

INFORMATION MEMORANDUM

27 May 2016



INTESA SANPAOLO BANK IRELAND p.l.c.

INTESA SANPAOLO BANK LUXEMBOURG, *SOCIÉTÉ ANONYME*

(each an Issuer and together, the Issuers)

Name of the Programme	Intesa Sanpaolo Bank Ireland p.l.c. and Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i> Guaranteed Euro-Commercial Paper and Certificate of Deposit Programme
Type of the Programme	Multi-Issuer Global Guaranteed Euro-Commercial Paper and Certificate of Deposit Programme
Maximum Amount of the Programme	€30,000,000,000
Guarantor	Intesa Sanpaolo S.p.A.
Rating(s)	Rated Moody's Investors Service Limited (Moody's) Standard & Poor's Rating Services, a division of The McGraw Hill Companies Inc. (Standard & Poor's) Fitch Ratings (Fitch) DBRS Ratings Limited (DBRS)
Arrangers	Intesa Sanpaolo Bank Ireland p.l.c. Intesa Sanpaolo S.p.A.
Issuing and Paying Agent	The Bank of New York Mellon
Dealers	Barclays BofA Merrill Lynch Citigroup Credit Suisse Goldman Sachs International ING Intesa Sanpaolo S.p.A. The Royal Bank of Scotland UBS Investment Bank
Listing:	Irish Stock Exchange
Date of signature of the Information Memorandum	27 May 2016

CERTAIN DEFINITIONS

The Guarantor is the surviving entity from the merger between Banca Intesa S.p.A. and Sanpaolo IMI S.p.A., which was completed with effect from 1 January 2007. Pursuant to the merger, Sanpaolo IMI S.p.A. merged by incorporation into Banca Intesa S.p.A. which, upon completion of the merger, changed its name to Intesa Sanpaolo S.p.A. Accordingly, in this Information Memorandum:

- (a) references to the **Guarantor** and to **Intesa Sanpaolo** are to Intesa Sanpaolo S.p.A. in respect of the period since 1 January 2007 and references to the **Intesa Sanpaolo Group** are to the Guarantor and its subsidiaries in respect of the same period;
- (b) references to **Banca Intesa** or **Intesa** are to Banca Intesa S.p.A. in respect of the period prior to 1 January 2007 and references to the **Banca Intesa Group** are to Banca Intesa and its subsidiaries in respect of the same period; and
- (c) references to **Sanpaolo IMI** are to Sanpaolo IMI S.p.A. in respect of the period from 1 January 2007 and references to **Sanpaolo IMI Group** are to Sanpaolo IMI and its subsidiaries in respect of the same period.

TABLE OF CONTENTS

IMPORTANT NOTICE.....	4
DOCUMENTS INCORPORATED BY REFERENCE.....	7
DESCRIPTION OF THE PROGRAMME	9
DESCRIPTION OF INTESA SANPAOLO BANK IRELAND P.L.C.	17
DESCRIPTION OF INTESA SANPAOLO BANK LUXEMBOURG, SOCIÉTÉ ANONYME.....	20
DESCRIPTION OF THE GUARANTOR.....	24
RISK FACTORS.....	42
GENERAL INFORMATION	67
CERTIFICATION OF INFORMATION OF INTESA SANPAOLO BANK IRELAND P.L.C.....	69
CERTIFICATION OF INFORMATION OF INTESA SANPAOLO BANK LUXEMBOURG, SOCIÉTÉ ANONYME.....	70
CERTIFICATION OF INFORMATION OF THE GUARANTOR	71
INFORMATION CONCERNING THE ISSUERS' REQUEST OF THE STEP LABEL	72
FORM OF MULTI CURRENCY GLOBAL NOTE.....	73
FORM OF MULTI CURRENCY GLOBAL NOTE WHICH IS A NEW GLOBAL NOTE.....	84
FORM OF DEFINITIVE MULTI CURRENCY NOTE	95
FORM OF MULTI CURRENCY GLOBAL CERTIFICATE OF DEPOSIT	105
FORM OF MULTI CURRENCY GLOBAL CERTIFICATE OF DEPOSIT WHICH IS A NEW GLOBAL NOTE	116
FORM OF DEFINITIVE MULTI CURRENCY CERTIFICATE OF DEPOSIT	127
FORM OF CONTRACTUAL TERMS	138
FORM OF GUARANTEE FOR THE INSTRUMENTS.....	141
SELLING RESTRICTIONS	144

IMPORTANT NOTICE

This Information Memorandum (together with any supplementary information memorandum and information incorporated herein by reference, the **Information Memorandum**) replaces and supersedes the information memorandum originally dated 27 April 2015.

This Information Memorandum contains summary information provided by INTESA SANPAOLO BANK IRELAND p.l.c. and INTESA SANPAOLO BANK LUXEMBOURG, *société anonyme* (formerly Société Européenne de Banque, *société anonyme*). (each an **Issuer** and together, the **Issuers**) and INTESA SANPAOLO S.p.A. (the **Guarantor**) in connection with a guaranteed euro-commercial paper and certificate of deposit programme (the **Programme**) under which the Issuers may issue and have outstanding at any time euro-commercial paper notes (the **Notes**) and/or certificates of deposit (the **Certificates of Deposit** or **CDs** and, together with the Notes, the **Instruments**) up to a maximum aggregate amount of €30,000,000,000 or its equivalent in alternative currencies. Under the Programme, the Issuers may issue Instruments outside the United States pursuant to Regulation S (**Regulation S**) of the United States Securities Act of 1933, as amended (the **Securities Act**). The Issuers and the Guarantor have, pursuant to a dealership agreement dated 9 March 2011 (the **Dealership Agreement**), appointed Bank of America Merrill Lynch International Limited, Barclays Bank PLC, Citibank Europe plc, UK Branch, Credit Suisse Securities (Europe) Limited, Goldman Sachs International, ING Bank N.V., Intesa Sanpaolo S.p.A., The Royal Bank of Scotland plc and UBS Limited as dealers for the Instruments (the **Dealers**) and authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on their behalf to purchasers or potential purchasers of the Instruments. The Instruments will have the benefit of a guarantee by the Guarantor (the **Guarantee**), the terms of which are contained in the Deed Polls in respect of the Notes and Certificates of Deposit respectively dated 9 March 2011. The text of the Guarantee is reproduced under the section headed "Form of the Guarantee for the Instruments".

This Information Memorandum comprises listing particulars for the purposes of the application to The Irish Stock Exchange plc (the **Irish Stock Exchange**) and has been approved by the Irish Stock Exchange. The approval of the Irish Stock Exchange relates only to Instruments that are admitted to the official list of the Irish Stock Exchange (the **Official List**) and to trading on its regulated market. Application has been made to the Irish Stock Exchange for Instruments to be admitted to the Official List and to trading on the Irish Stock Exchange's regulated market. The Programme provides that Instruments may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer. References in this Information Memorandum to the Instruments being **listed** shall be construed accordingly. Each Issuer may also issue unlisted Instruments and/or Instruments not admitted to trading on any market.

This Programme has been submitted to the STEP Secretariat in order to apply for the STEP label. The status of STEP compliance of this Programme can be checked on the STEP Market website (www.stepmarket.org).

Each of the Issuers and the Guarantor have confirmed to the Dealers that the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes the Information Memorandum as a whole or any such information contained or incorporated by reference therein misleading.

Neither the Issuers, the Guarantor nor the Dealers accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuers or the Guarantor or that there has been no change in the business, financial condition or affairs of the Issuers or the Guarantor since the date thereof.

No person is authorised by the Issuers or the Guarantor to give any information or to make any representation not contained in the Information Memorandum and any information or representation not contained therein must not be relied upon as having been authorised.

The Dealers have not independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted, by the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum is not and should not be construed as a recommendation by the Dealers, the Issuers or the Guarantor that any recipient should purchase Instruments. Each such recipient must make, and shall be deemed to have made, its own independent assessment and investigation of the financial condition, affairs and creditworthiness of each Issuer and the Guarantor and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum.

The Dealers do not undertake to review the business or financial condition or affairs of the Issuers or the Guarantor during the life of the Programme, nor do they undertake to advise any recipient of the Information Memorandum of any information or change in such information coming to any Dealer's attention.

The Dealers do not accept any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute an offer or invitation to any person to purchase Instruments. The distribution of this Information Memorandum and the offering for sale of Instruments or any interest in such Instruments or any rights in respect of such Instruments, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum or any Instruments or any interest in such Instruments or any rights in respect of such Instruments are required by the Issuers, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Instruments and on distribution of this Information Memorandum and other information in relation to the Instruments, the Issuers and the Guarantor set out under "Selling Restrictions" below.

THE INSTRUMENTS AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).

A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the FSMA)) received in connection with the issue or sale of any Instruments will only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Issuers or the Guarantor.

Luxembourg tax considerations

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes and CDs should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

Non-resident holders of Notes and CDs

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes and CDs, nor on accrued but unpaid interest in respect of the Notes and CDs, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes and CDs held by non-resident holders of Notes and CDs.

Resident holders of Notes and CDs

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the **Relibi Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes and CDs, nor on accrued but unpaid interest in respect of Notes and CDs, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes and CDs held by Luxembourg resident holders of Notes and CDs.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), as amended) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes and CDs coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 10 per cent.

Interpretation

In the Information Memorandum, references to **euro** and **€** refer to the single currency of participating member states of the European Union; references to **Sterling** and **£** are to pounds sterling; and references to **U.S. Dollars** and **U.S.\$** are to United States dollars.

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been previously published or are being published simultaneously with this Information Memorandum and have been approved and filed with the Irish Stock Exchange, are incorporated in, and form part of, this Information Memorandum:

- (a) the audited consolidated annual financial statements of the Intesa Sanpaolo Group as at and for the year ended 31 December 2014, as shown in the Intesa Sanpaolo Group 2014 Annual Report;
- (b) the audited consolidated annual financial statements of Intesa Sanpaolo Group as at and for the year ended 31 December 2015, as shown in the Intesa Sanpaolo Group 2015 Annual Report;
- (c) the audited annual financial statements of Intesa Sanpaolo Bank Ireland p.l.c. as at and for the year ended 31 December 2014, as shown in the Intesa Sanpaolo Bank Ireland p.l.c. 2014 Annual Report;
- (d) the audited annual financial statements of Intesa Sanpaolo Bank Ireland p.l.c. as at and for the year ended 31 December 2015, as shown in the Intesa Sanpaolo Bank Ireland p.l.c. 2015 Annual Report;
- (e) the audited annual financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme* as at and for the year ended 31 December 2014;
- (f) the audited consolidated financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme* as at and for the year ended 31 December 2014;
- (g) the audited annual financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme* as at and for the year ended 31 December 2015;
- (h) the audited consolidated financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme* as at and for the year ended 31 December 2015;

in each case together with the accompanying notes and (where applicable) audit reports; and

- (i) the press release issued by Intesa Sanpaolo on 15 April 2016 and entitled "Intesa Sanpaolo participates in the Atlante Fund to reach structural solution for NPLs of Italian Banking System" (the **15 April 2016 Press Release**);
- (j) the press release issued by Intesa Sanpaolo on 27 April 2016 and entitled "Intesa Sanpaolo Ordinary Shareholders' Meeting" (the **27 April 2016 Press Release**); and
- (k) the press release issued by Intesa Sanpaolo on 2 May 2016 and entitled "Intesa Sanpaolo signs agreement for sale of SETEFI and Intesa Sanpaolo Card to Advent, Bain Capital and Clessidra" (the **2 May 2016 Press Release**)

save that any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference by way of a supplement modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Any such supplement to this Information Memorandum will be subject to the approval of the Irish Stock Exchange prior to its publication. For the avoidance of doubt, for so long as the STEP label is applied to the Programme, the Issuers and Guarantor shall prepare a new Information Memorandum instead of an amendment or supplement to this Information Memorandum in such circumstances, including every time there is a significant event which changes the substance of the Programme or the nature or quality of the

credit risk carried by the Instruments issued under the Programme or as otherwise required in accordance with the provisions of the STEP Market Convention. Any such new information memorandum will be subject to the approval of the Irish Stock Exchange prior to its publication and, for so long as a STEP label is applied to the Programme, shall be submitted to the STEP Secretariat in accordance with the STEP Market Convention.

No website referred to in this Information Memorandum forms part of the document for the purposes of listing the Instruments on the Irish Stock Exchange.

The Issuers will provide, without charge to each person to whom a copy of this Information Memorandum has been delivered, upon the request of such person, a copy of any or all the documents deemed to be incorporated by reference herein unless such documents have been modified or superseded as specified above, in which case the modified or superseded version of such document will be provided. Requests for such documents should be directed to the relevant Issuer at its offices set out at the end of this Information Memorandum. In addition such documents will be available, without charge, at the principal office of the Guarantor.

Except as provided above, no other information, including information on the websites of the Issuers and the Guarantor, is incorporated by reference in or forms part of this Information Memorandum.

DESCRIPTION OF THE PROGRAMME

Name of the Programme:	Intesa Sanpaolo Bank Ireland p.l.c. and Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i> Guaranteed Euro-Commercial Paper and Certificate of Deposit Programme.
Type of the Programme:	Global Guaranteed Euro-Commercial Paper and Certificate of Deposit Programme. Euro-Commercial Paper Notes, STEP compliant. CDs, STEP compliant.
Names of the Issuers:	Intesa Sanpaolo Bank Ireland p.l.c. Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i>
Type of Issuers:	Monetary financial institutions.
Purpose of the Programme:	The net proceeds from the sale of the Instruments will be applied for general funding purposes.
Maximum amount of the Programme:	The outstanding principal amount of the Instruments will not exceed €30,000,000,000 (or its equivalent in other currencies) at any time. The Maximum Amount may be increased from time to time in accordance with the Dealership Agreement.
Information on euro-commercial paper notes (the Notes)	
Characteristics and form of the Notes:	<i>Form of the Notes:</i> The Notes will be in bearer form. The Notes will initially be in global form (the Global Note). The Global Note will be exchangeable into definitive notes (Definitive Notes) only in the circumstances set out in that Global Note. <i>Delivery of the Global Note:</i> If the Notes which are represented by a Global Note are intended to be issued in New Global Note (NGN) form, as stated in the applicable terms and conditions of the Notes set out in the Global Notes, they will be delivered on or prior to the issue date of such Notes to a common safekeeper (the Common Safekeeper) for Euroclear Bank S.A./N.V. (Euroclear) and Clearstream Banking S.A. (Clearstream, Luxembourg). If the Global Notes are not intended to be issued in NGN form, they will be deposited on or prior to the issue date with a common depository (the Common Depository) for Euroclear and Clearstream, Luxembourg or any other recognised clearing system. Account holders will, in respect of the Global Notes, have the benefit of a Deed of Covenant dated 9 March 2011 from either Intesa Sanpaolo Bank

Ireland p.l.c. or Intesa Sanpaolo Bank Luxembourg, *société anonyme* (formerly Société Européenne de Banque, *société anonyme*.), as applicable (the **Deed of Covenant**), copies of which may be inspected during normal business hours at the specified office of the Issuing and Paying Agent. Definitive Notes (if any are printed) will be available in London for collection or for delivery to Euroclear, Clearstream, Luxembourg or any other recognised clearing system.

Payments of principal, interest (if any) or any other amounts on a Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Global Note if the Global Note is not intended to be issued in NGN form) without any requirement for certification.

Remuneration:

The Notes will be interest bearing or discounted as specified in the Global Note applicable to the relevant Notes. Interest bearing Notes will pay interest at such rates and on such dates as may be agreed between the relevant Issuer and the relevant Dealer(s). Discounted Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Currencies of issue of the Notes:

The Notes may be denominated in Euro, U.S. Dollars or any other currency subject to compliance with any applicable legal and regulatory requirements.

Maturity of the Notes:

The tenor of the Notes shall be not less than one day or more than 364 days from and including the date of issue subject to compliance with any applicable legal and regulatory requirements. The relevant Issuer, the relevant Dealer and the Issuing and Paying Agent may agree to a longer period, subject to compliance with any applicable legal and regulatory requirements and subject to any necessary amendments to this Information Memorandum or any other documents relating to the Programme.

Redemption:

Each Note will be redeemed at its redemption amount on the date specified thereon.

Early Redemption at the option of the Noteholder:

The Notes may, if so specified thereon, be subject to early redemption at the option of the Noteholder.

Minimum issuance amount:

€500,000 or U.S.\$500,000 (or the equivalent in any other currency, see "Minimum denomination of the Notes" below).

Minimum denomination of the Notes:

The Notes may have any denomination, subject to compliance with any applicable legal and regulatory requirements. The initial minimum denominations for the Notes are €500,000 or U.S.\$500,000. The minimum denomination of the Notes denominated in currencies other than euro and U.S. Dollars will be €500,000 (determined by reference to the relevant spot rate of exchange on the date of this Information Memorandum) and otherwise in accordance with any applicable legal and regulatory requirements. If the proceeds are accepted in the United

Kingdom, the minimum denomination shall be €500,000 (determined as above), provided such amount is not less than £100,000 (or the equivalent in any other currency). Minimum denominations may be changed from time to time.

Status of the Notes:

The relevant Issuer's obligations under the Notes will rank at least *pari passu* with all present and future unsecured and unsubordinated obligations of that Issuer other than obligations mandatorily preferred by law applying to companies generally.

Governing law applicable to the Notes:

The Notes and any non-contractual obligations arising out of or in connection therewith will be governed by and construed in accordance with English law. The provisions of articles 86 to 94-8 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, shall not apply.

Listing:

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on the Irish Stock Exchange's regulated market up to the expiry of 12 months from the date of this Information Memorandum. The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer. The Issuers may also issue unlisted Notes and/or Notes not admitted to trading on any market.

Settlement system:

Euroclear and Clearstream, Luxembourg.

Ratings of the Programme:

Yes.

The Programme has been rated P-2 by Moody's, A-3 by Standard & Poor's, F2 by Fitch, and R-1 (low) by DBRS.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the relevant rating agency.

Guarantor:

Intesa Sanpaolo S.p.A.

The Notes have the benefit of the Guarantee contained in the Deed Poll in respect of the Notes dated 9 March 2011 and made between the Guarantor and each Issuer. The text of the Guarantee is reproduced under the section headed "Form of the Guarantee for the Instruments".

The Guarantor's obligations under the Guarantee rank and will rank at least *pari passu* with all present and future unsecured and unsubordinated obligations of the Guarantor other than obligations mandatorily preferred by law applying to companies generally.

The Guarantee relating to the Notes, and any non-contractual obligations arising out of or in connection therewith, will be governed by and construed in accordance with English law.

Issuing and Paying Agent:

The Bank of New York Mellon.

Arrangers:

Intesa Sanpaolo Bank Ireland p.l.c. and Intesa Sanpaolo S.p.A.

Dealers: Bank of America Merrill Lynch International Limited, Barclays Bank PLC, Citibank Europe plc, UK Branch, Credit Suisse Securities (Europe) Limited, Goldman Sachs International, ING Bank N.V., Intesa Sanpaolo S.p.A., The Royal Bank of Scotland plc and UBS Limited. The Issuers and the Guarantor may also place Instruments issued under the Programme.

Selling restrictions: Offers and sales of the Notes and the distribution of this Information Memorandum and other information relating to the Issuers, the Guarantor and the Notes are subject to certain restrictions, details of which are set out under "Selling Restrictions" below.

Taxes: Subject to the limitations and exceptions set out in the Notes and the Guarantee relating to the Notes, all payments under the Notes and the Guarantee relating to the Notes will be made free and clear of withholding for any taxes imposed by the jurisdiction of incorporation of the relevant Issuer and the Guarantor (being, as of the date hereof, Ireland/Luxembourg and Italy respectively), provided that the Notes satisfy the €500,000 (or equivalent) minimum denomination requirement, the Notes have a maturity of less than two years from the date of issue and the Notes are cleared through Euroclear or Clearstream (or any other clearing system recognised for these purposes by the Irish Revenue Commissioners).

Involvement of national authorities: Not relevant.

Notices: If the Notes have been admitted to listing on the Official List of the Irish Stock Exchange and to trading on the regulated market of the Irish Stock Exchange (and/or have been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning such Notes shall be published in accordance with the requirements of the Irish Stock Exchange (and/or of the relevant listing authority, stock exchange and/or quotation system). The relevant Issuer may, in lieu of such publication and if so permitted by the rules of the Irish Stock Exchange, deliver all such notices to the relevant Clearing System(s) or publish such notices by any other means acceptable to the Irish Stock Exchange.

Information on the CDs

Characteristics and form of the CDs:

Form of the CDs:

The CDs will be in bearer form. The CDs will initially be in global form (the **Global CD**). The Global CD will be exchangeable into definitive CDs (**Definitive CDs**) only in the circumstances set out in that Global CD.

Delivery of the Global CD:

If the CDs which are represented by a Global CD are intended to be issued in New Global Note (**NGN**) form, as stated in the applicable terms and conditions of the CDs set out in the Global CDs, they will be delivered on or prior to the issue date of such Instruments to a Common

Safekeeper for Euroclear and Clearstream, Luxembourg.

If the Global CDs are not intended to be issued in NGN form, they will be deposited on or prior to the issue date with a Common Depository for Euroclear and Clearstream, Luxembourg or any other recognised clearing system.

Account holders will, in respect of the Global CDs, have the benefit of a Deed of Covenant dated 9 March 2011 from either Intesa Sanpaolo Bank Ireland p.l.c. or Intesa Sanpaolo Bank Luxembourg, *société anonyme*, as applicable (the **Deed of Covenant**), copies of which may be inspected during normal business hours at the specified office of the Issuing and Paying Agent. Definitive CDs (if any are printed) will be available in London for collection by or for delivery to Euroclear, Clearstream, Luxembourg or any other recognised clearing system.

Payments of principal, interest (if any) or any other amounts on a Global CD will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Global CD if the Global CD is not intended to be issued in NGN form) without any requirement for certification.

Remuneration:

The CDs will be interest bearing or discounted as specified in the Global CD applicable to the relevant CDs. Interest bearing CDs will pay interest at such rates and on such dates as may be agreed between the relevant Issuer and the relevant Dealer(s). Discounted CDs will be offered and sold at a discount to their nominal amount and will not bear interest.

Currencies of issue of the CDs:

The CDs may be denominated in euro, U.S. Dollars or any other currency subject to compliance with any applicable legal and regulatory requirements.

Maturity of the CDs:

The tenor of the CDs shall be not less than one day or more than 364 days from and including the date of issue, in each case subject to compliance with any applicable legal and regulatory requirements. The relevant Issuer, the relevant Dealer and the Issuing and Paying Agent may agree to a longer period, subject to compliance with any applicable legal and regulatory requirements and subject to any necessary amendments to this Information Memorandum or any other documents relating to the Programme.

Redemption:

Each CD will be redeemed at its redemption amount on the date specified thereon.

Early Redemption at the option of the holder of a CD:

The CDs may, if so specified thereon, be subject to early redemption at the option of the holder of a CD.

Minimum issuance amount:

€500,000 or U.S.\$500,000 (or the equivalent in any other currency, see "Minimum denomination of the CDs" below).

Minimum denomination of the CDs:

The CDs may have any denomination, subject to compliance with any applicable legal and regulatory requirements. The initial minimum

denominations for the CDs are €500,000 or U.S.\$500,000. The minimum denominations of the CDs denominated in currencies other than euro and U.S. Dollars will be €500,000 (determined by reference to the relevant spot rate of exchange on the date of this Information Memorandum) and otherwise in accordance with any applicable legal and regulatory requirements. If the proceeds are accepted in the United Kingdom, the minimum denomination shall be €500,000 (determined as above) provided such amount is not less than £100,000 (or the equivalent in any other currency). Minimum denominations may be changed from time to time.

- Status of the CDs:** The relevant Issuer's obligations under the CDs will rank at least *pari passu* with all present and future unsecured and unsubordinated obligations of that Issuer other than obligations mandatorily preferred by law applying to companies generally.
- Governing law applicable to the CDs:** The CDs and any non-contractual obligations arising out of or in connection therewith will be governed by and construed in accordance with English law. The provisions of articles 86 to 94-8 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, shall not apply.
- Listing:** Application has been made to the Irish Stock Exchange for the CDs to be admitted to the Official List and to trading on the Irish Stock Exchange's regulated market up to the expiry of 12 months from the date of this Information Memorandum. The Programme provides that CDs may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer. Each Issuer may also issue unlisted CDs and/or CDs not admitted to trading on any market.
- Settlement system:** Euroclear and Clearstream, Luxembourg.
- Ratings of the Programme:** Yes.
- The Programme has been rated P-2 by Moody's, A-3 by Standard & Poor's, F2 by Fitch, and R-1 (low) by DBRS.
- A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the relevant rating agency.
- Guarantor:** Intesa Sanpaolo S.p.A.
- The CDs have the benefit of the Guarantee contained in the Deed Poll in respect of the Certificates of Deposit dated 9 March 2011 and made between the Guarantor and each Issuer. The text of the Guarantee is reproduced under the section headed "Form of the Guarantee for the Instruments".
- The Guarantor's obligations under the Guarantee relating to the CDs rank and will rank at least *pari passu* with all present and future unsecured and unsubordinated obligations of the Guarantor other than obligations mandatorily preferred by law applying to companies generally.

Issuing and Paying Agent:	The Bank of New York Mellon.
Arrangers:	Intesa Sanpaolo Bank Ireland p.l.c. and Intesa Sanpaolo S.p.A.
Dealers:	Bank of America Merrill Lynch International Limited, Barclays Bank PLC, Citibank Europe plc, UK Branch,, Credit Suisse Securities (Europe) Limited, , Goldman Sachs International, ING Bank N.V., Intesa Sanpaolo S.p.A., The Royal Bank of Scotland plc and UBS Limited. The Issuers and the Guarantor may also place Instruments issued under the Programme.
Selling restrictions:	Offers and sales of the CDs and the distribution of this Information Memorandum and other information relating to the Issuers, the Guarantor and the CDs are subject to certain restrictions, details of which are set out under "Selling Restrictions" below.
Taxes:	Subject to the limitations and exceptions set out in the CDs and the Guarantee relating to the CDs, all payments under the CDs and the Guarantee relating to the CDs will be made free and clear of withholding for any taxes imposed by the jurisdiction of incorporation of the relevant Issuer and the Guarantor (being, as of the date hereof, Ireland/Luxembourg and Italy respectively), provided that the CDs satisfy the €500,000 (or equivalent) minimum denomination requirement, the CDs have a maturity of less than two years from the date of issue and the CDs are cleared through Euroclear or Clearstream (or any other clearing system recognised for these purposes by the Irish Revenue Commissioners).
Involvement of national authorities:	Not relevant.
Notices:	If the CDs have been admitted to listing on the Official List of the Irish Stock Exchange and to trading on the regulated market of the Irish Stock Exchange (and/or have been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning such CDs shall be published in accordance with the requirements of the Irish Stock Exchange (and/or of the relevant listing authority, stock exchange and/or quotation system). The relevant Issuer may, in lieu of such publication and if so permitted by the rules of the Irish Stock Exchange, deliver all such notices to the relevant Clearing System(s) or publish such notices by any other means acceptable to the Irish Stock Exchange.
Other information	
Contact details	Intesa Sanpaolo Bank Ireland p.l.c.: Email: davide.demarco@intesasanpaolo.com Telephone: +353 1 672 6720 Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i> : Email: contact@intesasanpaololux.com Telephone: +352 4614111
ECB collateral eligibility:	The Irish Stock Exchange is an accepted regulated market for collateral

purposes in credit operations of the Eurosystem.

The Instruments issued in the NGN form are intended to be held in a manner which will allow Eurosystem eligibility (unless otherwise specified in the relevant Contractual Terms). In such case the Instruments are intended upon issue to be deposited with a Common Safekeeper which however does not necessarily mean that the Instruments 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 will depend upon satisfaction of the Eurosystem eligibility criteria.

The Governing Council of the European Central Bank (**ECB**) has deemed that the NGN arrangement for international debt securities is in compliance with the Eurosystem's "Standards for the use of EU securities settlement systems in ESCB credit operations" (<http://www.ecb.europa.eu/paym/coll/standards/>), provided that the respective NGN is held for safekeeping by an institution that has been positively assessed against these standards by the Eurosystem.

The NGN arrangement, designed by the two international central securities depositories (**ICSDs**), Euroclear and Clearstream, Luxembourg, together with other market participants, has been offered by the ICSDs since 30 June 2006. It can be used for issues of international debt securities in global bearer note form. Under this structure, a securities issue will be represented by a new form of global bearer certificate: the NGN. Under the terms of the NGN, the legally relevant record of the indebtedness of the issuer is maintained by the ICSDs. The ICSDs will enter into a direct contractual relationship with each issuer. In order to be eligible as collateral for Eurosystem operations, an NGN will have to be held for safekeeping by one of the ICSDs, i.e. an entity that has been positively assessed by the Eurosystem. Further information about the NGN arrangement can be obtained from the websites of the ICSDs.

In accordance with the above, international debt securities in global bearer form issued through the ICSDs since 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

DESCRIPTION OF INTESA SANPAOLO BANK IRELAND P.L.C.

Legal name:	Intesa Sanpaolo Bank Ireland p.l.c.
Legal form/status:	Intesa Sanpaolo Bank Ireland p.l.c. is a public limited company incorporated in Ireland.
Date of incorporation/establishment:	22 September 1987.
Registered office:	3rd Floor, KBC House, 4 George's Dock, IFSC, Dublin 1, Ireland; telephone number is +3531 672 6720.
Registration number, place of registration:	Intesa Sanpaolo Bank Ireland p.l.c. is registered with the Registrar of Companies in Dublin under registration number 125216.
Objects and summarised description of current activities:	<p>As a licensed bank, the principal areas of business of Intesa Sanpaolo Bank Ireland p.l.c. include:</p> <ul style="list-style-type: none">• International lending to corporate and credit institutions on a bilateral or syndicated basis;• Management of a portfolio of securities held for liquidity purposes;• Treasury activities;• Intra-group lending; and• Issuance of guarantees and transaction services. <p>Intesa Sanpaolo Bank Ireland p.l.c. operates in a number of countries and its credit exposures are widely diversified geographically, with an emphasis on Europe. Based on total assets as at 31 December 2013 Intesa Sanpaolo Bank Ireland p.l.c. is ranked the twenty first largest bank in Ireland.²</p> <p>On 2 October 1998, Intesa Sanpaolo Bank Ireland p.l.c. was granted a banking licence by the Central Bank of Ireland under section 9 of the Irish Central Bank Act 1971, which, in accordance with the Single Supervisory Mechanism (SSM) is, with effect from 4 November 2014, deemed to be an authorisation granted by the ECB under the SSM Regulation.</p> <p>Intesa Sanpaolo Bank Ireland p.l.c. is a wholly owned subsidiary of the Guarantor and it has no active subsidiaries.</p>
Share capital:	<p>As at 31 December 2015, the authorised share capital of Intesa Sanpaolo Bank Ireland p.l.c. was €500,000,000, divided into 500,000,000 ordinary shares with a nominal value of €1 each, of which €400,500,000 were issued and paid up. Total equity of Intesa Sanpaolo Bank Ireland p.l.c., including issued share capital, amounted to €1,241.043 million. Further information can be found in the Annual Report of Intesa Sanpaolo Bank</p>

² Source: The Irish Times Top 1,000 Companies, 2015.

Ireland p.l.c. for the year ended 31 December 2015.

List of main shareholders: Intesa Sanpaolo S.p.A.

Listing of the shares of Intesa Sanpaolo Bank Ireland p.l.c.: Not applicable.

Board of Directors: The current composition of the Board of Directors of Intesa Sanpaolo Bank Ireland p.l.c. is as follows:

Name, Title and Business Address:

Principal Activities outside Intesa Sanpaolo Bank Ireland p.l.c.:

Andrew Plomp
Intesa Sanpaolo Bank Ireland
p.l.c.
3rd Floor, KBC House
4 George's Dock, IFSC
Dublin 1
Ireland

None

Ian Letchford
Askill
86 Stillorgan Grove
Blackrock
Co. Dublin
Ireland

None

Richard Barkley
40 Dodderbank
Milltown Bridge
Dublin 14
Ireland

Director of Tearfund Ireland
Director of Dodderbank Management Ltd.
Director of Incaplex Ltd.

Pietro Nazario Virgili
Intesa Sanpaolo S.p.A.
Piazza Paolo Ferrari, 10
20121 Milan (MI)
Italy

None

Neil Copland
Aisling Na Smol
Killakee Road
Dublin 16
Ireland

Director of BNP Paribas Ireland
Director of ERA Expense Reduction Analysts (Ireland) Limited

Carlo Persico
Intesa Sanpaolo S.p.A.
90, Queen Street
EC4N 1SA London
United Kingdom

Director of Exelia SRL

Andrea Faragalli Zenobi
Via della Moscova, 44
20121 Milan

Director of Intesa Sanpaolo Bank Luxembourg, *société anonyme*
Director of Intesa Sanpaolo Group Services SCPA
Director of Intesa Sanpaolo Brasil SA – Banco Multiplo

Italy

The business address of each of the members of the Board of Directors listed above is 3rd floor, KBC House, 4 George's Dock, IFSC, Dublin 1, Ireland.

