

INFORMATION MEMORANDUM

10 July 2018



**INTESA SANPAOLO BANK IRELAND p.l.c.**

**INTESA SANPAOLO BANK LUXEMBOURG, *SOCIÉTÉ ANONYME***

(each an Issuer and together, the Issuers)

<b>Name of the Programme</b>	<b>Intesa Sanpaolo Bank Ireland p.l.c. and Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i></b>  <b>Guaranteed Euro-Commercial Paper and Certificate of Deposit Programme</b>
<b>Type of the Programme</b>	<b>Multi-Issuer Global Guaranteed Euro-Commercial Paper and Certificate of Deposit Programme</b>
<b>Maximum Amount of the Programme</b>	<b>€30,000,000,000</b>
<b>Guarantor</b>	<b>Intesa Sanpaolo S.p.A.</b>
<b>Rating(s)</b>	<b>Rated Moody's Investors Service Limited (Moody's) Standard &amp; Poor's Rating Services, a division of The McGraw Hill Companies Inc. (Standard &amp; Poor's) Fitch Ratings (Fitch) DBRS Ratings Limited (DBRS)</b>
<b>Arrangers</b>	<b>Intesa Sanpaolo Bank Ireland p.l.c. Intesa Sanpaolo S.p.A.</b>
<b>Issuing and Paying Agent</b>	<b>The Bank of New York Mellon</b>
<b>Dealers</b>	<b>Barclays BofA Merrill Lynch Citigroup Credit Suisse Goldman Sachs International ING Intesa Sanpaolo S.p.A. NatWest Markets Plc UBS Investment Bank</b>
<b>Listing:</b>	<b>Irish Stock Exchange plc trading as Euronext Dublin (Euronext Dublin)</b>
<b>Date of signature of the Information Memorandum</b>	<b>10 July 2018</b>

## 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.

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## 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 3 July 2017.

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 (such dealership agreement as modified and/or supplemented and/or restated from time to time, the **Dealership Agreement**) dated 10 July 2018, appointed Bank of America Merrill Lynch International Limited, Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Goldman Sachs International, ING Bank N.V., Intesa Sanpaolo S.p.A., NatWest Markets 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 trading as Euronext Dublin (the **Euronext Dublin**) and has been approved by Euronext Dublin. The approval of Euronext Dublin relates only to Instruments that are admitted to the official list of Euronext Dublin (the **Official List**) and to trading on its regulated market. Application has been made to Euronext Dublin for Instruments to be admitted to the Official List and to trading on Euronext Dublin'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](http://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.

**IMPORTANT – EEA RETAIL INVESTORS** - If the Contractual Terms in respect of any Series specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", the Instruments in that Series are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and

therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

**MiFID II PRODUCT GOVERNANCE/ TARGET MARKET** – The Contractual Terms in respect of any Instrument will include a legend entitled "MiFID II product governance / target market" which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any person subsequently offering, selling or recommending the Instruments (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to **MiFID II** is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Instrument is a manufacturer in respect of such Instrument, but otherwise none of the Arranger, the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

### **Irish tax considerations**

The following information is of a general nature only and is based on the laws presently in force in Ireland, 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 Irish 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 Irish tax law, to which they may be subject.

### **Withholding Tax**

Under Irish law, there is no obligation on any person to deduct any amount on account of Irish tax from payments made on Notes or CDs issued by Intesa Sanpaolo Bank Ireland p.l.c. for as long as such Notes and CDs are issued in denominations not less than the Minimum Denomination and have a Maturity of less than 2 years and are held in Euroclear or Clearstream, Luxembourg or any other clearing system that is recognised for Irish tax purposes, or separately, where such Notes or CDs are listed on the Irish stock exchange and are held in Euroclear or Clearstream, Luxembourg or any other clearing system that is recognised for Irish tax purposes.

### **Encashment Tax**

Notes or CDs issued by Intesa Sanpaolo Bank Luxembourg, *société anonyme* may be within the charge to Irish encashment tax. Encashment tax may also arise in respect of Notes or CDs issued by Intesa Sanpaolo Bank Ireland p.l.c. that constitute quoted Eurobonds. A Note or CD will be a quoted Eurobond if it is quoted on a recognised stock exchange and carries a right to interest. In each case the charge to Irish encashment tax will apply where interest payments are made by an agent of the Issuer in Ireland or where collected or realised by an agent in Ireland on behalf of a holder of the Note or CD, as the case may be, unless the person beneficially owning the Note or CD, as the case may be, and entitled to the interest thereon is not resident in Ireland for Irish tax purposes, has provided a declaration in the prescribed form and the income is interest not deemed, under the provisions of Irish tax law, to be the income of another person that is resident in Ireland for Irish tax purposes. Where interest payments are made, collected and otherwise realised only by or through agents outside Ireland, no Irish encashment tax arises. Encashment tax, where applicable, will arise at the standard rate of income tax (currently 20 per cent.).

### **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 will be subject to a withholding tax of 20 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 20 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 Euronext Dublin, 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 2016, as shown in the Intesa Sanpaolo Group 2016 Annual Report;
- (b) the audited consolidated annual financial statements of Intesa Sanpaolo Group as at and for the year ended 31 December 2017, as shown in the Intesa Sanpaolo Group 2017 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 2016, as shown in the Intesa Sanpaolo Bank Ireland p.l.c. 2016 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 2017, as shown in the Intesa Sanpaolo Bank Ireland p.l.c. 2017 Annual Report;
- (e) the audited annual financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme* as at and for the year ended 31 December 2016;
- (f) the audited consolidated financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme* as at and for the year ended 31 December 2016;
- (g) the audited annual financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme* as at and for the year ended 31 December 2017;
- (h) the audited consolidated financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme* as at and for the year ended 31 December 2017; and
- (i) the unaudited quarterly financial statements of the Intesa Sanpaolo Group as 31 March 2018, as shown in the Intesa Sanpaolo Group 2018 Quarterly Report;

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

- (j) the press release issued by Intesa Sanpaolo on 8 May 2018 and entitled "Intesa Sanpaolo: consolidated results as at 31 March 2018" announcing the approval by the Board of Directors of Intesa Sanpaolo of the unaudited consolidated interim statement for the first quarter of 2018 (the **First Quarter Results 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 Euronext Dublin 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 Euronext Dublin 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 Euronext Dublin.

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

<b>Name of the Programme:</b>	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.
<b>Type of the Programme:</b>	Global Guaranteed Euro-Commercial Paper and Certificate of Deposit Programme.  Euro-Commercial Paper Notes, STEP compliant.  CDs, STEP compliant.
<b>Names of the Issuers:</b>	Intesa Sanpaolo Bank Ireland p.l.c. Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i>
<b>Type of Issuers:</b>	Monetary financial institutions.
<b>Purpose of the Programme:</b>	The net proceeds from the sale of the Instruments will be applied for general funding purposes.
<b>Maximum amount of the Programme:</b>	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.
<b>Information on euro-commercial paper notes (the Notes)</b>	
<b>Characteristics and form of the Notes:</b>	<i>Form of the Notes:</i>  The Notes will be in bearer form. The Notes will initially be in global form (the <b>Global Note</b> ). The Global Note will be exchangeable into definitive notes ( <b>Definitive Notes</b> ) 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 ( <b>NGN</b> ) 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 <b>Common Safekeeper</b> ) for Euroclear Bank S.A./N.V. ( <b>Euroclear</b> ) and Clearstream Banking S.A. ( <b>Clearstream, Luxembourg</b> ).  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 <b>Common Depository</b> ) 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.

**Acknowledgment of Bail-in Power**

Under the terms of the Notes the Noteholders acknowledge that the amounts due arising under the Notes may be subject to the exercise of Italian, Irish or Luxembourg Bail-in Powers by the Relevant Authority.

<b>Minimum issuance amount:</b>	€500,000 or U.S.\$500,000 (or the equivalent in any other currency, see "Minimum denomination of the Notes" below).
<b>Minimum denomination of the Notes:</b>	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.
<b>Status of the Notes:</b>	The relevant Issuer's obligations under the Notes will rank at least <i>pari passu</i> with all present and future unsecured and unsubordinated obligations of that Issuer other than obligations mandatorily preferred by law applying to companies generally.
<b>Governing law applicable to the Notes:</b>	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 470-3 to 470-19 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, shall not apply.
<b>Listing:</b>	Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on Euronext Dublin'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.
<b>Settlement system:</b>	Euroclear and Clearstream, Luxembourg.
<b>Ratings of the Programme:</b>	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.
<b>Guarantor:</b>	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.

<b>Issuing and Paying Agent:</b>	The Bank of New York Mellon.
<b>Arrangers:</b>	Intesa Sanpaolo Bank Ireland p.l.c. and Intesa Sanpaolo S.p.A.
<b>Dealers:</b>	Bank of America Merrill Lynch International Limited, Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Goldman Sachs International, ING Bank N.V., Intesa Sanpaolo S.p.A., NatWest Markets Plc and UBS Limited. The Issuers and the Guarantor may also place Instruments issued under the Programme.
<b>Selling restrictions:</b>	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.
<b>Taxes:</b>	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).
<b>Involvement of national authorities:</b>	Not relevant.
<b>Notices:</b>	If the Notes have been admitted to listing on the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin (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 Euronext Dublin (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 Euronext Dublin, deliver all such notices to the relevant Clearing System(s) or publish such notices by any other means acceptable to Euronext Dublin.

#### **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.

**Acknowledgment of Bail-in Power**

Under the terms of the CDs the holders of a CD acknowledge that the amounts due arising under the CDs may be subject to the exercise of Italian, Irish or Luxembourg Bail-in Powers by the Relevant Authority.

**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 470-3 to 470-19 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, shall not apply.

**Listing:** Application has been made to Euronext Dublin for the CDs to be admitted to the Official List and to trading on Euronext Dublin'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.

<b>Ratings of the Programme:</b>	<p>Yes.</p> <p>The Programme has been rated P-2 by Moody's, A-3 by Standard &amp; Poor's, F2 by Fitch, and R-1 (low) by DBRS.</p> <p>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.</p>
<b>Guarantor:</b>	<p>Intesa Sanpaolo S.p.A.</p> <p>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".</p> <p>The Guarantor's obligations under the Guarantee relating to the CDs rank and will rank at least <i>pari passu</i> with all present and future unsecured and unsubordinated obligations of the Guarantor other than obligations mandatorily preferred by law applying to companies generally.</p>
<b>Issuing and Paying Agent:</b>	The Bank of New York Mellon.
<b>Arrangers:</b>	Intesa Sanpaolo Bank Ireland p.l.c. and Intesa Sanpaolo S.p.A.
<b>Dealers:</b>	Bank of America Merrill Lynch International Limited, Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, , Goldman Sachs International, ING Bank N.V., Intesa Sanpaolo S.p.A., NatWest Markets Plc and UBS Limited. The Issuers and the Guarantor may also place Instruments issued under the Programme.
<b>Selling restrictions:</b>	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.
<b>Taxes:</b>	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).
<b>Involvement of national authorities:</b>	Not relevant.



**Notices:**

If the CDs have been admitted to listing on the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin (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 Euronext Dublin (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 Euronext Dublin, deliver all such notices to the relevant Clearing System(s) or publish such notices by any other means acceptable to Euronext Dublin.

**Other information****Contact details**

Intesa Sanpaolo Bank Ireland p.l.c.:  
Email: [davide.demarco@intesasanpaolo.com](mailto:davide.demarco@intesasanpaolo.com)  
Telephone: +353 1 672 6720

Intesa Sanpaolo Bank Luxembourg, *société anonyme*:  
Email: [contact@intesasanpaololux.com](mailto:contact@intesasanpaololux.com)  
Telephone: +352 4614111

**ECB collateral eligibility:**

Euronext Dublin 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.

<b>Legal name:</b>	Intesa Sanpaolo Bank Ireland p.l.c.
<b>Legal form/status:</b>	Intesa Sanpaolo Bank Ireland p.l.c. is a public limited company incorporated in Ireland.
<b>Date of incorporation/establishment:</b>	22 September 1987.
<b>Registered office:</b>	International House, 3 Harbourmaster Place, IFSC, Dublin 1, D01 K8F1, Ireland; telephone number is +3531 672 6720.
<b>Registration number, place of registration:</b>	Intesa Sanpaolo Bank Ireland p.l.c. is registered with the Registrar of Companies in Dublin under registration number 125216.
<b>Objects and summarised description of current activities:</b>	<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"><li>• International lending to corporate and credit institutions on a bilateral or syndicated basis;</li><li>• Management of a portfolio of securities held for liquidity purposes;</li><li>• Treasury activities;</li><li>• Intra-group lending; and</li><li>• Issuance of guarantees and transaction services.</li></ul> <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 2017 Intesa Sanpaolo Bank Ireland p.l.c. is ranked the nineteenth largest bank in Ireland.<sup>1</sup></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>
<b>Share capital:</b>	As at 31 December 2017, 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

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<sup>1</sup> Source: The Irish Times Top 1,000 Companies, 2018.

issued and paid up. Total equity of Intesa Sanpaolo Bank Ireland p.l.c., including issued share capital, amounted to €1,220.562 million. Further information can be found in the Annual Report of Intesa Sanpaolo Bank Ireland p.l.c. for the year ended 31 December 2017.

**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.:

Roberto Paoletti  
Intesa Sanpaolo Bank Ireland p.l.c.  
International House  
3 Harbourmaster Place, IFSC,  
Dublin 1, D01 K8F1  
Ireland

None

Richard Barkley  
40 Dodderbank  
Milltown Bridge  
Dublin 14  
Ireland

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

Neil Copland  
Castlefield Way  
Castlefield Manor, Knocklion  
Dublin 16  
Ireland

Director of BNP Paribas Ireland  
Director of BNP Paribas Prime Brokerage International Ltd

Carlo Persico  
Intesa Sanpaolo S.p.A.  
Piazza della Scala, 6  
20121 Milan  
Italy

Director of Exelia SRL  
Director of Intesa Sanpaolo Brasil SA - Banco Multiplo

Andrea Faragalli Zenobi  
Via della Moscova, 44  
20121 Milan  
Italy

Director of Intesa Sanpaolo Bank Luxembourg, *société anonyme*

Director of Intesa Sanpaolo Brasil SA – Banco Multiplo

Director of N.U.O. CAPITAL S.A  
Member of Comitato di Investimento del Fondo Atlante SEED IMI  
Fondi Chiusi Srg – IMI Investimenti  
Member of Comitato Investitori di Charme II and Charme III  
Montezemolo e Partners SGR Spa

Massimo Ciampolini

None

Intesa Sanpaolo SpA  
Via Verdi, 11  
20121 Milan  
Italy

Daniela Migliasso  
Intesa Sanpaolo SpA  
Corso Inghilterra, 3  
10138 Turin  
Italy

None

John Bowden  
7, Silveracre Avenue  
Sarah Curran Avenue  
Rathfarnham, Dublin 16  
Ireland

Director of Cuan Mhuire CLG

The business address of each of the members of the Board of Directors listed above is International House, 3 Harbourmaster Place, IFSC, Dublin 1, D01 K8F1, 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 their respective private interests or other duties.

**Auditors:**

The annual financial statements of Intesa Sanpaolo Bank Ireland p.l.c. as at and for the years ended 31 December 2016 and 31 December 2017 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*

<b>Legal name:</b>	Intesa Sanpaolo Bank Luxembourg, société anonyme
<b>History and Legal form/status:</b>	<p>Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i> is a public limited liability company (société anonyme) 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 (Commission de surveillance du secteur financier (CSSF)) 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.</p>
<b>Date of incorporation/establishment:</b>	<p>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.</p> <p>Incorporation of assets and liabilities of Banca Intesa International S.A., Luxembourg and Sanpaolo Bank S.A., Luxembourg.</p> <p>In the context of successive group concentrations Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i> incorporated:</p> <p>with effect from 1 January 2002, all assets and liabilities of Banca Intesa International S.A., Luxembourg, and</p> <p>with effect from 7 July 2008, the non-investment fund assets and liabilities of Sanpaolo Bank S.A., Luxembourg.</p>
<b>Registered office:</b>	19-21 Boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg, telephone number is +352 4614111.
<b>Registration number, place of registration:</b>	<p>Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i> is registered with the Luxembourg trade and companies register (Registre de commerce et des sociétés, Luxembourg) under registration number B13859.</p> <p>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 Ministère des Classes Moyennes.</p>
<b>Objects and summarised description of current activities:</b>	<p>As a licensed bank the principal areas of business of Intesa Sanpaolo Bank Luxembourg, <i>société anonyme</i> include:</p> <p>Private banking and wealth management;</p> <p>Corporate banking;</p> <p>International lending to corporate and credit institutions on a bilateral or syndicated basis;</p> <p>Management of a portfolio of securities held for liquidity purposes; and</p>

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 2017, Intesa Sanpaolo Bank Luxembourg, *société anonyme* is ranked the sixth largest bank in Luxembourg.<sup>2</sup>

Intesa Sanpaolo Bank Luxembourg, *société anonyme* currently has 175 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 2017, authorised, issued and fully paid capital stood at €1.389.370.555,36. Total equity, including issued share capital and reserves, stood at €2.430.155.547. Further information can be found in the Annual Report for the year ended 31 December 2017.

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. An extraordinary general shareholder's meeting of Intesa Sanpaolo Bank Luxembourg, *société anonyme*, was held on 22 September 2016 resolving, amongst others, to increase the company's share capital to the extent of €449,999,892.27 to raise it from its current amount of €539,370,828.01 to the amount of €989,370,720.28 by creation and issue of 1,445,911 new shares entirely subscribed by its majority shareholder Intesa Sanpaolo Holding International S.A., and to introduce an authorized share capital of €1,389,370,555.36, during a five years period ending 22 September 2021.

On 25 October 2017, the Board of directors resolved to increase the share capital of Intesa Sanpaolo Bank Luxembourg, *société anonyme* by an amount of €399.999.835,08 to raise it from its amount of €989.370.720,28 to the amount of €1.389.370.555,36 by creation and issue of 1.285.254 new shares without any nominal value. These new shares were all subscribed and fully paid off by the sole shareholder Intesa Sanpaolo Holding International S.A.

