mechanism provides that the Reset Rate of Interest applicable to such Reset Interest Period will be determined by the Fiscal Agent by averaging quotes obtained from reference banks, if available, or, if no such quotes are available, by reference to the 5-year Mid-Swap Rate which was last observed on the Screen Page. As a result, if the Fiscal Agent is unable to obtain such quotes and rates, the Notes will effectively become fixed rate notes for the relevant Reset Interest Period.

More generally, any of the above changes or any other consequential changes to any “benchmark” on which interest payments under the Notes are based as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes referencing a “benchmark”.

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 English translation of the unaudited interim financial statements as at and for the six months period ended 30 June 2020 of the Issuer prepared in accordance with Italian regulations governing the preparation of interim financial statements (the **2020 H1 Interim Report**); and
- the English translation of the audited annual financial statements for each of the financial years ended 31 December 2019 and 31 December 2018 of the Issuer prepared in accordance with Italian regulations governing the preparation of financial statements (the **2019 Annual Report** and the **2018 Annual Report**, respectively).

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 60, avenue J.F. Kennedy L-1855 Luxembourg (postal address L-2085 Luxembourg) Grand Duchy of Luxembourg and will be available for viewing on the website of the Issuer at (www.credemvita.it).

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

- 2020 H1 Interim Report :
<https://cms.credemvita.it/storage/sito1//crv-relazione-semestrale-2020-eng.pdf>
- 2019 Annual Report:
<https://cms.credemvita.it/storage/sito1//sito-crv-bilancio-2019-eng.pdf>
- 2018 Annual Report:
<https://cms.credemvita.it/storage/sito1//sito-financial-statement-crv-2018.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.

2020 H1 Interim Report

<i>Section</i>	<i>Page number(s)</i>
Balance Sheet	5 - 6
Income statement	7
Comments on the half-yearly report	7 - 9
Explanatory notes to the financial statements	9 - 11

2019 Annual Report

<i>Section</i>	<i>Page number(s)</i>
Management report	3 - 23
Balance Sheet	25 - 38
Income statement	39 - 48
Notes to the financial statements	49 - 88
Appendices to the notes	89 - 631
Independent auditors report	632 - 636

2018 Annual Report

<i>Section</i>	<i>Page number(s)</i>
Management report	3 - 23
Balance Sheet	24 - 37
Income statement	38 - 47
Notes to the financial statements	48 - 85
Appendices to the notes	86 - 623
Independent auditors report	624 - 628

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 €107,500,000 Fixed Rate Resetable Subordinated Notes due 18 February 2031 (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 Credemvita 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 18 November 2020 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:

5-year Mid-Swap Quotations means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in euro which (a) has a term commencing on the First Reset Date which is equal to five years; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis).

5-year Mid-Swap Rate means, in relation to the Reset Interest Period and the Reset Rate of Interest Determination Date: (a) the applicable annual mid-swap rate for swap transactions in euro (with a maturity equal to five years) as displayed on the Screen Page at 11.15 a.m. (Frankfurt time) on the Reset Rate of Interest Determination Date; or (b) if such rate is not displayed on the Screen Page at such time and date, the Reset Reference Bank Rate.

Adjustment Spread means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in each case required to be applied to the Successor Rate or the Alternative Rate (as the case may be) as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate),

- (ii) the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner), is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer or the Independent Adviser determines that no such spread is customarily applied),
- (iii) the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner), is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

Affected Reset Interest Period has the meaning given to it in Condition 5.1(e) (*Benchmark Replacement*).

Alternative Rate means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) has replaced the Original Reference Rate in accordance with Condition 5.1(e)(ii) (*Successor Rate or Alternative Rate*) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in respect of notes denominated in euro and of a comparable duration to the Reset Interest Period, or, if such Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Original Reference Rate.

Applicable Regulations means, at any time, any legislation, rules or regulations (whether having the force of law or otherwise) then applicable to the Issuer 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 Relevant Supervisory Authority relating to such matters.

Benchmark Event means:

- (i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date on or prior to the next Reset Rate of Interest Determination Date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date on or prior to the next Reset Rate of Interest Determination Date be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative of its relevant underlying market; or
- (v) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case on or prior to the Reset Rate of Interest Determination Date; or

- (vi) it has become unlawful for any Paying Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate.

Business Day means (i) 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 both London and Luxembourg and (ii) a TARGET2 Settlement Day.

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.

First Call Date means 18 November 2025.

First Reset Date means 18 February 2026.

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5.1(e)(i) (*Independent Adviser*).

Independent Adviser Determination Cut-off Date has the meaning given to it in Condition 5.1(e) (*Benchmark Replacement*).

Initial Period means the period from (and including) the Issue Date to (but excluding) the First Reset Date.

Initial Rate of Interest has the meaning given in Condition 5.1(c) (*Interest—Interest from (and including) the First Reset Date*).

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 18 February 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 18 November 2020.

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

Junior Securities means (a) all classes of share capital of the Issuer (including all categories of savings shares (*azioni di risparmio*) and any preference shares (*azioni privilegiate*)); (b) any obligation, including preferred securities, subordinated bonds or similar instruments issued by the

Issuer which ranks, or is expressed to rank, junior to the Notes; (c) any guarantee or similar instrument granted by the Issuer, which ranks, or is expressed to rank, junior to the Notes.

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 Relevant Supervisory Authority has exceptionally waived the deferral of such interest payment (and, if relevant, any Arrears of Interest);
- (c) the Relevant Supervisory Authority 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; and
- (d) the Minimum Capital Requirement will be complied with immediately after such interest payment (and, if relevant, any Arrears of Interest) is made.

Margin means 4.277 per cent..

Maturity Date means 18 February 2031.

Mid-Swap Benchmark Rate means the rate referred to in paragraph (a) of the definition of 5-year Mid-Swap Rate.

Minimum Capital Requirement means the minimum capital requirement of the Issuer 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 is less than the Minimum Capital Requirement of the Issuer.

Parity Securities means any subordinated obligations of the Issuer, including notes or bonds issued by the Issuer, guarantees or other similar instrument granted by the Issuer which ranks, or is expressed to rank, *pari passu* with the Notes.

Original Reference Rate means the Mid-Swap Benchmark Rate.

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:

- (a) in the case of each Interest Period falling in the Initial Period, 3.500 per cent.; or
- (b) in the case of each Interest Period falling in the Reset Interest Period, the Reset Rate of Interest,

all as determined by the Fiscal Agent in accordance with this Condition 5.

Rating Agency means Fitch Ratings Ireland Limited Sede Secondaria Italiana, 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 Relevant Supervisory Authority notifies the Issuer that it has determined that the financial and solvency condition of the Issuer 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.

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

Relevant Nominating Body means, in respect of a reference rate: (i) the central bank for the currency to which such reference rate relates, or any central bank or other supervisory authority

which is responsible for supervising the administrator of such reference rate; or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof.

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.

Relevant Supervisory Authority means IVASS, or any successor entity of IVASS, or any other competent lead regulator to which the Issuer becomes subject.

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).

Reset Interest Period means the period from (and including) the First Reset Date and ending on (but excluding) the Maturity Date.

Reset Rate of Interest means, in relation to the Reset Interest Period, the sum of (a) the 5-year Mid-Swap Rate in relation to the Reset Interest Period and (b) the Margin.

Reset Rate of Interest Determination Date means the day falling two Business Days prior to the First Reset Date.

Reset Reference Banks means five leading swap dealers in the principal interbank market relating to euro selected by the Issuer in its discretion after consultation with the Fiscal Agent.

Reset Reference Bank Rate means the percentage rate determined on the basis of the 5-Year Mid-Swap Quotations provided by the Reset Reference Banks to the Fiscal Agent at or around 11:15 a.m. (Frankfurt time) on the Reset Rate of Interest Determination Date and, rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be an amount equal to -0.404 per cent.

Screen Page means screen “ICAE 53” or such other page as may replace it on Bloomberg or, as the case may be, on such other information service that may replace Bloomberg, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the 5-year Mid-Swap Rate.

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 and any applicable implementing provisions.

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 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 is less than the Issuer's Solvency Capital Requirement; 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 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.

Successor Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

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

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 direct, unconditional and unsecured subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and: (i) junior to any unconditional, unsubordinated, unsecured obligations of the Issuer (including liabilities to policyholders of the Issuer) and any other obligations which are less subordinated than the Notes; and (ii) at least equally with the Issuer's payment obligations in respect of any Parity Securities; and (iii) senior to the Issuer's payment obligations in respect of 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 irrevocably 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

(a) Rate of Interest

The Notes bear interest at the applicable Rate of Interest from and including the Issue Date in accordance with the provisions of this Condition 5. Interest shall be payable annually in arrear on each Interest Payment Date, provided that the first payment shall be made on 18 February 2021 in respect of the shorter period from (and including) the Issue Date to (but excluding) 18 February 2021.

(b) Interest to (but excluding) the First Reset Date

The Rate of Interest for each Interest Period falling in the Initial Period will be 3.500 per cent. per annum.

(c) Interest from (and including) the First Reset Date

The Rate of Interest for each Interest Period from (and including) the First Reset Date will be the Reset Rate of Interest.

(d) **Determination of Reset Rate of Interest**

The Fiscal Agent will, as soon as reasonably practicable after 11:15 a.m. (Frankfurt time) on the Reset Rate of Interest Determination Date, determine the Reset Rate of Interest.

(e) **Benchmark Replacement**

(i) **Independent Adviser**

Notwithstanding the fallback provisions in the definition of 5-year Mid-Swap Rate and Reset Reference Bank Rate above, if the Issuer determines prior to any Reset Rate of Interest Determination Date that a Benchmark Event has occurred in relation to an Original Reference Rate when any Reset Rate of Interest (or component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to select and appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.1(e)(ii) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5.1(e)(iii) (*Adjustment Spread*)) and whether any Benchmark Amendments (in accordance with Condition 5.1(e)(iv) (*Benchmark Amendments*)) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread no later than three Business Days prior to the Reset Rate of Interest Determination Date relating to the next succeeding Reset Interest Period (such Business Day, the **Independent Adviser Determination Cut-off Date**, and such next succeeding Reset Interest Period, the **Affected Reset Interest Period**) for the purposes of determining the 5-year Mid-Swap Rate applicable to the Affected Reset Interest Period and all Reset Interest Periods thereafter.

An Independent Adviser appointed pursuant to this Condition 5.1(e) shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith, fraud and gross negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, any Paying Agent, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 5.1(e).

If prior to the Independent Adviser Determination Cut-off Date the Issuer is unable to appoint an Independent Adviser or the Independent Adviser appointed by the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5.1(e) then the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5.1(e) no later than two Business Days prior to the Reset Rate of Interest Determination Date (the **Issuer Determination Cut-Off Date**) for the purposes of determining the 5-year Mid-Swap Rate applicable to the Affected Reset Interest Period and all Reset Interest Periods thereafter.

If the Issuer is unable or unwilling to determine a Successor Rate or, failing which, an Alternative Rate prior to the Reset Rate of Interest Determination Date relating to the Affected Reset Interest Period, (A) the 5-year Mid-Swap Rate applicable to the Affected Reset Interest Period shall be equal to (i) in the case of each Reset Interest Period other than the Reset Interest Period commencing on the First Reset Date, the 5-year Mid-Swap Rate in respect of the immediately preceding Reset Interest Period and (ii) in the case of the Reset Interest Period commencing on the First Reset Date, the rate for the 5-year Mid-Swap Rate which has most recently been published on the Screen Page as determined by the Fiscal Agent, and (B) with respect to the next succeeding Reset Interest Period following the Affected Reset Interest Period, this Condition 5.1(e)(i) shall apply for purposes of determining the 5-year Mid-Swap Rate applicable to such succeeding Reset Interest Period as if references to the Affected Reset Interest Period in this Condition 5.1(e)(i) were references to such succeeding Reset Interest Period; *provided, however*, that the 5-year Mid-Swap Rate for all future Reset Interest Periods shall be the 5-year Mid-Swap Rate applicable

to such succeeding Reset Interest Period as determined in accordance with this Condition 5.1(e)(i).

(ii) Successor Rate or Alternative Rate

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 5.1(e) prior to the Independent Adviser Determination Cut-off Date) prior to the Issuer Determination Cut-Off Date acting in good faith and in a commercially reasonable manner determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5.1(e)(iii) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Reset Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5.1(e)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5.1(e)(iii) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Reset Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5.1(e));

(iii) Adjustment Spread

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 5.1(e)(i) (*Independent Adviser*) prior to the Independent Adviser Determination Cut-off Date) prior to the Issuer Determination Cut-Off Date acting in good faith and in a commercially reasonable manner determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.1(e) and the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 5.1(e)(i) (*Independent Adviser*) prior to the Independent Adviser Determination Cut-off Date) prior to the Issuer Determination Cut-Off Date acting in good faith and in a commercially reasonable manner determines (A) that amendments to these Conditions and the Agency Agreement, including but not limited to the Screen Page, are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread and/or necessary or appropriate to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority (such amendments, the **Benchmark Amendments**) and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.1(e)(v) (*Notices*) and subject (to the extent required) to giving any notice required to be given to, and receiving any consent required from, or non-objection from, the Relevant Supervisory Authority, without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions and the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5.1(e)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 5.1(e), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to cause the then current or future disqualification of the Notes as Tier 2 capital.

(v) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5.1(e) will be notified immediately by the Issuer to each of the Paying Agents and, in accordance with Condition 13 (*Notices*), the Noteholders and Couponholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 5.1(e)(i) to 5.1(e)(iv), the Original Reference Rate and the fallback provisions provided for in the definition of 5-year Mid-Swap Rate and Reset Reference Bank Rate above will continue to apply unless and until a Benchmark Event has occurred.

(f) Publication of Reset Rate of Interest

The Fiscal Agent will cause the Reset Rate of Interest to be notified to the Issuer, the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and to be published in accordance with Condition 13 (*Notices*) as soon as reasonably practicable after such determination but in any event not later than the First Reset Date.