Conflicts of interest:

Intesa Sanpaolo Bank Ireland p.l.c. is not aware of any potential conflicts of interest between the duties to Intesa Sanpaolo Bank Ireland p.l.c. of each of the members of the Board of Directors listed above and his private interests or other duties.

Intesa Sanpaolo Bank Ireland p.l.c. has an independent Board of Directors.

Auditors:

The annual financial statements of Intesa Sanpaolo Bank Ireland p.l.c. as at and for the years ended 31 December 2014 and 31 December 2015 incorporated by reference into this Information Memorandum were audited by KPMG Chartered Accountants, who are registered auditors with the Institute of Chartered Accountants in Ireland.

Accounting method:

Financial statements are prepared in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the European Union, and with those parts of the Companies Acts, 1963 to 2009 and the European Communities (Credit Institutions: Accounts) Regulations, 1992, applicable to companies reporting under IFRS.

Accounting year:

Starting on 1 January, ending on 31 December.

Fiscal year:

Starting on 1 January, ending on 31 December.

**Other short-term programmes
of Intesa Sanpaolo Bank
Ireland p.l.c.:**

None.

DESCRIPTION OF INTESA SANPAOLO BANK LUXEMBOURG, *SOCIÉTÉ ANONYME*

Legal name:	Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i>
History and form/status:	Legal Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i> is a public limited liability company (<i>société anonyme</i>) incorporated for an unlimited duration under the laws of the Grand Duchy of Luxembourg. As a fully licensed bank in Luxembourg, Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i> is supervised by the Luxembourg Financial Sector Supervisory Commission (<i>Commission de surveillance du secteur financier (CSSF)</i>) and as a significant credit institution is also subject to the prudential supervision of the European Central Bank as per EU Regulations 575/2013 and 1024/2013.
Date of incorporation/establishment:	2 June 1976, originally under the name Société Européenne de Banque S.A., changing name to Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i> further to a decision of an extraordinary shareholder meeting on 5 October 2015. Incorporation of assets and liabilities of Banca Intesa International S.A., Luxembourg and Sanpaolo Bank S.A., Luxembourg In the context of successive group concentrations Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i> incorporated: with effect from 1 January 2002, all assets and liabilities of Banca Intesa International S.A., Luxembourg, and with effect from 7 July 2008, the non-investment fund assets and liabilities of Sanpaolo Bank S.A., Luxembourg.
Registered office:	19-21 Boulevard Prince Henri, L-1724 Luxembourg, telephone number is +352 4614111.
Registration number, place of registration:	Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i> is registered with the Luxembourg trade and companies register (<i>Registre de commerce et des sociétés, Luxembourg</i>) under registration number B13859. Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i> holds a banking licence pursuant to Luxembourg law issued on 19 May 1976 under number 23906 by the <i>Ministère des Classes Moyennes</i> .
Objects and summarised description of current activities:	As a licensed bank the principal areas of business of Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i> include: <ul style="list-style-type: none">• Private banking and wealth management;• Corporate banking;• International lending to corporate and credit institutions on a bilateral or syndicated basis;• Management of a portfolio of securities held for liquidity purposes; and

- Treasury activities.

Intesa Sanpaolo Bank Luxembourg, *société anonyme*'s credit exposures are widely diversified geographically, with an emphasis on Europe. Based on total assets as at 31 December 2014, Intesa Sanpaolo Bank Luxembourg, *société anonyme* is ranked the fourteenth largest bank in Luxembourg.³

Intesa Sanpaolo Bank Luxembourg, *société anonyme* currently has 164 employees.

Intesa Sanpaolo Bank Luxembourg, *société anonyme* operates through its head office in Luxembourg and through a branch established in Amsterdam on 1 February 2016.

Intesa Sanpaolo Bank Luxembourg, *société anonyme* currently has one active subsidiary, Lux Gest Asset Management S.A., a Luxembourg asset management company.

Share capital:

At 31 December 2015, authorised, issued and fully paid capital stood at €535,091,520. Total equity, including issued share capital and reserves, stood at €1,517,448,321. Further information can be found in the Annual Report for the year ended 31 December 2015.

On 1 February 2016, the share capital of Intesa Sanpaolo Bank Luxembourg, *société anonyme* was increased by €4,279,308.01 (in addition to a share premium of €7,720,691.99) by a contribution in kind of the assets and liabilities of the former Amsterdam branch of the Guarantor, which were settled into a new branch of Intesa Sanpaolo Bank Luxembourg, *société anonyme* opened in Amsterdam, The Netherlands. As at 1 February 2016, the share capital of Intesa Sanpaolo Bank Luxembourg, *société anonyme* stood at €539,370,828.01

List of main shareholders:

Intesa Sanpaolo Bank Luxembourg, *société anonyme* is a wholly-owned subsidiary of the Guarantor held for 0.7933888% directly by the Guarantor and for 99.2066112% by Intesa Sanpaolo Holding International S.A., which is fully controlled by the Guarantor.

Listing of the shares of Société Européenne de Banque S.A.:

Not applicable.

Board of Directors:

The current composition of the Board of Directors of Intesa Sanpaolo Bank Luxembourg, *société anonyme* is as follows:

Name and Title:

Principal Activities outside Intesa Sanpaolo Bank Luxembourg, société anonyme:

Paul Helminger
Chairman

Chairman of the Board of Directors of Luxair SA
Chairman of the Board of Directors of Cargolux Airlines International SA

Walter Mauro Ambrogi
Deputy Chairman

Director of Fineurop S.p.A.
Director of the Italy-China Foundation

³ Source: KPMG Luxemburger Wort, Luxembourg Banks Insights 2015

Ferdinando Angeletti Managing Director & Chief Executive Officer	None
Arthur Philippe	Member of the Board of Directors of Banca Intesa A.D. Beograd Member of the Audit Committee of Banca Intesa A.D. Beograd Vice chairman of the Board of Directors of Intesa Sanpaolo Holding International S.A. Member of the Board of Directors of Banca Intesa Banka D.D. Bosnia Hercegovina
Francesco Introzzi	Director of Intesa Sanpaolo Bank Ireland p.l.c.
Marco Antonio Bertotti	Co-chairman of the Money Market Committee of ASSIOM FOREX Lecturer at the Inter Alpha Banking School on International Money Markets Lecturer for ACI Dealing Certificate & ACI Diploma courses
Christian Schaack	Non-Executive Director of TD Bank International SA Director of TD GDL Director of Intesa Sanpaolo Holding International SA Director of Global Diversified SICAV President of the Management Board of ATOZ Foundation
Frédéric Genet	Director of Halisol Advisory SA
Andrea Faragalli Zenobi	Director of Intesa Sanpaolo Bank Ireland p.l.c. Director of Intesa Sanpaolo Group Services Director of Intesa Sanpaolo Brasil SA – Banco Múltiplo

The business address of each member of the Board of Directors listed above is 19-21 Boulevard Prince Henri, L-1724 Luxembourg.

Conflicts of interest: Intesa Sanpaolo Bank Luxembourg, *société anonyme* is not aware of any potential conflicts of interest between the duties to Intesa Sanpaolo Bank Luxembourg, *société anonyme* of each of the members of the Board of Directors listed above and his private interests or other duties.

Auditors: The approved statutory auditors (*réviseur d'entreprises agréé*) of Intesa Sanpaolo Bank Luxembourg, *société anonyme* are KPMG Luxembourg S.à r.l., Cabinet de révision agréé, who audited the annual financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme.*, without qualification, in accordance with generally accepted auditing standards in Luxembourg as at and for the years ended 31 December 2014 and 31 December 2015.

KPMG Luxembourg, a cooperative company (*société cooperative*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 39, avenue J.F. Kennedy, L-1855 Luxembourg, registered with the Luxembourg trade and companies register under number B149.133 and registered as a corporate body with the official table of company auditors drawn up by the Luxembourg Ministry of Justice and is a member of the Luxembourg Institute of Auditors (*Institut des Réviseurs d'Entreprises*), and is approved by the CSSF in the context

of the law dated 18 December 2009 relating to the audit profession, as amended.

Accounting method: Financial statements are prepared in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the European Union.

Accounting year: Starting on 1 January, ending on 31 December.

Fiscal year: Starting on 1 January, ending on 31 December.

Other short-term programmes of Intesa Sanpaolo Bank Luxembourg, *société anonyme*: None.

DESCRIPTION OF THE GUARANTOR

Legal name:	Intesa Sanpaolo S.p.A.
Legal form/status:	The Guarantor is a company limited by shares incorporated under the laws of Italy.
Date of incorporation/establishment:	10 October 1925.

The Guarantor is the result of the merger by incorporation of Sanpaolo IMI S.p.A. with and into Banca Intesa S.p.A. (effective 1 January 2007).

Banca Intesa S.p.A.

Banca Intesa S.p.A. was originally established in 1925 under the name of La Centrale and invested in the business of the production and distribution of electricity. After the nationalisation of companies in this sector in the early 1960s, the company changed its name to La Centrale Finanziaria Generale, acquiring equity investments in various companies in the banking, insurance and publishing sector. The company merged by incorporation with Nuovo Banco Ambrosiano in 1985 and assumed its name and constitutional objects. Following the acquisition of Cassa di Risparmio delle Provincie Lombarde S.p.A. (**Cariplo**) in January 1998 the Intesa Sanpaolo Group name was changed to Gruppo Banca Intesa. Then, in 2001, Banca Commerciale Italiana S.p.A. was merged into the Gruppo Banca Intesa and the group's name was changed to "Banca Intesa Banca Commerciale Italiana S.p.A.". On 1 January 2003, the corporate name was changed to "Banca Intesa S.p.A.".

Sanpaolo IMI S.p.A

Sanpaolo IMI S.p.A was formed in 1998 through the merger of Istituto Mobiliare Italiano S.p.A. (**IMI**) with and into Istituto Bancario San Paolo di Torino S.p.A. (**Sanpaolo**) –Sanpaolo originated from the "Compagnia di San Paolo" brotherhood, which was set up in 1563 to help the needy. The "Compagnia di San Paolo" began undertaking credit activities and progressively developed into a banking institution during the nineteenth century, becoming a public law credit institution (*Istituto di Credito di Diritto Pubblico*) in 1932. Between 1960 and 1990, Sanpaolo expanded its network nationwide through a number of acquisitions of local banks and medium-sized regional banks, ultimately reaching the level of a multifunctional group of national importance in 1991 after its acquisition of Crediop. On 31 December 1991, Sanpaolo became a stock corporation (*società per azioni*) with the name Istituto Bancario San Paolo di Torino Società per Azioni.

IMI was established as a public law entity in 1931 and during the 1980s it developed its specialist credit and investment banking services and, with Banca Fideuram, its professional asset management and financial consultancy services. IMI became a stock corporation (*società per*

azioni) in 1991.

The merger between Banca Intesa and Sanpaolo IMI and the creation of Intesa Sanpaolo S.p.A.

The boards of directors of Banca Intesa and Sanpaolo IMI unanimously approved the merger of Sanpaolo IMI into Banca Intesa on 12 October 2006 and the merger became effective on 1 January 2007. The surviving entity changed its name to Intesa Sanpaolo S.p.A., the parent company of the Intesa Sanpaolo Group.

Registered office:

Piazza San Carlo 156, 10121 Turin, Italy; telephone number is +39 0115551.

The Guarantor's secondary office is at Via Monte di Pietà 8, 20121 Milan, Italy.

Registration number, place of registration:

The Guarantor is registered with the Companies' Registry of Turin under registration number 00799960158. It is also registered on the National Register of Banks under no. 5361 and is the parent company of "Gruppo Intesa Sanpaolo".

Objects:

The objects of the Guarantor are deposit-taking and the carrying-on of all forms of lending activities, including through its subsidiaries. The Guarantor may also, in compliance with laws and regulations applicable from time to time and subject to obtaining the required authorisations, provide all banking and financial services, including the establishment and management of open-ended and closed-ended supplementary pension schemes, as well as the performance of any other transactions that are incidental to, or connected with, the achievement of its objects.

Summarised description of current activities:

The Intesa Sanpaolo Group is an Italian and European banking and financial services provider among the leaders, offering a wide range of banking, financial and related services throughout Italy and internationally, with a focus on Central-Eastern Europe, the Middle East and North Africa. The Guarantor's activities include deposit taking, lending, asset management, securities trading, investment banking, trade finance, corporate finance, leasing, factoring and the distribution of life insurance and other insurance products.

The activity of the Intesa Sanpaolo Group operates through the following seven business units:

- The **Banca dei Territori Division**: focuses on the market and centrality of the territory for stronger relations with individuals, small and medium-sized businesses and non-profit entities. The division includes the Italian subsidiary banks and the activities in industrial credit, leasing and factoring carried out through Mediocredito Italiano.
- The **Corporate and Investment Banking Division**: a global partner which supports, taking a medium-long term view, the balanced and sustainable development of corporates and

financial institutions both nationally and internationally. Its main activities include capital markets and investment banking carried out through Banca IMI. The division is present in 28 countries where it facilitates the cross-border activities of its customers through a specialist network made up of branches, representative offices and subsidiary banks focused on corporate banking. The division operates in the public finance sector as a global partner for public administration.

- The **International Subsidiary Banks Division**: includes the following commercial banking subsidiaries: Intesa Sanpaolo Bank Albania, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Privredna Banka Zagreb in Croatia, the Prague branch of VUB Banka in the Czech Republic, Bank of Alexandria in Egypt, CIB Bank in Hungary, Intesa Sanpaolo Bank Romania, Banca Intesa in the Russian Federation, Banca Intesa Beograd in Serbia, VUB Banka in Slovakia and Banka Koper in Slovenia.
- The **Private Banking Division**: serves the customer segment consisting of private clients and High Net Worth individuals with the offering of products and services tailored for this segment. The division includes Fideuram - Intesa Sanpaolo Private Banking, with approximately 5,900 private bankers.
- The **Asset Management Division**: asset management solutions targeted at the Group's customers, commercial networks outside the institutional clientele. The division includes Eurizon Capital with €227 billion of assets under management.
- The **Insurance Division**: insurance and pension products tailored for the Group's clients. The division includes Intesa Sanpaolo Vita, Fideuram Vita and Intesa Sanpaolo Assicura with direct deposits and technical reserves of €136 billion.
- **Capital Light Bank**: set up to extract greater value from non-core activities through the workout of non-performing loans and repossessed assets, the sale of non-strategic equity stakes, and proactive management of other non-core assets (including Pravex-Bank in Ukraine).

Share capital:

As at 31 December 2015, the Guarantor's issued and paid-up share capital amounted to €8,731,874,498.36, divided into 16,792,066,343 shares with a nominal value of €0.52 each, in turn comprising 15,859,575,782 ordinary shares and 932,490,561 non-convertible savings shares. Since 31 December 2015, there has been no change to the Guarantor's share capital.

Principal shareholders:

As at 27 April 2016, the shareholder structure of the Guarantor was composed as follows (holders of shares exceeding 3 per cent.):

<u>Name of the shareholder</u>	<u>Ordinary shares</u>	<u>% of ordinary shares</u>
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Compagnia di San Paolo	1,481,372,075	9.341%
BlackRock Inc. ⁽¹⁾	775,978,889	4.893%
Fondazione Cariplo	767,029,267	4.836%
Fondazione C.R. Padova e Rovigo	524,111,188	3.305%

(1) Fund management

Listing of the shares of the Guarantor:

The Guarantor's shares are listed on the Mercato Telematico Azionario in Italy.

Board of Directors:

At the Extraordinary Meeting held on 26 February 2016, Intesa Sanpaolo's shareholders approved the new Articles of Association which relate to the adoption of the one-tier corporate governance system. This system is based on a Board of Directors composed of a minimum of 15 to a maximum of 19 members, five of whom will be part of the Management Control Committee.

The new Articles of Association became effective at the time of the first renewal of the corporate bodies after the shareholders' meeting held on 26 February 2016. An exception is made for the provisions governing the composition and requirements set for the Board of Directors (Article 13), and those governing the appointment of the Board of Directors (Article 14), which will apply from the date of the notice convening the shareholders' meeting called to appoint the new corporate bodies.

The shareholders' meeting held on 27 April 2016 approved, among the other topics, the resolution in respect of the Board of Directors pursuant to Article 13 and 14 of the Articles of Association (for more details make reference to the 27 April 2016 Press Release incorporated by reference in this Information Memorandum).

The composition of the Board of Directors of the Guarantor is as set out below:

<u>Director</u>	<u>Position</u>	<u>Principal activities performed outside the Guarantor</u>
Gian Maria Gros- Pietro ^(a)	Chairman	Chairman of ASTM S.p.A. Independent Director of Edison S.p.A.
Paolo Andrea Colombo	Vice Chairman	Chairman of the Board and Director of Colombo & Associati S.r.l. Chairman of Saipem S.p.A. Director of Alitalia S.p.A. Chairman of the Board of Statutory Auditors of Collegio Sindacale GE Capital Interbanca S.p.A.

		Standing Statutory Auditor of Massimo Moratti S.a.p.a. di Massimo Moratti
		Standing Statutory Auditor of Gian Marco Moratti S.a.p.a. di Gian Marco Moratti
		Standing Statutory Auditor of Humanitas Mirasole S.p.A.
		Standing Statutory Auditor of Sacbo S.p.A.
Carlo Messina ^(b)	Managing Director and CEO	None
Bruno Picca	Member	Director of Intesa Sanpaolo Group Services S.c.p.A. Director of ABI (Italian Banking Association) Director and Member of the Committee of FITD - Fondo Interbancario di Tutela dei Depositi
Rossella Locatelli	Director	Chairman of the Board of Bonifiche Ferraresi S.p.A. Member of the Monitoring Committee of Darma SGR, a company under compulsory winding up Director of Fondazione Giovanni Valcavi for Insubria University President of the Association of Teachers of Economics of Banking and Financial Markets, Parma
Giovanni Costa	Director	Independent Director of the Board of EDIZIONE Srl ABI – Board Member
Livia Pomodoro	Director	Warranty President of REV Gestione Crediti SpA, appointed by the Bank of Italy (sole shareholder) Vice President of the Internationalisation Advisory Board of Banca Prossima
Giovanni Gorno Tempini	Director	Director of Willis SpA
Giorgina Gallo	Director	Independent Director of Telecom Italia SpA Independent Director of Autogrill SpA Director and partner (with a share of less than 20%) of MyBeauty Srl Director and General Partner (with a share of 95%) of Giga14 SaS
Franco Ceruti	Director	Director of in Intesa Sanpaolo Private Banking S.p.a. Director of Intesa Sanpaolo Mediocredito S.p.a. Director of Intesa Banca Prossima S.p.a.

			Director of Intesa Banca Assicura S.p.a.
			Chief Executive Officer of Sanpaolo Expo Institutional Contact srl
Gianfranco Carbonato	Director		Chairman of PRIMA INDUSTRIE S.P.A. Honorary Chairman of PRIMA ELECTRO S. P .A., Moncalieri (TO) Chairman of PRIMA POWER NORTH AMERICA INC., Arlington Heights, Chicago (Illinois), USA
			Director of PRIMA POWER SUZHOU CO., LTD., Suzhou, P.R.C.
Francesca Cornelli	Director		Member of the Board of Directors (non-executive, independent) of COFIDE Spa Member of the Board of Directors (non-executive, independent) of Swiss Re Europe Member of the Board of Directors (non-executive, independent) of Swiss Re International Member of the Board of Directors (non-executive, independent) of Swiss Re Holding Member of the Board of Directors (non-executive, independent)Telecom Italia
Daniele Zamboni	Director		Member of the Board of Directors of Reconta Ernst & Young S.p.A.
Maria Mazzearella	Director		None
Maria Cristina Zoppo	Director		Chairman of the Board of Statutory Auditors of Houghton Italia S.p.A. Standing Statutory Auditor of Trelleborg Sealing Solutions Torino S.r.l. Standing Statutory Auditor of U.S. Alessandria Calcio S.r.l. Sole Statutory Auditor of Italtrece S.r.l. Substitute Statutory Auditor of Nexity Holding Italia S.r.l. Member of the Supervisory Body of General Motors Powertrain Europe S.r.l. Member of the Supervisory Body of Cooper-Standard Automotive Italy S.p.A.
Edoardo Gaffeo	Director		None
Milena Motta	Director	Teresa	Standing Statutory Auditor of Brembo Spa Standing Statutory Auditor of Trevi Finanziaria Industriale Spa
Marco Mangiagalli	Director		None
Alberto Pisani	Director	Maria	None

The business address of each member of the Board of Directors is Intesa Sanpaolo S.p.A., Piazza San Carlo 156, 10121 Turin.

Conflicts of interest:

None of the functions performed by any of the Board Members mentioned above results in a conflict of interest, except for any competition in the national and/or international banking system in the ordinary course of business arising from the activities performed by them outside the Guarantor, as set out in the tables above under the heading "*Principal activities performed outside the Guarantor*".

Auditors:

The Guarantor's annual financial statements must be audited by external auditors appointed by the shareholders.

The external auditors, amongst other things, examine the Guarantor's annual financial statements and issue an opinion regarding whether the Guarantor's annual financial statements comply with the Italian regulations governing their preparation (i.e. whether they are clearly stated and give a true and fair view of the financial position and results of the Intesa Sanpaolo Group). The auditors' opinion is made available to the Guarantor's shareholders prior to the annual general shareholders' meeting.

From 28 May 2012 the auditors of Intesa Sanpaolo are KPMG S.p.A. for the period 2012-2020. KPMG S.p.A. have audited Intesa Sanpaolo's consolidated annual financial statements, without qualification, in accordance with generally accepted auditing standards in Italy as at and for the years ended 31 December 2014 and 31 December 2015.

KPMG S.p.A. are members of Assirevi, the Italian professional association of auditors and are 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 under No. 70623 in the Register of Accountancy Auditors (Registro dei Revisori Contabili) in compliance with the provisions of Legislative Decree No. 88 of 27 January 1992.

KPMG S.p.A., auditors to Intesa Sanpaolo S.p.A. from 1 January 2012, has performed a limited review on the 2015 Half-Yearly Financial Statements as at and for the six months ended 30 June 2015 in accordance with CONSOB Regulation No. 10867 of 31 July 1997 and issued their review report on 4 August 2015.

Accounting method:

The audited annual and unaudited half-yearly financial statements referred to above have been prepared in accordance with the accounting principles issued by the International Accounting Standards Board and the relative interpretations of the International Financial Reporting Interpretations Committee, otherwise known as International Financial Reporting Standards, as adopted by the European Union under Regulation (EC) 1606/2002. The unaudited half-yearly financial statements referred to above have been prepared in compliance with International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Accounting year: Not relevant.

Fiscal year: Not relevant.

Other short-term programmes of the Guarantor: Not relevant.

Litigation

The following paragraphs contain brief remarks concerning the dispute relating to anatocism and investment services, as well as some concise information concerning individual legal disputes involving matters of particular complexity and/or potentially high costs.

Dispute relating to anatocism – As is common knowledge, in 1999 the Italian Court of Cassation reversed its stance and found the quarterly capitalisation of interest payable on current accounts to be unlawful. Following this decision, a series of disputes emerged on the subject of the capitalisation of interest for contracts executed prior to that date, whereas the problem was partly resolved for contracts executed after the amendment of Art. 120 of the Consolidated Law on Banking introduced in the interim by Legislative Decree 342/99, which made it legal to capitalise interest payable and receivable, provided that both occur with the same frequency.

In many cases, lawsuits pertaining to anatocism also concern other current account conditions, such as interest rates and overdraft charges (no longer applied). The overall economic impact of lawsuits in this area remain at insignificant level in absolute terms. The phenomenon is nonetheless the subject of constant monitoring. The risks related to these disputes are covered by specific, adequate provisions to the Allowances for risks and charges.

The phenomenon of "anatocism" (capitalisation of interest) saw further development following the amendment to Art. 120 of the Consolidated Law on Banking by the 2014 Stability Law. The new statute, deemed inapplicable in the absence of the resolution of the CICR (Interdepartmental Committee for Credit and Savings), which has been delegated to establish the "conditions and criteria for the accrual of interest in transactions undertaken in the context of banking activity", has rekindled controversy surrounding the legality of capitalised interest. In particular, the Consumers Movement Association has brought various suits on a preventative basis against the major Italian banks, including Intesa Sanpaolo, seeking an injunction against contractual clauses concerning capitalised interest, inasmuch as the new Art. 120 of the Consolidated Law on Banking is argued to have rendered it impossible to apply such interest from the date of entry into force of the statute (1 January 2014).

With the exception of some decisions favourable to the banks, in most cases, as in the case of Intesa Sanpaolo, the application for an injunction was granted, and the proceedings on the merits are now pending before the various courts. In this context, Intesa Sanpaolo objected, among its other arguments, that Art. 120 of the Consolidated Law on Banking is inapplicable in the absence of the resolution of the CICR, and that the statute is in conflict with the principle of EU law and the European Convention on Human Rights, in addition to being unconstitutional.

The outcome of the dispute cannot be predicted at this time. However, it will presumably also be influenced by the contents of the CICR resolution to be passed. The risk is estimated to be limited, even in the event of a negative outcome.

Altroconsumo class action - In 2010 Altroconsumo brought a class-action suit against Intesa Sanpaolo, seeking a finding of the unlawfulness of overdraft charges and the fee for overdrawing accounts without credit facilities. After the scope of the dispute was limited to the fee for overdrawing accounts without credit

facilities, on 10 April 2014 the Court of Turin ruled that 101 of the 104 participants in the class-action suit were not admissible due to formal irregularities. On the merits, it found that the fee for overdrawing accounts without credit facilities was void on the basis of the principle according to which, in the absence of a formal credit facility, an overdraft would not justify the application of additional costs to the account holder, given that no banking service requiring compensation has been provided in such cases. The decision was appealed by Intesa Sanpaolo because it is founded upon an untenable interpretation of the statute concerned. The appeal proceedings are still pending.

At the level of the income statement, the judgment is of negligible significance. It bears clarifying that the contested fee was replaced, effective October 2012, by the expedited approval fee introduced by the Monti administration's Save Italy Decree.

Dispute concerning other banking products – In the context of the dispute relating to other banking products, which remained at normal, limited overall levels, there was an increase, with regard to consumer credit business, in requests from customers who repaid their loans in advance to obtain a partial refund of sums paid at the signing of the contract (by way of financial fees or insurance costs).

In particular, the complaints revolve around an unclear distinction in contracts between fees for services rendered by the disbursing entity during the process of granting the loan, which thus are not eligible for a refund in the event of early repayment, and fees relating to management of the loan over time, which are therefore eligible for a pro-rated refund in the event of early repayment.

The foregoing contractual uncertainties relate to contracts signed in 2010, since after that date the aspects set out above were more clearly delineated in the contracts.

Dispute pertaining to investment services – Disputes concerning investment services continue to decrease in both number and value (down by approximately 16% compared to 2014). Also risks related to this category of disputes are constantly monitored and covered by accurate allowances that reflect the specific characteristics of the individual cases.

Cirio Group lawsuits - In 2007 ten companies affiliated with the Cirio Group in extraordinary administration served writs of summons on Intesa Sanpaolo and Banca Caboto (now Banca IMI), along with five other banks, seeking compensation, on a joint and several basis, for alleged damages, deriving in particular from the exacerbation of the default of the Cirio Group from the end of 1999 and 2003, of a maximum amount of 2,082 million euro and a minimum amount of 421 million euro.

In November 2009, the Court of Rome found that the Cirio Group's claims were without foundation.

While the appeal lodged by the claimants was pending, at the end of December 2015 a comprehensive settlement was reached, without the need for any outlay by the Intesa Sanpaolo Group, but only the waiver of the reimbursement of legal costs awarded in the first instance, the unsecured claims against the extraordinary administration procedures, and future distributions, up to the all-inclusive amount of 1 million euro.

Angelo Rizzoli lawsuit - In September 2009, Angelo Rizzoli filed suit against Intesa Sanpaolo and four other parties seeking a finding of nullity for the transactions undertaken between 1977 and 1984 alleged to have resulted in a detrimental loss of control of Rizzoli Editore S.p.A. and claiming compensation in an amount ranging from 650 to 724 million euro.

In January 2012, the Court of Milan granted the preliminary objections of prescription and change into *res judicata* of the subject of the dispute and rejected the claims brought by Angelo Rizzoli, sentencing him to compensate Intesa Sanpaolo for expenses and frivolous litigation.

In February 2012, the claimant lodged an appeal, and the suit, which was suspended due to Angelo Rizzoli's death, was then resumed by the executor of the estate. Conclusions were then presented at the hearing of

22.12.2015.

Considering the favourable outcome of the first instance proceedings, no provisions were allocated.

Mazzucco Group lawsuit - By judgment filed on 20/05/2011, the Court of Bologna rejected the compensation claims of over 343 million euro brought against Cassa di Risparmio di Bologna and the Ministry of Economic Development by Antonio Mazzucco and companies represented by him, in respect of alleged damages sustained due to the revocation of the subsidies initially granted to the companies pursuant to Law 488/1992.

The decision was appealed, and the Court of Appeal, without granting the appellants' interim motions, set the term to proceed with the decision of the case in May 2017.

The appeal appears likely to see the judgment of the first instance upheld, and there are therefore no elements of risk.

Tralli Federico, Nuova Era S.A. and Holding 99 S.r.l. lawsuit - In September 2004 the claimants sued Intesa Sanpaolo, seeking, among other remedies, compensation for damages of 304 million euro, alleged to have been caused by the unlawful assignment to third parties of the receivables due from the claimants and the related pledge of Area S.p.A. shares. Intesa Sanpaolo - as global coordinator and sponsor of the public invitation to bid for the shares of Area S.p.A. - was also alleged to be responsible for the failure of Area S.p.A. to obtain a listing on the stock exchange.

In its defence, Intesa Sanpaolo S.p.A. demonstrated that it acted with the due diligence, and in particular that the decision to suspend the listing on the stock exchange was not attributable to Intesa Sanpaolo.

The outcome of the trial was favourable to Intesa Sanpaolo in both the first and second instances. In 2011 the claimants lodged an appeal with the Court of Cassation. It is believed likely that the outcome will also be favourable in this instance.

Fondazione Monte Paschi di Siena lawsuit – In July 2014, Fondazione Monte Paschi di Siena sued former members of the Foundation's administrative body, as well as all of the banks, including Intesa Sanpaolo and Banca IMI, that had participated in 2011 in a pool loan to the Foundation intended to provide the Foundation with the resources required to subscribe for a capital increase undertaken by its subsidiary, Banca Monte Paschi di Siena.

In support of its compensation claim of approximately 286 million euro on a joint and several basis for all defendants, the Foundation argued that the former directors and advisor bore contractual liability for having breached the limit on the debt-to-equity ratio imposed by the articles of association, as well as that the lending banks bore tortious liability for having knowingly been complicit in the alleged breach by the directors.

The compensation claim, as presented against the defendant banks, is believed to be without foundation on a variety of grounds, including: an incorrect technical valuation of the financial statement captions which form the basis of the alleged breach of said statutory limit, the lack of a causal relationship between the objectionable conduct and the harmful event, and, finally, the improper determination of the amount of the items of the damages into which the compensation claim is divided.

Municipality of Taranto disputes – In 2007 the Municipality of Taranto sued Banca OPI (now Intesa Sanpaolo) before the Civil Court of Taranto with regard to the subscription by Banca OPI in 2004 for a bond of 250 million euro issued by the municipality.

In 2012 the Lecce Court of Appeal, upholding the judgment of the first instance, declared the invalidity of the operation, ordering Intesa Sanpaolo to refund, with interest, the partial repayments of the bonds made by

the municipality. The municipality was ordered to repay the bond, with interest. The court also ordered compensation for damages in favour of the municipality, to be calculated by separate proceedings. The Municipality and Intesa Sanpaolo jointly agreed not to enforce the judgement.

Intesa Sanpaolo lodged an appeal with the Court of Cassation and the hearing for discussion has been scheduled for 26 January 2016.

In November 2010 Intesa Sanpaolo also initiated additional civil proceedings before the Court of Rome, for a ruling on its lack of liability for damages to the Municipality of Taranto. A stay of these proceedings has been ordered pending the decision by the Court of Cassation.

The same matter is also the subject of criminal proceedings before the Court of Taranto against several executives of Banca OPI and Sanpaolo IMI (and members of the municipal council), in which the municipality has claimed damages, and Intesa Sanpaolo has been claimed to bear civil liability of no less than 1 billion euro. The charge is indirect abuse of office (a crime not significant for the purposes of Legislative Decree 231/2001).

In October 2014, the court ordered two Banca OPI executives (after acquitting all of the other Group defendants) to provide compensation, on a joint and several basis with Intesa Sanpaolo, for the damages suffered by the municipality, to be established in separate proceedings, with the provisional amount of 26 million euro.