#### **List of main shareholders:**

On 3 August 2017, the Guarantor sold to Intesa Sanpaolo Holding

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<sup>2</sup> Source: *Luxemburger Wort, Classement des Banques 2018*

International S.A., which is fully controlled by the Guarantor its 0.43% of the share capital of Intesa Sanpaolo Bank Luxembourg, *société anonyme*. Therefore as from that date, Intesa Sanpaolo Holding International S.A. holds 100 % of the share capital of Intesa Sanpaolo Bank Luxembourg, *société anonyme*

**Listing of the shares of Intesa Sanpaolo Bank Luxembourg, société anonyme:**

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:*

Frédéric Genet  
Chairman

Director of Edmond de Rothschild Europe  
Director of Edify S.A.  
Director of Paravranches S.A.  
Director of SB Partners SIF SICAV S.A.  
Director of Direct lending SCA SIF SICAV  
Chairman of the Board of Lyxor Investment Funds  
Chairman of the Board of Lyxor Index Fund  
Chairman of the Board of Solys  
Chairman of the Board of MUL  
Member of the Board and of the Audit Committee of EdRE  
Director of International Bankers Club  
Director of association Victor Hugo  
Manager of FRGconsulting  
Manager of GéVin Finances  
Member of the investment committee of LLC RE  
Board Member of ICBC (Europe)

Walter Mauro Ambrogi  
Deputy Chairman

Director of Banca Intesa, Russia  
Director of Intesa Sanpaolo Brasil SA Banco Multiplo

Ferdinando Angeletti  
Managing Director & Chief Executive Officer

Director of Intesa Sanpaolo Sec S.A.  
Director of Lux Gest Asset Management S.A.  
Director of Luxicav SICAV  
Director of Luxicav Plus SICAV

Paul Helminger

Chairman of the Board of Directors of Luxair S.A.  
Chairman of the Board of Directors of Cargolux Airlines International S.A.  
Director of Intesa Sanpaolo Holding International S.A.  
Director of Eurizon Capital S.A.  
Director of Intesa Sanpaolo House Immo S.A.  
Director of Intesa Sanpaolo Real Estate SA  
Director of Intesa Sanpaolo Immobiliere SA  
Director of Immobel Luxembourg S.A.  
Director of Brasserie Nationale Bofferding SA  
Director of SnapSwap International S.A  
Director of Eurizon Alternative SICAV

Arthur Philippe

Member of the Board of Directors of Banca Intesa A.D. Beograd



Deputy chairman of the Board of Directors of Intesa Sanpaolo Holding International S.A.  
Chairman of the Board of Directors of Kieger (Luxembourg) S.A.  
Member of the Board of Managers of Sharaf Holding Sàrl  
Director of MKS Pamp Group BV

Francesco Introzzi

Director of Lux Gest Asset Management S.A.  
Director of Intesa Sanpaolo Brasil SA Banco Multiplo  
Member of the Board of e -Mid Sim S.p.A.

Marco Antonio Bertotti  
Christian Schaack

Director of Intesa Sanpaolo Holding International SA  
Director of Vseobecna Uverova Banka VUB a.s.  
Chairman of Intesa Sanpaolo Sec S.A.  
Director of BIL, Banque Internationale à Luxembourg S.A.  
Director of Macaria Tinena SL  
Director of Intesa Sanpaolo Servitia S.A.

Andrea Faragalli Zenobi

Member of the Board of Intesa Sanpaolo Brasil S.A. - Banco Múltiplo  
Member of the Board of Intesa Sanpaolo Bank Ireland p.l.c.  
Member of the Board of N.U.O. CAPITAL S.A.  
Member of the Comitato di Investimento del Fondo Atlante SEED IMI Fondi Chiusuri Sgr – IMI Investimenti  
Member of Comitato Investitori di Charme II and Charme III Montezemolo e Partners SGR S.p.A.

Massimo Torchiana

Chairman of Lux Gest Asset Management S.A.

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

**Conflicts of interest:**

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

**Auditors:**

The approved statutory auditors (*réviseur d'entreprises agréé*) of Intesa Sanpaolo Bank Luxembourg, *société anonyme* are KPMG Luxembourg, 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 2016 and 31 December 2017.

KPMG Luxembourg, a cooperative company (*société coopérative*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 39, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg registered with the Luxembourg trade and companies register (Registre de commerce et des sociétés, Luxembourg) 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

<b>Legal name:</b>	Intesa Sanpaolo S.p.A.
<b>Legal form/status:</b>	The Guarantor is a company limited by shares incorporated under the laws of Italy.
<b>Date of incorporation/establishment:</b>	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, offering a wide range of banking, financial and related services throughout Italy and internationally, with a focus on Central-Eastern Europe and the Middle East and North Africa. Intesa Sanpaolo 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 Intesa Sanpaolo Group operates through 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 and in instant banking through Banca 5.
- 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 25 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 and Veneto Banka Albania in Albania, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Privredna Banka Zagreb and Veneto Banka Croazia in Croatia, the Prague branch of VUB Banka in the Czech Republic, Bank of Alexandria in Egypt, Eximbank in Moldova, CIB Bank in Hungary, Intesa Sanpaolo Bank Romania and Intesa Sanpaolo S.p.A. Torino Bucharest Branch in Romania, Banca Intesa Beograd in Serbia, VUB Banka in Slovakia, Intesa Sanpaolo Bank in Slovenia and Pravex Bank in Ukraine.
- 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 6,017 private bankers.
- The **Asset Management Division**: asset management solutions targeted at the Group's customers, commercial networks outside the Group, and the institutional clientele. The division includes Eurizon with €253 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 €153 billion.
- The **Capital Light Bank**: set up to extract greater value from non-core activities through the workout of bad loans and repossessed assets, the sale of non-strategic equity stakes, and proactive management of other non-core assets.

**Share capital:**

As at 31 December 2017, the Guarantor's issued and paid-up share capital amounted to €8,731,984,115.92 divided into 16,792,277,146 shares with a nominal value of €0.52 each, in turn comprising 15,859,786,585 ordinary shares and 932,490,561 non-convertible savings shares. Since 31 December 2017, there has been no change to the Guarantor's share capital.

**Principal shareholders:**

As of 14 June 2018, the shareholder structure of the Guarantor is composed as follows (holders of shares exceeding 3 per cent.<sup>(\*)</sup>):

<u>Name of the shareholder</u>	<u>Ordinary shares</u>	<u>% of ordinary shares</u>
Compagnia di San Paolo	1,195,515,272	7.538%
Fondazione Cariplo	767,029,267	4.836%

(\*) Shareholders that are fund management companies may be exempted from disclosure up to the 5% threshold.

**Listing of the shares of the Guarantor:**

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

**Board of Directors:**

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	Chairman	Chairman of ASTM S.p.A. Director of Edison S.p.A.
Paolo Andrea Colombo	Deputy Chairperson	Chairman of Colombo & Associati S.r.l.
Carlo Messina	Managing Director and CEO	None
Bruno Picca	Director	None
Rossella Locatelli	Director	Chairman of Bonifiche Ferraresi S.p.A.  Member, Oversight Committee of Darma SGR, a company in administrative compulsory liquidation  Chairman of B.F. Holding
Giovanni Costa	Director	Director of Edizione S.r.l.
Livia Pomodoro	Director	None
Giovanni Gorno Tempini	Director	Director of Willis S.p.A.  Chairman of Fondazione Fiera Milano  Director of Avio S.p.A.

Giorgina Gallo	Director	Director of Auchan Retail International S.A. Director of Zignago Vetro S.p.A.
Franco Ceruti	Director	Director of Intesa Sanpaolo Private Banking S.p.A. Director of Mediocredito Italiano S.p.A. Director of Intesa Banca Prossima S.p.A. Director of Intesa Sanpaolo Expo Institutional Contact S.r.l
Gianfranco Carbonato	Director	Chairman of PRIMA INDUSTRIE S.p.A. 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	Director of Swiss Re Europe Director of Swiss Re International Director of Swiss Re Holding
Daniele Zamboni	Director	None
Maria Mazarella	Director	None
Maria Cristina Zoppo	Director	Chairman, Board of Auditors of Houghton Italia S.p.A. Standing Auditor of U.S. Alessandria Calcio S.r.l. Standing Auditor of Cooper-Standard Automotive Italy S.p.A.
Edoardo Gaffeo	Director	None
Milena Teresa Motta	Director	Chairman. Board of Auditors of Trevi Finanziaria Industriale S.p.A. Director of Strategie & Innovazione S.r.l.
Marco Mangiagalli	Director	None
Alberto Maria Pisani	Director	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:**

As at the date of this Information Memorandum and to the Guarantor's knowledge (also upon the examinations provided under article 36 of Law Decree 6th December, 2011 No. 201 as converted into Law No. 214 dated 22nd December, 2011), no member of the Board of Directors mentioned above is subject to potential conflicts of interest between their obligations arising out of their office or employment with the Intesa Sanpaolo Group and any personal or other obligations, except for those that may concern transactions put before the competent bodies of the Guarantor and or/entities belonging to the Intesa Sanpaolo Group, such transactions having been undertaken in strict compliance with the relevant regulations in force. The members of the Board of Directors are required to implement the following provisions aimed at regulating instances where there exists a specific interest concerning the implementation of a transaction:

- Article 53 (Supervisory regulations) of the Legislative Decree No. 385 of 1st September, 1993, as amended (the **Banking Law**) and the relevant implementing regulations issued by the Bank of Italy, with particular reference to the supervisory regulations relating to transactions with related parties;
- Article 136 (Duties of banking officers) of the Banking Law which requires the adoption of a particular authorisation procedure in case an officer, directly or indirectly, assumes obligations towards the bank in which such officer has an administrative, management or controlling role;
- Article 2391 of the Italian Civil Code (Directors' interests); and
- Article 2391-bis of the Italian Civil Code (Transactions with related parties).

The Intesa Sanpaolo Group has adopted internal measures and procedures to guarantee compliance with the above mentioned provisions. For information on these procedures, see Part H of the notes to the consolidated financial statements of Intesa Sanpaolo Group.



**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 2016 and 31 December 2017.

KPMG S.p.A., auditors to Intesa Sanpaolo S.p.A. from 1 January 2012, has performed a limited review on the 2017 Half-Yearly Financial Statements as at and for the six months ended 30 June 2016 in accordance with CONSOB Regulation No. 10867 of 31 July 1997 and issued their review report on 3 August 2017.

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

**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**

In addition to brief remarks on the litigation involving anacotism and investment services, the following paragraphs provide concise information about the individual relevant disputes (indicatively, those with a

remedy sought of more than 100 million euro and where the risk of an outlay is currently deemed probable or possible).

**Disputes relating to anatocism and other current account and credit facility conditions** – For many years, this type of dispute has been a significant part of the civil disputes brought against the Italian banking industry and therefore also the Group banks. The overall economic impact of lawsuits in this area remains at insignificant level in absolute terms. The risks related to these disputes are covered by specific, adequate provisions to the allowances for risks and charges.

At the beginning of 2014, Art. 120 of the Consolidated Law on Banking which governs the compounding of interest in banking transactions, was amended with the establishment of the ban on anatocism and the delegation of the CICR (Interdepartmental Committee for Credit and Savings) (CICR) to regulate this matter. In the absence of the CICR resolution Intesa Sanpaolo, considered this ban not to be applicable and that the 1999 provisions continued to apply, which allowed the compounding of debit and credit interest on debtors and creditors provided it was applied at the same frequency.

In 2016, Art. 120 of the Consolidated Law on Banking was amended again. Without prejudice to the requirement of the same frequency of calculation of the interest it was established that the frequency must not be “less than one year” with calculation at 31 December of each year and, in any event, at the end of the relationship) and that debt interest accrued could not in general give rise to interest other than arrears interest. In addition, for current account credit facilities and overdrafts it was established that:

- the debt interest is calculated at 31 December and becomes due on 1 March of the year after the year when it accrued; if the account is closed, the interest becomes due immediately;
- the customer can provide authorisation, also beforehand, for the interest to be charged to their account (and therefore for its compounding) when it becomes due; this authorisation can be revoked at any time, provided it is before the charge has been made.

The implementing resolution by the CICR was published in August 2016. It establishes, among other things, that the new regulations apply to interest accrued from 1 October 2016.

In February 2017, the Italian Antitrust Authority initiated proceedings against Intesa Sanpaolo for alleged unfair business practices involving, among other things, the methods used to request the above-mentioned authorisation from customers for the charging of the interest to the account.

The Authority completed the proceedings in October 2017, ruling that Intesa Sanpaolo had implemented an “aggressive” policy aimed at acquiring the authorisation, by soliciting the customers through various means of communications and without putting them in a position to consider the consequences of that choice in terms of the interest calculation on the compounded debt interest. As a result, the Authority issued a fine of 2 million euro against Intesa Sanpaolo. Intesa Sanpaolo has submitted an appeal with the Lazio Regional Administrative Court, on the grounds that the ruling was unfounded.

**Disputes relating to investment services** - In 2017 the number of disputes continued to fall (particularly those relating to bonds in default). The risks related to this type of dispute are covered by specific, adequate provisions to the Allowances for risks and charges.

**Alis Holding lawsuit** – In July 2017, an out-of-court settlement was finalised between Intesa Sanpaolo and Alis Holding to close the action for damages lodged by the latter (with a claim of 127.6 million euro) for alleged liability of the Bank with respect to Cargoitavia (a company held jointly by Alis Holding with 66.67%, and Intesa Sanpaolo with 33.33%). The settlement was also made with the ‘arrangement with creditors’ procedure of Cargoitavia which in 2016 joined proceedings claiming compensation from the Bank. Thanks to the settlement, Intesa Sanpaolo paid a much smaller sum than the initial demand; the amount paid was completely covered by a provision.

**ENPAM lawsuit** - In June 2015 ENPAM sued Cassa di Risparmio di Firenze (wholly owned subsidiary of Intesa Sanpaolo), along with other defendants such as JP Morgan Chase & Co and BNP Paribas, before the Court of Milan.

ENPAM's allegations related to the trading (in 2005) of several complex financial products known as "JP Morgan 69,000,000" and "JP Morgan 5,000,000" and the subsequent "swap" (in May 2006) of those products with other similar products known as "CLN Corsair 74,000,000", the latter were credit-linked notes, i.e. securities whose repayment of principal at maturity was tied to the credit risk associated with a tranche of a synthetic CDO. Due to the defaults on the CDO portfolio, the investment allegedly resulted in significant losses, for which compensation is sought.

In the writ of summons, ENPAM submitted several petitions for enquiries and rulings (in particular for contractual and tort liability and breach of Articles 23, 24 and 30 of the Legislative Decree No. 58 of 24 February 1998 as amended (the **Financial Services Act**), asking for the repayment of an amount of €222 million, and compensation for damages on an equitable basis, the part relating to Cassa di Risparmio di Firenze's position should be around €103 million (plus interest and the purported "additional damages").

Cassa di Risparmio di Firenze was sued as the transferee of the Italian branch of Cortal Consors S.A. (subsequently merged into BNP Paribas), which had provided ENPAM with the investment services within which the above-mentioned securities had been subscribed.

At a preliminary stage, Cassa di Risparmio di Firenze raised various objections (including a lack of standing to be sued and the time bar. On the merits, it argued, among other positions, that the provisions of the Financial Services Act cited were not applicable and that there was no evidence of the damages. It also disputed their calculation and in alternative, that ENPAM had contributed to causing the damages. If an unfavourable judgment is rendered, Cassa di Risparmio di Firenze has requested that the court determine its internal share of the total liability of the defendants and that the other defendants be ordered to hold it harmless.

During the proceedings it emerged from the analysis of the 2016 financial statements of ENPAM that the securities subject of the allegations against Cassa di Risparmio di Firenze had been "sold back" to JP Morgan at a price of around €206 million. This circumstance was emphasised in further defence pleadings by Cassa di Risparmio di Firenze, highlighting the lack of the alleged damages and perhaps even the presence of a capital gain.

The case is currently pending in relation to the claimant's application for a court-appointed expert review.

[By order of 15 February 2018, the judge rejected part of the preliminary objections raised, while reserving judgment on the others (including those relating to the claimant's lack of standing to sue and the defendants' lack of standing to be sued), to be decided together with the decision on the merits. The judge also ordered a court-appointed expert's review aimed at determining, among other matters:

- whether during the pre-contractual phase the structure, value and costs of the securities at issue were properly represented to ENPAM;
- whether the securities were fit for the purpose indicated in the entity's Charter and Investment Guidelines;
- the performance achieved by ENPAM as at the date of conclusion of the individual transactions;
- the difference, if any, between the performance achieved by ENPAM and the performance that would have resulted if other investments consistent with the entity's Charter and Investment Guidelines had been undertaken (also considering the need for diversification of the risk).

The case was continued until the hearing of 18 April 2019 for a review of the expert's report, which will be prepared during the year.]

It is currently not possible to provide a reliable assessment of the risk inherent in the Proceedings.

**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 the financial situation at the time of the sale.

A technical roundtable has been formed with Equitalia in order to assess the parties' claims.

**Administrative and judicial proceedings against Banca IMI Securities Corp. of New York** – The SEC proceedings were concluded in the third quarter through the payment of a total sum of approximately 35 million dollars – entirely covered by provision – levied on the basis of violations of Articles 15(b)(4)(E) of the Exchange Act and 17(a)(3) of the Securities Act.

With regard to the investigation started in October 2016 by the Antitrust Division of the Department of Justice (DOJ) after having submitted (documents and information with a view to full co-operation, details are being awaited on the DoJ's position regarding the non-continuation of that investigation.

**Offering of diamonds** - In October 2015, the Bank signed a partnership agreement with Diamond Private Investment (DPI) governing how diamond offerings were made by that company to the customers of Intesa Sanpaolo and of the banks of the Banca dei Territori Division. The aim of this initiative was to enhance the range of products offered to customers, by introducing a diversification solution with the characteristics of a “safe haven asset” in which to allocate a marginal part of their assets over the long-term. Diamonds had already been sold for several years by other leading national banking networks.

This activity primarily generated purchase volumes in 2016, with a significant fall starting from the end of that year. A total of around 8,000 customers purchased diamonds, for a total of around 130 million euro. The marketing process was based on criteria of transparency, with safeguards progressively enhanced over time, including quality controls on the diamonds and the fairness of the prices applied by DPI.

In February 2017, the AGCM (the Italian Competition Authority) brought proceedings against companies that marketed diamonds, (DPI and other companies), for alleged conduct in breach of the provisions on unfair business practices. In April, those proceedings were extended to the intermediaries that carried out the recommendation of the services of those companies.

At the end of those proceedings, on 30 October 2017, the AGCM notified the penalties imposed for the alleged breach of the of Consumer Code through the conduct of DPI and of the banking intermediaries which the proceedings had been extended to, consisting - in short - of having provided partial, deceptive and misleading information on the characteristics of the diamond purchases, the methods used to calculate the price - presented as being the market price - and the performance of the diamond market. The Authority issued a fine of €3 million against Intesa Sanpaolo, reduced from the initial fine of €3.5 million, after the Authority had recognised the value of the measures taken by the Bank from 2016 to strengthen the safeguards on the offering process aimed, in particular, at ensuring proper information to customers.