(g) Calculation of Interest Amount

The amount of interest payable in respect of a Note for any period shall be calculated by the Fiscal Agent by:

- (i) applying the applicable Rate of Interest to the principal amount of such Note;
- (ii) multiplying the product thereof by the Day Count Fraction; and
- (iii) rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

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 interest not paid on any Interest Payment Date, together with any other interest in respect thereof not paid on an earlier Interest Payment Date 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 a 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 date on which any winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of the Issuer is commenced or on which the Issuer becomes 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 AND EXCHANGE

6.1 Conditions for Redemption and Purchase

Any redemption of Notes on the Maturity Date or on any date fixed for optional redemption pursuant to Condition 6.3, 6.4, 6.5 or 6.6, and any purchase of the Notes pursuant to Condition 6.8, 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) the prior approval of the Relevant Supervisory Authority 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;
- (ii) the relevant date of any redemption of the Notes or of any purchase of the Notes is after the fifth anniversary of the Issue Date, unless:
 - (a) such redemption or purchase is funded out of the proceeds of, or the Notes are exchanged or converted into, a new basic own fund item of the same or higher quality than the Notes, where such redemption, purchase, exchange or conversion is subject to the approval of the Relevant Supervisory Authority;
 - (b) with reference to any redemption pursuant to Condition 6.4 (*Optional Redemption for Taxation Reasons*) or Condition 6.5 (*Optional Redemption for Regulatory Reasons*) only:
 - (aa) the Solvency Capital Requirement after the redemption will be exceeded by an appropriate margin, taking into account the solvency position, including medium- term capital plan, of the Issuer; and
 - (bb) (x) in the case of a redemption of the Notes in accordance with Condition 6.5 (*Optional Redemption for Regulatory Reasons*), the Relevant Supervisory Authority considers such a change to be sufficiently certain; and the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority that the regulatory reclassification of the Notes was not reasonably foreseeable at the time of their issuance; or (y) in the case of a redemption of the Notes in accordance with Condition 6.4 (*Optional Redemption for Taxation Reasons*), there is a change in the applicable tax treatment of the Notes which the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority is material and was not reasonably foreseeable at the time of their issuance;
- (iii) to the extent permitted under then prevailing Applicable Regulations, any alternative or additional pre-conditions to redemption of the Notes are met;
- (iv) subject to Condition 6.2(b) below, 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;
- (v) 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;
- (vi) redemption or purchase of the Notes (as applicable) will not cause the insolvency of the Issuer or accelerate the process of the Issuer becoming insolvent, in accordance with the provisions of the relevant insolvency laws and rules applicable to the Issuer from time to time;
- (vii) in the event the Issuer is required under then prevailing Applicable Regulations to report capital requirements on a group basis, where any (re)insurance 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; and

- (viii) no other event has occurred which, under then prevailing Applicable Regulations, would require redemption or purchase of the Notes (as applicable) to be suspended,

unless, in each case of the above cases, such Condition for Redemption and Purchase 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.

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, 6.5 or 6.6, shall be postponed in accordance with the provisions set forth in Condition 6.9,
- (iii) 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.

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.

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, 6.5 or 6.6, 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 2070 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 by the Issuer

The Notes may be redeemed at the option of the Issuer, subject to the provision of Condition 6.1 (*Conditions for Redemption and Purchase*) in whole but not in part on any date falling in the period commencing on (and including) the First Call Date and ending on (and including) the First Reset Date at 100 per cent. of their nominal value together with Deferred Interest (if any) and any other accrued but unpaid interest thereon, subject to having given not less than 15 nor more than 30 calendar days' prior notice to the Noteholders (in accordance with Condition 13 (*Notices*)) and to the Fiscal Agent.

6.4 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.

6.5 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 Relevant Supervisory Authority 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, 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.

6.6 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.

6.7 Exchange for Taxation Reasons, for Regulatory Reasons or for 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 6.4, Condition 6.5 or Condition 6.6, on any Interest Payment Date, without the consent of the Noteholders and to the extent permitted by the applicable laws and regulations, exchange the Notes for new notes replacing the Notes (the **Exchanged Notes**), so that (i) in the case of a Tax Event, the Exchanged Notes no longer trigger the relevant Tax Event, (ii) in the case of a Regulatory Event, the aggregate nominal amount of the Exchanged Notes is treated under the Applicable Regulations as Tier 2 Own Funds of the Issuer 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 receive (or continue to receive) the equity credit first assigned to the Notes by the relevant Rating Agency. Any such exchange 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 containing terms which comply with the then current requirements of the Relevant Supervisory Authority in relation to Tier 2 Own Funds;
- (C) the prior approval of the Relevant Supervisory Authority 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, and such exchange 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 continue to be listed or admitted on the same stock exchange as the Notes if they were listed immediately prior to the relevant exchange;
- (F) the Exchanged 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 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 not containing any terms providing for contractual loss absorption through principal write-down or conversion into ordinary shares;
- (G) the terms of the exchange not being prejudicial to the interests of the Noteholders, provided that, any exchange 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 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.

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

6.8 Purchases

The Issuer 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) at any price in the open market or otherwise. Where permitted by applicable law and regulation, all Notes purchased pursuant to this Condition 6.8 may be cancelled or held, reissued or resold at the discretion of the relevant purchaser.

6.9 Postponement of optional redemption dates

- (a) Any redemption of Notes notified to Noteholders pursuant to Condition 6.3, 6.4, 6.5 or 6.6 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, 6.5 or 6.6 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 2070, 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 Relevant Supervisory Authority 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, including where the

procedures set forth in Decree 239 in order to benefit from a tax exemption have not been timely met or complied with, except where such non-compliance results from the gross negligence or wilful misconduct of the Issuer; 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

- (a) The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

- (b) In relation to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution subject to compliance with the laws, legislation, rules and regulation of Italy in force and applicable to the Issuer from time to time:
- (A) a meeting may be convened by the Issuer or the Noteholders' Representative and shall be convened by either of them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes;
 - (B) a meeting of Noteholders will be validly held if (i) there are one or more persons present, being or representing Noteholders holding more than one half of the aggregate principal amount of the outstanding Notes, or (ii) in the case of a second meeting following adjournment of the first meeting for want of quorum and in respect of any subsequent meeting, 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; provided, however, that the quorum shall always be at least one half of the aggregate principal amount of the outstanding Notes for the purposes of considering a Reserved Matter and provided further that the by-laws of the Issuer and/or, as the case may be, applicable provisions of Italian law, may from time to time require a different quorum at any such meeting which shall be indicated in the Notice convening the relevant Meeting;
 - (C) the majority required to pass an Extraordinary Resolution will be (i) one or more persons holding or representing at least one more than one half of the aggregate principal amount of the outstanding Notes, or (ii) in the case of any subsequent meeting one or more persons holding or representing at least two third of the aggregate principal amount of the Notes represented at the meeting provided, however, that a Reserved Matter may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders by one or more persons holding or representing at least one half of the aggregate principal amount of the outstanding Notes and provided further that the by-laws of the Issuer and/or, as the case may be, applicable provisions of Italian law, may from time to time require a different majority which shall be indicated in the Notice convening the relevant Meeting;
 - (D) a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will – to the extent permitted under then applicable law - take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

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.

In addition, no consent of the Noteholders or Couponholders shall be required in connection with effecting the relevant Successor Rate or Alternative Rate (as applicable) as described in Condition 5.1(e) (*Benchmark Replacement*) or such other relevant changes pursuant to Condition 5.1(e)(iv) (*Benchmark Amendments*) including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement, subject (to the extent required) to the Issuer giving any notice required to be given to, and receiving any consent required from, or non-objection from, the Competent Authority.

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

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

12.4 Provisions for the Meetings of Noteholders

The Provisions for the Meetings of Noteholders are attached to, and form an integral part of, these Conditions. References in these Conditions to the "*Provisions for the meetings of Noteholders*" include such provisions as from time to time modified in accordance with the provisions contained therein and any agreement or other document expressed to be supplemental thereto.

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 *provided that*, 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. GOVERNING LAW AND JURISDICTION

15.1 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, Italian Law.

15.2 Jurisdiction of Italian Courts

- (a) The courts of Milan 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 Milan courts.
- (b) For the purposes of this Condition 15, each of the Issuer and any Noteholders or Couponholders in relation to any Dispute waives any objection to the courts of Milan on the grounds that they are an inconvenient or inappropriate forum to settle Disputes.

ANNEX 1 TO THE TERMS AND CONDITIONS
PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1. DEFINITIONS

Unless otherwise provided in this Schedule, any capitalised term shall have the meaning attributed to it in the Conditions.

In this Schedule, the terms below shall have the following meanings, unless the context otherwise requires and subject to any mandatory provisions of Italian law, including (without limitation) those set out in the TUF (as defined below) and, to the extent applicable, the Issuer's By-laws (*statuto*) in force from time to time:

Chairman means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 6 (*Chairman*);

Conditions means the terms and conditions of the Notes and any reference to a numbered Condition is to the correspondingly numbered provision thereof;

Eligible Voter means (if the Notes are in definitive form) the holder of the relevant Notes or (if the Notes are represented by a Global Note) the person in whose account with the relevant ICSD the interest in the relevant Note is held as shown in the records of such ICSD at close of business on the seventh Stock Exchange Day prior to the date fixed for the Initial Meeting, or, where applicable, any new Meeting, in accordance with Article 83-*sexies* of the TUF;

Extraordinary Resolution means a resolution passed by the number of Voters specified in paragraph 8 (*Voting Majority*) at a Meeting duly convened and held in accordance with this Schedule;

Initial Meeting means any Meeting other than a New Meeting;

Meeting means a meeting of Noteholders (whether originally convened or resumed following an adjournment);

New Meeting means any Meeting resumed after adjournment for want of quorum of a previous Meeting;

Noteholders' Representative means a person appointed, inter alia, to represent the interests of the Noteholders (*rappresentante comune*) by an Extraordinary Resolution or by an order of a competent court at the request of one or more Noteholders or by the directors of the Issuer, as described in Articles 2415, 2417 and 2418 of the Italian Civil Code;

Proxy means, in relation to any Meeting, a person appointed to vote under a Voting Instruction other than:

- (a) any such person whose appointment has been revoked and in relation to whom the Fiscal Agent has been notified in writing of such revocation by close of business on the second Stock Exchange Day before the time fixed for such Meeting; and
- (b) any such person appointed to vote at a Meeting which has been adjourned for want of a quorum who (i) was not originally appointed to vote at any subsequent New Meeting and (ii) has not been re-appointed at any such New Meeting;
- (c) any such person who at the time of the Meeting is (i) a member of any management or supervisory board (including directors and statutory auditors (*Sindaci*)) of the Issuer or any of its Subsidiaries or (ii) an employee of the Issuer or any of its Subsidiaries;

- (d) the Issuer or any of the Subsidiaries of the Issuer,

provided, however, that no single Proxy may attend or vote on behalf of more than such number of Noteholders at any Meeting as would exceed the limits specified in Article 2372 of the Italian Civil Code;

Reserved Matter means any proposal to amend the Conditions of the Notes in accordance with Article 2415 of the Italian Civil Code, including any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to reduce the rate or rates of interest in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;
- (b) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to change the quorum required at any meeting or the majority required to pass an Extraordinary Resolution; or
- (e) to amend this definition;

Stock Exchange Day means a day which is a trading day on the Global Exchange Market of the Irish Stock Exchange plc trading as Euronext Dublin;

TUF means Italian Legislative Decree No. 58 of 24 February 1998, as amended, otherwise known as the *Testo Unico della Finanza*;

Voter means, in relation to any Meeting, the person identified in the Voting Certificate, any Proxy or any bearer of a Definitive Note;

Voting Certificate means, in relation to any Meeting, a certificate in the English language (together with, if required by applicable Italian law, a translation thereof into Italian) issued either:

- (a) by a holder of an account with the relevant ICSD through which interests in the Notes are held; or
- (b) by a Paying Agent on behalf of the relevant ICSD on the instructions given to such ICSD by or on behalf of an Eligible Voter; or
- (c) (if the Notes are in definitive form) by a Paying Agent,

setting out the aggregate principal amount of the Notes in respect of which the certificate is issued and stating the name of (and document of identification to be provided by) the Eligible Voter and in which it is stated that the person identified therein is entitled to attend and vote at the Meeting; and

Voting Instruction means, in relation to any Meeting, a document in the English language issued by a Paying Agent in respect of one or more Eligible Voters:

- (a) certifying that each such Eligible Voter or a duly authorised person on its behalf has instructed the relevant Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolutions to be put to the Meeting and that all such instructions are, during the period commencing 48 hours prior to the time for which such meeting is

convened and ending at the conclusion or adjustment thereof, neither revocable nor capable of amendment;

- (b) setting out the aggregate principal amount and (if in definitive form) the certificate numbers of the Notes in respect of which instructions have been given, distinguishing in relation to each resolution whether to vote for or against such resolution; and
- (c) authorising a named individual or individuals to vote in respect of the Notes in accordance with such instructions.

2. ISSUE OF VOTING CERTIFICATES AND VOTING INSTRUCTIONS

Any Eligible Voter may obtain a Voting Certificate from the relevant holder of an account with the relevant ICSD or may obtain a Voting Certificate from the Paying Agent or require any Paying Agent to issue a Voting Instruction not later than:

- (a) close of business on the second Stock Exchange Day before the date fixed for the relevant Meeting; or
- (b) any different time before the date fixed for the relevant Meeting which may be specified under any applicable law (including, without limitation, any applicable provision of the TUF),

by depositing such Note with the Fiscal Agent (if the Notes are in definitive form) or by making appropriate arrangements with the ICSDs in accordance with their procedures (if the Notes are represented by Global Notes).

So long as a Voting Certificate or Voting Instruction is valid, the bearer thereof (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Voting Instruction) shall be deemed to be the holder of the Notes to which it relates for all purposes in connection with the Meeting. A Voting Certificate and a Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

Voting Certificates shall be prepared by the Paying Agent on the basis of the relevant book-entries as at the end of the accounting day of the seventh Stock Exchange Day prior to the date of each Meeting, in each case to the extent required by any applicable law (including, without limitation, the TUF).

3. VALIDITY OF VOTING CERTIFICATES AND VOTING INSTRUCTIONS

Any Voting Certificates and Voting Instructions shall be valid only if deposited at the specified office of the Fiscal Agent, or at such other place as may be advised by the Fiscal Agent, no later than close of business on the second Stock Exchange Day before the time fixed for the relevant Meeting or as the Chairman decides otherwise before the Meeting proceeds to business. If the relevant Paying Agent requires, a notarised copy of each Voting Instruction and of each Voting Certificate and satisfactory proof of the identity of each Proxy named in the Voting Instruction shall be produced at the Meeting, but the relevant Paying Agent shall not be obliged to investigate the validity of any Voting Instruction or of any Voting Certificate or the authority of any Proxy.

Notwithstanding the above, any Voting Certificates and Voting Instructions shall be valid if notified to the Issuer by close of business on the second Stock Exchange Day before the date fixed for the relevant Meeting or (if so provided under applicable laws and regulations) at any time before the Meeting in a manner considered acceptable by the Issuer, the relevant ICSD or the Paying Agent, as applicable.