Both the convicted former employees and Intesa Sanpaolo have lodged appeals.

In light of the grounds of the criminal judgment, in which it is clearly stated that the provisional amount is almost entirely represented by the interest actually paid by the municipality (approximately 25 million euro), already the subject of a civil judgment, an outlay by Intesa Sanpaolo is unlikely, since the amount may be set off against the larger claim (approximately 230 million euro) against the municipality.

Intesa Sanpaolo and the municipality have met repeatedly to assess the possibility of an amicable settlement to the litigation, however, such settlement could not be reached due to the intervention of the insolvency procedure entity, which claimed its own jurisdiction over managing the debt in question.

Interporto Sud Europa (ISE) lawsuit – At the end of 2013 Interporto Sud Europa (ISE) sued Banco di Napoli and another bank, seeking a judgment ordering them to provide compensation for damages of 185 million euro on a joint and several basis. The damages in question, which have not been proved, are claimed to be attributable to failure to disburse an approved loan for the construction of a shopping centre. This is argued to have caused ISE a liquidity shortfall that led it to sell the shopping centre at a price 157.4 million euro below its market value and to accept liability for additional construction work for a total cost of 27.8 million euro.

In its defence, Intesa Sanpaolo emphasised various factual elements intended to justify the decision not to disburse the loan.

The claimant did not file preliminary briefs, and the judge adjourned the case until the presentation of conclusions in 2017. In light of the factual circumstances and defensive arguments, the case may currently be regarded as without risks.

Acotel Group S.p.A. lawsuit - In October 2014 Acotel Group S.p.A. (after having waived arbitration proceedings previously initiated in regard to the same matter) and Noverca Italia s.r.l. sued Intesa Sanpaolo, seeking total compensation for damages of approximately 160 million euro, due to alleged breach of a cooperation agreement concerning, among other matters, the sale of an innovative telephone SIM card.

In its defence, Intesa Sanpaolo emphasised, among its other arguments, the inadequacy of the product from

a technological standpoint and the uncompetitive rates, factors to which it attributed the failure of the commercial initiative.

By decision of 31 March 2016, the judge rejected the preliminary briefs of the parties and set at 21 September 2016 the judicial hearing for the conclusion and oral discussion. Taking account in particular of the non-admission of the experts' examination required by the counterparty and the choice of the Court to rule the decision at the end of the oral discussion, the cause is assessed without risk.

Fatrotek lawsuit – Fatrotek S.r.l. brought a compensation suit against Intesa Sanpaolo (along with four other banks and the assignee of the receivables, the former Carime, Castello Finance). The claimant disputed the report of bad payer status in the Central Credit Register and sought a judgment ordering the banks that submitted the report to provide compensation for financial and non-financial damages of 157 million euro. The claim appears to be unfounded, primarily in light of the failure to demonstrate the causal connection between the alleged damages and Intesa Sanpaolo's purportedly unlawful conduct: in the three years prior to the report of bad payer status in the Central Credit Register (which was submitted in 2004), the claimant had assets insufficient to cover its exposure to the banking system.

The suit is currently in the preliminary phase.

I Viaggi del Ventaglio Group lawsuits - The dispute with the I Viaggi del Ventaglio Group concerns three separate sets of allegations, two of which have now come to trial.

In December 2011, the bankruptcy trustee of Ventaglio International and two of its subsidiaries sued Intesa Sanpaolo and another bank, claiming damages due to the sale of mortgaged tourism complexes and the exacerbation of its default as a result of the continuation of company operations made possible by a pool loan of 95 million euro (only 25 million euro of which was provided by ISP), disbursed in 2005 to the parent company, I Viaggi del Ventaglio. In its ruling from February 2016, the court of first instance rejected any raised arguments on its merit and declared them unfounded in fact and in law.

In June 2014, the bankruptcy trustee of I Viaggi del Ventaglio sued the bankrupt company's directors and statutory auditors, along with Intesa Sanpaolo and another bank, for compensation for a series of financing transactions argued to have allowed the company to continue to operate improperly and thus to have exacerbated its default. The damages have been quantified at a minimum of 170 million euro and a maximum of approximately 191 million euro. In its appearance, Intesa Sanpaolo objected firstly that the right to damages had extinguished due to prescription and that the claimant did not have standing to sue, while also challenging the claims on the merits on matters of fact and law. The case is in the initial phase and there is currently not believed to be a concrete risk of an unfavourable outcome.

In July 2012 an extra-judicial request was received from the bankruptcy trustee of Organizzazione Viaggi Columbus S.r.l., regarded as specious and without foundation from the bank's perspective. This request did not give rise to any legal initiatives.

Allegra Finanz AG lawsuit – In 2015 the judgment rejecting the claims brought by Allegra Finanz AG and other international institutional investors against Intesa Sanpaolo, Eurizon Capital SGR and six other financial institutions concerning compensation claims of 129 million euro, resulting from losses due to investments in bonds and shares issued by Parmalat Group companies, became *res judicata*.

Alis Holding S.r.l. lawsuit – At the end of 2014, Alis Holding S.r.l. in liquidation sued Intesa Sanpaolo, seeking compensation for damages of 127.6 million euro, on the grounds that Intesa Sanpaolo allegedly breached an obligation to provide financing to its investee Cargoitalia without justification. In addition to objecting that Alis Holding lacked standing to sue, Intesa Sanpaolo challenged the opposing party's claims from various perspectives, in particular due to the lack of a causal link between its actions and the alleged damages, the absence of any commitment whatsoever on Intesa Sanpaolo's part to fund Cargoitalia and the improper representation and quantification of the alleged damages.

While the suit was ongoing, the claimant formulated an additional subordinate compensation claim (in the same amount as its principal claim), alleging that Intesa Sanpaolo was liable on the basis of statements made by a Bank employee in the capacity of the company's Board of Directors. In its defence, Intesa Sanpaolo disputed this allegation and objected to the new claim. At present, given the facts of the case and defensive arguments, the suit may be regarded as without risks.

Elifani Group lawsuits - In 2014 several disputes involving anatocism and interest beyond the legal limit were settled with four companies attributable to the Elifani Group of Rome, resulting in a total outlay for Intesa Sanpaolo of 6 million euro.

In November 2015, the proceedings before the Court of Appeal were concluded, upholding the judgment of the first instance favourable to Intesa Sanpaolo concerning the compensation claims of approximately 116 million euro formulated by three Elifani Group companies. The decision was appealed to the Court of Cassation (*Corte di Cassazione*).

Alberto Tambelli lawsuit - In January 2013, before the Milan Court of Appeal, Alberto Tambelli reinstated an action after the Court of Cassation decision, claiming compensation for damages in terms of lost earnings for a total of approximately 110 million euro. The damages in question are alleged to derive from futures transactions undertaken in 1994, as a result of which Mr. Tambelli purportedly suffered financial loss. On termination of both levels of proceedings brought against Intesa Sanpaolo, the claimant obtained compensation of the damages suffered but was denied compensation for other damages associated with loss of earnings which, in Mr. Tambelli's opinion, could have been achieved in the period in which he was deprived of availability of the sums lost in the aforementioned financial transactions.

On appeal, the counterparty's preliminary motions were not granted and the case was adjourned until 2016 for the presentation of conclusions.

As the lawsuit is deemed lacking in grounds no provisions have been made.

Disputes regarding tax-collection companies - In the context of the government's decision to reassume responsibility for tax collection, Intesa Sanpaolo sold to Equitalia S.p.A. full ownership of Gest Line and ETR/ESATRI, companies that managed tax-collection activities, undertaking to indemnify the buyer against any expenses associated with the collection activity carried out up to the time of purchase of the equity interests.

In particular, such expenses refer to liabilities for disputes (with tax authorities, taxpayers and employees) and out-of-period expenses and capital losses with respect to financial situation at the time of the sale. A technical roundtable has been formed with Equitalia in order to assess the parties' claims.

At the level of disputes, the sole case of litigation refers to the suit brought before the Court of Accounts - Campania Regional Section, by the bankruptcy trustee of SERIT S.p.A., a former collection agent. The bankruptcy trustee claims that the defendants (in addition to our Bank, Ministry for Economy and Finance and the Italian Revenue Agency) are liable for breach of contract with the resulting request for compensation for the damages suffered, as a result of the failure to refund the taxes paid in advance by SERIT under the "contingent payment obligation" system (note that in 1994 SERIT'S concession was revoked and then assigned to Banco Napoli as Government Commission Agent). The compensation claim has been quantified at 129 million euro. The judgment is pending. Intesa Sanpaolo's position is founded on valid defence arguments, both in pre-trial phase and on the merits, which lead us to consider the dispute as free from risks.

Dealings with the Giacomini Group - In May 2012, the Public Prosecutor's Offices of Verbania and Novara initiated investigations of possible tax offences committed by the Giacomini family and their advisors, and the Public Prosecutor's Office of Milan launched an investigation of possible complicity in money-laundering by certain of the Giacomini's financial advisors and the former CEO of the Luxembourg subsidiary, Société Européenne de Banque - SEB (now Intesa Sanpaolo Bank Luxembourg, *société*

anonyme.) and the head of Corporate Division relations of Intesa Sanpaolo, as well as SEB and ISP for administrative liability pursuant to Legislative Decree no. 231/01.

In the autumn of 2015 all investigations relating to the Intesa Sanpaolo Group were dismissed.

Geni S.p.A. bankruptcy lawsuit - A compensation suit was brought against Cassa di Risparmio Salernitana (subsequently IGC, now Intesa Sanpaolo), alleging that it occupied the position of dominant shareholder and de facto director, failed to provide financial support and unlawfully suspended credit to Geni (a tax-collection company), resulting in its default and bankruptcy.

In its March 2010 judgment, the Court of Salerno rejected the claims brought by the bankruptcy procedure due to a lack of a causal link between the alleged act of mismanagement and the bankruptcy damages.

In April 2011, the bankruptcy trustee lodged an appeal before the Court of Salerno. The case has been adjourned until the hearing of 7 July 2016 for the presentation of conclusions.

We are confident that the outcome of the appeal will also be favourable.

Alexbank lawsuit – In 2015 the preliminary phase of the suit that began in 2011, seeking the quashing of the administrative order for privatisation and the ensuing purchase by Sanpaolo IMI in 2006 of an 80% equity interest in Bank of Alexandria from the Egyptian Government, was brought to a conclusion.

A stay of the proceedings has currently been granted, pending a decision by the Constitutional Court as to the constitutionality of the April 2014 law, known as the "Save Privatisation Act".

On the merits of the case, the opposing party's claims are believed to be without foundation.

Legal and administrative proceedings at the New York branch - Two additional separate developments emerged from the investigation launched in 2008 by the New York District Attorney's Office and the Department of Justice concerning payments in dollars through the New York Branch, which was brought to a favourable conclusion in 2012.

The first, conducted by OFAC (Office of Foreign Assets Control of the U.S. Department of the Treasury), concluded with a modest fine of 2.9 million dollars. The second, conducted by the Federal Reserve and the New York State Department for Financial Services (a financial service supervisory body of the State of New York), is still ongoing. At present, it is not possible to predict the outcome or evaluate the risk of penalties.

Potrošac dispute - In April 2012, PBZ and seven banks were sued by Potrošac, a consumer association, in relation to loans granted in CHF beginning in 2004, on the grounds that they allegedly did not inform customers adequately of foreign exchange risk and did not clearly specify in the contracts the rules for determining the interest rates, subject to unilateral modification by the banks.

The judgement of the first instance, unfavourable to the banks, was overturned in the second instance, with respect to the part ordering the banks to convert the loans into the local currency (HRK) at the exchange rate as at the disbursement date and at the fixed interest rate applicable to the loan contracts on the signing date. The courts upheld the ruling that the unilateral modification of the interest rates on the loans was unlawful. In May 2015, the Supreme Court upheld the judgement of the second instance. According to the decision, in order to exercise their rights, customers would have had to take separate legal action. At present, only a very small minority of PBZ's customers have done so. PBZ has recognised appropriate allowances to account for the risk of an unfavourable outcome.

In September 2015, a law was enacted, requiring Croatian banks to offer customers the option of converting loans disbursed or indexed in CHF into euro at the exchange rate applicable at the disbursement date of each loan and at the interest rates applied from time to time to the corresponding loans in euro or in HRK with a

euro indexing clause. The law applies to loans contracted from 1 January 2000 to 30 September 2015.

PBZ complied with the law, but in the interim (along with other Croatian banks) submitted an application to the Constitutional Court for constitutional review of the law, requesting that it be suspended pending the decision. The Constitutional Court denied the request for suspension of the law.

PBZ recognised a provision of 172 million euro to cover the losses resulting from the obligations imposed by the new legislation. Until the end of first quarter of 2016, the vast majority of loans was converted to euro or HRK with a euro indexing clause, as required by the law.

As a result of the new law, customers no longer have an interest in pursuing individual litigation.

IMI/SIR dispute - In judgement 11135 filed on 21 May 2015, the Court of Rome ordered Giovanni Acampora and Vittorio Metta, the latter jointly liable with the Prime Minister's Office (pursuant to Law no. 117/1988 on the accountability of the judiciary), to pay Intesa Sanpaolo 173 million euro net of tax, plus legal interest running from 1 February 2015 to the date of final payment, plus legal expenses.

The above judgement followed on:

- judgement of the Rome Court of Appeal no. 1306/2013, which overturned, on the basis of judicial corruption, the judgement handed down by that same Rome Court of Appeal in 1990, ordering IMI to pay the heir of entrepreneur Nino Rovelli (who passed away in the interim) the sum of approximately 980 billion Italian lire;
- the compensation claim put forward by Intesa Sanpaolo (successor to IMI) on the basis of the judgements establishing the criminal liability of the corrupt judge (and his accomplices) and ordering the defendants to provide compensation for damages, referring the question of the amount of such damages to the civil courts.

The Court of Rome therefore proceeded to quantify the financial and non-financial damages due to Intesa Sanpaolo for a total of 173 million euro net of tax and after deduction of the amounts since received by the bank as part of the settlements with the Rovelli family and with the counterparties Previti and Pacifico.

Given that it was calculated net of tax, the award was grossed up and accounted for net of the amounts relating to: sums already recognised in the balance sheet (but not taken into account in the ruling by the Court of Rome) and to tax credits sold to Intesa Sanpaolo by the Rovelli family by way of settlement. These related to taxes previously paid by IMI as a result of the revoked, corrupt ruling, and the fiscal authorities have already been asked to pay them back. Consequently, 211 million euro has been booked in other operating income, along with the related taxes of 62 million euro.

The counterparties lodged an appeal with a motion for a stay. The appeal documents do not introduce any essentially new elements beyond those already considered and rejected by the court. The first hearing will be held on 19 July 2016.

Labour litigation

There were no significant cases of labour litigation from either a qualitative or quantitative standpoint as at 31 December 2015. In general, all labour litigation is covered by specific provisions adequate to meet any outlays.

Tax litigation

The Group's tax litigation risks are covered by adequate provisions to allowances for risks and charges.

The parent company has 300 pending cases of litigation, for a total amount of 380 million euro (952 million euro in the 2014 financial statements), calculated considering both proceedings in administrative venues and

proceedings in the various instances of the courts, in addition to three cases, illustrated below, with a tax risk of 467 million euro, for which initiatives were taken to reach a settlement through what are known as "dispute settlement mechanisms". The provisions for risks covering tax litigation were quantified at 229 million euro at 31 December 2015 (75 million euro in 2014).

At the Group's other Italian companies included in the scope of consolidation (with the exclusion of Risanamento S.p.A., not subject to management and coordination by Intesa Sanpaolo), tax litigation totalled 217 million euro at year-end (370 million euro in 2014), covered by specific provisions of 27 million euro (29 million euro in 2014).

Tax disputes involving international subsidiaries, totalling 537 million euro (9 million euro in 2014), are covered by allowances of 10 million euro (6 million euro in 2014). The significant increase in potential risks observed during the year (+528 million euro compared to 2014) is almost entirely related to the charge of illegal use of an offshore tax structure brought by the Italian tax authorities against the Luxembourg subsidiary Eurizon Capital S.A.

Among major developments affecting Intesa Sanpaolo, an audit initiated by the Guardia di Finanza in November 2013 was concluded with the issue in February 2015 of the auditors' report on findings, including three irregularities. Setting aside the first irregularity, relating to failure to apply VAT to custodian banking services rendered to asset management companies (settled through acquiescence to the assessment notices, but with the right to subsequent recovery of the tax from the asset management companies, which in turn charged it to the funds they manage), the second irregularity concerns the failure to withhold tax on interest paid by the New York branch on deposits by Intesa Funding LLC (2008-2013) and Sanpaolo IMI US Financial Company (2008-2010) on the basis of commercial papers issued by the companies in question on the U.S. market. The allegation, which presupposes that the foreign branch is subject to Italian withholding agent obligations, and which does not take account of the treaty for the avoidance of double taxation between Italy and the U.S., entails a total tax risk of 134 million euro. The third irregularity concerns a clearly unsubstantiated allegation of abuse of the law in connection with the operations of Intesa Sanpaolo Holding International ("ISPFI"), a Luxembourg holding company based that manages equity investments and loans to the Group's international banks. In particular, the Guardia di Finanza claim that the interest paid by the Italian subsidiary Mediocredito Italiano to Intesa Sanpaolo Bank Luxembourg, *société anonyme* (in turn, a borrower from ISPFI) may be attributed to Intesa Sanpaolo (as a shareholder of ISPFI), resulting in IRES and IRAP due on that same interest. The total risk associated with this irregularity is 107.5 million euro, including tax, penalties and interest.

Another significant tax dispute involves Tier 1 funding raised by issuing preference shares through companies based in the U.S.A. In this connection, it should be recalled that a report on findings issued by the Guardia di Finanza in September 2013 alleged that tax had failed to be withheld at source on interest paid by Intesa Sanpaolo, in the years 2007-2011, in respect of deposits placed by the above U.S. companies in view of capital enhancement. The allegations are based on the characterisation of the deposits as loans by the issuers to the parent company, and, as such, as subject to approval by the Bank of Italy and reporting in the financial statements. Overall, the allegations in question entail a maximum tax risk of 225 million euro, including tax, penalties and interest. The appeals concerning 2007 and 2008 were rejected by the Turin Provincial Tax Commission, but without application of penalties.

To resolve the disputes illustrated above (with the exception of the dispute concerning VAT on custodian bank services, which has already been settled), which present a total tax risk of 467 million euro and account for approximately 60% of Intesa Sanpaolo's disputes, initiatives have been taken to reach a settlement with the Italian Revenue Agency through "dispute settlement mechanisms", in view of Intesa Sanpaolo's admission of the "cooperative compliance" programme governed by Legislative Decree 128/2015.

Attention should also be drawn to the important agreement reached with the Italian Revenue Agency in 2015 for complete settlement of the charges concerning tax period 2005, resulting in a reduction of the revenue authority's claim from the original 376 million euro (including tax, penalties and interest) to approximately 6 million euro. The most significant dispute from a quantitative standpoint subject to the above settlement,

amounting to 370 million euro, concerned the claim that the losses on the transfer without recourse of non-performing loans to Castello Finance S.r.l. (a vehicle controlled by Fortress and Merrill Lynch), undertaken in 2005 by Banca Intesa, Intesa Gestione Crediti and Mediocredito Italiano, were not tax-deductible.

With respect to the dispute concerning the recovery of registration tax on contribution of company assets and the subsequent sale of equity investments, characterised by the tax authorities as transfer of a business unit, the Regional Tax Commission of Milan handed down its judgment with an unfavourable ruling to the Group in the specific matter at hand, despite the unambiguously favourable precedents. In this regard, there are currently eleven pending disputes concerning a total of 64.3 million euro of tax and interest.

Turning to the other Group companies, the Italian Revenue Agency, Emilia Romagna Regional Department, challenged the tax treatment by all Group banks based in the region (Cariromagna, Carisbo and the merged Banca Monte Parma) of the losses related to the transfer of loans to customers out of the performing category, subject to lump-sum write-downs, to positions subject to individual impairment testing, as a consequence of their involvement in insolvency procedures. In extremely short form, the revenue authorities argue that the individual impairment losses should be allocated, as a first priority, to the generic provision for adjustment, rather than being regarded, in accordance with the accounting treatment, full loan losses subject to immediate deduction pursuant to Art. 105, paragraph 5, of the Combined Tax Regulations, as in force at the time. The risk associated with the charges in question, totalling 61 million euro, is regarded as without foundation by Intesa Sanpaolo, because it conflicts with the derivation principle set out in Art. 83 of the Combined Tax Regulations.

On the subject of abuse of the law, Banca IMI also reached a settlement through administrative channels for the last of the three years (2008 to 2010) subject to the charges brought by the Guardia di Finanza following an audit concluded in September 2013. The claim, which concerns the sale of futures on Italian listed shares to non-resident entities, argued that a manufactured dividend had been paid by Intesa Sanpaolo and demanded that it be subject to withholding. Despite the conviction that the claim was unjustified, it was likewise decided to be in Intesa Sanpaolo's interest to settle this claim as well, which for 2010 entailed a charge of 2 million euro, compared to the tax authority's claim of 134.3 million euro.

On 10 February 2015, the Guardia di Finanza concluded an audit of the Luxembourg subsidiary Eurizon Capital S.A. ("ECSA") based on the claim (supported by documentation obtained by the auditors while at the offices of Eurizon Capital SGR) that the Company is resident in Italy for tax purposes due to the alleged presence in Italy of its administrative office and primary place of business, and thus charged the company with failing to report income of approximately 731 million euro for the periods from 2004 to 2013. On 23 June 2015, ECSA received the assessment notices for the periods from 2004 to 2008 (a total of 122 million euro of IRES due, plus interest and penalties), against which it lodged an appeal in a timely manner. The claim, as also confirmed by an opinion issued by ECSA's advisors, is believed to be without foundation, in light of the legality of the actions of the subsidiary, which has been operating in Luxembourg since 1988, with over 50 highly qualified employees, primarily dedicated to managing, marketing and administering Luxembourg funds, is subject to supervision by the local authorities and has always acted in full compliance with national tax provisions and the treaty for the avoidance of double taxation between Italy and Luxembourg. Currently, contacts are ongoing with the Italian Revenue Agency to demonstrate the appropriateness of the subsidiary's conduct.

Out of the total cases of tax litigation pending as at 31 December 2015, at Group level 262 million euro is posted to the balance sheet among assets (236 million euro in the 2014 financial statements), 222 million euro of which refers to the parent company (200 million euro in the 2014 financial statements), representing the total amount paid by way of provisional tax collection where assessments are conducted. The amount relating to Intesa Sanpaolo falls to 117 million euro if one excludes the provisional collection of the former Castello Finance position, for which Intesa Sanpaolo received a refund on 5 February 2016.

The share of the provision for risks that covers the disputes in question amounts to 131 million euro, of which 119 million euro relates to Intesa Sanpaolo (49 million euro in 2014, of which 35 million euro for

Intesa Sanpaolo).

The provisional payments in question were made in compliance with specific legal provisions, which mandate such payments based on an automatic mechanism independent of whether the related tax claims are actually founded and, thus, irrespective of the higher or lower level of risk of a negative outcome in the related proceedings. Thus, these payments were made solely based on the administrative deeds that set forth the related tax claim, which does not lose its effectiveness even when appealed, has no suspensive effect and does not add to the assessments of the actual risk of a negative outcome, which must be measured using the criteria set forth in IAS 37 for liabilities.

Potential assets

As far as potential assets are concerned, it is noted that judgement of the Court of Appeal of Rome on 7 March 2013, which has become final, ordered the revocation, due to judicial misconduct, of the judgement issued by said Court of Appeal of Rome on 26 November 1990, which had ordered IMI to pay the heir of entrepreneur Nino Rovelli (who passed away in the meantime) the amount of around 980 billion lira (amount paid to the heir on 13 January 1994: 678 billion lira, net of inheritance taxes and withholding on default interest settled at the time of the judgement).

As a result of the revocation of the judgement, Intesa Sanpaolo - assignee of the rights of Mr. Rovelli's heir - submitted an application for refund from the financial authorities of the taxes paid at the time for various reasons following the first judgement, which was cancelled as a result of the revocation. Based on the applicable accounting standards, as there is a reasonable certainty that said assets may be realised at least partially, the 2013 financial statements posted assets totalling 128.1 million euro.

On 8 August 2014 the financial authorities settled the entire amount of inheritance tax paid at the time by the heir, amounting to approximately 111 million euro. As regards the other two taxes, i.e. registration tax applied to the revoked judgement and the tax withholdings applied to the interest on the late payment due by IMI to the heir, all amounting to approximately 43 million euro, the measures of the administration are currently pending as a result of the process initiated by way of the applications for refund.

RISK FACTORS

The Issuers believe that the following risk factors may affect their ability to fulfil their obligations under the Instruments issued under the Programme. Most of these risk factors are contingencies which may or may not occur and the Issuers are not in a position to express a view on the likelihood of any such contingency occurring. In addition, risk factors which are material for the purpose of assessing the market risks associated with the Instruments issued under the Programme are also described below.

The Issuers believe that the risk factors described below represent the principal risks inherent in investing in Instruments issued under the Programme, but the inability of the Issuers to pay interest, principal or other amounts on or in connection with any Instruments may occur for other reasons which may not be considered significant risks by the Issuers based on information currently available to them or which they may not currently be able to anticipate. Accordingly, the Issuers do not represent that the statements below regarding the risk of holding any Instruments are exhaustive.

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

Factors that may affect the Issuers' and Guarantor's ability to fulfil their obligations under the Instruments issued under the Programme

Risk factors relating to the Issuers and the Guarantor

Risk management

The Intesa Sanpaolo Group is subject to risks that are an inherent part of its business activity. These risks include credit risk, country risk, market risk, liquidity risk and operational risk, as well as business risk and risks specific to our insurance business. The Intesa Sanpaolo Group's profitability depends on its ability to identify measure and continuously monitor these risks. As described below, the Intesa Sanpaolo Group attaches great importance to risk management and control to ensure reliable and sustainable value creation in a context of controlled risk.

The risk management strategy aims to achieve a complete and consistent overview of risks, considering both the macroeconomic scenario and the Intesa Sanpaolo Group's risk profile, by fostering a culture of risk-awareness and enhancing the transparent and accurate representation of the risk level of the Intesa Sanpaolo Group's portfolios.

Risk-acceptance strategies are summarised in the Intesa Sanpaolo Group's Risk Appetite Framework (**RAF**), approved by the Board of Directors. The RAF, introduced in 2011 to ensure that risk-acceptance activities remain in line with shareholders' expectations, is established by taking account of the Intesa Sanpaolo Group's risk position and the economic situation.

The general principles that govern the Group's risk-acceptance strategy may be summarised as follows:

- Intesa Sanpaolo is a banking group focused on a commercial business model in which domestic retail activity remains the Group's structural strength;
- the Group does not aim to eliminate risks, but rather attempts to understand and manage them so as to ensure an adequate return for the risks taken, while guaranteeing the Company's solidity and business continuity in the long term;
- Intesa Sanpaolo has a moderate risk profile in which capital adequacy, earnings stability, a sound liquidity position and a strong reputation are the key factors to protecting its current and prospective profitability;

- Intesa Sanpaolo aims at a capitalisation level in line with its main European peers;
- Intesa Sanpaolo intends to maintain strong management of the main specific risks (not necessarily associated with macroeconomic shocks) to which the Group may be exposed;
- the Group attaches great importance to compliance and reputational risks: for compliance risk, the Group aims to achieve formal and substantive compliance with rules in order to avoid penalties and maintain a solid relationship of trust with all of its stakeholders and customers. For reputational risk, the Intesa Sanpaolo Group strives to actively manage its image in the eyes of all stakeholders and aims to prevent and contain any negative effects on said image.

The Risk Appetite Framework thus represents the overall framework in which the risks assumed by the Group are managed, with the establishment of general principles of risk appetite and the resulting structuring of the management of:

- the overall risk profile; and
- the Group's main specific risks.

Management of the overall risk profile is based on the general principles laid down in the form of a framework of limits aimed at ensuring that the Group complies with minimum solvency, liquidity and profitability levels even under the conditions of severe stress. In addition, it aims to ensure the desired reputational and compliance risk profiles.

Management of the main specific risks is aimed at determining the risk appetite that the Group intends to assume with regard to exposures that may represent especially significant concentrations. Such management is implemented by establishing ad hoc limits, management processes and mitigation measures to be taken in order to limit the impact of especially severe scenarios on the Group. Such risks are assessed on the basis of stress scenarios, are subject to periodic monitoring within the framework of Risk Management systems and constitute early warning indicators, especially as regards capital adequacy.

The definition of the Risk Appetite Framework and the resulting operating limits for the main specific risks, the use of risk measurement instruments in loan management processes and controlling operational risk and the use of capital at risk measures for management reporting and assessment of capital adequacy within the Intesa Sanpaolo Group, represent fundamental milestones in the operational application of the risk strategy defined by the Board of Directors along the Intesa Sanpaolo Group's entire decision-making chain, down to the single operational units and to the single desk.

Risk-acceptance policies are defined by Intesa Sanpaolo's Board of Directors, responsible for corporate management, and the Management Control Committee, with functions of control body. The Board of Directors carries out its activity through specific internal Committees, among which mention should be made of the Risk Committee. The corporate body relies on the action of managerial committees, among which mention should be made of the Intesa Sanpaolo Group Risk Governance Committee and receive support from the Chief Risk Officer, who reports directly to the Chief Executive Officer.

The Intesa Sanpaolo Group sets out these general principles in policies, limits and criteria applied to the various risk categories (described below) and business areas with specific risk tolerance sub-thresholds, in a comprehensive framework of governance, control limits and procedures.

Risk hedging, given the nature, frequency and potential impact of the risk, is based on a constant balance between mitigation/hedging action, control procedures/processes and capital protection measures, including a form of stress test.

Particular attention is dedicated to managing the short-term and structural liquidity position by following specific policies and procedures to ensure full compliance with the limits set at Intesa Sanpaolo Group level

and operating sub-areas, in accordance with international regulations and the risk appetite approved at Intesa Sanpaolo Group level.

The Intesa Sanpaolo Group also intends to maintain adequate levels of protection against reputational risk so as to minimise the risk of negative events that might jeopardise its image. To that end, reputational risk management is pursued not only through organisational structures with specific duties of reputation monitoring, but also through ex-ante risk management processes, defining prevention and mitigation tools and measures in advance and implementing specific, dedicated reporting flows.

Assessments of each single type of risk for the Group are integrated in a summary amount - the economic capital - defined as the maximum "unexpected" loss the Intesa Sanpaolo Group might incur over a year. This is a key measure for determining the Intesa Sanpaolo Group's financial structure and risk tolerance and guiding operations, ensuring the balance between risks assumed and shareholder returns. It is estimated on the basis of the current situation and also as a forecast, based on the Budget assumptions and projected economic scenario under ordinary and stress conditions. The assessment of capital is included in business reporting and is submitted quarterly to the Intesa Sanpaolo Group Risk Governance Committee, the Risk Committee and the Board of Directors, as part of the Intesa Sanpaolo Group's Risks *Tableau de Bord*.

Intesa Sanpaolo is in charge of overall direction, management and control of risks. Intesa Sanpaolo Group companies that generate credit and/or financial risks are assigned autonomy limits at Intesa Sanpaolo Group level and each has its own control structure. For the main Intesa Sanpaolo Group subsidiaries, these functions are performed, on the basis of an outsourcing contract, by the Intesa Sanpaolo's risk control functions, which periodically report to the management bodies of the subsidiary.

With effect from 1 January 2014, the reforms of the accord by the Basel Committee (**Basel 3**) were implemented in the EU legal framework.

In preparing to comply with the new rules envisaged by Basel 3, the Intesa Sanpaolo Group has undertaken adequate project initiatives, expanding the objectives of the Basel 2 Project in order to improve the measurement systems and the related risk management systems.

With respect to credit risks, the Intesa Sanpaolo Group received authorisation to use internal ratings-based approaches effective from the report as at 31 December 2008 on the corporate portfolio for a scope extending to the parent company, network banks in the *Banca dei Territori* Division and the main Italian product companies.

The scope of application has since been gradually extended to include the Retail Mortgages and SME Retail portfolios, as well as other Italian and international Group companies.

The Intesa Sanpaolo Group is also proceeding with development of the IRB systems for the other business segments and the extension of the scope of companies for their application in accordance with a plan presented to the supervisory authorities.

With reference to Intesa Sanpaolo and to Banca IMI, the Bank of Italy granted the authorisation to use the internal counterparty risk model for regulatory purposes, starting from the first quarter of 2014.

With regard to Operational Risk, the Group obtained authorisation to use the Advanced Measurement Approaches (AMA – internal model) to determine the associated capital requirement for regulatory purposes, with effect from the report as at 31 December 2009.

