

PROSPECTUS DATED 18 DECEMBER 2020



Intesa Sanpaolo Vita S.p.A.

(incorporated as a società per azioni in the Republic of Italy)

€600,000,000 2.375 per cent. Tier 2 Subordinated Notes due 22 December 2030

The €600,000,000 2.375 per cent. Tier 2 Subordinated Notes due 22 December 2030 (the “Notes”) are issued by Intesa Sanpaolo Vita S.p.A. (the “**Issuer**”), in denominations of €250,000 and integral multiples of €1,000 in excess thereof, up to (and including) €499,000. The Issue Price of the Notes is 99.473 per cent.

The Notes will bear interest at their principal amount, subject to deferral as described below, at 2.375% per annum, payable annually in arrear on 22 December in each year (each, an “**Interest Payment Date**”), commencing on 22 December 2021. The Issuer is required to defer accrued interest on the Notes in the circumstances set out in Condition 5 (*Deferral of Interest*).

The Notes are scheduled to be redeemed at their principal amount outstanding on 22 December 2030 (the “**Maturity Date**”), provided that on such date the Conditions to Redemption and Purchase (as defined in the terms and conditions of the Notes, the “**Conditions**”) are fulfilled. If this is not the case, redemption of the Notes will be postponed as described in the Conditions. The Issuer may, at its option, redeem the Notes in whole, but not in part, upon occurrence of a Tax Event or upon occurrence of a Regulatory Event (in each case, as defined in the Conditions), as well as in the event at least 80 per cent. of the principal amount upon issuance of the Notes has been purchased or redeemed by the Issuer, in each case, at their principal amount outstanding together with any accrued interest (if any and including any interest deferred in accordance with Condition 5 (*Deferral of Interest*)) and any additional amounts due pursuant to Condition 8 (*Taxation*), all as described in Condition 6.2 (*Redemption for tax reasons*), Condition 6.3 (*Redemption for regulatory reasons*) and Condition 6.4 (*Clean-Up Call Option*).

The Notes are expected, on issue, to be rated “BB” by Fitch Ratings Ireland Limited (“**Fitch**”). Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended (the “**CRA Regulation**”), and appears on the latest update of the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. **A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. An investment in Notes involves certain risks. For a discussion of these risks, see the section entitled “Risk Factors” on page 9.**

This document in respect of the Notes (the “**Prospectus**”) constitutes a prospectus within the meaning of Article 6.3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended, the “**Prospectus Regulation**”). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), as competent authority under the Prospectus Regulation, to approve this Prospectus. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should neither be

considered as an endorsement of the Issuer nor of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Application has also been made for the Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market, which is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (“**MiFID II**”).

This Prospectus will be valid until 18 December 2021 and may in this period be used for admission of the Notes to trading on a regulated market. In case of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Notes, the Issuer will prepare and publish a supplement to the Prospectus without delay in accordance with Article 23 of the Prospectus Regulation. The obligation of the Issuer to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a prospectus is no longer valid.

The Notes are not intended to be sold and should not be sold to retail clients in the European Economic Area (“**EEA**”) or in the United Kingdom (“**UK**”), as defined in the rules set out in MiFID II. Prospective investors are referred to the section headed “*Restrictions on marketing and sales to retail investors*” on page 4 of this Prospectus for further information.

Arranger

IMI - Intesa Sanpaolo

Sole Manager

IMI - Intesa Sanpaolo

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

This Prospectus should be read and construed together with any documents incorporated by reference herein.

No person has been authorised to give any information or to make any representation not contained in, or not consistent with, this Prospectus or any other document entered into in relation to the Notes or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or the Manager (as defined in "Subscription and Sale" below).

No representation or warranty is made or implied by the Manager or any of its affiliates, and neither the Manager nor any of its affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) business or prospects of the Issuer or of the Group (as defined below) since the date hereof or that any other information supplied in connection with the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

*This Prospectus may only be used for the purposes for which it has been published. The distribution of this Prospectus and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer and the Manager to inform themselves about, and to observe, any such restrictions. Neither this Prospectus nor any part of it constitutes an offering, or may be used for the purpose of an offer to sell any of the Notes, or a solicitation of an offering to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus and other offering material relating to the Notes, see "Subscription and Sale" below. In particular, 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 to, or for the benefit of, U.S. persons (as defined in Regulation S under the Securities Act).*

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Manager or any of them that any recipient of this Prospectus should subscribe for or purchase any Notes. Each recipient of this Prospectus shall be deemed to have made its own investigation and appraisal of the condition (financial or otherwise), business and prospects of the Issuer and of the Group.

*In this Prospectus, references to "**EUR**", "**euro**", "**Euro**" or "**€**" are to the single 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. Unless otherwise specified or where the context requires, references to laws and regulations are to the laws and regulations of Italy.*

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category set out 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.

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. These include statements relating to, among other things, the future financial performance of the ISP Vita Group, plans and expectations regarding developments in the business, growth and profitability of the Group and general industry and business conditions applicable to the Group. The Issuer has based these forward-looking statements on its current expectations, assumptions, estimates and projections about future events. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that may cause the actual results, performance or achievements of the Group or those of its industry to be materially different from or worse than those expressed or implied in these forward-looking statements. The Issuer does not assume any obligation to update such forward-looking statements and to adapt them to future events or developments except to the extent required by law.

RESTRICTIONS ON MARKETING AND SALES TO RETAIL INVESTORS

PRIIPs Regulation / Prohibition of Sales to EEA and UK Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in 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 2002/92/EC (as amended or superseded), 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 the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA or 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 the UK may be unlawful under the PRIIPs Regulation.

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

SINGAPORE: SECTION 309B(1)(C) NOTIFICATION

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA") - In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018).

WEBSITES

In this Prospectus, references to websites or uniform resource locators (“URLs”) are included for information purposes only. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Prospectus unless expressly stated herein.

CERTAIN DEFINITIONS

In this Prospectus, references to:

- “**ISP Vita**” or the “**Issuer**” are to Intesa Sanpaolo Vita S.p.A.;
- “**Intesa Sanpaolo Vita Insurance Group**” or “**ISP Vita Group**” are to ISP Vita and the subsidiaries included in its consolidated financial statements in accordance with applicable accounting principles, as specified in the annex headed “*Consolidation Scope*” in the Annex to the notes to the consolidated financial statements of the 2019 Annual Report (page 151) and of the 2020 Interim Report (page 116), incorporated by reference in this Prospectus;
- “**ISP Vita Solvency II Insurance Group**” or the “**Solvency II Insurance Group**” are to ISP Vita and the companies that from time to time fall within the scope of its Solvency II scope of consolidation. At the date of this Prospectus, the ISP Vita Solvency II Insurance Group includes, in addition to ISP Vita and the subsidiaries consolidated within the ISP Vita Group, Fideuram Vita S.p.A., BancAssurance Popolari S.p.A. and UBI Sicura S.p.A. by virtue of the deemed existence of “unified management” (*direzione unitaria*) between ISP Vita, Fideuram Vita S.p.A., BancAssurance Popolari S.p.A. and UBI Sicura S.p.A. as a result of them being subject to the management of and supervision by Intesa Sanpaolo in accordance with article 96(2)(a) of Legislative Decree No. 209 of 7 September 2005 (the “**Private Insurance Code**”, *Codice delle Assicurazioni Private*);
- “**Group**” are to the ISP Vita Group and/or, where the context requires, the ISP Vita Solvency II Insurance Group; and
- “**Intesa Sanpaolo Group**” are to Intesa Sanpaolo S.p.A. (the Issuer’s parent company) and its consolidated subsidiaries.

PRESENTATION OF FINANCIAL INFORMATION

This Prospectus contains (or incorporates by reference) financial data derived from:

- the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2019 and 2018 (the “**2019 Annual Report**” and the “**2018 Annual Report**”); and
- the unaudited interim consolidated financial statements of the Issuer as at and for the six months ended 30 June 2020 (the “**2020 Interim Report**”),

which contain financial data relating to the ISP Vita Group. The 2019 Annual Report, the 2018 Annual Report and the 2020 Interim Report have been prepared in compliance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) and, together with the relevant accompanying notes and the independent auditors’ audit reports on the 2019 Annual Report and the 2018 Annual Report and the independent auditors’ review report on the 2020 Interim Report, are incorporated by reference in this Prospectus (each to the extent specified

in the cross reference list in *“Information Incorporated by Reference”* below): see items (1), (2) and (3) of *“Information Incorporated by Reference”* below.

In addition, this Prospectus contains (or incorporates by reference) financial data derived from:

- the press release dated 4 August 2020 announcing approval of the consolidated results of the Issuer as at and for the six months ended 30 June 2020 and the press release dated 4 November 2020 announcing approval of the consolidated results of the Issuer as at and for the nine months ended 30 September 2020 (together, the **“Press Releases”**): see items (4) and (5) of *“Information Incorporated by Reference”* below; and
- the solvency and financial condition report for the years 2019 and 2018 of the ISP Vita Solvency II Insurance Group (i.e. the Issuer and its consolidated subsidiaries together with companies that fall within its Solvency II scope of consolidation): see items (6) and (7) of *“Information Incorporated by Reference”* below. Parts of such solvency and financial condition reports have been audited or, as the case may be, reviewed, by the independent auditors of the Issuer, as set out in the audit and review reports thereon incorporated by reference in the Prospectus.

The Press Releases contain, in addition to financial data of the ISP Vita Group as at and for the six months ended 30 June 2020 which are derived from the 2020 Interim Report, also certain unaudited financial data of the ISP Vita Group as well as certain unaudited financial data and solvency ratios of the ISP Vita Solvency II Insurance Group as a whole as at 30 June 2020 and 30 September 2020. See further footnote (3) to the Press Releases. These unaudited financial data and solvency ratios have been derived from the accounting records and Solvency II reporting dataset of the Issuer, the ISP Vita Group and the Solvency II Insurance Group as at the respective dates and for the respective periods to which they relate, and (save for the restatements indicated below) prepared on a basis which are comparable with the consolidated financial information as at 31 December 2018 and 31 December 2019 and consistent with the accounting policies of the Issuer. As specified in such Press Releases, the income statement and balance sheet figures as at and for the year ended 31 December 2019 included therein for the purposes of comparison have been restated to reflect the acquisition of Intesa Sanpaolo RBM Salute S.p.A. (formerly RBM Assicurazione Salute S.p.A.).

Investors are cautioned that the consolidation scope of the ISP Vita Group and of the ISP Vita Solvency II Insurance Group are different, as set out more fully herein under *“Certain definitions”* above. Accordingly, the financial information of the ISP Vita Group contained in (or derived from) items (1) – (3) of the Information Incorporated by Reference are not directly comparable with the financial information of the ISP Vita Solvency II Insurance Group contained in (or derived from) items (6)-(7) of the Information Incorporated by Reference, as a result of the different scope of presentation.

Investors are further cautioned that unaudited data have not been subject to any audit procedures or, save in the case of the unaudited financial data derived from the 2020 Interim Report, review procedures, by independent auditors and accordingly should not place undue reliance on such data, which is included herein for information purposes only.

Investors are moreover cautioned that the composition of the ISP Vita Solvency II Insurance Group has recently changed following completion of the acquisition of UBI Banca by Intesa Sanpaolo: see further *“Description of the Issuer – Recent developments”*.

INDUSTRY AND MARKET DATA

Certain information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Issuer's and the Group's business contained in this Prospectus consists of estimates based on data reports compiled by professional organisations and analysts, on data from other external sources, and on the Issuer's knowledge of sales and markets. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Issuer to rely on internally developed estimates. In respect of information in this Prospectus that has been extracted from a third party, the Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although the Issuer believes that the external sources used are reliable, the Issuer has not independently verified the information provided by such sources.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most 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. In addition, factors which are 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 to an investment 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 which may not be considered significant risks by the Issuer based on information currently available to it or which it currently may not be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risk of holding any Notes are exhaustive.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere have the same meanings when used in this section. References to a "Condition" is to such numbered condition in the Terms and Conditions of the Notes. Prospective investors should read the entire Prospectus, including the information incorporated by reference.

Prospective investors are invited to carefully read this chapter on the risk factors before making any investment decision, in order to understand the risks related to the Group and obtain a better appreciation of the Issuer's abilities to satisfy the obligations related to the Notes.

RISK FACTORS RELATING TO THE ISSUER

The risks below have been classified into the following categories:

- 1. Risks relating to global macroeconomic conditions and the market generally*
- 2. Market risks; operational and liquidity risks*
- 3. Risks related to reliance on the Intesa Sanpaolo Group*
- 4. Risk relating to the Group's insurance business*
- 5. Legal and regulatory risks*

1. RISKS RELATING TO GLOBAL MACROECONOMIC CONDITIONS AND THE MARKET GENERALLY

The Group's business is subject to global macroeconomic conditions and financial market environment

The global economy, the condition of financial markets and macroeconomic developments can all influence the Group's performance. Globally, the financial system has experienced unprecedented levels of market volatility due to adverse credit and liquidity conditions and disruptions in the financial markets. Disruption in the global credit markets has created increasingly difficult conditions in the financial markets. These conditions have affected liquidity and resulted in greater volatility in global financial markets, and continue to affect the functioning of financial markets and to impact the global economy. In Europe, despite measures taken by several governments, international and supranational organisations and monetary authorities to provide financial assistance to Eurozone countries in economic difficulty and to mitigate the possibility of default by

certain European countries on their sovereign debt obligations, concerns persist regarding the debt and/or deficit burden of certain Eurozone countries and their ability to meet future financial obligations, given the diverse economic and political circumstances in individual member states of the Eurozone. A number of other factors negatively impact the economic and financial market conditions globally as well as at a European and national level, including the stability and status quo of the European Monetary Union; concerns over levels of economic growth and consumer confidence generally; the availability and cost of credit; uncertainty regarding membership in the European Union or the Eurozone; uncertainty of the outcome of Brexit, adverse geopolitical events, and the current trade dispute between the United States and China. It remains difficult to predict the effect of these events and factors on the economy and on the financial system, how long the crisis will persist and to what extent the Group's business, results of operations and financial condition may be adversely affected. Adverse macroeconomic developments have negatively affected, and may continue to negatively affect, unemployment rates, consumer spending and confidence, the demand for the Group's insurance products, personal bankruptcy rates as well as levels of defaults. Volatility and disruption of capital and credit markets may also affect the availability and cost of funds of ISP Vita and its subsidiaries. To the extent that such market volatility continues or worsens, the Group's business, results of operations and financial condition could be materially adversely affected.

The Group's business is directly affected by the financial and macroeconomic conditions of Italy

The Group predominantly performs its operations in Italy and only marginally in other European countries through its subsidiary Intesa Sanpaolo Life DAC. Its business is therefore directly affected by adverse macroeconomic conditions in Italy. A continuing decline or stagnation of Italian GDP, increasing or stagnating unemployment and poor conditions in the capital markets in Italy could negatively affect the demand for the Group's insurance and investment products, in particular unit-linked or other pension products. In addition, during periods of economic downturn, the Group may experience increased incidence of claims and lapses or surrenders of policies or defaults in premium payments by policyholders. As a result of the focus of the Group's business in Italy, a continuation or worsening of the current adverse economic conditions in Italy, including those resulting from the Covid-19 pandemic, could have a material adverse effect on the Group's business, results of operations and financial condition.

Risks relating to the Covid-19 pandemic

The Group is also exposed to risks related to the ongoing Covid-19 pandemic, which has had a significant impact on the macroeconomic environment and has resulted in widespread unprecedented disruptions and negative effects on the economy both globally and in Italy. Shutdowns and other restrictive measures implemented by authorities worldwide in an attempt to contain the spread of the virus have led to social and economic shocks in multiple business segments, with repercussions also on sectors in which the Group operates. The pandemic will likely lead to a rise in mortality and morbidity rates, thereby impacting the Group's performance directly due to potential rise in claims under policies. Despite measures introduced in Italy by the government aimed at providing support to families and workers as well as liquidity to small-medium sized enterprises and businesses, the outbreak has resulted generally in a worsening of the economic circumstances of the Group's customers, debtors and counterparties, potentially leading to higher

defaults on policies, write-downs and impairments on the Group's investments, as well as reduction on disposable income of individuals which in turn negatively affects the demand for the Group's products. Disruptions of the financial markets and capital conservation measures imposed by regulatory authorities could also impact the Group's funding and liquidity. These factors could, individually or taken together, impact the Group's business, results of operations and financial condition.

At the date of this Prospectus, there remains significant uncertainty as to the medium and long term effects of government responses to control outbreaks on the financial markets in general and on the broader economic outlook, the duration of the pandemic, and the degree to which the Group will be impacted. An extended economic downturn of the markets in which the Group operates as well as further declines in the financial markets could materially and adversely impact the business, results of operations and financial condition of the Group. See further the paragraph "*Disclosure on the effects of Covid-19*" (pages 11-12) in the 2019 SFCR Report, incorporated by reference in this Prospectus.

2. MARKET RISKS; OPERATIONAL AND LIQUIDITY RISKS

Risks relating to interest rates

Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short- and long-term rates) may adversely affect the Group's insurance 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 Group's investment portfolios. By way of example, an increase in interest rates could negatively impact the Group's fixed-income portfolio and such negative impact may not necessarily be compensated by the positive gain (if any) on interest rate derivative contracts entered into by the Group to hedge its exposure. In addition, it may not be possible to hold sufficient assets of a suitable duration to meet policyholder liabilities. See further "*Description of the Issuer – Risk Management*" for a description of the manner in which the Group seeks to minimise mismatches in terms of timing and values in order to keep any mismatches within predefined limits. Products that are designed to partly or entirely transfer exposure to interest rate movements to the policyholders partly reduce the impact of interest rate fluctuation on the Group's business. However, reductions in the effective investment income (which includes interest as well as realised gains and losses) to a level that is below the interest rates prevailing at the issue date of the policies, or below long-term guarantees, could reduce the profit margins or lead to losses on the insurance business written by the Group to the extent the maturity composition of the assets do not match the maturity composition of the insurance obligations they are backing. If the current low interest rates in the market persist, this will have a negative impact, in the long-term, on the effective income of the Group.

The Group is subject to market and credit risks

The Group's investment portfolios are comprised of available for sale securities, financial assets and liabilities carried at fair value, participations in a number of financial and non-financial institutions, with the remainder mostly consisting of financial assets held for trading and loans and receivables. The Group's exposure to financial risks deriving from its investment portfolios is, in certain cases - for example, life policies with profit participation clauses that offer the insured the ability to receive a share of the profit from the fund management (the segregated fund) and a minimum guaranteed

level - transferred partially to policyholders which therefore generate proprietary market and credit risks for the Group. In other cases, the exposure does not usually present direct risks (for example, investments related to index-linked policies, unit-linked policies and pension funds (*Fondi Pensione Aperti*)) but these are nonetheless monitored for reputational risks. To the extent these risks are not so transferred, impairments on the value of the securities and other financial assets held by the Group, any consequential write-downs to fair value together with fluctuations and volatility in real estate prices and adverse market conditions affecting one or more sectors where the Group holds its investments will adversely affect the Group's financial position and results of operations. Reduction in investment income of assets backing policy liabilities will affect the results of the Group's life assurance operations as a whole and its financial condition as a result of the impact on the capital requirements of its life assurance businesses.