4. CONVENING OF MEETING

Subject to mandatory provisions of Italian law and the Issuer's By-laws (*statuto*) in force from time to time, the directors of the Issuer or the Noteholders' Representative may convene a Meeting at any time at their discretion and the Issuer and the Noteholders' Representative shall be obliged to do so upon request in writing of the Noteholders holding not less than one tenth of the aggregate principal amount of the outstanding Notes.

If the Board of Directors or the Noteholders' Representative fails to convene such a meeting following such request, the meeting may be convened by a decision of the competent court upon request by such Noteholders.

Every such meeting shall be held at such place as provided pursuant to Article 2363 of the Italian Civil Code or the Issuer's By-laws (*statuto*) in force from time to time.

5. NOTICE

At least 15 days' notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying, *inter alia*, the date, time and place of the Meeting shall be published in such a manner (if any) required from time to time by applicable Italian laws and/or the Issuer's By-laws (*statuto*) and such notice shall be given to the Noteholders (in accordance with Condition 13 (*Notices*) as amended, if applicable, by the relevant Global Note)) and the Paying Agents (with a copy to the Issuer) and to the Noteholders' Representative. The notice shall set out the full text of any resolutions to be proposed and shall specify the requirements to be complied with for the purpose of obtaining Voting Certificates or appointing Proxies (including any requirements of the relevant ICSDs) not later than the number of days provided for under Italian law and (if applicable) the By-laws (*statuto*) of the Issuer, *provided, however*, that Noteholders will only be required to deposit the Notes held by them prior to the Meeting if Italian law or the By-laws (*statuto*) of the Issuer so require. Unless the Meeting is convened by the Issuer, a copy of the notice shall be delivered to the Issuer on the same date as publication. The notice may also specify the date of any New Meeting following adjournment for a want of quorum.

If the Notes are represented by a Global Note, the notice shall include a statement specifying that those shown to be holders of Notes in the records of either the ICSDs or holders of accounts with the ICSDs only after the seventh Stock Exchange Day prior to the date fixed for the Initial Meeting, shall not have the right to attend and vote at the relevant Meeting.

6. CHAIRMAN

Subject to mandatory provisions of Italian law, the Chairman (who may, but need not, be a Noteholder) will be the person appointed in accordance with the Issuer's By-laws (*statuto*) or, if the By-laws (*statuto*) do not contain any provisions to such effect, shall be elected by the Meeting. Where the Meeting has elected the Chairman at an Initial Meeting, such person need not be the same person as the Chairman at any New Meeting.

7. QUORUM

In accordance with the laws and legislation applicable to the Issuer, a Meeting shall be validly held if:

- (a) in the case of an Initial Meeting, there are one or more Voters present being or representing Noteholders holding more than one half of the aggregate principal amount of the outstanding Notes; and
- (b) in the case of a New Meeting, there are one or more Voters present being or representing Noteholders holding more than one third of the aggregate principal amount of the outstanding Notes,

provided that, to the extent permitted under applicable provisions of Italian law, the Issuer's By-laws (*statuto*) may in each case provide for higher quorums.

8. VOTING MAJORITY

The majority required to pass an Extraordinary Resolution will be:

- (a) for voting on any matter other than a Reserved Matter:
 - (i) in the case of an Initial Meeting, one or more Voters holding or representing more than one half of the aggregate principal amount of the outstanding Notes, and
 - (ii) in the case of a New Meeting, one or more Voters holding or representing at least two thirds of the aggregate principal amount of the outstanding Notes represented at the meeting; or
- (b) for voting on a Reserved Matter, the higher of:
 - (i) one or more Voters holding or representing not less than one half of the aggregate principal amount of the outstanding Notes, and
 - (ii) one or more Voters holding or representing not less than two thirds of the aggregate principal amount of the outstanding Notes represented at the Meeting,

provided that the Issuer's By-laws (*statuto*) may, in each case (to the extent permitted under applicable Italian law), provide for higher majorities.

9. ADJOURNMENT FOR WANT OF QUORUM

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then it shall be adjourned for such period which shall be:

- (a) where specified in the notice to Noteholders of the Initial Meeting, not less than one day and not more than 30 days following the date of the Initial Meeting; or
- (b) in all other cases, not more than 30 days following the date of the Initial Meeting.

10. NEW MEETING

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any Meeting so adjourned except business which might lawfully have been transacted at the Meeting from which the adjournment took place

11. NOTICE FOLLOWING ADJOURNMENT

Paragraph 5 (*Notice*) shall apply to any New Meeting save that:

- (a) where the notice to Noteholders of the Initial Meeting specifies the date for a New Meeting, no further notice need be given to Noteholders;
- (b) where a further notice to Noteholders is required, eight days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient.

If further notice is given to the Noteholders such notice shall set out the quorum requirements which will apply when the Meeting resumes. It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

12. PARTICIPATION

The following may attend and speak at a Meeting:

- (a) Voters;
- (b) the Noteholders' Representative;
- (c) any Director or Statutory Auditor (*sindaco*) of the Issuer; and
- (d) any other person approved by the Meeting, including representatives of the Issuer and the Fiscal Agent, the financial advisers of the Issuer and the Fiscal Agent and the legal counsel to the Issuer and the Fiscal Agent.

13. METHOD OF VOTING

The method of voting on every question submitted to a Meeting shall be decided by the Chairman.

14. VOTES

Every Voter shall have one vote in respect of each €1,000 in aggregate principal amount of the outstanding Note(s) represented or held by such Voter. Unless the terms of any Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same way.

15. VALIDITY OF VOTES BY PROXIES

Any vote by a Proxy in accordance with the relevant Voting Instruction shall be valid even if such Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, *provided that* the Fiscal Agent has not been notified in writing of such amendment or revocation by the time fixed for the relevant Meeting. Unless revoked, any appointment of a Proxy under a Voting Instruction in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment, *provided, however, that*, unless such appointment specifies otherwise, no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed and any person appointed to vote at such a Meeting must be re-appointed under a further Voting Instruction to vote at the Meeting when it is resumed.

16. POWERS

A Meeting shall have power (exercisable only by Extraordinary Resolution), without prejudice to any other powers conferred on it or any other person:

- (a) to approve any Reserved Matter;
- (b) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute an Event of Default under the Notes;
- (c) to give any other authorisation or approval which is required to be given by Extraordinary Resolution;
- (d) to consider any proposal for an administration order (*amministrazione controllata*) or a composition with creditors (*concordato*) in respect of the Issuer;
- (e) to authorise the Fiscal Agent, the Noteholders' Representative or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

- (f) to appoint or revoke the appointment of a Noteholders' Representative;
- (g) to approve the setting up of a fund for the purposes of representing the interests of Noteholders and any arrangements for the preparation of accounts in respect of such fund; and
- (h) to consider any other matter of common interest to Noteholders.

17. EXTRAORDINARY RESOLUTION BINDS ALL HOLDERS

Any Extraordinary Resolution shall be binding upon all Noteholders and holders of Coupons whether or not present at such Meeting and irrespective of how their vote was cast at such Meeting (provided that their vote was cast in accordance with these provisions) and each of the Noteholders and holders of Coupons shall be bound to give effect to it accordingly. Notice of the result of every vote on an Extraordinary Resolution shall be given to the Noteholders in accordance with Condition 13 (*Notices*) and to the Paying Agents (with a copy to the Issuer) within 14 days of the conclusion of the Meeting.

18. MINUTES

Minutes shall be drawn up by a notary public of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be prima facie evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted. The minutes shall be held in the minute book of meetings of Noteholders (*libro delle adunanze e delle deliberazioni delle assemblee degli obbligazionisti*) and be registered by the notary public who drew up the relevant minutes at the local companies' registry (*registro delle imprese*) of the Issuer.

19. COMPLIANCE WITH APPLICABLE LAW

The provisions set out in this Schedule 5 are subject to compliance with the mandatory laws, legislation, rules and regulations of the Republic of Italy in force from time to time, including (where such laws, legislation, rules and regulations so require or allow), the By-laws (*statuto*) of the Issuer and in the case of any discrepancy between provisions set out in this Schedule and any such laws, legislations, rules and regulations of the Republic of Italy in force from time to time (and where applicable the By-laws (*statuto*) of the Issuer), the latter shall prevail. Such provisions shall be deemed to be amended, replaced and/or supplemented to the extent that such laws, legislation, rules and regulations (and, where applicable, the Issuer's By-laws (*statuto*)) are amended, replaced and/or supplemented at any time while the Notes remain outstanding. Further, and for the avoidance of doubt, the provisions of the laws, legislation, rules and regulations of the Republic of Italy in force from time to time, including (where such laws, legislation, rules and regulations so require or allow) the Issuer's By-laws (*statuto*), shall be deemed to apply to any aspects relating to the Meetings of the Noteholders which are not expressly regulated herein.

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 net proceeds of the issue of the Notes will be applied by the Issuer for its general corporate purposes and to benefit the Issuer's regulatory capital structure, including the substitution – in whole or in part - of the regulatory capital instruments currently in place.

DESCRIPTION OF THE ISSUER

Credemvita is a joint stock company (*società per azioni*) incorporated on 12 July 1990 under the laws of the Republic of Italy, based in Reggio Emilia (Italy) and it operates under the laws of the Republic of Italy.

The Issuer's current registered and administrative office is at Via Luigi Sani 1, Reggio Emilia, Italy and the telephone number is 0522586000. Credemvita is registered at the Companies Register of Reggio Emilia under registration number 01437550351.

Credemvita is enrolled with the register of Italian insurance and reinsurance companies under No. 1.00105.

The corporate purpose of Credemvita is to carry out insurance business activities exclusively in the life segments, as well as business activities relating to supplementary pension plans, within the limits of and in accordance with provisions of applicable law. Credemvita's corporate duration, as set out in its current by-laws, expires on 31 December 2070.

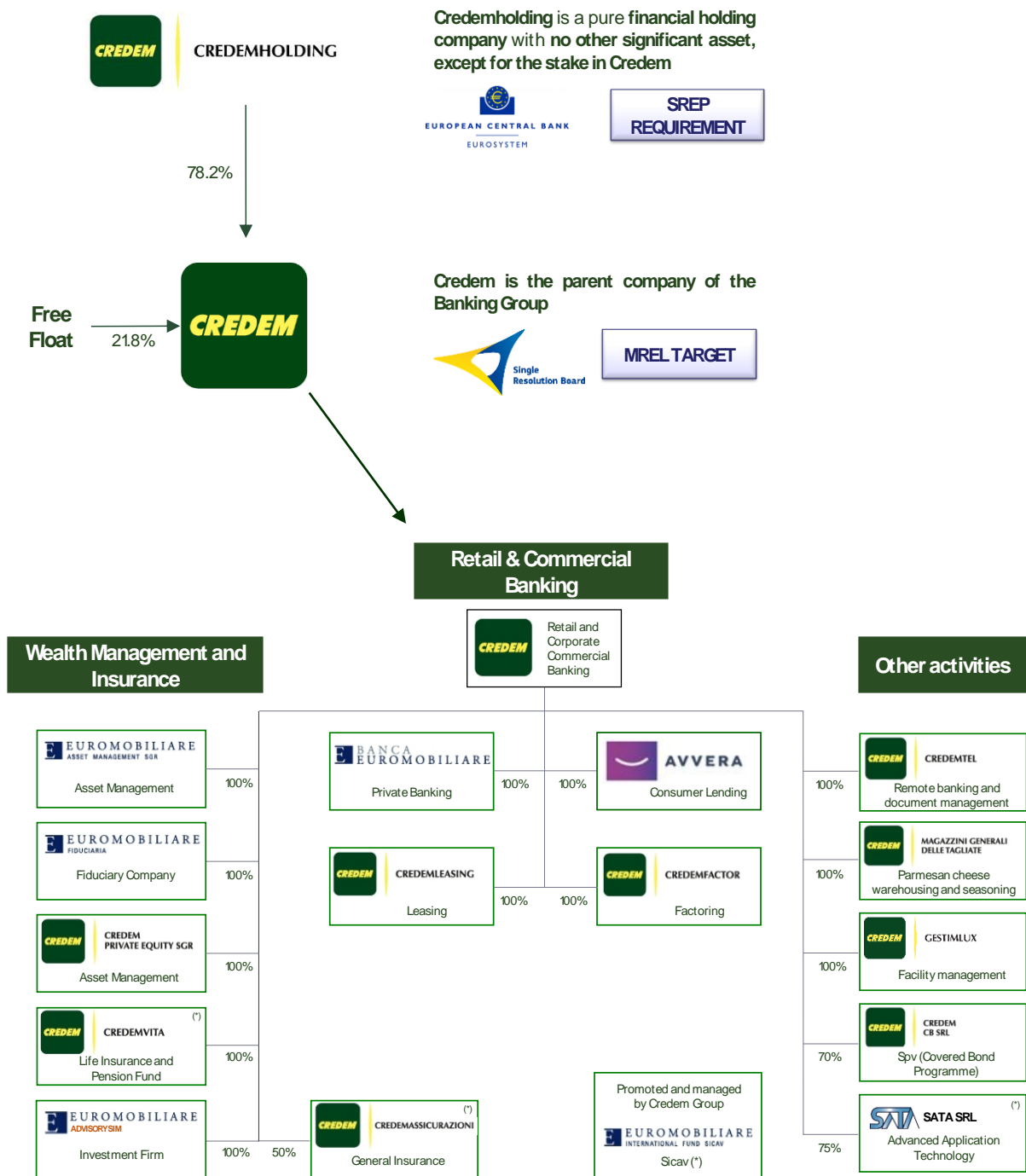
Share Capital and Shareholders

As of the date of these Listing Particulars, the issued and authorised share capital of Credemvita amounts to €121,600,044 divided into 23,565,900 ordinary shares with a nominal value of €5.16 each.

Credito Emiliano S.p.A. ("**Credem**") owns 100.00% of the issued share capital of Credemvita. Starting from June 2009, Credem became the parent company of the banking group and the Issuer is not part of the banking group perimeter.

On 6 October 2017, Credito Emiliano Holding S.p.A. and its subsidiaries (the "**Credem Group**" or the "**Group**") has been included by the European Central Bank ("**ECB**") among the Italian corporate groups that carry out significant activities both in the banking and investment services sector and in the insurance sector (financial conglomerates). The ECB provides supplementary supervision to financial conglomerates, in addition to the other sectoral supervisory authorities and to that already provided by the ECB to the Credem Group, from 1 January 2019, as a "significant" bank within the Single Supervisory Mechanism.