Credit Risk

Credit risk is the risk of losses due to the failure on the part of the Intesa Sanpaolo Group's counterparties (customers) to meet their payment obligations to the Intesa Sanpaolo Group. Credit risk refers to all claims against customers, mainly loans, but also liabilities in the form of other extended credits, guarantees, interest-

bearing securities, approved and undrawn credits, as well as counter-party risk arising through derivatives and foreign exchange contracts. Credit risk also consists of concentration risk, country risk and residual risks, both from securitisations and uncertainty regarding credit recovery rates. Credit risk represents the chief risk category for the Intesa Sanpaolo Group.

Intesa Sanpaolo has developed a set of instruments which ensures analytical control over the quality of the loans to customers and financial institutions, and loans subject to country risk.

Risk measurement uses rating models that are differentiated according to the borrower's segment (corporate, small business, mortgage loans, personal loans, sovereigns, Italian public sector entities, financial institutions). These models make it possible to summarise the credit quality of the counterparty in a measurement (the rating), which reflects the probability of default over a period of one year, adjusted on the basis of the average level of the economic cycle. In case of default, internal rating of loss given default (**LGD**) model measures losses on each facility, including any downturn effect related to the economic cycle.

Ratings and mitigating credit factors (guarantees, technical forms and covenants) play a fundamental role in the entire loan granting and monitoring process: they are used to set credit strategies and loan granting and monitoring rules as well as to determine decision-making powers.

The main characteristics of the *probability of default (PD)* and LGD models for Corporate, SME Retail segment and Retail Mortgages segment, which are validated for Basel II advanced approaches, are the following:

- ***PD model***
 - Corporate segment models are based on financial, behavioural and qualitative data of the customers. They are differentiated according to the market in question (domestic or international) and the size bracket of the company. Specific models are implemented for specialised lending (real estate development initiatives, project finance transactions, leveraged buy-out acquisition finance and asset finance transactions).
 - For the Small Business segment, since the end of 2008 a rating model by counterparty has been used for the Intesa Sanpaolo Group, following a scheme similar to that of the Corporate segment, meaning that it is extremely decentralised and its quantitative-objective elements are supplemented by qualitative-subjective elements; in 2011, the service model for the Small Business segment was redefined, by introducing in particular a sub-segmentation of "Micro" and "Core" customers according to criteria of size and simplicity and a partial automation of the granting process.
 - The Intesa Sanpaolo Group model for the Retail Mortgages segment, adopted in late 2008, processes information relating to both the customer and the contract. It differentiates between initial disbursement, where the application model is used, and the subsequent assessment during the lifetime of the mortgage (behavioural model), which takes into account behavioural information.
- ***LGD model***
 - LGD model is determined according to differentiated models, specialised by operating segment and products (Corporate for Banking products, Corporate Factoring, Corporate Leasing, SME Retail, Retail Mortgages, Factoring, Leasing).
 - The LGD models, for which advanced internal rating base method has been approved, are: Retail Mortgages (effective from 30 June 2010), Corporate (these models are based on different types of financial assets: banking, effective from 31 December 2010, leasing and factoring, effective from 30 June 2012) and SME Retail (effective from 31 December 2012)

- The LGD estimation is made up of the actual recoveries achieved during the management of disputes, taking into account the (direct and indirect) costs and the recovery period, as required by the regulation. All the models have been developed on the basis of a workout approach, analysing the losses suffered by the Intesa Sanpaolo Group on historical defaults.
- For the Corporate segment, the following drivers were significant: geographical area, presence/absence of personal guarantee, presence/absence of real estate guarantee, facility type, and legal form. For the SME Retail segment, the following were significant: geographical area, facility type, presence/absence of personal guarantee, presence/absence of real estate guarantee, value to loan (amount of real estate coverage) and exposure level. For the Retail Mortgages segment, the geographical area and the value to loan were significant.

Country risk

Assessment of creditworthiness of countries is based on both an internal Sovereign Rating and Transfer risk Rating model.

Country risk for sovereign entities is assessed by a rating model that assigns creditworthiness ratings to over 260 countries. The model's structure includes a quantitative component for assessing country risk (which takes into account the structural rating assigned to a country by leading international rating agencies, implicit risk in market quotations of sovereign credit default swaps and bonds, and a macroeconomic model for more than 130 countries) and a qualitative component (which includes a qualitative opinion taking into consideration elements drawn from the broader scope of publicly available information concerning the political and economic structures of individual countries). Country risk for non-sovereign is measured through an internal model for transfer risk which takes into consideration both macroeconomic indicators and also the sovereign state's creditworthiness.

Market Risks

Market risk trading book

Market risk arises as a consequence of the Intesa Sanpaolo Group's trading and its open positions in the foreign exchange, interest rate and capital markets. The risk is derived from the fluctuation in the value of listed financial instruments whose value is linked to market variables. Market risk in the trading portfolio arises through trading activities in the interest rate, bonds, credit derivatives, commodities, foreign exchange and equity markets. Market risk in the banking portfolio arises from differences in fixed-rate periods.

The quantification of trading risks is based on daily value at risk (**VaR**) of the trading portfolios of Intesa Sanpaolo and the subsidiary Banca IMI S.p.A., which represent the main portion of the Intesa Sanpaolo Group's market risks, to adverse market movements of the following risk factors:

- interest rates;
- equity and market indexes;
- investment funds;
- foreign exchange rates;
- implied volatilities;
- spreads in credit default swaps (**CDS**);
- spreads in bond issues;
- correlation instruments;

- dividend derivatives;
- asset-backed securities (**ABS**);
- commodities.

A number of the other Intesa Sanpaolo Group's subsidiaries hold smaller trading portfolios with a marginal risk (around 2 per cent. of the Intesa Sanpaolo Group's overall risk). In particular, the risk factors of the international subsidiaries' trading books were interest rates and foreign exchange rates, both relating to linear pay-offs.

For some of the risk factors indicated above, the Bank of Italy has validated the internal models for the reporting of the capital absorptions of both Intesa Sanpaolo and Banca IMI S.p.A. In particular, the validated risk profiles for market risks are: (i) generic and specific risk on debt securities and on equities for Intesa Sanpaolo and Banca IMI S.p.A., (ii) position risk on quotas of funds underlying CPPI (Constant Proportion Portfolio Insurance) products for Banca IMI S.p.A., (iii) position risk on dividend derivatives, and (iv) position risk on commodities for Banca IMI S.p.A., the only legal entity in the Intesa Sanpaolo Group authorised to hold open positions in commodities. As of 1 April 2014, internal model coverage includes hedge funds positions in Intesa Sanpaolo (look-through approach).

Since VaR is a synthetic indicator which does not fully identify all types of potential loss, risk management has been enriched with other measures, in particular simulation measures for the quantification of risks from illiquid parameters (dividends, correlation, ABS, hedge funds). VaR estimates are calculated daily based on simulations of historical time-series, a 99 per cent. confidence level and 1-day holding period.

Market risk banking book

Market risk originated by the banking book arises primarily in Intesa Sanpaolo and in the main subsidiaries that carry out retail and corporate banking. The banking book also includes exposure to market risks deriving from the equity investments in listed companies not fully consolidated, mostly held by the Intesa Sanpaolo and by the subsidiaries Equiter and IMI Investimenti.

The methods used to measure market risks of the Intesa Sanpaolo Group's banking book are (i) VaR, and (ii) sensitivity analysis. VaR is calculated as the maximum potential loss in the portfolio's market value that could be recorded over a ten day holding period with a statistical 99 per cent. confidence level (parametric VaR). Besides measuring the equity portfolio, VaR is also used to consolidate exposure to financial risks of the various Intesa Sanpaolo Group's companies which perform banking book activities, thereby taking into account diversification benefits.

Shift sensitivity analysis quantifies the change in value of a financial portfolio resulting from adverse movements in the main risk factors (interest rate, foreign exchange, equity). For interest rate risk, an adverse movement is defined as a parallel and uniform shift of ± 100 basis points of the interest rate curve. The measurements include an estimate of the prepayment effect and of the risk originated by customer sight loans and deposits, whose features of stability and of partial and delayed reaction to interest rate fluctuations have been studied by analysing a large collection of historical data, obtaining a maturity representation model through equivalent deposits. Equity risk sensitivity is measured as the impact of a price shock of ± 10 per cent.

Furthermore, the sensitivity of the interest margin is measured by quantifying the impact on net interest income of a parallel and instantaneous shock in the interest rate curve of 100 basis points, over a period of 12 months. Hedging activity of interest rate risk is aimed (i) at protecting the banking book from variations in the fair value of loans and deposits due to movements in the interest rate curve or (ii) at reducing the volatility of future cash flows related to a particular asset/liability.

The main types of derivative contracts used are interest rate swaps (**IRS**), overnight index swaps (**OIS**),

cross currency swaps (CCS) and options on interest rates stipulated by Intesa Sanpaolo with third parties or with other Intesa Sanpaolo Group companies (e.g. Banca IMI S.p.A.), which, in turn, cover the risk in the market so that the hedging transactions meet the criteria to qualify as IAS compliant for consolidated annual financial statements. Hedging activities performed by the Intesa Sanpaolo Group are recorded using various hedge accounting methods. A first method refers to the fair value hedge of specifically identified assets and liabilities (microhedging), mainly consisting of bonds issued or acquired by the Intesa Sanpaolo Group companies and loans to customers. Moreover, macro-hedging is carried out on the stable portion of on demand deposits in order to hedge against fair value changes intrinsic to the instalments under accrual generated by floating rate operations. Intesa Sanpaolo is exposed to this risk in the period from the date on which the rate is set and the interest payment date. Another hedging method used is the cash flow hedge which has the purpose of stabilising interest flow on both variable rate funding to the extent that the latter finances fixed-rate investments and on variable rate investments to cover fixed-rate funding (macro cash flow hedge).

The Financial and Market Risks Head Office Department is in charge of measuring the effectiveness of interest rate risk hedges for the purpose of hedge accounting, in compliance with international accounting standards.

Foreign exchange risk

Currency risk positions are taken in both trading and non-trading books. As with market risk, the currency risk in the trading books is controlled using VaR limits (see the methodological approach described above), while the structural currency risk in the non-trading books is mitigated by the practice of raising funds in the same currency as of the assets.

Issuer and Guarantor counterparty risk

Issuer risk in the trading portfolio is analysed in terms of mark to market, by aggregating exposures in rating classes and is monitored using a system of operating limits based on both rating classes and concentration indices. A limit at legal entity level (for Intesa Sanpaolo and Banca IMI S.p.A.) is also defined and monitored in terms of Incremental Risk Charge (Credit VaR calculated over a one year time horizon at a confidence level of 99.9 per cent. on bonds, single name CDS and index CDS relating to the issuer trading book portfolio of each bank). Counterparty risk, measured in terms of potential future exposure, is monitored both in terms of individual and aggregate exposures by the credit department. In order for risk to be managed effectively within Intesa Sanpaolo, the risk measurement system is integrated into decision-making processes and the management of company operations. Starting from end of March 2014, Bank of Italy authorised the use of the internal model for counterparty risk (EPE – Expected Positive Exposure) for regulatory purposes, with reference to the parent company Intesa Sanpaolo and Banca IMI. Moreover a stress programme has been implemented in order to check the impact of extreme market movements on the counterparty risk measures. Back testing analysis is in place in order to assess the model reliability.

Specifically, the following measures were defined and implemented:

- PFE (potential future exposure): evolution over time of the credit exposure (i.e. positive mark-to-market) with a 95% confidence level; this is a prudent measure used for credit monitoring purposes. PFE calculated for each counterparty is calculated every day by a risk management calculation engine and sent to credit monitoring engine.
- EPE (expected positive exposure): weighted average for the expected time of the credit exposure, where the weightings are the portions that each time step represents of the entire time period. This is a regulatory measure.
- CVA capital charge: sum of spread VaR calculated in current and stressed market conditions, of a CDS equivalent portfolios of sold protection with notional equal to the expected exposure of every counterparty. This is a regulatory measure.

Liquidity risk

Liquidity risk is defined as the risk that the Intesa Sanpaolo Group may not be able to meet its payment obligations due to the inability to procure funds on the market (funding liquidity risk) or liquidate its assets (market liquidity risk). These guidelines, annually updated, incorporate international best practices and regulatory developments in order to reflect Basel III liquidity requirements, as implemented by the CRD IV/CRR and the Liquidity Coverage Ratio Delegated Act adopted by the Commission in October 2014 and published in the Official Journal of the European Union in January 2015.

Specific rules, metrics, processes, limits, roles and responsibilities are defined in the Group's Liquidity Risk Management Guidelines in order to ensure a prudent control of liquidity risk and guarantee an adequate, balanced level of liquidity for the whole Intesa Sanpaolo Group.

Intesa Sanpaolo directly manages its own liquidity, coordinates liquidity management at Intesa Sanpaolo Group level, verifies the adoption of adequate control techniques and procedures, and provides complete and accurate information to the Operational Committees (Group Risk Governance Committee and Group Financial Risks Committee) and the relevant statutory bodies.

The internal short-term Liquidity Policy is aimed at ensuring an adequate, balanced level of cash inflows and outflows, in order to respond to periods of tension on the various funding sourcing markets, also by establishing adequate liquidity reserves in the form of assets eligible for refinancing with Central Banks or liquid securities on private markets. The internal structural Liquidity Policy incorporates the set of measures and limits designed to control and manage the risks deriving from the mismatch of medium to long term maturities of the assets and liabilities, essential for the strategic planning of liquidity management.

The Intesa Sanpaolo Group Guidelines also call for the periodic estimation of liquidity risk position in acute combined stress scenarios (both stress specific and market-related ones) and the introduction of a target threshold aimed at establishing an overall level of reserves suitable to meet greater cash outflows to restore the Intesa Sanpaolo Group to balanced conditions.

Together with these policies, Group Guidelines provide management methods to be used in a liquidity crisis scenario, defined as a situation wherein our Group has difficulty or is unable to meet its cash obligations falling due, without implementing procedures and/or employing instruments that, due to their intensity or manner of use, do not qualify as ordinary administration.

Finally, the Intesa Sanpaolo Group has a contingency liquidity plan in place, which has the objective of safeguarding the Intesa Sanpaolo Group's asset value and enabling the continuity of operations under conditions of a liquidity constriction, or even in the absence of liquidity in the market. The plan ensures the identification of the early warning signals and their ongoing monitoring, the definition of procedures to be implemented in situations of liquidity stress, the immediate lines of action, and the intervention measures for the resolution of emergencies.

Operational risk

Operational risk is defined 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 risk includes legal risk, which is the risk of losses deriving from breach of laws or regulations, contractual or, out-of-contract liability or other disputes, ITC (information and communication technology) risk and model risk. Strategic and reputational risks are not included.

The Intesa Sanpaolo Group has for some time defined the overall operational risk management framework by setting up a Group policy and organisational processes for measuring, managing and controlling operational risk.

The Board of Directors is in charge of controlling of operational risk through the identification of risk

management policies, their approval and verification, and the guarantee of the functionality, efficiency and effectiveness of the risk management and control system.

The tasks with which the Intesa Sanpaolo Group Internal Control Coordination and Operational Risk Committee is charged include periodically reviewing the Intesa Sanpaolo Group's overall operational risk profile, authorising any corrective measures, coordinating and monitoring the effectiveness of the main mitigation activities and approving operational risk transfer strategies.

The Intesa Sanpaolo Group has a centralised function within the Enterprise Risk Management Department for the management of the Group's operational risk. This function is responsible for the definition, implementation, and monitoring of the methodological and organisational framework, as well as for the measurement of the risk profile, the verification of mitigation effectiveness and reporting to top management.

In compliance with current requirements, the individual organisational units are responsible for identifying, assessing, managing and mitigating risks. Specific officers and departments have been identified within these business units to be responsible for operational risk management (structured collection of information relative to operational events, scenario analysis and business environment and internal control factors evaluation).

The integrated self-diagnosis process, conducted on an annual basis, has allowed the Intesa Sanpaolo Group to:

- identify, measure, monitor and mitigate operational risk through identification of the main operational problem issues and definition of the most appropriate mitigation actions;
- analyse exposure to ICT risk, through a preliminary assessment by the IT functions and other functions with control duties (IT Security and Business Continuity); and
- create significant synergies with the other functions with control duties of the Personnel and Organisation Department that supervise the planning of operational processes and business continuity issues, with the Administrative and Financial Governance and with control functions (Compliance and Internal Auditing) that supervise specific regulations and issues (Legislative Decree 231/01, Law 262/05) or conduct tests of the effectiveness of controls of company processes.

The Self-diagnosis process identified a good overall level of control of operational risks and contributed to enhancing the diffusion of a business culture focused on the ongoing control of these risks.

The process of collecting data on operational events (in particular operational losses, obtained from both internal and external sources) provides significant information on the exposure. It also contributes to building knowledge and understanding of the exposure to operational risk, on the one hand, and assessing the effectiveness or potential weaknesses of the internal control system, on the other hand.

The internal model for calculating capital absorption is conceived in such a way as to combine all the main sources of quantitative (operational losses) and qualitative information (Self-diagnosis).

The quantitative component is based on an analysis of historical data concerning internal events (recorded by organisational units, appropriately verified by the central function and managed by a dedicated IT system) and external events (the *Operational Riskdata eXchange Association - ORX*).

The qualitative component (scenario analysis) focuses on the forward-looking assessment of the risk exposure of each unit and is based on the structured, organised collection of subjective estimates expressed directly by management (subsidiaries, Intesa Sanpaolo's business areas, the corporate centre) with the objective of assessing the potential economic impact of particularly severe operational events.

Capital-at-risk is therefore identified as the minimum amount at the Group level required to bear the maximum potential loss (worst case); capital-at-risk is estimated using a "Loss Distribution Approach" model (actuarial statistical model to calculate the Value-at-Risk of operational losses), applied on quantitative data and the results of the scenario analysis assuming a one-year estimation period, with a confidence level of 99.90 per cent; the methodology also applies a corrective factor, which derives from the qualitative analyses of the risk level of the business environment (Business Environment Assessment), to take into account the effectiveness of internal controls in the various organisational units.

Operational risks are monitored by an integrated reporting system which provides Management with support information for managing and/or mitigating this risk.

In order to support the operational risk management process on a continuous basis, a structured training programme has been implemented for employees actively involved in this.

The Intesa Sanpaolo Group activated a traditional operational risk transfer policy (to protect against offences such as employee disloyalty, theft and theft damage, cash and valuables in transit losses, computer fraud, forgery, earthquake and fire, cyber-crimes and third-party liability), which contributes to mitigating exposure to operational risk. Moreover, in order to allow optimum use of the available operational risk transfer tools and to take advantage of the capital benefits pursuant to applicable regulations, the Intesa Sanpaolo Group stipulated an insurance coverage policy named "**Operational Risk Insurance Programme**", which offers additional coverage to traditional policies, significantly increasing the limit of liability, transferring the risk of significant operational losses to the insurance market. The internal model's insurance mitigation component was approved by the Bank of Italy in June 2013, with immediate effect of its benefits on operations and on the capital requirements.

In addition, with respect to risks relating to real property and infrastructure, with the aim of containing the impacts of phenomena such as catastrophic environmental events, situations of international crisis, and social protest events, the Group may activate its business continuity solutions.

Strategic Risk

The Intesa Sanpaolo Group defines current or prospective strategic risk as risk associated with a potential decline in profits or capital due to changes in the operating context, misguided Company decisions, inadequate implementation of decisions, or an inability to react sufficiently to changes in the competitive scenario. The Intesa Sanpaolo Group is able to mitigate strategic risk by following the implemented policies and procedures that place strategic decision making responsibility with the Board of Directors, who is supported by the Intesa Sanpaolo Group's departments and committees.

Strategic risk is also assessed as part of stress tests based on a multiple-factor model that describes the relations between changes in the economic scenario and the business mix resulting from planning hypotheses, with analysis to assess the impacts on both interest income and margins from the performance of net fees and commissions.

Reputational Risk

The Intesa Sanpaolo Group attaches great importance to reputational risk, namely the current and prospective risk of a decrease in profits or capital due to a negative perception of the Bank's image by customers, counterparties, shareholders, investors and Supervisory Authorities.

The Group actively manages its image in the eyes of all stakeholders and aims to prevent and contain any negative effects on its image, including through robust, sustainable growth capable of creating value for all stakeholders, while also minimising possible adverse events through rigorous, stringent governance, control and guidance of the activity performed at the various service and function levels.

The reputational risk governance model of Intesa Sanpaolo envisages that management and mitigation of reputational risks is pursued:

- systematically and independently by the corporate structures with specific tasks in preserving corporate reputation;
- across the various corporate functions, through the Reputational Risk Management.

The 'systematic monitoring of reputational risk envisages:

- specific organisational structures in charge of monitoring the Bank's reputation and managing the relationships with the various stakeholders;
- an integrated monitoring system for primary risks, to limit exposure to them;
- compliance with standards of ethics and conduct;
- the definition and management of client's risk tolerance.

A fundamental tool for reputational risk monitoring is the Code of Ethics adopted by the Group. This contains the basic values to which the Group intends to commit itself and enunciates the voluntary principles of conduct for dealings with all stakeholders with broader objectives than those required by mere compliance with the law. The Group has also issued voluntary conduct policies and adopted international principles aimed at pursuing respect for the environment and human rights.

In order to safeguard customers' interests and the Group's reputation, specific attention is also devoted to establishing and managing customers' risk tolerance, through the identification of their various risk appetite profiles according to subjective and objective traits of each customer.

The Group aims to achieve constant improvement of reputational risk governance also through an integrated compliance risk management system, as it considers compliance with the regulations and fairness in business to be fundamental to the conduct of banking operations, which by nature is founded on trust.

The "cross-function" monitoring of reputational risk is entrusted to the Reputational Risk Management (RRM) process, conducted yearly and aimed at integrating and consolidating the main findings provided by the organisational structures more directly involved in monitoring the company's reputation. The objective of that process is to identify and mitigate the most significant reputational risk scenarios to which the Intesa Sanpaolo Group is exposed.

Risk on owned real-estate assets

The risk on owned real-estate assets is defined as a risk associated with the possibility of suffering financial losses due to an unfavourable change in the value of such assets.

Real-estate management is highly centralised and represents an investment that is largely intended for use in company operations.

Risks specific to Intesa Sanpaolo Group's insurance business

Life business

The typical risks of life insurance portfolios (managed by Intesa Sanpaolo Vita, Intesa Sanpaolo Life and Fideuram Vita) may be divided into three main categories: premium risks, actuarial and demographic risks and reserve risks.

Premium risks are protected initially during the establishment of the technical features of the product and its pricing, and over the life of the instrument by means of periodic checks on the sustainability and profitability (both at product level and at portfolio level, including all liabilities). When preparing a product for market, profit testing is used to measure profitability and identify any weaknesses beforehand.

Actuarial and demographic risks arise when an unfavourable trend is recorded in the actual loss ratio compared with the trend estimated when the rate was calculated, and these risks are reflected in the level of "reserves". This loss ratio refers not only to actuarial loss, but also to financial loss (guaranteed interest rate risk). Intesa Sanpaolo manages these risks by performing systematic statistical analysis of the evolution of liabilities in its own contract portfolio divided by risk type and through simulations of expected profitability of the assets hedging technical reserves.

Intesa Sanpaolo manages reserve risk through the calculation of mathematical reserves, with a series of checks as well as overall verifications performed by comparing results with the estimates produced on a monthly basis. Intesa Sanpaolo Group places an emphasis on using the correct assumption for contracts by checking the relative portfolio against the movements during the period and the consistency of the amounts settled compared with the reserves' movements. The mathematical reserves are calculated in respect of the portfolio on a contract-by-contract basis taking all future commitments into account.

Non-life business

The typical risks of the non-life insurance portfolio (managed through Intesa Sanpaolo Assicura) are essentially premium and reserve risk. Premium risks are protected initially while the product's technical features and pricing are established, and over the life of the instrument by means of periodic checks on the sustainability and profitability (both at product level and at portfolio level, including all liabilities). Reserve risk is managed through the exact calculation of technical reserves. In particular, technical reserves may be divided into a premium reserve, a damage fund, a reserve for profits and reversals, other technical reserves and a reserve for equalisation.

Financial risks

In line with the growing focus in the insurance sector on the issues of value, risk and capital in recent years, a series of initiatives have been launched to strengthen risk governance and manage and control risk-based capital. With regard to both investment portfolios for the coverage of obligations with the insured and free capital, an internal regulation was adopted in order to define the investment policy. The aim of the investment policy is the control and monitoring of market and credit risks. The policy defines the goals and operating limits to distinguish the investments in terms of eligible assets and asset allocation, breakdown by rating classes and credit risk, concentration risk by issuer and sector, and market risks (in turn measured in terms of sensitivity to variations in risk factors and VaR). Investment decisions, portfolio growth and compliance with operating limits are reviewed on a monthly basis by specific investment committees.

Investment portfolios

The investments of the insurance subsidiaries of Intesa Sanpaolo Group are aimed at covering free capital and obligations with customers, namely life policies with profit participation clauses, index linked and unit-linked policies, pension funds and casualty policies. Life policies with profit participation clauses offer the insured the ability to receive a share of the profit from the fund management (the segregated fund) and a minimum guaranteed level, and therefore generate proprietary market and credit risks for the insurance company. Index linked and unit-linked policies, which usually do not present direct risks, are monitored with regard to reputational risks.

Competition

In recent years the Italian banking sector has been characterised by ever increasing competition which, together with the level of interest rates, has caused a sharp reduction in the difference between lending and borrowing interest rates and subsequent difficulties in maintaining a positive growth trend in interest rate margin.

In particular, such competition has had two main effects:

- a progressive reduction in the differential between lending and borrowing interest rate, which may result in Intesa Sanpaolo facing difficulties in maintaining its actual rate of growth in interest rate margins; and
- a progressive reduction in commissions and fees, particularly from dealing on behalf of third parties and orders collection, due to competition on prices.

Both of the above factors may adversely affect Intesa Sanpaolo's financial condition and result of operations.

In addition, downturns in the Italian economy could add to the competitive pressure through, for example, increased price pressure and lower business volumes for which to compete.

Legal risks

The Intesa Sanpaolo Group is involved in various legal proceedings. Management believes that such proceedings have been properly analysed by the Intesa Sanpaolo Group and its subsidiaries in order to decide upon, if necessary or opportune, any increase in provisions for litigation to an adequate extent according to the circumstances and, with respect to some specific issues, to refer to it in the notes to the consolidated annual financial statements in accordance with the applicable accounting standards. For more detailed information, see paragraph headed "Litigations" in the "Description of the Guarantor" section above.

Changes in regulatory framework

The Intesa Sanpaolo Group is subject to extensive regulation and supervision by the Bank of Italy, the Italian Securities and Exchange Commission (**CONSOB**), the Commission de Surveillance du Secteur Financier (so far as it is concerned), the European Central Bank (the **ECB**) and the European System of Central Banks (the **ESCB**). The banking laws to which the Intesa Sanpaolo Group is subject govern the activities in which banks may engage and are designed to maintain the safety and soundness of banks, and limit their exposure to risk. In addition, the Intesa Sanpaolo Group must comply with financial services laws that govern its marketing and selling practices. The regulatory framework governing international financial markets is currently being amended in response to the credit crisis, and new legislation and regulations are being introduced in Italy and the European Union that will affect the Intesa Sanpaolo Group, including proposed regulatory initiatives that could significantly alter the Intesa Sanpaolo Group's capital requirements.

The rules applicable to banks and other entities in banking groups include implementation of measures consistent with the regulatory framework set out by the Basel Committee on Banking Supervision (the **Basel Committee** or **BCBS**) which aim to preserve stability and solidity and limit risk exposure of such entities. The Intesa Sanpaolo Group is also subject to regulations applicable to financial services that govern, among other things, the sale, placement and marketing of financial instruments as well as to those applicable to its bank-assurance activities. In particular, the Group is subject to the supervision of CONSOB and the Institute for the Supervision of Private Insurance. The Issuer is also subject to the rules applicable to it as an issuer of shares listed on the Milan Stock Exchange.

In accordance with the regulatory frameworks defined by the supervisory authorities mentioned above and consistent with the regulatory framework being implemented at the European Union level, the Intesa Sanpaolo Group has in place specific procedures and internal policies to monitor, among other things, liquidity levels and capital adequacy, the prevention and detection of money laundering, privacy protection, ensuring transparency and fairness in customer relations and registration and reporting obligations. Despite the existence of these procedures and policies, there can be no assurance that violations of regulations will not occur, which could adversely affect the Intesa Sanpaolo Group's results of operations, business and financial condition. In addition, as at the date of this Information Memorandum, certain laws and regulations have only been recently approved and the relevant implementation procedures are still in the process of being developed.

In particular, in the wake of the global financial crisis that began in 2008, the Basel Committee approved, in the fourth quarter of 2010, revised global regulatory standards (**Basel III**) on bank capital adequacy and liquidity, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital

that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards (Liquidity Coverage Ratio and Net Stable Funding Ratio). The Basel III framework adopts a gradual approach, with the requirements to be implemented over time, with full enforcement in 2019.

Basel III and CRD IV

In December 2009, the Basel Committee proposed strengthening the global capital framework, and in December 2010, January 2011 and July 2011, the Basel Committee issued its final guidance on the proposed changes to capital adequacy and liquidity requirements (**Basel III**), which envisaged a substantial strengthening of capital rules existing at the time, including by, among other things, raising the quality and quantity of the Common Equity Tier 1 Capital in a harmonised manner (including through changes to the items which give rise to adjustments to that capital base), introducing requirements for Additional Tier 1 and Tier 2 capital instruments to have a mechanism that requires them to be written off or converted into ordinary shares at the point of a bank's non-viability, strengthening the risk coverage of the capital framework, promoting the build-up of capital buffers and introducing a new leverage ratio and global minimum liquidity standards for the banking sector.

In January 2013 the BCBS revised its original proposal in respect of the liquidity requirements in light of concerns raised by the banking industry, providing for a gradual phasing-in of the Liquidity Coverage Ratio (the **LCR**) with a full implementation in 2019 as well as expanding the definition of high quality liquid assets to include lower quality corporate securities, equities and residential mortgage backed securities. Regarding the other liquidity requirement, the Net Stable Funding Ratio (the **NSFR**), the BCBS published the final rules in October 2014 which will take effect from 1 January 2018.

The Basel III framework has been implemented in the EU Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the **CRD IV**) and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the **CRR** and together with the CRD IV, the **CRD IV Package**).

The implementation began on 1 January 2014, with particular elements being phased in over a period of time (the requirements will be largely fully effective by 2019 and some minor transitional provisions provide for phase-in until 2024) but it is possible that in practice implementation under national laws be delayed. Additionally, it is possible that Member States may introduce certain provisions at an earlier date than that set out in the CRD IV Package.

The provisions of the CRR are supplemented, in Luxembourg, by the CSSF Regulation N°14-01 on the implementation of certain discretions contained in the CRR (the **CSSF Regulation N°14-01**) and by technical regulatory and execution rules relating to the CRD IV and the CRR published through delegated regulations of the European Commission and guidelines of the European Banking Authority. The CRD IV was implemented into Luxembourg law by the Luxembourg act of 23 July 2015 amending, among others, the Luxembourg act of 5 April 1993 on the financial sector, as amended (the **Banking Act 1993**). In Italy the Government has approved the Legislative Decree no. 72 of 12 May 2015, implementing the CRD IV. Such decree entered into force on 27 June 2015. The new regulation impacts, *inter alia*, on:

- i. proposed acquirers of credit institutions' holdings, shareholders and Members of the management body requirements (Articles 22, 23 and 91 CRD IV);
- ii. competent authorities' powers to intervene in cases of crisis management (Articles 64, 65, 102 and 104 CRD IV);
- iii. reporting of potential or actual breaches of national provisions (so called whistleblowing, (Article 71 CRD IV); and
- iv. administrative penalties and measures (Article 65 CRD IV).

¹ Final Corrigendum published on 30 November 2013

Moreover, the Bank of Italy published new supervisory regulations on banks in December 2013 (Circular of the Bank of Italy No. 285 of 17 December 2013 (the **Circular No. 285**)) which came into force on 1 January 2014, implementing the CRD IV Package and setting out additional local prudential rules concerning matters not harmonised at EU level.