Following the order by the AGCM, the Bank paid the amount of the fine and filed an appeal with the Lazio Regional Administrative Court against the order.

From November 2017, the Bank:

- terminated the partnership agreement with DPI and ceased the activity, which had already been suspended in October;
- started a process that provides for the payment to customers of the original cost incurred for the purchase of the diamonds and the withdrawal of the stones, in order to satisfy the customers' resale needs which, due to the illiquidity that had arisen in the market, are not met by DPI within the contractually-agreed period of 30 days;
- sent a communication in January 2018 to the diamond-holding customers reiterating the nature of the stones as durable goods, and also confirming the Bank's willingness to intervene directly in relation to any realisation needs expressed by the customers and not met by DPI.

As at 31 December 2017, the Bank had received 1,287 requests for the resale of the diamonds, for a total amount of €23.9 million.

In this regard, Intesa Sanpaolo considered it appropriate to make a prudential provision in relation to the potential risks of loss connected to the diamonds for which the Bank may be required to pay the original cost incurred by the customers for their purchase. The provision was determined by taking into account both the appraisal values collected over the years by the Bank on the diamonds sold (retail prices) and their estimated wholesale prices.

### **Labour litigation**

There were no significant cases of labour litigation from either a qualitative or quantitative standpoint as at 31 December 2017. In general, all labour litigation is covered by specific provisions adequate to meet any outlays.

### **Tax litigation**

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

As at 31 December 2017, Intesa Sanpaolo S.p.A. had 144 pending litigation proceedings (234 as at 31 December 2016) for a total amount of €214 million (€240 million as at 31 December 2016), considering both administrative and judicial proceedings at various instances. In relation to these proceedings, the actual risks were quantified at €65 million as at 31 December 2017 (€81 million at the end of 2016).

With respect to the other Italian companies of the Group included in the scope of consolidation (with the exclusion of Risanamento, which is not subject to management and coordination by Intesa Sanpaolo), and in relation to which there are pending claims for 5 million euro), tax disputes totalled €139 million as at 31 December 2017 (€198 million at the end of 2016), covered by specific provisions of €32 million (€35 million at the end of 2016).

Tax disputes involving international subsidiaries, totalling €11 million at 2017 year-end (€8 million as at 31 December 2016), are covered by allowances of €4 million (€3 million as at 31 December 2016).

As regards Intesa Sanpaolo, no new dispute for a significant amount was initiated in 2017. The disputes concerning the recovery of registration tax paid on the contributions of business units and the subsequent sales of the participations, which were reclassified by the tax authorities as sales of business units (valued at a total of around 80 million euro), were subject to numerous favourable rulings by the tax commissions during the year. At present, many of the disputes are pending before the Court of Cassation further to the appeal made by the State's Attorney General. Even though the rulings of the lower courts have all been favourable except for one, Intesa Sanpaolo adopted a prudent approach by considering the unfavourable

precedents in the case law of the Court of Cassation and therefore made provisions to cover potential costs. Moreover, such unfavourable precedents – which gave precedence to an alleged real and overall economic rationale of the transaction over the legal content of the single deeds – may be in conflict with Article 1, paragraph 87, letter a), nos. 1 and 2, of the Law no. 205 of 2017, which clarified the scope of application of Article 20 of the Italian Law on Registration Tax, reaffirming the supremacy of the legal effects of the single deed itself act presented for registration over other elements inferable from extratextual data and/or related deeds. The disputes regarding the registration tax applicable to the higher value of the business units involved in the reclassification – as assessed by the Italian Revenue Agency – (total value of €38 million) are also connected to the above pending disputes.

Overall, these cases represent more than 50% of the value of Intesa Sanpaolo's pending disputes.

With respect to tax credits (861 million euro as at 31 December 2017), reimbursements were received for a total of €128 million in 2017, of which 9 million euro related to temporary tax assessments.

On 15 May 2017, the Piedmont Regional Office of the Italian Revenue Agency initiated a tax audit covering the 2014 tax period. The inspection is being conducted in coordination with the Cooperative Compliance Office of the Italian Revenue Agency and to date no dispute has emerged.

On 27 December 2017, Intesa Sanpaolo submitted a request to the Italian Revenue Agency in order to apply for the cooperative compliance regime.

Turning to the other Group companies, the following significant events occurred.

As regards Intesa Sanpaolo Group Services, the claim made by the Piedmont Regional Office, which concerned the contribution of a business unit (branch of activity) from ISP to ISGS completed in 2012, was settled pursuant to Article 6 of Legislative Decree no. 218/97. The case concerned the VAT treatment of fees paid for the services provided by Intesa Sanpaolo to some of its subsidiaries through the said business unit in the part of the year prior to its contribution. Those fees had been invoiced by ISGS without VAT. The Italian Revenue Agency held that VAT should have been applied at the standard rate of 21% applicable at that time on the amount of fees paid by the subsidiaries – i.e. €34 million – for the services actually provided by ISP, and therefore assessed an additional amount of VAT due for the year 2012 of €7 million. The outcome of the dispute appeared to be strongly influenced by a recent ruling of the Joint Sections of the Court of Cassation, favourable to the Agency's arguments, on the grounds that the chargeable event as identified by Article 6 of the VAT Decree would only be relevant for the purposes of the chargeability of the tax, whereas the substantive rules should in any case be determined in relation to the status of the VAT taxpayer at the time of the material performance of the transaction. Accordingly, ISGS decided to settle the claim, without application of administrative fines, thereby also excluding from the outset the existence of any evidence of the tax offence of false VAT declaration. The settlement of the claim resulted in an outlay for ISGS corresponding to the additional VAT assessed plus interest, totalling €8.4 million. The VAT paid by ISGS for the settlement was charged to the individual Group companies that received the services from Intesa Sanpaolo. These companies, which cannot deduct at all their input VAT pursuant to Article 36-bis of Presidential Decree no. 633/1972, will treat this expense as a deductible cost for income tax purposes and will consequently be able to request a refund equal to approximately one third of the VAT they had to pay back. In summary, the expense for the Group resulting from the settlement – net of the aforementioned positive tax effects – can be quantified at €6 million.

As regards Banca IMI, the dispute involving the former Banca d'Intermediazione Mobiliare IMI for the years 2005 and 2006 – which started in 2007 when the Italian Revenue Agency performed a tax audit covering the tax period 2004 which was then extended to the tax periods 2003, 2005 and 2006 – was settled pursuant to Article 11 of the Law Decree no. 50. The elements of fact contested, in relation to which the lower court proceedings had been unfavourable, concerned the typical capital markets operations (investments in equity swaps and in equity instruments; securities lending with payment of manufactured

dividends and transfer pricing matter with respect to cross-border intragroup transactions) and concerned both direct taxes and substitute / withholding tax requirements. Due to a potential liability of €17.2 million, the disputes were settled for a total cost of €8.6 million, without any impact on the income statement. The disputes are still ongoing for the periods 2003 (value of €4.4 million), 2004 (value of €8.5 million) and 2005 with respect to findings other than those relating to withholding taxes (value €4.1 million). The provisional payments made on the pending disputes amount to around €15 million. A possible negative outcome of the proceedings regarding the claims in question would not have any effect on the income statement, because it is covered by the allowance for tax litigations. Since 22 January 2018, Banca IMI is also subject to a general tax audit by the Italian Revenue Agency in relation to 2015 tax period. The inspections are still at the stage of the document collection.

As regards Fideuram Intesa Sanpaolo Private Banking, the Tax Police of Rome (“Guardia di Finanza”) initiated on 26 January 2017 a tax audit for income tax purposes in relation to the 2012 tax year as well as, by virtue of a specific protocol between the Guardia di Finanza and AMA S.p.A., a verification of the regular payment of the Italian waste tax for the tax periods 2013 till 2016. The initial phase of the audit was completed on 11 October 2017, with service of an auditors’ report containing solely the claim of non-deductibility of consultancy fees for IRES and IRAP purposes for an amount of €1.3 million – corresponding to a tax of €0.425 million – for alleged lack of pertinent link between those expenses and the company’s business activity (the support documentation was considered insufficient to demonstrate the effective nature of the services received). Fideuram ISPB decided to resolve the claims through a tax settlement proposal, since the Italian Revenue Agency had recognised the deduction of the consultancy fees, albeit with half allocated to the Bank and the other half allocated to the subsidiary Fideuram Vita. On that basis, the settlement involved a total cost of around 100.000 euro for interest and fines, taking into account the recovery of taxes by Fideuram Vita.

The audit by the Tax Police of Rome is continuing for the tax periods after 2012, with additional investigations regarding some specific situations.

As regards Intesa Sanpaolo Private Banking, a claim has been lodged concerning the deductibility of a goodwill for IRES and IRAP purposes in relation to tax year 2012 by means of separate assessment notices served on 9 August 2017 and resulting from the tax auditors' report of 23 November 2012 issued by the Italian Revenue Agency - Lombardy Regional Office. The above auditors' report alleged, pursuant to Article 103, paragraph 3-bis, of the Italian Income Tax Legislation (TUIR), the unlawful deduction of the amortisation charge (around €11.9 million) of the goodwill deriving from the value of the private banking business – contributed by Intesa Sanpaolo, by Cassa dei Risparmi di Forlì e della Romagna, by Banca di Trento e Bolzano and by Cassa di Risparmio di Firenze – as realigned by Intesa Sanpaolo Private Banking in accordance with Article 15, paragraph 10, of the Law Decree no. 185 of 29 November 2008. The additional taxable amount assessed in 2017 results in additional IRES of €3.3 million and additional IRAP of €0.7 million, plus penalties for the same amount and interest.

The tax authorities same dispute, which had already been brought by the Italian against the Luxembourg subsidiary Eurizon Capital S.A., (described further below in respect of tax period 2011 by notices served in December 2016, was thoroughly discussed in last year's annual report. On 18 December 2017, the Milan Provincial Tax Commission upheld the joint appeals and offset the legal costs (value of the disputes: IRES of €3.2 million, plus interest, and a penalty of €2.8 million; IRAP of €0.6 million, plus interest, and a penalty of €0.59 million).

In view of the legitimacy of the conduct adopted by the Company and its consistency with the recommended practice (see Italian Revenue Agency’s Circular no. 8/E of 4 March 2010), the risk of liability is considered remote and accordingly no provision was booked in both cases.

As regards Fideuram Investimenti SGR, on 27 October 2015, the Italian Revenue Agency - Lombardy Regional Office issued an auditors’ report claiming additional revenues of 9.5 million euro in relation to tax

year 2011 – corresponding to a total of 3.1 million euro of taxes for IRES and IRAP tax purposes – with respect to the remuneration of the outsourced management activity of investment funds made on behalf of the Irish sister company Fideuram Asset Management (**FAMI**). The company resolved the assessment through a tax settlement, achieving a reduction in the initial claim of 35% (additional taxable revenue of 6 million euro). The asset management company (**SGR**) then made the payment of the additional IRES and IRAP of 2 million euro, plus default interest of 0.3 million euro; no penalty was applied due to the existence of suitable transfer pricing documentation of the intragroup transactions with foreign subsidiaries (i.e. “Master File” and “Local file”). In the first half of 2017, the Italian Revenue Agency - Lombardy Regional Office completed a similar investigation on 2012 and 2013 tax periods and expressed its intention to challenge the value of the commissions paid by FAMI for those periods, on the same grounds as for 2011. The claims for those years were therefore also resolved via tax settlement, by paying additional tax of, respectively, 0.95 million euro and 1.4 million euro, plus interest for a total amount of 0.3 million euro. The settlement did not have any effects on the income statement, since a suitable provision had already been made in the books of the asset management company.

For Intesa Sanpaolo Vita, two disputes regarding VAT for the years 2003 and 2004 were concluded with a positive outcome for the company and the related rulings rendered at the second instance became final (value of the disputes: for 2003, 11.8 million euro and, for 2004, 6 million euro). The disputes were related to the VAT treatment of the co-insurance operations.

\* \* \* \* \*

In connection with all the tax disputes outstanding as at 31 December 2017, for a total value of 364 million euro, of which 214 million euro relating to Intesa Sanpaolo (446 million euro as at 31 December 2016, of which 240 million euro for Intesa Sanpaolo), the Group has recognised receivables of 75 million euro accounting wise (86 million euro as at 31 December 2016) to account for amounts paid on a provisional basis due to tax assessments, of which 45 million euro (57 million euro as at 31 December 2016) are related to the Parent Company.

The portion of the provision for risks, which relates to provisional tax assessments, amounts to 48 million euro (57 million euro at 31 December 2016), of which 26 million euro (29 million euro as at 31 December 2016) for Intesa Sanpaolo.

The provisional payments in question were made in compliance with specific legal provisions, which provide for the mandatory payment based on an automatic mechanism totally 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 because of the enforceability nature of the administrative acts that set forth the related tax claim, which does not lose its effectiveness even in the event of an appeal (no suspensive effect) and has no impact on the assessment of the actual risk of a negative outcome, which must be measured using the criterion set forth in IAS 37 for liabilities.



## **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**

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 Group's portfolios.

Risk-acceptance strategies are summarised in the 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 framework establishes the general risk appetite principles, together with the controls for the overall risk profile and the main specific risks.

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

- the Intesa Sanpaolo Group is 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 Intesa Sanpaolo Group'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 for 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 the monitoring of non-financial risks, and in particular:
  - it adopts an operational risk assumption and management strategy geared towards prudent management and, also by establishing specific limits and early warnings, it focuses on achieving an optimal balance between growth and earnings objectives and the consequent risks;
  - for compliance risk, it 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;
  - it works to ensure formal and substantive compliance with the provisions in terms of legal liability with the aim of minimising claims and proceedings that it is exposed to and that result in outlays;
  - with regard to reputational risk, it actively manages its image in the eyes of all stakeholders and seeks to prevent and contain any negative effects on its image, including through robust, sustainable growth capable of creating value for all stakeholders.

The general principles apply both at Group level and business unit or company level. In the event of external growth, these general principles must be applied, by adapting them to the specific characteristics of the market and the competitive scenario.

The Risk Appetite Framework thus represents the overall framework in which the risks assumed by the Intesa Sanpaolo 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 Intesa Sanpaolo 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 in case 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 Intesa Sanpaolo Group intends to assume with regard to exposures that may represent especially significant concentrations. Such management is implemented by establishing specific limits, management processes and mitigation measures to be taken in order to limit the impact of especially severe scenarios on the Intesa Sanpaolo Group. These risks are assessed also considering stress scenarios and are periodically monitored within the Risk Management systems.

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 operating units and to the single desk.

Risk-acceptance policies are defined by the Intesa Sanpaolo's Board of Directors, and the Management Control Committee, with management and control functions. The Board of Directors carries out its activity through specific internal committees, among which the Risk Committee. The corporate bodies are assisted by the action of management committees, among which mention should be made of the Steering Committee and receive support of the Chief Risk Officer, reporting 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, 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 in the form of stress tests.

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 attached great importance to management of reputational risk, which it pursues not only through organisational units with specific duties of promotion and protection of the company image, but also through ex-ante risk management processes (for example, defining prevention and mitigation tools and measures in advance) and implementing specific, dedicated communication and 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 return. 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 S.p.A. performs a steering and coordination role with respect to the Group Companies, aimed at ensuring effective and efficient risk management at Group level. For the corporate control functions in particular, there are two different types of models within the Group: (i) the centralised management model based on the centralisation of the activities at Intesa Sanpaolo S.p.A. and (ii) the decentralised management model that involves the presence of locally established corporate control functions that conduct their activities under the direction and coordination of the same corporate control functions of Intesa Sanpaolo S.p.A., to which they report in functional terms.

Irrespective of the control model adopted within their company, the corporate bodies of the Group companies are aware of the choices made by Intesa Sanpaolo S.p.A. and are responsible for the implementation, within their respective organisations, of the control strategies and policies pursued and promoting their integration within the group controls.

In view of compliance with the reforms of the previous accord by Basel Committee (**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 since 31 December 2008 starting with the corporate portfolio. Progressively, the scope of

application has been gradually extended to include other portfolios as well as other Italian and international Intesa Sanpaolo Group companies in accordance with the plan presented to the supervisory authorities.

The last update of the roll-out plan has been approved by the Board of Directors on its meeting held on 25 July 2017 and submitted to the Supervisor on 2 August 2017.

As far as estimation of regulatory capital for counterparty risk is concerned, Banca IMI, Intesa Sanpaolo and banks belonging to Banca dei Territori Division, are authorized to the use of internal model both for derivative instruments and for securities financing transactions. An advanced methodology is also in place for managerial purposes - definition and measurement of credit lines for substitution risk.

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 allows analytical control over the quality of the loans to customers and financial institutions.

Risk measurement uses rating models that are differentiated according to the borrower's segment (corporate, SME retail, retail mortgages public sector entities and sovereign). 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 long run average default rate in order to consider an entire 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, Banks and Public Sector Entities, SME Retail and Retail Mortgages, which are validated for Basel II advanced approaches, are the following:

- ***PD model***

- Corporate and Banks and Public Sector Entities 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). On 18 April 2017, the Group also received the authorisation from the ECB to use the new internal rating systems for the corporate portfolio, effective after 31 March 2017. With regard to the re-estimation of rating models, steps were taken, on the one hand, to broaden the information set used for counterparty evaluation and, on the other hand, efforts were made to simplify

their framework. Finally, various measures have been adopted that are aimed at favouring a through-the-cycle profile of the probabilities of default produced by the models, consistently with the relational-type commercial approach adopted by the Group.

- Banks and Public Sector Entities model, authorised on 9 March 2017 and effective after 31 March 2017. The model is different for banks in mature economies and banks in emerging countries. In short, the model consists of a quantitative part and a qualitative part, differentiated according to mature and emerging countries, a country rating component representing systemic risk, a component relating to specific country risk for banks most closely correlated with country risk, and finally, a module (the **relationship manager's judgement**) that allows the rating to be modified in certain conditions. In the Public Sector Entities portfolio, the reference models have been differentiated according to the type of counterparty. Accordingly, default models have been developed for municipalities and provinces and shadow rating models for regions. An approach to extend the rating of the regulatory Entity (e.g.: Region) has been adopted for local healthcare authorities and other sector entities, with possible changes on the basis of financial statement assessments (notching).
- 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 with a validity of one year, 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 borrower's segment and products (Corporate for Banking products, Corporate Factoring, Corporate Leasing, Banks and Public Sector Entities, 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) and Banks and Public Sector Entities (effective after 31 March 2017).
- 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. As regards the LGD model for the Corporate segment authorized on 18 April 2017, the most significant change is represented by the development of the model dedicated to non-performing loans. 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. For Banks, the LGD calculation model partly diverges from the models developed for the other segments as the estimation model used is based on the market price of debt instruments observed 30 days after the official date of default and relating to a sample of defaulted banks from all over the world, acquired from an external provider. The model is completed by an econometric estimate aimed at determining the most significant drivers, in accordance with the practice in use for the other models.