In addition, the Group is subject to the credit risk of third parties with regard to holdings in its investment portfolios. Issuers of debt securities held by the Group in its investment portfolios comprise both central and local governments, central banks as well as non-sovereign corporate entities. This exposes the Group to the risk of counterparty defaults which can be aggravated during periods of economic downturn.

Risks relating to derivative transactions

The Group has credit exposures arising from transactions in derivative financial instruments - primarily plain vanilla interest rate swaps, futures, forwards, constant-maturity swaps and credit default swaps traded on over-the-counter markets - which are used to achieve a more efficient management of its investment portfolios and to hedge against financial risks present in such investment portfolios. The Group's portfolios include also structured bonds that comprise embedded derivatives. This component of the Group's portfolios is derived mostly from index linked products that the Group has ceased to offer since 2008.

These operations in derivative financial instruments expose the Group to market risk and operational risk, as well as the risk that the counterparty defaults on its obligations or becomes insolvent, which in turn may negatively impact the Group's business, financial condition and results of operations.

The Group is subject to operational risks

The Group is subject to operational risks, defined by Solvency II as the risk of suffering losses due to inadequacy or failures of processes, human resources and internal systems, or as a result of external events. Operational risks include legal risk, that is the risk of losses deriving from breach of laws or regulations, contractual or out-of-contract responsibilities or other disputes (excluding strategic and reputational risks). The Intesa Sanpaolo Group - to which ISP Vita belongs - maintains at group level a system of controls designed to keep operational risks at appropriate levels. In particular, the Compliance and Operational Risk Committee of the Intesa Sanpaolo Group, chaired by the chief risk officer, is responsible for periodically reviewing the group's overall operational and compliance risk profile, authorising any corrective measures, coordinating and monitoring the effectiveness of the main mitigation activities and approving operational risk transfer strategies. In addition to being subject to supervision at group level, ISP Vita constantly monitors its own internal procedures in light of regulatory and other developments, and has implemented an internal control

system to manage its activities in line with its strategies and policies in a prudent and effective manner, to ensure compliance with general and sector regulations. See further "*Description of the Issuer – Risk management*". There can, however, be no assurance that these measures will effectively protect the Group from operational risks in the future.

3. RISKS RELATED TO RELIANCE ON THE INTESA SANPAOLO GROUP

At the date of this Prospectus, 99.98 % of the outstanding ordinary shares of the Issuer is held by Intesa Sanpaolo S.p.A. ("**Intesa Sanpaolo**"). The Issuer is therefore directly affected by shareholder decisions taken by Intesa Sanpaolo. In particular, part of the funding of the Issuer is provided by its parent company, Intesa Sanpaolo, by way of subordinated loans and in the form of payments for future share capital increases. Should Intesa Sanpaolo's management change the current funding approach, or should negative financial condition and results of the operations of the Intesa Sanpaolo Group prevent Intesa Sanpaolo from continuing to provide (or require a reduction of) such funding support to ISP Vita, there can be no guarantee that the Issuer will be capable of obtaining loans and financing from other sources under the same or better conditions as currently.

As part of the Intesa Sanpaolo Group (a financial conglomerate whose main activities are in the banking sector), the Issuer benefits from the significant cross selling opportunities offered by Intesa Sanpaolo's wide customer base, the supervision, guidance and expertise of Intesa Sanpaolo as well as efficacy at the wider group level. The Issuer relies to a significant extent on the retail branches and financial promoters of Intesa Sanpaolo's banking operations for the distribution of many of the Group's products, and is supported in its operational risks management by reviews and monitoring activities conducted by Intesa Sanpaolo at head office level. See further "*Description of the Issuer – Share capital and shareholders; Intesa Sanpaolo Group*".

Financial conglomerates can be susceptible to risks of contagion, management complexity and conflicts of interests in general. Any decline in the financial condition, earnings and liquidity of Intesa Sanpaolo (whether as a result of macroeconomic conditions or caused by factors relating to Intesa Sanpaolo's banking activities), deterioration in its business reputation or failure in the Intesa Sanpaolo's group-wide risk management procedures affecting also the insurance operations of the Group, may adversely impact the financial condition and results of operations of the Issuer.

The information technology application platform of ISP Vita (including the operating systems and data management software) – managed directly by the Issuer itself – forms part of the overall information technology application platform of the Intesa Sanpaolo Group, which influences both the information technology architecture as well as disaster recovery proceedings and contingency plans of the Group. In particular, integration of the Group's IT system with that of the branches of the Intesa Sanpaolo Group facilitates the acquisition and management by the Group of new insurance contracts and post sales activities. The Group therefore depends significantly on the effective operation of such technology and information systems and such dependence exposes the Group to the risk of operational impairments and interruptions that may be caused by malfunctioning of the IT platform of the Intesa Sanpaolo Group.

4. RISK RELATING TO THE GROUP'S INSURANCE BUSINESS

Risks relating to the nature of the Group's insurance business

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

Performance depends on ability to accurately price insurance products

The Group'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 (particularly with respect to the number and amount of claims to be covered by premiums), the application of inappropriate or inadequate formulae or methodologies, unanticipated changes in the regulatory and judicial framework as well as changes in claims settlement practices.

The Group uses its experience in this sector and information available to it in the market to develop estimates of revenues from future insurance policies. However, future claims may significantly exceed the estimates used by the Group to price its products, both in terms of volume and amount, which could result in material adverse effects on its business, results of operations and financial condition.

Net income will decline if actual claims exceed loss reserves

The Group's insurance subsidiaries establish reserves covered by selected assets, depending on the category of insurance and the type of risk insured.

In particular, with respect to loss reserves in non-life operations, the amount of such reserves is adjusted at the end of every financial year and reflects the results of operations of such period, and if such reserves prove insufficient with respect to actual claims, of future periods. To the extent the Group's loss reserves prove to be insufficient in the future (also in light of judicial and regulatory developments), its business, results of operations and financial condition may be materially adversely affected.

Projections underlying technical reserve calculations for life insurance policies may be incorrect and net income could be affected by policy surrenders 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 Group's loss reserves with respect to life insurance and pension products may be insufficient, which could have adverse effects on its business, results of operations and financial conditions.

In addition, with respect to pension products, the Group determines technical reserves based on forecasts of: (i) mortality rates; (ii) job turnover rates within the workforce; (iii) invalidity rates; (iv) early retirement rates; (v) discount rates; (vi) long-term interest on investments; and (vii) rates regarding salary raises, future pension claim increases and increases of long-term health care costs. These parameters may differ from actual data as a result of, among other things, changes in economic conditions related to increased or decreased life expectancies of the insured clients. A difference may affect the amount of pensions or pension related costs in future years, and could

result in the Group's technical reserves becoming insufficient, with material adverse effects on its 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 Group is subject to a 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 Group's profitability could be adversely affected, with 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 Group 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 the customers.

For a description of the methodologies adopted by the Group to manage risks present in its life and non-life businesses, see "*Description of the Issuer – Risk management*".

5. LEGAL AND REGULATORY RISKS

Regulatory changes could adversely affect the Group's business

The Group's life and non-life operations are subject to detailed and comprehensive laws and regulations as well as regulatory supervision. In Italy, *Istituto per la Vigilanza sulle Assicurazioni* ("IVASS", the Italian supervisory body for insurance) has broad jurisdiction over many aspects of the Group's businesses, which may include capital adequacy, premium rates, marketing and selling practices, advertising, licensing agents, policy forms, terms of business and permitted investments.

In the European Union, risk based capital requirements have been 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) (the "**Solvency II Directive**"), as subsequently amended and supplemented, including by Directive 2014/51/EU (the "**Omnibus II Directive**") and by Directive (EU) 2019/2177. Implementing provisions of the Solvency II Directive are set forth in EU Commission Delegated Regulation No. 2015/35, as amended and supplemented, including by Commission Delegated Regulation (EU) 2019/981. Further modifications are expected in the context of the comprehensive Solvency II review as part of the European Commission's call for advice to EIOPA in February 2019, which review is expected to continue until 2021.

The ongoing review of the Solvency II framework by the European Parliament and EIOPA may result in adjustments to methods, assumptions and parameters as well as changes in policy options, which may result in more stringent solvency margins and capital requirements and/or a decrease in available capital. As a result of such pending and other possible reviews in the future, the Issuer is not able to predict the regulatory impact, or the relevant cost for implementing the necessary actions, consequential to such adjustments or changes. There are furthermore ongoing discussions concerning recovery and resolution as a new regulatory tool in the Solvency II framework, also in light of the Key Attributes Assessment Methodology for the Insurance Sector published in August

2020 by the Financial Stability Board. If introduced, such a regulatory tool will likely have important implications for European insurers in general and (depending on when such recovery and resolution regime will become effective and the relevant grandfathering provisions) may potentially affect subordinated capital instruments issued by the Issuer, including the Notes.

In addition to Solvency II, the Group's business activities are subject to compliance with other legislation and regulations. Sales and distributions of the Group's insurance and packaged retail investment products are required to comply with the PRIIPs Regulation and Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast) (the **IDD**), the implementing regulations and related guidelines and measures. While the IDD imposes provisions which impact sales and disclosure rules for insurance products, the PRIIPs Regulation introduces disclosure rules for packaged retail investment products, including the requirement to prepare a "Key Information Document" (KID). These measures will result in increased regulatory burden and restrictions on the Group's sales practice. The new general data protection regulation (Regulation (EU) 2016/679, "**GDPR**"), implemented in Italy by Legislative Decree No. 101 of 10 August 2018, includes stricter compliance requirements on data-protection and sanctions for non-compliance. These requirements impose more onerous burden on the European insurance industry operators, including the Group, resulting in increased compliance costs and obligations as well as the need to introduce additional safeguards and technical-organisational security measures and mechanisms to ensure compliance. Directive (EU) 2018/843 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (**5AMLD**), implemented in Italy by Legislative Decree No. 125 of 4 October 2019, has a significant impact on all insurance operators, including the Group, by imposing enhanced due diligence obligations and responsibilities. See further the paragraph headed "*Sector regulations*" in the Directors' report (on pages 45-47) of the 2019 Annual Report incorporated by reference in this Prospectus.

These and other legislation and regulations affect the manner the Group conducts its businesses. New regulations or changes in existing regulations may, from time to time, be imposed in relation to (among others) product features, business conduct, underwriting practices, information disclosures, technical provisions, which could affect the volume and/or profitability of selected business lines. The timing and form of future changes in relevant legislation and regulations are unpredictable and beyond the Group's control, and these changes could potentially affect, in a material and adverse manner, the Group's business, results of operations, financial condition and prospects.

The Group is party to legal and other disputes

The Issuer and its subsidiaries are, and may in the future be, involved in legal proceedings and other disputes, including those of a fiscal nature, in the ordinary course of their activities. Although the Issuer believes that appropriate provisions have been made to meet the costs and potential liability deriving from such proceedings and disputes, there is no assurance that such provisions are sufficient and it is possible that an adverse outcome could, from time to time, have an adverse effect on the Issuer's results of operations or cash flows. For a description of the legal proceedings that currently affect the Group, see "*Description of the Issuer – Litigation*".

The Group is exposed to risks associated with the preparation of financial statements

The consolidated financial statements of the Issuer are prepared in accordance with International Financial Reporting Standards ("IFRS"). These may be adversely affected by changes to IFRS as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union from time to time, which may result in negative effects on the accounting treatment and valuation of insurance products and contracts. Furthermore, resources that the Group will need to dedicate in order to adapt its organisation, processes and systems to implement these changes will likely be costly and burdensome.

Changes to IFRS for insurance companies have been proposed in recent years and further changes may be proposed in the future. The IASB has published IFRS9 (which replaces IAS 39), relating to the accounting treatment for changes in credit risk related to the banking book, changing from a backward looking (incurred loss) to forward looking (expected loss) concept with impacts on profit or loss. The Issuer has opted for the temporary exemption which defers application of IFRS9 to 1 January 2023 in order to implement the standard together with IFRS17. New IFRS17 published by the IASB in May 2017 (replacing IFRS 4 as of 1 January 2023) will impact (*inter alia*) the manner insurance liabilities are recognised initially and measured subsequently. See further paragraph headed "*Standards not yet endorsed by 31 December 2019*" in the Directors' report (on pages 47-48) of the 2019 Annual Report incorporated by reference in this Prospectus.

These new standards, when implemented, will affect the way in which the Issuer presents its financial information. The Group has initiated a project to introduce new methods and approaches for companies within its consolidation scope to address the introduction of IFRS17.

RISKS RELATED TO THE NOTES

The risks below have been classified into the following categories:

- 1. The Notes may not be a suitable investment for all investors*
- 2. Risks relating to the Tier 2/subordinated nature of the Notes*
- 3. Risks related to the Notes generally*
- 4. Risks related to the market generally*

1. 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 the light of its own circumstances. In particular, each potential investor should:

1. 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 this Prospectus;
2. 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;

3. have 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;
4. understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
5. 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 do not purchase complex financial instruments 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 which are complex financial instruments 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.

2. RISKS RELATING TO THE TIER 2/SUBORDINATED NATURE OF THE NOTES

The Issuer's obligations under the Notes are subordinated

The Notes and any relative Coupons constitute direct, unconditional and unsecured subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and:

- (a) junior to any unsubordinated obligations of the Issuer (including liabilities to policyholders of the Issuer), any subordinated obligations of the Issuer which constitute (or would, but for any applicable limitation on the amount of such capital constitute) Tier 3 Own Funds, and any other subordinated obligations of the Issuer that rank, or are expressed to rank, senior to the Notes;
- (b) at least equally with the Issuer's payment obligations in respect of any Parity Securities;
- (c) senior to the Issuer's payment obligations in respect of any Junior Securities.

By virtue of such subordination, in an insolvency, winding-up or dissolution of the Issuer, the assets of the Issuer would be applied first in satisfying all claims which rank senior to the Notes in full and the Issuer may not have enough assets remaining after these payments to pay amounts due under the Notes.

The Notes are structured to meet regulatory capital requirements

The Notes are subject to special provisions, driven by regulatory capital requirements, which require the Issuer to defer payment of interest in respect of the Notes upon the occurrence of a Mandatory Interest Deferral Event (as defined in Condition 5.1 (*Mandatory Deferral of Interest*)). See further "*Risks related to deferral of interest payments and restrictions on payments of Deferred Interest*" below. Any deferral of interest payments, or perception that such interest deferral is likely to occur, will likely have an adverse effect on the market price of the Notes. The market price of the Notes may consequently be more volatile than the market prices of other debt securities that are not subject to

interest deferrals, and may be more sensitive generally to adverse changes in the financial condition of the Issuer.

The redemption of the Notes is furthermore subject to satisfaction of the conditions set out in Condition 6.8 (*Conditions for Redemption and Purchase*), as required by the Solvency II regulations, pursuant to which redemption of the Notes shall be postponed if these conditions are not satisfied.

Should the Notes cease to qualify as Tier 2 Own Funds as a result of a Regulatory Event (as defined in the Conditions), there is a risk that the Notes may be redeemed at the option of the Issuer.

Risks related to deferral of interest payments and restrictions on payments of Deferred Interest

If the Issuer defers an interest payment on the Notes following the occurrence of a Mandatory Interest Deferral Event, it shall not have any obligation to pay such interest payment on the relevant Interest Payment Date and the failure to pay such interest shall not constitute a default of the Issuer or any other breach of obligations under the Conditions or for any purpose, and shall not give the Noteholders any right to accelerate redemption of the Notes or take any enforcement action under the Notes. Any interest deferred by the Issuer shall not bear interest, and may only be paid by the Issuer provided that no Mandatory Interest Deferral Event has occurred or is continuing. See further Condition 5 (*Deferral of Interest*).

Noteholders have no option to request redemption of the Notes

Although the Issuer may, under certain circumstances described in the Conditions, early redeem the Notes at its option, it is under no obligation to do so and Holders have no right to require the Issuer to exercise any right it may have to early redeem the Notes.

Prospective investors should be aware that they may be required to bear the financial risks associated with an investment in long term securities. Holders have no ability to exit their investment, except (i) in the event of the Issuer redeeming or exercising its rights to early redeem the Notes in accordance with the Conditions, (ii) by selling their Notes or (iii) upon acceleration of the Notes if an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer otherwise than for the purpose of an Approved Reorganisation or on terms previously approved by the Noteholders, in which limited circumstances the Holders may receive some of any resulting liquidation proceeds following payment being made in full to all unsubordinated and more senior subordinated creditors (see also "*The Issuer's obligations under the Notes are subordinated*" above). The proceeds, if any, realised by a Holder from selling its Notes or upon acceleration of the Notes may be substantially less than the amount of the investor's investment in the Notes. See also "*Notes subject to optional redemption by the Issuer*" below.

There are no events of default under the Notes; the Notes provide Holders with limited rights and remedies

If an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer otherwise than for the purpose of an Approved Reorganisation or on terms previously approved by the Noteholders, then any Note may – subject to applicable provisions of law governing such winding-up, liquidation or dissolution – by written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at their

principal amount outstanding together with interest accrued (if any) to the date of redemption (including Deferred Interest, if applicable) without further action or formality. The Conditions do not envisage any other event of default allowing for acceleration of the Notes. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest (to the extent not deferred pursuant to the Conditions), 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.

Furthermore, a deferral of interest in accordance with the Conditions and postponement of the redemption of the Notes as a result of non-satisfaction of the Conditions for Redemption and Purchase shall not constitute a default under the Notes for any purpose.

In an insolvency, winding-up or dissolution of the Issuer, the risks described under the risk factor entitled "*The Issuer's obligations under the Notes are subordinated*" above shall apply.

These features, taken together, mean that there is a significant risk that an investor may not be able to recover its investment in the Notes.

Notes subject to optional redemption by the Issuer

Under the Conditions, the Issuer has an option - subject to the satisfaction of the conditions to redemption as set out in Condition 6.8 (*Conditions for Redemption and Purchase*) - to early redeem the Notes in whole but not in part (i) if a Tax Event has occurred, (ii) if a Regulatory Event has occurred, or (iii) in the event that at least 80 per cent. of the principal amount upon issuance of the Notes have been purchased or redeemed by the Issuer, in each case at their principal amount outstanding together with interest accrued (if any) to the date of redemption (including Deferred Interest, if applicable). The Issuer shall determine at its sole discretion whether or not to exercise such early redemption option and is not, under any circumstances, obliged to exercise any such early redemption option.