Between 1 January 2014 and 31 December 2014, Italian banks were required to comply with (i) a minimum CET1 Capital ratio of 4.5%², (ii) a minimum Tier I Capital ratio of 5.5%³ and (iii) a Total Capital Ratio of 8%. Upon expiry of this transitional period Italian banks shall at all times satisfy the following own funds requirements: (i) a CET 1 capital ratio of 4.5%; (ii) a Tier 1 Capital ratio of 6%; and (iii) a Total Capital Ratio of 8%. These minimum ratios are complemented by the following capital buffers to be met with CET1 Capital:

- *Capital conservation buffer*: set at 2.5% of risk weighted assets and applies to Intesa Sanpaolo from 1st January, 2014 (pursuant to Article 129 of the CRD IV and Title II, Chapter I, Section II of Circular No. 285);
- *Counter-cyclical capital buffer*: set by the relevant competent authority between 0% - 2.5% (but may be set higher than 2.5% where the competent authority considers that the conditions in the member state justify this), with gradual introduction from 1st January, 2016 and applying temporarily in the periods when the relevant national authorities judge the credit growth excessive (pursuant to Article 130 of the CRD IV and Title II, Chapter I, Section III of Circular No. 285);
- *Capital buffers for globally systemically important banks (G-SIBs)*: set as an "additional loss absorbency" buffer ranging from 1.0% to 3.5% determined according to specific indicators (size, interconnectedness, lack of substitutes for the services provided, global activity and complexity); to be phased in from 1 January 2016 (pursuant to Article 131 of the CRD IV and Title II, Chapter I, Section IV of Circular No. 285) becoming fully effective on 1 January 2019; and
- *Capital buffers for other systemically important banks at a domestic level*: up to 2.0% as set by the relevant competent authority (reviewed at least annually from 1 January 2016), to compensate for the higher risk that such banks represent to the financial system) (pursuant to Article 131 of the CRD IV and Title II, Chapter 1, Section IV of Circular No. 285).

In addition to the above listed capital buffers, under Article 133 of the CRD IV each Member State may introduce a Systemic Risk Buffer of Common Equity Tier 1 Capital for the financial sector or one or more subsets of the sector, in order to prevent and mitigate long term non-cyclical systemic or macro-prudential risks not covered by CRR, in the meaning of a risk of disruption in the financial system with the potential to have serious negative consequences to the financial system and the real economy in a specific Member State. The Member States setting the buffer will have to notify the Commission, the EBA, and the ESRB and the competent and designated authorities of the Member States concerned. For buffer rates between 3% and 5%, the Commission will provide an opinion on the measure decided and if this opinion is negative, the Member States will have to "comply or explain". Buffer rates above 5% will need to be authorized by the Commission through an implementing act, taking into account the opinions provided by the ESRB and by the EBA.

Failure to comply with such combined buffer requirements triggers restrictions on distributions and the need for the bank to adopt a capital conservation plan on necessary remedial actions (Articles 140 and 141 of the CRD IV). At this stage no provision is included on the systemic risk buffer under Article 133 of the CRD IV as the Italian level-1 rules for the CRD IV implementation on this point have not yet been enacted.

As part of the CRD IV Package transitional arrangements, as implemented by Circular No. 285, regulatory capital recognition of outstanding instruments which qualified as Tier 1 and Tier 2 capital instruments under the framework which the CRD IV Package has replaced (CRD III) that no longer meet the minimum criteria under the CRD IV Package will be gradually phased out. Fixing the base at the nominal amount of such instruments outstanding on 1 January 2013, their recognition is capped at 80% in 2014, with this cap decreasing by 10% in each subsequent year (see, in particular, Part Two, Chapter 14, Section 2 of Circular

² Bank of Italy Circular n. 285 of 17 December 2013 (Transitional Provisions).

³ Bank of Italy Circular n. 285 of 17 December 2013 (Transitional Provisions).

No. 285). The same principle applies under Luxembourg law pursuant to article 17 of the CSSF Regulation N°14-01.

The new liquidity requirements introduced under the CRD IV Package are the Liquidity Coverage Ratio and the NSFR. The Liquidity Coverage Ratio Delegated Act was adopted in October 2014 and published in the Official Journal of the European Union in January 2015. It shall be applicable from 1 October, 2015, under a phase-in approach before it becomes fully applicable from 1 January, 2018. On the NSFR, in the light of the reports to be prepared by the EBA by 31 December, 2015, the Commission will prepare, if appropriate, a legislative proposal by the end of 2016, with aims to comply with NSFR implementation in 2018, as per the Basel rules approved in October 2014. In any case, Member States may maintain or introduce national provisions in the area of stable funding requirements before binding minimum standards for net stable funding requirements are specified and introduced in the European Union.

The CRD IV Package also introduces a new leverage ratio with the aim of restricting the level of leverage that an institution can take on to ensure that an institution's assets are in line with its capital. The Leverage Ratio Delegated Act was published in the Official Journal of the European Union in January 2015. Institutions have been required to disclose their leverage ratio from 1 January 2015. Full implementation and European harmonisation, however, is not expected until 1 January 2018, following the European Commission's review in 2016 of whether or not the ratio should be introduced as a binding measure.

As a result of the changes described above, there is uncertainty as to regulatory requirements that each of the Issuer will be required to comply with. Furthermore, should the Issuer not be able to implement the approach to capital requirements it considers optimal in order to meet the capital requirements imposed by the CRD IV Package, it may be required to maintain levels of capital which could potentially impact its credit ratings, funding conditions and limit the Issuer's growth opportunities.

The CRD IV Package contains specific mandates for the EBA to develop draft regulatory or implementing technical standards as well as guidelines and reports related to liquidity coverage ratio and leverage ratio in order to enhance regulatory harmonisation in Europe through the EBA Supervisory Handbook (as defined below). As regards liquidity, the CRD IV Package tasks the EBA with advising on appropriate uniform definitions of liquid assets for the Liquidity Coverage Ratio buffer. In addition, the CRD IV Package states that the EBA shall report to the Commission on the operational requirements for the holdings of liquid assets. Furthermore the CRD IV Package also tasks the EBA with advising on the impact of the liquidity coverage requirement, on the business and risk profile of institutions established in the European Union, on the stability of financial markets, on the economy and on the stability of the supply of bank lending. The EBA has submitted a number of technical standards and guidelines on the subject to the European Commission and the Commission adopted its delegated act to implement the Liquidity Coverage Ratio (LCR) in the EU, on 10 October 2014 and published in the Official Journal of the European Union in January 2015.

In addition to the substantial changes in capital and liquidity requirements introduced by Basel III and the CRD IV Package, there are several other initiatives, in various stages of finalisation, which represent additional regulatory pressure over the medium term and will impact the EU's future regulatory direction. These initiatives include, amongst others, a revised Markets in Financial Instruments EU Directive and Markets in Financial Instruments EU Regulation, which entered into force on 2 July 2014 with implementation required at Member States level as from January 2017 subject to certain transitional arrangements, and the Bank Recovery and Resolution EU Directive which is required to be implemented by Member States by 1 January 2015 (with the bail-in provisions becoming applicable as of 1 January 2016). The Basel Committee has also published certain proposed changes to the current securitisation framework which may be accepted and implemented in due course.

One of the main proposed changes to the global regulatory framework is for G-SIBs to be required to have a minimum Total Loss Absorbing Capacity (**TLAC**). In November 2014, the Financial Stability Board (the **FSB**) published a consultation document setting out its proposals for TLAC, which were endorsed at the Group of Twenty's (G20) Brisbane conference in November 2014. On 9 November 2015 the FSB published a report setting out the principles on the Loss Absorbing and Recapitalisation Capacity of G-SIBs in Resolution and a term sheet on TLAC (the **FSB Report**). The same day, the BCBS released a report on the

TLAC Quantitative Impact Study (**QIS**) and an analysis assessing the economic costs and benefits of TLAC implementation, each related to the FSB Report. The term sheet contained in the FSB Report implements the Loss Absorbing and Recapitalisation Capacity of G-SIBs in the form of an internationally agreed standard on the adequacy of total loss absorbing capacity for G-SIBs. According the SFB Report, the principles set out therein and the term sheet form a new international standard for G-SIBs and the FSB will monitor implantation of the standard. The FSB will undertake a review of the technical implementation by the end of 2019.

The FSB's proposals will, once implemented, require all G-SIBs to meet a minimum pillar 1 TLAC of 16% of their Risk Weighted Assets (the **RWA**) (the **TLAC RWA Minimum**) as from 1 January 2019 and at least 18% of their Risk Weighted Assets (the **RWA**) as from 1 January 2022. The applicable regulatory capital (Basel III) buffers must be met in addition to the TLAC RWA Minimum. Liabilities that are eligible for TLAC shall be capital instruments and instruments that are contractually, statutorily or structurally subordinated to certain "excluded liabilities" (including insured deposits and liabilities that cannot be effectively written down or converted into equity by relevant authorities) in a manner that does not give rise to a material risk of compensation claims or successful legal challenges. The impact on G-SIBs may well come ahead of 2019, as markets may force earlier compliance and as banks will need to adapt their funding structure in advance.

Moreover, it is worth mentioning the Basel Committee has embarked on a very significant RWA variability review. This includes the "*Fundamental Review of the Trading Book*", revised standardised approaches (credit, market, operational risk) and a consultation paper on a capital floor. The regulator's primary aim is to eliminate unwarranted levels of RWA variance. The finalization of the new framework is likely to be expected by 2015 year end for all the relevant workstreams. The new setup will have a revolutionary impact on risk modelling: directly on the exposures assessed via standardized approach, but also indirectly on internal ratings based approach (**IRB**) RWA, due to the introduction of capital floors that, according to the new framework, will be calculated based on the revised standardized approach.

Also for counterparty exposures (generated by derivatives) Basel Committee has proposed to retain Internal models, but subject to a floor based on a percentage of the applicable standardised approach.

Moreover, in the context of the revision of Cva risk framework, the option of adopting the internal model approach has been removed.

In addition, as mentioned above, the European Commission intends to develop the NSFR with the aim of introducing it from 1 January 2018.

Such changes in the regulatory framework and how they are implemented may have a material effect on all the European banks and on the Intesa Sanpaolo Group's business and operations. As the new framework of banking laws and regulations affecting the Intesa Sanpaolo Group is currently being implemented, the manner in which those laws and related regulations will be applied to the operations of financial institutions is still evolving. No assurance can be given that laws and regulations will be adopted, enforced or interpreted in a manner that will not have an adverse effect on the business, financial condition, cash flows and results of operations of the Intesa Sanpaolo Group. Prospective investors in the Instruments should consult their own advisers as to the consequences for them of the application of the above regulations as implemented by each Member State.

ECB Single Supervisory Mechanism

On 15 October 2013, the Council of the European Union adopted Council Regulation (EU) No 1024/2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions (the **SSM Regulation**) for the establishment of a single supervisory mechanism (the **Single Supervisory Mechanism** or **SSM**). From 4 November 2014, the SSM Regulation has given the ECB, in conjunction with the national regulatory authorities of the eurozone and participating Member States, direct supervisory responsibility over "banks of systemic importance" in the eurozone. In this respect, "banks of systemic importance" include any Eurozone bank that (i) has assets greater than €30 billion or –

unless the total value of its assets is below €5 billion – greater than 20% of national gross domestic product; (ii) is one of the three most significant credit institutions established in a Member State; (iii) has requested, or is a recipient of, direct assistance from the European Financial Stability Facility or the European Stability Mechanism; (iv) is considered by the ECB to be of significant relevance where it has established banking subsidiaries in more than one participating Member State and its cross-border assets/liabilities represent a significant part of its total assets/liabilities.

Notwithstanding the fulfilment of these criteria, the ECB, on its own initiative after consulting with national competent authorities or upon request by a national competent authority, may declare an institution significant to ensure the consistent application of high-quality supervisory standards. Intesa Sanpaolo S.p.A. and the Intesa Sanpaolo Group have been classified, respectively, as a significant supervised entity and a significant supervised group within the meaning of Regulation (EU) No. 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for co-operation within the Single Supervisory Mechanism between the European Central Bank and national competent authorities and with national designated authorities (the **SSM Framework Regulation**) and, as such, are subject to direct prudential supervision by the ECB in respect of the functions conferred on the ECB by the SSM Regulation and the SSM Framework Regulation. The relevant national competent authorities, for the purposes of the SSM Regulation and the SSM Framework Regulation, continue to be responsible, in respect of Intesa Sanpaolo and its subsidiaries, for supervisory functions not conferred on the ECB, such as consumer protection, money laundering, payment services, and supervision over branches of third country banks. The ECB, on the other hand, is exclusively responsible for key tasks concerning the prudential supervision of credit institutions, which includes, *inter alia*, the power to: (i) authorise and withdraw the authorisation of all credit institutions in the eurozone and in the Member States participating to the SSM; (ii) assess acquisition and disposal of holdings in other banks; (iii) ensure compliance with all prudential requirements laid down in general EU banking rules; (iv) set, where necessary, higher prudential requirements for certain banks to protect financial stability under the conditions provided by EU law; (v) ensure compliance with robust corporate governance practices and internal capital adequacy assessment controls; and (vi) intervene at the early stages when risks to the viability of a bank exist, in coordination with the relevant resolution authorities.

In order to foster consistency and efficiency of supervisory practices across eurozone, the EBA is developing a single supervisory handbook applicable to EU Member States (the **EBA Supervisory Handbook**).

The Intesa Sanpaolo Group will be subject to the provisions of the Recovery and Resolution Directive once finalised and implemented, in the future

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the **Bank Recovery and Resolution Directive** or **BRRD**) entered into force.

The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution

tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims (including the Instruments) to equity (the **general bail-in tool**), which equity could also be subject to any future application of the general bail-in tool.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts or other liabilities as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

The BRRD provides that Member States should apply the new “crisis management” measures from 1s January 2015, except for the general bail-in tool which is to be applied by 1 January 2016. The BRRD has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely, Legislative Decrees No. 180/2015 and 181/2015 (together, the **BRRD Decrees**), both of which were published in the Italian Official Gazette (*Gazzetta Ufficiale*) on 16 November 2015. Legislative Decree No. 180/2015 is a stand-alone law which implements the provisions of BRRD relating to resolution actions, while Legislative Decree No. 181/2015 amends the existing Banking Law (Legislative Decree No. 385 of 1 September 1993, as amended) and deals principally with recovery plans, early intervention and changes to the creditor hierarchy. The BRRD Decrees entered into force on 16 November 2015, save that: (i) the bail-in tool applies since 1 January 2016; and (ii) a “depositor preference” granted for deposits other than those protected by the deposit guarantee scheme and those of individuals and SME’s will apply from 1 January 2019. BRRD has been transposed in Ireland by the European Union (Bank Recovery and Resolution) Regulations 2015. All provisions other than those relating to bail-in took effect as of 15 July 2015; the provisions relating to bail-in took effect as of 1 January 2016.

The BRRD was implemented in Luxembourg by the Luxembourg act dated 18 December 2015 which was officially published on 24 December 2015 in the Luxembourg official gazette (Memorial A, n° 246) (the **BRR Act 2015**). Under the BRR Act 2015, the competent authority is the *Commission de surveillance du secteur financier* (the **CSSF**) and the resolution authority is the CSSF acting as Resolution Council (le *Conseil de résolution*). The provisions of the BRR Act 2015 (including as regards the bail-in tool) apply since its date of publication in the Luxembourg official gazette.

The powers set out in the BRRD, in the BRR Act 2015 and in the BRRD Decrees will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Holders of Instruments may be subject to write-down/conversion into equity (ordinary shares or other instruments of ownership) on any application of the general bail-in tool, which may result in such holders losing some or all of their investment (notably, the amount of the outstanding may be reduced, including to zero). Subject to certain conditions, the terms of the obligations owed under any Instruments may also be varied by the relevant resolution authority (e.g. as to maturity, interest and interest payment dates). The exercise of any power under the BRRD, the BRR Act 2015 and/or the BRRD Decrees or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in any Instruments and/or the ability of the relevant Issuer, as the case may be, and/or the Guarantor to satisfy its obligations under any Instruments.

As of 2016 (or, if earlier, the date of national implementation of the BRRD), European banks will also have to comply with a Minimum Requirement for Eligible Liabilities (the **MREL**). The BRRD does not foresee an absolute minimum, but attributes the competence to set a minimum amount for each bank to national resolution authorities (for banks not being part of the SRM, as defined below) or to the Single Resolution Board (the **SRB**) for banks being part of the SRM. Differently to the current discussions on TLAC (see more

above under “*Changes in Regulatory Framework*”), MREL includes senior unsecured debt without ex-ante limitations *per se*. On 3 July 2015 the European Banking Authority (**EBA**) has adopted and submitted to the Commission its Regulatory Technical Standards (the **RTS**) which further define the way in which resolution authorities or the SRB shall determine the MREL. In the introductory remarks to the RTS, it is stated that the EBA expects the RTS to be “broadly compatible with the proposed FSB term sheet for TLAC for G-SIBs”, adding that “while there are differences resulting from the nature of the EBA’s mandate under the BRRD, as well as the fact that the BRRD MREL requirement applies to banks which are not G-SIBs, these differences do not prevent resolution authorities from implementing the MREL for G-SIBs consistently with the international framework”.

The BRRD is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the directive or the taking of any action under it could materially affect the value of any Instrument.

As of 2016 the Intesa Sanpaolo Group may be subject to the provisions of the Regulation establishing the Single Resolution Mechanism

On 19 August 2014, the Regulation (EU) No. 806/2014 establishing a Single Resolution Mechanism (the **SRM**) (the **SRM Regulation**) entered into force.

The SRM is operational as from 1 January 2016. There are, however, certain provisions including those concerning the preparation of resolution plans and provisions relating to the cooperation of the SRB with national resolution authorities, which entered into force on 1 January 2015.

The SRM Regulation, which will complement the SSM (as defined above), will apply to all banks supervised by the SSM. It will mainly consist of the SRB and a Single Resolution Fund (the **Fund**).

A centralised decision-making process will be built around the SRB and will involve the European Commission and the Council of the European Union – which will have the possibility to object to SRB decisions – as well as the ECB and the national resolution authorities.

The Fund, which will back the SRM Regulation decisions mainly taken by the SRB, will be divided into national compartments during an eight-year transitional period, as set out by an intergovernmental agreement. Starting from 2015, banks are required to pay contributions to national resolution funds that will transform gradually into the Fund starting from 2016 (and will be additional to the contributions to the national deposit guarantee schemes).

This framework should be able to ensure that, instead of national resolution authorities, there will be a single authority – i.e. the SRB – which will take all relevant decisions for the resolution of banks being supervised by the SSM and part of the Banking Union.

There are other benefits that will derive from the Banking Union. Such benefits are aimed at (a) breaking the negative feed loop between banks and their sovereigns; (b) providing a solution to home-host conflicts in resolution; and (c) a competitive advantage that Banking Union banks will have vis-à-vis non-Banking Union ones, due to the availability of a larger resolution fund.

The Intesa Sanpaolo Group may be subject to a proposed EU regulation on mandatory separation of certain banking activities

On 29 January 2014, the European Commission adopted a proposal for a new regulation on structural reform of the European banking sector following the recommendations released on 31 October 2012 by the High Level Expert Group (the **Liikanen Group**) on the mandatory separation of certain banking activities. The proposed regulation contains new rules which would prohibit the biggest and most complex banks from engaging in the activity of proprietary trading and introduce powers for supervisors to separate certain trading activities from the relevant bank’s deposit-taking business if the pursuit of such activities

compromises financial stability. Alongside this proposal, the Commission has adopted accompanying measures aimed at increasing transparency of certain transactions in the shadow banking sector.

The proposed regulation would apply to European banks that will eventually be designated as G-SIBs or which exceed the following thresholds for three consecutive years: a) total assets are equal or exceed €30 billion; b) total trading assets and liabilities are equal to or exceed €70 billion or 10 per cent. of their total assets. The banks that meet either one of the aforementioned conditions would be automatically banned from engaging in "proprietary trading" defined narrowly as activities using a bank's own capital or borrowed money to take positions in any type of transaction to purchase, sell or otherwise acquire or dispose of any financial instrument or commodities for the sole purpose of making a profit for own account, and without connection to actual or anticipated client activity or for the purpose of hedging the entity's risk as a result of actual or anticipated client activity. In addition, such banks will be prohibited also from investing in or holding shares in hedge funds, or entities that engage in proprietary trading or sponsor hedge funds. Other trading and investment banking activities – including market-making, lending to venture capital and private equity funds, investment and sponsorship of complex securitisation, sales and trading of derivatives – might be subject to the separation, subject to the discretion of the bank's competent authority, however they might be subject to separation if such activities are deemed to pose a threat to financial stability or if they are found to exceed certain thresholds, to be further specified in secondary legislation. A general derogation from the rules is provided for UK banks, which will be subject to rules on ring-fencing of retail activities under the UK banking reform.

The proprietary trading ban would apply as of 1 January 2017 and the effective separation of other trading activities would apply as of 1 July 2018.

The Commission's proposal is currently being considered and is likely to be amended by the European Parliament and the Council in their function of co-legislators. The Council of the European Union has reached a "general approach" (informal agreement) on the text, while the Parliament has still not found an agreement on the draft report to the proposal. Therefore, there is still no final legislative text.

Should a mandatory separation be imposed, additional costs at Intesa Sanpaolo Group level are not ruled out, in terms of higher funding costs, additional capital requirements and operational costs due to the separation, lack of diversification benefits. Due to relatively limited trading activity, Italian banks could be penalized and put at a relative disadvantage in comparison with their main global and European competitors. As a result, the proposal could lead to the creation of an oligopoly where only the biggest players would be able to support the separation of the trading activities and the costs that will be incurred. An additional layer of complexity, leading to uncertainty, is the high risk of diverging approaches throughout Europe on this issue.

The Intesa Sanpaolo Group may be affected by a proposed EU Financial Transactions Tax

On 14 February 2013 the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). However, Estonia has since stated that it will not participate. The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Instruments (including secondary market transactions) in certain circumstances. The issuance and subscription of Instruments should, however, be exempt.

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

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

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

The Intesa Sanpaolo Group may be affected by new accounting standards

Following the entry into force and subsequent application of new accounting standards, regulatory rules and/or the amendment of existing standards and rules (including the ECB's comprehensive assessment of European banks), the Intesa Sanpaolo Group may have to revise the accounting and regulatory treatment of certain transactions and the related income and expense.

In this regard, it should be pointed out that a relevant change is expected in future periods from the finalisation of IFRS 9:

- In particular, IFRS 9 which has been issued on 24 July 2014, will introduce significant changes with regard to classification, measurement, impairment and hedge accounting of financial instruments, replacing IAS 39. IASB decided that the mandatory effective date of IFRS 9 will be no earlier than 1 January 2018. Application of this Standard to European Union entities will be subject to European Commission endorsement.

At a national level the Italian competent authorities approved new regulations that could adversely affect the business and the profitability of the Intesa Sanpaolo Group.

The Intesa Sanpaolo Group's business is focused primarily on the Italian domestic market and therefore adverse economic conditions in Italy or a delayed recovery in the Italian market may have particularly negative effects on the Intesa Sanpaolo Group's financial condition and results of operations.

Although the Intesa Sanpaolo Group operates in many countries, Italy is its primary market. Its business is therefore particularly sensitive to adverse macroeconomic conditions in Italy.

The persistence of adverse economic conditions in Italy, or a slower recovery in Italy compared to other OECD nations, could have a material adverse effect on the Intesa Sanpaolo Group's business, results of operations or financial condition.

In addition, any downgrade of the Italian sovereign credit rating or the perception that such a downgrade may occur, may destabilise the markets and have a material adverse effect on the Intesa Sanpaolo Group's operating results, liquidity position, financial condition and prospects as well as on the marketability of the Instruments.

Governmental and central banks' actions intended to support liquidity may be insufficient or discontinued

In response to the financial markets crisis, the reduced liquidity available to market operators in the industry, the increase of risk premiums and the capital requirements demanded by investors, intervention with respect to the level of capitalisation of banking institutions has had to be further increased. In many countries, this has been achieved through support measures for the financial system and direct intervention by governments in the share capital of the banks in different forms. In order to technically permit such government support, financial institutions were required to pledge securities deemed appropriate by different central financial institutions as collateral.

The unavailability of liquidity through such measures, or the decrease or discontinuation of such measures by governments and central authorities could result in increased difficulties in procuring liquidity in the market and/or result in higher costs for the procurement of such liquidity, thereby adversely affecting the Intesa Sanpaolo Group's business, financial condition and results of operations.

Risks relating to the Instruments

The Instruments may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Instruments, the merits and risks of investing in the Instruments and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Instruments and the impact the Instruments will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Instruments, including Instruments with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Instruments and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Risks related to the structure of a particular issue of the Instruments

A wide range of Instruments may be issued under the Programme. A number of these Instruments may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Fixed/floating rate Instruments

Fixed/floating rate Instruments may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. That Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Instruments since that Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the fixed/floating rate Instruments may be less favourable than then prevailing spreads on comparable floating rate Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments. If that Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on instruments.

Instruments issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Instruments generally

Set out below is a brief description of certain risks relating to the Instruments generally:

Global Instruments held in a clearing system

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

Instruments issued under the Programme may be represented by one or more Global Instruments. Such Global Instruments will be deposited with a common depository or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Instruments. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Instruments. While the Instruments are represented by one or more Global Instruments the relevant Issuer will discharge its payment obligations under the Instruments 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 Instrument must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Instruments. The relevant Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Instruments. Holders of beneficial interests in the Global Instruments will not have a direct right to vote in respect of the relevant Instruments. 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 related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Instruments 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 Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Instruments 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 Instruments. In addition, Instruments issued under the Programme might not be listed on a stock exchange or regulated market and, in these circumstances, pricing information may be more difficult to obtain and the liquidity and market prices of such Instruments may be adversely affected.

Exchange rate risks and exchange controls

The relevant Issuer (or the Guarantor) will pay principal and interest on the Instruments in the Specified Currency. 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 Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency 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 Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Instruments, (2) the Investor's Currency-equivalent value of the principal

payable on the Instruments and (3) the Investor's Currency-equivalent market value of the Instruments. 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 fixed rate Instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate Instruments.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Instruments. The ratings 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 Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

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) Instruments are legal investments for it, (2) Instruments can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

GENERAL INFORMATION

Approval of the Programme

The Programme was approved and authorised by written resolutions of the Board of Directors of Intesa Sanpaolo Bank Ireland p.l.c. dated 26 May 2016 and the Board of Directors of Intesa Sanpaolo Bank Luxembourg, *société anonyme* (formerly Société Européenne de Banque, *société anonyme*.) dated 17 February 2011 and 26 February 2014.

Litigation

Save as disclosed in this Information Memorandum, none of the Issuers, the Guarantor or any member of the Intesa Sanpaolo 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 Intesa Sanpaolo Group's financial position or profitability and, so far as each Issuer or the Guarantor is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

No significant change and no material adverse change

Since 31 December 2015 there has been no material adverse change in the financial position or situation or the prospects of the Issuers or the Guarantor and since 31 December 2015 there has been no significant change in the financial or trading position of the Intesa Sanpaolo Group.

Material contracts

None of the Guarantor, the Issuers and the Guarantor's other 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 either Issuer's ability to meet its obligations to Instrument holders.

Documents available for inspection

For so long as the Programme remains valid with the Irish Stock Exchange or any Instruments shall be outstanding, copies and, where appropriate, the following documents (translated into English, where applicable), in electronic or physical form, may be obtained by the public during normal business hours at the registered office of the each Issuer, namely:

- (a) this Information Memorandum and any supplements to this Information Memorandum (together with any information memorandums published in connection with any future updates in respect of the Information Memorandum) and any other documents incorporated herein or therein by reference;
- (b) a certified copy of the constitutive documents of each Issuer and the Guarantor;
- (c) the issuing and paying agency agreement dated 27 April 2015 between the Issuers, the Guarantor and The Bank of New York Mellon, London Branch;
- (d) the Guarantee;
- (e) the Dealership Agreement;
- (f) any supplemental agreement prepared and published in connection with the Programme;

- (g) the audited consolidated annual financial statements of the Intesa Sanpaolo Group as at and for the year ended 31 December 2014, as shown in the Intesa Sanpaolo Group 2014 Annual Report;
- (h) the audited consolidated annual financial statements of Intesa Sanpaolo Group as at and for the year ended 31 December 2015, as shown in the Intesa Sanpaolo Group 2015 Annual Report;
- (i) the audited annual financial statements of Intesa Sanpaolo Bank Ireland p.l.c. as at and for the year ended 31 December 2014, as shown in the Intesa Sanpaolo Bank Ireland p.l.c. 2014 Annual Report;
- (j) the audited annual financial statements of Intesa Sanpaolo Bank Ireland p.l.c. as at and for the year ended 31 December 2015, as shown in the Intesa Sanpaolo Bank Ireland p.l.c. 2015 Annual Report;
- (k) the audited annual financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme*. as at and for the year ended 31 December 2014;
- (l) the audited consolidated financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme* as at and for the year ended 31 December 2014;
- (m) the audited annual financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme* as at and for the year ended 31 December 2015; and
- (n) the audited consolidated financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme* as at and for the year ended 31 December 2015.

Language of the Information Memorandum

The language of the Information Memorandum is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of the Information Memorandum.

CERTIFICATION OF INFORMATION OF INTESA SANPAOLO BANK IRELAND P.L.C.

Person responsible for the Information Memorandum:

Intesa Sanpaolo Bank Ireland p.l.c.

Declaration of the person(s) responsible for the Information Memorandum:

To our knowledge, the information contained in this document is true and does not contain any misrepresentation which would make it misleading.

Date:

27 May 2016

Place of signature:

Dublin, Ireland

Signature:


Andrew Plomp
Managing Director


Michael Macken
Head of Credit
& Syndications

Independent auditors of the Intesa Sanpaolo Bank Ireland p.l.c.:

As of 25 April 2012, the independent auditors of Intesa Sanpaolo Bank Ireland p.l.c. are KPMG Chartered Accountants, who are registered auditors with the Institute of Chartered Accounts in Ireland.

Disclaimer clauses for dealer(s), IPA(s) and arranger(s):

See section headed "Important Notice" in the Information Memorandum.

**CERTIFICATION OF INFORMATION OF INTESA SANPAOLO BANK LUXEMBOURG,
SOCIÉTÉ ANONYME**

Person responsible for the Information Memorandum:

Intesa Sanpaolo Bank Luxembourg, *société anonyme*

Declaration of the person(s) responsible for the Information Memorandum:

To our knowledge, the information contained in this document is true and does not contain any misrepresentation which would make it misleading.

Date:

27 May 2016

Place of signature:

Luxembourg

Signature:


Ferdinando Angeletti
Administrateur Délégué & CEO


David Castellani
Head of Operations

Statutory auditors of Intesa Sanpaolo Bank Luxembourg, *société anonyme*:

As of 1 January 2012, the approved statutory auditors (*réviseur d'entreprises agréé*) of Intesa Sanpaolo Bank Luxembourg, *société anonyme* are KPMG Luxembourg S.à r.l., Cabinet de révision agréé, which is a member of the Institut des Réviseurs d'Entreprises.

Disclaimer clauses for dealer(s), IPA(s) and arranger(s):

See section headed "Important Notice" in the Information Memorandum.

CERTIFICATION OF INFORMATION OF THE GUARANTOR

Person responsible for the information concerning the Guarantor:

Intesa Sanpaolo S.p.A.

Declaration of the person(s) responsible for the information concerning the Guarantor:

To our knowledge, the information contained in this document is true and does not contain any misrepresentation which would make it misleading.

Date:

27 May 2016

Place of signature:

London, England

Signature:

.....

Independent auditors of the Guarantor:

As of 28 May 2012, the auditors of Intesa Sanpaolo S.p.A. are KPMG S.p.A.

Disclaimer clauses for dealer(s), IPA(s) and arranger(s):

See section headed "Important Notice" in the Information Memorandum.

INFORMATION CONCERNING THE ISSUERS' REQUEST OF THE STEP LABEL

This Programme has been submitted to the STEP Secretariat in order to apply for the STEP label. The status of STEP compliance of this Programme can be checked on the STEP Market website (www.stepmarket.org).

**FORM OF MULTI CURRENCY GLOBAL NOTE
(Interest Bearing/Discounted)**

The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.

***EITHER* [Intesa Sanpaolo Bank Ireland p.l.c.**

Incorporated and registered in Ireland with Registration No: 125216
Registered Office: 3rd Floor, KBC House, 4 George's Dock, IFSC, Dublin 1]

***OR* [Intesa Sanpaolo Bank Luxembourg, *société anonyme* (formerly Société Européenne de Banque, *société anonyme*)**

Incorporated as a public limited liability company (*société anonyme*) and registered in the Luxembourg trade and company register under registration number B13.859
Registered Office: 19-21 Boulevard Prince Henri, L – 1724 Luxembourg]

**Unconditionally and irrevocably guaranteed by
Intesa Sanpaolo S.p.A.
(Incorporated in Italy)**

Issuer:

No: _____

Series No.:

Issued in London on:

Maturity Date⁴:

Specified Currency:

Denomination:

Principal Amount:

(words and figures if a Sterling Note)

Interest Rate⁵: ____% per annum

Margin⁶:

Calculation Agent⁷:

Reference Banks⁸:

Interest Payment Dates⁹:

Reference Rate: LIBOR/EURIBOR¹⁰

Interest Commencement Date:¹¹

Early Redemption at the option of the Noteholder: Optional Redemption Date(s) (Put):¹²
[Yes/No]

Optional Redemption Amount (Put):¹³

⁴ Not to exceed 364 days from the Issue Date.

⁵ Complete for fixed rate interest bearing Notes only.

⁶ Complete for floating rate Notes only.

⁷ Complete for floating rate Notes only.

⁸ Complete for floating rate Notes only.