Furthermore, on 28 August 2017 the Group received authorisation from the ECB, starting with Supervisory reporting as at 30 September 2017, to use internal estimates of the credit conversion factor (CCF) to calculate EAD for the Corporate segment. The credit conversion factor (CCF) is the percentage of the margin on a given credit line that will become an exposure over a given time horizon. When multiplied by the credit line's available undrawn margin, it generates exposure at default (EAD). The estimation model is based on an analysis of drawdowns over the 12 months prior to the event of default and yields a grid specific to each type of business ("International" and "Domestic"), portfolio ("Corporate" and "Large Corporate"), product macro-aggregate ("On-Balance Sheet Portfolio" and "Medium-/Long-term Products"), type of credit line ("Revocable" and "Irrevocable"), percent margin bracket on agreed amounts (thresholds of 15%, 30% and 55%), borrower's turnover (thresholds of 0.5 and 2 million euro) and business sector ("Industrial" and "Non-industrial"). The EAD of credit products without margins has been determined by multiplying the drawdown by the "K-Factor" calculated as the ratio of drawn amounts at default to performing drawn amounts. The statistical analysis supported the choice of a K-Factor of 100% (exposure at default equivalent to drawdowns).

### ***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).

### ***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;
- equities 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.

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 are local government bonds, positions in 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.

Effective from the report as at 30 September 2012, both banks have received authorisation from the supervisory authority to extend the scope of the model to specific risk on debt securities. The model was extended on the basis of the current methodological framework (a historical simulation in full evaluation), and required the integration of the Incremental Risk Charge into the calculation of the capital requirement for market risks.

Effective from June 2014, market risks are to be reported according to the internal model for capital requirements for the Intesa Sanpaolo's hedge fund portfolios (the full look-through approach).

The risk profiles validated are: (i) generic, specific, on debt securities and on equities for Intesa Sanpaolo and Banca IMI S.p.A., (ii) position risk on quotas of UCI 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.

The analysis of market risk profiles relative to the trading book uses various quantitative indicators of which VaR is the most important.

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 other main subsidiaries involved in 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 Intesa Sanpaolo and IMI Investimenti.

The following methods are used to measure financial risks of the Intesa Sanpaolo Group's banking book are

- Shift sensitivity analysis. Of economic value (**EVE**),
- VaR, and
- Shift sensitivity of net interest income (**NII**).

The sensitivity of economic value (EVE) measures the change in the economic value of the Group's commercial portfolio following shocks in the market rates curves. The sensitivity of EVE is calculated by adopting various interest rate shock scenarios that consider not only parallel shifts in market curves, but also a range of potential scenarios that include conditions of severe stress with regard to the shape of the curve, the level of the current maturity structure of interest rates and historic and implicit rate volatility. The standard stock is defined as a parallel, uniform shift in the curve of +100 basis points. The measurements include an estimate of the prepayment effect and of the risk originated by on demand customer 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  $\pm 10\%$ .

VaR is calculated as the maximum potential loss in the portfolio's market value that could be recorded over a 10 day holding period with a 99 per cent. confidence level (parametric VaR).

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  $\pm 100$  basis points of the interest rate curve.

Furthermore, the sensitivity of net income focuses the analysis on the impact that changes in interest rates can have on the Intesa Sanpaolo Group's ability to generate stable profit levels. The component of profits measured is represented by the difference between the net interest income of a generated by interest-bearing assets and liabilities, including the results of hedging activities through the use of derivatives. The time horizon of reference is commonly limited to the short and medium term (from one to three years) and assesses the impact that the institution is able to continue with its activity (the going concern approach).

To determine changes in net interest income (NII), standard scenarios of parallel rate shocks of  $\pm 50$  basis points are applied, in reference to a time horizon of twelve months.

Hedging of interest rate risk is aimed at (i) protecting the banking book from variations in the fair value of loans and deposits due to movements in the interest rate curve or (ii) 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 entered into with third parties or with other Intesa Sanpaolo Group companies. The latter, in turn, cover risk in the market so that the hedging transactions meet the criteria to qualify as IAS compliant for consolidated 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 or liabilities (micro hedging), mainly consisting of bonds issued or acquired by the Intesa Sanpaolo Group companies and loans to customers. On the basis of the carved-out version of IAS 39, fair-value hedging is also applied for the macro hedging of the stable portion of demand deposits (core deposits) and on the already fixed portion of floating-rate loans.

Moreover, in 2016, the Intesa Sanpaolo Group has extended the use of macro-hedging to a portion of fixed-rate loans, adopting an open-portfolio macro hedging model for a portion of fixed-rate loans according to a bottom-layer approach that, in accordance with the interest rate risk measurement method involving modelling of the prepayment phenomenon, is more closely correlated with risk management activity and asset dynamics.



Another hedging method used is the cash flow hedge, which has the purpose of stabilising interest flow on both floating-rate funding, to the extent that the latter finances fixed-rate investments, and on floating-rate investments to cover fixed-rate funding (macro cash flow hedges).

The Financial and Market Risks Department is in charge of measuring the effectiveness of interest rate risk hedges for the purpose of hedge accounting.

### ***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 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***

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 to manage effectively risk, the risk measurement system is integrated into decision-making processes and the management of company operations. Bank of Italy has authorised the use of the internal model for counterparty risk (EPE – Expected Positive Exposure) for regulatory purposes, with reference to Intesa Sanpaolo S.p.A., banks belonging to Banche dei Territori division and Banca IMI for OTC derivatives. The same model has been authorized for Securities Financing Transactions. 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).

Intesa Sanpaolo S.p.A. 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.

Specific rules, metrics (regulatory and internal), 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.

These Guidelines, annually updated, incorporate the most recent applicable regulatory provisions as implemented in the European Union.

In addition to the regulatory indicators, the Guidelines provide internal metrics and limits aimed at ensuring an adequate, balanced level of cash inflows and outflows, in order to respond to periods of tension on the various funding markets, also by establishing adequate liquidity reserves in the form of assets eligible for refinancing with Central Banks or liquid securities on private markets. Specific metrics and limits measure risks deriving from the mismatch of medium/long term maturities of the assets and liabilities, giving rise to excessive imbalances to be financed in the short term essential for the strategic planning of liquidity management.

The Guidelines also call for periodic estimation of a more stressed liquidity risk position in acute combined stress scenarios (both stress specific and market-related ones) by setting 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 indicators, the Guidelines provide management methods to be used in a liquidity crisis scenario, defined as a situation of difficulty of the Bank or inability 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. 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, compliance risk, model risk. Strategic and reputational risks are not included.

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

The control of the Intesa Sanpaolo Group's operational risk was attributed to the Board of Directors which identifies risk management policies and to the Management Control Committee, which is in charge of their approval and verification, as well as the guarantee of the functionality, efficiency and effectiveness of the risk management and control system.

Moreover, the tasks of the Intesa Sanpaolo Group Internal Control Coordination and Operational Risk Committee 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 Intesa Sanpaolo 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 organisational units to be responsible for operational risk management (structured collection of information relative to operational events, scenario analyses and business environment and internal control factors evaluation).

The self-diagnosis process, conducted on an annual basis, allows 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;
- create significant synergies with the Information Security Governance and Business Continuity Sub-department that supervises the planning of operational processes, IT security and business continuity issues, with the Administrative and Financial Governance and with the control functions (Compliance and Internal Auditing) that supervise specific regulations and issues (such as Legislative Decree No. 231/01, Law No. 262/) or conduct tests of the effectiveness of controls of company processes.

The self-diagnosis process for 2016 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. During the self-diagnosis process, the organisational units also analysed their exposure to ICT risk. This assessment is in addition to that conducted by the technical functions (ISGS - ICT Head Office Department, Market Risk IT Infrastructure Office of the ISP Financial and Market Risks Head Office Department and the IT functions of the main Italian and international subsidiaries) and the other functions with control duties (Information Security Governance and Business Continuity Sub-Department and the IT Security functions of the main Italian and international subsidiaries).

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 (self-diagnosis) information.

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.p.A.'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 Intesa Sanpaolo 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 Evaluation**), to take account of 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 the operational 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 process.

The Intesa Sanpaolo Group has a traditional operational risk transfer policy (to protect against offences such as employee disloyalty, theft and 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, at the end of June 2013, 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. 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 decrease in profits or capital due to changes in the operating context, misguided Intesa Sanpaolo Group's decisions, inadequate implementation of decisions, or an inability to sufficiently react to changes in the competitive scenario.

The Group's response to strategic risk is represented first and foremost by policies and procedures that call for the most important decisions to be deferred to the Board of Directors, supported by a current and forward-looking assessment of risks and capital adequacy. The high degree to which strategic decisions are made at the central level, with the involvement of the top corporate governance bodies and the support of various company functions ensures that strategic risk is mitigated.

Strategic risk is also assessed as part of stress tests based on a multiple-factor model that describes the relationship 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 Intesa Sanpaolo S.p.A.'s image by customers, counterparties, shareholders, investors and supervisory authorities.

The reputational risk governance model of Intesa Sanpaolo S.p.A envisages that, management and mitigation of reputational risks is pursued:

- systematically and independently by the corporate structures with specific tasks aimed at preserving corporate reputation, through a structured system of organisational monitoring measures;
- across the various corporate functions, through the Reputational Risk Assessment process governed by specific Guidelines.

The 'systematic' monitoring of reputational risk envisages:

- specific organisational structures which, each for its purview, monitor the Bank's reputation and manage 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;
- establishing the definition and managing customers' risk appetite, through the identification of their various risk tolerance profiles according to subjective and objective traits of each customer.

A fundamental tool for reputational risk monitoring is the Code of Ethics adopted by the Intesa Sanpaolo Group. This contains the basic values to which the Intesa Sanpaolo Group intends to commit itself and enunciates the voluntary principles of conduct for dealings with all stakeholders (customers, employees, suppliers, shareholders, the environment and, more generally, the community) with broader objectives than those required by mere compliance with the law. The Intesa Sanpaolo Group has also issued voluntary conduct policies (environmental policy and arms industry policy) and adopted international principles (UN Global Compact, UNEP FI, Equator Principles) aimed at pursuing respect for the environment and human rights.

In order to safeguard customers' interests and the Intesa Sanpaolo 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 assessments of adequacy during the process of structuring products and rendering advisory services are supported by objective assessments that contemplate the true nature of the risks borne by customers when they undertake derivative transactions or make financial investments.

More specifically, the marketing of financial products is also governed by specific advance risk assessment from the standpoint of both the Bank (along with risks, such as credit, financial and operational risks, that directly affect the owner) and the customer (portfolio risk, complexity and frequency of transactions, concentration on issuers or on foreign currency, consistency with objectives and risk tolerance profiles, and knowledge and awareness of the products and services offered). 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 Assessment 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.

The Enterprise Risk Management Department has also established a risk framework consisting of:

- the Reputational Clearing activities, i.e. the set of processes, tools and methods aimed at detecting and analysing the reputational risk within business operations;
- the Reputational Monitoring activities, aimed at collecting and analysing information to define the reputational profile of the Intesa Sanpaolo Group.

In establishing the framework and its elements, particular attention was dedicated to the involvement of the corporate functions that are responsible for managing reputational aspects, to systematise their respective duties and responsibilities and to build a shared corporate framework from the outset.

The Intesa Sanpaolo Group carefully considers all the risks associated with climate change that may result in additional costs for the Bank or its customers.

### ***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 S.p.A. 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 S.p.A. 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 S.p.A. 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.p.A.'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, including those relating to labour and tax matters. 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 explanatory 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 European Central Bank (the **ECB**) and the European System of Central Banks. 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 has recently undergone substantial amendments, some of which are still ongoing, 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 insurance 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.

The regulatory framework to which the Intesa Sanpaolo Group is subject is furthermore open to ongoing changes. In particular, on 23 November 2016, the European Commission presented a comprehensive package of reforms to further strengthen the resilience of EU banks (the **EU Banking Reform**). The proposals contained in the EU Banking Reform amend many of the existing provisions set forth in the CRD IV Package, the BRRD and the SSM Regulation (each as defined below). These proposals are being considered by the European Parliament and Council. In October 2017, the EU agreed to fast-track selected parts of the EU Banking Reform. The European Parliament, the Council and the Commission agreed on elements of the review of the BRRD and the CRD IV Package proposed by the EU Banking Reform. Other elements are still being considered. Until such time as all of the proposals are finalised and formally approved by the European Parliament and Council, there can be no assurance as to whether, or when, the proposed amendments will be adopted and whether they will be adopted in the manner as currently proposed in the EU Banking Reform package and the impact (if any) they will have on the Group's results of operations, business and financial condition.

### ***Basel III and CRD IV Package***

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 guidance on 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 of capital and the quantity of Common Equity Tier 1 required 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 relevant entity's non-viability, strengthening the risk coverage of the capital framework, promoting the build-up of capital buffers and introducing a new leverage ratio (the **Leverage Ratio**) and two global minimum liquidity standards (the **Liquidity Coverage Ratio** and the **Net Stable Funding Ratio**) for the



banking sector. On 17 December 2017, the Basel Committee published the final features of the Basel III post-crisis reforms (as described further below).

The Basel III framework has been implemented in the EU primarily through 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**).

Full 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).

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**).

The provisions of the CRR are supplemented in Ireland by the European Union (Capital Requirements) (No. 2) Regulations 2014 of Ireland with respect to technical requirements and offences in order that the CRR can effectively operate in Irish law. The CRD IV was transposed into Irish law by the European Union (Capital Requirements) Regulation 2014 of Ireland. The CRR and the CRD IV are also supplemented in Ireland by the document published by the Central Bank of Ireland in 2014 entitled “Implementation of Competent Authority Discretions and Options in CRD IV and CRR” (with respect to implementation in Ireland of certain discretions and options available to EU member states under the CRR and the CRD IV) and by technical rules relating to the CRD IV and the CRR published through delegated regulations of the European Commission and guidelines of the European Banking Authority.

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).

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. Circular No. 285 has been constantly updated after its first issue, the last updates being the 21<sup>th</sup> update of 22 May 2018 regarding the introduction of new specific provisions on mutual banks, effective from 23 May 2018. Accordingly, Title VII, Chapter I of Circular of the Bank of Italy No. 229 of 21 April 1999 which set forth the discipline on mutual banks has been repealed.

Italian banks are now at all times required to 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 (reported below as applicable with reference to 30 March 2018);

- *Capital conservation buffer*: set at (i) 1.875% from 1 January 2018 to 31 December 2018, and (ii) 2.5 per cent. from 1 January 2019 (pursuant to Article 129 of the CRD IV and Part I, Title II, Chapter I, Section II of Circular No. 285, as amended in October 2016);
- *Counter-cyclical capital buffer (CCyB)*: 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 1 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 Part I Title II, Chapter I, Section III of Circular No. 285 By press release dated 23 March 2018, the Bank of Italy has set the CCyB (relating to exposures towards Italian counterparties) at 0% for the third quarter of 2018;
- *Capital buffers for global 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 cross-border activity and complexity); to be phased in from 1 January 2016 (pursuant to Article 131 of the CRD IV and Part I, Title II, Chapter I, Section IV of Circular No. 285) becoming fully effective on 1 January 2019. Based on the most recently updated list of G-SIBs published by the Financial Stability Board (**FSB**), Intesa Sanpaolo S.p.A. is not a G-SIB and does not need to comply with the G-SII capital buffer requirement (or G-SII leverage ratio buffer); and
- *Capital buffers for other systemically important banks at a domestic level (O-SIIs, a category to which Intesa Sanpaolo S.p.A. currently belongs)*: 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 Part I, Title II, Chapter I, Section IV of Circular No. 285). By press release dated 30 November 2016, the Bank of Italy identified Intesa Sanpaolo Group as an O-SII authorised to operate in Italy, and has imposed on the Group an O-SII capital buffer of 0.75%, to be achieved within four years according to a transitional period, as follows: at 0% from 1 January 2017, 0.19% from 1 January 2018, 0.38% from 1 January 2019, 0.56% from 1 January 2020 and 0.75% from 1 January 2021.

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 the CRD IV Package, 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 European System Risk Board (the **ESRB**) and the designated competent 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.

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.

Failure to comply with the combined buffer requirements triggers restrictions on distributions by reference to the so-called Maximum Distributable Amounts (**MDA**) and the need for the bank to adopt a capital conservation plan on necessary remedial actions (Articles 141 and 142 of the CRD IV). Pursuant to the proposed amendments under the EU Banking Reform, an institution shall be considered as failing to meet the combined buffer requirement for the purposes of restrictions on distributions by reference to MDA where it does not have own funds and eligible liabilities needed to meet its minimum requirement for own funds and

eligible liabilities although, as proposed, a six months grace period would be available before the restrictions on distributions apply where the breach of such requirement is exclusively attributable to failure to roll-over its eligible instruments. It is furthermore proposed that the need for a capital conservation plan should not be triggered in such circumstances. These proposals are not yet finalised.

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

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 different measures comprised in the package in order to enhance regulatory harmonisation in Europe through the EBA Supervisory Handbook.

With reference to the Liquidity Coverage Ratio (the **LCR**), which is a stress liquidity ratio on a 30-day horizon, in January 2013 the Basel Committee 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 LCR as well as expanding the definition of high quality liquid assets to include lower quality corporate securities, equities and residential mortgage backed securities. Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement the CRR with regard to liquidity coverage requirement for Credit Institutions (the **LCR Delegated Act**) was adopted in October 2014 and published in the Official Journal of the European Union in January 2015. It was applicable from 1 October 2015, although under a phase-in approach and it became fully applicable from 1 January, 2018.

As for the Net Stable Funding Ratio (**NSFR**), which measures the assumed degree of stability of liabilities and the liquidity of assets over a one-year horizon and is intended to regulate risks not already covered by Pillar 1 requirements and complements the LCR, the Basel Committee published the final NSFR rules in October 2014. On 17 December 2015, EBA published its report recommending the introduction of the NSFR in the EU to ensure stable funding structures and outlining its impact assessment and proposed calibration, with the aim of complying with a 100% target NSFR implementation in 2018, as per the Basel rules.

Insofar as the Leverage Ratio is concerned, the EBA published a report in August 2016 on the impact assessment and calibration of the Leverage Ratio requirements, recommending the introduction of a Leverage Ratio minimum requirement in the EU to mitigate the risk of excessive leverage.