In the case of any such early redemption, an investor may not be able to reinvest the redemption proceeds at an effective interest rate which is as high as the interest rate on the Notes being redeemed, and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

In addition, the Issuer's ability to redeem the Notes at its option in certain limited circumstances may affect the market value of the Notes. In particular, during any period when the Issuer has the right to elect to redeem the Notes or the market anticipates that redemption might occur, the market value of the Notes generally would not be expected to rise substantially above the redemption price because of the optional redemption feature.

In the event of an early redemption of the Notes, the Notes will be redeemed at their principal amount outstanding together with interest accrued (if any) to the date of redemption (including Deferred Interest, if applicable). Noteholders will not receive a make-whole amount or any other compensation in the event of an early redemption of the Notes.

Redemption of the Notes (including on the Maturity Date) may be restricted or deferred

In the event that the Conditions for Redemption and Purchase are not satisfied (except in the limited circumstances where a waiver applies), redemption of the Notes cannot take place and the date fixed for scheduled or optional redemption of the Notes pursuant to Condition 6 (*Redemption and Purchase*) shall be postponed, regardless of any prior notice of redemption that may already have been delivered to the Noteholders. Failure to redeem the Notes on the date fixed for redemption as a result of a suspension and postponement of the date fixed for scheduled or optional redemption of the Notes in accordance with the provisions set forth in Condition 6.8(d) shall not constitute a default of the Issuer or any other breach of obligations under the Conditions for any purpose.

Any actual or anticipated suspension of redemption of the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the redemption suspension provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities without such suspension feature, and the Notes may accordingly be more sensitive generally to adverse changes in the Issuer's financial condition. Investors in the Notes may also find it difficult to sell their Notes in such circumstances, or may only be able to sell their Notes at a price which may be significantly lower than the price at which they purchased their Notes. In such event, investors may lose some or substantially all of their investment in the Notes.

Changes to Solvency II may increase the risk of the deferral of interest or the occurrence of a Regulatory Event

Solvency II requirements adopted in Italy, whether as a result of further changes to Solvency II or changes to the way in which IVASS interprets and applies these requirements to the Italian insurance industry, may change. Any such changes, either individually and/or in the aggregate, may lead to further unexpected requirements in relation to the calculation of each applicable Solvency Capital Requirement and/or Minimum Capital Requirement, and such changes may make the regulatory capital requirements of the Issuer (on a solo or, if applicable, Solvency II Insurance Group basis calculated on the basis of the Issuer's Solvency II scope of consolidation) more onerous. Such changes may negatively affect the calculation of the applicable Solvency Capital Requirement and/or Minimum Capital Requirement and thus increase the risk of deferral of interest, suspension or redemption and/or a Regulatory Event occurring.

Ability of the Issuer to meet its Solvency Capital Requirement and Minimum Capital Requirement will be affected by the Issuer's business decisions and, in making such decisions, the Issuer's interests may not be aligned with those of the Noteholders

The ability of the Issuer to meet its Solvency Capital Requirement and Minimum Capital Requirement will also depend on its decisions relating to its businesses and operations, as well as management of the regulatory capital position of the Issuer, at solo level or Solvency II Insurance Group level (on the basis of the Issuer's Solvency II Insurance Group scope of consolidation). The Issuer will have no obligation to consider the interests of the Noteholders in connection with the strategic decisions of the Group, including in respect of capital management. Noteholders will not have any claim against the Issuer or any other member of the Group relating to decisions that affect the business and operations of the Group, including its regulatory capital position, regardless of whether they result in non-compliance with the Solvency Capital Requirement and/or Minimum

Capital Requirement and, as a consequence, a deferral of interest and/or suspension of redemption of the Notes. Such decisions could cause Holders to lose all or part of the value of their investments in the Notes.

Waiver of set-off

To the extent and in the manner permitted by applicable law, no Noteholder or Couponholder may exercise, claim or plead any right of set-off, 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, and each Noteholder and Couponholder will, by virtue of his holding of any Note or Coupon, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention.

3. RISKS RELATED TO THE NOTES GENERALLY

The Notes may be subject to modification without Noteholder consent

If at any time a Tax Event or a Regulatory Event occurs, then the Issuer may, without any requirement for the consent or approval of the Noteholders and without prejudice to its option to redeem pursuant to Condition 6.2 (*Redemption and Purchase - Redemption for tax reasons*) or Condition 6.3 (*Redemption and Purchase - Redemption for regulatory reasons*), as the case may be, modify the terms and conditions of the Notes to the extent that such modification is reasonably necessary to ensure that no Tax Event or Regulatory Event would exist after such modification, subject to satisfaction of the conditions set out in Condition 13.4 (*Modification following a Tax Event or Regulatory Event*). The Conditions require that the terms and conditions of the Notes, as so modified, are, in the Issuer's reasonable determination, no more prejudicial to Noteholders than the terms and conditions applicable to the Notes prior to such modification. However, there can be no assurance that, due to the particular circumstances of each Holder, the Notes as so modified will be as favourable to each Holder in all respects. Additionally, there may be material tax consequences for holders of the Notes as a result of such modification, and holders should consult their own tax advisors regarding such potential consequences.

Modification and waivers

The Agency Agreement and the Conditions contain provisions for calling Noteholders' meetings for matters that may affect their interests in general. These provisions allow the establishment of majorities that shall be binding on 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. Condition 13.3 (*Modification*) also provides that the Fiscal Agent and the Issuer may, without the consent of Noteholders, agree to any modification of the Notes, the Coupons or the Agency Agreement which is (a) to cure or correct any ambiguity or defective or inconsistent provision contained therein, or which is of a formal, minor or technical nature, or (b) in the sole opinion of the Issuer, not prejudicial to the interests of the Noteholders and/or Couponholders (provided the proposed modification does not relate to a matter in respect of which an Extraordinary Resolution would be required if a meeting of Noteholders were held to consider such modification or (c) to correct a manifest error or (d) to comply with mandatory provisions of law.

Change of law

The Conditions are governed by Italian law. No assurance can be given as to the impact of any possible judicial decision or change to applicable law or administrative practice after the date of this Prospectus.

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

The Notes will be represented by one or more Global Notes. Such Global Notes will be deposited with a common safekeeper 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 once the paying agent has paid 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.

Risks relating to the governing law of the Notes

The terms and conditions of the Notes are governed by Italian law and Condition 18 (*Governing Law and Jurisdiction*) provides that contractual and non-contractual obligations arising out or in connection with them are governed by, and shall be 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 Notes are governed by Italian law, save for the form and transferability of the Global Notes which are governed by English law.

Article 59 of Law No. 218 of 31 May 1995 (the “**Italian Private International Law**”) provides that other debt securities (*titoli di credito*) are governed by the law of the State in which the security was issued. The Temporary Global Note and the Permanent Global Note representing the Notes will be signed by the Issuer in the United Kingdom and, thereafter, delivered to Deutsche Bank AG, London Branch as initial Fiscal Agent and Paying Agent, being the entity in charge of, *inter alia*, completing, authenticating and delivering the Temporary Global Note and Permanent Global Note and (if required) authenticating and delivering Definitive Notes.

The Issuer cannot foresee the effect of any potential misalignment between the laws applicable to the terms and conditions of the 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 on the basis of the above-mentioned provisions of Italian Private International Law and the relevant applicable private international law legislation.

Integral multiples of less than €250,000

The Notes are issued in denominations of €250,000 and integral multiples of €1,000 in excess thereof, up to (and including) €499,000. A Noteholder who, as a result of trading such amounts, holds a principal amount of less than €250,000 will not receive a definitive Note in respect of such holding (if definitive Notes are printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to at least such minimum denomination.

The Issuer is not prohibited from issuing further debt which may rank pari passu with or senior to the Notes

The Issuer reserves the right to issue securities counting as Tier 2 Own Funds in the future, provided, however, that any such obligations may not, in the event of voluntary or involuntary liquidation or bankruptcy of the Issuer, rank prior to the Notes. The Conditions place no restriction on the amount of debt that the Issuer may issue that ranks senior to the Notes. The issue of any such debt or securities may reduce the amount recoverable by investors of the Notes should the Issuer become insolvent.

Potential conflicts of interest

The Calculation Agent is the agent of the Issuer and not the agent of the Noteholders. Potential conflicts of interest may exist between the Calculation Agent and the Noteholders, including with respect to certain determinations and judgments that the Calculation Agent may make pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption. The Calculation Agent is a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst the Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

The Notes may be traded with accrued interest, but in some circumstances, the Issuer is obliged to defer accrued interest on the Notes

The Notes may trade, and/or the prices for the Notes may appear, on the Official List of the Luxembourg Stock Exchange and in other trading systems with accrued interest. If this occurs, purchases of Notes in the secondary market will pay a price that reflects such accrued interest upon purchase of the Notes. However, if a payment of interest is deferred pursuant to the Conditions and thus is not due and payable on an Interest Payment Date, purchasers of the Notes will not be entitled to receive interest payment on such Interest Payment Date.

4. RISKS RELATED TO THE MARKET GENERALLY

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. 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. Instruments that are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited

categories of investors generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes. In an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes 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 the Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the 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 the 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. 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.

Interest rate risks

Investment in the Notes (which bear a fixed rate of interest) involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Credit ratings may not reflect all risks

The Notes are rated by Fitch, which is established in the European Union and is registered under the CRA Regulation as set out in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Investors should be aware that:

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

Furthermore, in general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA or the UK but is endorsed by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or the UK which is certified under the CRA

Regulation.

If the status of the rating agency rating the Notes changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market.

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.

GENERAL OVERVIEW

This general overview must be read as an introduction to this Prospectus and is qualified in its entirety by reference to the more detailed information presented elsewhere in this Prospectus. Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference.

In this Prospectus, words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere have the same meanings when used in this general overview and references to a "Condition" is to such numbered condition in such Terms and Conditions.

Issuer:	Intesa Sanpaolo Vita S.p.A.
Issuer's Legal Entity Identifier (LEI):	549300UM31PJ24TTSR94
Arranger:	Intesa Sanpaolo S.p.A.
Sole Manager:	Intesa Sanpaolo S.p.A. (the " Manager ")
Principal amount:	€600,000,000
Issue price:	99.473 per cent.
Issue date:	22 December 2020
Form and denomination:	The Notes will be issued in bearer form in denominations of €250,000 and integral multiples of €1,000 in excess thereof, up to (and including) €499,000.
Status:	<p>The Notes and any relative Coupons constitute direct, unconditional and unsecured subordinated obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves and:</p> <ul style="list-style-type: none">(a) junior to any unsubordinated obligations of the Issuer (including liabilities to policyholders of the Issuer), any subordinated obligations of the Issuer which constitute (or would, but for any applicable limitation on the amount of such capital constitute) Tier 3 Own Funds, and any other subordinated obligations of the Issuer that rank, or are expressed to rank, senior to the Notes;(b) at least equally with the Issuer's payment obligations in respect of any Parity Securities; and(c) senior to the Issuer's payment obligations in respect of any Junior Securities.

"Parity Securities" means (a) any subordinated note or bond issued by the Issuer, guarantees, preferred or preference shares or other securities issued by the Issuer which rank, or are expressed to rank, *pari passu* with the Notes; (b) any subordinated note or bond or preferred or preference shares or other securities issued by a Subsidiary of the Issuer having the

benefit of a guarantee or similar instrument from the Issuer, which guarantee or instrument ranks or is expressed to rank *pari passu* with the Notes; and (c) any subordinated obligations of the Issuer which constitute (or would, but for any applicable limitation on the amount of such capital constitute) Tier 2 Own Funds (including as a result of grandfathering) and all other subordinated obligations of the Issuer that rank, or are expressed to rank, *pari passu* with the Notes.

"Junior Securities" means (A) all classes of share capital (including preference shares - *azioni privilegiate* - and savings shares - *azioni di risparmio*, if any) of ISP Vita; (B) any obligation, including preferred securities, guarantees or similar instruments issued by ISP Vita which rank junior to the Notes or *pari passu* with the share capital of ISP Vita; (C) any guarantee or similar instrument from ISP Vita, ranking junior to the Notes or *pari passu* with the share capital of ISP Vita, covering the preferred securities or preferred or preference shares issued by a Subsidiary of ISP Vita; and (D) any subordinated obligations of the Issuer which constitute (or would, but for any applicable limitation on the amount of such capital constitute) Tier 1 Own Funds (including as a result of grandfathering) and any other subordinated obligations of the Issuer that rank, or are expressed to rank, junior to the Notes.

"Tier 1 Own Funds" means own funds classified as Tier 1 under the Applicable Regulations.

"Tier 2 Own Funds" means own funds classified as Tier 2 under the Applicable Regulations.

"Tier 3 Own Funds" means own funds classified as Tier 3 under the Applicable Regulations.

No set-off:

To the extent and in the manner permitted by applicable law, no Noteholder or Couponholder may exercise, claim or plead any right of set-off, 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, and each Noteholder and Couponholder will, by virtue of his holding of any Note or Coupon, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention.

Interest:

The Notes bear interest from (and including) the Issue Date at a rate equal to 2.375 per cent. per annum (the **"Rate of Interest"**) payable, subject as provided in the Conditions, annually in arrear on 22 December in each year (each, an **"Interest Payment Date"**), commencing on 22 December 2021.

Deferral of Interest:

The Issuer shall, by giving notice to the Noteholders pursuant to Condition 15 (*Notices*) below, defer payment of all (but not

some only) of the interest accrued to an Interest Payment Date in respect of the Notes if:

- (i) there is non-compliance with the Solvency Capital Requirement, or the payment of interest (or arrears of interest) on the Notes would lead to such non-compliance, unless:
 - (x) the Relevant Supervisory Authority has exceptionally waived the deferral of interest;
 - (y) the payment does not further weaken the solvency position of the Issuer as determined in accordance with the Applicable Regulations;
 - (z) the Minimum Capital Requirement will be complied with immediately following the payment of such interest (or, if applicable, arrears of interest) is made;
 - (ii) payment of the relevant interest and/or arrears of interest would result in the Issuer becoming insolvent in accordance with 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;
 - (iii) the Relevant Supervisory Authority has given (and has not withdrawn) notice to the Issuer that it has determined that its financial and solvency condition is deteriorating in such a manner that its Solvency Margin is likely to fall below the Solvency Capital Requirement in the short term;
 - (v) there is non-compliance with the Minimum Capital Requirement or the payment of interest (or arrears of interest) on the Notes would lead to such non-compliance; or
 - (v) the Issuer is for any other reason otherwise required by the Applicable Regulations at the relevant time to cancel payment of interest in order for the Notes to qualify as at least Tier 2 Own Funds
- ((i), (ii), (iii), (iv) and (v) together "**Mandatory Interest Deferral Events**" and each, a "**Mandatory Interest Deferral Event**").

If the Issuer is required to defer an interest payment pursuant to the Conditions, it shall not have any obligation to pay such interest payment on the relevant Interest Payment Date and the failure to pay such interest shall not constitute a default of the Issuer or any other breach of obligations under the Conditions or for any purpose, and shall not give the Noteholders any right to accelerate repayment of the Notes or take any enforcement action under the Notes.

Deferred Interest:

Any unpaid amounts of interest deferred pursuant to the Conditions will constitute arrears of interest ("**Deferred Interest**"). Deferred Interest shall not bear interest. Deferred Interest may, at the option of the Issuer, be paid in whole or in part at any time; and shall become due and payable, in whole, on the earliest of:

- (1) the next Interest Payment Date unless a Mandatory Interest Deferral Event is continuing on such Interest Payment Date, *provided that* a Mandatory Interest Deferral Event will not be caused by the payment of such Deferred Interest;
- (2) the date of any redemption of the Notes in accordance with the Conditions, subject to satisfaction of the Conditions for Redemption and Purchase; or
- (3) the date an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer, in accordance with Condition 9 (*Acceleration*),

provided that the Relevant Supervisory Authority has given and has not withdrawn its prior consent to payment of the relevant amounts (if such prior consent is so required under applicable legislation at the relevant time).

Redemption at maturity:

Subject to Condition 6.8 (*Conditions to Redemption and Purchase*), unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount outstanding on 22 December 2030 (the "**Maturity Date**"), together with interest accrued (if any) to the date of redemption (including Deferred Interest, if applicable).

Redemption for tax reasons:

Subject to Condition 6.8 (*Conditions to Redemption and Purchase*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time upon the occurrence of a Tax Event, on giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notices*), at their principal amount outstanding together with interest accrued (if any) to the date of redemption (including Deferred Interest, if applicable).

A "**Tax Event**" is deemed to have occurred if:

- (A) the Issuer has or will become obliged to pay Additional Amounts as provided or referred to in Condition 8 (*Taxation*), or
- (B) deductibility of interest payable by the Issuer in respect of the Notes is materially reduced for Italian income tax purposes

in each case, as a result of any change in, or amendment to, the laws, regulations or other rules of the Republic of Italy or of any political subdivision or any authority thereof or therein having power to tax (including any treaty to which the Republic of Italy is a party), or as a result of any change in, or amendment or clarification to, the application or official or generally published interpretation (or application or interpretation made for the first time) of such laws, regulations or other rules, including the publication or pronouncement of any decision or interpretation by any competent court or authority providing for a position with respect to such laws, regulations or other rules that differs from the previously generally accepted position or otherwise differs from prior written confirmation given by the competent authority in respect of tax treatment of the Notes, which change or amendment becomes effective on or after the Issue Date, and such obligation to pay Additional Amounts (in the case of sub-(A) above) or non-deductibility (in the case of sub-(B) above) cannot be avoided by the Issuer taking reasonable measures it deems appropriate, *provided, however, that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would, in the case of sub-(A), be obliged to pay such Additional Amounts if a payment in respect of the Notes were then due or, in the case of sub-(B), be unable to deduct such amounts for Italian income tax purposes.

**Redemption due to a
Regulatory Event:**

Subject to Condition 6.8 (*Conditions to Redemption and Purchase*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time upon the occurrence of a Regulatory Event, on giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notices*), at their principal amount outstanding together with interest accrued (if any) to the date of redemption (including Deferred Interest, if applicable).

A "**Regulatory Event**" means that:

- (i) the Issuer is no longer subject to the regulatory supervision of the Relevant Supervisory Authority; or
- (ii) as a result of any replacement or change to (or change in the interpretation by any competent court or authority of) the Applicable Regulations, which replacement or change occurs after the Issue Date, the Notes (in whole or in part) are no longer capable of qualifying as at least Tier 2 Own Funds of the Issuer (on a solo or Solvency II Insurance Group basis), except where such non-qualification is only the result of exceeding any then applicable limits on the inclusion of the Notes as Tier 2 own Funds.