⁹ Complete for interest bearing Notes if interest is payable before the Maturity Date.

¹⁰ Delete as appropriate. The Reference Rate should always be LIBOR unless the Note is denominated in euro and the Issuer and the relevant Dealer agree EURIBOR should be used instead.

¹¹ Complete for interest bearing Yen denominated Notes only.

¹² Complete for Notes which are subject to early redemption at the option of the Noteholder.

1. FOR VALUE RECEIVED, [Intesa Sanpaolo Bank Ireland p.l.c./Intesa Sanpaolo Bank Luxembourg, *société anonyme*] (the **Issuer**) promises to pay to the bearer of this Global Note on the above-mentioned Maturity Date an aggregate amount equal to the face amount hereof together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an issuing and paying agency agreement dated 27 April 2015 between the Issuer, [Intesa Sanpaolo Bank Ireland p.l.c./Intesa Sanpaolo Bank Luxembourg, *société anonyme*], the Guarantor and The Bank of New York Mellon, London Branch (the **Paying Agent**) as the issuing and paying agent, a copy of which is available for inspection at the offices of the Paying Agent at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note at the offices of the Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of that currency or, in the case of a Global Note denominated or payable in euro, by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union. For so long as any Notes are listed on any Stock Exchange, the Issuer will ensure that it maintains a paying agent with a specified office in the place required by the rules and regulations of such Stock Exchange or other relevant authority.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in U.S. Dollars, payments shall be made by transfer to an account denominated in U.S. Dollars in the principal financial centre of any country outside of the United States that the Issuer or Paying Agent so chooses.

2. This Global Note is issued in representation of an issue of Notes in the above-mentioned aggregate Principal Amount. This Global Note is, subject to the terms and conditions set out below, exchangeable for definitive promissory notes (**Definitive Notes**), each representing a Note.
3. All payments in respect of this Global Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of any taxing authority or any political subdivision thereof or any authority thereof having the power to tax in [Ireland/Luxembourg] or Italy (**Taxes**). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Note is presented for payment:
 - (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Note;

¹³ Complete for Notes which are subject to early redemption at the option of the Noteholder.

- (b) by or on behalf of a holder who would have been able to avoid such withholding or deduction by authorising the Paying Agent to report information in accordance with the procedure laid down by the relevant tax authority or by producing, in the form required by the relevant tax authority, a declaration, claim, certificate, document or other evidence establishing exemption therefrom;
 - (c) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Global Note on the last day of such period of 15 days; or
 - (d) 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 or supplemented from time to time) or of *ritenuta alla fonte* pursuant to article 26 of Italian Presidential Decree No. 600 of 29 September 1973 (as amended or supplemented from time to time); or
 - (e) where such deduction or withholding is imposed pursuant to the law of 23 December 2005, as amended.
4. If provided in the relevant Contractual Terms, the Issuer shall, at the option of the holder of any Note, redeem such Note on the Optional Redemption Date (Put) at its Optional Redemption Amount (Put) together with interest (if any) accrued to such date.

In order to exercise its option to require the Issuer to redeem, the holder of any Note must, not less than the minimum period nor more than the maximum period of notice (specified in the applicable Contractual Terms) prior to the relevant Optional Redemption Date (Put), deposit with any Agent such Note together with a duly completed Put Option Notice in the form obtainable from any Agent. The Agent with which a Note is so deposited shall immediately notify the Issuer and shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Global Note, may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by an Agent in accordance with this condition, the depositor of such Note and not such Agent shall be deemed to be the holder of such Note for all purposes.

As used in this Global Note:

Optional Redemption Amount (Put) means the amount specified in the relevant Contractual Terms.

Optional Redemption Date (Put) means the date specified in the relevant Contractual Terms.

Put Option Notice means a notice which must be delivered to an Agent by any Noteholder wanting to exercise its option to require the Issuer to redeem a Note at the option of the Noteholder.

Put Option Receipt means a receipt issued by an Agent to a depositing Noteholder upon deposit of a Note with such Agent by any Noteholder wanting to exercise a right to redeem a Note.

5. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein), payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and neither the bearer of this Global Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

Payment Business Day means any day other than a Saturday or Sunday which is both, (a) a day on which each of Euroclear and Clearstream are open for business, and (b) either (i) if the above-mentioned Specified Currency is any currency other than the euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (ii) if the above-mentioned currency is euro, a day which is a TARGET2 Business Day.

TARGET2 Business Day means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

6. The payment obligation of the Issuer represented by this Global Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law applying to companies generally.
7. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
8. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated Definitive Notes (whether before, on or, subject as provided below, after the Maturity Date):
 - (a) if the clearing system(s) in which this Global Note is held at the relevant time is closed for a continuous period of 14 days or more (other than by reason of weekends or public holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so); or
 - (b) if default is made in the payment of any amount payable in respect of this Global Note.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Paying Agent shall authenticate and deliver, in exchange for this Global Note, Definitive Notes denominated in the above-mentioned Specified Currency in an aggregate principal amount equal to the Principal Amount of this Global Note.

9. If, upon any such default and following such surrender, Definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue Definitive Notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 9 March 2011 (as amended, re-stated or supplemented as of the date of issue of the Notes) entered into by the Issuer).
10. This Global Note has the benefit of a guarantee issued by Intesa Sanpaolo S.p.A. pursuant to a Deed Poll made on 9 March 2011, as subsequently amended, revised and restated from time to time, copies of which are available for inspection during normal business hours at the offices of the Paying Agent referred to above.
11. If this is an interest bearing Global Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day;
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, the Schedule hereto shall be duly completed by the Paying Agent to reflect such payment; and
 - (c) if no Interest Payment Dates are specified on the face of the Global Note, the Interest Payment Date shall be the Maturity Date.
12. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Principal Amount as follows:
 - (a) interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an **Interest Period** for the purposes of this paragraph.
13. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Principal Amount as follows:
 - (a)
 - (i) if this Global Note specifies LIBOR as the Reference Rate, interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling or if market practice so dictates (as determined by the Agent), 365 days at a rate (the **Rate of Interest**) determined on the following basis:

- (A) on the first day of each Interest Period (for a Global Note denominated in Sterling) or, if this Global Note is denominated in euro, the second TARGET2 Business Day (as defined below) before the beginning of each Interest Period or, if this Global Note is denominated in any other currency, the second London Business Day (as defined below) before the beginning of each Interest Period (each a **LIBOR Interest Determination Date**) the Calculation Agent will determine the offered rate for deposits in the Specified Currency in the London interbank market for the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. Such offered rate will be that which appears on Reuters Screen LIBOR01 Page (or such other page or service as may replace it for the purpose of displaying London interbank offered rates of major banks for deposits in the Specified Currency for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such rate, as determined by the Calculation Agent;
- (B) if on any LIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered quotation to leading banks in the London interbank market for deposits in the Specified Currency for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and
- (C) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (A) or (B) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (A) or (B) above shall have applied;
- (ii) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount of one Note of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling or if market practice so dictates (as determined by the Agent), by 365 and rounding the resulting figure to the nearest amount of the Specified Currency which is available as legal tender in the country of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;

- (iii) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;
 - (iv) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph;
 - (v) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to Euroclear, Clearstream, Luxembourg and the bearer of this Global Note or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper; and
 - (vi) as used above, **London Business Day** means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
- (b) (i) if this Global Note specifies EURIBOR as the Reference Rate, interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days at a rate (the **Rate of Interest**) determined on the following basis:
- (A) on the second TARGET2 Business Day before the beginning of each Interest Period (each a **EURIBOR Interest Determination Date**) the Calculation Agent will determine the European Interbank Offered Rate for deposits in euro for the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. Such offered rate will be that which appears on Reuters Screen EURIBOR01 Page (or such other page or service as may replace it for the purpose of displaying European Interbank Offered Rates of prime banks in the euro-zone (as defined below) for deposits in euro for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such rate, as determined by the Calculation Agent;
 - (B) if on any EURIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request the principal euro-zone office of each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered quotation to leading banks in the euro-zone interbank market for deposits in euro for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. The Rate of Interest for such EURIBOR Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if

necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and

- (C) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (A) or (B) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (A) or (B) above shall have applied;

for the purposes of this Global Note, **euro-zone** means the region comprised of the countries whose lawful currency is the euro;

- (ii) the Calculation Agent will, as soon as practicable after 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount of one Global Note of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360, and rounding the resulting figure to the nearest cent (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;
- (iii) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;
- (iv) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph; and
- (v) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to Euroclear, Clearstream, Luxembourg and the bearer of this Global Note or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper.

14. If this Global Note is denominated in euro, the principal amount hereof will be not less than €500,000; if this Global Note is denominated in U.S. Dollars, the principal amount hereof shall be not less than U.S.\$500,000; and if this Global Note is denominated in a currency other than euro or U.S. Dollars, the principal amount hereof shall be not less than €500,000 determined by reference to the relevant spot rate of exchange on the date of the Information Memorandum and provided that if the proceeds of this Global Note are accepted in the United Kingdom, subject to the minimum denomination requirement above, such principal amount shall be not less than £100,000 (or the equivalent in any other currency).

15. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Global Note as follows:

- (a) if this Global Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;

- (b) if this Global Note is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
- (c) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, **Business Day** means:

- (i) a day (other than Saturday or Sunday) on which the offices of the Paying Agent are open for business in the relevant place of presentation;
- (ii) a day on which each of Euroclear and Clearstream are open for business; and
- (iii) in the case of payments in euro, a TARGET2 Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.

- 16. This Global Note shall not be validly issued unless manually authenticated by the Paying Agent as issuing agent.
- 17. This Global Note and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Global Note (including a dispute regarding the existence, validity or termination of this Global Note). The parties to this Global Note agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

The Issuer irrevocably appoints Intesa Sanpaolo S.p.A., London Branch at 90 Queen Street, London EC4N 1SA as its agent for service of process in any proceedings before the English courts in connection with this Global Note. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 17 does not affect any other method of service allowed by law.

The Issuer irrevocably and unconditionally agrees not to claim any immunity from proceedings brought by the bearer against it in relation to this Global Note and to ensure that no such claim is made on its behalf, consents generally to the giving of any relief or the issue of any process in connection with those proceedings, and waives all rights of immunity in respect of it or its assets.

- 18. No person shall have any right to enforce any provision of this Global Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

IN WITNESS whereof the Issuer has caused this Global Note to be duly executed on its behalf.

EITHER

[INTESA SANPAOLO BANK IRELAND p.l.c.

By:]

OR

[INTESA SANPAOLO BANK LUXEMBOURG, *SOCIÉTÉ ANONYME*

By:

By:

Title:

Title:]

AUTHENTICATED by

**THE BANK OF NEW YORK MELLON,
LONDON BRANCH**

Without recourse, warranty or liability and for
authentication purposes only

By: _____
(*Authorised Signatory*)

SCHEDULE TO MASTER GLOBAL NOTE

PAYMENTS OF INTEREST

The following payments of interest in respect of this Global Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Paying Agent
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

**FORM OF MULTI CURRENCY GLOBAL NOTE WHICH IS A NEW GLOBAL NOTE
(Interest Bearing/Discounted)**

The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.

***EITHER* [Intesa Sanpaolo Bank Ireland p.l.c.**

Incorporated and registered in Ireland with Registration No: 125216
Registered Office: 3rd Floor, KBC House, 4 George's Dock, IFSC, Dublin 1]

***OR* [Intesa Sanpaolo Bank Luxembourg, *société anonyme* (formerly Société Européenne de Banque, *société anonyme*)**

Incorporated as a public limited liability company (*société anonyme*) and registered in the Luxembourg trade and companies register under registration number B13.859
Registered Office: 19-21 Boulevard Prince Henri, L – 1724 Luxembourg]

**Unconditionally and irrevocably guaranteed by
Intesa Sanpaolo S.p.A.
(Incorporated in Italy)**

Issuer:

No: _____

Series No.:

Issued in London on:

Maturity Date¹⁴:

Specified Currency:

Denomination:

Principal Amount:

(words and figures if a Sterling Note)

Interest Rate¹⁵: ____% per annum

Margin¹⁶:

Calculation Agent¹⁷:

Reference Banks¹⁸:

Interest Payment Dates¹⁹:

Reference Rate: LIBOR/EURIBOR²⁰

Interest Commencement Date:²¹

Early Redemption at the option of the Noteholder: Optional Redemption Date(s) (Put):²²
[Yes/No]

Optional Redemption Amount (Put):²³

¹⁴ Not to exceed 364 days from the Issue Date.

¹⁵ Complete for fixed rate interest bearing Notes only.

¹⁶ Complete for floating rate Notes only.

¹⁷ Complete for floating rate Notes only.

¹⁸ Complete for floating rate Notes only.

¹⁹ Complete for interest bearing Notes if interest is payable before the Maturity Date.

²⁰ Delete as appropriate. The Reference Rate should always be LIBOR unless the Note is denominated in euro and the Issuer and the relevant Dealer agree EURIBOR should be used instead.

²¹ Complete for interest bearing Yen denominated Notes only.

²² Complete for Notes which are subject to early redemption at the option of the Noteholder

ANY UNITED STATES PERSON WHO HOLDS THE 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 REVENUE CODE.

1. This Global Note is issued in representation of an issue of Notes of [Intesa Sanpaolo Bank Ireland p.l.c./Intesa Sanpaolo Bank Luxembourg, *société anonyme*] (the **Issuer**) and is intended to be a New Global Note. This Global Note is, subject to the terms and conditions set out below, exchangeable for definitive promissory notes (**Definitive Notes**), each representing a Note.
2. FOR VALUE RECEIVED, the Issuer promises to pay to the bearer of this Global Note on the above-mentioned Maturity Date the amount payable in respect of the Notes represented by this Global Note together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an issuing and paying agency agreement dated 27 April 2015 (as amended, re-stated or supplemented from time to time) between the Issuer, [Intesa Sanpaolo Bank Ireland p.l.c./Intesa Sanpaolo Bank Luxembourg, *société anonyme*], the Guarantor and The Bank of New York Mellon, London Branch (the **Paying Agent**) as the issuing and paying agent, a copy of which is available for inspection at the offices of the Paying Agent at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note at the offices of the Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of that currency or, in the case of a Global Note denominated or payable in euro by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. For so long as any Global Notes are listed on any Stock Exchange, the Issuer will ensure that it maintains a paying agent with a specified office in the place required by the rules and regulations of such Stock Exchange or other relevant authority.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in U.S. Dollars, payments shall be made by transfer to an account denominated in U.S. Dollars in the principal financial centre of any country outside of the United States that the Issuer or Paying Agent so chooses.

The nominal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of Euroclear Bank S.A./N.V. and Clearstream Banking, S.A. (together, the **relevant Clearing Systems**). The records of the relevant Clearing Systems (which expression in this Global Note means the records that each relevant Clearing System holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount of Notes represented by this Global Note and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the principal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

On any redemption or interest payment being made in respect of, and cancellation of, any of the Notes represented by this Global Note the Issuer shall procure that details of such redemption, payment and cancellation (as the case may be) shall be entered pro rata in the records of the relevant Clearing Systems and, upon any such entry being made, the nominal amount of the Notes recorded

²³ Complete for Notes which are subject to early redemption at the option of the Noteholder.

in the records of the relevant Clearing Systems and represented by this Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed and cancelled.

Payments due in respect of Notes for the time being represented by this Global Note shall be made to the bearer of this Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge.

3. All payments in respect of this Global Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of any taxing authority or any political subdivision thereof or any authority thereof having the power to tax in [Ireland/Luxembourg] or Italy (**Taxes**). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Note is presented for payment:
 - (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Note; or
 - (b) by or on behalf of a holder who would have been able to avoid such withholding or deduction by authorising the Paying Agent to report information in accordance with the procedure laid down by the relevant tax authority or by producing, in the form required by the relevant tax authority, a declaration, claim, certificate, document or other evidence establishing exemption therefrom;
 - (c) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Global Note on the last day of such period of 15 days; or
 - (d) 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 or supplemented from time to time) or of *ritenuta alla fonte* pursuant to article 26 of Italian Presidential Decree No. 600 of 29 September 1973 (as amended or supplemented from time to time); or
 - (e) where such deduction or withholding is imposed pursuant to the law of 23 December 2005, as amended.
4. If provided in the relevant Contractual Terms, the Issuer shall, at the option of the holder of any Note, redeem such Note on the Optional Redemption Date (Put) at its Optional Redemption Amount (Put) together with interest (if any) accrued to such date.

In order to exercise its option to require the Issuer to redeem, the holder of any Note must, not less than the minimum period nor more than the maximum period of notice (specified in the applicable Contractual Terms) prior to the relevant Optional Redemption Date (Put), deposit with any Agent such Note together with a duly completed Put Option Notice in the form obtainable from any Agent. The Agent with which a Note is so deposited shall immediately notify the Issuer and shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a

duly completed Put Option Notice in accordance with this Global Note, may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by an Agent in accordance with this condition, the depositor of such Note and not such Agent shall be deemed to be the holder of such Note for all purposes.

As used in this Global Note:

Optional Redemption Amount (Put) means the amount specified in the relevant Contractual Terms.

Optional Redemption Date (Put) means the date specified in the relevant Contractual Terms.

Put Option Notice means a notice which must be delivered to an Agent by any Noteholder wanting to exercise its option to require the Issuer to redeem a Note at the option of the Noteholder.

Put Option Receipt means a receipt issued by an Agent to a depositing Noteholder upon deposit of a Note with such Agent by any Noteholder wanting to exercise a right to redeem a Note.

5. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein), payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and neither the bearer of this Global Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

Payment Business Day means any day other than a Saturday or Sunday which is both (A) a day on which each of Euroclear and Clearstream are open for business, and (B) either (i) if the above-mentioned Specified Currency is any currency other than the euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (ii) if the above-mentioned currency is euro, a day which is a TARGET2 Business Day; and

TARGET2 Business Day means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

6. The payment obligation of the Issuer represented by this Global Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all

present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law applying to companies generally.

7. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
8. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated Definitive Notes (whether before, on or, subject as provided below, after the Maturity Date):
 - (a) if the relevant Clearing System(s) in which this Global Note is held at the relevant time is closed for a continuous period of 14 days or more (other than by reason of weekends or public holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
 - (b) if default is made in the payment of any amount payable in respect of this Global Note.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Paying Agent shall authenticate and deliver, in exchange for this Global Note, Definitive Notes denominated in the above-mentioned Specified Currency in an aggregate principal amount of Notes represented by this Global Note.

9. If, upon any such default and following such surrender, Definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue Definitive Notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 9 March 2011 (as amended, re-stated or supplemented as of the date of issue of the Notes) entered into by the Issuer).
10. This Global Note has the benefit of a guarantee issued by Intesa Sanpaolo S.p.A. pursuant to a Deed Poll made on 9 March 2011, as subsequently amended, revised and restated from time to time, copies of which are available for inspection during normal business hours at the offices of the Paying Agent referred to above.
11. If this is an interest bearing Global Note, then:
 - (a) notwithstanding the provisions of paragraph 2 above, if any payment of interest in respect of this Global Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 2 shall be payable on such fifteenth day;
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, the Issuer shall procure that details of such payment shall be entered in the records of relevant Clearing Systems; and
 - (c) if no Interest Payment Dates are specified on the face of the Global Note, the Interest Payment Date shall be the Maturity Date.
12. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Principal Amount as follows:

- (a) interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an **Interest Period** for the purposes of this paragraph.
13. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Principal Amount as follows:
- (a) (i) if this Global Note specifies LIBOR as the Reference Rate, interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling or if market practice so dictates (as determined by the Agent), 365 days at a rate (the **Rate of Interest**) determined on the following basis:
 - (A) on the first day of each Interest Period (for a Global Note denominated in Sterling) or, if this Global Note is denominated in euro, the second TARGET2 Business Day (as defined below) before the beginning of each Interest Period or, if this Global Note is denominated in any other currency, the second London Business Day (as defined below) before the beginning of each Interest Period (each a **LIBOR Interest Determination Date**) the Calculation Agent will determine the offered rate for deposits in the Specified Currency in the London interbank market for the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. Such offered rate will be that which appears on Reuters Screen LIBOR01 Page (or such other page or service as may replace it for the purpose of displaying London interbank offered rates of major banks for deposits in the Specified Currency for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such rate, as determined by the Calculation Agent;
 - (B) if on any LIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered quotation to leading banks in the London interbank market for deposits in the Specified Currency for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or

below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and

- (C) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (A) or (B) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (A) or (B) above shall have applied;
- (ii) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling or if market practice so dictates (as determined by the Agent), by 365 and rounding the resulting figure to the nearest amount of the Specified Currency which is available as legal tender in the country of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;
- (iii) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;
- (iv) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph;
- (v) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to Euroclear, Clearstream, Luxembourg and the bearer of this Global Note or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper; and
- (vi) as used above, **London Business Day** means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
- (b) (i) if this Global Note specifies EURIBOR as the Reference Rate, interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days at a rate (the **Rate of Interest**) determined on the following basis:
 - (A) on the second TARGET2 Business Day before the beginning of each Interest Period (each a **EURIBOR Interest Determination Date**) the Calculation Agent will determine the European Interbank Offered Rate for

deposits in euro for the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. Such offered rate will be that which appears on Reuters Screen EURIBOR01 Page (or such other page or service as may replace it for the purpose of displaying European Interbank Offered Rates of prime banks in the euro-zone (as defined below) for deposits in euro for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such rate, as determined by the Calculation Agent;

- (B) if on any EURIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request the principal euro-zone office of each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered quotation to leading banks in the euro-zone interbank market for deposits in euro for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. The Rate of Interest for such EURIBOR Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and
- (C) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (A) or (B) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (A) or (B) above shall have applied;

for the purposes of this Global Note, **euro-zone** means the region comprised of the countries whose lawful currency is the euro;

- (ii) the Calculation Agent will, as soon as practicable after 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount, multiplying such product by the actual number of days in the Interest Period concerned divided by 360, and rounding the resulting figure to the nearest cent (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;
- (iii) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;
- (iv) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph; and

- (v) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to Euroclear, Clearstream, Luxembourg and the bearer of this Global Note or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper.
14. If this Global Note is denominated in euro, the principal amount hereof will be not less than €500,000; if this Global Note is denominated in U.S. Dollars, the principal amount hereof shall be not less than U.S.\$500,000; and if this Global Note is denominated in a currency other than euro or U.S. Dollars, the principal amount hereof shall be not less than €500,000 determined by reference to the relevant spot rate of exchange on the date of the Information Memorandum and provided that if the proceeds of this Global Note are accepted in the United Kingdom, subject to the minimum denomination requirement above, such principal amount shall be not less than £100,000 (or the equivalent in any other currency).
15. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Global Note as follows:
- (a) if this Global Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
 - (b) if this Global Note is denominated in U.S. Dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
 - (c) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, **Business Day** means:

- (i) a day (other than Saturday or Sunday) on which the offices of the Paying Agent are open for business in the relevant place of presentation;
 - (ii) a day on which each of Euroclear and Clearstream are open for business, and
 - (iii) in the case of payments in euro, a TARGET2 Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.
16. This Global Note is intended to be held in a manner which would allow Eurosystem eligibility (unless otherwise specified in the relevant Contractual Terms) and shall not be validly issued unless manually authenticated by the Paying Agent as issuing agent and effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems [and the Issuer has delivered to such common safekeeper the relevant effectuation authorisation].²⁴
17. This Global Note and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Global Note (including a dispute regarding the existence, validity or termination of this

²⁴ If the Paying Agent is an entity which is not qualified to act as a common safekeeper, the NGN will need to be delivered to the common safekeeper who should effectuate it upon receipt. For any programme where the Agent is not qualified to act as a common safekeeper, this paragraph should read:
"This Global Note shall not be valid unless authenticated by the Agent and effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems and the Issuer has delivered to such common safekeeper the relevant effectuation authorisation."

Global Note). The parties to this Global Note agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

The Issuer irrevocably appoints Intesa Sanpaolo S.p.A., London Branch at 90 Queen Street, London EC4N 1SA, England as its agent for service of process in any proceedings before the English courts in connection with this Global Note. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 17 does not affect any other method of service allowed by law.

The Issuer irrevocably and unconditionally agrees not to claim any immunity from proceedings brought by the bearer against it in relation to this Global Note and to ensure that no such claim is made on its behalf, consents generally to the giving of any relief or the issue of any process in connection with those proceedings, and waives all rights of immunity in respect of it or its assets.

18. No person shall have any right to enforce any provision of this Global Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

IN WITNESS whereof the Issuer has caused this Global Note to be duly executed on its behalf.

EITHER

[INTESA SANPAOLO BANK IRELAND p.l.c.

By:]

OR

[INTESA SANPAOLO BANK LUXEMBOURG, *SOCIÉTÉ ANONYME*

By:

By:

Title:

Title:]

Authenticated without recourse warranty or liability by

**THE BANK OF NEW YORK MELLON, LONDON
BRANCH**

as Paying Agent

By:

Effectuated without recourse warranty or liability by

.....

as common safekeeper

By:

FORM OF DEFINITIVE MULTI CURRENCY NOTE

(Interest-bearing/Discounted)

***EITHER* [Intesa Sanpaolo Bank Ireland p.l.c.**

Incorporated and registered in Ireland with Registration No: 125216
Registered Office: 3rd Floor, KBC House, 4 George's Dock, IFSC, Dublin 1]

***OR* [Intesa Sanpaolo Bank Luxembourg, *société anonyme* (formerly Société Européenne de Banque, *société anonyme*)**

Incorporated as a public limited liability company (*société anonyme*) and registered in the Luxembourg trade and companies register under registration number B13.859
Registered Office: 19-21 Boulevard Prince Henri, L – 1724 Luxembourg]

**Unconditionally and irrevocably guaranteed by
Intesa Sanpaolo S.p.A.
(Incorporated in Italy)**

Issuer:

No: _____

Series No.:

Issued in London on:

Maturity Date²⁵:

Specified Currency:

Denomination:

Principal Amount:

(words and figures if a Sterling Note)

Interest Rate²⁶: ____% per annum

Margin²⁷:

Calculation Agent²⁸:

Reference Banks²⁹:

Interest Payment Dates³⁰:

Reference Rate: LIBOR/EURIBOR³¹

Interest Commencement Date³²:

Early Redemption at the option of the Noteholder: Optional Redemption Date(s) (Put):³³
[Yes/No]

Optional Redemption Amount (Put):³⁴

²⁵ Not to exceed 364 days from the Issue Date.

²⁶ Complete for fixed rate interest bearing Notes only.

²⁷ Complete for floating rate Notes only.

²⁸ Complete for floating rate Notes only.

²⁹ Complete for floating rate Notes only.

³⁰ Complete for interest bearing Notes if interest is payable before the Maturity Date.

³¹ Delete as appropriate. The Reference Rate should always be LIBOR unless the Note is denominated in euro and the Issuer and the relevant Dealer agree EURIBOR should be used instead.

³² Complete for interest bearing Yen denominated Notes only.

³³ Complete for Notes which are subject to early redemption at the option of the Noteholder.

³⁴ Complete for Notes which are subject to early redemption at the option of the Noteholder.

1. FOR VALUE RECEIVED, [Intesa Sanpaolo Bank Ireland p.l.c./Intesa Sanpaolo Bank Luxembourg, *société anonyme*] (the **Issuer**) promises to pay to the bearer (the **Holder**) of this Note on the above-mentioned Maturity Date the principal sum of [●] [together with interest thereon from the date of issuance until the day of maturity, both set out above, calculated on a 360-day year basis or, if this Note is denominated in Sterling, 365-day year basis and the number of days elapsed]³⁵ upon presentation and surrender of this Note at the offices of The Bank of New York Mellon, London Branch (the **Paying Agent**) at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom, as paying agent during the office hours of the Paying Agent by a [*insert currency*] cheque drawn on, or by transfer to a [*insert currency*] account maintained by the Holder with, a bank in [*insert the principal financial centre*].

All such payments shall be made in accordance with an issuing and paying agency agreement dated 27 April 2015 between the Issuer, [Intesa Sanpaolo Bank Ireland p.l.c./Intesa Sanpaolo Bank Luxembourg, *société anonyme*], the Guarantor and the Paying Agent, a copy of which is available for inspection at the offices of the Paying Agent at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the offices of the Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of that currency or, in the case of a Note denominated or payable in euro, by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union. For so long as any Notes are listed on any Stock Exchange, the Issuer will ensure that it maintains a paying agent with a specified office in the place required by the rules and regulations of such Stock Exchange or other relevant authority.

Notwithstanding the foregoing, presentation and surrender of this Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Note denominated in U.S. Dollars, payments shall be made by transfer to an account denominated in U.S. Dollars in the principal financial centre of any country outside of the United States that the Issuer or Paying Agent so chooses.

2. If this Note is denominated in euro, the principal amount hereof will be not less than €500,000; if this Note is denominated in U.S. Dollars, the principal amount hereof shall be not less than U.S.\$500,000; and if this Note is denominated in a currency other than euro or U.S. Dollars, the principal amount hereof shall be not less than €500,000 determined by reference to the relevant spot rate of exchange on the date of the information memorandum containing summary information of the Issuer's guaranteed euro-commercial paper programme provided that if the proceeds of this Note are accepted in the United Kingdom, subject to the minimum denomination requirement above, such principal amount shall be not less than £100,000 (or the equivalent in any other currency).
3. All payments in respect of this Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of any taxing authority or any political subdivision thereof or any authority thereof having the power to tax in [Ireland/Luxembourg] or Italy (**Taxes**). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such

³⁵ Include where Note is interest bearing.

deduction or withholding, except that no such additional amounts shall be payable where this Note is presented for payment:

- (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Note;
- (b) by or on behalf of a holder who would have been able to avoid such withholding or deduction by authorising the Paying Agent to report information in accordance with the procedure laid down by the relevant tax authority or by producing, in the form required by the relevant tax authority, a declaration, claim, certificate, document or other evidence establishing exemption therefrom;
- (c) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Note on the last day of such period of 15 days; or
- (d) 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 or supplemented from time to time) or of *ritenuta alla fonte* pursuant to article 26 of Italian Presidential Decree No. 600 of 29 September 1973 (as amended or supplemented from time to time); or
- (e) where such deduction or withholding is imposed pursuant to the law of 23 December 2005, as amended.

4. [The Issuer shall, at the option of the holder of this Note, redeem this Note on the Optional Redemption Date (Put) (as defined herein) at its Optional Redemption Amount (Put) (as defined herein) together with interest (if any) accrued to such date.

In order to exercise its option to require the Issuer to redeem, the holder of this Note must, not less than the [*insert minimum period*] nor more than the [*insert maximum period*] of notice prior to the relevant Optional Redemption Date (Put), deposit with any Agent this Note together with a duly completed Put Option Notice in the form obtainable from any Agent. The Agent with which this Note is so deposited shall immediately notify the Issuer and shall deliver a duly completed Put Option Receipt to the depositing Noteholder. Once this Note is deposited with a duly completed Put Option Notice in accordance with this Note, it may not be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold this Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by an Agent in accordance with this condition, the depositor of such Note and not such Agent shall be deemed to be the holder of such Note for all purposes.

As used in this Note:

Put Option Notice means a notice which must be delivered to an Agent by any Noteholder wanting to exercise its option to require the Issuer to redeem a Note at the option of the Noteholder.

Put Option Receipt means a receipt issued by an Agent to a depositing Noteholder upon deposit of a Note with such Agent by any Noteholder wanting to exercise a right to redeem a Note.]³⁶

5. If the Maturity Date [or, if applicable, the relevant Interest Payment Date]³⁷ is not a Payment Business Day (as defined herein), payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and neither the bearer of this Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Note:

Payment Business Day means any day other than a Saturday or Sunday which is both (a) a day on which the offices of the Paying Agent are open for business in the relevant place of presentation, and (b) either (i) if the above-mentioned Specified Currency is any currency other than the euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (ii) if the above-mentioned currency is euro, a day which is a TARGET2 Business Day; and

TARGET2 Business Day means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

6. The payment obligation of the Issuer represented by this Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law applying to companies generally.
7. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the Holder shall be treated (notwithstanding, but without limitation to, any notice of ownership or writing hereon or notice of any previous loss or theft hereof) as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous Holder hereof.
8. [This is an interest bearing Note, in respect of which:
- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day;
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Paying Agent to reflect such payment; and

³⁶ Include where Note is subject to early redemption at the option of the Noteholder.

³⁷ Include where Note is interest bearing.