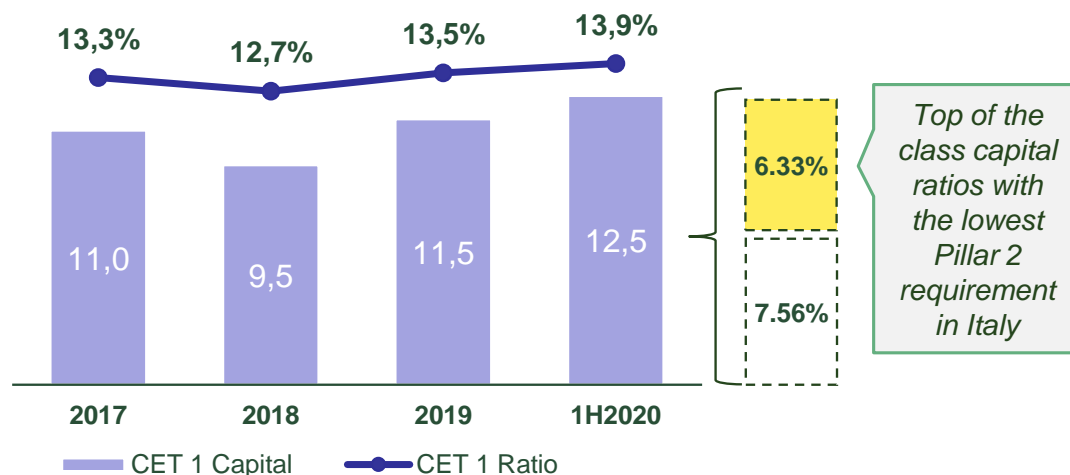
Credem Group is controlled by Credito Emiliano Holding S.p.A. ("**CredemHolding**"). As at 30 June 2020, CredemHolding owns 78.2% of the issued share capital of Credem, parent company of the Credem Group.



Source: internal data as at June 30, 2020
 * Not included in the Banking Group Perimeter

CredemHolding shows a solid CET1 evolution as detailed in the chart below

Credem Holding CET1 Evolution



Credemvita is subject to supervision and coordination by, and is a consolidated subsidiary of, Credito Emiliano S.p.A.

Credem was incorporated in Italy as a joint stock company (*società per azioni*) under the provisions of the Italian Civil Code on 12 July 1973 (with the name Interfinanziaria S.p.A.) and is registered in the company register of Reggio Emilia under number 01806740153 (Article 4 of the Issuer's By-laws provides for the duration of the Issuer until 31 December 2070). Its corporate objects, as set out in Article 3 of the By-laws, are deposit-taking and carrying on of all lending, as well as providing banking and financial services, including financings and other specially regulated activities. Its registered office is at Via Emilia San Pietro, 4, 42121 Reggio Emilia, Italy, and its investor relations telephone number is +39 0522 583076/583611. The Issuer operates subject to the Italian Banking Act.

Credem is one of the leading Italian private banks. The Credem Group is a medium-sized, multi-regional banking group, headquartered in Reggio Emilia in northern Italy. Having operated originally as a retail bank, the Credem Group now provides a full range of commercial and asset management services. An expansion plan commenced in the 1970s has given the Issuer a national presence based on its local origins; it is now active throughout the whole of Italy whilst maintaining a strong presence in Emilia Romagna. As of 30 June 2020, the Credem Group comprised of 15 companies (known as the "Banking Group" perimeter). Despite being Credemvita fully owned and consolidated line-by-line by Credem, it is not included in the "Banking Group" perimeter.

Credem was established in 1910 as Banca Agricola Commerciale di Reggio Emilia, a local private bank in the northern region of Emilia Romagna. The current name of Credito Emiliano S.p.A. has been used since 1983, following the acquisition of Banca Belinzaghi di Milano, the first step taken by Credem towards expansion on a national level.

During the 1990s, the Credem Group undertook an active acquisition campaign, taking over almost 30 small Italian banks, mainly located in the southern part of Italy. In 1994, the Credem Group acquired Euromobiliare S.p.A. ("**Euromobiliare**"), a banking group active in the investment banking and asset management sectors, from HSBC. Euromobiliare was merged with Credem in 1997 and since October of that year, Credem has been listed on the Italian Stock Exchange.

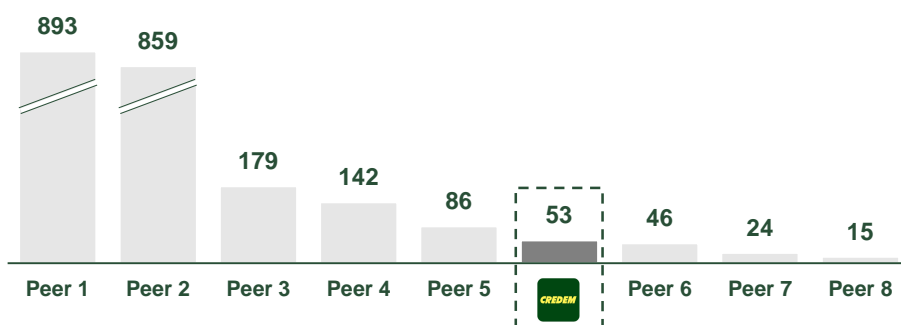
As of 30 June 2020, Credem has assets worth €53 billion, 6,237 employees and 446 branches across the country, and Credem is rated BBB- (Sta.) by S&P, Baa3 (Neg.) by Moody's and BBB- (Sta.) by Fitch.

Credemvita has been assigned a BBB- credit rating by Fitch (outlook stable) on 4 November 2020.

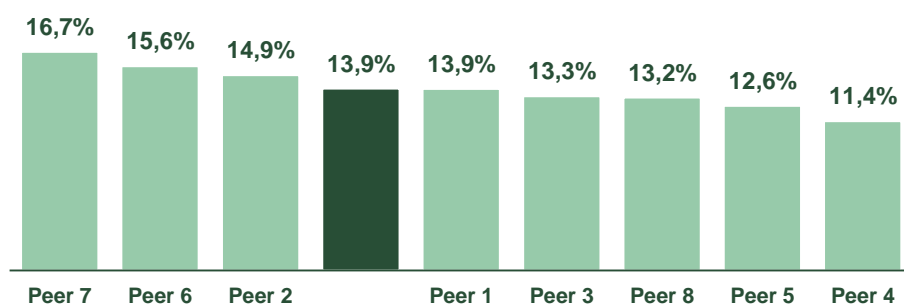
As of 30th June 2020, Credem ranks 5th by Total Assets and 4th by CET1 FL ratio among selected Italian Banking peers (UniCredit, IntesaSanPaolo, Banco BPM, Monte dei Paschi di Siena, BPER, Banca Popolare di Sondrio, Credito Valtellinese and Banco Desio) as focused in the cart below:

Italian Banks Ranking by Total Assets

€ Bn, as of 30th June 2020



Italian Banks Ranking by CET1 FL Ratio



The core business of Credem Group is focused on commercial banking and wealth management. Commercial banking relates to the distribution of financial products and the provision of services to the Credem Group's retail and corporate customers, with wealth management focusing on the management of mutual investment funds, SICAV investment funds, asset management, as well as private equity. The Issuer is active in all areas of domestic retail and commercial banking and also operates, through its subsidiaries, in mutual fund management, leasing, factoring and insurance.

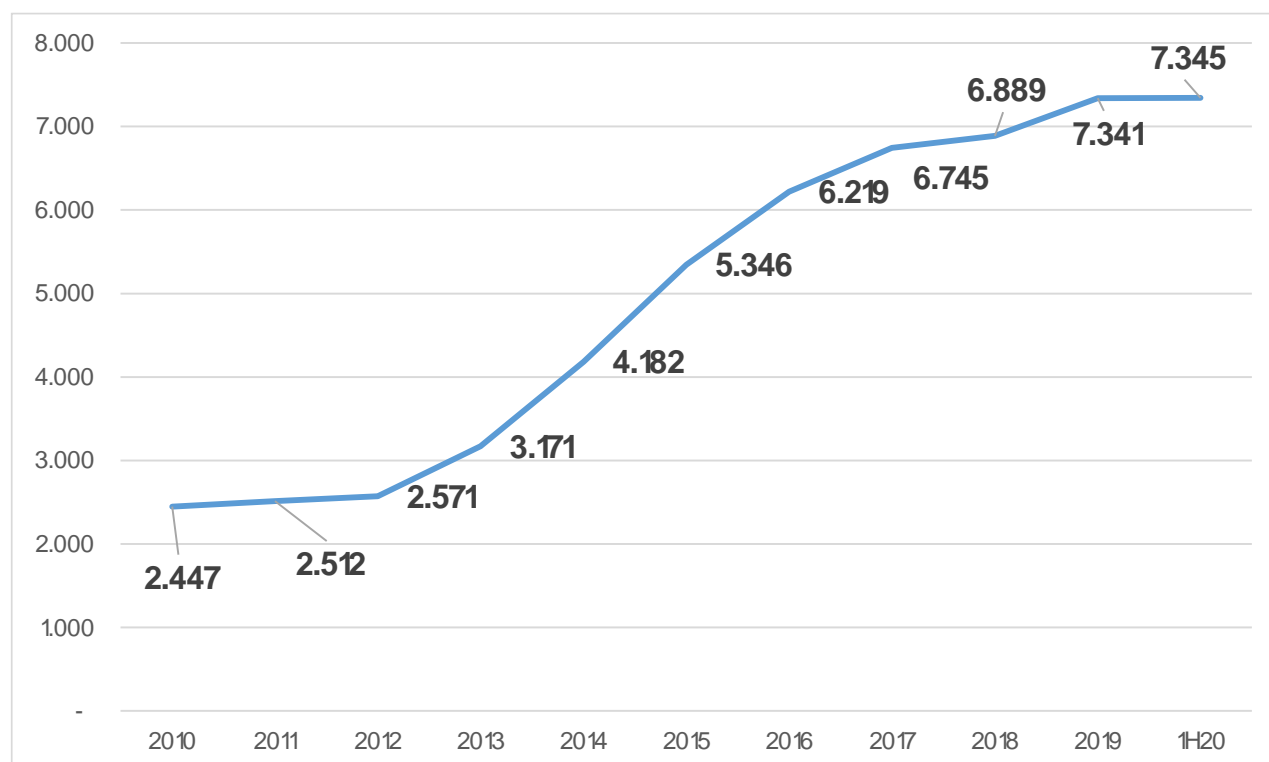
Commercial banking activities are conducted by the Issuer and some other subsidiaries within the Credem Group: Credemleasing S.p.A. (Credemleasing), Credemfactor S.p.A. (Credemfactor), Avvera S.p.A. (Avvera), and Banca Euromobiliare S.p.A. (Banca Euromobiliare).

Asset management activities of the Credem Group are organised through Euromobiliare Asset Management SGR S.p.A. (Euromobiliare Asset Management), Euromobiliare Advisory SIM (Investment Firm), Credem Private Equity SGR S.p.A. (Credem Private Equity), and Credemvita S.p.a. (Credemvita). As of 30 June 2020, the Credem Group had €34.8 billion in customer assets under management and insurance reserves, of which € 7.3 billion managed through Credemvita.

Credemvita's governance is supported by Credem's homologous organisational units and, with specific reference to financial investment activities, there is strong cooperation between Credemvita's CEO and the Head of the Credem Group's Area Wealth. The investments of Credemvita are managed by Credemvita with the support of Credem Group Asset Managers.

Credemvita utilises Credem's IT framework and access to branches with an integrated front end for new business and post-sales activities. Credemvita also integrates and completes Credem Group's financial services offering and, as shown above, is a part of Credem Group's Wealth Management Area.

The chart below shows Credemvita's recent sharp growth in insurance reserves (in € millions), reflecting Credem Group's strategy in wealth management. Credemvita experienced a significant increase in net inflows from 2010 to 2015 (from € 31 million annually in 2010 to € 1.115 million annually in 2015). Thereafter, from 2016 to 2019, Credemvita reported an average of over €440 million of net inflows annually.



Furthermore the table below details the trend of the net inflows since 2010:

€m	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	1H2020
Net Inflows	31,0	113,5	-51,3	511,8	902,3	1.114,8	844,2	435,4	347,3	150,7	88,2

The Issuer prevents abuse of control by its controlling entities in a number of ways. All of the Issuer's Directors, including when designated by Credem (the controlling entity), must meet the requirements that determine their suitability to hold the position of Director, such as honourability, professionalism and independence, such requirements being outlined within the scope of the Fit & Proper Policy set out by Credemvita pursuant to the relevant regulations in force (Solvency Directive II, Legislative Decree No. 209 dated 7 September 2005, IVASS Regulation No. 38 dated 3 July 2018, and Ministerial Decree No. 220 dated 11 November 2011).

In accordance with the Issuer's Corporate Governance Policy and Article 2391 of the Italian Civil Code, during Board of Directors meetings, every Director must give notice to the other Directors and to the Statutory Auditors of every financial or non-financial interest he may have in a specific company transaction, either for his own account or for the account of a third-party or for the account of Credem, which is the controlling entity, and also of any interest on behalf of Credem's related companies, even if such interest is not in conflict with other interests.

In such circumstances, and in particular with reference to transactions with companies controlled by Credem or an investee company of Credem, the appropriateness for the Issuer of such a transaction must be duly shown, and the absence of any impediment must be stated, in the resolution of the Board of Directors.

Furthermore, in relation to transactions with related parties, including those with Credem, the Issuer has also adopted, pursuant to the provisions set out by the ISVAP Regulation No. 25 dated 27 May 2008, a set of rules named “*Linee Guida per l’operatività infragruppo*”. Among other things, such rules also identify the necessary procedures of control and of risk control. Such precautions are provided for by conferring tasks to Compliance and to Risk Management functions.

The Issuer has also adopted a regulation for the management of conflicts of interests (“*Regolamento per la gestione dei conflitti di interesse*”), which aims to facilitate the proper performance and fulfilment of good conduct obligations in regard of conflicts of interests. Such regulation has been adopted in order to comply with provisions set out by Directive on Insurance Distribution (IDD), by Commission Delegated Regulation (EU) 2017/2359, of Article 183 of the Legislative Decree No. 209 dated 7 September 2005, of Article 55 of the IVASS Regulation No. 40 dated 2 August 2018, and of Article 35 of the IVASS Regulation No. 41 dated 2 August 2018.