Clean-Up Call Option:	Subject to Condition 6.8 (<i>Conditions to Redemption and Purchase</i>), the Notes may be redeemed at the option of the Issuer in whole, but not in part, in the event that at least 80% of the principal amount upon issuance of the Notes has been purchased or redeemed by the Issuer, on giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15 (<i>Notices</i>), at their principal amount outstanding together with interest accrued (if any) to the date of redemption (including Deferred Interest, if applicable).
Conditions to redemption and purchase:	Any redemption of the Notes on the date fixed for redemption pursuant to Condition 6.1 (<i>Redemption at Maturity</i>), Condition 6.2 (<i>Redemption for tax reasons</i>), Condition 6.3 (<i>Redemption for regulatory reasons</i>) or Condition 6.4 (<i>Clean-Up Call Option</i>), and any purchase provided for by Condition 6.6 (<i>Purchase</i>), is subject to the Conditions for Redemption and Purchase, as defined and described under Condition 6.8 (<i>Conditions for Redemption and Purchase</i>).
Modification following a Tax Event or a Regulatory Event:	Where a Tax Event or Regulatory Event occurs and is continuing, the Issuer may, without any requirement for the consent or approval of the Noteholders and without prejudice to its option to redeem pursuant to Condition 6.2 (<i>Redemption and Purchase - Redemption for tax reasons</i>) or Condition 6.3 (<i>Redemption and Purchase - Redemption for regulatory reasons</i>), as the case may be, modify the terms and conditions of the Notes to the extent that such modification is reasonably necessary to ensure that no Tax Event or Regulatory Event would exist after such modification, as described in Condition 13.4 (<i>Modification following a Tax Event or a Regulatory Event</i>).
Taxation:	All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts (“ Additional Amounts ”) on interests (but not, unless permitted by then prevailing Applicable Regulations, on principal) as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required.

However, in certain circumstances and as more fully set out in Condition 8 (*Taxation*), the Issuer shall not be liable to pay any Additional Amounts to Noteholders and Couponholders. See further Condition 8 (*Taxation*).

Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with them will be governed by Italian law.
Listing and Trading:	Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and to admit the Notes to trading on its Regulated Market.
Rating:	<p>The Notes are expected to be rated “BB” by Fitch.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.</p>
Selling restrictions:	For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of offering material in the United States of America, the United Kingdom, Italy, Luxembourg, Hong Kong, China, Singapore, Japan and France, see “ <i>Subscription and Sale</i> ” below.
Clearing systems:	Euroclear and Clearstream, Luxembourg.
ISIN/Common code:	XS2262806933 / 226280693

INFORMATION INCORPORATED BY REFERENCE

The following information, which has previously been published and filed with the CSSF, is incorporated by reference in, and forms part of, this Prospectus, each to the extent specified in the cross-reference list further below:

- (1) the consolidated annual financial statements of the ISP Vita Group as at and for the year ended 31 December 2019 (the “**2019 Annual Report**”), together with the accompanying notes and auditors' audit report, to the extent specified in the table below, available at:

https://www.intesasanpaolovita.it/documents/14502/0/2019AnnualReport31-12_New2.pdf/1ecd8102-261b-d9a9-1df0-398e1d378782?t=1605264374583

- (2) the consolidated annual financial statements of the ISP Vita Group as at and for the year ended 31 December 2018 (the “**2018 Annual Report**”), together with the accompanying notes and auditors' audit report, to the extent specified in the table below, available at:

https://www.intesasanpaolovita.it/documents/14502/0/2018AnnualReport_New.pdf/fc7c2891-d8db-65c6-0130-d110a68e5cd6?t=1605169386803

- (3) the consolidated interim financial statements of the ISP Vita Group as at and for the six months ended 30 June 2020 (the “**2020 Interim Report**”), together with the accompanying notes and auditors' review report, to the extent specified in the table below, available at:

https://www.intesasanpaolovita.it/documents/14502/0/InterimFinancialReportAt30June2020_New.pdf/282ce3e7-d327-45e8-b9bf-54099cb01804?t=1605169227110

- (4) the press release dated 4 August 2020 announcing approval of the consolidated results of the ISP Vita Group as at and for the six months ended 30 June 2020 (the “**2020 6M Interim Results Press Release**”), available at:

<https://www.intesasanpaolovita.it/documents/2Q2020--ISV-GROUP-Financial-Reporting.pdf?uuid=5b2fd87b-c154-0053-5f50-fa850469d9b2&groupId=14502>

- (5) the press release dated 4 November 2020 announcing approval of the consolidated results of the ISP Vita Group as at and for the nine months ended 30 September 2020 (the “**2020 9M Interim Results Press Release**”), available at:

<https://www.intesasanpaolovita.it/en/about-us/press-center/press-release/intesasanpaolo-vita-consolidated-results-approved-as-at-september-2020>

- (6) the solvency and financial condition report of 2019 of the ISP Vita Solvency II Insurance Group (the “**2019 SFCR Report**”), available at:

https://www.intesasanpaolovita.it/documents/14502/0/Solvency_and_financialCondicion_Report_ISVGr_Dec_31st2019.pdf/6a91a9e3-c89f-9730-b551-751321543cc4?t=1593775843850

- (7) the solvency and financial condition report of 2018 of the ISP Vita Solvency II Insurance Group (the “**2018 SFCR Report**”), available at:

https://www.intesasanpaolovita.it/documents/14502/0/Solvency_and_financialConditionReport_ISV_Dec_31st2018.pdf/e4188135-0ae5-24f7-0789-6c8006e6be0d?t=1593779866707

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 this Prospectus 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 this Prospectus.

This Prospectus will be available, in electronic format, on the website of the Luxembourg Stock Exchange (<https://www.bourse.lu>) and at the following website: www.intesasanpaolovita.it/en/subordinated-bond

Only information present in the cross-reference list is incorporated by reference in this Prospectus. Any information contained in or incorporated by reference in any of the documents specified above that is not included in the cross-reference list in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference in this Prospectus, information contained on the website does not form part of this Prospectus.

Any documents which are themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus (unless they are being separately incorporated by reference in this Prospectus under this section).

The Issuer declares that the English translations of the financial statements incorporated by reference in this Prospectus is an accurate and not misleading translation in all material respect of the Italian language version of the financial statements. The Issuer takes responsibility for the accuracy of such translations.

Cross reference list

The following table shows where the items of information required under Article 19(2) of the Prospectus Regulation can be found in the above-mentioned documents.

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TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which will be endorsed on each Note in definitive form (if issued).

The terms and conditions applicable to the Notes in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Overview of Provisions Relating to the Notes while in Global Form" below.

The €600,000,000 2.375 per cent. Tier 2 Subordinated Notes due 22 December 2030 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 14 (*Further issues*) and forming a single series therewith) of Intesa Sanpaolo Vita S.p.A. (the "**Issuer**" or "**ISP Vita**") are the subject of an issue and paying agency agreement dated 22 December 2020 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, Deutsche Bank AG, London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).

Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form in the denomination of €250,000 and integral multiples of €1,000 up to and including €499,000, with Coupons attached at the time of issue. Title to the Notes and the Coupons will pass by delivery.

The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In these Conditions the following expressions have the following meanings:

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

"**Additional Amount**" has the meaning given to it in Condition 8 (*Taxation*);

"**Approved Reorganisation**" means a solvent and voluntary reorganisation involving, alone or with others, the Issuer, and whether by way of a consolidation, amalgamation, merger,

transfer of all or substantially all of its business or assets, or otherwise provided that the principal resulting, surviving or transferee entity (the "**Resulting Entity**") is an insurance undertaking and effectively assumes the obligations of the Issuer under, or in respect of, the Notes;

"**Calculation Agent**" means the Fiscal Agent or any successor calculation agent appointed from time to time in connection with the Notes;

"**Day Count Fraction**" means, for the purpose of calculation of an amount of interest for any period of time in an Interest Period (for the purpose of this definition, the "**Calculation Period**") the actual number of days in the Calculation Period divided by the actual number of days in the relevant calendar year;

"**Deferred Interest**" has the meaning given in Condition 5 (*Deferral of Interest*);

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

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

"**Interest Payment Date**" means 22 December in each year, commencing on 22 December 2021;

"**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 22 December 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 (including preference shares – *azioni privilegiate* – and savings shares – *azioni di risparmio*, if any) of ISP Vita; (B) any obligation, including preferred securities, guarantees or similar instruments issued by ISP Vita which rank junior to the Notes or *pari passu* with the share capital of ISP Vita; (C) any guarantee or similar instrument from ISP Vita, ranking junior to the Notes or *pari passu* with the share capital of ISP Vita, covering the preferred securities or preferred or preference shares issued by a Subsidiary of ISP Vita; and (D) any subordinated obligations of the Issuer which constitute (or would, but for any applicable limitation on the amount of such capital constitute) Tier 1 Own Funds (including as a result of grandfathering) and any other subordinated obligations of the Issuer that rank, or are expressed to rank, junior to the Notes;

"**Legislative Decree No. 239**" has the meaning given in Condition 8 (*Taxation*);

"**Mandatory Interest Deferral Events**" has the meaning given in Condition 5.1 (*Mandatory Deferral of Interest*);

"**Minimum Capital Requirement**" means the minimum capital requirement of the Issuer at solo level, or the group minimum capital requirement or (as applicable) the group minimum Solvency Capital Requirement at the Solvency II Insurance Group level (calculated on the basis of the Issuer's Solvency II scope of consolidation), as defined and/or referred to in the Applicable Regulations, provided that non-compliance with the Minimum Capital Requirement shall be deemed to have occurred if the Solvency Margin is less than any of the aforementioned capital requirements;

"**Parity Securities**" means (a) any subordinated note or bond issued by the Issuer, guarantees, preferred or preference shares or other securities issued by the Issuer which rank, or are

expressed to rank, *pari passu* with the Notes; (b) any subordinated note or bond or preferred or preference shares or other securities issued by a Subsidiary of the Issuer having the benefit of a guarantee or similar instrument from the Issuer, which guarantee or instrument ranks or is expressed to rank *pari passu* with the Notes; and (c) any subordinated obligations of the Issuer which constitute (or would, but for any applicable limitation on the amount of such capital constitute) Tier 2 Own Funds (including as a result of grandfathering) and all other subordinated obligations of the Issuer that rank, or are expressed to rank, *pari passu* with the Notes;

"Payment Business Day" means:

- (A) 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 exchange deposits) in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (B) in the case of payment by transfer to a euro account, a TARGET2 Settlement Day;

"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;

"Rate of Interest" has the meaning given in Condition 4 (*Interest*);

"Regulatory Event" has the meaning given in Condition 6.3 (*Redemption and Purchase – Redemption for regulatory reasons*);

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

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

"Reserved Matter" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or, as the case may be, interest payable on any date in respect of the Notes, 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, 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; to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution or to amend the definition of "Reserved Matter";

"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 Regulation;

"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 from time to time;

“Solvency II Insurance Group” or the **“ISP Vita Solvency II Insurance Group”** means ISP Vita and the companies that from time to time fall within the scope of its Solvency II scope of consolidation. As at 18 December 2020, the ISP Vita Solvency II Insurance Group includes, in addition to ISP Vita and the subsidiaries consolidated within the ISP Vita Group, Fideuram Vita S.p.A., BancAssurance Popolari S.p.A. and UBI Sicura S.p.A. by virtue of the deemed existence of “unified management” (*direzione unitaria*) between ISP Vita, Fideuram Vita S.p.A., BancAssurance Popolari S.p.A. and UBI Sicura S.p.A. as a result of them being subject to the management of and supervision by Intesa Sanpaolo in accordance with article 96(2)(a) of Legislative Decree No. 209 of 7 September 2005 (the **“Private Insurance Code”**, *Codice delle Assicurazioni Private*);

“Solvency II Regulation” 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 (including as amended by Commission Delegated Regulation (EU) 2019/981 of 8 March 2019) from time to time;

“Solvency Capital Requirement” means the solvency capital requirement of the Issuer at solo level, or group solvency capital requirement at the Solvency II Insurance Group level (calculated on the basis of the Issuer’s Solvency II scope of consolidation), as defined and/or referred to in the Applicable Regulations, provided that (a) non-compliance with the Solvency Capital Requirement shall be deemed to have occurred if the Solvency Margin is less than the Solvency Capital Requirement of the Issuer at solo or, as the case may be, Solvency II Insurance Group level; and (b) references to Solvency Capital Requirement shall be read as references to the Minimum Capital Requirement where non-compliance with the Minimum Capital Requirement occurs before non-compliance with the Solvency Capital Requirement;

“Solvency Margin” means the own funds eligible to cover ISP Vita’s Solvency Capital Requirement and/or, as the case may be, Minimum Capital Requirement, in each case as determined pursuant to Applicable Regulations;

“Specified Office” has the meaning given in the Agency Agreement;

“Subsidiary” means, in relation to any Person (the **“First Person”**) at any particular time, any other Person (the **“Second Person”**):

- (i) 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
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the First Person;

“TARGET2” means the Trans-European Automated real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

“TARGET2 Settlement Day” means any day on which TARGET2 is open for the settlement of payments in euro;

“Tax Event” has the meaning given in Condition 6.2 (*Redemption and Purchase - Redemption for tax reasons*);

“Tier 1 Own Funds” means own funds classified as Tier 1 under the Applicable Regulations;

"Tier 2 Own Funds" means own funds classified as Tier 2 under the Applicable Regulations;

"Tier 3 Own Funds" means own funds classified as Tier 3 under the Applicable Regulations.

2.2 Interpretation

In these Conditions:

- (i) any reference to principal shall be deemed to include the principal amount of the Notes and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any Additional Amounts thereon and any other amount in the nature of interest payable pursuant to these Conditions; and
- (iii) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement.

3. STATUS AND SUBORDINATION

3.1 Status

The Notes and any relative Coupons constitute direct, unconditional and unsecured subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and:

- (a) junior to any unsubordinated obligations of the Issuer (including liabilities to policyholders of the Issuer), any subordinated obligations of the Issuer which constitute (or would, but for any applicable limitation on the amount of such capital constitute) Tier 3 Own Funds, and any other subordinated obligations of the Issuer that rank, or are expressed to rank, senior to the Notes; and
- (b) at least equally with the Issuer's payment obligations in respect of any Parity Securities;
- (c) senior to the Issuer's payment obligations in respect of any Junior Securities.

3.2 No set-off

To the extent and in the manner permitted by applicable law, no Noteholder or Couponholder may exercise, claim or plead any right of set-off, 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, and each Noteholder and Couponholder will, by virtue of his holding of any Note or Coupon, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention.

4. INTEREST

- (a) The Notes bear interest from (and including) the Issue Date up to (but excluding) the Maturity Date at a rate equal to 2.375 per cent. per annum (the "**Rate of Interest**") payable, subject as provided in these Conditions, annually in arrear on each Interest Payment Date. Interest in respect of the Notes shall be calculated per €1,000 in principal amount outstanding of the Notes (the "**Calculation Amount**"). The amount of interest payable on any Interest Payment Date shall be €23.75 per Calculation Amount.

If interest is required to be paid in respect of a payment date other than an Interest Payment Date, the amount of interest payable (subject to these Conditions) per Calculation Amount shall be equal to the product of the Calculation Amount and the Rate of Interest and the Day

Count Fraction, and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

- (b) *Publication*: Where the Interest Amount per Calculation Amount is different from that specified in Condition 4(a) above, the Calculation Agent will cause the relevant Interest Amount determined by it, together with the relevant payment date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have been admitted to listing, trading and/or quotation as soon as practicable after such determination. Notice thereof shall also be given promptly to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.
- (c) *Notifications etc.*: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (d) *Accrual of interest*: Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption pursuant to Condition 6.1 (*Redemption at maturity*), Condition 6.2 (*Redemption for tax reasons*), Condition 6.3 (*Redemption for regulatory reasons*), or, as the case may be, Condition 6.4 (*Clean-Up Call Option*) unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which case such amounts of principal improperly withheld or refused will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of: (i) the date on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

5. DEFERRAL OF INTEREST

5.1 Mandatory Deferral of Interest

- (a) The Issuer shall, by giving notice to the Noteholders pursuant to Condition 15 (*Notices*) below, defer payment of all (but not some only) of the interest accrued to an Interest Payment Date in respect of the Notes if:
 - (i) there is non-compliance with the Solvency Capital Requirement, or the payment of interest (or arrears of interest) on the Notes would lead to such non-compliance, unless
 - (x) the Relevant Supervisory Authority has exceptionally waived the deferral of interest;
 - (y) the payment does not further weaken the solvency position of the Issuer as determined in accordance with the Applicable Regulations;
 - (z) the Minimum Capital Requirement will be complied with immediately following the payment of such interest (or, if applicable, arrears of interest) is made;

- (ii) payment of the relevant interest and/or arrears of interest would result in the Issuer becoming insolvent in accordance with 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;
- (iii) the Relevant Supervisory Authority has given (and has not withdrawn) notice to the Issuer that it has determined that its financial and solvency condition is deteriorating in such a manner that its Solvency Margin is likely to fall below the Solvency Capital Requirement in the short term;
- (iv) there is non-compliance with the Minimum Capital Requirement, or the payment of interest (or arrears of interest) on the Notes would lead to such non-compliance; or
- (v) the Issuer is for any other reason otherwise required by the Applicable Regulations at the relevant time to cancel payment of interest in order for the Notes to qualify as at least Tier 2 Own Funds

((i), (ii), (iii),(iv) and (v) together "**Mandatory Interest Deferral Events**" and each, a "**Mandatory Interest Deferral Event**").

- (b) If the Issuer is required to defer an interest payment pursuant to these Conditions, it shall not have any obligation to pay such interest payment on the relevant Interest Payment Date and the failure to pay such interest shall not constitute a default of the Issuer or any other breach of obligations under these Conditions or for any purpose, and shall not give the Noteholders any right to accelerate repayment of the Notes or take any enforcement action under the Notes.

5.2 Deferred Interest

- (a) Any unpaid amounts of interest deferred pursuant to these Conditions will constitute arrears of interest ("**Deferred Interest**"). Deferred Interest shall not bear interest.
- (b) Deferred Interest may, at the option of the Issuer, be paid in whole or in part at any time; and shall become due and payable, in whole, on the earliest of:
 - (1) the next Interest Payment Date unless a Mandatory Interest Deferral Event is continuing on such Interest Payment Date, *provided that* a Mandatory Interest Deferral Event will not be caused by the payment of such Deferred Interest;
 - (2) the date of any redemption of the Notes in accordance with these Conditions, subject to satisfaction of the Conditions for Redemption and Purchase; or
 - (3) the date an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer, in accordance with Condition 9 (*Acceleration*), *provided that* the Relevant Supervisory Authority has given and has not withdrawn its prior consent to payment of the relevant amounts (if such prior consent is so required under applicable legislation at the relevant time).
- (c) If amounts in respect of Deferred Interest become partially payable:
 - (A) Deferred Interest accrued for any Interest Period shall not be payable until full payment has been made of all Deferred Interest that have accrued during any earlier Interest Period; and

- (B) the amount of Deferred Interest payable in respect of any Note shall be *pro rata* to the total amount of all unpaid Deferred Interest accrued to the date of payment.

5.3 Notice of Interest Deferral

The Issuer shall give not less than 5 Business Days' prior notice to the Payment Agents and to the Noteholders in accordance with Condition 15 (Notices):

- (i) of any Interest Payment Date on which, pursuant to the provisions of Condition 5.1 (*Mandatory Deferral of Interest*) above, accrued interest on the Notes will be deferred or of the date on which interest otherwise required to be deferred will be paid following waiver by the Relevant Supervisory Authority; and
- (ii) of any date on which Deferred Interest shall be paid in accordance with Condition 5.2 (*Deferred Interest*),

provided that failure to deliver at least 5 Business Days' prior notice of a deferral of interest shall not invalidate the relevant deferral of interest.

6. REDEMPTION AND PURCHASE

6.1 Redemption at Maturity

Subject to Condition 6.8 (*Conditions to Redemption and Purchase*), unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount outstanding on 22 December 2030 (the "**Maturity Date**"), together with interest accrued (if any) to the date of redemption (including Deferred Interest, if applicable).

6.2 Redemption for tax reasons

- (a) Subject to Condition 6.8 (*Conditions to Redemption and Purchase*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time upon the occurrence of a Tax Event, on giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notices*), at their principal amount outstanding together with interest accrued (if any) to the date of redemption (including Deferred Interest, if applicable).

A "**Tax Event**" is deemed to have occurred if:

- (A) the Issuer has or will become obliged to pay Additional Amounts as provided or referred to in Condition 8 (*Taxation*), or
- (B) deductibility of interest payable by the Issuer in respect of the Notes is materially reduced for Italian income tax purposes

in each case, as a result of any change in, or amendment to, the laws, regulations or other rules of the Republic of Italy or of any political subdivision or any authority thereof or therein having power to tax (including any treaty to which the Republic of Italy is a party), or as a result of any change in, or amendment or clarification to, the application or official or generally published interpretation (or application or interpretation made for the first time) of such laws, regulations or other rules, including the publication or pronouncement of any decision or interpretation by any competent court or authority providing for a position with respect to such laws, regulations or other rules that differs from the previously generally accepted position or otherwise differs from prior written confirmation given by the competent authority in respect of tax treatment of the Notes, which change or amendment becomes effective on or after the Issue Date, and such obligation to pay Additional Amounts (in the case of sub-(A) above) or non-deductibility (in the case of sub-(B) above) cannot be

avoided by the Issuer taking reasonable measures it deems appropriate, *provided, however, that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would, in the case of sub-(A), be obliged to pay such Additional Amounts if a payment in respect of the Notes were then due or, in the case of sub-(B), be unable to deduct such amounts for Italian income tax purposes.

- (b) Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (1) a certificate signed by a duly authorised representative of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal or tax advisers of recognised standing to the effect that, in the case of sub-(A), the Issuer has or will become obliged to pay such Additional Amounts or, in the case of sub-(B), the Issuer is unable to deduct such amounts for Italian income tax purposes, in each case, as a result of such change or amendment.

6.3 Redemption for regulatory reasons

- (a) Subject to Condition 6.8 (*Conditions to Redemption and Purchase*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time upon the occurrence of a Regulatory Event, on giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notices*), at their principal amount outstanding together with interest accrued (if any) to the date of redemption (including Deferred Interest, if applicable).
- (b) For the purposes of this Condition 6.3, "**Regulatory Event**" means that:
 - (i) the Issuer is no longer subject to the regulatory supervision of the Relevant Supervisory Authority; or
 - (ii) as a result of any replacement or change to (or change in the interpretation by any competent court or authority of) the Applicable Regulations, which replacement or change occurs after the Issue Date, the Notes (in whole or in part) are no longer capable of qualifying as at least Tier 2 Own Funds of the Issuer (on a solo or Solvency II Insurance Group basis), except where such non-qualification is only the result of exceeding any then applicable limits on the inclusion of the Notes as Tier 2 own Funds.

6.4 Clean-Up Call Option

Subject to Condition 6.8 (*Conditions to Redemption and Purchase*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, in the event that at least 80% of the principal amount upon issuance of the Notes has been purchased or redeemed by the Issuer, on giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notices*), at their principal amount outstanding together with interest accrued (if any) to the date of redemption (including Deferred Interest, if applicable).

6.5 No other redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 6.1 (*Redemption at Maturity*), Condition 6.2 (*Redemption for tax reasons*), Condition 6.3

(*Redemption for regulatory reasons*) or Condition 6.4 (*Clean-Up Call Option*). The Notes may not be redeemed at the option of the Noteholders.

6.6 Purchase

ISP Vita or any of its Subsidiaries or the Issuer's parent company or any Subsidiary of the Issuer's parent company may - subject to Condition 6.8 (*Conditions to Redemption and Purchase*) - at any time purchase Notes (provided that in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) in the open market or otherwise.

6.7 Cancellation

All Notes purchased by or on behalf of ISP Vita or its Subsidiaries may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons and Talons appertaining thereto to the Fiscal Agent and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and Talons appertaining thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations in respect of any such Notes shall be discharged. Any Notes purchased by or on behalf of ISP Vita or any of its Subsidiaries and not so surrendered for cancellation may be reissued or resold.

6.8 Conditions for Redemption and Purchase

- (a) Any redemption provided for by Condition 6.1 (*Redemption at Maturity*), Condition 6.2 (*Redemption for tax reasons*), Condition 6.3 (*Redemption for regulatory reasons*) or Condition 6.4 (*Clean-Up Call Option*), and any purchase provided for by Condition 6.6 (*Purchase*) above, is subject to the following conditions ("**Conditions for Redemption and Purchase**" and each, a "**Condition for Redemption and Purchase**"):
- (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 for any redemption of the Notes pursuant to, as the case may be, Condition 6.1 (*Redemption at Maturity*), Condition 6.2 (*Redemption for tax reasons*), Condition 6.3 (*Redemption for regulatory reasons*) or Condition 6.4 (*Clean-Up Call Option*), and any purchase pursuant to Condition 6.6 (*Purchase*) above, 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 own fund item of the same or higher quality than the Notes, provided that such redemption, purchase, exchange or conversion is subject to the approval of the Relevant Supervisory Authority; or
 - (B) with reference to any redemption pursuant to Condition 6.2 (*Redemption for tax reasons*) or Condition 6.3 (*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 (on a solo and consolidated basis at the Solvency II Insurance Group level calculated on the basis of the Issuer's Solvency II scope of consolidation); and

(bb) (x) in the case of a redemption of the Notes in accordance with Condition 6.2 (*Redemption for tax 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; or (y) in the case of a redemption of the Notes in accordance with Condition 6.3 (*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;

- (iii) subject to Condition 6.8(c) 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;
- (iv) 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;
- (v) 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;
- (vi) where any (re)insurance undertaking included in the Solvency II scope of 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;
- (vii) to the extent permitted under then prevailing Applicable Regulations, any alternative or additional pre-conditions to redemption of the Notes are 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, such Condition for Redemption and Purchase is not, or is no longer, a requirement for such redemption or purchase (as applicable) under the Applicable Regulations at such time in order for the Notes to be recognised in the determination of Tier 2 Own Funds.

For the purposes of (vii) above, "**Relevant Proceeding**" 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.

- (b) In case the Conditions for Redemption and Purchase are not satisfied, unless Condition 6.8(c) below applies, redemption of the Notes shall be suspended and the date fixed for optional redemption, in the case of an optional redemption pursuant to Condition 6.1 (*Redemption at*

Maturity), Condition 6.2 (*Redemption for tax reasons*), Condition 6.3 (*Redemption for regulatory reasons*) or Condition 6.4 (*Clean-Up Call Option*), shall be postponed in accordance with the provisions set forth in Condition 6.8(d), regardless of any prior notice of redemption that may already have been delivered to the Noteholders and interest will, subject to Condition 5 (*Cancellation of Interest*), continue to accrue on the principal amount outstanding of the Notes in accordance with Condition 4 (*Interest*) until such Notes are redeemed in full pursuant to these Conditions.

(c) Notwithstanding the provisions of Condition 6.8(a)(iv), 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 for Redemption and Purchase are met other than that described in Condition 6.8(a)(iv);
- (ii) the Relevant Supervisory Authority has exceptionally waived the suspension of redemption of the Notes;
- (iii) all, but not some only, of the Notes are exchanged for or converted into another own fund item of at least the same quality as the Notes; and
- (iv) the Minimum Capital Requirement will be complied with immediately following such redemption,

(together, the "**Conditions for Waiver of Redemption Suspension**").

(d) Any redemption of Notes notified to Noteholders pursuant to Condition 6.1 (*Redemption at Maturity*), Condition 6.2 (*Redemption for tax reasons*), Condition 6.3 (*Redemption for regulatory reasons*) or Condition 6.4 (*Clean-Up Call Option*), shall – unless the Conditions for Waiver of Redemption Suspension are satisfied – be suspended (in whole or in part), and the Issuer shall not be entitled to give any notice of redemption pursuant to the aforementioned Conditions, if the Conditions for Redemption and Purchase are not satisfied.

Following any suspension of redemption in accordance with this provision, the date originally fixed for redemption of the Notes pursuant to Condition 6.1 (*Redemption at Maturity*), Condition 6.2 (*Redemption for tax reasons*), Condition 6.3 (*Redemption for regulatory reasons*) or Condition 6.4 (*Clean-Up Call Option*), shall 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 15 (*Notices*) 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 an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer, in accordance with Condition 9 (*Acceleration*).

(e) Failure to redeem the Notes on the date fixed for redemption pursuant to Condition 6.1 (*Redemption at Maturity*), Condition 6.2 (*Redemption for tax reasons*), Condition 6.3 (*Redemption for regulatory reasons*) or Condition 6.4 (*Clean-Up Call Option*) as a result of this Condition 6.8 shall not constitute a default of the Issuer or any other breach of obligations under these Conditions for any purpose.

- (f) The Issuer shall forthwith give notice to the Agent and the Noteholders in accordance with Condition 15 (*Notices*) below of: (i) any suspension of redemption pursuant to this Condition 6.8 (provided that any failure to deliver such notice shall not invalidate the suspension of redemption); and (ii) following any such suspension, the date on which the Notes shall be redeemed in accordance with sub-paragraph (c) or (d) above.

7. PAYMENTS

- (a) *Principal*: Payments of principal shall be made only against presentation and surrender (or, in the case of part payment only, endorsement) of the Note at the Specified Office of any Paying Agent outside the United States by Eurocheque drawn on, or by transfer to a euro account maintained by the payee with, a bank in the Euro-zone.
- (b) *Interest*: Payments of interest shall, subject to Condition 7(f) (*Payments other than in respect of matured Coupons*), be made only against presentation and surrender (or, in the case of part payment only, endorsement) of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 7(a) (*Principal*) above.
- (c) *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to: (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*); 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. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (d) *Deductions for unmatured Coupons*: if a Note is presented without all unmatured Coupons relating thereto, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment. Each sum of principal so deducted shall be paid in the manner provided in Condition 7(a) (*Principal*) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.
- (e) *Payments on business days*: 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.
- (f) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.
- (g) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

8. TAXATION

8.1 All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts (“**Additional Amounts**”) on interests (but not, unless permitted by then prevailing Applicable Regulations, on principal) as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note or Coupon presented for payment:

- (i) for or on account of *Imposta Sostitutiva* (at the then applicable rate of tax) pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended, (the “**Legislative Decree No. 239**”) or, for the avoidance of doubt, Italian Legislative Decree No. 461 of 21 November 1997 (as amended by Italian Legislative Decree No. 201 of 16 June 1998) (as any of the same may be amended or supplemented) or any related implementing regulations and in all circumstances in which the procedures set forth in Legislative Decree No. 239 in order to benefit from a tax exemption have not been met or complied with except where such procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or
- (ii) with respect to any Notes or Coupons presented for payment:
 - (A) in the Republic of Italy; or
 - (B) by or on behalf of a Noteholder or Couponholder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the Republic of Italy other than the mere holding of such Note or Coupon; or
 - (C) by or on behalf of a Noteholder or Couponholder who is entitled to avoid such withholding or deduction in respect of such Note or Coupon by making, or procuring, a declaration of non-residence or other similar claim for exemption but has failed to do so; or
 - (D) more than 30 days after the Relevant Date except to the extent that the Noteholder or the Couponholder would have been entitled to an additional amount on presenting such Note or Coupon for payment on such thirtieth day assuming that day to have been a Business Day; or
 - (E) 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 is 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 Republic of Italy.

The Issuer will have no obligation to pay additional amounts in respect of the Notes and Coupons or otherwise indemnify an investor for any withholding or deduction required by the rules of Section 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended,

any regulation or agreements thereunder, official interpretation thereof, or any law implementing an intergovernmental agreement thereto (“**FATCA Withholding**”).

8.2 Taxing Jurisdiction

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

9. ACCELERATION

If an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer otherwise than for the purpose of an Approved Reorganisation or on terms previously approved by the Noteholders, then any Note may – subject to applicable provisions of law governing such winding-up, liquidation or dissolution – by written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at their principal amount outstanding together with interest accrued (if any) to the date of redemption (including Deferred Interest, if applicable) without further action or formality.

10. PRESCRIPTION

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

11. REPLACEMENT OF NOTES AND COUPONS

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or negotiation by any listing authority, stock exchange and/or negotiation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such listing authority, stock exchange and/or negotiation system), subject to all applicable laws and listing authority, stock exchange and/or negotiation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

12. AGENTS

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or additional or successor paying agents; *provided, however, that:*

- (a) the Issuer shall at all times maintain a Fiscal Agent; and

- (b) if and for so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system the rules of which require the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by the rules of such listing authority, stock exchange and/or quotation system; and
- (c) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer is incorporated.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

13. MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER; MODIFICATION FOLLOWING A REGULATORY EVENT OR TAX EVENT

13.1 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 ISP Vita 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-twentieth 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 – if and 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.

13.2 Noteholders' Representative

Pursuant to Articles 2415 and 2417 of the Italian Civil Code, a Noteholders' Representative (*rappresentante comune*) may be appointed, *inter alia*, to represent the interests of Noteholders in respect of the Notes, such appointment to be made by an Extraordinary Resolution or by an order of a competent court at the request of one or more Noteholders or the Issuer. Each such Noteholders' Representative shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

13.3 Modification

The Conditions may not be amended without the prior approval of the Relevant Supervisory Authority (if applicable). The Fiscal Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to any modification of the Notes, the Coupons or the Agency Agreement which is (a) to cure or correct any ambiguity or defective or inconsistent provision contained therein, or which is of a formal, minor or technical nature, or (b) in the sole opinion of the Issuer, not prejudicial to the interests of the Noteholders and/or Couponholders (provided the proposed modification does not relate to a matter in respect of which an Extraordinary Resolution would be required if a meeting of Noteholders were held to consider such modification) or (c) to correct a manifest error or (d) to comply with mandatory provisions of the law. Any such modification shall be binding on the Noteholders and Couponholders and shall be notified to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

No consent of the Noteholders or Couponholders shall be required for an Approved Reorganisation, *provided that* the Issuer shall deliver to the Fiscal Agent, to make available at its specified office to the Noteholders, a certificate signed by two directors of the Issuer stating that: (i) immediately prior to the assumption of its obligations, the Resulting Entity is solvent after taking account of all prospective and contingent liabilities resulting from its becoming the Resulting Entity; and (ii) the proposed consolidation, merger or amalgamation will be an Approved Reorganisation. Any Approved Reorganisation shall be notified to the Noteholders in accordance with Condition 15 (*Notices*).

13.4 Modification following a Tax Event or Regulatory Event

- (a) Where a Tax Event or Regulatory Event occurs and is continuing, the Issuer may, without any requirement for the consent or approval of the Noteholders and without prejudice to its option to redeem pursuant to Condition 6.2 (*Redemption and Purchase - Redemption for tax reasons*) or Condition 6.3 (*Redemption and Purchase - Redemption for regulatory reasons*), as the case may be, modify the terms and conditions of the Notes to the extent that such modification is reasonably necessary to ensure that no Tax Event or Regulatory Event would exist after such modification *provided that*, following such modification:

- (i) the terms and conditions of the Notes, as so modified (the "**modified Notes**"), are – in the Issuer's reasonable determination – no more prejudicial to Noteholders than the terms and conditions applicable to the Notes prior to such modification (the "**existing Notes**") *provided that* any modification may be made in accordance with paragraphs (ii) to (iv) below and any such modification shall not constitute a breach of this paragraph (i); and
- (ii) the person having the obligations of the Issuer under the Notes continues to be ISP Vita; and
- (iii) the modified Notes rank at least equal to the existing Notes prior to such modification and feature the same tenor, principal amount, at least the same interest rate (including applicable margins), the same interest payment dates, and first call date (except for any early redemption rights analogous to redemption rights under the existing Notes (if any) for Regulatory Event and for Tax Event or under the Clean-Up Call Option), the same existing rights to any accrued interest and any other amounts payable under the Notes as the existing Notes prior to such modification and the modified Notes do not contain any terms providing for contractual loss absorption through principal write-down or conversion into ordinary shares; and
- (iv) the modified Notes continue to be listed on the official list of the Luxembourg Stock Exchange (for the purposes of the Market in Financial Instrument Directive 2004/39/EC) and admitted to trading on the regulated market of the Luxembourg Stock Exchange (*provided that* the existing Notes were so listed prior to the occurrence of such Regulatory Event or Tax Event),

and provided further that:

- (1) ISP Vita obtains approval of the proposed modification from the Relevant Supervisory Authority (if such approval is required) or gives prior written notice (if such notice is required to be given) to the Relevant Supervisory Authority and, following the expiry of all relevant statutory time limits, the Relevant Supervisory Authority is no longer entitled to object or impose changes to the proposed modification;
- (2) the modification does not give rise to a change in any published rating of the existing Notes in effect at such time (to the extent the existing Notes were rated prior to the occurrence of such Regulatory Event or Tax Event);
- (3) the modification does not give rise to any right on the part of the Issuer to exercise any option to redeem the Notes prior to their stated maturity that does not already exist prior to such modification, without prejudice to the provisions under Condition 6.2 (*Redemption for tax reasons*), Condition 6.3 (*Redemption for regulatory reasons*) or Condition 6.4 (*Clean-Up Call Option*);
- (4) the Issuer has delivered to the Fiscal Agent a certificate, substantially in the form set out in the Agency Agreement, signed by a duly authorised representative of the Issuer stating that conditions (i) to (iv) and (1) to (3) above have been complied with, such certificate to be made available for inspection by Noteholders; and
- (5) in the case of any proposed modifications owing to a Tax Event, the Issuer has delivered to the Fiscal Agent an opinion of independent legal or tax advisers of recognised standing to the effect that the Tax Event can be avoided by the proposed modifications.

- (b) In connection with any modification as indicated in this Condition 13.4, the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes are then listed or admitted to trading.

14. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

15. NOTICES

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, for so long as the Notes are listed or admitted to trading on the Luxembourg Stock Exchange and the rules of that exchange so require, on the website of the Luxembourg Stock Exchange (www.bourse.lu) or if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

16. CURRENCY INDEMNITY

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

17. ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions), all percentages resulting from such calculations will be rounded, if

necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.).

18. GOVERNING LAW AND JURISDICTION

18.1 Governing law

The Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with the laws of the Republic of Italy.

18.2 Jurisdiction

The Issuer agrees for the benefit of the Noteholders that the courts of Milan are to have jurisdiction to hear and determine any suit, action or proceedings and to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Notes (including any non-contractual obligations arising out of or in connection with the foregoing) (respectively "**Proceedings**" and "**Disputes**") and for such purposes have irrevocably submitted to the non-exclusive jurisdiction of such courts.

18.3 Appropriate forum

The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of Milan being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

18.4 Non-exclusivity

The submission to the jurisdiction of the courts of Milan shall not (and shall not be construed so as to) limit the right of any Noteholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether currently or not) if and to the extent permitted by law.

OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Notes will initially be in the form of a Temporary Global Note which will be deposited on or around 22 December 2020 (the “**Closing Date**”) with a common safekeeper for Euroclear and Clearstream, Luxembourg. The Notes will be issued in new global note (“**NGN**”) form. The Temporary Global Note will be exchangeable in whole or in part for interests in a Permanent Global Note not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”), at the request of the bearer of the Permanent Global Note against presentation and surrender of the Permanent Global Note to the Fiscal Agent if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or (b) any of the circumstances described in Condition 9 (*Acceleration*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the occurrence of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5:00 p.m. (London time) on the thirtieth day after the bearer has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon due and payable in accordance with the Conditions has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5:00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5:00 p.m. (London time) or such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder. Under the Permanent Global Note, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal 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 nominal amount for all purposes and in the event the Permanent Global Note has become void, each relevant

Accountholder will become entitled to proceed directly against the Issuer in respect of the relevant Notes and the bearer will have no further rights under the Permanent Global Note.

In addition, the Permanent Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Permanent Global Note. The following is an overview of certain of those provisions:

- (i) *Payments*: All payments in respect of the Temporary Global Note and the Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Note or (as the case may be) the Permanent Global Note, the Issuer shall procure that the details of such payment shall be entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.
- (ii) *Notices*: Notwithstanding Condition 15 (*Notices*), while all the Notes are represented by the Permanent Global Note (or by the Permanent Global Note and/or the Temporary Global Note) and such Permanent Global Note is (or such Permanent Global Note and/or such Temporary Global Note are) deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 15 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg, provided however that so long as the Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notice shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or if such publication is not practicable, in a leading English daily newspaper having general circulation in Europe.

USE OF PROCEEDS

The net proceeds from the issue of the Notes will amount to €596,828,400 (being the proceeds from the issue of the Notes net of the listing agent and admission to listing expenses).

These proceeds will be used by the Issuer for its general funding purposes and to improve its regulatory capital structure.

DESCRIPTION OF THE ISSUER

History and Organisation

ISP Vita is a private limited liability company resulting from the merger (the "**Merger**") of Centrovita Assicurazioni S.p.A., Intesa Sanpaolo Vita S.p.A. (formerly Intesa Vita S.p.A.) and Sud Polo Vita S.p.A. into EurizonVita S.p.A. which then changed its legal name to Intesa Sanpaolo Vita S.p.A. The Merger took legal effect as of 31 December 2011, with retroactive effect as of 1 January 2011 for tax and accounting purposes.

The Issuer's current registered office is at Corso Inghilterra 3, 10138 Turin, Italy and its administrative office is at Viale Stelvio 55/57, 20159 Milan and the telephone number is +390230511. ISP Vita is registered at the Companies Register of Turin under registration number 02505650370. The website of the Issuer is www.intesasanpaolovita.it/en/

ISP Vita is enrolled with the register of Italian insurance and reinsurance companies under no. 100066, and is the parent company of the Intesa Sanpaolo Vita Insurance Group, which is enrolled in the register of insurance groups under no. 28.

The corporate objects of ISP Vita are to carry out insurance and reinsurance business activities in the life and non-life segments as well as business activities relating to health insurance and supplementary pensions, within the limits and in accordance with provisions of applicable law. Its corporate duration, as set out in its current by-laws, expires on 31 December 2050. As parent company of the ISP Vita Insurance Group, it exercises the role of supervision and coordination, and gives instructions to companies referred to in Article 201-ter, paragraph (3), of the Private Insurance Code, to implement measures issued by IVASS for the stable and efficient management of the group.

Share capital and shareholders; Intesa Sanpaolo Group

As at the date of this Prospectus, the issued and authorised share capital of ISP Vita amounts to €320,422,508, divided into 655,157,496 ordinary shares with no nominal value.

Intesa Sanpaolo S.p.A. ("**Intesa Sanpaolo**"), the ultimate parent company of the Intesa Sanpaolo Group, owns 99.98% of the issued outstanding share capital of ISP Vita. Intesa Sanpaolo is a public limited liability company incorporated in Italy. ISP Vita is subject to the supervision and coordination by, and is a consolidated subsidiary of, Intesa Sanpaolo. Intesa Sanpaolo provides parent funding to ISP Vita through subordinated loans. The ISP Vita Group carries out insurance and pensions activities within the Intesa Sanpaolo Group, a financial conglomerate whose main activities are in the banking sector. The Group relies also on the retail branches and financial promoters of the Intesa Sanpaolo Group for the distribution of many of its products. See further "*Distribution channels*". As part of the Intesa Sanpaolo Group, the Issuer benefits from the significant cross selling opportunities offered by the wide customer base of the Intesa Sanpaolo Group, as well as the supervision, guidance and expertise of one of Italy's leading banking groups. For a description of the business relationships between the Group and companies within the Intesa Sanpaolo Group in the ordinary course of the Group's business: see further Part F (*Related parties*) of the explanatory notes to the consolidated financial statements in the 2019 Annual Report (at pages 130-131), incorporated by reference in this Prospectus.

Business Overview and Organisational Structure

ISP Vita is the parent company of a leading insurance group in Italy (source: *Associazione Nazionale fra le Imprese Assicuratrici*, the Italian national association of insurance undertakings). Following the acquisition of RBM Assicurazione Salute S.p.A. (now Intesa Sanpaolo RBM Salute S.p.A.), the ISP Vita Group ranked the second largest insurance operator in the health sector in Italy in 2019, with approximately €690 million of premiums and a market share of approximately 21.5% (Source: ANIA, *Premi del Lavoro Diretto Italiano - 2019*, aggregation of data of Intesa Sanpaolo Assicura and RBM Assicurazione Salute). This acquisition has also significantly strengthened the ISP Vita Group's domestic positioning in the high value-added "non-motor damages" sector.

As at 31 December 2019, the ISP Vita Group had approximately €131.1 billion of assets under management (compared to €118.8 billion for 2018) and for the year ended 31 December 2019 had net earned premiums of €8,913.3 million (€7,243.0 million for 2018). Gross premiums for the same period amounted to €14,758.8 million (€16,156.8 million for 2018), of which €671.6 million (€507.1 million for 2018) for the non-life sector and €14,087.1 million (€15,649.7 million for 2018) for the life sector.

For the year ended 31 December 2019, net insurance benefits and claims amounted to €9,674.9 million (€7,711.8 million for 2018), net fee and commission income amounted to €215.0 million (€249.3 million for 2018), while net gains on financial instruments and investments amounted to €2,173.8 million (€1,858.5 million for 2018). Comprehensive income (which includes fair value gains and losses recognised in equity) increased to €1,107.2 million from €220.1 million for 2018. Consolidated profit for the 2019 financial year amounted to €626.7 million (€620.4 million for 2018).

The Group offers a highly comprehensive range of investment and savings, insurance and pension products through a multi-network distributors. The Group offers also non-life products to support Creditor Protection Insurance (protection for loans), motor and property and personal insurances.

ISP Vita operates in the life insurance business segment and is the parent company of the Group. It operates nationally thanks to the retail network of the Intesa Sanpaolo banking group. Its offer is mainly directed to retail and private customers, households, and small and medium businesses. The company operates in the following areas of activities: non-life insurance (medical costs insurance, income protection insurance) and life insurance (insurance with profit participation, unit-linked insurance including policies with pension content, other forms of life insurance, namely pure risk products).

At the date of this Prospectus, ISP Vita has the following subsidiaries that fall within its consolidation scope pursuant to applicable accounting principles:

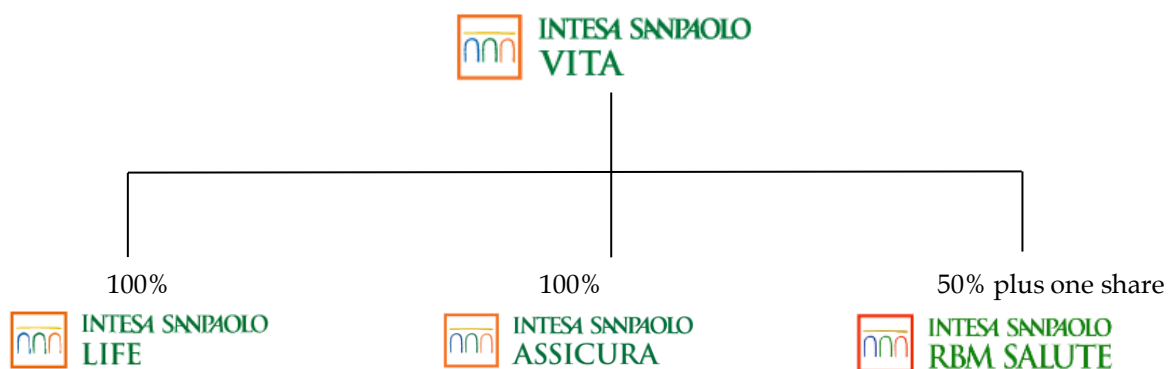
Intesa Sanpaolo Assicura S.p.A. ("**Intesa Sanpaolo Assicura**"), a 100% subsidiary of ISP Vita incorporated in Italy, which carries out insurance and reinsurance business in the non-life business. Intesa Sanpaolo Assicura operates nationwide in Italy, through Intesa Sanpaolo Group branches to distribute its own products. To achieve its goal of becoming one of the first four insurance companies in the non-life segment in Italy and the first one in non-motor retail products, Intesa Sanpaolo Assicura has implemented strategies to improve the product features and the services offered to its customers. The company operates exclusively in the non-life segment, in the following areas:

medical costs insurance, income protection insurance, motor vehicle liability insurance, other motor insurance, marine, aviation and transports insurance, fire and other damages to property insurance, general liability insurance, credit and surety insurance, legal expenses insurance, assistance and miscellaneous financial loss.

Intesa Sanpaolo Life D.A.C. ("**Intesa Sanpaolo Life**"), a 100% subsidiary of ISP Vita based in Ireland. Intesa Sanpaolo Life specialises in life insurance products with a higher financial content in the retail sector in Italy, such as unit-linked products and life insurance policies linked to internal funds. Moreover, Intesa Sanpaolo Life is expanding the retail of its policies in Spain, and continuing to explore other European countries.

Intesa Sanpaolo RBM Salute S.p.A. ("**Intesa Sanpaolo RBM Salute**", formerly RBM Assicurazione Salute S.p.A.) is a leading health insurance operator in Italy and has partnerships with numerous supplementary healthcare funds and social welfare funds in Italy. In May 2020, ISP Vita completed its acquisition of 50% plus one share in RBM Assicurazione Salute S.p.A., such participation to increase gradually to 100% in the period from 2026 to 2029 for a consideration calculated using a mixed equity-income formula and considering agreed growth objectives. The company has been renamed Intesa Sanpaolo RBM Salute following approval by IVASS and registration of the new by-laws. Intesa Sanpaolo RBM Salute will serve both RBM Assicurazione Salute's traditional customers (health funds, companies and public bodies) as well as the retail and business customers of the Intesa Sanpaolo group, integrating the "XME Protezione" product developed by Intesa Sanpaolo Assicura with its own healthcare products. A servicing agreement with strategic partner Previmedical will give Intesa Sanpaolo RBM Salute's customers access to one of the largest medical networks in Italy, offering high quality services and advantageous prices.

The following diagram illustrates the structure of the ISP Vita Group as of the date of this Prospectus.



In addition, ISP Vita has a 49% participation in each of Intesa Sanpaolo Smart Care and Eurizon Capital Real Asset SGR, which participations are consolidated using the equity method.

Eurizon Capital Real Asset Sgr S.p.A. ("**Eurizon**") is owned 51% by Eurizon Capital SGR S.p.A. (an asset management company of the Intesa Sanpaolo group) and 49% by ISP Vita. Incorporated in December 2019 to kickstart the Group's strategic plan for the alternative investments market, the

company also offers a source of additional return and allows portfolio diversification with less volatile asset classes not linked to traditional investments.

Intesa Sanpaolo Smart Care S.r.l. ("**Intesa Sanpaolo Smart Care**"), owned 49% by ISP Vita and 51% by Intesa Sanpaolo (Banca dei Territori division), markets hardware and software and provides remote assistance services.

At the date of this Prospectus, the ISP Vita Solvency II Insurance Group includes, in addition to ISP Vita and the subsidiaries consolidated within the ISP Vita Group:

- Fideuram Vita S.p.A. ("**Fideuram Vita**", whose share capital is held by Intesa Sanpaolo S.p.A. (80.01%) and by Fideuram – Intesa Sanpaolo Private Banking S.p.A. (19.99%));
- BancAssurance Popolari S.p.A. ("**BAP**", whose share capital is wholly held by UBI Banca S.p.A. which is controlled by Intesa Sanpaolo S.p.A. (92%)); and
- UBI Sicura S.p.A. ("**UBIS**", whose share capital is wholly held by BAP).

These companies are included in the Solvency II scope of consolidation of ISP Vita in accordance with the Private Insurance Code and instructions from IVASS¹.

Fideuram Vita operates nationally, thanks to an extensive retail network of private bankers in every major Italian city and region, belonging to Fideuram – Intesa Sanpaolo Private Banking, Sanpaolo Invest and Intesa Sanpaolo Private Banking. Fideuram Vita operates exclusively in the unit-linked and index-linked insurance, capitalisation and asset management segments of life insurance, offering to customers the following solutions and products: insurance with profit participation, index-linked and unit-linked insurance including policies with pension content and other life insurance.

BAP is a life insurance undertaking whose product range focuses on with-profit participation, unit linked and death insurance contracts. It operates in the central Italy (through the network of UBI Banca) and has become part of the ISP Vita Solvency II Insurance Group as a result of the recent acquisition of UBI Banca (BAP's sole shareholder) by Intesa Sanpaolo. BAP's insurance portfolio includes also pension funds, although the distribution thereof was discontinued in October 2019.

Likewise, UBI Sicura has become part of the ISP Vita Solvency II Insurance Group following the UBI Banca acquisition by Intesa Sanpaolo. Incorporated in November 2019, UBI Sicura is a well-known insurance brokerage agency operating in the distribution of insurance products for leading Italian insurance companies, focusing on distribution to the so-called third sector and religious entities in Italy.

ISP Vita's objective is to deliver to its customers simple products capable of providing added value to the customer, an efficient service throughout the different phases of the insurance product, post-

¹ Pursuant to art. 96(2)(a) of the Private Insurance Code and instructions from IVASS, insurance undertakings are deemed to be subject to "unified management" (*direzione unitaria*) as a result of being subject to the management of and supervision by the same parent company (incorporated in Italy, not being an insurance or reinsurance company) or the same insurance holding company. "Unified management" is deemed to exist between ISP Vita, Fideuram Vita, BAP and UBIS as a result of them being subject to the management of and supervision by Intesa Sanpaolo.

sales assistance tailored to meet the needs of its policy subscribers together with improved and transparent customer communication. The Group operates predominantly in Italy.

The principal products of the Group include:

- traditional life insurance policies (term and whole life) and participating life insurance policies, offering a variety of investment options;
- investment contracts with discretionary participation features (DPF): policies linked to segregated funds, contracts with benefits contractually based on investments performance;
- pension products: designed for retirement purposes or long-term investing and offering a variety of investment portfolios and underlying mutual funds; and
- a variety of non-life lines of business including insurance against sickness, accident, unemployment, permanent disability, insufficiency of income, property and liability, creditor protection and motor liability.

See further the paragraph headed “*The principal new products*” in the Directors’ report in the 2019 Annual Report (pages 32-33), incorporated by reference in this Prospectus.

The pillars of the Group’s 2018-2021 Business Plan are the following:

- significant de-risking at no cost to shareholders;
- cost reduction through further simplification of the operating model; and
- revenue growth capturing new business opportunities.

Distribution channels

The ISP Vita Group avails itself of the network of some 4,700 branches throughout Italy of the Intesa Sanpaolo Group (Intesa Sanpaolo S.p.A. and Intesa Sanpaolo Private Banking S.p.A.) where customers can receive information and assistance as well as purchase the Group’s insurance savings and investment products as well as its collateral protection insurance (CPI) and pension products.

The pension products of the ISP Vita Group are also available at the branches of the following other credit institutions: Banca di Imola, Banco di Lucca e del Tirreno, La Cassa di Ravenna, Cassa di Risparmio di Cesena, Banca Carim – Cassa di Risparmio di Rimini and Nuova Cassa di Risparmio di Chieti, while Cassa di Risparmio di Fermo distributes savings, investment and pension products of the Group.

ISP Vita has also entered into sales agreements with non-group brokers, mainly for post-sale services and marginally for the distribution of pension products for the smaller portfolios. Intesa Sanpaolo Assicura’s main distribution channel is Intesa Sanpaolo Group’s sales network; the subsidiary avails itself also of the financial advisors’ network of Fideuram – Intesa Sanpaolo Private Banking and has management only agreements with non-group banks.

Risk management

For a discussion of risk management system and the internal control system of the ISP Vita Group, see the paragraphs headed “*Risk management in Intesa Sanpaolo Vita Group*” (page 29-30) and “*The risk management strategy*” (pages 30-32) of the Directors’ report in the 2019 Annual Report, and Part

B (*Governance system*) of the 2019 SFCR Report (pages 37 – 128), all incorporated by reference in this Prospectus. See also Part G (*Information on risks*) in the explanatory notes to the consolidated financial statements in the 2019 Annual Report (pages 132-143) and Part C (*Risk Profile*) of the 2019 SFCR Report (pages 129-160) for a discussion of the risks to which the Group is exposed, including insurance risk, interest rate risk, credit risk, equity risk, currency risk, operational risk as well as technical risks of the life business (tariff risks, actuarial and demographic risks and provisioning risks) and non-life business (price and provisioning risks) and how these risks are monitored.

Asset liability management

ISP Vita has a ALM and capital management framework designed to contribute to the optimum operation of the other units involved in generating and managing risk positions. See further the paragraph headed “*ALM and capital management*” (pages 60-61) of the Directors’ report in the 2019 Annual Report, incorporated by reference in this Prospectus.

Board of Directors

Pursuant to the Issuer’s by-laws, the board of directors is comprised of 3 to 11 members. At the date of this Prospectus, the Issuer’s board of directors consists of nine directors.

Set out below are the current directors of ISP Vita, each of whose business address is Corso Inghilterra 3, 10138 Turin, Italy their names, positions and principal business activities performed outside of ISP Vita. All of the directors have been appointed for a term expiring on the approval of the financial statements for the year ending 31 December 2020.

Name	Position	Principal activities performed by the director outside the ISP Vita Group
Luigi Maranzana	Chairman	-
Nicola Maria Fioravanti	Managing Director	Head of “Divisione Insurance” Intesa Sanpaolo S.p.A. Chairman of: Intesa Sanpaolo Assicura S.p.A., Fideuram Vita S.p.A., Intesa Sanpaolo RBM Salute S.p.A. Board member of Intesa Sanpaolo Innovation Center S.p.A. Vice President ANIA
Elio Fontana	Vice-Chairman	-
Giuseppe Attanà	Director	Board member of Investopro SIM S.p.A., Be Management Consulting S.p.A., Intesa Funding co. Board member and President of Risk Committee of Ubi Banca S.p.A.
Paolo Baessato	Director	Board member: Intesa Sanpaolo Reoco S.p.A.; Tassara S.p.A.
Chiara Frigerio	Director	Professor Università Cattolica Milano – Facoltà di Economia Board member and partner: CeTif Advisory S.r.l.
Andrea Panozzo	Director	Direttore Finanziario GLS Enterprise S.r.l.
Anna Torriero	Director	Professor Università Cattolica Milano – Facoltà di Economia Board member settore Academy of CEPER S.r.l.
Antonio Nucci	Director	Board member of: Intesa Sanpaolo Casa S.p.A., Intesa Sanpaolo For Value S.p.A. Member of “Comitato Scientifico SRM Studi e Ricerche per il Mezzogiorno”

Conflicts of interest

The directors of ISP Vita may, from time to time, hold directorships or other significant interests with companies outside the ISP Vita Group (including with Intesa Sanpaolo, the parent company of

ISP Vita and companies belonging to the Intesa Sanpaolo Group) which may have business relationships with the ISP Vita Group.

As at the date of this Prospectus and to ISP Vita's knowledge, no member of the Issuer's board of directors is subject to potential conflicts of interest between their obligations arising out of their office or employment with the Issuer or the ISP Vita Group and any personal or other interests, except for those that may concern transactions put before the competent bodies of ISP Vita and/or entities belonging to the ISP Vita Group, such transactions having been undertaken in strict compliance with the relevant regulations in force.

Board of Statutory Auditors

Pursuant to Italian law, ISP Vita 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 forfeit their assignment should situations of incompatibility arise, as envisaged by the law, and 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 ISP Vita, each of whose business address is Corso Inghilterra 3, 10138 Turin, Italy their names, positions and principal business activities performed outside of ISP Vita. All of the statutory auditors were appointed at the ordinary shareholders' meeting of ISP Vita held on 19 March 2018, for a term expiring on the approval of the financial statements for the year ending 31 December 2021.

Name	Position	Principal activities performed by the statutory auditor outside the ISP Vita Group
Massimo Broccio	Chairman	Partner of Studio Dottori Commercialisti Cavalitto Broccio Chairman of statutory auditors of: Intesa Sanpaolo RBM Salute S.p.A., Sanpaolo Invest S.p.A., T WAY (Turin World Affairs Institute) Chairman of Organismo di Vigilanza: Intesa Sanpaolo RBM Salute S.p.A., Sanpaolo Invest S.p.A., State Street Bank Member of statutory auditors of: Next Generation Diagnostic, Fondazione Teatro Regio di Torino
Mario Anghinoni	Standing statutory auditor	Member of statutory auditors of: A.Q.A. S.r.l.; F2I Rete Idrica Italiana S.p.A.
Riccardo Ranalli	Standing statutory auditor	Partner of Studio "Ranalli e Associati - Dottori Commercialisti" Chairman of statutory auditors of: Intesa Sanpaolo Assicura S.p.A., Fideuram Vita S.p.A., Intesa Sanpaolo Innovation Center S.p.A.; P4Cards S.r.l.; Intesa Sanpaolo Highline S.r.l. Member of statutory auditors of: AM Investco Italy S.p.A., Ativa S.p.A., Brebemi S.p.A., Superstrada Pedemontana Veneta S.r.l.; Autostrade Lombarde S.p.A.; Exergia S.p.A. Vice President Tinexta S.p.A. Board member: Miroglio S.p.A.; MilanoSesto S.p.A. Liquidatore: Morris S.p.A.
Eugenio Braja	Mario Alternate statutory auditor	Chartered accountant and auditor; Chairman of the Statutory Auditors Iveco Orecchia S.p.A;

		Professor of "Business Administration" and "Business combinations" at Università del Piemonte Orientale; Statutory auditor (regular) Wabco automotive italia S.r.l.; Statutory auditor (regular) Cerrato S.r.l.; Statutory auditor (regular) Ledal S.p.A.; Statutory auditor (Chairman) Santander Private Banking S.p.A. in liquidazione
Bianca Steinleitner	Alternate statutory auditor	Member of statutory auditors of: Finpiemonte S.p.A.; Exetra S.p.A. Member of Collegio dei Revisori "Fondazione Torino Musei" Board member: "Fondazione Piero Piccatti e Aldo Milanese"

Conflicts of interest

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

Independent auditors

KPMG S.p.A. is a member of Assirevi, the Italian professional association of auditors and is registered under no. 13 in the special register (*albo speciale*) maintained by CONSOB and set out under Article 161 of Legislative Decree no. 58 of 24 February 1998 (as amended) and as required by article 17 "Setting up the Register" of Ministerial decree no. 145 of 20 June 2012 "Regulation implementing article 2.2/3/4/7 and article 7.7 of Legislative decree no. 39 of 27 January 2010, implementing Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts (12G0167)". KPMG S.p.A. is included in the Register of Certified Auditors held by the Ministry for Economy and Finance - State general accounting office, at no. 70623. KPMG S.p.A. have audited, without qualification, the consolidated financial statements of the Issuer as at and for the years ended 31 December 2018 and 2019, in accordance with auditing standards recommended by CONSOB, as indicated in their reports thereon.

KPMG S.p.A. has been appointed to act as ISP Vita's external auditor for the period 2013-2020. KPMG S.p.A.'s address is via Vittor Pisani, 25, 20124, Milan.

Litigation

ISP Vita and its subsidiaries are involved in various litigation proceedings and disputes (including those of a fiscal nature). For a description of certain tax assessments notified to the Group and the relating proceedings pending before the tax commissions and the competent courts, see the paragraph headed "*Tax position*" at pages 120-123 in the explanatory notes to the consolidated financial statements in the 2019 Annual Report, incorporated by reference in this Prospectus. Although the outcome of such proceedings and disputes cannot be predicted with certainty, management believes that their ultimate outcome will not, taking into consideration provisions already set aside in the Group's consolidated financial statements, have a material adverse effect on the Group's results of operations or cash flows.

Employees

As at 31 December 2019, the Group had 735 employees (668 as at 31 December 2018) taking into account also 157 members of personnel seconded from other companies of the Intesa Sanpaolo Group.

Alternative Performance Measures

This Prospectus and the documents incorporated by reference herein contains certain financial measures of the ISP Vita Group that constitute alternative performance measures ("APMs") for the purposes of the ESMA (European Securities Market Authority) Guidelines on Alternative Performance Measures (the "Guidelines"), in relation to which the Guidelines apply.

APMs are not recognised financial measures under the International Financial Reporting Standards as issued by International Accounting Standards Board and as adopted by the European Union ("IFRS"). Such APMs must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS included elsewhere in the Prospectus. Investors are cautioned not to place undue reliance on these APMs and are also advised to review them in conjunction with the financial statements of the Issuer and related notes.

APM	Definition/reconciliation
Non-life Expense Ratio	percentage ratio between (A) acquisition and administration costs non-life business and (B) premiums written for direct non-life business
Non-life Loss Ratio	percentage ratio between (A) net insurance benefits and claims non-life business and (B) net earned premiums non-life business
Non-life Combined Ratio	is calculated by taking the sum of (A) Expense ratio and (B) Loss Ratio

Solvency ratios

The following table sets forth the regulatory capital requirements of the Issuer, at solo and Solvency II Insurance Group level (on the basis of the Issuer's Solvency II scope of consolidation) as at 31 December 2019.

	ISP Vita	Intesa Sanpaolo Assicura	Fideuram Vita	Intesa Sanpaolo Life	ISP Vita Solvency II Insurance Group
	<i>(euro in millions)</i>				
Solvency Capital Requirement (SCR) (A)	2,741.8	230.0	466.1	482.6	3,232.4
Minimum Capital Requirement (MCR) (B)	1,233.8	103.5	209.7	217.2	1,764.2
Eligible Own Funds to meet SCR (C)	6,665.1	571.1	1,012.8	1,344.5	7,698.1
Eligible Own Funds to meet MCR (D)	6,268.7	571.1	902.1	1,344.5	7,255.2
(C) / (A)	243%	248%	217%	279%	238%
(D) / (B)	508%	552%	430%	619%	411%

The following table sets forth the composition of the ISP Vita Solvency II Insurance Group's eligible own funds as at 31 December 2019 and 2018.

	As at 31 December	
	2019	2018
	<i>(euro in millions)</i>	
Solvency Capital Requirements	3,232	3,259
Eligible own funds	7,698	7,026
- Tier 1 (unrestricted)	6,098	5,467
- Tier 1 (restricted)	804	793
- Tier 2	796	766
- Tier 3		

The regulatory solvency ratio of ISP Vita at Solvency II Insurance Group level (on the basis of the Issuer's Solvency II scope of consolidation) at 30 June 2020 stood at 193% (or 184% if taking into account only companies in which the ISP Vita Group has a controlling interest).

Recent developments

BancAssurance Popolari and UBI Sicura

Intesa Sanpaolo, ISP Vita's parent company, launched a voluntary public exchange offer in respect of all ordinary shares of Unione di Banche Italiane S.p.A. ("**UBI Banca**") in February 2020. The tender offer terminated on 30 July 2020, and the compulsory squeeze-out for the remaining shares not tendered in the offer settled in August 2020.

Following completion of the acquisition of UBI Banca by Intesa Sanpaolo, BancAssurance Popolari (100% owned by UBI Banca) and its wholly owned subsidiary UBI Sicura have become part of the ISP Vita Solvency II Insurance Group, with effect as of 5 August 2020. See further "*Business Overview and Organisational Structure*" above.

Interim results as at and for the nine months ended 30 September 2020

On 4 November 2020, the board of directors of ISP Vita approved the unaudited interim consolidated results of the ISP Vita Group as at and for the nine months ended 30 September 2020. See further the 2020 9M Interim Press Release incorporated by reference in this Prospectus. See also the paragraph headed "*Presentation of Financial Information*" on page 5 of this Prospectus.

TAXATION

The following is a general overview of certain Italian tax consequences of the purchase, the ownership and the disposition of the Notes. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. This overview is based upon Italian tax laws and/or practice in force as at the date of this Prospectus, which are subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis.

Prospective purchasers of the Notes are advised to consult their own tax advisers on any matters concerning the overall tax consequences of their ownership of the Notes.

ITALIAN TAXATION

Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended ("**Decree No. 239**") sets out the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by Italian banks and Italian companies other than small capitalised companies, provided that the notes are traded on a EU or EEA regulated market or multilateral trading facility. The provisions of Decree No. 239 only apply to those notes which qualify as bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented ("**Decree No. 917**").

For these purposes, bonds and debentures similar to bonds are defined as securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value (with or without internal payments) and that do not give any right to directly or indirectly participate in the management of the issuer or to the business in relation to which the securities are issued nor any type of control on the management.

The tax regime set out under Decree No. 239 also applies to Interest paid under financial instruments relevant for capital adequacy purposes under EU legislation and domestic prudential legislation, issued by, *inter alia*, Italian banks and insurance companies (other than shares and securities similar to shares), as set out by Article 2, paragraph 22, of Law Decree No. 138 of 13 August 2011, as subsequently amended ("**Decree No. 138**") from time to time.

Italian Resident Noteholders

Pursuant to Decree No. 239 and Decree No. 138, where an Italian resident Noteholder, who is the beneficial owner of such Notes, is:

- (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected;
or
- (ii) a partnership (other than a *società in nome collettivo* or a *società in accomandita semplice* or similar partnership), a *de facto* partnership not carrying out commercial activities or a professional association; or

- (iii) a private or public institution (other than companies), a trust not carrying out mainly or exclusively commercial activities, the Italian State or public and territorial entities; or
- (iv) an investor exempt from Italian corporate income taxation,

Interest payments relating to the Notes are subject to a substitute tax ("*imposta sostitutiva*"), levied at the rate of 26 per cent. (either when Interest is paid or obtained by the Noteholder upon disposal of the Notes), unless he has entrusted the management of his financial assets, including the Notes, to an authorised intermediary and has opted for the so-called *risparmio gestito* regime (the "**Asset Management Regime**") according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended and supplemented from time to time ("**Decree No. 461**"). All the above categories are qualified as "net recipients".

Where the Noteholders described above under (i) and (iii) are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional income tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals holding the Notes not 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 if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100-114 of Law No. 232 of 11 December 2016 ("**Law No. 232**"), in Article 1, paragraph 211-215 of Law No. 145 of 30 December 2018 ("**Law No. 145**") and in Article 13-bis of Law Decree No. 124 of 26 October 2019 ("**Law Decree No. 124**"), each of them as amended and applicable from time to time.

Pursuant to Decree No. 239, the 26 per cent. *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so called "**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**"), stock brokers and other qualified entities identified by a decree of the Ministry of Finance ("**Intermediaries**" and each an "**Intermediary**") resident in Italy, or by permanent establishments in Italy of a non-Italian resident Intermediary, that intervene, in any way, in the collection of Interest or, also as transferees, in transfers or disposals of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant notes or in a change of the Intermediary with which the notes are deposited.

Where the Notes and the relevant coupons are not deposited with an authorised Intermediary (or with a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Notes or, absent that, by the Issuer.

Payments of Interest in respect of Notes are not subject to the 26 per cent. *imposta sostitutiva* if made to Noteholders who are: (a) Italian resident corporations or similar commercial entities (such as partnerships carrying out commercial activities (*società in nome collettivo* or *società in*

accomandita semplice) or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; (b) Italian resident open-ended or closed-ended collective investment funds (together the "Funds" and each a "Fund"), investment companies with a variable capital ("SICAVs"), investment companies with fixed capital ("SICAFs"); (c) Italian resident pension funds subject to the tax regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005 ("Decree No. 252"), Italian resident real estate investment funds and real estate SICAFs subject to the regime provided for by Law Decree No. 351 of 25 September 2001; and (d) Italian resident individuals holding the Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised financial intermediary and have opted for the Asset Management Regime. Such categories are qualified as "gross recipients".

To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, Noteholders indicated above under (a) to (d) must be the beneficial owners of payments of Interest on the Notes and timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Italian Intermediary (or a permanent establishment in Italy of a foreign Intermediary).

Where the Notes and the relevant coupons are not deposited with an Italian Intermediary (or a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is withheld by any Italian Intermediary paying Interest to the Noteholder or, absent that, by the Issuer.

Gross recipients that are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Interest accrued on the Notes shall be included in the corporate taxable income (and in certain circumstances, depending on the "status" of the Noteholder, also in the net value of production for purposes of regional tax on productive activities - "IRAP") of beneficial owners who are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Italian resident individuals holding the Notes not in connection with entrepreneurial activity who have opted for the Asset Management Regime are subject to a 26 per cent. annual substitute tax (the "Asset Management Tax") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Where an Italian resident Noteholder is a Fund, a SICAV or a non-real estate SICAF and the Notes are deposited with an authorised intermediary, Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the financial results of the Fund, SICAV or non-real estate SICAF. The Fund, the SICAV or the non-real estate SICAF will not be subject to taxation on such result, but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the "Collective Investment Fund Tax").

Where an Italian resident Noteholder is a pension fund (subject to the regime provided by Article 17 of Decree No. 252) and the Notes are deposited with an Italian resident 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 each tax period, to be subject to the to a 20 per cent. annual substitute tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes).

Subject to certain conditions (including minimum holding period requirement) and limitations, Interest on the Notes may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100-114 of Law No. 232, in Article 1, paragraph 211-215 of Law No. 145 and in Article 13-bis of Law Decree No. 124, each of them as amended and applicable from time to time.

Where a Noteholder is an Italian resident real estate investment fund or an Italian real estate SICAF, to which the provisions of Law Decree No. 351 of 25 September 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010, and Legislative Decree No. 44 of 4 March 2014, all as amended, apply, Interest accrued on the Notes will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or the real estate SICAF. The income of the real estate fund or of the real estate SICAF may be subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Non-Italian resident Noteholders

According to Decree No. 239, payments of Interest in respect of the Notes will not be subject to *imposta sostitutiva* at the rate of 26 per cent. provided that:

- (a) the payments are made to non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected; and
- (b) such beneficial owners are resident, for tax purposes, in a State or territory which allows for an adequate exchange of information with the Italian tax authorities included in the Ministerial Decree dated 4 September 1996, as amended and supplemented from time to time (the "**White List**"). According to Article 11, par. 4, let. c) of Decree No. 239, the White List will be updated every six months period. In absence of the issuance of the new White List, reference has to be made to the Italian Ministerial Decree dated 4 September, 1996 as amended from time to time; and
- (c) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are timely met and complied with.

Decree No. 239 also provides for additional exemptions from *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; (ii) certain foreign institutional

investors, whether or not subject to tax, which are established in a State or territory included in the White List and provided that they timely file with the relevant depository the appropriate self-declaration; and (iii) central banks or entities managing, *inter alia*, official reserves of a foreign State.

In order to ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, non-Italian resident investors indicated above must:

- (a) be the beneficial owners of the payments of Interest on the Notes;
- (b) timely deposit the Notes with the coupons relating to such Notes directly or indirectly with (i) an Italian bank or “*società di intermediazione mobiliare*” (so-called SIMs) or with (ii) a permanent establishment in Italy of a non-resident bank or brokerage company which is electronically connected with the Italian Ministry of Economy and Finance, or with (iii) a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; and
- (c) file with the relevant depository a statement (*autocertificazione*) in due time stating, *inter alia*, that he or she is resident, for tax purposes, in one of the above mentioned States or territories included in the White List. Such statement (*autocertificazione*), which must comply with the requirements set forth by Ministerial Decree of 12 December 2001 (as amended and supplemented), shall be valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The statement (*autocertificazione*) is not required for non-Italian resident investors that are international entities or organizations established in accordance with international agreements ratified in Italy, and central banks or entities which manage, *inter alia*, the official reserves of a foreign State.

Failure of a non-Italian resident Noteholder to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interest payments to a non-Italian resident Noteholder.

Non-resident Noteholders who are subject to substitute tax might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant Noteholder.

Capital gains tax

Italian resident Noteholders

Pursuant to Decree No. 461, a 26 per cent. capital gains tax (referred to as “*imposta sostitutiva*”) is applicable to capital gains realised by (i) Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected, (ii) Italian resident partnerships not carrying out commercial activities, or (iii) Italian private or public institutions not carrying out mainly or exclusively commercial activities, on any sale or transfer for consideration of the Notes or redemption thereof.

Under the so called "*regime della dichiarazione*" ("**Tax Declaration Regime**"), which is the standard regime for taxation of capital gains, the 26 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities, and *imposta sostitutiva* must be paid on such capital gains together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year.

As an alternative to the tax declaration regime, Italian resident Noteholders who are (i) Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected, (ii) Italian resident partnerships not carrying out commercial activities, or (iii) Italian private or public institutions not carrying out mainly or exclusively commercial activities, may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes under the so called "*regime del risparmio amministrato*" (the "**Administrative Savings Regime**"). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with any authorised intermediary and (ii) an express election for the Administrative Savings Regime being timely made in writing by the relevant Noteholder. The authorised intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any incurred capital loss of the same kind, 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. Where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised on assets held by the Noteholder within the same securities management relationship in the same tax year or in the following tax years up to the fourth. Under the Administrative Savings Regime, the Noteholder is not required to declare the realised capital gains in the annual tax return and the Noteholder remains anonymous.

Special rules apply if the Notes are part of a portfolio managed under the Asset Management Regime by an Italian asset management company or an authorised intermediary. In that case the capital gains realised upon sale, transfer or redemption of the Notes will not be subject to *imposta sostitutiva* on capital gains but will contribute to the determination of the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio at the year-end may be carried forward against appreciation accrued in each of the following tax years up to the fourth. Also under the Asset Management Regime the realised capital gain is not required to be included in the annual income tax return of the Noteholder and the Noteholder remains anonymous.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Notes realized upon sale, transfer or redemption by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity 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 taxation, including the 26 per cent. *imposta*

sostitutiva, if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100-114 of Law No. 232, in Article 1, paragraph 211-215 of Law No. 145 and in Article 13-bis of Law Decree No. 124, each of them as amended and applicable from time to time.

In case of Notes held by Funds, SICAVs or non-real estate SICAFs, capital gains on Notes will not be subject to 26 per cent. *imposta sostitutiva* but will contribute to determine the increase in value of the managed assets of the Funds, SICAVs or non-real estate SICAFs, accrued at the end of each tax year. The Fund, SICAV or non-real estate SICAF will not be subject to taxation on such increase, but the Collective Investment Fund Tax will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

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

Where a Noteholder is an Italian resident real estate investment fund or an Italian real estate SICAF, to which the provisions of Law Decree No. 351 of 25 September 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010, and Legislative Decree No. 44 of 4 March 2014, all as amended, apply, capital gains realised will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or the real estate SICAF. The income of the real estate investment fund or of the real estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Any capital gains realised by Italian resident corporations or similar commercial entities or permanent establishments in Italy of non-Italian resident corporations to which the Notes are connected will be included in their corporate taxable income (and in certain circumstances, depending on the "status" of the Noteholder, also in the net value of production for IRAP purposes), subject to tax in Italy in accordance with ordinary tax rules.

Non-Italian Resident Noteholders

The 26 per cent. *imposta sostitutiva* on capital gains may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23, first paragraph, letter f), of Decree No. 917, any capital gains realised by non-Italian resident persons, without a permanent establishment in Italy to which

the Notes are effectively connected, through the sale for consideration or redemption of the Notes are not subject to taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad, and in certain cases subject to timely filing of required documentation (i.e. a self-declaration stating that the person is not resident in Italy for tax purposes) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

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

- (a) pursuant to the provisions of Decree No. 461 and Decree No. 239, non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected are exempt from *imposta sostitutiva* on any capital gains realised upon sale for consideration or redemption of the Notes provided that (i) they are resident, for tax purposes, in a State or territory included in the White List, and (ii) all the requirements and procedures set forth by Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected are subject to the Administrative Savings Regime or elect for the Asset Management Regime, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate self-declaration stating that they meet the requirements indicated above. The same exemption applies where the beneficial owners of the Notes are (a) international bodies and organisations established in accordance with international agreements ratified in Italy; (b) certain foreign institutional investors, even though not subject to income tax or to other similar taxes, established in countries included in the White List; and (c) Central Banks or other entities, managing also official State reserves; and
- (b) in any event, non-Italian resident individuals or non-Italian resident entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of Notes.

Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected are subject to the Administrative Savings Regime or elect for the Asset Management Regime, exemption from Italian capital gains tax will apply upon condition that the non-Italian residents promptly file with the authorised financial intermediary a declaration attesting that all the requirements for the application of the relevant double taxation treaty are met.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006 (“**Decree No. 262**”), converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including bonds or other securities)

as a result of death, gift or transfer without consideration are subject to “**Inheritance and Gift Tax**” (*imposta sulle successioni e donazioni*) under the Legislative Decree No. 346 of 31 October 1990, as amended, as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to Inheritance and Gift Tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding Euro 1,000,000 for each beneficiary;
- (ii) transfers in favour of brothers/sisters are subject to Inheritance and Gift Tax applied at the rate of 6 per cent. on the value of the inheritance or the gift exceeding Euro 100,000 for each beneficiary;
- (iii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an Inheritance and Gift Tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift; and
- (iv) any other transfer is subject to an Inheritance and Gift Tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

In cases where the beneficiary has a serious disability, inheritance and gift taxes will apply on its portion of the net asset value exceeding Euro 1,500,000.

The transfer of financial instruments (including the Notes) as a result of death is exempt from inheritance tax when such financial instruments are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (paragraphs 100-114) of Law No. 232, in Article 1, paragraphs 211 – 215 of Law No. 145 and in Article 13-bis of Law Decree No. 124, each of them as amended and applicable from time to time.

Transfer Tax

Agreements related to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to mandatory registration tax of Euro 200; (ii) private deeds are subject to registration tax of Euro 200 only in some cases set forth by the registration tax law (Presidential Decree 26 April 1986, No. 131, as amended) or in case of voluntary registration.

Stamp Duty

Pursuant to Article 13, para. 2-ter of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to its clients in respect of any financial product and instrument (including the Notes), which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and cannot exceed Euro 14,000 for taxpayers which are not individuals. This stamp duty is determined on the basis of the market value or, if no market value figure is available, on the basis of face value or redemption value, or in the case the face or redemption values cannot be determined, on the basis of purchase value of the financial assets (including the Notes) held.

The statement is deemed to be sent at least once a year, including with respect to the instruments for which is not mandatory nor the deposit, nor the release nor the drafting of the statement. In

case of reporting periods of less than 12 months, the stamp duty is payable based on the period accounted.

Pursuant to the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises a banking, financial or insurance activity in any form within the Italian territory.

Wealth tax on financial assets deposited abroad

According to Article 19 of Decree No. 201 of 6 December 2011, Italian resident individuals and, starting from fiscal year 2020, non-commercial entities, non-commercial partnerships and similar institutions, holding financial assets, including the Notes, outside of the Italian territory are required to declare in its own annual tax declaration and pay a wealth tax at the rate of 0.2 per cent. Starting from fiscal year 2020, the wealth tax cannot exceed €14,000 for taxpayers which are not individuals. This tax is calculated on the market value at the end of the relevant year (or at the end of the holding period) or, if no market value figure is available, on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes) held abroad by Italian resident individuals. A tax credit is granted for any foreign property tax levied abroad on such financial assets. The financial assets held abroad are excluded from the scope of the wealth tax, if such financial assets are administered by Italian financial intermediaries pursuant to an administration agreement and the items of income derived from the Notes have been subject to tax by the same intermediaries.

Tax Monitoring Obligations

Pursuant to Italian Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990 (“**Decree 167/1990**”), as subsequently amended, Italian resident individuals, non-commercial entities, and non-commercial partnerships and similar institutions who, during a fiscal year, hold investments abroad or have foreign financial assets or are the actual owners, under the Italian anti-money laundering law, provided by Italian Legislative Decree No. 231 of 21 November 2007, of investments abroad or foreign financial assets (including Notes held abroad) must, in certain circumstances, disclose the aforesaid investments and financial assets 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 prescribed for the income tax return).

It is not necessary to comply with the above reporting requirement in cases where (i) the financial assets are given in administration or management to Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree 167/1990, (ii) one of such intermediaries intervenes, also as a counterpart, in their transfer, provided that income deriving from such financial assets has been subject to the applicable withholding tax or substitute tax, or (iii) if the foreign investments are only composed of deposits and/or bank accounts and their aggregate value does not exceed a Euro 15,000 threshold throughout the year.

FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA")

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including 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 publication of the final regulations defining "foreign passthru payment" and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Intesa Sanpaolo S.p.A. (the “**Manager**”) has, in a subscription agreement dated 18 December 2020 (the “**Subscription Agreement**”) and made between the Issuer and the Manager upon the terms and subject to the conditions contained therein, agreed to subscribe for the at their issue price of 99.473 per cent. of their principal amount, less commissions. The Issuer has also agreed to reimburse the Manager for certain of the expenses incurred in connection with the management of the issue of the Notes. The Manager is entitled in certain circumstances to be released and discharged from its obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

United States

The Notes have not been, nor will they be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States 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 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 United States Internal Revenue Code of 1986 and Treasury regulations thereunder.

The Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver Notes, (i) as part of its distribution at any time or (ii) otherwise until 40 days after the completion of the distribution 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 of Notes, any 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.

Prohibition of Sales to Retail Investors in the EEA and the UK

In relation to each Member State of the EEA and the UK (each, a “**Relevant State**”), the Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise made available, any Notes to any retail investor in the EEA or the UK.

For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, 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;

- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

In relation to each Relevant State, the Manager has represented, warranted and agreed that it has not made and will not make an offer of Notes to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (A) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (B) *Fewer than 150 offerees*: at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or
- (C) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or the Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

The 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 Markets Act (“FSMA”)) received by it in connection with the issue or the sale of any Notes in circumstances in which Section 21(1) of the FSMA does not or, would not if it were not an authorised person, 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 the 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, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the “Financial Services Act”); or
- (ii) in any other circumstances which are exempted from the rules on public offerings pursuant

to Article 1 of the Prospectus Regulation, and in accordance with any applicable Italian laws and regulations.

Any offer, sale or delivery of the Notes or distribution of copies of this Prospectus 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, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Italian Banking Act**”), in each case as amended from time to time;
- (ii) comply with any other applicable laws and regulations or requirements 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, both as amended from time to time); and/or any other Italian authority.

Hong Kong

The Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, other than (a) to “**professional investors**” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (“**SFO**”) and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “**professional investors**” as defined in the SFO and any rules made under that Ordinance.

People's Republic of China

The Manager has represented and agreed that the Notes will not be offered or sold directly or indirectly in the PRC (excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan) as part of the initial distribution of the Notes. This Prospectus or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. This Prospectus, any information contained herein or the Notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC.

The Notes may only be invested by the PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. Investors are responsible for obtaining all relevant

governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the People's Bank of China, the State Administration of Foreign Exchange, the China Securities Regulatory Commission, the China Banking and Insurance Regulatory Commission, and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

Singapore

This Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase, and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA")) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- 1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- 2) where no consideration is or will be given for the transfer;
- 3) where the transfer is by operation of law;
- 4) as specified in Section 276(7) of the SFA; or
- 5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivative Contracts) Regulations 2018 of Singapore.

Japan

Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the “FIEA”). Accordingly, the Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

France

The Manager has represented, warranted and undertaken that it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), as defined in Article 2(e) of the Prospectus Regulation in accordance with Articles L.341-2, 1° and L.411-2, 1° of the French *Code monétaire et financier*.

General

The 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 Notes or possesses, distributes or publishes this Prospectus or any related offering material, 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 delivery and the Issuer shall not have any responsibility therefor.

No action has been or will be taken in any country or jurisdiction by the Issuer or the Manager that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus comes are required by the Issuer and the Manager to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

GENERAL INFORMATION

Authorisations

The creation and the issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 3 November 2020.

Approval, Listing and admission to trading

Application has been made to the CSSF to approve this document as a prospectus. Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU). The admission to trading of the Notes is expected on 22 December 2020.

The CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer.

Expenses related to admission to trading

The total expenses related to admission to trading of the Notes are estimated at €9,600 in listing and listing agent's fees.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The Common Code and ISIN for the Notes are as follows:

ISIN: XS2262806933

Common Code: 226280693

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

Eurosystem eligibility

The Notes are intended to be held in a manner which would allow Eurosystem eligibility and as such the Global Notes representing the Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as common safekeeper. This does not necessarily mean that the Notes represented by the Global Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life, such recognition depending upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

Litigation

Save as disclosed in the paragraph headed "*Description of the Issuer – Litigation*" of this Prospectus, neither the Issuer nor any member of the ISP Vita Group is or has been involved in any governmental, legal, arbitration or administrative proceedings in the 12 months preceding the date

of this document relating to claims or amounts which may have, or have had in the recent past, a significant effect on the ISP Vita Group's financial position or profitability and, so far as the Issuer is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

Trend information

Since 31 December 2019, there has been no material adverse change in the prospects of the Issuer, and since 30 June 2020, there has been no significant change in the financial performance of the ISP Vita Group.

No significant change

Save as disclosed the paragraph headed "*Description of the Issuer- Recent developments*" of this Prospectus, since 30 June 2020, there has been no significant change in the financial position of the ISP Vita Group.

Material contracts

Neither the Issuer nor any of its subsidiaries has entered into any contracts in the last two years outside the ordinary course of business that have been or may reasonably be expected to be material to the Issuer's ability to meet its obligations to Noteholders.

Documents on display

For the term of this Prospectus, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the registered office of the Issuer and at the specified office of the Fiscal Agent, namely:

- (a) this Prospectus and any other information incorporated herein or therein by reference;
- (b) the Agency Agreement; and
- (c) the By-laws of the Issuer.

Financial statements available

For so long as the Notes are outstanding and for the term of this Prospectus, copies and, where appropriate, English translations of the following financial information may be obtained during normal business hours at the registered office of the Issuer and at the specified office of the Fiscal Agent, namely:

- (a) the audited consolidated annual financial statements of ISP Vita as at and for the years ended 31 December 2019 and 2018; and
- (b) the most recent audited annual, or unaudited semi-annual, consolidated financial statements of ISP Vita published from time to time,

in each case, together with the accompanying notes and any auditors' report (if available). The last unaudited consolidated interim financial statements at and for the six months ended 30 June 2020, together with the accompanying notes and the auditors' review report thereon, have been published on ISP Vita's website.

In addition, copies of this Prospectus and each document incorporated by reference are available on the Luxembourg Stock Exchange's website (<https://www.bourse.lu>) and, for at least ten years after the publication of this Prospectus, at the following website: www.intesasanpaolovita.it/en/

Auditors

The auditors of ISP Vita are KPMG S.p.A. for the period 2013-2020. KPMG S.p.A. have audited the Issuer's consolidated annual financial statements, in accordance with generally accepted auditing standards in Italy as at and for the years ended 31 December 2019 and 2018.

KPMG S.p.A. is a member of Assirevi, the Italian association of auditors, and is included in the register of certified auditors (*Registro dei revisori legali*) at the Ministry of Economy and Finance pursuant to Legislative decree no. 39/10 and established by Ministerial Decree no. 145 of 2012.

Yield

The yield to maturity of the Notes (assuming, solely for these purposes, that no payments of interest or principal are deferred and that the Notes are redeemed on the Maturity Date) will be 2.435 per cent. per annum. The yield is calculated on the Issue Date on the basis of the re-offer price and is not an indication of future yield.

Manager Transacting with the Issuer

The Manager is the parent company of the Issuer. Save for the commissions payable to the Manager, so far the Issuer is aware, there are no interests, conflicting or otherwise, of natural and legal persons involved in the issue of the Notes that are material to the issue of the Notes. A portion of the Notes subscribed by the Manager is expected to be retained by it after issuance for subsequent resales thereafter.

The Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. The Manager and its affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the 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 Issuers or their affiliates. The Manager or its affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically the 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 long and/or short positions in securities, including potentially the Notes. Any such long and/or short positions could adversely affect future trading prices of Notes. The 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.

Furthermore, potential conflicts of interest may exist between the Calculation Agent and the Noteholders. See further *“Risk Factors – Risks related to the structure of the Notes – Potential conflicts of interest”*.

Legend

The Notes and any Coupons appertaining thereto will bear a legend to the following effect: “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.”

Rating of the Notes:

The Notes are expected, on issue, to be rated “BB” by Fitch.

Fitch defines “BB” as follows: ‘BB’ ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments. (Fitch Ratings, Rating Definitions)

The brief explanation on the ratings expected to be assigned by Fitch has been extracted from www.fitch.com. The Issuer does not take responsibility for these explanations. The information has been accurately reproduced and, as far as the issuer is aware and is able to ascertain from information published by Fitch, no facts have been omitted which would render the reproduced information inaccurate or misleading.

THE ISSUER

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Intesa Sanpaolo S.p.A.

Divisione IMI Corporate & Investment Banking

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To the Issuer as to Italian Law

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20121 Milan

Italy

To the Manager as to Italian and English law

Clifford Chance Studio Legale Associato

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20121 Milan

Italy

AUDITORS TO THE ISSUER

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Via Vittor Pisani, 25

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LISTING AGENT

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L-1724 Luxembourg

Grand Duchy of Luxembourg