- (c) if no Interest Payment Dates are specified on the face of this Note, the Interest Payment Date shall be the Maturity Date.]³⁸

9. [Interest shall be calculated on the Principal Amount as follows:

- (a) interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365 days at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
- (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an **Interest Period** for the purposes of this paragraph.]³⁹ **OR**

[Interest shall be calculated on the Principal Amount as follows:

- (a) (i) if this Note specifies LIBOR as the Reference Rate, interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling or if market practice so dictates (as determined by the Agent), 365 days at a rate (the **Rate of Interest**) determined on the following basis:
- (A) on the first day of each Interest Period (for a Note denominated in Sterling) or, if this Note is denominated in euro, the second TARGET2 Business Day (as defined below) before the beginning of each Interest Period or, if this Note is denominated in any other currency, the second London Business Day (as defined below) before the beginning of each Interest Period (each a **LIBOR Interest Determination Date**) the Calculation Agent will determine the offered rate for deposits in the Specified Currency in the London interbank market for the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. Such offered rate will be that which appears on Reuters Screen LIBOR01 Page (or such other page or service as may replace it for the purpose of displaying London interbank offered rates of major banks for deposits in the Specified Currency for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such rate, as determined by the Calculation Agent;
- (B) if on any LIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered quotation to leading banks in the London interbank market for deposits in

³⁸ Include where Note is interest bearing.

³⁹ Include where Note bears fixed interest

the Specified Currency for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and

- (C) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (A) or (B) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (A) or (B) above shall have applied;
- (ii) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount of one Note of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Note is denominated in Sterling or if market practice so dictates (as determined by the Agent), by 365 and rounding the resulting figure to the nearest amount of the Specified Currency which is available as legal tender in the country of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;
 - (iii) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;
 - (iv) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph;
 - (v) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to Euroclear and Clearstream, Luxembourg or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper; and
 - (vi) as used above, **London Business Day** means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
- (b) (i) if this Note specifies EURIBOR as the Reference Rate, interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest

Period and a year of 360 days at a rate (the **Rate of Interest**) determined on the following basis:

- (A) on the second TARGET2 Business Day before the beginning of each Interest Period (each a **EURIBOR Interest Determination Date**) the Calculation Agent will determine the European Interbank Offered Rate for deposits in euro for the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. Such offered rate will be that which appears on Reuters Screen EURIBOR01 Page (or such other page or service as may replace it for the purpose of displaying European Interbank Offered Rates of prime banks in the euro-zone (as defined below) for deposits in euro for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such rate, as determined by the Calculation Agent;
- (B) if on any EURIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request the principal euro-zone office of each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered quotation to leading banks in the euro-zone interbank market for deposits in euro for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. The Rate of Interest for such EURIBOR Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and
- (C) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (A) or (B) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (A) or (B) above shall have applied;

for the purposes of this Note, **euro-zone** means the region comprised of the countries whose lawful currency is the euro;

- (ii) the Calculation Agent will, as soon as practicable after 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount of one Note of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360, and rounding the resulting figure to the nearest cent (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;
- (iii) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;

- (iv) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph; and
- (v) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to Euroclear and Clearstream, Luxembourg or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper.]⁴⁰

10. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Note as follows:

- (a) if this Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
- (b) if this Note is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
- (c) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, **Business Day** means:

- (i) a day (other than Saturday or Sunday) on which the offices of the Paying Agent are open for business in the relevant place of presentation; and
- (ii) in the case of payments in Euro, a TARGET2 Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.

11. Payment of all sums payable under this Note has been irrevocably and unconditionally guaranteed by Intesa Sanpaolo S.p.A, pursuant to a Deed Poll made on 9 March 2011 as subsequently amended, revised or restated from time to time, copies of which may be inspected during normal business hours at the office of the Paying Agent referred to above.

12. This Note and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Note (including a dispute regarding the existence, validity or termination of this Note). The parties to this Note agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

The Issuer irrevocably appoints Intesa Sanpaolo S.p.A., London Branch at 90 Queen Street, London EC4N 1SA as its agent for service of process in any proceedings before the English courts in connection with this Note. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Paying Agent. The Issuer

⁴⁰ Include where Note bears floating rate interest.

agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 12 does not affect any other method of service allowed by law.

The Issuer irrevocably and unconditionally agrees not to claim any immunity from proceedings brought by the bearer against it in relation to this Note and to ensure that no such claim is made on its behalf, consents generally to the giving of any relief or the issue of any process in connection with those proceedings, and waives all rights of immunity in respect of it or its assets.

13. This Note shall not be validly issued unless manually authenticated by the Paying Agent as issuing agent.
14. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

IN WITNESS whereof the Issuer has caused this Global Note to be duly executed on its behalf.

EITHER

[INTESA SANPAOLO BANK IRELAND p.l.c.

By:]

OR

[INTESA SANPAOLO BANK LUXEMBOURG, *SOCIÉTÉ ANONYME*

By:

By:

Title:

Title:]

AUTHENTICATED by
**THE BANK OF NEW YORK MELLON,
LONDON BRANCH**
without recourse, warranty or liability and for
authentication purposes only

By: _____
(*Authorised Signatory*)

No action has been taken to satisfy any requirements for any offer or sale of this Note in the Republic of Italy. Therefore, any offer or sale or the distribution of any offering material or document in Italy unless conducted in accordance with Italian law and regulations may constitute a breach thereof. No invitation or sale may be made to residents of Ireland to subscribe for this Note.

[SCHEDULE TO DEFINITIVE MULTICURRENCY NOTE]⁴¹

PAYMENTS OF INTEREST

The following payments of interest in respect of this Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Paying Agent
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

⁴¹ Include Schedule only where Note is interest bearing

FORM OF MULTI CURRENCY GLOBAL CERTIFICATE OF DEPOSIT

The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.

***EITHER* [Intesa Sanpaolo Bank Ireland p.l.c.**

Incorporated and registered in Ireland with Registration No: 125216
Registered Office: 3rd Floor, KBC House, 4 George's Dock, IFSC, Dublin 1]

***OR* [Intesa Sanpaolo Bank Luxembourg, *société anonyme* (formerly Société Européenne de Banque, *société anonyme*)**

Incorporated as a public limited liability company (*société anonyme*) and registered in the Luxembourg trade and companies register under registration number B13.859
Registered Office: 19-21 Boulevard Prince Henri, L – 1724 Luxembourg]

**Unconditionally and irrevocably guaranteed by
Intesa Sanpaolo S.p.A.
(Incorporated in Italy)**

Issuer:

No: _____

Series No.:

Issued in London on:

Maturity Date⁴²:

Specified Currency:

Denomination:

Principal Amount:

(words and figures if a Sterling CD)

Interest Rate⁴³: ____ % per annum

Margin⁴⁴:

Calculation Agent⁴⁵:

Reference Banks⁴⁶:

Interest Payment Dates⁴⁷:

Reference Rate: LIBOR/EURIBOR⁴⁸

Interest Commencement Date⁴⁹:

Early Redemption at the option of the holder of the CD: [Yes/No] Optional Redemption Date(s) (Put):⁵⁰

Optional Redemption Amount (Put):⁵¹

⁴² Not to exceed 364 days from the Issue Date.

⁴³ Complete for fixed rate interest bearing CDs only.

⁴⁴ Complete for floating rate CDs only.

⁴⁵ Complete for floating rate CDs only.

⁴⁶ Complete for floating rate CDs only.

⁴⁷ Complete for interest bearing CDs if interest is payable before the Maturity Date.

⁴⁸ Delete as appropriate. The Reference Rate should always be LIBOR unless the CD is denominated in euro and the Issuer and the relevant Dealer agree EURIBOR should be used instead.

⁴⁹ Complete for interest bearing Yen denominated CDs only.

⁵⁰ Complete for CDs which are subject to early redemption at the option of the holder of the CD.

1. For and in respect of sums deposited with or on behalf of [Intesa Sanpaolo Bank Ireland p.l.c. /Intesa Sanpaolo Bank Luxembourg, *société anonyme*] (the **Issuer**), the Issuer hereby promises to pay to the bearer of this Global Certificate on the above-mentioned Maturity Date an aggregate amount equal to the face amount hereof together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an issuing and paying agency agreement dated 27 April 2015 between the Issuer, [Intesa Sanpaolo Bank Ireland p.l.c./Intesa Sanpaolo Bank Luxembourg, *société anonyme*], the Guarantor and The Bank of New York Mellon, London Branch (the **Paying Agent**) as the issuing and paying agent, a copy of which is available for inspection at the offices of the Paying Agent at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Certificate at the offices of the Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of that currency or, in the case of a Global Certificate denominated or payable in euro, by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union. For so long as any Certificates are listed on any Stock Exchange, the Issuer will ensure that it maintains a paying agent with a specified office in the place required by the rules and regulations of such Stock Exchange or other relevant authority.

Notwithstanding the foregoing, presentation and surrender of this Global Certificate shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Certificate denominated in U.S. Dollars, payments shall be made by transfer to an account denominated in U.S. Dollars in the principal financial centre of any country outside of the United States that the Issuer or Paying Agent so chooses.

2. This Global Certificate is issued in representation of an issue of Certificates in the above-mentioned aggregate Principal Amount. This Global Certificate is, subject to the terms and conditions set out below, exchangeable for definitive certificates of deposit (**Definitive Certificates of Deposit**), each representing a Certificate of Deposit.
3. All payments in respect of this Global Certificate by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of any taxing authority or any political subdivision thereof or any authority thereof having the power to tax in [Ireland/Luxembourg] or Italy (**Taxes**). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Certificate after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Certificate is presented for payment:
 - (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Certificate;

⁵¹ Complete for CDs which are subject to early redemption at the option of the holder of the CD.

- (b) by or on behalf of a holder who would have been able to avoid such withholding or deduction by authorising the Paying Agent to report information in accordance with the procedure laid down by the relevant tax authority or by producing, in the form required by the relevant tax authority, a declaration, claim, certificate, document or other evidence establishing exemption therefrom;
 - (c) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Global Certificate on the last day of such period of 15 days; or
 - (d) 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 or supplemented from time to time) or of *ritenuta alla fonte* pursuant to article 26 of Italian Presidential Decree No. 600 of 29 September 1973 (as amended or supplemented from time to time); or
 - (e) where such deduction or withholding is imposed pursuant to the law of 23 December 2005, as amended.
4. If provided in the relevant Contractual Terms, the Issuer shall, at the option of the holder of any CD, redeem such CD on the Optional Redemption Date (Put) at its Optional Redemption Amount (Put) together with interest (if any) accrued to such date.

In order to exercise its option to require the Issuer to redeem, the holder of any CD must, not less than the minimum period nor more than the maximum period of notice (specified in the applicable Contractual Terms) prior to the relevant Optional Redemption Date (Put), deposit with any Agent such CD together with a duly completed Put Option Notice in the form obtainable from any Agent. The Agent with which a CD is so deposited shall immediately notify the Issuer and shall deliver a duly completed Put Option Receipt to the depositing holder of the CD. No CD, once deposited with a duly completed Put Option Notice in accordance with this Global Certificate, may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such CD becomes immediately due and payable or, upon due presentation of any such CD on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Agent shall mail notification thereof to the depositing holder of the CD at such address as may have been given by such holder of the Certificate of Deposit in the relevant Put Option Notice and shall hold such CD at its Specified Office for collection by the depositing holder of the CD against surrender of the relevant Put Option Receipt. For so long as any outstanding CD is held by an Agent in accordance with this condition, the depositor of such CD and not such Agent shall be deemed to be the holder of such CD for all purposes.

As used in this Global Certificate:

Optional Redemption Amount (Put) means the amount specified in the relevant Contractual Terms.

Optional Redemption Date (Put) means the date specified in the relevant Contractual Terms.

Put Option Notice means a notice which must be delivered to an Agent by any holder of a CD wanting to exercise its option to require the Issuer to redeem a CD at the option of the holder of the CD.

Put Option Receipt means a receipt issued by an Agent to a depositing holder of any CD upon deposit of a CD with such Agent by any holder of a CD wanting to exercise a right to redeem the CD.

5. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein), payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and neither the bearer of this Global Certificate nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Certificate:

Payment Business Day means any day other than a Saturday or Sunday which is both (a) a day on which each of Euroclear and Clearstream are open for business, and (b) either (i) if the above-mentioned Specified Currency is any currency other than the euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (ii) if the above-mentioned currency is euro, a day which is a TARGET2 Business Day.

TARGET2 Business Day means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

6. The payment obligation of the Issuer represented by this Global Certificate constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law applying to companies generally.
7. This Global Certificate is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
8. This Global Certificate is issued in respect of an issue of Certificates of Deposit of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated Definitive Certificates of Deposit (whether before, on or, subject as provided below, after the Maturity Date):
 - (a) if the clearing system(s) in which this Global Certificate is held at the relevant time is closed for a continuous period of 14 days or more (other than by reason of weekends or public holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so); or
 - (b) if default is made in the payment of any amount payable in respect of this Global Certificate.

Upon presentation and surrender of this Global Certificate during normal business hours to the Issuer at the offices of the Paying Agent (or to any other person or at any other office outside the United

States as may be designated in writing by the Issuer to the bearer), the Paying Agent shall authenticate and deliver, in exchange for this Global Certificate, Definitive Certificates of Deposit denominated in the above-mentioned Specified Currency in an aggregate principal amount equal to the Principal Amount of this Global Certificate.

9. If, upon any such default and following such surrender, Definitive Certificates of Deposit are not issued in full exchange for this Global Certificate before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Certificate (including the obligation hereunder to issue definitive certificates of deposit) will become void and the bearer will have no further rights under this Global Certificate (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 9 March 2011 (as amended, re-stated or supplemented as of the date of issue of the Certificates of Deposit) entered into by the Issuer).
10. This Global Certificate has the benefit of a guarantee issued by Intesa Sanpaolo S.p.A. pursuant to a Deed Poll made on 9 March 2011, as subsequently amended, revised and restated from time to time, copies of which are available for inspection during normal business hours at the offices of the Paying Agent referred to above.
11. If this is an interest bearing Global Certificate, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Certificate falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day;
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Certificate, the Schedule hereto shall be duly completed by the Paying Agent to reflect such payment; and
 - (c) if no Interest Payment Dates are specified on the face of the Global Certificate, the Interest Payment Date shall be the Maturity Date.
12. If this is a fixed rate interest bearing Global Certificate, interest shall be calculated on the Principal Amount as follows:
 - (a) interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Certificate is denominated in Sterling, 365 days at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an **Interest Period** for the purposes of this paragraph.
13. If this is a floating rate interest bearing Global Certificate, interest shall be calculated on the Principal Amount as follows:
 - (a) (i) if this Global Certificate specifies LIBOR as the Reference Rate, interest shall be payable on the Principal Amount in respect of each successive Interest Period (as

defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Certificate is denominated in Sterling or if market practice so dictates (as determined by the Agent), 365 days at a rate (the **Rate of Interest**) determined on the following basis:

- (A) on the first day of each Interest Period (for a Global Certificate denominated in Sterling) or, if this Global Certificate is denominated in euro, the second TARGET2 Business Day (as defined below) before the beginning of each Interest Period or, if this Global Certificate is denominated in any other currency, the second London Business Day (as defined below) before the beginning of each Interest Period (each a **LIBOR Interest Determination Date**) the Calculation Agent will determine the offered rate for deposits in the Specified Currency in the London interbank market for the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. Such offered rate will be that which appears on Reuters Screen LIBOR01 Page (or such other page or service as may replace it for the purpose of displaying London interbank offered rates of major banks for deposits in the Specified Currency for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such rate, as determined by the Calculation Agent;
 - (B) if on any LIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered quotation to leading banks in the London interbank market for deposits in the Specified Currency for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and
 - (C) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (A) or (B) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (A) or (B) above shall have applied;
- (ii) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Certificate is denominated in Sterling or if market practice so dictates (as determined by the Agent), by 365 and rounding the resulting figure to the nearest amount of the Specified Currency which is available as legal tender in the country of the Specified

Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;

- (iii) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;
 - (iv) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph;
 - (v) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to Euroclear, Clearstream, Luxembourg and the bearer of this Global Certificate or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper; and
 - (vi) as used above, **London Business Day** means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
- (b) (i) if this Global Certificate specifies EURIBOR as the Reference Rate, interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days at a rate (the **Rate of Interest**) determined on the following basis:
- (A) on the second TARGET2 Business Day before the beginning of each Interest Period (each a **EURIBOR Interest Determination Date**) the Calculation Agent will determine the European Interbank Offered Rate for deposits in euro for the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. Such offered rate will be that which appears on Reuters Screen EURIBOR01 Page (or such other page or service as may replace it for the purpose of displaying European Interbank Offered Rates of prime banks in the euro-zone (as defined below) for deposits in euro for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such rate, as determined by the Calculation Agent;
 - (B) if on any EURIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request the principal euro-zone office of each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered quotation to leading banks in the euro-zone interbank market for deposits in euro for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question.

The Rate of Interest for such EURIBOR Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and

- (C) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (A) or (B) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (A) or (B) above shall have applied;

for the purposes of this Global Certificate, **euro-zone** means the region comprised of the countries whose lawful currency is the euro;

- (ii) the Calculation Agent will, as soon as practicable after 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount, multiplying such product by the actual number of days in the Interest Period concerned divided by 360, and rounding the resulting figure to the nearest cent (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;
- (iii) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;
- (iv) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph; and
- (v) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to Euroclear, Clearstream, Luxembourg and the bearer of this Global Certificate or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper.

14. If this Global Certificate is denominated in euro, the principal amount hereof will be not less than €500,000; if this Global Certificate is denominated in U.S. Dollars, the principal amount hereof shall be not less than U.S.\$500,000; and if this Global Certificate is denominated in a currency other than euro or U.S. Dollars, the principal amount hereof shall be not less than €500,000 determined by reference to the relevant spot rate of exchange on the date of the Information Memorandum and provided that if the proceeds of this Global Certificate are accepted in the United Kingdom, subject to the minimum denomination requirement above, such principal amount shall be not less than £100,000 (or the equivalent in any other currency).
15. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Global Certificate as follows:

- (a) if this Global Certificate is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
- (b) if this Global Certificate is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
- (c) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, **Business Day** means:

- (i) a day (other than Saturday or Sunday) on which the offices of the Paying Agent are open for business in the relevant place of presentation;
- (ii) a day on which each of Euroclear and Clearstream are open for business; and
- (iii) in the case of payments in euro, a TARGET2 Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.

- 16. This Global Certificate shall not be validly issued unless manually authenticated by the Paying Agent as issuing agent.
- 17. This Global Certificate and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Global Certificate (including a dispute regarding the existence, validity or termination of this Global Certificate). The parties to this Global Certificate agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

The Issuer irrevocably appoints Intesa Sanpaolo S.p.A., London Branch at 90 Queen Street, London EC4N 1SA as its agent for service of process in any proceedings before the English courts in connection with this Global Certificate. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 17 does not affect any other method of service allowed by law.

The Issuer irrevocably and unconditionally agrees not to claim any immunity from proceedings brought by the bearer against it in relation to this Global Certificate and to ensure that no such claim is made on its behalf, consents generally to the giving of any relief or the issue of any process in connection with those proceedings, and waives all rights of immunity in respect of it or its assets.

- 18. No person shall have any right to enforce any provision of this Global Certificate under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

IN WITNESS whereof the Issuer has caused this Global Certificate to be duly executed on its behalf.

EITHER

[INTESA SANPAOLO BANK IRELAND p.l.c.

By:]

OR

[INTESA SANPAOLO BANK LUXEMBOURG, *SOCIÉTÉ ANONYME*

By:

By:

Title:

Title:]

AUTHENTICATED by
**THE BANK OF NEW YORK MELLON,
LONDON BRANCH**
without recourse, warranty or liability and for
authentication purposes only

By: _____
(*Authorised Signatory*)

SCHEDULE TO MASTER GLOBAL CERTIFICATE OF DEPOSIT

PAYMENTS OF INTEREST

The following payments of interest in respect of this Global Certificate have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Paying Agent
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

**FORM OF MULTI CURRENCY GLOBAL CERTIFICATE OF DEPOSIT WHICH IS A NEW
GLOBAL NOTE**

The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.

***EITHER* [Intesa Sanpaolo Bank Ireland p.l.c.**

Incorporated and registered in Ireland with Registration No: 125216
Registered Office: 3rd Floor, KBC House, 4 George's Dock, IFSC, Dublin 1]

***OR* [Intesa Sanpaolo Bank Luxembourg, *société anonyme* (formerly Société Européenne de Banque, *société anonyme*)**

Incorporated as a public limited liability company (*société anonyme*) and registered in the Luxembourg trade and companies register under registration number B13.859
Registered Office: 19-21 Boulevard Prince Henri, L – 1724 Luxembourg]

**Unconditionally and irrevocably guaranteed by
Intesa Sanpaolo S.p.A.
(Incorporated in Italy)**

Issuer:

No: _____

Series No.:

Issued in London on:

Maturity Date⁵²:

Specified Currency:

Denomination:

Principal Amount:

(words and figures if a Sterling CD)

Interest Rate⁵³: ____% per annum

Margin⁵⁴:

Calculation Agent⁵⁵:

Reference Banks⁵⁶:

Interest Payment Dates⁵⁷:

Reference Rate: LIBOR/EURIBOR⁵⁸

Interest Commencement Date⁵⁹:

Early Redemption at the option of the holder of the CD: [Yes/No] Optional Redemption Date(s) (Put):⁶⁰

Optional Redemption Amount (Put):⁶¹

⁵² Not to exceed 364 days from the Issue Date.

⁵³ Complete for fixed rate interest bearing CDs only.

⁵⁴ Complete for floating rate CDs only.

⁵⁵ Complete for floating rate CDs only.

⁵⁶ Complete for floating rate CDs only.

⁵⁷ Complete for interest bearing CDs if interest is payable before the Maturity Date.

⁵⁸ Delete as appropriate. The Reference Rate should always be LIBOR unless the CD is denominated in euro and the Issuer and the relevant Dealer agree EURIBOR should be used instead.

⁵⁹ Complete for interest bearing Yen denominated CDs only.

⁶⁰ Complete for CDs which are subject to early redemption at the option of the holder of a CD.

ANY UNITED STATES PERSON WHO HOLDS THE 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.

1. This Global Certificate is issued in representation of an issue of Certificates of [Intesa Sanpaolo Bank Ireland p.l.c./Intesa Sanpaolo Bank Luxembourg, *société anonyme*] (the **Issuer**) and is intended to be a New Global Note. This Global Certificate is, subject to the terms and conditions set out below, exchangeable for definitive certificates of deposit (**Definitive Certificates of Deposit**), each representing a Certificate of Deposit.
2. For and in respect of sums deposited with or on behalf of the Issuer, the Issuer hereby promises to pay to the bearer of this Global Certificate on the above-mentioned Maturity Date the amount payable in respect of the Certificates represented by this Global Certificate together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an issuing and paying agency agreement dated 27 April 2015 between the Issuer, [Intesa Sanpaolo Bank Ireland p.l.c./Intesa Sanpaolo Bank Luxembourg, *société anonyme*], the Guarantor and The Bank of New York Mellon (the **Paying Agent**) as the issuing and paying agent, a copy of which is available for inspection at the offices of the Paying Agent at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Certificate at the offices of the Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of that currency or, in the case of a Global Certificate denominated or payable in euro, by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union. For so long as any Certificates are listed on any Stock Exchange, the Issuer will ensure that it maintains a paying agent with a specified office in the place required by the rules and regulations of such Stock Exchange or other relevant authority.

Notwithstanding the foregoing, presentation and surrender of this Global Certificate shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Certificate denominated in U.S. Dollars, payments shall be made by transfer to an account denominated in U.S. Dollars in the principal financial centre of any country outside of the United States that the Issuer or Paying Agent so chooses.

The principal amount of Certificates represented by this Global Certificate shall be the aggregate amount from time to time entered in the records of both Euroclear Bank S.A./N.V. and Clearstream Banking, S.A (together, the **relevant Clearing Systems**). The records of the relevant Clearing Systems (which expression in this Global Certificate means the records that each relevant Clearing System holds for its customers which reflect the amount of such customer's interest in the Certificate) shall be conclusive evidence of the principal amount of Certificates represented by this Global Certificate and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the principal amount of Certificates represented by this Global Certificate at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

⁶¹ Complete for CDs which are subject to early redemption at the option of the holder of a CD.

On any redemption or interest payment being made in respect of, and cancellation of, any of the Certificates represented by this Global Certificate the Issuer shall procure that details of such redemption, payment and cancellation (as the case may be) shall be entered *pro rata* in the records of the relevant Clearing Systems and, upon any such entry being made, the nominal amount of the Certificates recorded in the records of the relevant Clearing Systems and represented by this Global Certificate shall be reduced by the aggregate nominal amount of the Certificates so redeemed and cancelled.

Payments due in respect of Certificates for the time being represented by this Global Certificate shall be made to the bearer of this Global Certificate and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge.

3. All payments in respect of this Global Certificate by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of any taxing authority or any political subdivision thereof or any authority thereof having the power to tax in [Ireland/Luxembourg] or Italy (**Taxes**). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Certificate after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Certificate is presented for payment:
 - (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Certificate;
 - (b) by or on behalf of a holder who would have been able to avoid such withholding or deduction by authorising the Paying Agent to report information in accordance with the procedure laid down by the relevant tax authority or by producing, in the form required by the relevant tax authority, a declaration, claim, certificate, document or other evidence establishing exemption therefrom;
 - (c) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Global Certificate on the last day of such period of 15 days; or
 - (d) 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 or supplemented from time to time) or of *ritenuta alla fonte* pursuant to article 26 of Italian Presidential Decree No. 600 of 29 September 1973 (as amended or supplemented from time to time); or
 - (e) where such deduction or withholding is imposed pursuant to the law of 23 December 2005, as amended.
4. If provided in the relevant Contractual Terms, the Issuer shall, at the option of the holder of any CD, redeem such CD on the Optional Redemption Date (Put) at its Optional Redemption Amount (Put) together with interest (if any) accrued to such date.

In order to exercise its option to require the Issuer to redeem, the holder of any CD must, not less than the minimum period nor more than the maximum period of notice (specified in the applicable Contractual Terms) prior to the relevant Optional Redemption Date (Put), deposit with any Agent such CD together with a duly completed Put Option Notice in the form obtainable from any Agent. The Agent with which a CD is so deposited shall immediately notify the Issuer and shall deliver a duly completed Put Option Receipt to the depositing holder of the CD. No CD, once deposited with a duly completed Put Option Notice in accordance with this Global Certificate, may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such CD becomes immediately due and payable or, upon due presentation of any such CD on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Agent shall mail notification thereof to the depositing holder of CD at such address as may have been given by such holder of the Certificate of Deposit in the relevant Put Option Notice and shall hold such CD at its Specified Office for collection by the depositing holder of the CD against surrender of the relevant Put Option Receipt. For so long as any outstanding CD is held by an Agent in accordance with this condition, the depositor of such CD and not such Agent shall be deemed to be the holder of such CD for all purposes.

As used in this Global Certificate:

Optional Redemption Amount (Put) means the amount specified in the relevant Contractual Terms.

Optional Redemption Date (Put) means the date specified in the relevant Contractual Terms.

Put Option Notice means a notice which must be delivered to an Agent by any holder of a CD wanting to exercise its option to require the Issuer to redeem a CD at the option of the holder of the CD.

Put Option Receipt means a receipt issued by an Agent to a depositing holder of any CD upon deposit of a CD with such Agent by any holder of a CD wanting to exercise a right to redeem the CD.

5. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein), payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and neither the bearer of this Global Certificate nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Certificate:

Payment Business Day means any day other than a Saturday or Sunday which is both (A) a day on which each of Euroclear and Clearstream are open for business, and (B) either (i) if the above-mentioned Specified Currency is any currency other than the euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (ii) if the above-mentioned currency is euro, a day which is a TARGET2 Business Day; and

TARGET2 Business Day means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that

specified above, the above shall be deemed to be amended so as to comply with such market practice and the Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

6. The payment obligation of the Issuer represented by this Global Certificate constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law applying to companies generally.
7. This Global Certificate is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
8. This Global Certificate is issued in respect of an issue of Certificates of Deposit of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated Definitive Certificates of Deposit (whether before, on or, subject as provided below, after the Maturity Date):
 - (a) if the clearing system(s) in which this Global Certificate is held at the relevant time is closed for a continuous period of 14 days or more (other than by reason of weekends or public holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so); or
 - (b) if default is made in the payment of any amount payable in respect of this Global Certificate.

Upon presentation and surrender of this Global Certificate during normal business hours to the Issuer at the offices of the Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Paying Agent shall authenticate and deliver, in exchange for this Global Certificate, Definitive Certificates of Deposit denominated in the above-mentioned Specified Currency in an aggregate principal amount equal to the Principal Amount of this Global Certificate.

9. If, upon any such default and following such surrender, Definitive Certificates of Deposit are not issued in full exchange for this Global Certificate before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Certificate (including the obligation hereunder to issue definitive certificates of deposit) will become void and the bearer will have no further rights under this Global Certificate (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 9 March 2011 (as amended, re-stated or supplemented as of the date of issue of the Certificates of Deposit) entered into by the Issuer).
10. This Global Certificate has the benefit of a guarantee issued by Intesa Sanpaolo S.p.A. pursuant to a Deed Poll made on 9 March 2011, as subsequently amended, revised and restated from time to time, copies of which are available for inspection during normal business hours at the offices of the Paying Agent referred to above.
11. If this is an interest bearing Global Certificate, then:
 - (a) notwithstanding the provisions of paragraph 2 above, if any payment of interest in respect of this Global Certificate falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 2 shall be payable on such fifteenth day;

- (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Certificate, the Issuer shall procure that details of such payment shall be entered in the records of relevant Clearing Systems; and
 - (c) if no Interest Payment Dates are specified on the face of the Global Certificate, the Interest Payment Date shall be the Maturity Date.
12. If this is a fixed rate interest bearing Global Certificate, interest shall be calculated on the Principal Amount as follows:
- (a) interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Certificate is denominated in Sterling, 365 days at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an **Interest Period** for the purposes of this paragraph.
13. If this is a floating rate interest bearing Global Certificate, interest shall be calculated on the Principal Amount as follows:
- (a) (i) if this Global Certificate specifies LIBOR as the Reference Rate, interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Certificate is denominated in Sterling or if market practice so dictates (as determined by the Agent), 365 days at a rate (the **Rate of Interest**) determined on the following basis:
 - (A) on the first day of each Interest Period (for a Global Certificate denominated in Sterling) or, if this Global Certificate is denominated in euro, the second TARGET2 Business Day (as defined below) before the beginning of each Interest Period or, if this Global Certificate is denominated in any other currency, the second London Business Day (as defined below) before the beginning of each Interest Period (each a **LIBOR Interest Determination Date**) the Calculation Agent will determine the offered rate for deposits in the Specified Currency in the London interbank market for the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. Such offered rate will be that which appears on Reuters Screen LIBOR01 Page (or such other page or service as may replace it for the purpose of displaying London interbank offered rates of major banks for deposits in the Specified Currency for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such rate, as determined by the Calculation Agent;

- (B) if on any LIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered quotation to leading banks in the London interbank market for deposits in the Specified Currency for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and
- (C) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (A) or (B) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (A) or (B) above shall have applied;
- (ii) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Certificate is denominated in Sterling or if market practice so dictates (as determined by the Agent), by 365 and rounding the resulting figure to the nearest amount of the Specified Currency which is available as legal tender in the country of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;
- (iii) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;
- (iv) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph;
- (v) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to Euroclear, Clearstream, Luxembourg and the bearer of this Global Certificate or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper; and
- (vi) as used above, **London Business Day** means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) (i) if this Global Certificate specifies EURIBOR as the Reference Rate, interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days at a rate (the **Rate of Interest**) determined on the following basis:
- (A) on the second TARGET2 Business Day before the beginning of each Interest Period (each a **EURIBOR Interest Determination Date**) the Calculation Agent will determine the European Interbank Offered Rate for deposits in euro for the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. Such offered rate will be that which appears on Reuters Screen EURIBOR01 Page (or such other page or service as may replace it for the purpose of displaying European Interbank Offered Rates of prime banks in the euro-zone (as defined below) for deposits in euro for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such rate, as determined by the Calculation Agent;
 - (B) if on any EURIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request the principal euro-zone office of each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered quotation to leading banks in the euro-zone interbank market for deposits in euro for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. The Rate of Interest for such EURIBOR Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and
 - (C) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (A) or (B) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (A) or (B) above shall have applied;

for the purposes of this Global Certificate, **euro-zone** means the region comprised of the countries whose lawful currency is the euro;

- (ii) the Calculation Agent will, as soon as practicable after 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount, multiplying such product by the actual number of days in the Interest Period concerned divided by 360, and rounding the resulting figure to the nearest cent (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;

- (iii) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;
- (iv) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph; and
- (v) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to Euroclear, Clearstream, Luxembourg and the bearer of this Global Certificate or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper.

14. If this Global Certificate is denominated in euro, the principal amount hereof will be not less than €500,000; if this Global Certificate is denominated in U.S. Dollars, the principal amount hereof shall be not less than U.S.\$500,000; and if this Global Certificate is denominated in a currency other than euro or U.S. Dollars, the principal amount hereof shall be not less than €500,000 determined by reference to the relevant spot rate of exchange on the date of the Information Memorandum and provided that if the proceeds of this Global Certificate are accepted in the United Kingdom, subject to the minimum denomination requirement above, such principal amount shall be not less than £100,000 (or the equivalent in any other currency).
15. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Global Certificate as follows:
- (a) if this Global Certificate is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
 - (b) if this Global Certificate is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
 - (c) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, **Business Day** means:

- (i) a day (other than Saturday or Sunday) on which the offices of the Paying Agent are open for business in the relevant place of presentation;
- (ii) a day on which each of Euroclear and Clearstream are open for business; and
- (iii) in the case of payments in euro, a TARGET2 Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.