In November 2016, the European Commission announced the EU Banking Reform which proposes a binding 3% Leverage Ratio and a binding detailed NSFR (which will require credit institutions and systemic investment firms to finance their long-term activities (assets and off- balance sheet items) with stable sources of funding (liabilities) in order to increase banks' resilience to funding constraints. In particular, under the proposal, the Leverage Ratio requirement is set at 3% Tier 1 capital (calculated as an institution's Tier 1 capital divided by that institution's total exposure measure) and is added to the own funds requirements in the CRR which institutions must meet in addition to/in parallel with their risk-based requirements, and will apply to all credit institutions and investment firms that fall under the scope of the CRR, subject to selected adjustments. Under the Commission's proposal to introduce a harmonised binding requirement for NSFR at EU level, the amount of available stable funding will be calculated by multiplying an institution's liabilities and regulatory capital by appropriate factors that reflect their degree of reliability over a year. The NSFR is expressed as a percentage and set at a minimum level of 100%, which indicates that an institution holds sufficient stable funding to meet its funding needs during a one-year period under both normal and stressed conditions. The NSFR will apply at a level of 100% to credit institutions and systemic investment firms two

years after the date of entry into force of the proposed amendments to the CRR. These proposals under the EU Banking Reform (which require amendments to the CRD and the CRR) need to be adopted by the European Parliament and Council, and it is currently unclear when, and in what manner, they will be adopted.

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.

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 applied from 3 January 2018 subject to certain transitional arrangements. The Basel Committee published certain proposed changes to the current securitisation framework, which came into effect in January 2018. Additional consultations on criteria and capital treatment of short term securitisations were also launched by the Basel Committee in July 2017. The European Commission published in September 2015 a "Securitisation package" proposal under the Capital Markets Union (CMU) project. The package includes a draft regulation on Simple Transparent and Standardised (STS) securitisations and proposed amendments to the CRR. Political agreement on the package was reached in May 2017, with legislation passed in December 2017 which will enter into force on 1 January 2019.

On 9 November 2015 the Financial Stability Board (FSB) published its final Total Loss- Absorbing Capacity (TLAC) Principles and Term Sheet, proposing that G-SIBs maintain significant minimum amounts of liabilities that are subordinated (by law, contract or structurally) to liabilities excluded from TLAC, such as guaranteed insured deposits, derivatives, etc. and which forms a new standard for G-SIBs. The TLAC Principles and Term Sheet contains a set of principles on loss absorbing and recapitalisation capacity of G-SIBs in resolution and a term sheet for the implementation of these principles in the form of an internationally agreed standard. The FSB will undertake a review of the technical implementation of the TLAC Principles and Term Sheet by the end of 2019. The TLAC Principles and Term Sheet require a minimum TLAC requirement for each G-SIB at the greater of (a) 16 per cent. of risk weighted assets (RWA) as of 1 January 2019 and 18 per cent as of 1 January 2022, and (b) 6 per cent. of the Basel III leverage ratio denominator as of 1 January 2019, and 6.75 per cent. as of 1 January 2022.

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. With a view to ensuring full implementation of the TLAC standard in the EU, the European Commission is proposing in the EU Banking Reform package to harmonise the minimum requirements for own funds and eligible liabilities (MREL) applicable to G-SIIs (global systematically important institutions) with the TLAC standard and to allow resolution authorities, on the basis of bank-specific assessments, to require that G-SIIs comply with a supplementary MREL requirement strictly linked to the resolvability analysis of a given G-SII. Intesa Sanpaolo S.p.A. has not been identified as a G-SIB by the FSB and will therefore be subject to a MREL requirement set in accordance with the resolution strategy decided by the SRB in conjunction with the ECB. However, there can be no assurance that Intesa Sanpaolo S.p.A. will not be identified as a G-SIB in the future, or that TLAC or other similar requirements will not be imposed on domestic systemically important banks (D-SIBs). See further "The Intesa Sanpaolo Group is subject to the provisions of the EU Recovery and Resolution Directive" below.

Moreover, it is worth mentioning the Basel Committee has published the standard “Minimum capital requirements for market risk” in January 2016, which is supposed to enter into force on 1 January 2019. The Basel Committee on 7 December 2017 finalised the Basel III post-crisis reforms, adopted by the Group of Governors and Heads of Supervision (**GHOS**), with the aim to strengthen certain components of the regulatory framework (e.g. increasing the level of capital requirements) and to restore credibility in the calculation of risk-weighted assets. This includes the revised standardised approaches (credit, market, operational risk) review of the capital floor of the IRB framework and a leverage ratio surcharge buffer for G-SIBs. The regulator’s primary aim has been to eliminate unwarranted levels of RWA variance. The new framework is in the process of being finalised for all the relevant work streams. 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 a new output floor (72.5% of the total risk-weighted assets using only the standardised approach). Also for counterparty exposures (generated by derivatives) the Basel Committee has retained internal models, but subject to a floor based on a percentage of the applicable standardised approach. Moreover, in the context of the revision of Credit Valuation Adjustment (**CVA**) risk framework, the revised framework provides for the adoption of a standardised approach and basic approach. The implementation date for the reforms is the 1 January 2022, but the output floor will be phased-in in 6 years, starting as a 50% the 1 January 2022 and reaching the 72.5% as of the 1 January 2025. The implementation of the Fundamental Review of the Trading Book has been postponed by the Basel Committee to 1 January 2022 to allow the Basel Committee to finalise the remaining elements of the framework and align the implementation date to the one set for the Basel III post-crisis reforms.

The EU Banking Reform proposes to change the rules for calculating the capital requirements for market risks against trading book positions set out in the CRR. The proposal seeks to transpose the conclusions of the Fundamental Review of the Trading Book into EU law by establishing clearer and more easily enforceable rules on the scope of application to prevent regulatory arbitrage; improving risk-capture, making requirements proportionate to reflect more accurately the actual risks to which banks are exposed; and strengthening the conditions to use internal models to enhance consistency and risk-weight comparability across banks. The proposed new rules envisage a phase-in period.

These and other potential future 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. In particular, it is currently unclear how and when the EU Banking Reform will be adopted. 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 significant importance" in the Eurozone. In this respect, "banks of significant 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 S.p.A. 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. National options and discretions that have so far been exercised by national competent authorities will be exercised by the SSM in a largely harmonised manner throughout the European Banking Union (the **Banking Union**). In this respect, on 14 March 2016 and 24 March, 2016, respectively, the ECB adopted Regulation (EU) 2016/445 on the exercise of options and discretions as well as the ECB Guide on options and discretions available in European Union law (the **ECB Guide**), as supplemented by the Addendum published on 10 August 2016. These documents lay down how the exercise of options and discretions in banking legislation (CCR, CRD IV and LCR Delegated Act) will be harmonised in the Euro area. They shall apply exclusively with regard to those credit institutions classified as "significant" in accordance with Article 6(4) of the SSM Regulation and Part IV and Article 147(1) of the SSM Framework Regulation. Depending on the manner in which these options/discretions have so far been exercised by the national competent authorities and on the manner in which the SSM will exercise them in the future, additional/lower capital requirements may result. Regulation (EU) 2016/445 entered into force on 1 October 2016, while the ECB Guide has been operational since its publication.

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

#### ***The Intesa Sanpaolo Group is subject to the provisions of the EU Recovery and Resolution Directive***

On 2 July 2014, the directive, providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (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 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) into shares or other instruments of ownership (i.e. other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership) (the **general bail-in tool**). Such shares or other instruments of ownership could also be subject to any future application of the BRRD. For more details on the implementation in Italy please refer to the paragraphs below.

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).

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write-down/convert certain instruments into shares or other instruments of ownership at the point of non-viability and before any other resolution action is taken ("non-viability loss absorption"). Any shares issued to holders of such instruments upon any such conversion into equity may also be subject to any application of the general bail-in tool.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which the relevant authority determines that the Issuer, or as the case may be, the Group meets the conditions for resolution (but no resolution action has yet been taken) or that the Issuer, or as the case may be, the Intesa Sanpaolo Group will no longer be viable unless the relevant capital instruments are written-down/converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the Issuer, or as the case may be, the Group would no longer be viable.

In the context of these resolution tools, the resolution authorities have the power to amend or alter the maturity of certain debt instruments (such as the Instruments) issued by an institution under resolution or amend the amount of interest payable under such instruments, or the date on which the interest becomes payable, including by suspending payment for a temporary period.

The BRRD requires all EU Member States to create a national, prefunded resolution fund, reaching a level of at least 1 per cent. of covered deposits by 2024. The national resolution fund for Italy was created in November 2015 in accordance with Article 78 of Legislative Decree No. 180/2015 implementing the BRRD (the **National Resolution Fund**) and required both ordinary and extraordinary contributions to be made by Italian banks and investment firms, including the Issuer. In the Banking Union, the national resolution funds set up under the BRRD were replaced by the Single Resolution Fund (**SRF**), set up under the control of the Single Resolution Board (**SRB**), as of 1 January 2016 and the national resolution funds will be pooled together gradually. The SRF is intended to ensure the availability of funding support while a bank is resolved

and will contribute to resolution if at least 8 per cent. of the total liabilities (including own funds) of the bank have been subject to bail-in. Therefore, as of 2016, the SRB will calculate, in line with a Council Implementing Act, the annual contributions of all institutions authorised in the Member States participating in the Single Supervisory Mechanism and the Single Resolution Mechanism or the **SRM**). The SRF is to be built up over eight years, beginning in 2016, to the target level of €55 billion (the basis being 1 per cent. of the covered deposits in the financial institutions of the Banking Union). Once this target level is reached, in principle, the banks will have to contribute only if the resources of the SRF are used up in order to deal with resolutions of other institutions. Under the BRRD, the target level of the national resolution funds is set at national level and calculated on the basis of deposits covered by deposit guarantee schemes. Under the SRM, the target level of the SRF is European and is the sum of the covered deposits of all institutions established in the participating Member States. This results in significant variations in the contributions by the banks under the SRM as compared to the BRRD. To mitigate any such abrupt changes for banks in some participating Member States when switching to the European target level, an implementing regulation was agreed which provides for an adjustment mechanism during the transitional period, by way of a gradual phasing in of the SRM methodology.

The BRRD also provides for a Member State as a last resort, after having assessed and exhausted the above resolution tools to the maximum extent practicable 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 and will require, in any case, a contribution to loss absorption by shareholders and creditors via write-down, conversion or otherwise, in an amount equal to at least 8 per cent. of total liabilities (including own funds).

The BRRD has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely, Legislative Decrees Nos. 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 from 1 January 2016; and (ii) a "depositor preference" granted for deposits other than those protected by the deposit guarantee scheme and excess deposits 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. Finally, BRRD has been implemented in Luxembourg by the law of 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the **BRR Act 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.

It is important to note that, pursuant to Article 49 of Legislative Decree No. 180/2015, resolution authorities may not exercise the write down/conversion powers in relation to secured liabilities, including covered bonds or their related hedging instruments, save to the extent that these powers may be exercised in relation to any part of a secured liability (including covered bonds and their related hedging instruments) that exceeds the value of the assets, pledge, lien or collateral against which it is secured. In addition, because (i) Article 44(2) of the BRRD excludes certain liabilities from the application of the general bail-in tool and (ii) the BRRD provides, at Article 44(3), that the resolution authority may in specified exceptional circumstances partially or fully exclude certain further liabilities from the application of the general bail-in tool, the BRRD specifically contemplates that *pari passu* ranking liabilities may be treated unequally. Accordingly, holders of the Instruments may be subject to write-down/conversion upon an application of the general bail-in tool while other *pari passu* ranking liabilities of the Issuer are partially or fully excluded from such application of the general bail-in tool. Further, although the BRRD provides a safeguard in respect of shareholders and creditors upon application of resolution tools, Article 75 of the BRRD sets out that such protection is limited to the incurrence by shareholders or, as appropriate, creditors, of greater losses as a result of the application



of the relevant tool than they would have incurred in a winding up under normal insolvency proceedings. It is therefore possible not only that the claims of other holders of junior or pari passu liabilities may have been excluded from the application of the general bail-in tool and therefore the holders of such claims receive a treatment which is more favourable than that received by holders of Instruments, but also that the safeguard referred to above does not apply to ensure equal (or better) treatment compared to the holders of such fully or partially excluded claims because the safeguard is not intended to address such possible unequal treatment but rather to ensure that shareholders or creditors do not incur greater losses in a bail-in (or other application of a resolution tool) than they would have received in a winding up under normal insolvency proceedings.

Insofar as the creditor hierarchy is concerned, it should be noted also that certain categories of liability are subject to the mandatory exclusions from bail-in foreseen in Article 44(2) of the BRRD. For instance, most forms of liability for taxes, social security contributions or to employees benefit from privilege under Italian law and as such are preferred to ordinary senior unsecured creditors in the context of liquidation proceedings. Also, Article 108 of the BRRD requires that EU Member States modify their national insolvency regimes such that deposits of natural persons and micro, small and medium sized enterprises in excess of the coverage level contemplated by deposit guarantee schemes created pursuant to Directive 2014/49/EU have a ranking in normal insolvency proceedings which is higher than the ranking which applies to claims of ordinary, unsecured, non-preferred creditors, such as holders of Instruments. In addition, the BRRD does not prevent Member States, including Italy, from amending national insolvency regimes to provide other types of creditors, with rankings in insolvency higher than ordinary, unsecured, non-preferred creditors. Legislative Decree No. 181/2015 has amended the creditor hierarchy in the case of admission of Italian banks and investment firms to resolution as well as compulsory liquidation procedures, by providing that, as from 1 January 2019, all deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SMEs will benefit from a preference in respect of senior unsecured liabilities, though with a ranking which is lower than that provided for individual/SME deposits exceeding the coverage limit of the deposit guarantee scheme. Following the Proposals published by the European Commission of 23 November 2016, a new Directive (EU) 2017/2399 (the **Creditor Hierarchy Directive**) came into force which amends the BRRD as regards the ranking of unsecured debt instruments in the insolvency hierarchy. The Creditor Hierarchy Directive, when transposed into national law, will introduce a new creditor hierarchy for unsecured debt instruments with the inclusion of a new MREL/TLAC eligible subordinated debt class within that hierarchy. Member States have until 29 December 2018 to transpose the Creditor Hierarchy Directive into national law. This will enable banks to issue debt in a new statutory category of unsecured debt available in all EU Member States (so called "senior non-preferred" debt instruments) which would rank just below the most senior debt and other senior liabilities for the purposes of liquidation, while still being part of the senior unsecured debt category (only as a lower tier of senior debt). The new creditor hierarchy will only apply to new issuances of bank debts and will not have retroactive application to pre-existing issuances. In Italy, the Budget Law for 2018 approved by the Parliament on 23 December 2017 introduced a new Article 12-bis in the Italian Banking Law which provides for the so-called *strumenti di debito chirografario di secondo livello* (senior non-preferred debt instruments). These instruments will have to meet the following conditions: their original contractual maturity will need to be at least one year, the instrument cannot be a derivative and cannot contain embedded derivatives or have derivative features, the relevant contractual documentation must explicitly refer to the lower ranking of these claims vis à vis the other unsecured claims. Moreover, their minimum denomination must be euro 250.000 and they have to be distributed to qualified investors only.

Legislative Decree No. 181/2015 has also introduced strict limitations on the exercise of the statutory rights of set-off normally available under Italian insolvency laws, in effect prohibiting set-off by any creditor in the absence of an express agreement to the contrary.

The BRRD also established that institutions shall meet, at all times, a minimum requirement for own funds and eligible liabilities (the **MREL**). Under Article 45 of the BRRD, MREL is to be calculated as the amount of own funds and eligible liabilities expressed as a percentage of total liabilities and own funds of the institution. 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 Banking Union or to the SRB for banks being part of the Banking Union. The SRB aims to set MREL targets at consolidated level for all major banking groups in the remit of the SRB, including the Issuers, by September 2018. Data collection for the determination of the MREL commenced in February 2016. MREL decisions for subsidiaries will be made in a second stage, based on, among other things, their individual characteristics and the consolidated level which has been set for the relevant group.

On 23 May 2016, the European Commission adopted Commission Delegated Regulation (EU) 2016/1450 supplementing BRRD that specifies the criteria which further define the way in which resolution authorities/the SRB shall calculate MREL, as described in article 45(6) of the BRRD. Article 8 of the aforementioned regulation provides that resolution authorities may determine an appropriate transitional period for the purposes of meeting the full MREL requirement.

The EU Banking Reform of November 2016 introduces a number of proposed amendments to the BRRD. In particular, it is proposed that the MREL – which should be expressed as a percentage of the total risk exposure amount and of the leverage ratio exposure measure of the relevant institution – should be determined by the resolution authorities at an amount to allow banks to absorb losses expected in resolution and recapitalise the bank post-resolution. In addition, it is proposed that resolution authorities may require institutions to meet higher levels of MREL in order to cover losses in resolution that are higher than those expected under a standard resolution scenario and to ensure a sufficient market confidence in the entity post-resolution. These higher levels will take the form of "MREL guidance", and it is currently envisaged that institutions that fail to meet the MREL guidance shall not be subject to the restrictions on the ability to make distributions by reference to MDA. For banks which are not included in the list of G-SIBs (such as Intesa Sanpaolo S.p.A.), liabilities that satisfy the requisite conditions and do not qualify as Common Equity Tier 1, Additional Tier 1 and Tier 2 items under the CRR, shall qualify as eligible liabilities for the purpose of MREL, unless they fall into any of the categories of excluded liabilities. The EU Banking Reform also introduces an external MREL requirement and an internal MREL requirement to apply to entities belonging to a banking group, in line with the approach underlying the TLAC standard.

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 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. The implementation of the BRRD or the taking of any resolution action, as well as the proposed amendments to the BRRD under the EU Banking Reform, and the related decisions by the SRB, have a direct impact on the capital requirements of banks and could (directly or indirectly) materially affect the value of any Instrument. Holders of the Instruments may be subject to write-down/conversion into 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. The exercise of any power under the BRRD, the BRR Act 2015 and/or the BRRD Decrees or any suggestion or perceived suggestion of such exercise could, therefore, materially adversely affect the rights of holders of the Instruments, the price or value of their investment in any Instruments and/or the ability of the Issuer to satisfy its obligations under any Instruments.

### ***Intesa Sanpaolo Group is 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 Regulation**) entered into force.

The SRM Regulation became operational on 1 January 2016. There are, however, certain provisions including those concerning the preparation of resolution plans and provisions relating to the cooperation of the Single Resolution Board 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 Single Resolution Board and the Single Resolution Fund.