Financial Information

The following tables set out the key financial information of Credemvita which is derived from its balance sheets and income statements as of and for the years ended 31 December 2018 and 2019, and as of 30 June 2020.

In particular, the first two tables represent a reclassification of financial statements prepared in accordance with ISVAP Regulation No. 22 dated 4 April 2008 and audited by independent auditors.

The other two tables represent a reclassification of balance sheet and income statements of Credemvita prepared for information purposes only, in accordance with International Financial Reporting Standards (IFRS) for the purposes of inclusion in the consolidated financial statements of the Credem Group, and have not been audited or reviewed by independent auditors.

The aim of both reclassifications has been to show financial statements data consistent with insurance information, and provide more comparability between financial statements prepared in accordance with ISVAP Regulation No. 22 dated 4 April 2008 and financial statements prepared in accordance with IFRS principles.

Balance Sheet (in accordance with ISVAP Regulation No. 22 dated 4 April 2008)

(€m)	FY2018	FY2019	1H20
Intangible assets	7	9	9
Investments	3.894	3.760	4.018
Unit linked & Pension Fund investments related	3.098	3.451	3.320
Reinsurers' share of technical reserves	15	17	18
Receivables	143	167	166
Other assets	120	413	214
Total assets	7.277	7.816	7.745
Shareholders' equity	204	264	257
Subordinated loan	105	105	105
Technical reserves	3.797	3.891	4.025
Unit linked & Pension Fund reserves	3.092	3.451	3.320
Creditors and other liabilities	79	106	39
Other liabilities			
Total Liabilities and Equity	7.277	7.816	7.745

Income Statements (in accordance with ISVAP Regulation No. 22 dated 4 April 2008)

(€m)	FY2018	FY2019	1H20
GWP	1.139,0	890,1	450,6
Reinsured premia	-6,4	-5,5	-3,3
NPE	1.132,5	884,6	447,4
Commission income	17,4	20,9	7,2
Income financial assets HFV	-198,5	324,1	-96,8
Other Investment income	152,4	205,8	102,8
<i>o/w interest income</i>	73,2	80,8	41,8
<i>o/w revaluation income</i>			
<i>o/w income from disposal</i>	76,2	119,1	60,7
<i>o/w other income for revaluations</i>			
Other incomes	1,1	1,0	0,6
Total revenues	1.104,9	1.436,4	461,1
Net claims paid	-911,7	-1.191,7	-337,9
Commission expense	-51,6	-55,1	-24,4
Investment costs & expenses	-116,9	-79,1	-96,5
<i>o/w interest expenses</i>	-14,4	-16,0	-9,3
<i>o/w other charges</i>			
<i>o/w realized losses</i>	-34,0	-37,4	-41,2
<i>o/w losses from revaluation</i>			
Acquisition and admin. Expenses	-17,6	-17,7	-8,6
<i>o/w acquisition costs</i>	-7,0	-6,8	-3,2
<i>o/w invest. management expenses</i>			
<i>o/w administration expenses</i>	-9,5	-9,5	-4,9
Other expenses	-5,0	-6,7	-2,5
Total expenses	-1.102,8	-1.350,3	-469,9
Profit before taxes	2,1	86,0	-8,8
Taxes	-0,9	-26,0	1,9
Net income	1,1	60,0	-6,9

Balance Sheet (in accordance with International Financial Reporting Standards (IFRS))

(€m)	FY20 18	FY20 19	1H20
Intangible assets	18	18	16
Investments	3.910	3.831	4.072
Unit linked & Pension Fund investments	3.098	3.451	3.320
Reinsurers' share of technical reserves	15	17	18
Receivables	173	176	182
Other assets	102	393	196
Total assets	7.316	7.885	7.804
Shareholders' equity	213	291	287
Subordinated loan	104	104	105
Technical reserves	3.795	3.909	4.024
Unit linked & Pension Fund reserves	3.092	3.451	3.320
Creditors and other liabilities	76	105	36
Other liabilities	36	24	33
Total Liabilities and Equity	7.316	7.885	7.804

Income Statements (in accordance with International Financial Reporting Standards (IFRS))

(€m)	FY2018	FY2019	1H20
GWP	542,0	398,0	262,1
Reinsured premia	-6,4	-5,5	-3,3
NPE	535,5	392,5	258,8
Commission income	18,9	22,1	7,7
Income financial assets HFV	48,5	36,8	46,4
Other Investment income	126,0	152,7	82,5
<i>o/w interest income</i>	57,8	60,8	29,9
<i>o/w revaluation income</i>			
<i>o/w income from disposal</i>	67,9	91,9	52,5
<i>o/w other income for revaluations</i>			
Other incomes	1,1	1,0	0,6
Total revenues	730,1	605,0	396,1
Net claims paid	-563,5	-409,2	-289,5
Commission expense	-54,4	-57,8	-25,6
Investment costs & expenses	-42,9	-70,8	-52,0
<i>o/w interest expenses</i>	-3,8	-4,7	-2,3
<i>o/w other charges</i>			
<i>o/w realized losses</i>	-38,0	-62,1	-49,2
<i>o/w losses from revaluation</i>			
Acquisition and admin. Expenses	-18,8	-18,6	-9,1
<i>o/w acquisition costs</i>	-6,2	-6,2	-2,9
<i>o/w invest. management expenses</i>			
<i>o/w administration expenses</i>	-12,5	-12,4	-6,1
Other expenses	-3,9	-5,6	-2,2
Total expenses	-683,4	-562,1	-378,3
Profit before taxes	46,7	43,0	17,7
Taxes	-14,7	-12,7	-5,5
Net income	32,0	30,2	12,3

As of 30 June 2020, in accordance with International Financial Reporting Standards (IFRS), Credemvita shows Total Assets of €7.8 billion, where Unit Linked and Pension Funds Investments (“Classe D”) are €3.3 billion and “Classe C” are €4.1 billion as shown in the table below:

<i>Total Assets</i>	<i>IFRS Value (€ MM)</i>
Category D	3,320
<i>Unit linked (Internal Funds)</i>	<i>581</i>
<i>Unit linked (External Funds)</i>	<i>2,416</i>
<i>Pension Fund</i>	<i>323</i>
Category C	4,072
Total	7,392

As of 30 June 2020 close to 86% of Category C portfolio is invested in fixed income with prevalence of Italian government bonds and European corporate bonds and limited exposure to HY, Equity, FIA investments, only through mutual funds as shows in the table below:

	<i>Asset Class</i>	<i>IFRS Value (€ MM)</i>	<i>Weight</i>
1	Government Bonds	2,950	72.5%
	<i>Italy</i>	<i>1,667</i>	<i>41.0%</i>
	<i>Belgium</i>	<i>518</i>	<i>12.7%</i>
	<i>Spain</i>	<i>339</i>	<i>8.3%</i>
	<i>Others</i>	<i>426</i>	<i>10.5%</i>
2	Corporate Bonds	560	13.7%
3	Fixed Income Funds	394	9.7%
	<i>Equity funds</i>	<i>168</i>	<i>4.1%</i>
	<i>Cash</i>	<i>-</i>	<i>-</i>
	Total	4,072	100.0%

Accounts for 22.6% of the whole investments portfolio

Bonds Portfolio by geography shows 52% from Italy, 15% Belgium, 10% Spain, 10% France, 4% Portugal, 3% Netherlands, and 6% other countries.

Bonds Portfolio by Investment Rating shows 55% of BBB Bonds, 21% AA Bonds, 14% from A+ to A, ~3% from AAA to AA-, 3% from BBB+ to BBB- and ~2% from BB+ to BB. Bonds without rating and not rated represent percentage close to zero.

As of 30 June 2020 the Credemvita’s traditional reserves are €3.9 billion as shown in the table below:

	2018		2019		1H20	
	€ MM	Weight	€ MM	Weight	€ MM	Weight
Mathematical Provision	518	8%	395	5%	392	5%
Technical Provisions where Investment Risk is Born by Policy	3,156	46%	3,371	46%	3,482	47%
Traditional	3,674	54%	3,766	51%	3,874	52%
Provisions for Amount Payable	53	1%	48	1%	73	1%
Human life, Loan protection and Other technical provision	65	1%	67	1%	68	1%
Life Assurance Business	3,792	55%	3,881	53%	4,015	55%
Unit-Linked	2,829	41%	3,128	43%	2,997	41%
Pension Fund	268	4%	332	5%	332	5%
Total Liabilities to Policyholders	6,889	100%	7,341	100%	7,345	100%

They have a limited level of guarantees: the majority of the liabilities have no contractual MGR but only an annually set up target yield in force and the minority of the liabilities have guarantees between 2% and 4%. Only close to 7% of traditional business with a contractual MGR is between 2 and 4% of minimum guarantee as shown in the table below:

	2018		2019		1H20	
	€ MM	Weight	€ MM	Weight	€ MM	Weight
Between 0% and 2%	260	7%	141	4%	140	4%
Between 2% and 4%	258	7%	254	7%	252	7%
Provisions Without Guaranteed Return	3,156	86%	3,371	90%	3,482	90%
Life Assurance Business	3,674	100%	3,766	100%	3,874	100%

Gross Written Premiums (“GWP”) calculated by the Issuer, for information purposes only, and applying the IFRS principles, are detailed as shown in the table below where the Insurance contracts represent GWP as defined in IFRS 4, and the Fair value products represent the market value of the Unit Linked premiums.

The IFRS financial data contained in the table below has not been audited or reviewed by independent accountants.

(€m)	FY2018	FY2019	1H20
Insurance contracts GWP	542	398	262
<i>Life</i>	<i>542</i>	<i>398</i>	<i>262</i>
Fair value products GWP	597	492	189
Total gross production	1.139	890	451
New business	918	678	387

Credemvita experienced strong GWP growth in the last decade, as illustrated in the following table (where “Others” means human life insurance and loans protection):

€m

GWP	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	1H2020
Traditional	284	500	267	491	730	563	537	331	518	374	250
Unit Linked	217	179	22	329	505	968	752	838	557	450	170
Pension Funds	15	16	16	20	26	28	31	36	40	43	19
Others	12	14	15	13	14	19	23	23	24	24	12
Totale	528	709	320	853	1.276	1.579	1.343	1.228	1.139	890	451

Credemvita recently experienced the following figures that show the enhanced contribution of the Unit Linked policies inside the GWP and the Credemvita capacity to fit the customer needs when they change due to strong market changes (1H20):

€m

GWP	FY2018	%	FY2019	%	Var%	1H20	%	Var%
Traditional	518	45%	374	42%	-28%	250	56%	24%
Unit Linked	557	49%	450	51%	-19%	170	38%	-17%
Pension Funds	40	4%	43	5%	5%	19	4%	6%
Others	24	2%	24	3%	2%	12	3%	-5%
Totale	1.139	100%	890	100%	-22%	451	100%	3%

The GWP and Net Inflow's evolution confirm the strategy of Credemvita to serve retail and affluent clients with dedicated products and with growing contribution from Unit linked line of business and that strategy reflects its effect in the actually reserves mix as shows in the table below:

€m

Reserves	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	1H2020
Traditional (product with profit)	1326	1527	1686	2.080	2.702	3.119	3.488	3.506	3.699	3.792	3.906
Unit Linked	1019	870	745	927	1.277	1.988	2.457	2.926	2.858	3.151	3.037
Pension Funds	75	85	106	129	166	196	222	255	270	334	334
Others	27	31	34	35	37	43	51	58	63	66	68
Totale	2.447	2.512	2.571	3.171	4.182	5.346	6.219	6.745	6.889	7.341	7.345

After 2017, the Issuer enhanced its capital position by self-financing. No dividend distribution plan is scheduled for the next years.

In 2017, Credito Emiliano underwrote €30 million Fixed Rate Resettable Subordinated Notes due 28 June 2027 eligible as a Credemvita's Tier 2 after Credemvita distributed an extraordinary dividend to optimise the capital structure of the parent company (Credito Emiliano).

Furthermore, in 2018 Credito Emiliano underwrote €25 million Fixed Rate Resettable Subordinated Notes due 28 September 2028 eligible as a Credemvita's Tier 2 to enhance the resilience of the Credemvita solvency position.

Previously, in 2015, Credemvita had already issued €50 million Fixed Rate Resettable Subordinated Notes due 18 December 2025 eligible as a Credemvita's Tier 2.

The table below represents the Credemvita's available Tier 2.

T2 Instruments	Credemvita 2025	Credemvita 2027	Credemvita 2028
Underwriter / Listing venue	Market / GEM segment Irish Stock Exchange	Credito Emiliano SpA/ not listed	Credito Emiliano SpA/ not listed
Nominal Amount €m	50	30	25
Issuance Date	18-Dec-15	28-Jun-17	28-Sep-18
Call Option Date	18-Dec-20	28-Jun-22	28-Sep-23
Due Date	18-Dec-25	28-Jun-27	28-Sep-28
Coupon %	4.49%	4.06%	4.35%
o/w parameter %	0.24%	0.13%	0.35%
o/w issuance spread %	4.25%	3.93%	4.00%
Coupon amount in €m	2.245	1.219	1.087

The figures below represent the Issuer's shareholder's equity and the net results in millions of euro calculated by the Issuer, for information purposes only, applying the IFRS principles.

The IFRS financial data contained in the table below has not been audited or reviewed by independent accountants.