16. This Global Certificate is intended to be held in a manner which would allow Eurosystem eligibility (unless otherwise specified in the relevant Contractual Terms) and shall not be validly issued unless manually authenticated by the Paying Agent as issuing agent and effectuated by the entity appointed

as common safekeeper by the relevant Clearing Systems [and the Issuer has delivered to such common safekeeper the relevant effectuation authorisation].⁶²

17. This Global Certificate and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Global Certificate (including a dispute regarding the existence, validity or termination of this Global Certificate). The parties to this Global Certificate agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

The Issuer irrevocably appoints Intesa Sanpaolo S.p.A., London Branch at 90 Queen Street, London EC4N 1SA, England as its agent for service of process in any proceedings before the English courts in connection with this Global Certificate. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 17 does not affect any other method of service allowed by law.

The Issuer irrevocably and unconditionally agrees not to claim any immunity from proceedings brought by the bearer against it in relation to this Global Certificate and to ensure that no such claim is made on its behalf, consents generally to the giving of any relief or the issue of any process in connection with those proceedings, and waives all rights of immunity in respect of it or its assets.

18. No person shall have any right to enforce any provision of this Global Certificate under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

IN WITNESS whereof the Issuer has caused this Global Certificate to be duly executed on its behalf.

EITHER [INTESA SANPAOLO BANK IRELAND P.L.C.

By:]

OR

[INTESA SANPAOLO BANK LUXEMBOURG, *SOCIÉTÉ ANONYME*

By:

By:

Title:

Title:]

Authenticated without recourse warranty or liability by

THE BANK OF NEW YORK MELLON, LONDON

⁶² If the Paying Agent is an entity which is not qualified to act as a common safekeeper, the NGN will need to be delivered to the common safekeeper who should effectuate it upon receipt. For any programme where the Agent is not qualified to act as a common safekeeper, this paragraph should read:

"This Global Certificate shall not be valid unless authenticated by the Agent and effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems and the Issuer has delivered to such common safekeeper the relevant effectuation authorisation."

BRANCH

as Paying Agent

By:

Effectuated without recourse, warranty or liability by

.....

as common safekeeper

By:

FORM OF DEFINITIVE MULTI CURRENCY CERTIFICATE OF DEPOSIT

(Interest-bearing/Discounted)

NEGOTIABLE CERTIFICATE OF DEPOSIT

This is not a London Certificate of Deposit

***EITHER* [Intesa Sanpaolo Bank Ireland p.l.c.**

Incorporated and registered in Ireland with Registration No: 125216

Registered Office: 3rd Floor, KBC House, 4 George's Dock, IFSC, Dublin 1]

***OR* [Intesa Sanpaolo Bank Luxembourg, *société anonyme* (formerly Société Européenne de Banque, *société anonyme*)**

Incorporated as a public limited liability company (*société anonyme*) and registered in the Luxembourg trade and companies register under registration number B13.859

Registered Office: 19-21 Boulevard Prince Henri, L – 1724 Luxembourg]

Unconditionally and irrevocably guaranteed by

Intesa Sanpaolo S.p.A.

(Incorporated in Italy)

Issuer:

No: _____

Series No.:

Issued in London on:

Maturity Date⁶³:

Specified Currency:

Denomination:

Principal Amount:

(words and figures if a Sterling CD)

Interest Rate⁶⁴: ____% per annum

Margin⁶⁵:

Calculation Agent⁶⁶:

Reference Banks⁶⁷:

Interest Payment Dates⁶⁸:

Reference Rate: LIBOR/EURIBOR⁶⁹

Interest Commencement Date⁷⁰:

Early Redemption at the option of the holder of the CD: [Yes/No]

Optional Redemption Date(s) (Put):⁷¹

Optional Redemption Amount (Put):⁷²

⁶³ Not to exceed 364 days from the Issue Date.

⁶⁴ Complete for fixed rate interest bearing CDs only.

⁶⁵ Complete for floating rate CDs only.

⁶⁶ Complete for floating rate CDs only.

⁶⁷ Complete for floating rate CDs only.

⁶⁸ Complete for interest bearing CDs if interest is payable before the Maturity Date.

⁶⁹ Delete as appropriate. The Reference Rate should always be LIBOR unless the CD is denominated in euro and the Issuer and the relevant Dealer agree EURIBOR should be used instead.

⁷⁰ Complete for interest bearing Yen denominated CDs only.

⁷¹ Complete for CDs which are subject to early redemption at the option of the holder of a CD.

1. ***EITHER*** [THIS CERTIFIES that a sum of [●] has been deposited with or on behalf of [Intesa Sanpaolo Bank Ireland p.l.c./Intesa Sanpaolo Bank Luxembourg, *société anonyme*] (the **Bank**) upon terms that it is payable to bearer on terms set out herein on the Maturity Date together with interest at the rate of [●]% per annum, calculated on a 360-day year basis or, if this Certificate is denominated in Sterling, 365-day year basis from the date hereof to the date of maturity calculated on the basis set out below.]⁷³ ***OR***

[THIS CERTIFIES that a sum has been deposited with or on behalf of [Intesa Sanpaolo Bank Ireland p.l.c./Intesa Sanpaolo Bank Luxembourg, *société anonyme*] (the **Bank**) which together with interest solely in respect of the period to the Maturity Date will on the Maturity Date equal [●] upon terms that such amount is payable to the bearer on the terms set out herein.]⁷⁴

All such payments shall be made in accordance with an issuing and paying agency agreement dated 27 April 2015 between the Issuer, [Intesa Sanpaolo Bank Ireland p.l.c./Intesa Sanpaolo Bank Luxembourg, *société anonyme*], the Guarantor and The Bank of New York Mellon, London Branch (the **Paying Agent**) as the issuing and paying agent, a copy of which is available for inspection at the offices of the Paying Agent at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Certificate at the offices of the Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of that currency or, in the case of a Certificate denominated or payable in euro, by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union. For so long as any Certificates are listed on any Stock Exchange, the Issuer will ensure that it maintains a paying agent with a specified office in the place required by the rules and regulations of such Stock Exchange or other relevant authority.

Notwithstanding the foregoing, presentation and surrender of this Certificate shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Certificate denominated in U.S. Dollars, payments shall be made by transfer to an account denominated in U.S. Dollars in the principal financial centre of any country outside of the United States that the Issuer or Paying Agent so chooses.

2. All payments in respect of this Certificate by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of any taxing authority or any political subdivision thereof or any authority thereof having the power to tax in [Ireland/Luxembourg] or Italy (**Taxes**). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Certificate after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Certificate is presented for payment:

⁷² Complete for CDs which are subject to early redemption at the option of the holder of a CD.

⁷³ Include where Certificate is interest bearing.

⁷⁴ Include where Certificate is discounted.

- (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Certificate;
- (b) by or on behalf of a holder who would have been able to avoid such withholding or deduction by authorising the Paying Agent to report information in accordance with the procedure laid down by the relevant tax authority or by producing, in the form required by the relevant tax authority, a declaration, claim, certificate, document or other evidence establishing exemption therefrom;
- (c) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Certificate on the last day of such period of 15 days; or
- (d) 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 or supplemented from time to time) or of *ritenuta alla fonte* pursuant to article 26 of Italian Presidential Decree No. 600 of 29 September 1973 (as amended or supplemented from time to time); or
- (e) where such deduction or withholding is imposed pursuant to the law of 23 December 2005, as amended.

3. [The Issuer shall, at the option of the holder of the CD, redeem this CD on the Optional Redemption Date (Put) (as defined herein) at its Optional Redemption Amount (as defined herein) together with interest (if any) accrued to such date.

In order to exercise its option to require the Issuer to redeem, the holder of the CD must, not less than the [*insert minimum period*] nor more than the [*insert maximum period*] of notice prior to the relevant Optional Redemption Date (Put), deposit with any Agent this CD together with a duly completed Put Option Notice in the form obtainable from any Agent. The Agent with which this CD is so deposited shall immediately notify the Issuer and shall deliver a duly completed Put Option Receipt to the depositing holder of the CD. Once this CD is deposited with a duly completed Put Option Notice in accordance with this CD, it may not be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), this CD becomes immediately due and payable or, upon due presentation of this CD on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Agent shall mail notification thereof to the depositing holder of the CD at such address as may have been given by such holder of the CD in the relevant Put Option Notice and shall hold this CD at its Specified Office for collection by the depositing holder of the CD against surrender of the relevant Put Option Receipt. For so long as any outstanding CD is held by an Agent in accordance with this condition, the depositor of such CD and not such Agent shall be deemed to be the holder of such CD for all purposes.

As used in this Certificate:

Put Option Notice means a notice which must be delivered to an Agent by any holder of the CD wanting to exercise its option to require the Issuer to redeem this CD at the option of the holder of the CD.

Put Option Receipt means a receipt issued by an Agent to a depositing holder of the CD upon deposit of this CD with such Agent by any holder of the CD wanting to exercise a right to redeem this CD.]⁷⁵

⁷⁵ Include where Certificate is subject to early redemption at the option of the holder of the CD.

4. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein), payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and neither the bearer of this Certificate nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Certificate:

Payment Business Day means any day other than a Saturday or Sunday which is both (a) a day on which the offices of the Paying Agent are open for business in the relevant place of presentation, and (b) either (i) if the above-mentioned Specified Currency is any currency other than the euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (ii) if the above-mentioned currency is euro, a day which is a TARGET2 Business Day; and

TARGET2 Business Day means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

5. The payment obligation of the Issuer represented by this Certificate constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law applying to companies generally.
6. This Certificate is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
7. This Certificate has the benefit of a guarantee issued by Intesa Sanpaolo S.p.A. pursuant to a Deed Poll made on 9 March 2011, as subsequently amended, revised and restated from time to time, copies of which are available for inspection during normal business hours at the offices of the Paying Agent referred to above.
8. [This is an interest bearing Certificate, in respect of which:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Certificate falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day;
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Certificate, the Schedule hereto shall be duly completed by the Paying Agent to reflect such payment; and

- (c) if no Interest Payment Dates are specified on the face of the Certificate, the Interest Payment Date shall be the Maturity Date.]⁷⁶

9. **EITHER** [Interest shall be calculated on the Principal Amount as follows:

- (a) interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Certificate is denominated in Sterling, 365 days at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
- (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an **Interest Period** for the purposes of this paragraph.]⁷⁷ **OR**

10. [Interest shall be calculated on the Principal Amount as follows:

- (a) (i) if this Certificate specifies LIBOR as the Reference Rate, interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Certificate is denominated in Sterling or if market practice so dictates (as determined by the Agent), 365 days at a rate (the **Rate of Interest**) determined on the following basis:
- (A) on the first day of each Interest Period (for a Certificate denominated in Sterling) or, if this Certificate is denominated in euro, the second TARGET2 Business Day (as defined below) before the beginning of each Interest Period or, if this Certificate is denominated in any other currency, the second London Business Day (as defined below) before the beginning of each Interest Period (each a **LIBOR Interest Determination Date**) the Calculation Agent will determine the offered rate for deposits in the Specified Currency in the London interbank market for the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. Such offered rate will be that which appears on Reuters Screen LIBOR01 Page (or such other page or service as may replace it for the purpose of displaying London interbank offered rates of major banks for deposits in the Specified Currency for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such rate, as determined by the Calculation Agent;
- (B) if on any LIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered

⁷⁶ Insert where Certificate is interest bearing.

⁷⁷ Include where Certificate bears fixed rate interest.

quotation to leading banks in the London interbank market for deposits in the Specified Currency for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and

- (C) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (A) or (B) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (A) or (B) above shall have applied;
- (ii) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount of one Certificate of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Certificate is denominated in Sterling or if market practice so dictates (as determined by the Agent), by 365 and rounding the resulting figure to the nearest amount of the Specified Currency which is available as legal tender in the country of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;
- (iii) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;
- (iv) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph;
- (v) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to Euroclear and Clearstream, Luxembourg or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper; and
- (vi) as used above, **London Business Day** means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
- (b) (i) if this Certificate specifies EURIBOR as the Reference Rate, interest shall be payable on the Principal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the

relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days at a rate (the **Rate of Interest**) determined on the following basis:

- (A) on the second TARGET2 Business Day before the beginning of each Interest Period (each a **EURIBOR Interest Determination Date**) the Calculation Agent will determine the European Interbank Offered Rate for deposits in euro for the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. Such offered rate will be that which appears on Reuters Screen EURIBOR01 Page (or such other page or service as may replace it for the purpose of displaying European Interbank Offered Rates of prime banks in the euro-zone (as defined below) for deposits in euro for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such rate, as determined by the Calculation Agent;
- (B) if on any EURIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request the principal euro-zone office of each of the Reference Banks (or failing that one of the Reference Banks) to provide its offered quotation to leading banks in the euro-zone interbank market for deposits in euro for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. The Rate of Interest for such EURIBOR Interest Period shall be the sum of the rate which so appears and the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and
- (C) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (A) or (B) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (A) or (B) above shall have applied;

for the purposes of this Certificate, **euro-zone** means the region comprised of the countries whose lawful currency is the euro;

- (ii) the Calculation Agent will, as soon as practicable after 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount of one Certificate of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360, and rounding the resulting figure to the nearest cent (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;

- (iii) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall (in the absence of manifest error) be conclusive and binding as between the Issuer and the bearer hereof;
- (iv) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph; and
- (v) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to Euroclear and Clearstream, Luxembourg or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper.]⁷⁸

11. If this Certificate is denominated in euro, the principal amount hereof will be not less than €500,000; if this Certificate is denominated in U.S. Dollars, the principal amount hereof shall be not less than U.S.\$500,000; and if this Certificate is denominated in a currency other than euro or U.S. Dollars, the principal amount hereof shall be not less than €500,000 determined by reference to the relevant spot rate of exchange on the date of the Information Memorandum provided that if the proceeds of this Certificate are accepted in the United Kingdom, subject to the minimum denomination requirement above, the principal amount shall be not less than £100,000 (or the equivalent in any other currency).
12. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Certificate as follows:
 - (a) if this Certificate is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
 - (b) if this Certificate is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
 - (c) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, **Business Day** means:

- (i) a day (other than Saturday or Sunday) on which the offices of the Paying Agent are open for business in the relevant place of presentation; and
 - (ii) in the case of payments in euro, a TARGET2 Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.
13. This Certificate shall not be validly issued unless manually authenticated by the Paying Agent as issuing agent.
 14. This Certificate and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

⁷⁸ Include where Certificate bears floating rate interest.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Certificate (including a dispute regarding the existence, validity or termination of this Certificate). The parties to this Certificate agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

The Issuer irrevocably appoints Intesa Sanpaolo S.p.A., London Branch at 90 Queen Street, London EC4N 1SA as its agent for service of process in any proceedings before the English courts in connection with this Certificate. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 14 does not affect any other method of service allowed by law.

The Issuer irrevocably and unconditionally agrees not to claim any immunity from proceedings brought by the bearer against it in relation to this Certificate and to ensure that no such claim is made on its behalf, consents generally to the giving of any relief or the issue of any process in connection with those proceedings, and waives all rights of immunity in respect of it or its assets.

15. No person shall have any right to enforce any provision of this Certificate under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

IN WITNESS whereof the Issuer has caused this Global Certificate to be duly executed on its behalf.

EITHER [INTESA SANPAOLO BANK IRELAND P.L.C.

By:]

OR

[INTESA SANPAOLO BANK LUXEMBOURG, ***SOCIÉTÉ ANONYME***

By:

By:

Title:

Title:]

AUTHENTICATED by
**THE BANK OF NEW YORK MELLON,
LONDON BRANCH**
without recourse, warranty or liability and for
authentication purposes only

By: _____
(*Authorised Signatory*)

This Certificate has not been and will not be registered under the U.S. Securities Act of 1933 (the Securities Act) and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except in certain transactions which are exempt from the registration requirements under the Securities Act. Terms used in this paragraph have the same meanings given to them by

Regulation S under the Securities Act. No action has been taken to satisfy any requirements for any offer or sale of this Certificate in the Republic of Italy. Therefore, any offer or sale or the distribution of any offering material or document in Italy unless conducted in accordance with Italian law and regulations may constitute a breach thereof. No invitation or sale may be made to residents of Ireland to subscribe for this Certificate.

[SCHEDULE TO FORM OF MULTI CURRENCY CERTIFICATE OF DEPOSIT]⁷⁹

PAYMENTS OF INTEREST

The following payments of interest in respect of this Certificate have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Paying Agent
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

IN WITNESS whereof the parties have executed these presents the day and year first above written.

⁷⁹ Include Schedule where Certificate is interest bearing

FORM OF CONTRACTUAL TERMS

The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the Securities Act) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.

[INTESA SANPAOLO BANK IRELAND p.l.c./INTESA SANPAOLO BANK LUXEMBOURG,
SOCIÉTÉ ANONYME] (the Issuer)
(Incorporated in [Ireland/Luxembourg])

Guarantor: Intesa Sanpaolo S.p.A.

No:	Series No.:
Issued on:	Maturity Date ⁸⁰ :
Specified Currency:	Denomination:
Principal Amount: (<i>words and figures if a Sterling Certificate</i>)	Interest Basis: [Fixed Rate] [Floating Rate] [Discounted]
Interest Rate ⁸¹ : [] per cent. per annum	Margin ⁸² :
Calculation Agent ⁸³ :	Reference Banks ^{84,82} :
Interest Payment Dates ⁸⁵ :	Reference Rate ⁸⁶ : LIBOR/EURIBOR
Interest Commencement Date ⁸⁷ :	
Early Redemption at the option of the holder of the Instrument: [Yes/No]	Optional Redemption Date(s) (Put): ⁸⁸
Optional Redemption Amount (Put): ⁸⁹	
Notice period: ⁹⁰	Minimum period: [5 ⁹¹ /15 ⁹²] business days
	Maximum period: [●] days
NGN form:	[Yes/No]

⁸⁰ Not to exceed 364 days from the Issue Date.

⁸¹ Complete for fixed rate interest bearing Instruments only.

⁸² Complete for floating rate Instruments only.

⁸³ Complete for floating rate Instruments only.

⁸⁴ Complete for floating rate Instruments only.

⁸⁵ Complete for interest bearing Instruments if interest is payable before the Maturity Date.

⁸⁶ Delete as appropriate. The Reference Rate should always be LIBOR unless the Instrument is denominated in euro and the Issuer and the relevant Dealer agree that EURIBOR should be used instead.

⁸⁷ Complete for interest bearing Yen denominated Instruments only.

⁸⁸ Complete for Instruments which are subject to early redemption at the option of the holder of the Instrument.

⁸⁹ Complete for Instruments which are subject to early redemption at the option of the holder of the Instrument.

⁹⁰ Complete for Instruments which are subject to early redemption at the option of the holder of the Instrument.

⁹¹ Minimum notice period required by Euroclear for the Put Option.

⁹² Minimum notice period required by Clearstream for the Put Option.

Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes/No]

[Yes. Note that the designation "yes" simply means that the Notes/Certificates of Deposit are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes/Certificates of Deposit 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 will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /

[No. Whilst the designation is specified as "no" at the date of these Contractual Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes/Certificates of Deposit are capable of meeting them the Notes/Certificates of Deposit may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes/Certificates of Deposit will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

Listing and Admission to Trading

Listing and admission to trading:

[Application has been made by the Issuer (or on its behalf) to the [Irish Stock Exchange/other (specify)] for the [Notes/Certificates of Deposit] to be admitted to [the Official List and to] trading on its regulated market with effect from []

Estimate of total expenses of admission to trading:

euro []

Ratings

Ratings:

The [Notes/Certificates of Deposit] to be issued have been rated:

[S&P: []]

[Moody's: []]

[Fitch: []]

[DBRS: []]

Yield

Indication of yield [fixed rate Notes/Certificates of Deposit only]: []

The yield is calculated at the Issue Date on the basis of the issue price. It is not an indication of future yield.

Operational Information

Clearing System(s) [Euroclear, Clearstream Luxembourg, other (specify)]

ISIN: []

Common Code: []

Interests of Natural and Legal Persons involved in the Issue

Save for any fees payable to the relevant Dealer, so far as the Issuer is aware, no person involved in the issue of the [Notes/Certificates] has an interest material to the offer [amend accordingly if there are material interests].

Contractual Terms

These Contractual Terms comprise the contractual terms required to list and have admitted to trading the issue of [Notes/Certificates of Deposit] described herein pursuant to the euro 30,000,000,000 Guaranteed Euro-Commercial Paper and Certificate of Deposit Programme (as may be amended from time to time) (the **Programme**) of Intesa Sanpaolo Bank Ireland p.l.c. and Intesa Sanpaolo Bank Luxembourg, *société anonyme*.

Additional Information

These Contractual Terms should be read in conjunction with the Information Memorandum (the **Information Memorandum**) dated 27 May 2016 (as may be amended, supplemented and/or replaced from time to time) which constitutes listing particulars for the purposes of giving information with regard to the issue of [Notes/Certificates of Deposit] under the Programme for a period of twelve months after the date of the Information Memorandum. Full information on the Issuer, the Guarantor and the offer of the [Notes/Certificates of Deposit] is only available on the basis of the combination of these Contractual Terms, the Global [Notes/Certificates of Deposit] and the Information Memorandum. The Information Memorandum is available for viewing at [address] and [website] and copies may be obtained from [address].

Responsibility

The Issuer and Guarantor accept responsibility for the information contained herein.

FORM OF GUARANTEE FOR THE INSTRUMENTS

Text of Guarantee for the Notes

1. The Guarantee
 - 1.1 The Guarantor hereby:
 - 1.1.1 irrevocably and unconditionally guarantees to the Holder from time to time of each Note the due and punctual payment of any sum or sums from time to time due from the Issuer under such Note up to the Maximum Amount of the Programme and agrees to pay on demand of such Holder any sum or sums which the Issuer is liable to pay under the terms of such Note and which is not duly and punctually paid by the Issuer in accordance with the terms thereof; and
 - 1.1.2 agrees as a sole, original and independent obligor to indemnify the Holder of each Note on demand by such Holder for and against any loss incurred by such Holder as a direct result of any of the obligations of the Issuer under such Note being or becoming void, voidable or unenforceable for any reason whatsoever, whether or not known to the Holder, the amount of such loss being the amount which the Holder would otherwise have been entitled to recover from the Issuer under such Note.
 - 1.2 The obligations of the Guarantor contained herein are to be continuing obligations which:
 - 1.2.1 shall continue in full force and effect irrespective of the legality, validity or enforceability of any provision of any Note and notwithstanding the bankruptcy, insolvency, reorganisation, arrangement, readjustment of debt, dissolution or liquidation of the Issuer or any change in its status, function, control or ownership;
 - 1.2.2 shall not be satisfied by any intermediate payment or satisfaction of any part of any sum or sums of money owed by the Issuer hereunder;
 - 1.2.3 shall remain in operation until all monies owing under each Note have been paid in full; and
 - 1.2.4 shall be in addition to and not in substitution for or in derogation of any other security in respect of the obligations of the Issuer under any Note.
 - 1.3 The obligations of the Guarantor contained herein rank and will rank at least pari passu with all present and future unsecured and unsubordinated obligations of the Guarantor other than obligations mandatorily preferred by law applying to companies generally.
 - 1.4 The obligations of the Guarantor contained herein shall be primary obligations and debts of the Guarantor and accordingly no Holder of any Note shall be obliged, before enforcing such obligations, to make any demand of the Issuer or to take proceedings or obtain judgment against the Issuer.
 - 1.5 The Guarantor agrees that its obligations hereunder shall not be in any way discharged or impaired by any forbearance (whether as to payment or otherwise) or any time or other indulgence given to the Issuer in relation to all or any of its obligations under any Note or by any act, thing, omission or means which, but for this provision, would or might constitute a legal or equitable discharge or defence of a guarantor.

- 1.6 The Guarantor agrees that, so long as any sums are owed by the Issuer under any Note, any rights which the Guarantor may at any time by reason of performance by the Guarantor of its obligations under this Guarantee, have to be indemnified by the Issuer shall not be exercised by the Guarantor, and that if and so long as any sums owed by the Issuer under any Note are due and payable but remain unpaid it shall hold any monies at any time received by it as a result of the exercise of any such rights for and on behalf of and to the order of the Holder of such Note (and if more than one rateably) for application in or towards payment of any sums at any time so owed by the Issuer thereunder.
- 1.7 A certificate delivered by the Holder certifying the amount due from the Issuer under any Note as at the date of such certificate shall in the absence of manifest error be *prima facie* evidence of the amount due from the Guarantor hereunder in relation to such Note.
- 1.8 Any discharge given to the Guarantor in respect of its obligations hereunder shall be, and shall be deemed always to have been, void if any act on the basis of which that discharge were given is subsequently avoided by or pursuant to any provision of law.

Text of Guarantee for the Certificates of Deposit

1. The Guarantee
 - 1.1 The Guarantor hereby:
 - 1.1.1 irrevocably and unconditionally guarantees to the Holder from time to time of each CD the due and punctual payment of any sum or sums from time to time due from the Issuer under such CD up to the Maximum Amount of the Programme and agrees to pay on demand of such Holder any sum or sums which the Issuer is liable to pay under the terms of such CD and which is not duly and punctually paid by the Issuer in accordance with the terms thereof; and
 - 1.1.2 agrees as a sole, original and independent obligor to indemnify the Holder of each CD on demand by such Holder for and against any loss incurred by such Holder as a direct result of any of the obligations of the Issuer under such CD being or becoming void, voidable or unenforceable for any reason whatsoever, whether or not known to the Holder, the amount of such loss being the amount which the Holder would otherwise have been entitled to recover from the Issuer under such CD.
 - 1.2 The obligations of the Guarantor contained herein are to be continuing obligations which:
 - 1.2.1 shall continue in full force and effect irrespective of the legality, validity or enforceability of any provision of any CD and notwithstanding the bankruptcy, insolvency, reorganisation, arrangement, readjustment of debt, dissolution or liquidation of the Issuer or any change in its status, function, control or ownership;
 - 1.2.2 shall not be satisfied by any intermediate payment or satisfaction of any part of any sum or sums of money owed by the Issuer hereunder;
 - 1.2.3 shall remain in operation until all monies owing under each CD have been paid in full; and
 - 1.2.4 shall be in addition to and not in substitution for or in derogation of any other security in respect of the obligations of the Issuer under any CD.

- 1.3 The obligations of the Guarantor contained herein rank and will rank at least *pari passu* with all present and future unsecured and unsubordinated obligations of the Guarantor other than obligations mandatorily preferred by law applying to companies generally.
- 1.4 The obligations of the Guarantor contained herein shall be primary obligations and debts of the Guarantor and accordingly no Holder of any CD shall be obliged, before enforcing such obligations, to make any demand of the Issuer or to take proceedings or obtain judgment against the Issuer.
- 1.5 The Guarantor agrees that its obligations hereunder shall not be in any way discharged or impaired by any forbearance (whether as to payment or otherwise) or any time or other indulgence given to the Issuer in relation to all or any of its obligations under any CD or by any act, thing, omission or means which, but for this provision, would or might constitute a legal or equitable discharge or defence of a guarantor.
- 1.6 The Guarantor agrees that, so long as any sums are owed by the Issuer under any CD, any rights which the Guarantor may at any time, by reason of performance by the Guarantor of its obligations under this Guarantee, have to be indemnified by the Issuer shall not be exercised by the Guarantor, and that if and so long as any sums owed by the Issuer under any CD are due and payable but remain unpaid it shall hold any monies at any time received by it as a result of the exercise of any such rights for and on behalf of and to the order of the Holder of such CD (and if more than one rateably) for application in or towards payment of any sums at any time so owed by the Issuer thereunder.
- 1.7 A certificate delivered by the Holder certifying the amount due from the Issuer under any CD as at the date of such certificate shall in the absence of manifest error be *prima facie* evidence of the amount due from the Guarantor hereunder in relation to such CD.
- 1.8 Any discharge given to the Guarantor in respect of its obligations hereunder shall be, and shall be deemed always to have been, void if any act on the basis of which that discharge were given is subsequently avoided by or pursuant to any provision of law.

SELLING RESTRICTIONS

General

No action has been taken in any jurisdiction by the Issuers, the Guarantor, the Arrangers or the Dealers that would permit a public offering of the Instruments, or possession of distribution of the Information Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required.

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that it will only acquire Instruments for the purpose of resale and that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Instruments and it will not directly or indirectly offer, sell, resell, reoffer or deliver Instruments or distribute any document, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations and none of the Issuers, the Guarantor or any of the other Dealers shall have any responsibility therefor. None of the Issuers, the Guarantor or any of the other Dealers represents that the Instruments may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. Persons into whose hands this Information Memorandum comes are required by the Issuers, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Instruments or possess, distribute or publish this Information Memorandum or any other offering material relating to the Instruments, in all cases at their own expense.

United States of America

The Instruments and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and the Instruments and the Guarantee, if applicable, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (other than a distributor) and except in transactions exempt from the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has offered and sold, and will offer and sell, Instruments and the Guarantee only outside the United States to non-U.S. persons in accordance with Rule 903 of Regulation S under the Securities Act (**Regulation S**). Accordingly, each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts in the United States with respect to the Instruments and the Guarantee, and that it and they have complied and will comply with the offering restrictions requirements of Regulation S. Each Dealer has also agreed that, at or prior to confirmation of sale of Instruments and the Guarantee, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Instruments from it a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S under the Securities Act."

Terms used in this paragraph have the meanings given to them by Regulation S.

The United Kingdom

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that:

- (a) in relation to any Instrument which has a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (b) 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 FSMA) received by it in connection with the issue or sale of the Instruments in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor, if the Issuers or the Guarantor were not an authorised person; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Instruments in, from or otherwise involving the United Kingdom.

Italy

The offering of the Notes and CDs has not been registered pursuant to Italian securities legislation and, accordingly, each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver Notes or CDs or distribute copies of the Information Memorandum or of any other document relating to the Notes or the CDs in the Republic of Italy, except in circumstances which are exempted from the rules on public offerings pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**).

In addition, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer, sale or delivery of the Notes and the CDs or distribution of copies of the Information Memorandum or any other document relating to the Notes or the CDs in the Republic of Italy as specified above must be:

- (i) 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. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which, subsequent to the issue or the offer of securities in the Republic of Italy, the Bank of Italy may request information regarding the Notes and/or the CDs; and
- (iii) in compliance with any other applicable laws and regulations or requirements imposed by CONSOB or other Italian authority.

Ireland

Each of the Dealers has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that:

- (a) it has only issued or passed on, and will only issue and pass on, in Ireland or elsewhere, any document received by it in connection with the issue of Instruments to persons who are persons to whom the document may otherwise lawfully be issued or passed on;
- (b) it will not underwrite the issue of, or place, the Instruments otherwise than in conformity with the provisions of the Irish European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended) including, without limitation, Regulations 7 and 152 thereof or any codes of conduct issued in connection therewith, and the provisions of the Investor Compensation Act 1998;
- (c) it will not underwrite the issue of, or place, the Instruments, otherwise than in conformity with the provisions of the Irish Central Banks Acts 1942 to 2014 and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (d) it will not underwrite the issue of, place, or otherwise act in Ireland in respect of the Instruments, otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 (as amended) by the Central Bank of Ireland; and
- (e) in connection with offers for sale of any Instrument that is not listed on any stock exchange, it will not offer, sell or deliver any such Instrument to any person in a denomination of less than €500,000 if the relevant Instrument is denominated in euro, U.S.\$500,000 if denominated in U.S. Dollars, or if denominated in a currency other than euro or U.S. Dollars, the equivalent of €500,000 at the date the Programme is first publicised. In addition, such Instruments must be cleared through a recognised clearing system.

The Grand Duchy of Luxembourg

The Instruments are not, and will not be, offered or sold to the public in Luxembourg, directly or indirectly, and no offering circular (including the Information Memorandum), prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in, or from or published in, Luxembourg, except in circumstances which do not constitute a public offer of securities to the public pursuant to the provisions of the Luxembourg act dated 10 July 2005, as amended, relating to prospectuses for securities.

REGISTERED AND HEAD OFFICE OF THE ISSUERS

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**REGISTERED AND HEAD OFFICE OF
GUARANTOR**

Intesa Sanpaolo S.p.A.

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Italy

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London E14 5LB
United Kingdom

Credit Suisse Securities (Europe) Limited

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United Kingdom

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United Kingdom

THE ISSUING AND PAYING AGENT

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Sovereign
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LISTING AGENT

McCann FitzGerald Listing Services Limited
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Dublin 2
Ireland

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as to Luxembourg law

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