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

The Single Resolution Mechanism framework should be able to ensure that, instead of national resolution authorities, there will be a single authority – i.e. the Single Resolution Board – 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 affected by new accounting standards***

Like the other banks operating in the banking sector, the Intesa Sanpaolo Group is exposed to the effects deriving both from the entry into force of new accounting standards and from the amendment of the existing ones, especially with regard to the IAS / IFRS international accounting standards, as approved and adopted in the European regulatory framework. In this regard, special mention should be made of the new international standard IFRS 9 "Financial Instruments" which replaced IAS 39 with regard to the classification and measurement of financial instruments. This standard, approved by Regulation (EU) 2016/2251, entered into force on 1 January 2018.

We point out that, at the date of first application of the standard, the main impacts for the Intesa Sanpaolo Group derived from the application of the new impairment requirements (based on the "expected loss" concept instead of the "incurred loss" approach, previously envisaged by IAS 39), which led to an increase in value adjustments. For further detailed analysis of IFRS 9 reference should be made to the chapter "Transition to IFRS 9" included in the Interim Statement as at 31 March 2018.

On the basis of the analyses and implementations carried out, the above-mentioned impact, recorded in net equity at the time of the first application of the new accounting standard, was not critical for the current balance sheet and regulatory ratio levels of the Intesa Group Sanpaolo.

***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 as well as, in the past 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. As a result of changes in the regulatory framework, any extraordinary financial support to failing institutions by Member States are now subject to restrictive conditions, and must be made in strict compliance with the EU state aid framework.

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 banking industry in general, and accordingly (directly or indirectly) Intesa Sanpaolo Group's business, financial condition and results of operations.

***The regulation and reform of “benchmarks” may adversely affect the value of the Instruments linked to such “benchmarks”***

The London Interbank Offered Rate (**LIBOR**), the Euro Interbank Offered Rate (**EURIBOR**) and other indices which are deemed to be “benchmarks” are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Instruments linked to such a “benchmark”.

Regulation (EU) 2016/1011 (the **Benchmarks Regulation**) was published in the Official Journal of the EU on 29 June 2016 and will apply from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities (such as the Issuers) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Instruments linked to a rate or index deemed to be a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements.

Such factors may have the following effects on certain “benchmarks”: (i) discourage market participants from continuing to administer or contribute to such “benchmark”; (ii) trigger changes in the rules or methodologies used in the “benchmarks” or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Instruments linked to a “benchmark”.

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

**Risks related 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 will be represented by one or more Global Instruments. Such Global Instruments will be deposited with a common depositary 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 25 June 2018 and the Board of Directors of Intesa Sanpaolo Bank Luxembourg, *société anonyme* (formerly Société Européenne de Banque, *société anonyme*) dated 3 July 2018.

### 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 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 2017 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 2017 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 Euronext Dublin 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 10 July 2018 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 2016, as shown in the Intesa Sanpaolo Group 2016 Annual Report;
- (h) the audited consolidated annual financial statements of Intesa Sanpaolo Group as at and for the year ended 31 December 2017, as shown in the Intesa Sanpaolo Group 2017 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 2016, as shown in the Intesa Sanpaolo Bank Ireland p.l.c. 2016 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 2017, as shown in the Intesa Sanpaolo Bank Ireland p.l.c. 2017 Annual Report;
- (k) the audited annual financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme*. as at and for the year ended 31 December 2016;
- (l) the audited consolidated financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme* as at and for the year ended 31 December 2016;
- (m) the audited annual financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme* as at and for the year ended 31 December 2017;
- (n) the audited consolidated financial statements of Intesa Sanpaolo Bank Luxembourg, *société anonyme* as at and for the year ended 31 December 2017; and
- (o) the unaudited quarterly financial statements of the Intesa Sanpaolo Group as 31 March 2018, as shown in the Intesa Sanpaolo Group 2018 Quarterly Report.

#### **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:

10 July 2018

Place of signature:

Dublin, Ireland

Signature:

  
Roberto Paolelli  
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:

10 July 2018

Place of signature:

Luxembourg

Signature:

  
Ferdinando Angeletti  
Administrateur Délégué & CEO

  
Massimo Torchiana

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

As of 30 September 2013, the approved statutory  
auditors (*réviseur d'entreprises agréé*) of Intesa  
Sanpaolo Bank Luxembourg, *société anonyme* are  
KPMG Luxembourg, 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:

10 July 2018

Place of signature:

London, England

Signature:

  
.....  
Andrea Contardo

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 FOR 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](http://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: International House, 3 Harbourmaster Place, IFSC, Dublin 1, D01 K8F1, Ireland]

***OR* [Intesa Sanpaolo Bank Luxembourg, société anonyme (formerly Société Européenne de Banque, société anonyme)<sup>3</sup>**

Incorporated as a public limited liability company (société anonyme) and registered in the Luxembourg trade and company register (*Registre de commerce et des sociétés, Luxembourg*) under registration number B13.859

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

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

Issuer:

No: \_\_\_\_\_

Series No.:

Issued in London on:

Maturity Date<sup>4</sup>:

Specified Currency:

Denomination:

Principal Amount:

*(words and figures if a Sterling Note)*

Interest Rate<sup>5</sup>: \_\_\_\_% per annum

Margin<sup>6</sup>:

Calculation Agent<sup>7</sup>:

Reference Banks<sup>8</sup>:

Interest Payment Dates<sup>9</sup>:

Reference Rate: [●] months  
LIBOR/EURIBOR/EONIA<sup>10</sup>

Interest Commencement Date:<sup>11</sup>

Early Redemption at the option of the Noteholder: Optional Redemption Date(s) (Put):<sup>12</sup>

<sup>3</sup> This document must be signed in accordance with article 470-1 of the Luxembourg law of 10 August 1915 on commercial companies, as amended.

<sup>4</sup> Not to exceed 364 days from the Issue Date.

<sup>5</sup> Complete for fixed rate interest bearing Notes only.

<sup>6</sup> Complete for floating rate Notes only.

<sup>7</sup> Complete for floating rate Notes only.

<sup>8</sup> Complete for floating rate Notes only.

<sup>9</sup> Complete for interest bearing Notes if interest is payable before the Maturity Date.

<sup>10</sup> 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 or EONIA should be used instead.

<sup>11</sup> Complete for interest bearing Yen denominated Notes only.

[Yes/No]

Optional Redemption Amount (Put):<sup>13</sup>

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 10 July 2018 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 (**Taxes**) by or on behalf of any jurisdiction or any political subdivision thereof or any authority thereof having the power to tax, unless such withholding or deduction is required by law. 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 imposed by or on behalf of [Ireland/Luxembourg] or Italy or any political subdivision thereof or any authority thereof having the power to tax, 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:

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

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



- (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;
  - (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 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 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.
- (c) in the case of a Global Note which specifies EONIA as the Reference Rate on its face 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**) equal to the sum of EONIA and the Margin where:
- (A) **EONIA**, for each day in an Interest Period beginning on, and including, the first day of such Interest Period and ending on, but excluding, the last day of such Interest Period, shall be equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day at 11.00 a.m. (Brussels time) on the TARGET2 Business Day immediately following such day (each an EONIA Interest

Determination Date), as if the Reset Date (as defined in the 2006 ISDA Definitions, as amended and updated as the Issue Date of the Notes, published by the International Swaps and Derivatives Association, Inc. (the **ISDA Definitions**)) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified on the face of this Global Note in relation to the Reference Rate;

- (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 called an **Interest Period** for the purposes of this paragraph; and
- (C) and if, on any EONIA Interest Determination Date, it is not possible to determine the Rate of Interest due to the non-availability of the Reuters Screen EONIA Page then the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period.

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. Notwithstanding any provision of this Global Note or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Notes each holder (which, for the purposes of this paragraph 17, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:
- (a) the effects of the exercise of the Italian Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Global Note; (iii) the cancellation of the Notes or the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
  - (b) the variation of this Global Note, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Italian Bail-in Power by the Relevant Authority.

The exercise of the Italian Bail-in Power by the Relevant Authority shall not constitute an event of default and this Global Note shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 17.

**BRRD** means Directive 2014/59/EU of the European Parliament and of the Council of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time.

**Italian Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Italy, relating to (i) the transposition of the BRRD (in including, but not limited to, Legislative Decrees No. 180/2015 and 181/2015) as amended from time to time; and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period).

**Relevant Authority** means (i) in respect of Italy, any issuer, the Bank of Italy or other governmental authority in Italy (or other country in which the Issuer is then domiciled) or in the European Union having primary responsibility for the prudential oversight and supervision of the Issuer; (ii) in respect of Ireland, the Central Bank of Ireland and/or any other authority in Ireland or in the European Union entitled to exercise or participate in the exercise of the Irish Bail-in Power from time to time; and (iii) in respect of Luxembourg, the *Commission de Surveillance du Secteur Financier*, acting in its capacity as resolution authority within the meaning of Article 3(1) of BRRD, the Single Resolution Board established pursuant to the SRM Regulation, and/or any other authority in Luxembourg or in the European Union entitled to exercise or participate in the exercise of the Luxembourg Bail-in Power from time to time.



**SRM Regulation** means Regulation (EU) No.806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Supervisory Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010. As amended or replaced from time to time.

18. Notwithstanding any provision of this Global Note or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Notes each holder (which, for the purposes of this paragraph 18, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:
- (a) the effects of the exercise of the Irish Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Global Note; (iii) the cancellation of the Notes or the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
  - (b) the variation of this Global Note, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Irish Bail-in Power by the Relevant Authority.

The exercise of the Irish Bail-in Power by the Relevant Authority shall not constitute a default or an Event of Default and this Global Note shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 18.

**Irish Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Ireland:

- (i) relating to the transposition of BRRD, including but not limited to the European Union (Bank Recovery and Resolution) Regulations 2015 as amended or replaced from time to time (the **BRRD Irish Regulations**) and the instruments rules and standards created thereunder; and
- (ii) constituting or relating to the SRM Regulation and the instruments rules and standards created thereunder,

in each case, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced (including to zero), cancelled, modified or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period). For this purpose, a reference to a "regulated entity" is to any entity to which for the purposes of (i) above, the BRRD Irish Regulation apply and, for the purposes of (ii) above, the

SRM Regulation applies, which in each case includes certain credit institutions, investment firms and certain of their parent or holding companies.

19. Notwithstanding any provision of this Global Note or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Notes each holder (which, for the purposes of this paragraph 19, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:
- (a) the effects of the exercise of the **Luxembourg Bail-in Power** by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Global Note; (iii) the cancellation of the Notes or the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
  - (b) the variation of this Global Note, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Luxembourg Bail-in Power by the Relevant Authority.

The exercise of the Luxembourg Bail-in Power by the Relevant Authority shall not constitute an event of default and this Global Note shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 19.

**Luxembourg Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Luxembourg, (i) relating to the transposition of the BRRD (including, but not limited to, the Luxembourg law of 18 December 2015 *relative aux mesures de résolution, d'assainissement et de liquidation des établissements de crédit et de certaines entreprises d'investissement ainsi qu'aux systèmes de garantie des dépôts et d'indemnisation des investisseurs*, as amended from time to time (the **Luxembourg BRRD Law**), (ii) relating to the SRM Regulation or (iii) otherwise arising under Luxembourg law and (iv) in each case, the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity or other affiliate of such regulated entity can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period) and any right in a contract governing an obligation of a regulated entity may be deemed to have been exercised. For this purpose, a reference to a "regulated entity" is to any institution or entity (which includes certain credit institutions, investment firms, and certain of their group companies) referred to in points (1), (2), (3) or (4) of Article 2(1) of the Luxembourg BRRD Law, and with respect to the SRM Regulation to any entity referred to in Article 2 of the SRM Regulation.

20. 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.

21. 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: International House, 3 Harbourmaster Place, IFSC, Dublin 1, D01 K8F1, Ireland]

***OR* [Intesa Sanpaolo Bank Luxembourg, société anonyme (formerly Société Européenne de Banque, société anonyme)<sup>14</sup>**

Incorporated as a public limited liability company (société anonyme) and registered in the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under registration number B13.859

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

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

Issuer:

No: \_\_\_\_\_

Series No.:

Issued in London on:

Maturity Date<sup>15</sup>:

Specified Currency:

Denomination:

Principal Amount:

*(words and figures if a Sterling Note)*

Interest Rate<sup>16</sup>: \_\_\_\_% per annum

Margin<sup>17</sup>:

Calculation Agent<sup>18</sup>:

Reference Banks<sup>19</sup>:

Interest Payment Dates<sup>20</sup>:

Reference Rate: [●] months  
LIBOR/EURIBOR/EONIA<sup>21</sup>

Interest Commencement Date:<sup>22</sup>

Early Redemption at the option of the Noteholder: Optional Redemption Date(s) (Put):<sup>23</sup>

<sup>14</sup> This document must be signed in accordance with article 470-1 of the Luxembourg law of 10 August 1915 on commercial companies, as amended.

<sup>15</sup> Not to exceed 364 days from the Issue Date.

<sup>16</sup> Complete for fixed rate interest bearing Notes only.

<sup>17</sup> Complete for floating rate Notes only.

<sup>18</sup> Complete for floating rate Notes only.

<sup>19</sup> Complete for floating rate Notes only.

<sup>20</sup> Complete for interest bearing Notes if interest is payable before the Maturity Date.

<sup>21</sup> 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 or EONIA should be used instead.

<sup>22</sup> Complete for interest bearing Yen denominated Notes only.

[Yes/No]

Optional Redemption Amount (Put):<sup>24</sup>

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<sup>23</sup> Complete for Notes which are subject to early redemption at the option of the Noteholder  
<sup>24</sup> 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 10 July 2018 (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



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 (**Taxes**) by or on behalf of any jurisdiction or any political subdivision thereof or any authority thereof having the power to tax, unless such withholding or deduction is required by law. 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 imposed by or on behalf of [Ireland/Luxembourg] or Italy or any political subdivision thereof or any authority thereof having the power to tax, 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;
  - (c) in the case of a Global Note which specifies EONIA as the Reference Rate on its face interest shall be payable on the Principal Amount in respect of each successive Interest Period from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date (as defined below), 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**) equal to the sum of EONIA and the Margin where:
    - (A) **EONIA**, for each day in an Interest Period beginning on, and including, the first day of such Interest Period and ending on, but excluding, the last day of such Interest Period, shall be equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day at 11.00 a.m. (Brussels time) on the TARGET2 Business Day immediately following such day (each an EONIA Interest Determination Date), as if the Reset Date (as defined in the 2006 ISDA Definitions, as amended and updated as the Issue Date of the Notes, published by the International Swaps and Derivatives Association, Inc. (the **ISDA Definitions**)) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified on the face of this Global Note in relation to the Reference Rate;
    - (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 called an **Interest Period** for the purposes of this paragraph; and
    - (C) and if, on any EONIA Interest Determination Date, it is not possible to determine the Rate of Interest due to the non-availability of the Reuters Screen EONIA Page then the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period.
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].<sup>25</sup>
17. Notwithstanding any provision of this Global Note or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Notes each holder (which, for the purposes of this paragraph 17, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:
- (a) the effects of the exercise of the Italian Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Global Note; (iii) the cancellation of the Notes or the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or

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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."



the date on which the interest becomes payable, including by suspending payment for a temporary period; and

- (b) the variation of this Global Note, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Italian Bail-in Power by the Relevant Authority.

The exercise of the Italian Bail-in Power by the Relevant Authority shall not constitute an event of default and this Global Note shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 17.

**BRRD** means Directive 2014/59/EU of the European Parliament and of the Council of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time.

**Italian Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Italy, relating to (i) the transposition of the BRRD (in including, but not limited to, Legislative Decrees No. 180/2015 and 181/2015) as amended from time to time; and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period).

**Relevant Authority** means (i) in respect of Italy, any issuer, the Bank of Italy or other governmental authority in Italy (or other country in which the Issuer is then domiciled) or in the European Union having primary responsibility for the prudential oversight and supervision of the Issuer; (ii) in respect of Ireland, the Central Bank of Ireland and/or any other authority in Ireland or in the European Union entitled to exercise or participate in the exercise of the Irish Bail-in Power from time to time; and (iii) in respect of Luxembourg, the *Commission de Surveillance du Secteur Financier*, acting in its capacity as resolution authority within the meaning of Article 3(1) of BRRD, the Single Resolution Board established pursuant to the SRM Regulation, and/or any other authority in Luxembourg or in the European Union entitled to exercise or participate in the exercise of the Luxembourg Bail-in Power from time to time.

**SRM Regulation** means Regulation (EU) No.806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Supervisory Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010. As amended or replaced from time to time.

18. Notwithstanding any provision of this Global Note or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Notes each holder (which, for the purposes of this paragraph 18, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effects of the exercise of the Irish Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other

obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Global Note; (iii) the cancellation of the Notes or the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

- (b) the variation of this Global Note, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Irish Bail-in Power by the Relevant Authority.

The exercise of the Irish Bail-in Power by the Relevant Authority shall not constitute a default or an Event of Default and this Global Note shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 18.

**Irish Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Ireland:

- (i) relating to the transposition of BRRD, including but not limited to the European Union (Bank Recovery and Resolution) Regulations 2015 as amended or replaced from time to time (the **BRRD Irish Regulations**) and the instruments rules and standards created thereunder; and
- (ii) constituting or relating to the SRM Regulation and the instruments rules and standards created thereunder,

in each case, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced (including to zero), cancelled, modified or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period). For this purpose, a reference to a "regulated entity" is to any entity to which for the purposes of (i) above, the BRRD Irish Regulation apply and, for the purposes of (ii) above, the SRM Regulation applies, which in each case includes certain credit institutions, investment firms and certain of their parent or holding companies.

- 19. Notwithstanding any provision of this Global Note or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Notes each holder (which, for the purposes of this paragraph 19, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effects of the exercise of the **Luxembourg Bail-in Power** by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof:
  - (i) the reduction of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Global Note; (iii) the cancellation of the Notes or the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any

additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

- (b) the variation of this Global Note, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Luxembourg Bail-in Power by the Relevant Authority.

The exercise of the Luxembourg Bail-in Power by the Relevant Authority shall not constitute an event of default and this Global Note shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 19.

**Luxembourg Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Luxembourg, (i) relating to the transposition of the BRRD (including, but not limited to, the Luxembourg law of 18 December 2015 *relative aux mesures de résolution, d'assainissement et de liquidation des établissements de crédit et de certaines entreprises d'investissement ainsi qu'aux systèmes de garantie des dépôts et d'indemnisation des investisseurs*, as amended from time to time (the **Luxembourg BRRD Law**), (ii) relating to the SRM Regulation or (iii) otherwise arising under Luxembourg law and (iv) in each case, the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period) and any right in a contract governing an obligation of a regulated entity may be deemed to have been exercised. For this purpose, a reference to a "regulated entity" is to any institution or entity (which includes certain credit institutions, investment firms, and certain of their group companies) referred to in points (1), (2), (3) or (4) of Article 2(1) of the Luxembourg BRRD Law, and with respect to the SRM Regulation to any entity referred to in Article 2 of the SRM Regulation.