Shareholder's equity

€m	2018	2019	Var%	1H2020	Var%
Shareholder's equity	212,7	291,4	37%	287,3	6%

Net IFRS profit

€m	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	1H2020
Net IFRS Profit	6,2	10,0	15,9	15,6	23,3	27,2	25,4	28,7	32,0	30,3	12,3

Credemvita has a strong capital position (Solvency Capital Requirement Ratio) that reflects the growth of its reserves, as illustrated below (figures in € million) where the first table shows the figures since 2010 while the second the detailed figures since 2018

%	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	1H2020
Solvency Ratio	111%	120%	147%	136%	119%	251%	189%	185%	159%	205%	232%

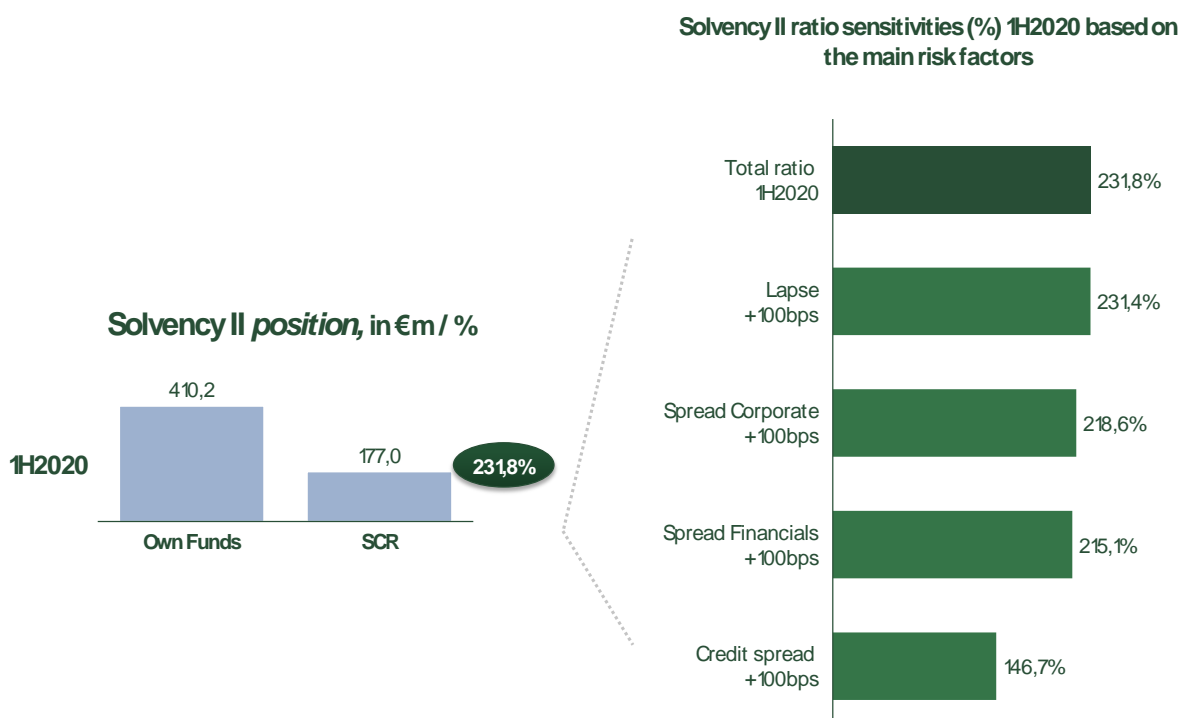
From 2010 to 2014 the values refer to Solvency I Ratio, from 2015 to 2020 the values refer to Solvency II Ratio.

Own Funds	2018	2019	1H20
Tier 1 Eligible	210.0	343.5	321.7
Tier 2 Available	106.6	106.9	107.9
"Credemvita 2025"	50.4	50.3	51.3
"Credemvita 2027"	30.7	30.9	30.3
"Credemvita 2028"	25.4	25.7	26.3
Tier 2 Eligible	96.6	106.9	88.5
Own Funds Eligible	306.5	450.4	410.2
MCR	86.9	99.1	79.6
SCR	193.1	220.1	177.0
Solvency II Ratio (%)	159%	205%	232%

As of 30 June 2020 the Issuer's sensitivity to single risk factors as measured by variation of the Solvency Capital Requirement Ratio shows that the Issuer is mainly exposed to the following risks:

- Btp/bund credit spread
- Spread financials bonds
- Spread corporate bonds
- Lapse

The following graphic shows the value of the Issuer's Solvency Capital Requirement Ratio in relation to the sensitivities mentioned above.



The financial information included in this section is derived from, should be read in conjunction with and is qualified in its entirety by reference to the Issuer's audited annual financial statements as at and for the years ended 31 December 2019 and 2018, together with the accompanying notes and auditors' reports and its unaudited interim financial statements as at and for the six months ended 30 June 2020, together with the accompanying notes, all of which are incorporated by reference in these Listing Particulars. See "*Documents Incorporated by Reference*".

The annual financial statements of the Issuer referred to above have been prepared in accordance with Italian regulations governing the preparation of financial statements. EY S.p.A., independent auditors to the Issuer have audited the annual financial statements of the Issuer referred to above.

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

Business operations

Credemvita has a wide product offering, recently simplified and renewed, which aligns customer and business needs to maximise returns for customers inside a whole and integrated Credem Group's saving product offering.

This is based on investment and savings policies (traditional or product with profit participation and unit linked policies), and insurance and pension products through a multi-channel distribution platform (six different sales networks). Credemvita also offers Creditor Protection Insurance (protection for loans) exclusively for life guarantees.

The traditional policies are optimised for Solvency II, leading to lower capital absorption.

Key factors in the Issuer's strategy consist of a client-centric approach with a high level of service delivered inside the Credem Group's Wealth Management Area offering, where Credemvita focuses on its core life insurance business to serve Credem Group's different customer segments with dedicated products and with growing contributions from the unit-linked business line.

Credemvita aims to deliver simple products capable of providing added value to its customers, an efficient service throughout the different phases of the insurance product, and post-sales assistance tailored to meet the needs of its policy subscribers together with improved and transparent customer communication.

Credemvita operates exclusively in Italy.

The principal products of Credemvita include:

- participating life insurance policies (products with profit), offering a variety of investment options;
- policies linked to segregated funds, contracts with benefits contractually based on investments performance;
- pension products designed for retirement purpose;
- CPI (Credit Protection Insurance) guarantees in case of death, bundled with mortgages and personal loans products. These are insurances which provide for the full or partial repayment of the relevant debt relating to mortgages or personal loan products upon the unexpected death of the debtor; and
- Term Life Insurance, a life insurance that provides the payment of premiums for a certain period. If the relevant insured person dies during such period, a specified amount will be paid to the relevant beneficiary.

The Issuer's offering is shown below.

Product offering				
		Category	Tariff	Key marketed products
Life	Saving and inv. products	Capitalisation	Traditional: Products with profit	<ul style="list-style-type: none"> • Credemvita Investire Sicuro • Credemvita Life Plan
		Mutual funds	Unit-Linked	<ul style="list-style-type: none"> • Credemvita Collection • Credemvita Simple Life
	Pension product	Pension funds	Pension fund	<ul style="list-style-type: none"> • Credemprevidenza • PIP Credemvita Futura
Human Life insurance		CPI	Loan Protection	<ul style="list-style-type: none"> • Protezione Mutuo • Protezione Finanziamento • Protezione Prestito • Protezione Mutuo Imprese • Protezione Carta Ego
		Human Life	Life insurance	<ul style="list-style-type: none"> • Credemvita Protezione Persona • Key Man

Since the start of 2013, the Issuer's management has focused on completing the unit-linked product offering to create products aimed at achieving significant results for customers. These products are highly customised to customers' requirements in the different segments.

Today Credemvita provides unit-linked products based on two main products clusters:

(1) “Credemvita Collection”, a products cluster for external funds with the possibility to underwrite different profiles of policies, with active management services provided by the Issuer and with the availability of four optional services:

- Stop Loss: investment monitoring and limitation of any losses during negative market trends by automatically transferring the entire value of the policy to the “Target Monetary Fund”;
- Invest Plan: gradual transfer of amounts invested from the “Target Monetary Fund” to the external funds chosen by the Policyholder, through planned switches;
- Dynamic Rebalance: rebalancing of the asset allocation on a half-yearly basis; and
- Periodic Coupon: offering a recurring benefit to the Investor/Policyholder, obtained via the periodic disinvestment of units.

The four different policies of the Credemvita Collection that exist today offer different kinds of benefits that match the needs of different segments of customers (affluent, upper-affluent, private customers and clients served by the financial advisors network).

(2) “Credemvita Simple Life”, a products cluster for internal funds launched at the beginning of 2020 with new funds where the asset allocation activity is provided directly by the Credemvita Finance department.

It allows the customers to better modulate their investment over time based on their own return and risk expectations with enhanced guaranties regarding the Term Life Insurance.

Furthermore, Credemvita has in the last years managed an overall review of the product with profit “Credemvita Investire Sicuro” to provide results that better meet its customer requirements. For example, “Investire Sicuro” policies were integrated with the product “Investire Sicuro cedola”. This is a Segment I product with an annual revaluation recognised in the form of a dividend for the customer.

Since 2019, Credemvita has continued to focus its strategy on enhancing the capability to innovate their Traditional product offering (product with profit).

In 2020, Credemvita proposed the policy “Credemvita Life Plan”. It is a traditional policy that invests in the Credemvita II portfolio and guarantees the conservation of the invested capital in the event of the death of the Insured, regardless of the date on which the event occurs, or in the event of partial redemption or total required in one of the “Guaranteed Redemption Maturity”.

Overall, the product strategies comprise:

- products with profit: no contractual Minimum Guaranteed Return (“MGR”) for the 90% of capitalisation liabilities;
 - for the liabilities with no contractual MGR, the Issuer has the option to annually set up an *expected target yield*. Each year, the company may at its discretion set up a minimum guaranteed yield valid only for the that year (MGR as the “best of”) and a reduced *expected guarantee* is paid in case of early redemption; and
 - furthermore, since 2020 with the Credemvita Life Plan policy, Credemvita introduced a new traditional product offering with the revaluation and the capital guarantees recognised only for certain maturities to optimise the Solvency II capital charge.
- Unit-Linked:
 - centralised asset allocation with a flexible approach to overcome the plain “benchmark” approach;
 - new unit-linked products structured as a “hub”, leading to other life segment premiums; i.e. customers have the choice to decide to pay the premium for the life guaranteed from unit capital gains; and
 - enhanced guaranties in each cluster in term of term life insurance.

In 2018, Euromobiliare Advisory SIM started to operate as an investment firm within the Credem Group's Wealth Management Area to support entities of the Area and bankers from the multi-channel distribution networks of the Credem Group to provide their customers with a fully comprehensive advisory service.

Euromobiliare advisory SIM supports Credemvita with different advisory services:

- defines market scenarios, suggests asset allocation choices, and selects financial instruments through the wide and consolidated range of internal skills and important partnerships with specialised operators.
- the Credemvita Finance department manages the Simple Life's internal funds using the multi-scenarios asset allocations provided by the Euromobiliare Advisory Portfolios Managers.
- Provides Credemvita with a dedicated advisory for one of the Simple Life's Internal Funds (GLOBAL EQUITY ESG) focused on ESG issue.

Furthermore, Euromobiliare Advisory SIM supports the banker of the Area in terms of:

- leveraging the know-how and competences of the professionals working within the Area; and
- adopting a forward-looking multichannel and digital perspective, utilising new technologies.

The aim is to support the distribution networks in their effort to provide clients with the best possible services and advise them on all their financial and wealth needs such as:

- Financial investments;
- Savings and pension planning;
- Life insurance;
- Protection;
- Family business and related tax issues;
- Fiduciary services; and
- Advisory and dedicated solutions for private clients (where a private client is a client with personal assets under management exceeding €500,000).

Euromobiliare Advisory SIM, which acts as a specialised investment firm between the networks and the product companies of the Credem Group, favours the creation of more effective methods of engineering, customisation, construction and offer of managed products, and therefore also insurance, allowing product innovation and an accelerated speed of response to the needs of individual types of customers in a logic of integrated management of the customer's wealth.

In this context, it is a priority for Credemvita to dialogue with the SIM to understand the needs of customers related to the management of both financial and insurance risks related to human life, aware that protecting assets and / or income does not only mean protecting the initial investment of the customer or a possible future return, but also to ensure that it is not lost in the most unfortunate cases of premature death of those who increase and maintain this assets with their income. It is through these values, translated into strategies, that Credemvita believes it can offer value to the customers it serves.

The strategic lines of action followed by the Issuer are the following:

- customer focus and product innovation;
- safeguarding its capital position with at least monthly calculation of Solvency II ratio;
- disciplined approach in reserve decisions and in balance sheet management;
- solid liquidity position with sustained and resilient cash generation;
- investments portfolio of €4.1 billion focused on governments and corporate bonds with limited exposure to high yield and equity financial instruments;
- investment portfolio is quite resilient to interest and credit spread adverse changes;
- tight guidelines in underwriting discipline;
- commitment to ensure robustness of Solvency II Ratio with strong capital management policy;
- set up limits tighter than those required by IVASS;
- daily, weekly and monthly risk management controls;

- awareness of risk faced by the Issuer, including through regular stress test valuations; and
- focus on cost management.

Credemvita Covid-19 Action Plan

Credemvita focused the response to the Covid-19 emergency on the key objectives for Stakeholders and on dedicated management actions to ensure operations and preserve profitability.

First, regarding the Business Continuity and the employees' safety, Credemvita continued with the smart working set up for almost all employees. All employees were already equipped prior to Covid-19 with tools suitable for remote working management (laptop, mobile phones and VPN, use of Google Suite as a remote working and collaboration tool) and able to work remotely, whilst, some of them were already used to work in such a way. For those who had never operated in "remote working", connection checks were promptly carried out and the appropriate qualifications extended. The percentage of employees in smart working reached 90% mark in order to allow Credemvita to preserve:

- adequate supervision of the running processes and regulatory compliance, as well as to cope with the exceptional nature of the highly negative performance on the financial markets and related requests induced by the emergency (e.g. monthly monitoring of the solvency situation); and
- to continue along the path of Product Oversight Governance, also by grasping the needs of customers linked to the changed scenario.

Regarding the employee safety, Credemvita adopted a dedicated health coverage with 24/7 medical advice and Covid-19 consultation.

To support customers and in order to deal with the extraordinary emergency context;

- Credemvita has matched the need of customers in relation to the growing need for products with capital guarantee, also in consideration of the strong volatility of the markets; and
- controls were put in place during the liquidation phase to consider with particular attention and flexibility the needs of customers that emerged in the context of a health emergency.

Distribution channels

Credemvita has an exclusive distribution agreement in place with the Credem Group's selling networks as illustrated below:

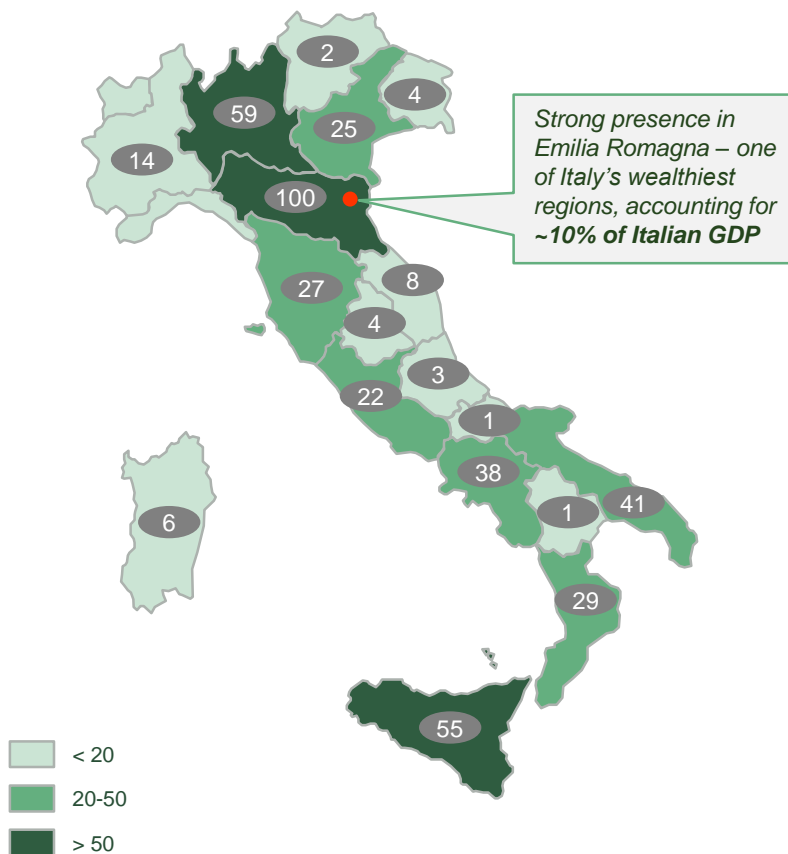
The Issuer's policies are distributed through the following selling networks:

1. banking branches, financial advisors, private bankers of the banks of Credem Group with financial advisors and private bankers specialised to sell unit-linked products);
2. a dedicated entity for loans protection: personal loans, mortgages and salary-backed loans by Avvera agents;
3. pensions products, life guarantees and capitalisation policies are distributed through the retail branches of the Credem Group as long as unit-linked products are sold through the network of financial advisors and private bankers of the Credem Group; and
4. credit protection insurance (CPI) products are distributed through both the retail branches of Credem Group and the distribution network of Avvera.

The following chart illustrates the Credem Group sales networks through which Credemvita distributes its products

	> 15% reduction in branches since 2017	2017	2018	2019	1H20
Network	Branches	532	487	459	446
	Corporate Centres	37	37	37	37
	Small Business Centres	61	62	57	57
	Credem Points	46	52	54	56
	Points of Sale of Banca Euromobiliare	15	16	15	15
FA and Agents	Financial Advisors	820	812	831	839
	Avvera Agents	207	196	193	209
	Salary Backed Loans Agents / Others	169	183	202	224

For more details here is focused the banking branches national coverage:



Credemvita does not have its own internet distribution channel.

Board of Directors

Pursuant to the Issuer's by-laws, as at the date of these Listing Particulars, the Issuer's board of directors consists of six directors.

Set out below are the current directors of Credemvita (each of whose business address is Via Luigi Sani 1, Reggio Emilia), their names, and their positions and principal business activities performed outside of Credemvita. All of the directors have been appointed for a term expiring on the approval of the financial statements for the year ending 2022.

Name	Position	Principal activities performed by the director outside Credemvita
Stefano Morellini	Chairman	Credito Emiliano S.p.A. – Vice General Manager; Credemassicurazioni S.p.A. – Director; Banca Euromobiliare S.p.A. – Director;
Paolo Magnani	Vice-Chairman	Euromobiliare Asset Management SGR S.p.A. – Vice Chairman; Euromobiliare International Fund Sicav – Chairman; Credem Private Equity SGR S.p.A. – Director; Euromobiliare Fiduciaria S.p.A. – -Vice Chairman; Euromobiliare Advisory SIM SGR S.p.A. – -Vice Chairman; Credemassicurazioni S.p.A. – Director; Credito Emiliano S.p.A. – Executive Manager;
Rossella Manfredi	Director	Credito Emiliano S.p.A. – - Manager; Credem CB S.r.l. – Director; Euromobiliare Advisory SIM SGR S.p.A. – Director
Anna Spaggiari *	Director	Credemassicurazioni S.p.A. – Director
Ernestina Morstofolini*	Director	Credito Emiliano – Director
Giorgia Fontanesi	Director	Credito Emiliano – Director

Independent board members pursuant to Article 148, paragraph 3, of Legislative Decree No. 58 dated 24 February 1998, as amended.

On 4 February 2019 Davide Morandi was confirmed as Compliance Officer, having verified that she meets all the requirements provided for by existing regulations in this respect.

Conflicts of interest

None of the board of directors of Credemvita have any actual or potential conflicts of interests between their duties to Credemvita as board of directors and their private interest and/or other duties.

Board of Statutory Auditors

Pursuant to Italian law, Credemvita maintains a board of statutory auditors (*collegio sindacale*) composed of at least three independent experts in accounting matters.

The board of statutory auditors consists of three permanent and two alternate auditors, who may be re-elected. Once elected, auditors shall resign from their assignment should situations of incompatibility arise, as provided for by the law, or should they hold the office of permanent auditor in more than ten Italian listed

and unlisted insurance companies (not including subsidiaries, parent company or companies controlled by the parent company).

Set out below are the current statutory auditors of Credemvita, (each of whose business address is Via Luigi Sani 1, Reggio Emilia), their names, and their positions and principal business activities performed outside of Credemvita. All of the statutory auditors were appointed at the ordinary shareholders' meeting of Credemvita held on 17 April 2020, for a term expiring on the approval of the financial statements for the year ending 31 December 2023.

Name	Position
Gianni Tanturli	Chairman
Torquato Bonilauri	Standing statutory auditor
Giulio Morandi	Standing statutory auditor
Paolo Giaroli	Alternate statutory auditor
Maurizio Bergomi	Alternate statutory auditor

Conflicts of interest

None of the statutory auditors of Credemvita have any actual or potential conflicts of interests between their duties to Credemvita as statutory auditors and their private interest and/or other duties.

Independent auditors

EY S.p.A. has been appointed to act as Issuer's external auditor for the period 2015 to 2023. EY S.p.A. has audited the Financial Statements of the Issuer as at and for the periods ended 31 December 2018 and 31 December 2019. EY S.p.A. is registered under no. 70945 in the Register of Certified Auditors held by the Ministry for Economy and Finance pursuant to Legislative Decree No. 39 of 27 January 2010 and the Ministerial Decree No. 145 of 20 June 2012. EY S.p.A. is also a member of ASSIREVI – Associazione Nazionale Revisori Contabili. EY S.p.A.'s registered office is at Via Lombardia 31, 00187 Rome, Italy.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have, or during the 12 months prior to the date of these Listing Particulars have had, significant effects on the Issuer and/or Credem Group's financial position or profitability.

Employees

As of 30 June 2020, Credemvita employees, taking into account also members of the personnel seconded to and from Credemassicurazioni and Credem, numbered 61.

Recent Developments

Credemvita continuously monitors the situation and any conditions of stress of the financial markets where these affect its solvency position, and will take any other strengthening action necessary to ensure an adequate Solvency position even in conditions of high stress.

TAXATION

The following is a general summary of certain tax consequences in Italy and the Republic of Ireland of acquiring, holding and disposing of Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to the decision to purchase, own or dispose of Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Notes, some of which may be subject to special rules. This summary is based upon tax laws and/or practice in force as at the date of these Listing Particulars, which are subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in law and, if any such change occurs, the information in this summary could be superseded.

Prospective purchasers of the Notes should consult their tax advisers as to the overall tax consequences of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws. Prospective purchasers of the Notes should not apply any of the information below to other areas including (but not limited to) the legality of transactions involving the Notes.

ITALY

Interest

Interest received outside the conduct of a business activity is deemed to be received for Italian tax purposes at each interest payment date (in the amount actually paid) and also when it is implicitly included in the selling price of the Notes.

Interest received by Italian resident companies, commercial partnerships or individual entrepreneurs within the context of a business enterprise is taxable on an accrual basis.

Interest and other proceeds

Legislative Decree No. 239 of 1 April 1996, as amended and restated (**Decree No. 239**) applies, in general, to interest and other proceeds (including the difference between the redemption amount and the issue price) (**Interest**) in respect of notes that qualify as “bonds” or “debentures similar to bonds” (“*obbligazioni*” or “*titoli similari alle obbligazioni*”) for Italian tax purposes (pursuant to Article 44, paragraph 2(c) of Decree No. 917 of 22 December 1986 (**Decree No. 917**)), issued, *inter alia*, by Italian companies other than small capitalised companies, provided that the notes are traded on a EU or EEA regulated market or multilateral trading facility. For these purposes, notes qualify as “bonds” or “debentures similar to bonds” if they incorporate an unconditional obligation to pay, at maturity or redemption, an amount not lower than their nominal value and that do not give any right to directly or indirectly participate in the management of the relevant issuer or of the business in relation to which they are issued.

The tax regime set forth by Decree No. 239 also applies to Interest 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.

Interest on the Notes

In case of Notes held by an Italian resident Noteholder who is beneficial owner of the Notes and is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation (in each case, unless the relevant Noteholder has entrusted the management of its financial assets, including the Notes, to an Italian authorised intermediary and has opted for the application of the *risparmio gestito* regime provided for by Article 7 of Decree 461/1997 – the **Risparmio Gestito** regime – see under “Capital gain tax” below), Interest relating to the Notes, accrued during the relevant holding period, are subject to a final tax, referred to as “*imposta sostitutiva*”, levied at the rate of 26%.

In the event that the Noteholders described under (i) or (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax. In such case, Interest relating to the Notes (i) will be subject to the *imposta sostitutiva* on account of income tax due and (ii) will be included in the relevant Noteholder's annual corporate taxable income to be reported in the income tax return. As a consequence, such income will be subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or 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 the *imposta sostitutiva*, on Interest relating to the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 (the **Finance Act 2017**), in Article 1(210-215) of Law No. 145 of 30 December 2018 (the **Finance Act 2019**), as implemented by the Ministerial Decree of 30 April 2019, and in Article 13-bis of Law Decree No. 124 of 26 October 2019 converted into law with amendments by Law No. 157 of 19 December 2019 (the **Finance Act 2020**), all as lastly amended and supplemented by Article 136 of Law Decree No. 34 of 19 May 2020 (the **Decree No. 34/2020**) as converted into law with amendments by Law No. 77 of 17 July 2020, as applicable from time to time.

Where a Noteholder is an Italian resident company or a similar commercial entity, a commercial partnership or a permanent establishment in Italy of a non-resident company to which the Notes are effectively connected, and the Notes are deposited with an authorized intermediary, Interest relating to the Notes will not be subject to the *imposta sostitutiva*. The same proceeds must, however, be included in the taxable base for the purposes of corporate income tax (*imposta sul reddito delle società*, **IRES**), at 24% or individual income tax (*imposta sul reddito delle persone fisiche*, **IRPEF**, at progressive rates), as applicable and - under certain circumstances - of the regional tax on productive activities (*imposta regionale sulle attività produttive*, **IRAP**).

If the Noteholder is resident in Italy and is an open-ended or closed-ended investment fund, a SICAV (an investment company with variable capital) or a SICAF (an investment company with fixed capital), other than a real estate SICAF, to which the provisions of Article 9 of Legislative Decree No. 44 of 4 March 2014 apply (together, the **Fund**) and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority, and the Notes, together with the relevant Coupons, are timely deposited with an authorised Intermediary, Interest accrued during the holding period on the Notes should not be subject to *imposta sostitutiva* and do not suffer any other income tax in the hands of the Funds. A withholding tax of 26% will be levied on income of the Fund derived by unitholders through distribution and/or redemption or disposal of the units.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree 5 December 2005, No. 252) (the **Pension Funds**) and the Notes, together with the relevant Coupons, are timely deposited with an Intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an ad hoc 20 per cent. substitute tax (Article 1, paragraph 621 of Law 23 December 2014, No. 190). Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, in Article 1(210-215) of the Finance Act 2019, as implemented by the Ministerial Decree of 30 April 2019, and in Article 13-bis of the Finance Act 2020, all as lastly amended and supplemented by Article 136 of Decree No. 34/2020, as applicable from time to time.

Interest on the Notes held by Italian resident real estate investment funds to which the provisions of Law Decree No. 351 of 25 September 2001, as subsequently amended, apply and Italian resident real estate SICAFs to which the provisions of Article 9 of Legislative Decree No. 44 of 4 March 2014 (the **Decree No. 44**) apply, are not subject to *imposta sostitutiva*: no tax is levied on the aggregate income of the real estate

fund or the real estate SICAF. Unitholders are generally subject to a 26% withholding tax on distributions from the real estate investment funds or the real estate SICAFs.

Pursuant to Decree No. 239, *imposta sostitutiva* is levied by banks, SIMs, fiduciary companies, SGRs, stockbrokers, and other entities identified by a Decree of the Ministry of Finance (the **Intermediaries**). The Intermediaries must (i) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident intermediary or be an entity or company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 239; and (ii) intervene, in any way, in the collection of Interest or in the transfer of the Notes. Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying Interest to the Noteholder.

A non-resident Noteholder is not subject to such 26% *imposta sostitutiva* according to Article 6, paragraph 1, and Article 7 of Decree No. 239, provided that:

- (a) the non-Italian resident beneficial owner is either (i) resident for tax purposes in a country which allows an adequate exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended by Ministerial Decree of 23 March 2017 and possibly further amended according to Article 11(4)(c) of Decree No. 239 (as amended by Legislative Decree No. 147 of 14 September 2015) (the **White List**), or (ii) an international body or an entity set up in accordance with international agreements which have entered into force in Italy, or (iii) central banks or other authorities engaged in the management of the official reserves of a foreign State; or (iv) an “institutional investor” which is resident or established in a country included in the White List, even if it does not possess the status of taxpayer in its own country of residence.
- (b) the Notes are deposited directly or indirectly (i) with a bank or a SIM resident in Italy, (ii) with the Italian permanent establishment of a non-resident bank or brokerage company which is electronically connected with the Italian Ministry of Finance or (iii) with a non-resident entity or company which has an account with a centralised clearance system (such as Euroclear or Clearstream, Luxembourg) which has a direct relationship with the Italian Ministry of Economy and Finance;
- (c) the banks or brokers mentioned in (b) above receive a self-declaration from the beneficial owner, which remains valid until withdrawn or revoked, in which the Noteholder declares to meet the requirements to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. The declaration, which must comply with the form approved with ministerial decree 12 December 2001, is valid until revoked. The statement is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in the case of foreign central banks or entities which manage, inter alia, the official reserves of a foreign State;
- (d) the banks or brokers mentioned above receive all necessary information to identify the non-resident beneficial owner of the deposited Notes, and all the necessary information in order to determine the amount of Interest that such beneficial owner is entitled to receive.

Non-resident holders are subject to the 26% *imposta sostitutiva* on Interest if any of the above conditions (a), (b), (c) or (d) is not satisfied.

Non-Italian resident holders of the Notes who are subject to *imposta sostitutiva* may, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of tax residence of the relevant holder of the Notes, provided all conditions for its application are met.

Capital gains

A 26% *imposta sostitutiva* is applicable on capital gains realised on the disposal of Notes by Noteholders included among the following categories of Italian residents: individuals holding the Notes not in connection

with an entrepreneurial activity, non-commercial partnerships, non-profit organisations, the Italian State and public entities or entities that are exempt from IRES.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for (i) Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, (ii) Italian resident partnerships not carrying out commercial activities and (iii) Italian private or public institutions not carrying out mainly or exclusively commercial activities, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised pursuant to all sales or redemptions of the Notes carried out during any given tax year. The overall capital gains realised in any tax year, net of any relevant incurred capital loss must be indicated in the annual tax return and the *imposta sostitutiva* must be paid on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Noteholders under (i) to (iii) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (*regime del risparmio amministrato*). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (ii) an express election for the *regime del risparmio amministrato* being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to 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 Noteholder or using funds provided by the Noteholder for this purpose. Under the *regime del risparmio amministrato*, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *regime del risparmio amministrato*, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains realised by Noteholders under (i) to (iii) above who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the “*Risparmio Gestito*” regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26% substitute tax, to be paid by the managing authorised intermediary. Under the “*Risparmio Gestito*” regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the “*Risparmio Gestito*” regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or 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 Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, in Article 1(210-215) of the Finance Act 2019, as implemented by the Ministerial Decree of 30 April 2019, and in Article 13-bis of the Finance Act 2020, all as lastly amended and supplemented by Article 136 of Decree No. 34/2020, as applicable from time to time.

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the “status” of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Capital gains accrued on the Notes held by Italian investment funds, SICAVs and SICAFs (other than real estate SICAFs) will not be subject to *imposta sostitutiva*, but will be included in the annual accrued increase of the net asset value of such investment funds, SICAVs and SICAFs. A withholding tax of 26% will be levied on income of the investment funds or the SICAV derived by unitholders through distribution and/or redemption or disposal of the units.

Capital gains on the Notes held by real estate investment funds to which the provisions of Law Decree No. 351 of 25 September 2001, as subsequently amended, apply and Italian resident real estate SICAFs to which the provisions of Article 9 of Legislative Decree No. 44 apply, are not subject to substitute tax: no tax is levied on the aggregate income of the real estate fund or real estate SICAF.

Any capital gains on the Notes held by pension funds will be included in the aggregate income of the pension funds which is subject to a substitute tax at the rate of 20%. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the 20% substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, in Article 1(210-215) of the Finance Act 2019, as implemented by the Ministerial Decree of 30 April 2019, and in Article 13-bis of the Finance Act 2020, all as lastly amended and supplemented by Article 136 of Decree No. 34/2020 as applicable from time to time.

Capital gains realised by non-residents not having a permanent establishment in Italy to which the Notes are connected from the sale of the Notes are in principle subject to a 26% tax. However, such gains are exempt from tax in Italy if:

- (a) the Notes are listed on a regulated market;
- (b) the Notes are not listed on a regulated market but the Noteholder is entitled to the exemption from the 26% substitute tax on Interest pursuant to Article 6, paragraph 1, of Decree No. 239 as described in “*Interest on the Notes*”; or
- (c) the Noteholder may benefit from a double tax treaty with Italy providing that capital gains realised upon the sale or redemption of the Notes are to be taxed only in the country of tax residence of the recipient.

Inheritance and gift taxes

The transfer of Notes by reason of gift, donation or succession proceedings is subject to Italian gift and inheritance tax as follows:

- (a) 4 per cent. for transfers in favour of the spouse and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding €1,000,000 (per beneficiary);
- (b) 6 per cent. for transfers in favour of siblings; in this case, the transfer is subject to the tax on the value exceeding €100,000 (per beneficiary);
- (c) 6 per cent. for transfers in favour of relatives up to the fourth degree and to all relatives in law in direct line and to other relatives in law up to the third degree, on the entire value of the inheritance or the gift; and
- (d) 8 per cent. for transfers in favour of any other person or entity, on the entire value of the inheritance or the gift.

If the heir/heirress and/or the donee is a person with a severe disability pursuant to Law n. 104 of February 5, 1992, inheritance tax or gift tax is applied to the extent that the value of the inheritance or gift exceeds € 1,500,000.

With respect to Notes listed on a regulated market, 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 (including any accrued interest). With respect to unlisted Notes, the value for inheritance tax and gift tax purposes is generally determined by reference to the value of listed debt securities having similar features or based on certain elements as presented in the Italian tax law.

Italian inheritance tax and gift tax applies to non-Italian resident individuals for bonds issued by Italian resident companies.

The *mortis causa* transfer of financial instruments (such as the Notes) 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, in Article 1(210-215) of the Finance Act 2019, as implemented by the Ministerial Decree of 30 April 2019, and in Article 13-bis of the Finance Act 2020, all as lastly amended and supplemented by Article 136 of Decree No. 34/2020 are exempt from inheritance taxes.

Transfer tax

Contracts relating to the transfer of Notes are subject to a €200 registration tax as follows: (i) public deeds and notarised deeds are subject to mandatory registration; and (ii) private deeds are subject to registration only in the case of voluntary registration.

Stamp duty

Any communication that refers to financial products, including the Notes, held through an Italian intermediary, is subject to stamp duty at the rate of 0.20 per cent. and it cannot exceed € 14,000 for taxpayers which are not individuals. This stamp duty is determined on the market value or – in the absence of a market value – on the nominal value or the redemption amount of any financial product or financial instruments (including the Notes). Stamp duty applies both to Italian resident Noteholders and to non-Italian resident Noteholders, to the extent that the Notes are held with an Italian-based financial intermediary.

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable pro-rata.

Wealth tax

Financial investments, including the Notes, held abroad by resident individuals in Italy and, starting from fiscal year 2020, Italian resident non-commercial entities, non-commercial partnerships and similar institutions without the involvement of an Italian intermediary are subject to tax at the rate of 0.20%. The tax basis is the market value, if any, resulting at the end of each given year in the State where the financial investments are held and also from the documentation issued by the reference foreign intermediary, or – in the lack of the market value – on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of any financial assets held outside of the Italian territory. Taxpayers can generally deduct from the tax a tax credit equal to any wealth taxes paid in the State where the financial investments are held (up to the amount of the Italian wealth tax due).

Tax Monitoring Obligations

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, as amended by Law No. 97 of 6 August 2013 and subsequently amended by Law No. 50 of 28 March 2014, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986) resident in Italy who hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). 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 Notes deposited for management or administration with qualified Italian financial intermediaries, with respect to contracts entered into through their intervention, on the condition that the items of income derived from the Notes have been subject to tax by the same intermediaries or with respect to foreign investments which are only composed by deposits and/or bank accounts when their aggregate value never exceeds a €15,000 threshold throughout the year.

U.S. 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** (as defined by FATCA) 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 is 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 the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes 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.

IRELAND

The following is a summary based on the laws and practices currently in force in Ireland of certain matters regarding the tax position of investors who are the absolute beneficial owners of the Notes. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, including dealers in securities and trusts. The summary does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Notes. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of payments thereon under the laws of their country of residence, citizenship or domicile.

Withholding tax

Tax at the standard rate of income tax (currently 20%) will be required to be withheld from payments of Irish source interest. The Issuer will not be obliged to withhold Irish income tax from payments of interest on the Notes so long as such payments do not constitute Irish source income. Interest paid on the Notes may be treated as having an Irish source if:

- (i) the Issuer is resident in Ireland for tax purposes; or
- (ii) the Issuer has a branch or permanent establishment in Ireland, the assets or income of which are used to fund the payments on the Notes; or
- (iii) the Issuer is not resident in Ireland for tax purposes but the register for the Notes is maintained in Ireland or (if the Notes are in bearer form) the Notes are physically held in Ireland.

It is anticipated that, (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Issuer does not and will not have a branch or permanent establishment in Ireland; and (iii) bearer Notes will not be physically located in Ireland and the Issuer will not maintain a register of any registered Notes in Ireland.

Encashment tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20%) on any interest, dividends or annual payments payable out of or in respect of the stocks, funds, shares or securities of a company not resident in Ireland, where such interest, dividends or annual payments are collected or realised by a bank or encashment agent in Ireland for payment to any person who is Irish resident.

Encashment tax will not apply where the holder of the Notes is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

Taxation of receipts

Notwithstanding that a Noteholder may receive payments of interest, premium or discount on the Notes free of Irish withholding tax, the Noteholder may still be liable to pay Irish income or corporation tax (and in the case of individuals, the universal social charge) on such interest if (i) such interest has an Irish source, (ii) the Noteholder is resident or (in the case of a person other than a body corporate) ordinarily resident in Ireland for tax purposes (in which case there may also be a social insurance (PRSI) liability for an individual in receipt of interest on the Notes), or (iii) the Notes are attributed to a branch or agency of the Noteholder in Ireland. Ireland operates a self-assessment system in respect of income and corporation tax, and each person must assess its own liability to Irish tax.

Relief from Irish income tax may be available under the specific provisions of a double taxation agreement between Ireland and the country of residence of the recipient.

Capital gains tax

A Noteholder will be subject to Irish tax on capital gains realised on a disposal of Notes unless such holder is neither resident nor ordinarily resident in Ireland and the Notes were not used in or for the purposes of a trade carried on by the Noteholder in Ireland through a branch or agency and were not used or held or acquired for the purposes of such a branch or agency.

Capital acquisitions tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs is currently levied at 33%) if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or in certain circumstances, if the disponent is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Notes are regarded as property situate in Ireland. A foreign domiciled individual will not be regarded as being resident or ordinarily resident in Ireland at the date of the gift or inheritance unless that individual (i) has been resident in Ireland for the five consecutive tax years immediately preceding the tax year in which the gift or inheritance is taken, and (ii) is either resident or ordinarily resident in Ireland on that date.

Bearer notes are generally regarded as situated where they are physically located at any particular time. Notes in registered form are regarded as property situated in Ireland if the register of the Notes is in Ireland. The Notes may, however, be regarded as situated in Ireland regardless of their physical location if they secure a debt due by an Irish resident debtor and/or are secured over Irish property. Accordingly, if Irish situate Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponent or the donee/successor.

Stamp duty on transfer of Notes

As the Issuer is not registered in Ireland, stamp duty will not arise on any document effecting a transfer of the Notes so long as the instrument of transfer of Notes does not relate to:

- (i) any immoveable property situated in Ireland or any right over or interest in such property; or

- (ii) any stocks or marketable notes of a company which is registered in Ireland (other than a company which is (a) an investment undertaking within the meaning of section 739B of the Taxes Consolidation Act, 1997 (TCA) or (b) a qualifying company within the meaning of section 110 of the TCA).

Financial Transaction Tax

On 14 February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common financial tax transaction (“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 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 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 Commission’s Proposal remains subject to negotiation between the 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 Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Morgan Stanley & Co. International plc (the **Sole Manager**) has, pursuant to a Subscription Agreement (the **Subscription Agreement**) dated 16 November 2020 and subject to the conditions contained therein, agreed to subscribe for the Notes and will be paid certain commission as set out therein. The Issuer will also reimburse the Sole Manager in respect of certain of its 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.

The Sole 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 and UK retail investors

The Sole 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 EEA or in the UK. 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 the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

UK

The Sole 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, the Sole Manager 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 2 of Regulation (EU) 2017/1129 (the **Prospectus Regulation**) and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Italian Commissione Nazionale per le Società e la Borsa (**CONSOB**) regulations; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11973 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

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

The Sole 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 neither the Issuer nor the Sole Manager shall have any responsibility therefor.

Neither the Issuer nor the Sole Manager 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 November 2020 and the sole resolution (*determina*) of the director designated by the Issuer dated 12 November 2020.

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.

BNP Paribas Securities Services Luxembourg Branch, being part of a financial group providing client services with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg.

Further information on the international operating model of BNP Paribas Securities Services Luxembourg Branch may be provided upon request.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for the Notes is XS2253071216 and the Common Code is 225307121.

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 Issuer since 30 June 2020 and no material adverse change in the prospects of the Issuer since 31 December 2019.

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 Credem 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 Credem Group.

Auditors

The independent auditors of the Issuer are EY S.p.A., who have audited the Issuer's financial statements, without qualification, in accordance with Italian regulations governing the preparation of financial statements for the financial year ended, respectively, on 31 December 2018 and 31 December 2019.

EY S.p.A. is registered under no. 70945 in the Register of Certified Auditors held by the Ministry for Economy and Finance pursuant to Legislative Decree No. 39 of 27 January 2010 and the Ministerial Decree No. 145 of 20 June 2012.

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 financial statements of the Issuer in respect of the six months period ended 30 June 2020 (with an English translation thereof);
- (3) the audited financial statements of the Issuer in respect of the financial years ended 31 December 2019 and 2018 (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) these Listing Particulars; and
- (5) the Agency Agreement.

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

Yield

The yield on the Notes will be 3.860 per cent. per annum.

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

The Sole Manager and its 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 Sole Manager and its 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. The Sole Manager or its 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, the Sole Manager and its 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 Sole Manager and its 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 Sole Manager. In addition, the Sole Manager and/or its affiliates are lenders under financing facilities that may be

repaid as part of the Issuer's refinancing arrangements following the issue of the Notes. The Sole Manager or its 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.

Issuer

Credemvita S.p.A.
Via Luigi Sani, 1
42121 Reggio Emilia
Italy

Global Coordinator, Structuring Advisor and Sole Manager

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Fiscal Agent and Principal Paying Agent

BNP Paribas Securities Services, Luxembourg Branch
60, avenue J.F. Kennedy
L-1855 Luxembourg
(postal address L-2085 Luxembourg)
Grand Duchy of Luxembourg

Listing Agent

Arthur Cox Listing Services Limited
10 Earlsfort Terrace
Dublin 2
D02 T38

Auditors

EY S.p.A.
Via Lombardia, 31
00187 Rome, Italy
Italy

**Legal Advisers
to the Issuer as to Italian Law**

Chiomenti
Via G. Verdi 2
20121 - Milan
Italy

to the Global Coordinator, Structuring Advisor and Sole Manager as to English and Italian Law

Allen & Overy

Via Ansperto, 5
20123 Milan
Italy

Corso Vittorio Emanuele II, 284
00186 Rome
Italy