20. 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, 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.

21. 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: International House, 3 Harbourmaster Place, IFSC, Dublin 1, D01 K8F1, Ireland]

***OR* [Intesa Sanpaolo Bank Luxembourg, *société anonyme* (formerly Société Européenne de Banque, *société anonyme*)<sup>26</sup>**

Incorporated as a public limited liability company (*société anonyme*) and registered in the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under registration number B13.859

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

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

Issuer:

No: \_\_\_\_\_ Series No.:

Issued in London on: Maturity Date<sup>27</sup>:

Specified Currency: Denomination:

Principal Amount:  
(*words and figures if a Sterling Note*)

Interest Rate<sup>28</sup>: \_\_\_\_% per annum Margin<sup>29</sup>:

Calculation Agent<sup>30</sup>: Reference Banks<sup>31</sup>:

Interest Payment Dates<sup>32</sup>: Reference Rate: [●] months  
LIBOR/EURIBOR/EONIA<sup>33</sup>

Interest Commencement Date<sup>34</sup>:

Early Redemption at the option of the Noteholder: Optional Redemption Date(s) (Put):<sup>35</sup>

<sup>26</sup> This document must be signed in accordance with article 470-1 of the Luxembourg law of 10 August 1915 on commercial companies, as amended.

<sup>27</sup> Not to exceed 364 days from the Issue Date.

<sup>28</sup> Complete for fixed rate interest bearing Notes only.

<sup>29</sup> Complete for floating rate Notes only.

<sup>30</sup> Complete for floating rate Notes only.

<sup>31</sup> Complete for floating rate Notes only.

<sup>32</sup> Complete for interest bearing Notes if interest is payable before the Maturity Date.

<sup>33</sup> 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 or EONIA should be used instead.

<sup>34</sup> Complete for interest bearing Yen denominated Notes only.

<sup>35</sup> Complete for Notes which are subject to early redemption at the option of the Noteholder.

[Yes/No]

Optional Redemption Amount (Put):<sup>36</sup>

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]<sup>37</sup> 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 10 July 2018 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 (**Taxes**) by or on behalf of any jurisdiction or any political subdivision thereof or any authority thereof having the power to tax in, unless such

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<sup>36</sup> Complete for Notes which are subject to early redemption at the option of the Noteholder.

<sup>37</sup> Include where Note is interest bearing.

withholding or deduction is required by law. 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 imposed by or on behalf of [Ireland/Luxembourg] or Italy or any political subdivision thereof or any authority thereof having the power to tax, 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 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.]<sup>38</sup>

5. If the Maturity Date [or, if applicable, the relevant Interest Payment Date]<sup>39</sup> 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;

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<sup>38</sup> Include where Note is subject to early redemption at the option of the Noteholder.

<sup>39</sup> Include where Note is interest bearing.



- (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
- (c) if no Interest Payment Dates are specified on the face of this Note, the Interest Payment Date shall be the Maturity Date.]<sup>40</sup>

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.]<sup>41</sup> **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;

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<sup>40</sup> Include where Note is interest bearing.

<sup>41</sup> Include where Note bears fixed interest

- (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 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.
- (c) if this Note specifies EONIA 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**) equal to the sum of EONIA and the Margin where:
- (A) **EONIA**, for each day in an Interest Period beginning on, and including, the first day of such Interest Period and ending on, but excluding, the last day of such Interest Period, shall be equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day at 11.00 a.m. (Brussels time) on the TARGET2 Business Day immediately following such day (each an EONIA Interest Determination Date), as if the Reset Date (as defined in the 2006 ISDA Definitions, as amended and updated as the Issue Date of the Notes, published by the International Swaps and Derivatives Association, Inc. (the **ISDA Definitions**)) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified on the face of this Note in relation to the Reference Rate;
  - (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 called an **Interest Period** for the purposes of this paragraph; and
  - (C) and if, on any EONIA Interest Determination Date, it is not possible to determine the Rate of Interest due to the non-availability of the Reuters Screen EONIA Page then the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period.]<sup>42</sup>

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<sup>42</sup> Include where Note bears floating rate interest.

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. Notwithstanding any provision of this Note or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Notes each holder (which, for the purposes of this paragraph 17, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:
- (a) the effects of the exercise of the Italian Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Note; (iii) the cancellation of the Notes or the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
  - (b) the variation of this Note, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Italian Bail-in Power by the Relevant Authority.

The exercise of the Italian Bail-in Power by the Relevant Authority shall not constitute an event of default and this Note shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 17.

**BRRD** means Directive 2014/59/EU of the European Parliament and of the Council of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time.

**Italian Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Italy, relating to (i) the transposition of the BRRD (in including, but not limited to, Legislative Decrees No. 180/2015 and 181/2015) as amended from time to time; and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period).

**Relevant Authority** means (i) in respect of Italy, any issuer, the Bank of Italy or other governmental authority in Italy (or other country in which the Issuer is then domiciled) or in the European Union having primary responsibility for the prudential oversight and supervision of the Issuer; (ii) in respect of Ireland, the Central Bank of Ireland and/or any other authority in Ireland or in the European Union entitled to exercise or participate in the exercise of the Irish Bail-in Power from time to time; and (iii) in respect of Luxembourg, the *Commission de Surveillance du Secteur Financier*, acting in its capacity as resolution authority within the meaning of Article 3(1) of BRRD, the Single Resolution Board established pursuant to the SRM Regulation, and/or any other authority in Luxembourg or in the European Union entitled to exercise or participate in the exercise of the Luxembourg Bail-in Power from time to time.

**SRM Regulation** means Regulation (EU) No.806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Supervisory Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010. As amended or replaced from time to time.

13. Notwithstanding any provision of this Note or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Notes each holder (which, for the purposes of this paragraph 18, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:
- (a) the effects of the exercise of the Irish Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Note; (iii) the cancellation of the Notes or the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

- (b) the variation of this Note, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Irish Bail-in Power by the Relevant Authority.

The exercise of the Irish Bail-in Power by the Relevant Authority shall not constitute a default or an Event of Default and this Note shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 18.

**Irish Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Ireland:

- (i) relating to the transposition of BRRD, including but not limited to the European Union (Bank Recovery and Resolution) Regulations 2015 as amended or replaced from time to time (the **BRRD Irish Regulations**) and the instruments rules and standards created thereunder; and
- (ii) constituting or relating to the SRM Regulation and the instruments rules and standards created thereunder,

in each case, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced (including to zero), cancelled, modified or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period). For this purpose, a reference to a "regulated entity" is to any entity to which for the purposes of (i) above, the BRRD Irish Regulation apply and, for the purposes of (ii) above, the SRM Regulation applies, which in each case includes certain credit institutions, investment firms and certain of their parent or holding companies.

14. Notwithstanding any provision of this Note or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Notes each holder (which, for the purposes of this paragraph 19, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effects of the exercise of the **Luxembourg Bail-in Power** by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof:
  - (i) the reduction of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Note; (iii) the cancellation of the Notes or the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (b) the variation of this Note, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Luxembourg Bail-in Power by the Relevant Authority.

The exercise of the Luxembourg Bail-in Power by the Relevant Authority shall not constitute an event of default and this Note shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 19.

**Luxembourg Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Luxembourg, (i) relating to the transposition of the BRRD (including, but not limited to, the Luxembourg law of 18 December 2015 *relative aux mesures de résolution, d'assainissement et de liquidation des établissements de crédit et de certaines entreprises d'investissement ainsi qu'aux systèmes de garantie des dépôts et d'indemnisation des investisseurs*, as amended from time to time (the **Luxembourg BRRD Law**), (ii) relating to the SRM Regulation or (iii) otherwise arising under Luxembourg law and (iv) in each case, the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period) and any right in a contract governing an obligation of a regulated entity may be deemed to have been exercised. For this purpose, a reference to a "regulated entity" is to any institution or entity (which includes certain credit institutions, investment firms, and certain of their group companies) referred to in points (1), (2), (3) or (4) of Article 2(1) of the Luxembourg BRRD Law, and with respect to the SRM Regulation to any entity referred to in Article 2 of the SRM Regulation.

15. 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 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.

16. This Note shall not be validly issued unless manually authenticated by the Paying Agent as issuing agent.
17. 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 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]<sup>43</sup>

**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
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

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<sup>43</sup> 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: International House, 3 Harbourmaster Place, IFSC, Dublin 1, D01 K8F1, Ireland]

***OR* [Intesa Sanpaolo Bank Luxembourg, société anonyme (formerly Société Européenne de Banque, société anonyme)<sup>44</sup>**

Incorporated as a public limited liability company (société anonyme) and registered in the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under registration number B13.859

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

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

Issuer:

No: \_\_\_\_\_

Series No.:

Issued in London on:

Maturity Date<sup>45</sup>:

Specified Currency:

Denomination:

Principal Amount:

(*words and figures if a Sterling CD*)

Interest Rate<sup>46</sup>: \_\_\_\_% per annum

Margin<sup>47</sup>:

Calculation Agent<sup>48</sup>:

Reference Banks<sup>49</sup>:

Interest Payment Dates<sup>50</sup>:

Reference Rate: [●] months  
LIBOR/EURIBOR/EONIA<sup>51</sup>

Interest Commencement Date<sup>52</sup>:

Early Redemption at the option of the holder of the \_\_\_\_\_ Optional Redemption Date(s) (Put):<sup>53</sup>

<sup>44</sup> This document must be signed in accordance with article 470-1 of the Luxembourg law of 10 August 1915 on commercial companies, as amended.

<sup>45</sup> Not to exceed 364 days from the Issue Date.

<sup>46</sup> Complete for fixed rate interest bearing CDs only.

<sup>47</sup> Complete for floating rate CDs only.

<sup>48</sup> Complete for floating rate CDs only.

<sup>49</sup> Complete for floating rate CDs only.

<sup>50</sup> Complete for interest bearing CDs if interest is payable before the Maturity Date.

<sup>51</sup> 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 or EONIA should be used instead.

<sup>52</sup> Complete for interest bearing Yen denominated CDs only.

CD: [Yes/No]

Optional Redemption Amount (Put):<sup>54</sup>

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 10 July 2018 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 (**Taxes**) by or on behalf of any jurisdiction or any political subdivision thereof or any authority thereof having the power to tax, unless such withholding or deduction is required by law. 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 imposed by or on behalf of [Ireland/Luxembourg] or Italy or any political subdivision thereof or any authority thereof having the power to tax, 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

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<sup>53</sup> Complete for CDs which are subject to early redemption at the option of the holder of the CD.

<sup>54</sup> Complete for CDs which are subject to early redemption at the option of the holder of the CD.

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 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. Notwithstanding any provision of this Global Certificate or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Certificates each holder (which, for the purposes of this paragraph 17, includes each holder of a beneficial interest in the Certificates) acknowledges, accepts, consents to and agrees to be bound by:
- (a) the effects of the exercise of the Italian Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Global Certificate; (iii) the cancellation of the Certificates or the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Certificates or amendment of the amount of interest payable on the Certificates, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
  - (b) the variation of this Global Certificate, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Italian Bail-in Power by the Relevant Authority.

The exercise of the Italian Bail-in Power by the Relevant Authority shall not constitute an event of default and this Global Certificate shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 17.

**BRRD** means Directive 2014/59/EU of the European Parliament and of the Council of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time.

**Italian Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Italy, relating to (i) the transposition of the BRRD (in including, but not limited to, Legislative Decrees No. 180/2015 and 181/2015) as amended from time to time; and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period).

**Relevant Authority** means (i) in respect of Italy, any issuer, the Bank of Italy or other governmental authority in Italy (or other country in which the Issuer is then domiciled) or in the European Union having primary responsibility for the prudential oversight and supervision of the Issuer; (ii) in respect of Ireland, the Central Bank of Ireland and/or any other authority in Ireland or in the European Union entitled to exercise or participate in the exercise of the Irish Bail-in Power from time to time; and (iii) in respect of Luxembourg, the *Commission de Surveillance du Secteur Financier*, acting in its capacity as resolution authority within the meaning of Article 3(1) of BRRD, the Single Resolution Board established pursuant to the SRM Regulation, and/or any other authority in Luxembourg or in the European Union entitled to exercise or participate in the exercise of the Luxembourg Bail-in Power from time to time.

**SRM Regulation** means Regulation (EU) No.806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Supervisory Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010. As amended or replaced from time to time.

18. Notwithstanding any provision of this Global Certificate or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Certificates each holder (which, for the purposes of this paragraph 18, includes each holder of a beneficial interest in the Certificates) acknowledges, accepts, consents to and agrees to be bound by:
- (a) the effects of the exercise of the Irish Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Global Certificate; (iii) the cancellation of the Certificates or the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Certificates or amendment of the amount of interest

payable on the Certificates, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

- (b) the variation of this Global Certificate, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Irish Bail-in Power by the Relevant Authority.

The exercise of the Irish Bail-in Power by the Relevant Authority shall not constitute a default or an Event of Default and this Global Certificate shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 18.

**Irish Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Ireland:

- (i) relating to the transposition of BRRD, including but not limited to the European Union (Bank Recovery and Resolution) Regulations 2015 as amended or replaced from time to time (the **BRRD Irish Regulations**) and the instruments rules and standards created thereunder; and
- (ii) constituting or relating to the SRM Regulation and the instruments rules and standards created thereunder,

in each case, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced (including to zero), cancelled, modified or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period). For this purpose, a reference to a "regulated entity" is to any entity to which for the purposes of (i) above, the BRRD Irish Regulation apply and, for the purposes of (ii) above, the SRM Regulation applies, which in each case includes certain credit institutions, investment firms and certain of their parent or holding companies.

19. Notwithstanding any provision of this Global Certificate or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Certificates each holder (which, for the purposes of this paragraph 19, includes each holder of a beneficial interest in the Certificates) acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effects of the exercise of the **Luxembourg Bail-in Power** by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof:
  - (i) the reduction of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Global Certificate; (iii) the cancellation of the Certificates or the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Certificates or amendment of the amount of interest payable on the Certificates, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

- (b) the variation of this Global Certificate, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Luxembourg Bail-in Power by the Relevant Authority.

The exercise of the Luxembourg Bail-in Power by the Relevant Authority shall not constitute an event of default and this Global Certificate shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 19.

**Luxembourg Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Luxembourg, (i) relating to the transposition of the BRRD (including, but not limited to, the Luxembourg law of 18 December 2015 *relative aux mesures de résolution, d'assainissement et de liquidation des établissements de crédit et de certaines entreprises d'investissement ainsi qu'aux systèmes de garantie des dépôts et d'indemnisation des investisseurs*, as amended from time to time (the **Luxembourg BRRD Law**), (ii) relating to the SRM Regulation or (iii) otherwise arising under Luxembourg law and (iv) in each case, the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period) and any right in a contract governing an obligation of a regulated entity may be deemed to have been exercised. For this purpose, a reference to a "regulated entity" is to any institution or entity (which includes certain credit institutions, investment firms, and certain of their group companies) referred to in points (1), (2), (3) or (4) of Article 2(1) of the Luxembourg BRRD Law, and with respect to the SRM Regulation to any entity referred to in Article 2 of the SRM Regulation.

20. 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.

21. 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: International House, 3 Harbourmaster Place, IFSC, Dublin 1, D01 K8F1, Ireland]

***OR* [Intesa Sanpaolo Bank Luxembourg, *société anonyme* (formerly *Société Européenne de Banque, société anonyme*)<sup>55</sup>**

Incorporated as a public limited liability company (*société anonyme*) and registered in the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under registration number B13.859

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

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

Issuer:

No: \_\_\_\_\_

Series No.:

Issued in London on:

Maturity Date<sup>56</sup>:

Specified Currency:

Denomination:

Principal Amount:

*(words and figures if a Sterling CD)*

Interest Rate<sup>57</sup>: \_\_\_\_% per annum

Margin<sup>58</sup>:

Calculation Agent<sup>59</sup>:

Reference Banks<sup>60</sup>:

Interest Payment Dates<sup>61</sup>:

Reference Rate: [●] months  
LIBOR/EURIBOR/EONIA<sup>62</sup>

Interest Commencement Date<sup>63</sup>:

Early Redemption at the option of the holder of the \_\_\_\_\_ Optional Redemption Date(s) (Put):<sup>64</sup>

<sup>55</sup> This document must be signed in accordance with article 470-1 of the Luxembourg law of 10 August 1915 on commercial companies, as amended.

<sup>56</sup> Not to exceed 364 days from the Issue Date.

<sup>57</sup> Complete for fixed rate interest bearing CDs only.

<sup>58</sup> Complete for floating rate CDs only.

<sup>59</sup> Complete for floating rate CDs only.

<sup>60</sup> Complete for floating rate CDs only.

<sup>61</sup> Complete for interest bearing CDs if interest is payable before the Maturity Date.

<sup>62</sup> 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 or EONIA should be used instead.

<sup>63</sup> Complete for interest bearing Yen denominated CDs only.

CD: [Yes/No]

Optional Redemption Amount (Put):<sup>65</sup>

**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 10 July 2018 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

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<sup>64</sup> Complete for CDs which are subject to early redemption at the option of the holder of a CD.

<sup>65</sup> Complete for CDs which are subject to early redemption at the option of the holder of a CD.

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.

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 (**Taxes**) by or on behalf of any jurisdiction or any political subdivision thereof or any authority thereof having the power to tax, unless such withholding or deduction is required by law. 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 imposed by or on behalf of [Ireland/Luxembourg] or Italy or any political subdivision thereof or any authority thereof having the power to tax, 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
- (c) if this Global Certificate specifies EONIA as the Reference Rate, interest shall be payable on the Principal Amount in respect of each successive Interest Period from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date (as defined below), 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**) equal to the sum of EONIA and the Margin where:
- (A) **EONIA**, for each day in an Interest Period beginning on, and including, the first day of such Interest Period and ending on, but excluding, the last day of such Interest Period, shall be equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day at 11.00 a.m. (Brussels time) on the TARGET2 Business Day immediately following such day (each an EONIA Interest Determination Date), as if the Reset Date (as defined in the 2006 ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified on the face of this Global Certificate in relation to the Reference Rate;
  - (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 called an **Interest Period** for the purposes of this paragraph; and
  - (C) and if, on any EONIA Interest Determination Date, it is not possible to determine the Rate of Interest due to the non-availability of the Reuters Screen EONIA Page then the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period.

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].<sup>66</sup>
17. Notwithstanding any provision of this Global Certificate or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Certificates each holder (which, for the purposes of this paragraph 17, includes each holder of a beneficial interest in the Certificates) acknowledges, accepts, consents to and agrees to be bound by:
- (a) the effects of the exercise of the Italian Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of

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<sup>66</sup> 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."

the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Global Certificate; (iii) the cancellation of the Certificates or the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Certificates or amendment of the amount of interest payable on the Certificates, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

- (b) the variation of this Global Certificate, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Italian Bail-in Power by the Relevant Authority.

The exercise of the Italian Bail-in Power by the Relevant Authority shall not constitute an event of default and this Global Certificate shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 17.

**BRRD** means Directive 2014/59/EU of the European Parliament and of the Council of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time.

**Italian Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Italy, relating to (i) the transposition of the BRRD (in including, but not limited to, Legislative Decrees No. 180/2015 and 181/2015) as amended from time to time; and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period).

**Relevant Authority** means (i) in respect of Italy, any issuer, the Bank of Italy or other governmental authority in Italy (or other country in which the Issuer is then domiciled) or in the European Union having primary responsibility for the prudential oversight and supervision of the Issuer; (ii) in respect of Ireland, the Central Bank of Ireland and/or any other authority in Ireland or in the European Union entitled to exercise or participate in the exercise of the Irish Bail-in Power from time to time; and (iii) in respect of Luxembourg, the *Commission de Surveillance du Secteur Financier*, acting in its capacity as resolution authority within the meaning of Article 3(1) of BRRD, the Single Resolution Board established pursuant to the SRM Regulation, and/or any other authority in Luxembourg or in the European Union entitled to exercise or participate in the exercise of the Luxembourg Bail-in Power from time to time.

**SRM Regulation** means Regulation (EU) No.806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Supervisory Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010. As amended or replaced from time to time.

18. Notwithstanding any provision of this Global Certificate or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Certificates each holder (which, for the purposes of this paragraph 18, includes each holder of a beneficial interest in the Certificates) acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effects of the exercise of the Irish Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Global Certificate; (iii) the cancellation of the Certificates or the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Certificates or amendment of the amount of interest payable on the Certificates, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (b) the variation of this Global Certificate, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Irish Bail-in Power by the Relevant Authority.

The exercise of the Irish Bail-in Power by the Relevant Authority shall not constitute a default or an Event of Default and this Global Certificate shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 18.

**Irish Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Ireland:

- (i) relating to the transposition of BRRD, including but not limited to the European Union (Bank Recovery and Resolution) Regulations 2015 as amended or replaced from time to time (the **BRRD Irish Regulations**) and the instruments rules and standards created thereunder; and
- (ii) constituting or relating to the SRM Regulation and the instruments rules and standards created thereunder,

in each case, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced (including to zero), cancelled, modified or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period). For this purpose, a reference to a "regulated entity" is to any entity to which for the purposes of (i) above, the BRRD Irish Regulation apply and, for the purposes of (ii) above, the SRM Regulation applies, which in each case includes certain credit institutions, investment firms and certain of their parent or holding companies.

19. Notwithstanding any provision of this Global Certificate or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Certificates each holder (which, for the purposes of this paragraph 19, includes each holder of a beneficial interest in the Certificates) acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effects of the exercise of the **Luxembourg Bail-in Power** by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if

any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Global Certificate; (iii) the cancellation of the Certificates or the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Certificates or amendment of the amount of interest payable on the Certificates, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

- (b) the variation of this Global Certificate, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Luxembourg Bail-in Power by the Relevant Authority.

The exercise of the Luxembourg Bail-in Power by the Relevant Authority shall not constitute an event of default and this Global Certificate shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 19.

**Luxembourg Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Luxembourg, (i) relating to the transposition of the BRRD (including, but not limited to, the Luxembourg law of 18 December 2015 *relative aux mesures de résolution, d'assainissement et de liquidation des établissements de crédit et de certaines entreprises d'investissement ainsi qu'aux systèmes de garantie des dépôts et d'indemnisation des investisseurs*, as amended from time to time (the **Luxembourg BRRD Law**), (ii) relating to the SRM Regulation or (iii) otherwise arising under Luxembourg law and (iv) in each case, the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period) and any right in a contract governing an obligation of a regulated entity may be deemed to have been exercised. For this purpose, a reference to a "regulated entity" is to any institution or entity (which includes certain credit institutions, investment firms, and certain of their group companies) referred to in points (1), (2), (3) or (4) of Article 2(1) of the Luxembourg BRRD Law, and with respect to the SRM Regulation to any entity referred to in Article 2 of the SRM Regulation.

20. 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.

21. 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  
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: International House, 3 Harbourmaster Place, IFSC, Dublin 1, D01 K8F1, Ireland]

### ***OR*** [Intesa Sanpaolo Bank Luxembourg, *société anonyme* (formerly Société Européenne de Banque, *société anonyme*)<sup>67</sup>

Incorporated as a public limited liability company (*société anonyme*) and registered in the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under registration number

B13.859

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

**Unconditionally and irrevocably guaranteed by**

**Intesa Sanpaolo S.p.A.**

(Incorporated in Italy)

Issuer:

No: \_\_\_\_\_ Series No.:

Issued in London on: Maturity Date<sup>68</sup>:

Specified Currency: Denomination:

Principal Amount:  
(*words and figures if a Sterling CD*)

Interest Rate<sup>69</sup>: \_\_\_\_% per annum Margin<sup>70</sup>:

Calculation Agent<sup>71</sup>: Reference Banks<sup>72</sup>:

Interest Payment Dates<sup>73</sup>: Reference Rate: [●] months  
LIBOR/EURIBOR/EONIA<sup>74</sup>

Interest Commencement Date<sup>75</sup>:

Early Redemption at the option of the holder of the Optional Redemption Date(s) (Put):<sup>76</sup>

<sup>67</sup> This document must be signed in accordance with article 470-1 of the Luxembourg law of 10 August 1915 on commercial companies, as amended.

<sup>68</sup> Not to exceed 364 days from the Issue Date.

<sup>69</sup> Complete for fixed rate interest bearing CDs only.

<sup>70</sup> Complete for floating rate CDs only.

<sup>71</sup> Complete for floating rate CDs only.

<sup>72</sup> Complete for floating rate CDs only.

<sup>73</sup> Complete for interest bearing CDs if interest is payable before the Maturity Date.

<sup>74</sup> 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 or EONIA should be used instead.

<sup>75</sup> Complete for interest bearing Yen denominated CDs only.

CD: [Yes/No]

Optional Redemption Amount (Put):<sup>77</sup>

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.]<sup>78</sup> **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.]<sup>79</sup>

All such payments shall be made in accordance with an issuing and paying agency agreement dated 10 July 2018 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 (**Taxes**) by or on behalf of any taxing authority or any political subdivision thereof or any authority thereof having the power to tax, unless such withholding or deduction is required by law. 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 imposed by or on behalf of [Ireland/Luxembourg] or Italy or any political subdivision thereof or any authority thereof having the power to tax, the Issuer shall, to the extent permitted by applicable law or regulation, pay

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<sup>76</sup> Complete for CDs which are subject to early redemption at the option of the holder of a CD.

<sup>77</sup> Complete for CDs which are subject to early redemption at the option of the holder of a CD.

<sup>78</sup> Include where Certificate is interest bearing.

<sup>79</sup> Include where Certificate is discounted.



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:

- (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.]<sup>80</sup>

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;

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<sup>80</sup> Include where Certificate is subject to early redemption at the option of the holder of the CD.

- (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.]<sup>81</sup>

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.]<sup>82</sup> **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;

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<sup>81</sup> Insert where Certificate is interest bearing.

<sup>82</sup> Include where Certificate bears fixed rate interest.

- (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 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.
- (c) if this Global Certificate specifies EONIA as the Reference Rate, interest shall be payable on the Principal Amount in respect of each successive Interest Period from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date (as defined below), 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**) equal to the sum of EONIA and the Margin where:
- (A) **EONIA**, for each day in an Interest Period beginning on, and including, the first day of such Interest Period and ending on, but excluding, the last day of such Interest Period, shall be equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day at 11.00 a.m. (Brussels time) on the TARGET2 Business Day immediately following such day (each an EONIA Interest Determination Date), as if the Reset Date (as defined in the 2006 ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified on the face of the Global Certificate in relation to the Reference Rate;
  - (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 called an **Interest Period** for the purposes of this paragraph; and
  - (C) and if, on any EONIA Interest Determination Date, it is not possible to determine the Rate of Interest due to the non-availability of the Reuters Screen EONIA Page then the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period.]83

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

<sup>83</sup> Include where Certificate bears floating rate interest.

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. Notwithstanding any provision of this Certificate or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Certificates each holder (which, for the purposes of this paragraph 17, includes each holder of a beneficial interest in the Certificates) acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effects of the exercise of the Italian Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Certificate; (iii) the cancellation of the Certificates or the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Certificates or amendment of the amount of interest payable on the Certificates, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (b) the variation of this Certificate, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Italian Bail-in Power by the Relevant Authority.

The exercise of the Italian Bail-in Power by the Relevant Authority shall not constitute an event of default and this Certificate shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 17.

**BRRD** means Directive 2014/59/EU of the European Parliament and of the Council of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time.

**Italian Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Italy, relating to (i) the transposition of the BRRD (in including, but not limited to, Legislative Decrees No. 180/2015 and 181/2015) as amended from time to time; and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period).

**Relevant Authority** means (i) in respect of Italy, any issuer, the Bank of Italy or other governmental authority in Italy (or other country in which the Issuer is then domiciled) or in the European Union having primary responsibility for the prudential oversight and supervision of the Issuer; (ii) in respect of Ireland, the Central Bank of Ireland and/or any other authority in Ireland or in the European Union entitled to exercise or participate in the exercise of the Irish Bail-in Power from time to time; and (iii) in respect of Luxembourg, the *Commission de Surveillance du Secteur Financier*, acting in its capacity as resolution authority within the meaning of Article 3(1) of BRRD, the Single Resolution Board established pursuant to the SRM Regulation, and/or any other authority in Luxembourg or in the European Union entitled to exercise or participate in the exercise of the Luxembourg Bail-in Power from time to time.

**SRM Regulation** means Regulation (EU) No.806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Supervisory Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010. As amended or replaced from time to time.

15. Notwithstanding any provision of this Certificate or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Certificates each holder (which, for the purposes of this paragraph 18, includes each holder of a beneficial interest in the Certificates) acknowledges, accepts, consents to and agrees to be bound by:
- (a) the effects of the exercise of the Irish Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Certificate; (iii) the cancellation of the Certificates or the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Certificates or amendment of the amount of interest payable on the



Certificates, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

- (b) the variation of this Certificate, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Irish Bail-in Power by the Relevant Authority.

The exercise of the Irish Bail-in Power by the Relevant Authority shall not constitute a default or an Event of Default and this Certificate shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 18.

**Irish Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Ireland:

- (i) relating to the transposition of BRRD, including but not limited to the European Union (Bank Recovery and Resolution) Regulations 2015 as amended or replaced from time to time (the **BRRD Irish Regulations**) and the instruments rules and standards created thereunder; and
- (ii) constituting or relating to the SRM Regulation and the instruments rules and standards created thereunder,

in each case, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced (including to zero), cancelled, modified or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period). For this purpose, a reference to a "regulated entity" is to any entity to which for the purposes of (i) above, the BRRD Irish Regulation apply and, for the purposes of (ii) above, the SRM Regulation applies, which in each case includes certain credit institutions, investment firms and certain of their parent or holding companies.

16. Notwithstanding any provision of this Certificate or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Certificates each holder (which, for the purposes of this paragraph 19, includes each holder of a beneficial interest in the Certificates) acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effects of the exercise of the **Luxembourg Bail-in Power** by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof:
  - (i) the reduction of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of this Certificate; (iii) the cancellation of the Certificates or the principal amount in respect of the Certificates together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Certificates or amendment of the amount of interest payable on the Certificates, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

- (b) the variation of this Certificate, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Luxembourg Bail-in Power by the Relevant Authority.

The exercise of the Luxembourg Bail-in Power by the Relevant Authority shall not constitute an event of default and this Certificate shall remain in full force and effect save as varied by the Relevant Authority in accordance with this paragraph 19.

**Luxembourg Bail-in Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Luxembourg, (i) relating to the transposition of the BRRD (including, but not limited to, the Luxembourg law of 18 December 2015 *relative aux mesures de résolution, d'assainissement et de liquidation des établissements de crédit et de certaines entreprises d'investissement ainsi qu'aux systèmes de garantie des dépôts et d'indemnisation des investisseurs*, as amended from time to time (the **Luxembourg BRRD Law**), (ii) relating to the SRM Regulation or (iii) otherwise arising under Luxembourg law and (iv) in each case, the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period) and any right in a contract governing an obligation of a regulated entity may be deemed to have been exercised. For this purpose, a reference to a "regulated entity" is to any institution or entity (which includes certain credit institutions, investment firms, and certain of their group companies) referred to in points (1), (2), (3) or (4) of Article 2(1) of the Luxembourg BRRD Law, and with respect to the SRM Regulation to any entity referred to in Article 2 of the SRM Regulation.

17. 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.

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.

18. 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 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]<sup>84</sup>

**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.

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<sup>84</sup> 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.**

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>85</sup>

**MIFID II product governance / target market** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the CDs has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)] [MiFID II] and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Instruments (a "distributor") should take into consideration the manufacturer[']s['] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[']s['] target market assessment) and determining appropriate distribution channels.

**[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<sup>86</sup>:

Specified Currency:

Denomination:

Principal Amount:

*(words and figures if a Sterling Certificate)*

Interest Basis: [Fixed Rate] [Floating Rate]  
[Discounted]

Interest Rate<sup>87</sup>: [ ] per cent. per annum

Margin<sup>88</sup>:

Calculation Agent<sup>89</sup>:

Reference Banks<sup>9088</sup>:

<sup>85</sup> Legend to be included if the Instruments potentially constitute "packaged" products or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

<sup>86</sup> Not to exceed 364 days from the Issue Date.

<sup>87</sup> Complete for fixed rate interest bearing Instruments only.

<sup>88</sup> Complete for floating rate Instruments only.

<sup>89</sup> Complete for floating rate Instruments only.

Interest Payment Dates<sup>91</sup>:

Reference Rate<sup>92</sup>: [●] months  
LIBOR/EURIBOR/EONIA

Interest Commencement Date<sup>93</sup>:

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

Optional Redemption Date(s) (Put):<sup>94</sup>

Optional Redemption Amount (Put):<sup>95</sup>

Notice period:<sup>96</sup>

Minimum period: [5<sup>97</sup>/15<sup>98</sup>] business days

Maximum period: [●] days

NGN form:

[Yes/No]

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

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<sup>90</sup> Complete for floating rate Instruments only.

<sup>91</sup> Complete for interest bearing Instruments if interest is payable before the Maturity Date.

<sup>92</sup> Delete as appropriate. The Reference Rate should always be LIBOR unless the Instrument is denominated in euro and the Issuer and the relevant Dealer agrees that EURIBOR or EONIA should be used instead.

<sup>93</sup> Complete for interest bearing Yen denominated Instruments only.

<sup>94</sup> Complete for Instruments which are subject to early redemption at the option of the holder of the Instrument.

<sup>95</sup> Complete for Instruments which are subject to early redemption at the option of the holder of the Instrument.

<sup>96</sup> Complete for Instruments which are subject to early redemption at the option of the holder of the Instrument.

<sup>97</sup> Minimum notice period required by Euroclear for the Put Option.

<sup>98</sup> Minimum notice period required by Clearstream for the Put Option.

eligibility criteria have been met.]]

Prohibition of Sales to EEA Retail Investors:

[Applicable/Not Applicable]

*(Where agreed that the Instruments clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Instruments may constitute 'packaged' products, "Applicable" should be specified.)*

### **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 10 July 2018 (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 or 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.

### Prohibition of Sales to EEA Retail Investors

Unless the Contractual Terms in respect of any Instrument specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by the Information Memorandum as completed by the Contractual Terms in relation thereto to any retail investor in the European Economic Area (**EEA**). For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**); and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

### **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:

- (c) 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;
- (d) 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
- (e) 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.

### **Republic of 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:

- (f) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or
- (g) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of 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 this Information Memorandum or any other document relating to the Notes or the CDs in the Republic of Italy under (f) or (g) above must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (b) comply with any other applicable laws and regulation or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable to the Dealers, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any 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 Union (Markets in Financial Instruments) Regulations 2017 (S.I. No. 375 of 2017) or any codes of conduct or practice 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 2017 and any codes of conduct, regulation or rules made under Section 117(1) of the Central Bank Act 1989 or made pursuant to part 8 of the Central Bank (Supervision and Enforcement) Act 2013;
- (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 Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules issued under Section 1370 of the Irish Companies Act 2014 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**

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

International House  
3 Harbourmaster Place  
IFSC  
Dublin 1, D01 K8F1  
Ireland

**Intesa Sanpaolo Bank Luxembourg, *société anonyme***

19-21 Boulevard Prince Henri  
L – 1724 Luxembourg  
Grand Duchy of Luxembourg

**REGISTERED AND HEAD OFFICE OF  
GUARANTOR**

**Intesa Sanpaolo S.p.A.**

Piazza San Carlo 156  
10121 Turin  
Italy

**DEALERS**

**Bank of America Merrill Lynch International  
Limited**

2 King Edward Street  
London EC1A 1HQ  
United Kingdom

**Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Credit Suisse Securities (Europe) Limited**

One Cabot Square  
Canary Wharf  
London E14 4QJ  
United Kingdom

**Goldman Sachs International**

Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

**ING Bank N.V.**

Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands

**Intesa Sanpaolo S.p.A.**

Piazza San Carlo 156  
10121 Turin  
Italy

**NatWest Markets Plc**

250 Bishopsgate  
London EC2M 4AA  
United Kingdom

**UBS Limited**

5 Broadgate  
London EC2M 2QS  
United Kingdom



## THE ISSUING AND PAYING AGENT

**The Bank of New York Mellon**  
Global Corporate Trust, Corporate  
Sovereign  
One Canada Square  
Canary Wharf, E14 5AL  
London, England

## LISTING AGENT

**McCann FitzGerald Listing Services Limited**  
Riverside One  
Sir John Rogerson's Quay  
Dublin 2  
Ireland

## LEGAL ADVISERS TO THE ISSUERS AND THE GUARANTOR

*as to English law*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD  
United Kingdom

*as to Irish law*

**McCann FitzGerald**  
Tower 42  
Level 38C  
25 Old Broad Street  
London EC2N 1HQ  
United Kingdom

*as to Italian law*

**Allen & Overy**  
Studio Legale Associato  
Corso Vittorio Emanuele II, 284  
00186 Rome  
Italy

*as to Luxembourg law*

**Allen & Overy SCS**  
Société en commandite simple  
(registered on list V of the Luxembourg bar)  
33, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg