

PROSPECTUS



INTESA SANPAOLO S.p.A.

*(incorporated as a società per azioni in the Republic of Italy)
as Issuer and, in respect of Notes issued by Intesa*

*Sanpaolo Bank Ireland p.l.c. and Société Européenne de Banque S.A., as Guarantor (where indicated in the relevant Final Terms)
and*

INTESA SANPAOLO BANK IRELAND p.l.c.

(incorporated with limited liability in Ireland under registered number 125216)

as Issuer

and

SOCIÉTÉ EUROPÉENNE DE BANQUE S.A.

(incorporated as a public limited liability company (société anonyme) in the Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B13859)

as Issuer

€70,000,000,000

Euro Medium Term Note Programme

Under the €70,000,000,000 Euro Medium Term Note Programme (the "**Programme**") described in this prospectus (the "**Prospectus**"), Intesa Sanpaolo S.p.A. ("**Intesa Sanpaolo**"), Intesa Sanpaolo Bank Ireland p.l.c. ("**INSPIRE**") and Société Européenne de Banque S.A. ("**SEB**") (together, the "**Issuers**" and, each of them, an "**Issuer**") may issue notes ("**Notes**") on a continuing basis to one or more of the Dealers named on page 29 and any additional Dealer appointed under the Programme from time to time (each a "**Dealer**" and together the "**Dealers**"). References in this Prospectus to the "**relevant Dealer**" shall be, in the case of an issue of Notes to more than one Dealer, to the lead manager of such issue and, in the case of an issue of Notes to one Dealer, to such Dealer.

The Notes will be constituted by an amended and restated trust deed dated 28th October, 2011 (as amended, supplemented and/or restated from time to time, the "**Trust Deed**") between the Issuers and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**"). The payments of all amounts due in respect of the Notes issued by INSPIRE and SEB ("**Guaranteed Notes**") will be unconditionally and irrevocably guaranteed by Intesa Sanpaolo pursuant to the Trust Deed and the relevant Deed of Guarantee (as defined herein).

Pursuant to the Programme, the Issuers may issue Notes denominated in any currency agreed with the relevant Dealer. Notes issued under the Programme will not have denominations of less than €1,000. The aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €70,000,000,000 (or its equivalent in other currencies calculated as described herein).

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "Risk Factors" on page 8.

This Prospectus has been approved as a base prospectus issued in compliance with Directive 2003/71/EC (as amended) (the "**Prospectus Directive**") which includes the amendments made by Directive 2010/73/EU, the "**2010 Amending Directive**", to the extent such amendments have been implemented in a relevant Member State by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority in Luxembourg for the purposes of the Prospectus Directive. Application has been made by the Issuers for Notes during the period of twelve months after the date hereof to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC. In addition, pursuant to Article 18 of the Prospectus Directive, the Issuers have requested the CSSF to issue a certificate of approval of this Prospectus, together with a copy of this Prospectus, to the Central Bank of Ireland in its capacity as competent authority in Ireland. Under the Luxembourg law of 10 July 2005 which implements the Prospectus Directive, prospectuses relating to money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of Part II of such law. The CSSF assumes no responsibility with regards to the economic and financial soundness of any transaction under this Programme or the quality and solvency of the Issuer.

The Programme also allows for Notes to be unlisted or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the relevant Issuer. Notes issued pursuant to the Programme may also be rated or unrated. Where an issue of Notes is rated, its rating will be specified in the Final Terms. 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 assigning rating agency. Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**") will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the Regulation) unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

Joint Arrangers

**Banca IMI
Deutsche Bank**
Dealers

**Banca IMI
BNP PARIBAS
Citigroup
Crédit Agricole CIB
Deutsche Bank
Goldman Sachs International
Intesa Sanpaolo S.p.A.
Morgan Stanley
The Royal Bank of Scotland**

**Barclays Capital
BofA Merrill Lynch
Commerzbank
Credit Suisse
Dexia Capital Markets
HSBC
J.P. Morgan
Natixis**

Société Générale Corporate & Investment Banking

UBS Investment Bank

The date of this Prospectus is 28th October, 2011

This Prospectus comprises a base prospectus for each Issuer for the purposes of Article 5.4 of the Prospectus Directive.

Any person (an "**Investor**") intending to acquire or acquiring any securities from any person (an "**Offeror**") should be aware that, in the context of an offer to the public as defined in the Prospectus Directive, the Issuer may be responsible to the Investor for the Prospectus only if the Issuer is acting in association with that Offeror to make the offer to the Investor. Each Investor should therefore verify with the Offeror whether or not the Offeror is acting in association with the Issuer. If the Offeror is not acting in association with the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of Article 6 of the Prospectus Directive as implemented by the national legislation of each EEA Member State in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents it should take legal advice.

Intesa Sanpaolo, INSPIRE and SEB accept responsibility for the information contained in this document. To the best of the knowledge of each of Intesa Sanpaolo, INSPIRE and SEB, having taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The previous paragraph should be read in conjunction with the second paragraph above. Subject as provided in the applicable Final Terms, the only persons authorised to use this Prospectus in connection with the issue of any Tranche of Notes are the persons named in the applicable Final Terms as the relevant Dealer(s).

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALERS) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

This Prospectus should be read and construed together with any supplements hereto and with any other information incorporated by reference herein and, in relation to any Tranche (as defined herein) of Notes, should be read and construed together with the relevant Final Terms (as defined herein).

Intesa Sanpaolo, INSPIRE and SEB have confirmed to the Dealers that this Prospectus (including for this purpose, each relevant Final Terms) contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes and the Guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Prospectus does not omit to state any material fact necessary to make such information,

opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the Guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other document entered into in relation to the Programme or any information supplied by Intesa Sanpaolo, INSPIRE and SEB or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by Intesa Sanpaolo, INSPIRE, SEB, the Trustee or any Dealer.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and none of the Dealers or any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of Intesa Sanpaolo, INSPIRE, SEB and Intesa Sanpaolo's other consolidated subsidiaries (the "**Intesa Sanpaolo Group**") since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms comes are required by each of Intesa Sanpaolo, INSPIRE, SEB and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, neither the Notes nor the guarantee thereof have been or will be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and are both subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Notes may be offered and sold outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**").

Neither this Prospectus nor any Final Terms constitute an offer or an invitation to subscribe for or purchase any Notes and neither should they be considered as a recommendation by Intesa Sanpaolo, INSPIRE, SEB, the Trustee, the Dealers or any of them that any recipient of this Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of Intesa Sanpaolo, INSPIRE, SEB and the Intesa Sanpaolo Group.

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed €70,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement as

defined under "*Subscription and Sale*"). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

This Prospectus has been prepared on the basis that, except to the extent that sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuers or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable and the Issuers have consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuers nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the relevant Issuer or any Dealer to publish or supplement a prospectus for such offer.

In this Prospectus, references to "U.S." or "USD" are to United States dollars, references to "STG" or "£" are to the lawful currency of the United Kingdom and references to "EUR", "euro", "euros" or "€" are to the currency introduced at the start of the third stage of European Economic and Monetary Union and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3rd May, 1998 on the introduction of the euro, as amended. References to a "regulated market" have the meaning given to that expression by Article 14 of the Markets in Financial Instruments Directive 2004/39/EC.

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

In connection with the issue of any Tranche of Notes under the Programme, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must

end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

CERTAIN DEFINITIONS

Intesa Sanpaolo 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 1st 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 Prospectus:

- (i) references to "**Intesa Sanpaolo**" are to Intesa Sanpaolo S.p.A. in respect of the period since 1st January, 2007 and references to the "**Intesa Sanpaolo Group**" are to Intesa Sanpaolo and its subsidiaries in respect of the same period;
- (ii) references to "**Banca Intesa**" or "**Intesa**" are to Banca Intesa S.p.A. in respect of the period prior to 1st January, 2007 and references to the "**Banca Intesa Group**" are to Banca Intesa and its subsidiaries in respect of the same period; and
- (iii) references to "**Sanpaolo IMI**" are to Sanpaolo IMI S.p.A. in respect of the period from 1st 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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SUMMARY

This Summary must be read as an introduction to this Prospectus. Any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the information incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each EEA State no civil liability will attach to the persons responsible for this Summary in any such EEA State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in an EEA State, the claimant may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Prospectus before legal proceedings are initiated.

Words and expressions defined in the "Terms and Conditions of the Notes" or elsewhere in this Prospectus have the same meaning in this section.

Summary of Intesa Sanpaolo S.p.A.

Intesa Sanpaolo is the surviving entity following the merger by incorporation of Sanpaolo IMI S.p.A. with and into Banca Intesa S.p.A., which was completed on 1st January, 2007. Upon completion of the merger, the surviving entity changed its name from Banca Intesa S.p.A. to Intesa Sanpaolo S.p.A.

Legal status and information

Intesa Sanpaolo is a company limited by shares, incorporated in 1925 under the laws of Italy and 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".

Registered office

Intesa Sanpaolo's registered office is at Piazza San Carlo 156, 10121 Turin and its telephone number is +39 0115551. Intesa Sanpaolo's secondary office is at Via Monte di Pietà 8, 20121 Milan.

Objects

The objects of Intesa Sanpaolo are deposit-taking and the carrying-on of all forms of lending activities, including through its subsidiaries. Intesa Sanpaolo 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.

Share capital

At 30th June, 2011, Intesa Sanpaolo's issued and paid-up share capital amounted to €6,646,547,922.56, divided into 12,781,822,928 shares with a nominal value of €0.52 each, in turn comprising 11,849,332,367 ordinary shares and 932,490,561 non-convertible savings shares.

Organisational structure

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

The activity of the Intesa Sanpaolo Group is organised by business units:

- The **Banca dei Territori Division**, which includes Italian subsidiary banks, operates with 5,376 branches serving 11 million customers and is based on a business model oriented to maintain and enhance regional brands, strengthen local commercial coverage and relations with individuals, small businesses and small-to-medium enterprises. Banca Prossima was established to serve non-profit entities and operates through the Intesa Sanpaolo Group's branches, with local offices and dedicated professionals.

The activities of this Division include private banking, industrial credit (operated by Mediocredito Italiano) and bancassurance (operated by EurizonVita, Sud Polo Vita, Centrovita Assicurazioni and Intesa Sanpaolo Vita in the life insurance sector and Intesa Sanpaolo Assicura in the casualty sector, with products mainly addressed to the safeguard of person and assets).

- The **Corporate & Investment Banking Division** has the mission of supporting the steady and sustainable growth of businesses and financial institutions with a medium/long term view, on a national and international basis, acting as a "global partner" with an in-depth understanding of company strategies and a complete service range. The Division includes M&A activities, structured finance and capital markets (performed through Banca IMI S.p.A.) and also merchant banking. It is present in 29 countries supporting the cross-border activity of its customers through a specialised network which comprises foreign branches, representative offices and subsidiaries performing corporate banking activity.
- The **International Subsidiary Banks Division**, which is responsible for activities outside Italy, operates through subsidiary and partly-owned commercial banks and provides guidelines, coordination and support to subsidiaries abroad which are active in retail and commercial banking. It operates with 1,724 branches serving approximately 8.3 million customers in the following 13 countries in Central-Eastern Europe and the Mediterranean region: Albania (Intesa Sanpaolo Bank Albania), Bosnia-Herzegovina (Intesa Sanpaolo Banka Bosna i Hercegovina), Croatia (Privredna Banka Zagreb), Egypt (Bank of Alexandria), the Russian Federation (Banca Intesa), Greece (with the Athens branch of Intesa Sanpaolo Bank Albania), the Czech Republic (with the Prague branch of VUB Banka), Romania (with Intesa Sanpaolo Bank Romania and Banca CR Firenze Romania), Serbia (Banca Intesa Beograd), Slovakia (VUB Banka), Slovenia (Banka Koper), Hungary (CIB Bank) and Ukraine (Pravex-Bank).

- **Public Finance** is responsible for customers in government, public entities, local authorities, public utilities, general contractors, public and private healthcare structures, developing activities related to lending and day-to-day banking operations, project financing, securitisations, financial advisory, with the aim of favouring cooperation between public and private entities and supporting initiatives and investment projects in large infrastructures, healthcare, research and public utilities in general. Public finance activities are performed through Banca Infrastrutture Innovazione e Sviluppo.
- **Eurizon Capital** is the Intesa Sanpaolo Group's asset management company.
- **Banca Fideuram** is the Intesa Sanpaolo Group company specialised in asset gathering, performed by the network of financial advisors and 98 branches serving customers with medium to high savings potential.

Summary of Intesa Sanpaolo Bank Ireland p.l.c.

Intesa Sanpaolo Bank Ireland p.l.c. ("**INSPIRE**") was incorporated in Ireland on 22nd September, 1987 under the Irish Companies Acts 1963 to 1986 (now the Companies Acts 1963 to 2005, as amended) and has changed its legal name from time to time since its date of incorporation, most recently on 31st August, 2007 to its current legal name. INSPIRE holds a banking licence pursuant to section 9 of the Central Bank Act, 1971. As a fully licensed bank in Ireland, INSPIRE is regulated by the Central Bank of Ireland. INSPIRE is registered with the Registrar of Companies in Dublin under registration number 125216. Its registered office is located at 3rd floor, KBC House, 4 George's Dock, IFSC Dublin 1 (tel: +353 1 6726 720). INSPIRE is a wholly owned subsidiary of Intesa Sanpaolo and it has no active subsidiaries.

Since its incorporation, INSPIRE has been active in various segments of banking business. Its main activity is intra-group lending, international lending to corporate and credit institutions, management of a portfolio of securities held for liquidity purposes and treasury activities.

INSPIRE currently has 30 employees.

Summary of Société Européenne de Banque S.A.

Société Européenne de Banque S.A. ("**SEB**") was incorporated in Luxembourg on 2nd June, 1976 under Luxembourg law, and notably the law of 10th August, 1915, as amended. SEB holds a banking licence pursuant to Luxembourg law issued on 19th May, 1976 under number 23906 by the *Ministère des Classes Moyennes*. As a fully licensed bank in Luxembourg, SEB is regulated by the CSSF. SEB is registered with the Register of Commerce and Companies (*Registre de Commerce et des Sociétés*) in Luxembourg under registration number B13859. Its registered office is located at 19-21 Boulevard du Prince Henri, L-1724 Luxembourg (tel: +352 4614111). SEB is a wholly owned subsidiary of Intesa Sanpaolo Holding International S.A., itself a wholly owned subsidiary of Intesa Sanpaolo. SEB currently has two active subsidiaries, Lux Gest Asset Management S.A., a Luxembourg asset management company, and Intesa Sanpaolo Private Bank (Suisse) S.A., a Swiss based bank.

Since its incorporation, SEB has been active in various segments of banking business. Its main activity is corporate structuring, domiciliation and accounting services, private banking and wealth management, international lending to corporate and credit institutions,

management of a portfolio of securities held for liquidity purposes and treasury activities, and intra-group lending.

SEB currently has 210 employees.

Summary of the Notes

Form of Notes

Notes will be issued in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**"), as specified in the relevant Final Terms. Bearer Notes will not be exchangeable for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes. No single Series or Tranche may comprise both Bearer Notes and Registered Notes.

Currencies

Notes may be denominated in any currency, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Maturities

Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Denominations

Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements and save that, subject to any minimum denomination of Notes to be issued by INSPIRE and SEB, the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if Notes are denominated in a currency other than Euro, the equivalent amount in such currency).

Redemption

Notes may be redeemed at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Final Terms. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Final Terms. Redemption of Subordinated Notes is subject in certain circumstances to regulatory approval.

Governing law

The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with them will be governed by English law, save that the subordination provisions applicable to Intesa Sanpaolo Subordinated Notes and the subordination provisions which relate to the Subordinated Guarantee and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, Italian law and

the subordination provisions applicable to INSPIRE Subordinated Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, Irish law.

The subordination and the redemption provisions applicable to SEB Lower Tier II Subordinated Notes and insolvency or liquidation provisions applicable to SEB and any non-contractual obligations arising out of or in connection with such provisions shall be governed by, and construed in accordance with, Luxembourg Law.

Listing, approval and admission to trading

The Luxembourg Stock Exchange and/or any other stock exchange (as may be agreed between Intesa Sanpaolo and/or INSPIRE and/or SEB and the relevant Dealer and specified in the relevant Final Terms) or may be unlisted.

Summary of Risk Factors

The purchase of Notes may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes.

Material risks that may affect any Issuer's ability to fulfil its obligations under Notes issued under the Programme include:

- risks relating to risk management;
- credit risks;
- country risks;
- market risks, including market risks from trading and banking books;
- foreign exchange risks;
- issuer and counterparty risks;
- liquidity risks;
- operational risks;
- strategic risk;
- reputational risks;
- insurance business risks;
- risks arising from competition;
- legal risks;
- risks arising from changes in regulatory framework; and

- the Issuer is subject to the current disruptions and volatility in the global financial markets.

Material risks relating to the structure of a particular issuance of Notes may (depending on the terms of the particular issue) include:

- the Notes may not be suitable for all investors;
- a market for selling the Notes may not be available;
- the market price of the Notes may be volatile;
- credit ratings assigned by rating agencies may not reflect all risks;
- the Notes may not pay interest or the payment of interest may depend on the market value of other securities; and
- payment of principal or interest may occur at different times or in a different currency from that expected.

Please see the heading "*Risk Factors*".

RISK FACTORS

The Issuers believe that the following factors may affect their ability to fulfil their obligations under Notes issued under the Programme. Most of these 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, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuers believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers to pay interest, principal or other amounts on or in connection with any Notes 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 Notes are exhaustive.

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

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meaning in this section. Prospective investors should read the entire Prospectus.

Factors that may affect the Issuers' ability to fulfil their obligations under Notes issued under the Programme

Risk management

The Intesa Sanpaolo Group attaches great importance to risk management and control as conditions to ensure reliable and sustainable value creation in a context of controlled risk, protect the Intesa Sanpaolo Group's financial strength and reputation and permit a transparent representation of the risk profile of its portfolios.

The basic principles of risk management and control are: clear identification of responsibility for acceptance of risk, measurement and control systems in line with international best practices and organisational separation between the functions that carry out day-to-day operations and those that carry out controls.

The policies relating to the acceptance are defined by the supervisory board and the management board of the parent company Intesa Sanpaolo S.p.A., with support from specific operating committees, and from the group risk governance committee and chief risk officer, reporting directly to the chief executive officer.

Intesa Sanpaolo S.p.A. is in charge of overall direction, management and control of risks, whereas the Intesa Sanpaolo Group companies that generate credit and/or financial risks have their own control structures and operate within the assigned autonomy limits. A service agreement governs the risk control activities performed by the parent company on behalf of the main subsidiaries. These functions report directly to the subsidiaries' management bodies.

The risk measurement and management tools together define a risk-monitoring framework at the Intesa Sanpaolo Group level, capable of assessing the risks assumed by the Intesa Sanpaolo Group from a regulatory and economic point of view. The level of absorption of economic capital, defined as the maximum "unexpected" loss that could be borne by the Intesa Sanpaolo Group over a period of one year, is a key measure for determining the Intesa Sanpaolo Group's financial structure, risk appetite and for guiding operations, ensuring a balance between risks assumed and shareholder returns. It is estimated on the basis of the current situation and also as a forecast, based on the budget assumptions and projected economic scenario under ordinary and stress conditions. The capital position forms the basis for the business reporting and is submitted quarterly to the Intesa Sanpaolo Group, risk governance committee, the management board and the control committee, as part of the Intesa Sanpaolo Group's Risks *Tableau de Bord*.

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.

As part of Basel II Project, the goal of which is for the main Intesa Sanpaolo Group companies to adopt advanced approaches, relating to credit risk, the supervisory authority granted permission to use the advanced internal rating base approach for the corporate segment and the internal rating base approach for the retail mortgages segment on an initial scope of companies being part of the Intesa Sanpaolo Group (including the parent company and most of the banks being part of the network and Italian companies).

The Intesa Sanpaolo Group is proceeding with development of the rating models for the other business segments and the extension of the scope of companies for their application in accordance with the gradual roll-out plan for the advanced approaches presented to the supervisory authority.

Regarding operational risk, as of 31st December, 2009, Intesa Sanpaolo Group was authorised by the Bank of Italy to use the advanced measurement approaches to determine capital requirements for operational risk with respect to an initial scope of banks and companies. Effective from 31st December, 2010, the Intesa Sanpaolo Group was then authorised to extend advanced approaches to a second set of companies. The remaining Intesa Sanpaolo Group companies that currently use the standardised approach are expected to gradually migrate to the advanced measurement approaches based on the roll-out plan submitted to management and presented to supervisory authorities.

Credit Risk

Credit risk is the risk of losses due to the failure on the part of the Intesa Sanpaolo Group's counterparties (customers) to meet their payment obligations to the Intesa Sanpaolo Group. Credit risk refers to all claims against customers, mainly loans, but also liabilities in the form of other extended credits, guarantees, interest-bearing securities, approved and undrawn credits, as well as counter-party risk arising through derivatives and foreign exchange contracts. Credit risk also consists of concentration risk, country risk and residual risks, both from securitisations and uncertainty regarding credit recovery rates. Credit risk represents the chief risk category for the Intesa Sanpaolo Group.

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

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

With specific reference to the retail mortgage segment, Intesa Sanpaolo received during the first half of 2010 the authorisation from the Bank of Italy to use the "Internal Rating Base" model.

The main characteristics of the probability of default ("**PD**") and LGD models for corporate and retail mortgages, which are validated for Basel II advanced approaches, are the following:

- PD model
 - Corporate segment models are based on financial, behavioural and qualitative data of the customers. They are differentiated according to the market in question (domestic or international) and the size bracket of the company. Specific models are implemented for specialised lending (real estate development initiatives and project finance transactions).
 - The Intesa Sanpaolo Group model for the retail mortgages segment, adopted in late 2008, processes information relating to both the customer and the contract. It differentiates between initial disbursement, where the application model is used, and the subsequent assessment during the lifetime of the mortgage (behavioural model), which takes into account behavioural information.
- LGD model

LGD models are different according to the portfolio: corporate and retail mortgages models, for which advanced internal rating base and internal rating base methods, respectively, were approved, have developed on the basis of a workout approach, that is by analysing the losses suffered by the Intesa Sanpaolo Group on historical defaults. The LGD is therefore determined on the basis 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 regulations.

Country risk

Assessment of creditworthiness of countries and their respective sovereigns is based on an internal country rating model which is used every six months to update the rating of over 260 countries. This model is based primarily on a quantitative analysis of the ratings issued by the main rating agencies (Moody's, Standard & Poor's Ratings Services and Fitch Ratings

Limited), the perception of country risk by the international financial markets (the Moody's Market Implied Rating) and the main macroeconomic indicators for each country. The analysis also involves the qualitative judgment of the rating committee of Intesa Sanpaolo, whose members bring into the discussion the more recent economic and political news using their experience to convey them into a more accurate final rating.

Market Risks

Market risk trading book

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

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

- interest rates;
- equity and market indexes;
- investment funds;
- foreign exchange rates;
- implied volatilities;
- spreads in credit default swaps (CDS);
- spreads in bond issues;
- correlation instruments;
- dividend derivatives;
- asset-backed securities (ABS);
- commodities.

A number of the other Intesa Sanpaolo Group subsidiaries hold smaller trading portfolios with a marginal risk (around 5 per cent. of the Intesa Sanpaolo Group's overall risk). In particular, the risk factors of the international subsidiaries' trading books were interest rates and foreign exchange rates, both relating to linear pay-offs. For some of the risk factors indicated above, the supervisory authority has validated the internal models for the reporting of the capital absorptions of both Intesa Sanpaolo and Banca IMI S.p.A. In particular, the validated risk profiles for market risks are: (i) generic on debt securities and generic/specific on equities for Intesa Sanpaolo and Banca IMI S.p.A., (ii) position risk on quotas of funds

underlying CPPI (Constant Proportion Portfolio Insurance) products for Banca IMI S.p.A., (iii) optional risk and specific risk for the CDS portfolio for Intesa Sanpaolo, (iv) position risk on dividend derivatives, and (v) 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 and 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 main subsidiaries that carry out retail and corporate banking. The banking book also includes exposure to market risks deriving from the equity investments in listed companies not fully consolidated, mostly held by the parent company and by the subsidiaries Equiter, IMI Investimenti and Private Equity International.

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

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

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

The main types of derivative contracts used are interest rate swaps (IRS), overnight index swaps (OIS), cross currency swaps (CCS) and options on interest rates stipulated by Intesa Sanpaolo with third parties or with other Intesa Sanpaolo Group companies (e.g. Banca IMI S.p.A.), which, in turn, cover the risk in the market so that the hedging transactions meet the criteria to qualify as IAS compliant for consolidated financial statements. Hedging activities performed by the Intesa Sanpaolo Group are recorded using various hedge accounting

methods. A first method refers to the fair value hedge of specifically identified assets and liabilities (microhedging), mainly consisting of bonds issued or acquired by the Intesa Sanpaolo Group companies and loans to customers. Moreover, macro-hedging is carried out on the stable portion of on demand deposits in order to hedge against fair value changes intrinsic to the instalments under accrual generated by floating rate operations. Intesa Sanpaolo is exposed to this risk in the period from the date on which the rate is set and the interest payment date. Another hedging method used is the cash flow hedge which has the purpose of stabilising interest flow on variable rate funding to the extent that the latter finances fixed-rate investments (macro cash flow hedge).

The risk management department is in charge of measuring the effectiveness of interest rate risk hedges for the purpose of hedge accounting, in compliance with international accounting standards.

Foreign exchange risk

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

Issuer and counterparty risk

Issuer risk in the trading portfolio is analysed in terms of mark to market, by aggregating exposures in rating classes and is monitored using a system of operating limits based on both rating classes and concentration indices. A limit at legal entity level (for Intesa Sanpaolo and Banca IMI S.p.A.) is also defined and monitored in terms of Incremental Risk Charge (Credit VaR calculated over a one year time horizon at a confidence level of 99.9 per cent. on bonds, single name CDS and index CDS relating to the issuer trading book portfolio of each bank). Counterparty risk, measured in terms of substitution cost, is monitored both in terms of individual and aggregate exposures by the credit department.

Liquidity risk

Liquidity risk is defined as the risk that the Intesa Sanpaolo Group is not able to meet its payment obligations when they fall due (funding liquidity risk). Normally, the Intesa Sanpaolo Group is able to cover cash outflows through cash inflows, liquid assets and its ability to obtain credit. With regard to the liquid assets in particular, there may be strains in the market that make them difficult (or even impossible) to sell or be used as collateral in exchange for funds. From this perspective, the bank's liquidity risk is closely tied to the market liquidity conditions (market liquidity risk).

The guidelines for liquidity risk management adopted by the Intesa Sanpaolo Group outline the set of principles, methodologies, regulations and control processes required to prevent the occurrence of a liquidity crisis and call for the Intesa Sanpaolo Group to develop prudential approaches to liquidity management, making it possible to maintain the overall risk profile at extremely low levels.

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, that is the risk of losses deriving from breach of laws or regulations, contractual or out-of-contract responsibilities or other disputes (excluding strategic and reputational risks).

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

The control of operational risk was attributed to the management board, which identifies risk management policies, and to the supervisory board, which is in charge of their approval and verification, as well as of the guarantee of the functionality, efficiency and effectiveness of the risk management and control system.

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

The Intesa Sanpaolo Group has a centralised function within the 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 their own operational risks. Specific officers and departments have been identified within these business units to be responsible for operational risk management (structured collection of information relative to operational events, scenario analyses and evaluation of the business environment and internal control factors).

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

- identify, measure, monitor and mitigate operational risk; and
- create significant synergies with the specialised functions of the organisation and security department that supervise the planning of operational processes and business continuity issues and with the internal control functions (in particular compliance and internal auditing) that supervise specific regulations and issues (such as Legislative Decree No. 231/05, Law 262/05) or conduct tests of the effectiveness of controls of company processes.

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

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*).

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, parent company's business areas, the corporate centre) with the objective of assessing the potential economic impact of particularly serious 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 loss); capital-at-risk is estimated using a "Loss Distribution Approach" model (actuarial statistical model to calculate the VaR 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 of the evaluation of the business environment, to take account of the effectiveness of internal controls in the various organisational units.

Monitoring of operational risks is performed by an integrated reporting system, which provides management with the information necessary for the management and/or mitigation of the operational risk.

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

Strategic Risk

Strategic risk is defined as the risk associated with a potential decrease in profits or capital due to changes in the operating environment of the Intesa Sanpaolo Group, misguided Intesa Sanpaolo Group decisions, inadequate implementation of decisions, or an inability to sufficiently react to competitive forces. The Intesa Sanpaolo Group is able to mitigate strategic risk by following the implemented policies and procedures that place strategic decision making responsibility with the supervisory board and management board, who are supported by the Intesa Sanpaolo Group's departments and committees.

Reputational Risk

Reputational risk is defined as the current and prospective risk of a decrease in profits or capital due to a negative perception of Intesa Sanpaolo's image by customers, counterparties, shareholders, investors and supervisory authorities. Reputational damage could affect all business areas, independent of where in the Intesa Sanpaolo Group the original incident occurred. The Intesa Sanpaolo Group's reputation could also be harmed by negative events in other institutions if the market considers the Intesa Sanpaolo Group to be in the same or similar category of institution. The Intesa Sanpaolo Group has adopted and published a code of ethics that sets out the values and principles that the Intesa Sanpaolo Group intends to follow in its dealings with all stakeholders (customers, employees, suppliers, shareholders, the environment and, more generally, the community) and its objectives hold the Intesa Sanpaolo Group to a higher standard than that required for compliance with applicable laws.

Risk on owned real-estate assets

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

Risks specific to Intesa Sanpaolo Group's insurance business

Life business

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

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

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

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

Non-life business

The typical risks of the non-life insurance portfolio (managed through Intesa Sanpaolo Assicura and CentroVita) 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 reputation risks.

As at 30th June, 2011, the investment portfolios at book value amounted to € 79,482 million. Of these, the portion regarding life policies, non-life policies and free capital ("portfolio at risk") amounted to € 45,929 million, while the other component ("portfolio with total risk retained by the insured") mostly comprised investments related to index and unit-linked policies and pension funds equal to € 33,553 million.

In terms of breakdown by asset class, 93.2 per cent. of assets consisted of bonds, whereas assets subject to equity price risk represented 2 per cent. of the total. The remaining part consisted of investments relating to UCI, private equity and hedge funds (4.8 per cent.).

The investment portfolio had a high credit rating. As of 30th June, 2011, bonds with very high ratings (AAA/AA) represented approximately 77.4 per cent. of total investments, while a further 10.2 per cent. had A-ratings. The securities in the low investment grade area (BBB) represented 4.4 per cent. of the total, while the share of speculative grade or unrated securities was approximately 1.2 per cent.. The high level of credit quality also emerges from the breakdown by issuer/counterparty: securities issued by governments and central banks represented 69.5 per cent. of the total, while financial companies (mainly banks) contributed almost 19.7 per cent. of the exposure and industrial securities made up approximately 4 per cent.. As at the end of the first half of 2011 the fair value sensitivity of bonds to a change in issuer credit rating, intended as a market credit spread shock of +100 basis points, was negative €2,463 million and was comprised of government issuers (-€ 1,995 million) and corporate issuers, being financial institutions and industrial companies (-€ 468 million).

Competition

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

In particular, such competition has had two main effects:

- a progressive reduction in the differential between lending and borrowing interest rate, which may result in Intesa Sanpaolo facing difficulties in maintaining its actual rate of growth in interest rate margins; and

- a progressive reduction in commissions and fees, particularly from dealing on behalf of third parties and orders collection, due to competition on prices.

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

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

Legal risks

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

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 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 is currently being amended in response to the credit crisis, and new legislation and regulations are being introduced in Italy and the European Union that will affect the Intesa Sanpaolo Group, including proposed regulatory initiatives that could significantly alter the Intesa Sanpaolo Group's capital requirements. In particular:

- EU Directive 2009/111/EC has amended EU Directive 2006/48/EC and 2006/49/EC (together, the "**CRD**") and has changed the criteria for assessing capital eligible to be included in Tier I Capital.
- EU Directive 2010/76/EU ("**CRD III**") has further amended the CRD as regarding capital requirements for the trading book and for re-securitisations, and the supervisory review of remuneration policies. The CRD III has introduced a number of changes in response to the recent and current market conditions, such as:
 - increase of capital requirements for trading books to ensure that a bank's assessment of the risks connected with its trading book better reflects the potential losses from adverse market movements in stressed conditions;
 - imposition of higher capital requirements for re-securitisations to make sure that banks take proper account of the risks of investing in such complex financial products; and
 - restriction on the remuneration payable to individuals fulfilling roles with potential impact on a bank's risk profile.

The changes relating to remuneration have already come into force and the changes relating to the trading book and re-securitisation positions are expected to come into force on 31st December, 2011.

- Furthermore, on 16th December, 2010 and 13th January, 2011, the Basel Committee issued its final guidance on the proposed changes to capital adequacy and liquidity requirements ("**Basel III**"), which envisages a substantial strengthening of existing capital rules, including through the following proposals:
 - raising the quality of the Core Tier I capital base in a harmonised manner (including through changes to the items which give rise to adjustments to that capital base and a reform of the capital structure;
 - introducing a requirement for non-Core Tier I and Tier II capital instruments to have a mechanism that requires them to be written off on the occurrence of a bailout of the institution;
 - strengthening the risk coverage of the capital framework;
 - promoting the build up of capital buffers; and
 - introducing a new leverage ratio as well as short-term and long-term standards for funding liquidity (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio).

The implementation of the Basel III reforms will begin on 1st January, 2013; however, the requirements are subject to a series of transitional arrangements and will be phased in over a period of time. Member countries will be required to implement the new capital standards from January 2013, the new Liquidity Funding Ratio from January 2015 and the Net Stable Funding Ratio from January 2018.

In the European Union, the Basel III proposals are expected to be implemented by way of further changes to the CRD, which will be transposed into national law by EU Member States. As at the date of this Prospectus, the European Commission has published a public consultation document on proposed amendments to the CRD (the "**CRD IV**"), which reflects the consultation documents issued by the Basel Committee in December 2009 (the "**Basel III Proposal**"), later finalised in the form of Basel III; since few changes were made between the Basel III Proposal and Basel III, the CRD IV largely reflects Basel III. An updated public consultation document in respect of CRD IV is expected to be published later this year. Once CRD IV is adopted, Italy, Luxembourg and Ireland will be required to enact implementing laws and regulations.

Significant uncertainty remains around the final requirements and implementation of these proposed initiatives. If certain of these measures were implemented as currently proposed, in particular the changes proposed by the Basel Committee and the CRD IV consultation document relating to instruments that are eligible to be included within the Core Tier I capital base, they would be expected to have a significant impact on the capital and asset and liability management of the Intesa Sanpaolo Group.

Such changes in the regulatory framework and how they are implemented may have a material effect on the Intesa Sanpaolo Group's business and operations. As the new

framework of banking laws and regulations affecting the Intesa Sanpaolo Group is currently being implemented, the manner in which those laws and related regulations will be applied to the operations of financial institutions is still evolving. No assurance can be given that laws and regulations will be adopted, enforced or interpreted in a manner that will not have an adverse effect on the business, financial condition, cash flows and results of operations of the Intesa Sanpaolo Group.

The Issuer is subject to the current disruptions and volatility in the global financial markets

Each of the Issuers is subject to the current disruptions and volatility in the global financial markets. During the course of 2011, the debt crisis in the Euro-zone has intensified and three countries (Greece, Ireland and Portugal) have requested the financial aid of the European Union and the International Monetary Fund. Credit quality has generally declined, as reflected by the repeated downgrades suffered by several countries in the Euro-zone periphery since the beginning of the sovereign debt crisis in May 2010. The large sovereign debts and fiscal deficits in European countries have raised concerns regarding the financial condition of Euro-zone financial institutions and their exposure to such countries. These concerns may have an impact on Euro-zone banks' funding.

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, financial condition and prospects as well as on the marketability of the Notes.

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

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

The unavailability of liquidity through such measures, or the decrease or discontinuation of such measures by governments and central authorities could result in increased difficulties in

procuring liquidity in the market and/or result in higher costs for the procurement of such liquidity, thereby adversely affecting the Intesa Sanpaolo Group's business, financial condition and results of operations.

Risks relating to the Notes

The Notes may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes 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 Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its

cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

Each Issuer may issue Notes with principal and/or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each a "**relevant factor**"). In addition, each Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency from that expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) the relevant factors may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a relevant factor is applied to the Notes in conjunction with a multiplier greater than one or contains any other leverage factor, the effect of changes in the relevant factor on principal or interest payable is likely to be magnified; and
- (vii) the timing of changes in a relevant factor may affect the actual yield to investors, even if the average level is consistent with their expectations.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same

reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes 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 Notes since that Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If that Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If that Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes 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.

Subordinated Notes

If any of the Issuers or the Guarantor is declared insolvent and a winding up is initiated, it will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors) in full before it can make any payments on Subordinated Notes. If this occurs, the Issuer and/or the Guarantor may not have enough assets remaining after these payments to pay amounts due under such Notes.

In addition, the payment obligations of Intesa Sanpaolo under its Upper Tier II Subordinated Notes rank behind its Lower Tier II Subordinated Notes and Tier III Notes. Similarly, the payment obligations of INSPIRE under Upper Tier II Subordinated Notes issued by it rank behind Lower Tier II Subordinated Notes issued by it and the payment obligations of Intesa Sanpaolo under the Subordinated Guarantee of Upper Tier II Subordinated Notes of INSPIRE rank behind its Subordinated Guarantee of Lower Tier II Subordinated Notes of INSPIRE.

The claims of the holders of Intesa Sanpaolo Upper Tier II Subordinated Notes in relation to payments of principal and interest will be reduced to the extent necessary to enable Intesa Sanpaolo to maintain its capital at certain minimum levels required by the Bank of Italy. In addition, the Issuer may defer interest payments on such Notes in certain circumstances where annual or interim dividends are not declared. In addition, Intesa Sanpaolo's payment obligations under Intesa Sanpaolo Tier III Subordinated Notes will be suspended if Intesa Sanpaolo's Total Amount of Regulatory Capital (either on a consolidated or unconsolidated basis) is less than or, following any such payment of principal and interest, would fall to a level lower than the aggregate minimum credit risk capital requirements of Intesa Sanpaolo, as required by the Bank of Italy.

The claims of the holders of INSPIRE Upper Tier II Subordinated Notes in relation to payments of principal and interest will be reduced to the extent necessary to enable INSPIRE to continue to trade where it has suffered losses which would prevent it from continuing to trade under applicable law. In addition, the payment obligations of Intesa Sanpaolo under the Subordinated Guarantee of such Notes will be reduced to the extent necessary to enable Intesa Sanpaolo to maintain its capital at certain minimum levels required by the Bank of Italy.

Any reduction or deferral of payments of principal and interest is likely to have an adverse effect on the market price of Upper Tier II Subordinated Notes and/or Tier III Subordinated Notes. In addition, as a result of the payment reduction and deferral provisions described above, the market price of Upper Tier II Subordinated Notes and Tier III Subordinated Notes may be more volatile than the market prices of debt securities which are not subject to such provisions and may be more sensitive generally to adverse changes in the financial condition of Intesa Sanpaolo and the Intesa Sanpaolo Group. For a full description of the provisions relating to Subordinated Notes and the Subordinated Guarantee, see Conditions 4(b) (*Status - Subordinated Notes issued by Intesa Sanpaolo*), 4(c) (*Status - Subordinated Notes issued by INSPIRE*) and 5(b) (*Status - Subordinated Guarantee*).

Regulatory classification of the Notes

The intention of the Issuers is for Subordinated Notes to qualify on issue as "Lower Tier II capital", "Upper Tier II capital" or "Tier III capital", as applicable. Current regulatory practice by the Bank of Italy (in the case of Intesa Sanpaolo) or the Central Bank of Ireland (in the case of INSPIRE) or the CSSF (in the case of SEB) does not require (or customarily provide) a confirmation prior to the issuance of Subordinated Notes that the Notes will be treated as such. Although it is the expectation of the respective Issuers that the Notes qualify as "Lower Tier II capital", "Upper Tier II capital" or "Tier III capital", as applicable, there can be no representation that this is or will remain the case during the life of the Notes or that the Notes will be grandfathered under the implementation of future EU capital requirement regulations.

Integral multiples of less than €100,000 or €50,000

Subject to any minimum denomination applicable to Notes issued by INSPIRE or SEB, in relation to any Notes issued in denominations representing the aggregate of (i) a minimum Specified Denomination of €100,000 or €50,000, plus (ii) integral multiples of another smaller amount, Notes may be traded in amounts which, although greater than €100,000 or €50,000 (or its equivalent in another currency), are not integral multiples of €100,000 or €50,000 (or its equivalent). In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than €100,000 or €50,000 will not receive a definitive Note in respect of such holding (if definitive Notes are printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Risks related to Notes generally

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

Modification, waivers and substitution

The Trust Deed and the Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 17 (*Meetings of Noteholders; Modification and Waiver; Substitution, Additional Issues*).

U.S. Foreign Account Tax Compliance Withholding

The Issuers and other non-U.S. financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31st December, 2014 in respect of (i) any Notes issued after 18th March, 2012 (and (ii) any Notes which are treated as equity for U.S. federal tax purposes, whenever issued) pursuant to the U.S. Foreign Account Tax Compliance Act ("**FATCA**"). This withholding tax may be triggered if (i) the Issuer is a foreign financial institution ("**FFI**") (as defined by FATCA), which enters into and complies with an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information on its account holders (a term which includes the holders of its debt or equity interests that are not regularly traded on an established securities market) (making the Issuer a "participating FFI"), (ii) the Issuer has a positive "passthru percentage" (as defined by FATCA), and (iii)(A) an investor does not provide information sufficient for the participating FFI (or the Guarantor, if payment is required under the Deed of Guarantee) to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of such Issuer, or (B) any FFI through which payment on such Notes is made is not a participating FFI.

The application of FATCA to interest, principal or other amounts paid with respect to the Notes is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of a holder's failure to comply with these rules or as a result of the presence in the payment chain of a non-participating FFI, none of the Issuers, the Guarantor, any paying agent or any other person would, pursuant to the conditions of the Notes, be required to pay Additional Amounts as a result of the deduction or withholding of such tax. As a result, investors may, if FATCA is implemented as currently proposed by the IRS, receive less interest or principal than expected. Holders of Notes should consult their own tax advisors on how these rules may apply to payments they receive under the Notes.

The application of FATCA to Notes issued after 18th March, 2012 (or whenever issued, in the case of Notes treated as equity for U.S. federal tax purposes) may be addressed in the relevant Final Terms or a supplement to the Prospectus, as applicable.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Tax Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a paying agent (within the meaning of the EU Savings Tax Directive) within its jurisdiction to, or collected

by such a paying agent (within the meaning of the EU Savings Tax Directive) for, an individual resident or certain limited types of entity known as "residual entities" as defined in article 4-2 of the EU Savings Tax Directive established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at the rate of 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries (including Switzerland) and certain dependent or associated territories of certain Member States (including Switzerland), have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent (within the meaning of the EU Savings Tax Directive) within its jurisdiction to, or collected by such a paying agent (within the meaning of the EU Savings Tax Directive) for, an individual resident or certain limited types of entity, known as "residual entities", established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity, known as "residual entities", established in one of those territories.

The European Commission has proposed certain amendments to the EU Savings Tax Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

Change of law

The conditions of the Notes are governed by English law in effect as at the date of this Prospectus, except for the subordination provisions of the Notes, which are based on Italian law (in the case of Notes issued by Intesa Sanpaolo), Irish law (in the case of Notes issued by INSPIRE), the subordination and redemption provisions applicable to SEB Lower Tier II Notes and the insolvency or liquidation provisions applicable to SEB which are based on Luxembourg law, and the subordination provisions of the Subordinated Guarantee, which are based on Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English, Italian or Irish law or administrative practice after the date of this Prospectus.

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

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depository or common safekeeper, as the case may be, for Euroclear and

Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

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

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes 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 Notes 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 Notes. In addition, Notes 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 Notes may be adversely affected.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes 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 Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

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

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended by Regulation (EC) No 513/2011) (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). Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

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

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description does not purport to be complete and is qualified in its entirety by the remainder of this Prospectus. Capitalised terms used elsewhere in this Prospectus shall have the same meanings in this description.

Issuers:	Intesa Sanpaolo S.p.A. Intesa Sanpaolo Bank Ireland p.l.c. Société Européenne de Banque S.A.
Guarantor:	Intesa Sanpaolo S.p.A. (in respect of Notes issued by INSPIRE and SEB)
Joint Arrangers:	Banca IMI S.p.A. Deutsche Bank AG, London Branch
Dealers:	Banca IMI S.p.A., Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Dexia Banque Internationale à Luxembourg, société anonyme, acting under the name of Dexia Capital Markets, Goldman Sachs International, HSBC Bank plc, Intesa Sanpaolo S.p.A., J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc, Natixis, The Royal Bank of Scotland plc, Société Générale, UBS Limited and any other Dealer appointed from time to time by Intesa Sanpaolo, INSPIRE and SEB either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Trustee:	The Law Debenture Trust Corporation p.l.c.
Registrar and Transfer Agent	Deutsche Bank Luxembourg S.A.
Principal Paying Agent:	Deutsche Bank AG, London Branch
Luxembourg Listing Agent:	Société Européenne de Banque S.A.

Listing, approval and admission to trading:

This document has been approved by the CSSF as a base prospectus. Application has also been made for Notes issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

Pursuant to Article 18 of the Prospectus Directive, the CSSF may at the request of any Issuer, send to the competent authority of another European Economic Area Member State (i) a copy of this Prospectus; (ii) a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Directive (an "**Attestation Certificate**"); and (iii) if so required by such competent authority, a translation of the Summary set out on pages 2 to 7 of this Prospectus. At the date hereof the Issuers have requested the CSSF to send an Attestation Certificate and copy of this Prospectus to the Central Bank of Ireland in its capacity as competent authority in Ireland.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set out in the Final Terms which, with respect to Notes to be admitted to trading on the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Clearing Systems:

Euroclear Bank S.A./N.V. ("**Euroclear**"), Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**"), Monte Titoli S.p.A. ("**Monte Titoli**") and/or any other clearing system as may be specified in the relevant Final Terms.

Initial Programme Amount: Up to €70,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed (if applicable) at any one time. The Issuers may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.

Issuance in Series: Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date, the issue price and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations. See also "*Taxation - Italian Taxation - Fungible issues*".

Final Terms or Drawdown Prospectus: Notes issued under the Programme may be issued either (i) pursuant to this Prospectus and associated Final Terms or (ii) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes as supplemented, amended and/or replaced by the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus.

Forms of Notes: Notes will be issued as Bearer Notes or Registered Notes, as specified in the relevant Final Terms. Bearer Notes will not be exchangeable for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes. No single Series or Tranche may comprise both Bearer Notes and Registered Notes.

Bearer Notes

Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. The relevant Final Terms will specify whether each Global Note is to be issued in New Global Note or Classic Global Note form (as each such term is defined in the section entitled "*Forms of the Notes*" below). Each Global Note in bearer form (a "**Bearer Global Note**") which is intended to be issued in Classic Global Note form will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and

each Bearer Global Note which is intended to be issued in New Global Note form will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Registered Notes

Each Tranche of Registered Notes will be represented by individual certificates ("**Individual Note Certificates**") or one or more Global Notes in registered form ("**Registered Global Notes**"), in each case as specified in the relevant Final Terms.

Each Note represented by Registered Global Note will either be: (a) in the case of a Registered Global Note which is not to be held under the New Safekeeping Structure (as such term is defined in the section entitled "*Forms of Notes*" below), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Registered Global Note will be deposited on or about the issue date with the common depositary; or (b) in the case of a Registered Global Note to be held under the New Safekeeping Structure, registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Registered Global Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Monte Titoli Notes

Notes which are specified in the relevant Final Terms as having Monte Titoli as a clearing system ("**Monte Titoli Notes**") will be held on behalf of the beneficial owners thereof, from their date of issue until their redemption, by Monte Titoli for the account of the relevant Monte Titoli account holders. The expression "**Monte Titoli account holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes any financial intermediary appointed by Euroclear and/or Clearstream, Luxembourg for the account of participants in Euroclear and/or Clearstream, Luxembourg.

Guarantee of the Notes: Under the Trust Deed, and where such Notes are stated to have the benefit of the Guarantee in the relevant Final Terms and upon the entering into of a Deed of Guarantee, payment of all amounts due in respect of Notes issued by INSPIRE or by SEB shall have the benefit of a guarantee of Intesa Sanpaolo. See also "*— Status of the Guarantee*" and "*— Governing Law*".

Currencies: Notes may be denominated in any currency, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Status of Notes: Notes may be issued either on an unsubordinated basis ("**Unsubordinated Notes**") or on a subordinated basis ("**Subordinated Notes**") as described herein.

Unsubordinated Notes: The status of the Unsubordinated Notes is described in Condition 4(a) (*Status - Unsubordinated Notes*).

Subordinated Notes: Notes issued by Intesa Sanpaolo may be issued as Intesa Sanpaolo Lower Tier II Subordinated Notes, Intesa Sanpaolo Upper Tier II Subordinated Notes or Tier III Subordinated Notes (together, "**Intesa Sanpaolo Subordinated Notes**"), all as described in Condition 4(b) (*Status - Subordinated Notes issued by Intesa Sanpaolo*). Notes issued by INSPIRE may be issued as INSPIRE Lower Tier II Subordinated Notes or INSPIRE Upper Tier II Subordinated Notes (together, the "**INSPIRE Subordinated Notes**"), as described in Condition 4(c)

(Status - Subordinated Notes issued by INSPIRE).

Notes issued by SEB may be issued as SEB Lower Tier II Subordinated Notes (the "**SEB Lower Tier II Subordinated Notes**"), as described in Condition 4(d) *(Status – Lower Tier II Subordinated Notes issued by SEB)*.

Status of Guarantee:

The Guarantee given by Intesa Sanpaolo in respect of Notes issued by INSPIRE or SEB, upon the entering into of a deed of guarantee in the form set out in the Trust Deed, will be given either on an unsubordinated basis ("**Unsubordinated Guarantee**"), in the case of Unsubordinated Notes issued by INSPIRE and SEB, or on a subordinated basis ("**Subordinated Guarantee**"), in the case of Subordinated Notes issued by INSPIRE and SEB, as described in Condition 5 *(Status of the Guarantee)*.

Issue Price:

Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms.

Maturities:

Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

In the case of Intesa Sanpaolo Subordinated Notes, unless otherwise permitted by current laws, regulations, directives and/or the Bank of Italy's requirements applicable to the issue of Intesa Sanpaolo Subordinated Notes, (i) Intesa Sanpaolo Lower Tier II Subordinated Notes must have a minimum maturity of five years (or, if issued for an indefinite duration, redemption of such Notes may only occur five years after their date of issue), (ii) Intesa Sanpaolo Upper Tier II Subordinated Notes must have a minimum maturity of ten years and (iii) Tier III Subordinated Notes must have a minimum maturity of two years.

In the case of INSPIRE Subordinated Notes, unless otherwise permitted by current laws, regulations, directives and/or any requirements of the Central Bank of Ireland applicable to the issue of Subordinated Notes, (i) INSPIRE Lower Tier II Subordinated Notes must have a minimum maturity of five years (or, if issued for an indefinite duration, redemption of such Notes may only occur subject to five years' notice) and (ii) INSPIRE Upper Tier II

Subordinated Notes must be of indeterminate duration.

The SEB Lower Tier II Subordinated Notes must have a minimum maturity of five years (or, if issued for an indefinite duration, redemption of such Notes may only occur subject to five years' notice).

Notes issued by Intesa Sanpaolo with an original maturity of less than 18 months are subject to a withholding tax at the rate of 27 per cent. (20 per cent. on interest due and paid from 1st January, 2012) per annum in respect of interest and premium (if any), pursuant to Legislative Decree No. 600 of 29th September, 1973, and pursuant to Law No. 148 of 14th September, 2011 as more fully described under "*Taxation*" below. Intesa Sanpaolo will not be liable to pay any additional amounts to Noteholders in relation to any such withholding. Any minimum and maximum maturities may be subject to change from time to time as a result of changes to the relevant legal or regulatory requirements.

Redemption:

Notes may be redeemed at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Final Terms. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Final Terms.

The redemption of Intesa Sanpaolo Upper Tier II Subordinated Notes, both at their date of maturity and in the case of early redemption at the option of Intesa Sanpaolo, shall always be subject to the prior approval of the Bank of Italy, such approval being dependent on Intesa Sanpaolo maintaining its minimum capital requirements (*patrimonio di vigilanza*) as prescribed in Title I, Chapter 2 of the 2006 Bank of Italy Regulations immediately following redemption of the Intesa Sanpaolo Upper Tier II Subordinated Notes. If such approval is not given on or prior to the relevant redemption date, Intesa Sanpaolo will re-apply to the Bank of Italy for its consent to such redemption forthwith upon its having again, by whatever means, such required minimum capital. Intesa Sanpaolo will use its best endeavours to maintain such required minimum capital and to obtain such approval. Amounts that would otherwise be payable on the due date for redemption will continue to bear interest as provided in the Conditions and the Trust Deed.

INSPIRE Upper Tier II Subordinated Notes (which will have no stated maturity) may only be redeemed at the initiative of INSPIRE (as the case may be) and with the prior agreement of the Central Bank of Ireland. INSPIRE Lower Tier II Subordinated Notes having a stated maturity (which must be at least five years) may be redeemed on their Maturity Date or, if of indeterminate duration, may be redeemed where five years' notice of redemption has been given. Otherwise INSPIRE Lower Tier II Subordinated Notes may only be redeemed with the Central Bank of Ireland's consent, which will only be given where the request is made at INSPIRE's initiative and INSPIRE's solvency is not affected.

SEB Lower Tier II Subordinated Notes having a stated maturity (which must be at least five years) may be redeemed on their Maturity Date or, if of indeterminate duration, may be redeemed where five years' notice of redemption has been given unless such Notes are no longer treated as capital (*fonds propres prudentiels*) for the purposes of the CSSF's circular 06/273, as amended. Otherwise SEB Lower Tier II Subordinated Notes may only be redeemed with the CSSF's prior consent, which will only be given where the request is made at SEB's initiative and SEB's solvency is not affected.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Maturities*" above.

Optional Redemption:

Notes may be redeemed before their stated maturity at the option of the Noteholders or, as the case may be, the relevant Issuer (either in whole or in part) to the extent (if at all) specified in the relevant Final Terms. In the case of Intesa Sanpaolo Subordinated Notes to the prior consent of the Central Bank of Ireland, such optional redemption may only be at the option of the relevant Issuer and is subject to any necessary prior consent thereto having been obtained from the Bank of Italy. INSPIRE and SEB Lower Tier II Subordinated Notes may only be redeemed as described in "*Redemption*" above.

Tax Redemption:

Except as described in "*Optional Redemption*" above, early redemption will only be permitted for tax reasons as described in Condition 10(b) (*Redemption and Purchase -Redemption for tax reasons*). Any such redemption shall be subject, in the case of Intesa Sanpaolo

Subordinated Notes, to the prior consent of the Bank of Italy and, in the case of INSPIRE Subordinated Notes, to the prior consent of the Central Bank of Ireland and, in the case of SEB Lower Tier II Subordinated Notes, to the prior consent of the CSSF, and, in each case, to the circumstances described in "*Redemption*" above.

Interest:

Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or a variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

Denominations:

Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, (see "*Maturities*" above) and save that, subject to minimum denominations of Notes to be issued by INSPIRE and SEB as described below, the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or the equivalent amount where the Notes are denominated in a currency other than euro).

So long as the clearing systems so permit, Notes may in certain circumstances and subject to any minimum denomination applicable to Notes issued by INSPIRE and SEB be issued in denominations representing the aggregate of (i) a minimum denomination of €100,000, or, at the option of the Issuer and until such time that the increase of the minimum denomination threshold for wholesale securities from €50,000 to €100,000 introduced by Directive 2010/73/EU is implemented in Italy, Ireland and Luxembourg (as appropriate) and/or other relevant Member State(s), €50,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) plus (ii) integral multiples of another smaller amount, and such Notes may be traded in amounts which, although greater than €100,000 or €50,000 (or its equivalent in another currency), are not integral multiples of €100,000 or €50,000 (or its equivalent). In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than €100,000 or €50,000 will not receive a definitive Note in respect of

such holding (if definitive Notes are printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Notes which are issued or to be issued by INSPIRE (i) which are not listed on a stock exchange and do not mature within two years of the date of issue must have a minimum denomination of €500,000 or its equivalent, and (ii) which are not listed on a stock exchange and mature within two years of the date of issue if denominated in euro must have a minimum denomination of €500,000, if denominated in U.S. Dollars must have a minimum denomination of US\$500,000 or if denominated in a currency other than euro or U.S. Dollars must have a minimum denomination equivalent to €500,000 at the date the Programme is first publicised. In every case (including the foregoing), subject to compliance with all applicable legal and/or tax and/or regulatory and/or central bank requirements.

Negative Pledge:

None.

Unsubordinated Notes issued under this Programme prior to 13th October, 2005 have the benefit of a negative pledge provision in the following terms:

"The Issuer and (where applicable) the Guarantor will not, so long as any of the Notes remains outstanding, create or permit to subsist (other than by operation by law) any Security Interest upon the whole or any part of its undertakings, assets or revenues, present or future, to secure any External Indebtedness or any guarantee of or indemnity in respect of any External Indebtedness unless:

- (a) the same Security Interest shall forthwith be extended equally and rateably to the Notes to the satisfaction of the Trustee; or
- (b) such other Security Interest is provided as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution of the Noteholders,

provided that nothing in this Condition shall prevent the Issuer and (if applicable) the Guarantor from:

- (i) creating or permitting to subsist (a) any Security Interest upon, or with respect to, any of its present or future assets or revenues or any part thereof which is created pursuant to any securitisation, asset backed financing or like arrangement and whereby all payment obligations in respect of the External Indebtedness or any guarantee of or indemnity in respect of the External Indebtedness, as the case may be, secured by such Security Interest or having the benefit of such secured guarantee or other indemnity, are to be discharged solely from such asset or revenues; or

- (ii) permitting to subsist any Security Interest upon or with respect to any assets or revenues which are acquired by the Issuer or (where applicable) the Guarantor subsequent to the date of issue of the first Tranche of the relevant Notes as a consequence of the merger of any entity into or with the Issuer or (where applicable) the Guarantor and which Security Interest is in existence at the time of such acquisition *provided that* such Security Interest was not created in contemplation of such acquisition or such merger and the principal amount secured at the time of such acquisition is not subsequently increased."

As used herein:

"External Indebtedness" means any present or future indebtedness for borrowed money in the form of, or represented by bonds, notes, debentures, loan capital, certificates of deposit, loan stock or other like instruments or securities (a) which is or are intended to be quoted, listed or ordinarily dealt in or traded on any stock exchange, automated trading system, over-the-counter or other established securities market (for which purpose any such indebtedness shall not be regarded as intended to be so quoted, listed or ordinarily dealt in or traded if the terms of issue thereof expressly provide to the contrary), (b) which by its terms is payable, or may be required to be paid, three years or more from the date of issue and (c) more than 60 per cent. of the aggregate principal amount of which is initially distributed by or with the authorisation of

the issuer thereof outside the Republic of Italy; and

"**Security Interest**" means any mortgage, charge, lien, pledge or other security interest."

Outstanding Unsubordinated Notes issued prior to 13th October, 2005 will continue to benefit from such negative pledge provision up to maturity, as will Unsubordinated Notes issued after 13th October, 2005 which are to be consolidated with and form a single series with Unsubordinated Notes issued prior to that date. **Otherwise, Unsubordinated Notes issued after 13th October, 2005 will not have the benefit of this provision.**

Cross Default:

Unsubordinated Notes will have the benefit of a cross default as described in Condition 13 (*Events of Default*).

Taxation:

All payments of principal and interest in respect of Notes or made under the Guarantee of the Notes by the relevant Issuer, in case of payments under the Notes, or the Guarantor, in case of payments under the Guarantee, will be made free and clear of withholding taxes in the jurisdiction of incorporation of the relevant Issuer or Guarantor, as the case may be, unless the withholding is required by law. In that event, the relevant Issuer or Guarantor, as the case may be will (subject as provided in Condition 12 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.

However, as more fully set out in Condition 12 (*Taxation*), the relevant Issuer shall not be liable in certain circumstances to pay any additional amounts to holders of the Notes with respect to any payment, withholding or deduction pursuant to Italian Legislative Decree No. 239 of 1st April, 1996 on account of substitute tax (*imposta sostitutiva*, as defined therein) in relation to interest payable in respect of any Notes.

In addition, Notes are subject to a withholding tax at the rate of 27 per cent. (20 per cent. from 1st January, 2012) per annum in respect of interest and premium (if any) on:
(i) Notes issued by Intesa Sanpaolo with an original maturity of less than 18 months pursuant to Legislative

Decree No. 600 of 29th September, 1973 and pursuant to Law No. 148 of 14th September, 2011; and (ii) Notes that qualify as atypical securities (pursuant to Law Decree No. 512 of 30th September, 1983, as amended). Intesa Sanpaolo will not be liable to pay any additional amounts to Noteholders in relation to any such withholding, as more fully specified in Condition 12 (*Taxation*).

Redenomination:

The applicable Final Terms may provide that certain Notes may be redenominated in euro. If so, the wording of the redenomination clause will be set out in full in the applicable Final Terms.

Governing Law:

The Trust Deed and the rights and obligations in respect of the Notes and the Coupons, and any non-contractual obligations arising out of or in connection with each of the foregoing, are governed by, and shall be construed in accordance with, English law, save that the subordination provisions applicable to Intesa Sanpaolo Subordinated Notes and the subordination provisions which relate to the Subordinated Guarantee and any non-contractual obligations arising out of or in connection with such provisions shall be governed by, and construed in accordance with, Italian law. The subordination provisions applicable to INSPIRE Subordinated Notes and any non-contractual obligations arising out of or in connection with such provisions shall be governed by, and construed in accordance with, Irish law. The subordination and the redemption provisions applicable to SEB Lower Tier II Subordinated Notes and the insolvency or liquidation provisions applicable to SEB and any non-contractual obligations arising out of or in connection with such provisions shall be governed by, and construed in accordance with, Luxembourg law.

Ratings:

Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will be specified in the Final Terms. 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 assigning rating agency.

Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors

are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the Regulation) unless the rating is provided by a credit rating agency operating in the European Union before 7th June, 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States, the European Economic Area (including the United Kingdom, the Republic of Italy and Ireland) and Japan, see "*Subscription and Sale*" below.

INFORMATION INCORPORATED BY REFERENCE

The following information, which has previously been published and filed with the CSSF is incorporated in, and forms part of, this Prospectus:

- (i) the audited consolidated annual financial statements of the Intesa Sanpaolo Group as at and for the year ended 31st December, 2009, as shown in the Intesa Sanpaolo Group 2009 Annual Report;
- (ii) the audited consolidated annual financial statements of the Intesa Sanpaolo Group as at and for the year ended 31st December, 2010, as shown in the Intesa Sanpaolo Group 2010 Annual Report;
- (iii) the unaudited condensed consolidated half-yearly financial statements of the Intesa Sanpaolo Group as at and for the six months ended 30th June, 2011, as shown in the Intesa Sanpaolo Group 2011 Half-yearly Report;
- (iv) the audited annual financial statements of INSPIRE as at and for the year ended 31st December, 2009, as shown in the 2009 annual report of INSPIRE;
- (v) the audited annual financial statements of INSPIRE as at and for the year ended 31st December, 2010, as shown in the 2010 annual report of INSPIRE;
- (vi) the unaudited half-yearly financial information of INSPIRE as at and for the six months ended 30th June, 2011, as shown in the 2011 half-yearly report of INSPIRE;
- (vii) the audited annual financial statements of SEB as at and for the year ended 31st December, 2009, as shown in the 2009 annual report of SEB;
- (viii) the audited annual financial statements of SEB as at and for the year ended 31st December, 2010, as shown in the 2010 annual report of SEB;
- (ix) the unaudited half-yearly financial information of SEB as at and for the six months ended 30th June, 2011,

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

The Issuers will provide, without charge to each person to whom a copy of this Prospectus 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 superseding version of such document will be provided. Request for such documents should be directed to the Issuers at their offices set out at the end of this Prospectus. In addition such documents will be available, without charge, at the principal office of the Joint Arrangers and of the Listing Agent in Luxembourg and on the Luxembourg Stock Exchange's website (*www.bourse.lu*).

Intesa Sanpaolo declares that the English translation of each of the Intesa Sanpaolo Group's financial statements incorporated by reference in this Prospectus is an accurate and not misleading translation in all material respect of the Italian language version of the Intesa Sanpaolo Group's financial statements.

Cross-reference list

The following table shows where the information required under Annex XI of Commission Regulation (EC) No. 809/2004 can be found in the above-mentioned documents.

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The unaudited half-yearly financial information of INSPIRE as at and for the six months ended 30th June, 2011 are incorporated by reference in this Prospectus in their entirety.

Société Européenne de Banque S.A. 2009 and 2010 Annual Reports

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The unaudited half-yearly financial information of SEB as at and for the six months ended 30th June, 2011 are incorporated by reference in this Prospectus in their entirety.

Any other information not listed above but contained in the above documents is given for information purposes only and does not form part of this Prospectus.

FURTHER PROSPECTUSES AND SUPPLEMENTS

The Issuers will prepare a replacement prospectus setting out the changes in the operations and financial conditions of the Issuers at least every year after the date of this Prospectus and each subsequent Prospectus.

The Issuers have given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to the information contained in this Prospectus which is capable of affecting the assessment of the Notes, they shall prepare and publish a supplement to this Prospectus in accordance with Article 13 of the Prospectus Directive or a replacement Prospectus for use in connection with any subsequent offering of Notes and shall supply to each Dealer any number of copies of such supplement as a Dealer may reasonably request.

In addition, the Issuers may agree with any Dealer to issue Notes in a form not contemplated in "Form of Final Terms for Notes with a Denomination of at least €100,000" on pages 113 to 139 or in "Form of Final Terms for Notes with a Denomination of less than €100,000" on pages 140 to 168. To the extent that the information relating to that Tranche of Notes constitutes a significant new factor in relation to the information contained in this Prospectus, a separate prospectus specific to such Tranche (a "**Drawdown Prospectus**") will be made available and will contain such information. Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the relevant Issuer and the relevant Notes or (2) pursuant to Article 5.3 of the Prospectus Directive, by a registration document containing the necessary information relating to the relevant Issuer, a securities note containing the necessary information relating to the relevant Notes and, if necessary, a summary note. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, references in this Prospectus to information specified or identified in the Final Terms shall (unless the context requires otherwise) be read and construed as information specified or identified in the relevant Drawdown Prospectus.

FORMS OF THE NOTES

BEARER NOTES

Each Tranche of Bearer Notes will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without Coupons, or a permanent global note (the "**Permanent Global Note**"), without Coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Bearer Global Note**") may be issued in new global note ("**New Global Note**" or "**NGN**") form, as specified in the relevant Final Terms. Each Bearer Global Note which is not intended to be issued in NGN form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Bearer Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13th June, 2006 the European Central Bank (the "**ECB**") announced that global bearer notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), *provided that* certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30th June, 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31st December, 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 1 year, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specify the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without Coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; *provided, however, that* in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**"):

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs and is continuing.

Save as described below, where interests in the Permanent Global Note are to be exchanged for Definitive Notes in the circumstances described above, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, so long as the clearing systems so permit and subject to any minimum denomination applicable to Notes issued by INSPIRE or SEB, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued and will be tradeable in denominations which represent the aggregate of (i) a minimum denomination of €100,000 or €50,000, plus (ii) integral multiples of €1,000, *provided that* such denominations are not less than €100,000 or €50,000 nor more than €199,000 or €99,000 (as applicable). For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Note. However, a Noteholder who holds a principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated or, in the case of an NGN Permanent Global Note, effectuated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to

the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 60 days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specify the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 60 days of the bearer requesting such exchange.

Where the Temporary Global Note is to be exchanged for Definitive Notes, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specify the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note, without Coupons, interests in which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms;
or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs and is continuing.

Save as described above, where interests in the Permanent Global Note are to be exchanged for Definitive Notes in the circumstances described above, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, so long as the clearing systems so permit and subject to any minimum denomination applicable to Notes issued by INSPIRE or SEB, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued and will be tradeable in denominations which represent the aggregate of (i) a minimum denomination of €100,000 or €50,000, plus (ii) integral multiples of €1,000, *provided that* such denominations are not less than €100,000 or €50,000 or more than €199,000 or €99,000 (as applicable). For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Note. However, a Noteholder who holds a principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated or, in the case of an NGN Permanent Global Note, effectuated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 60 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

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

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 1 year, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

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

REGISTERED NOTES

Each Tranche of Registered Notes will be represented by Individual Note Certificates or one or more Registered Global Notes, in each case as specified in the relevant Final Terms.

In a press release dated 22nd October, 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the "**New Safekeeping Structure**" or "**NSS**") would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30th June, 2010 and that registered debt securities in registered global form held issued through Euroclear and Clearstream, Luxembourg after 30th September, 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Each Registered Global Note will either be: (a) in the case of a Note which is not to be held under the New Safekeeping Structure, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Registered Global Note will be deposited on or about the issue date with the common depositary and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Registered Global Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being "Registered Global Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Registered Global Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) at any time, if so specified in the relevant Final Terms; or
- (c) if the relevant Final Terms specifies "in the limited circumstances described in the Registered Global Note ", then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or
 - (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Registered Global Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Registered Global Note within five business days of the delivery, by or on behalf of the registered holder of the Registered Global Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Registered Global Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

The Registrar will not register the transfer of or exchange of interests in a Global Note Certificate for Individual Note Certificates for a period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

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

MONTE TITOLI NOTES

Notes which are specified in the relevant Final Terms as having Monte Titoli as a clearing system will be held on behalf of the beneficial owners thereof, from their date of issue until their redemption, by Monte Titoli for the account of the relevant Monte Titoli account holders. The expression "**Monte Titoli account holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes any financial intermediary appointed by Euroclear and/or Clearstream, Luxembourg for the account of participants in Euroclear and/or Clearstream, Luxembourg.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as amended and/or replaced by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Conditions applicable to Global Notes" above.

1. Introduction

- (a) *Programme:* Intesa Sanpaolo S.p.A. ("**Intesa Sanpaolo**"), Intesa Sanpaolo Bank Ireland p.l.c. ("**INSPIRE**") and Société Européenne de Banque S.A. ("**SEB**") have established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €70,000,000,000 in aggregate principal amount of notes (the "**Notes**") guaranteed, in respect of Notes issued by INSPIRE and SEB, by Intesa Sanpaolo (in this capacity, the "**Guarantor**") pursuant to a Deed of Guarantee (as defined below) to be entered upon the issuance of such guaranteed Notes.
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of final terms (the "**Final Terms**") which supplement these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Trust Deed:* The Notes are subject to and have the benefit of an amended and restated trust deed dated 28th October, 2011 (as amended and/or supplemented and/or restated from time to time, and including the Deed of Guarantee (as defined below), the "**Trust Deed**") made between Intesa Sanpaolo, INSPIRE, SEB and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees appointed under the Trust Deed).
- (d) *Agency Agreement:* The Notes are the subject of an amended and restated paying agency agreement dated 28th October, 2011 (as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") between Intesa Sanpaolo, INSPIRE, SEB, the Trustee, Deutsche Bank AG acting through its London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), Deutsche Bank Luxembourg S.A. as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes) and the transfer agent (the "**Transfer Agent**", which expression includes any successor transfer agent appointed from time to time in connection with the Notes) and paying agents named therein (together with the Principal Paying Agent and the Registrar, the "**Agents**", which expression includes any successor or additional agents appointed from time to time in connection with the Notes).
- (e) *Deed of Guarantee:* Notes issued by INSPIRE and SEB shall have the benefit of a deed of guarantee (the "**Deed of Guarantee**") entered into in respect of such Notes.

- (f) *The Notes*: All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for inspection and obtainable free of charge by the public during normal business hours at the Specified Office of the Trustee, the Specified Office of the Principal Paying Agent or, in the case of Registered Notes the Registrar, and, in any event, at the Specified Office of the Paying Agent in Luxembourg, the initial Specified Office of which is set out below.
- (g) *Summaries*: Certain provisions of these Conditions are summaries of the Trust Deed, Agency Agreement and the Deed of Guarantee (if entered into in respect of an issue of Notes) and are subject to their detailed provisions. Noteholders and Couponholders, if any, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Agency Agreement and the Deed of Guarantee (if any) applicable to them. Copies of the Trust Deed, the Agency Agreement and the Deed of Guarantee (if entered into in respect of an issue of Notes) are available for inspection by Noteholders during normal business hours at the Specified Offices of the Trustee and each of the Paying Agents, the initial Specified Offices of which are set out below.
- (h) *Issuers*: References in these Conditions to "**Issuer**" are to the entity specified as the Issuer in the relevant Final Terms.

2. **Definitions and Interpretation**

- (a) *Definitions*: In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)** " means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)** " means the city or cities specified as such in the relevant Final Terms;

"**Bearer Note**" means a Note in bearer form;

"**Business Day**" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

"Calculation Agent" means the Principal Paying Agent or such other person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"Calculation Amount" has the meaning given in the relevant Final Terms;

"Coupon" means an interest coupon relating to a Bearer Note;

"Couponholder" means the holder of a Coupon;

"Coupon Sheet" means, in respect of a Bearer Note, a coupon sheet relating to such Note;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if "**Actual/Actual (ICMA)**" is so specified, means:
 - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
 - (b) where the Calculation Period is longer than one Regular Period, the sum of:
 - (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**" (in respect of Condition 6) is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));
- (vi) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (vii) If "**30/360**" (in respect of Condition 7), "**360/360**" or "**Bond Basis**" is specified, the number of days in the Calculation Period in respect of which

payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D₁** will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D₁** is greater than 29, in which case **D₂** will be 30; and

- (viii) If "**30E/360**" or "**Eurobond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D₁** will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (ix) If "**30E/360 (ISDA)**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms;

"Guarantee of the Notes" means the guarantee of the Notes issued by INSPIRE or SEB, as the case may be, that has been given by the Guarantor in the Deed of Guarantee entered into in relation to that issue of Notes;

"Holder" means a Registered Holder or, as the context requires, the holder of a Bearer Note;

"Indebtedness for Borrowed Money" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any bonds, notes, debentures, loan capital, certificates of deposit, loan stock or other like instruments or securities offered, issued or distributed whether by way of public offer, private placement, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;

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

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning given in the relevant Final Terms;

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

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

"ISDA Definitions" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc.;

"Issue Date" has the meaning given in the relevant Final Terms;

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Margin**" has the meaning given in the relevant Final Terms;

"**Maturity Date**" has the meaning given in the relevant Final Terms;

"**Minimum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Note Certificate**" means a certificate issued to each Registered Holder in respect of its registered holding of Notes;

"**Noteholder**" means a holder of a Bearer Note or, as the context requires, a Registered Holder;

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

"**Payment Business Day**" means:

- (i) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means Melbourne and, in relation to New Zealand dollars, it means Wellington;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

"Reference Banks" has the meaning given in the relevant Final Terms or, if none, four (or if the Principal Financial Centre is Helsinki, five) major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" has the meaning given in the relevant Final Terms;

"Register" means the register maintained by the Registrar in respect of Registered Notes in accordance with the Agency Agreement;

"Registered Holder" means the person in whose name a Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof);

"Registered Note" means a Note in registered form;

"Regular Period" means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive

period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

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

"**Relevant Financial Centre**" has the meaning given in the relevant Final Terms;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, the Reuter Monitor Money Rates Service and the Moneyline Telerate Service) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Reserved Matter**" has the meaning ascribed thereto in the Trust Deed;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Trust Deed;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**Talon**" means a talon for further Coupons;

"**TARGET Settlement Day**" means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System (or any successor to TARGET2) is open;

"**Treaty**" means the Treaty establishing the European Union, as amended; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "**outstanding**" shall be construed in accordance with the Trust Deed; and
- (vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "**not applicable**" then such expression is not applicable to the Notes.

3. **Form, Denomination and Title**

The Notes will be issued as Bearer Notes or Registered Notes, as specified in the relevant Final Terms.

- (a) *Notes in Bearer Form:* Bearer Notes are issued in the Specified Denomination(s) with Coupons (if applicable) and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination. Bearer Notes issued by SEB shall be signed by any two directors of SEB.
- (b) *Title to Bearer Notes:* Title to Notes and Coupons will pass by delivery.
- (c) *Notes in Registered Form:* Registered Notes are issued in the Specified Denominations and may be held in holdings equal to the Specified Minimum Amount (specified in the relevant Final Terms) and integral multiples equal to the Specified Increments (specified in the relevant Final Terms) in excess thereof (an "**Authorised Holding**").

- (d) *Title to Registered Notes:* The Registrar will maintain the Register in accordance with the provisions of the Agency Agreement. A Note Certificate will be issued to each Registered Holder in respect of its holding of Notes. With respect to Notes issued by SEB, each time the Register is amended or updated, the Registrar shall send a copy of the Register to SEB who will keep an updated copy of the Register at its registered office (the "**Duplicate Register**"). In the event of inconsistency between the Register and the Duplicate Register, the Duplicate Register shall, for purposes of Luxembourg law, prevail. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.
- (e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfer of Registered Notes:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Holdings. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfer of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each Registered Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Registered Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such Registered Holder. In this paragraph, "business day" means a day on which commercial banks are open for business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer, the Guarantor (if applicable), the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

- (i) *Closed periods:* Registered Holders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer and the Guarantor (if applicable) with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Registered Holder who requests in writing a copy of such regulations.

4. **Status of the Notes**

(a) **Status – Unsubordinated Notes**

*This Condition 4(a) is applicable in relation to Notes specified in the Final Terms as being unsubordinated or not specified as being subordinated ("**Unsubordinated Notes**").*

The Notes constitute direct, general, unconditional and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (subject to any obligations preferred by any applicable law) equally with all other unsecured and unsubordinated indebtedness and monetary obligations (including deposits) of the Issuer, present and future.

(b) **Status – Subordinated Notes issued by Intesa Sanpaolo**

*This Condition 4(b) is applicable only in relation to Subordinated Notes issued by Intesa Sanpaolo and specified in the Final Terms as being subordinated ("**Intesa Sanpaolo Subordinated Notes**").*

(i) *Status of Intesa Sanpaolo Subordinated Notes*

- (a) Upper Tier II Subordinated Notes issued by Intesa Sanpaolo ("**Intesa Sanpaolo Upper Tier II Subordinated Notes**") (*Strumenti Ibridi di Patrimonializzazione*, as defined in Title I, Chapter 2, Section II, paragraph 5.1 of the New Supervisory Regulations for Banks (*Nuove disposizioni di vigilanza prudenziale per le banche*), as set out in Bank of Italy Circular No. 263 of 27th December, 2006 in force from March 2008 (as amended, supplemented or re-enacted from time to time, the "**2006 Bank of Italy Regulations**") and any related Coupons constitute unconditional and unsecured obligations of Intesa Sanpaolo subordinated as described in the first paragraph of Condition 4(b)(iii). Notes of each Series of Intesa Sanpaolo Upper Tier II Subordinated Notes will rank *pari passu* without any preference among themselves.
- (b) Lower Tier II Subordinated Notes issued by Intesa Sanpaolo ("**Intesa Sanpaolo Lower Tier II Subordinated Notes**") (*Passività Subordinate di 2° livello*, as defined in Title I, Chapter 2, Section II, paragraph 5.2 of the 2006 Bank of Italy Regulations) and any related

Coupons constitute unconditional and unsecured obligations of Intesa Sanpaolo subordinated as described in Condition 4(b)(ii). Notes of each Series of Intesa Sanpaolo Lower Tier II Subordinated Notes will rank *pari passu* without any preference among themselves.

- (c) Tier III Subordinated Notes issued by Intesa Sanpaolo ("**Tier III Subordinated Notes**") (*Passività Subordinate di 3° livello*, as defined in Title I, Chapter 2, Section II, paragraph 1.5 of the 2006 Bank of Italy Regulations) constitute subordinated obligations of Intesa Sanpaolo as described in Condition 4(b)(iv), and are taken into account for purposes of the calculation of the market risk coverage of Intesa Sanpaolo.
 - (d) In relation to each Series of Intesa Sanpaolo Subordinated Notes all Intesa Sanpaolo Subordinated Notes of such Series will be treated equally and all amounts paid by Intesa Sanpaolo in respect of principal and interest thereon will be paid *pro rata* on all Intesa Sanpaolo Subordinated Notes of such Series.
 - (e) Each Noteholder of a Intesa Sanpaolo Subordinated Note unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Intesa Sanpaolo Subordinated Note.
 - (f) The repayment of the principal and the payment of interest (as defined below) in respect of Intesa Sanpaolo Subordinated Notes are obligations of Intesa Sanpaolo.
- (ii) ***Special provisions relating to Intesa Sanpaolo Lower Tier II Subordinated Notes***

In the event of a bankruptcy, dissolution, liquidation or winding-up of Intesa Sanpaolo or in the event that Intesa Sanpaolo becomes subject to an order for *Liquidazione Coatta Amministrativa* (as defined in Legislative Decree of 1st September, 1993, No. 385 of the Republic of Italy as amended (the "**Consolidated Banking Act**")), the payment obligations of Intesa Sanpaolo in respect of principal and interest under the Intesa Sanpaolo Lower Tier II Subordinated Notes will be repaid only after the satisfaction of all unsubordinated creditors of Intesa Sanpaolo and of all creditors holding instruments which are less subordinated than the Intesa Sanpaolo Lower Tier II Subordinated Notes. Lower Tier II *Pari Passu* Creditors (as defined below) will be satisfied together and *pro rata* with the holders of the Intesa Sanpaolo Lower Tier II Subordinated Notes, without any preference or priority. Lower Tier II Junior Creditors (as defined below) rank after the holders of the Intesa Sanpaolo Lower Tier II Subordinated Notes in a bankruptcy, liquidation or winding-up of Intesa Sanpaolo or in the event that Intesa Sanpaolo becomes subject to an order for *Liquidazione Coatta Amministrativa*.

"**Lower Tier II *Pari Passu* Creditors**" means the creditors of Intesa Sanpaolo holding notes, securities, similar instruments or other negotiable rights having

the same degree of subordination as the Lower Tier II Subordinated Notes, including, but not limited to, (i) holders of INSPIRE Lower Tier II Subordinated Notes (each as defined below), (ii) holders of SEB Lower Tier II Subordinated Notes; and (iii) creditors of Intesa Sanpaolo holding Tier III Subordinated Notes.

"**Lower Tier II Junior Creditors**" means the creditors of Intesa Sanpaolo holding notes, securities, similar instruments or other negotiable rights ranking more subordinated than the Intesa Sanpaolo Lower Tier II Subordinated Notes (including, but not limited to, subordinated creditors of Intesa Sanpaolo holding notes, securities, similar instruments or other negotiable rights classified, in accordance with the 2006 Bank of Italy Regulations, as "*Strumenti Ibridi di Patrimonializzazione*" or that otherwise are expressed to rank subordinated to the Intesa Sanpaolo Lower Tier II Subordinated Notes or to securities more subordinated than the Intesa Sanpaolo Lower Tier II Subordinated Notes).

(iii) *Special provisions relating to Intesa Sanpaolo Upper Tier II Subordinated Notes*

In the event of a bankruptcy, dissolution, liquidation or other winding-up of Intesa Sanpaolo, or in the event that Intesa Sanpaolo becomes subject to an order for *Liquidazione Coatta Amministrativa* (within the meaning ascribed to that expression by the Consolidated Banking Act and the other relevant laws of the Republic of Italy (hereinafter in these Conditions referred to as "*Liquidazione Coatta Amministrativa*")), the payment obligations of Intesa Sanpaolo in respect of principal and interest under the Intesa Sanpaolo Upper Tier II Subordinated Notes will be subordinated to the claims of all Senior Creditors (as defined below) so that all such claims are entitled to be satisfied in full before any payments are made in respect of principal and interest under the Intesa Sanpaolo Upper Tier II Subordinated Notes. In a bankruptcy, dissolution, liquidation or other winding-up of Intesa Sanpaolo, or in the event that Intesa Sanpaolo becomes subject to an order for *Liquidazione Coatta Amministrativa*, the payment obligations of Intesa Sanpaolo in respect of principal and interest under the Intesa Sanpaolo Upper Tier II Subordinated Notes will rank *pari passu* with Other Pari Passu Claims (as defined below), and senior to the share capital of Intesa Sanpaolo.

(a) *Loss Absorption*

To the extent that Intesa Sanpaolo at any time suffers losses which, in accordance with Articles 2446 and 2447 of the Italian Civil Code, or otherwise in accordance with the provisions of Italian laws and regulations, would require Intesa Sanpaolo to reduce its capital to below the Minimum Capital (as defined below) (as detailed by the Auditors (as defined in the Trust Deed) of Intesa Sanpaolo and certified to the Trustee in accordance with the Trust Deed) the obligations of Intesa Sanpaolo in respect of interest and principal under the Intesa Sanpaolo Upper Tier II Subordinated Notes, whether or not matured, will be reduced to the extent necessary to enable Intesa Sanpaolo to maintain at least the Minimum Capital in accordance with

the requirements of Italian law and regulatory provisions, as detailed by the Auditors of Intesa Sanpaolo and certified to the Trustee in accordance with the Trust Deed.

The amount by which the obligations of Intesa Sanpaolo have been reduced in accordance with this Condition will be reinstated whether or not the maturity date of the relevant obligation has occurred under the following circumstances, as detailed by the Auditors of Intesa Sanpaolo and certified to the Trustee in accordance with the Trust Deed:

- (i) in whole, in the event of a bankruptcy, dissolution, liquidation or winding-up of Intesa Sanpaolo or in the event that Intesa Sanpaolo becomes subject to an order for *Liquidazione Coatta Amministrativa* and with effect prior to the commencement of such bankruptcy, dissolution, liquidation or winding-up or order for *Liquidazione Coatta Amministrativa* as if such obligations of Intesa Sanpaolo were not so reduced in accordance with this Condition; and
- (ii) in whole or in part, from time to time, to the extent that Intesa Sanpaolo, by reason of its having profits, or by reason of it obtaining new capital contributions, or by reason of the occurrence of any other event, would again have at least the Minimum Capital and would not be required, in accordance with Articles 2446 and 2447 of the Italian Civil Code, or otherwise in accordance with the provisions of Italian laws and regulations, to reduce its capital to below the Minimum Capital.

As further provided in Condition 4(b)(iii)(c)(ii)(A), in the event of any distribution to the holders of any class of shares of Intesa Sanpaolo being approved or made prior to the full reinstatement of the obligations of Intesa Sanpaolo in respect of the Intesa Sanpaolo Upper Tier II Subordinated Notes pursuant to this Condition or the Trust Deed, such obligations shall be reinstated in full whether or not the maturity date of the relevant obligation has occurred forthwith upon such distribution being approved or made.

As further provided in Condition 4(b)(iii)(c)(i), in the event of Intesa Sanpaolo making or proposing to make any payment of or in respect of amounts of interest or principal or premium or in relation to any Other Pari Passu Claims prior to the full reinstatement of the obligations of Intesa Sanpaolo in respect of the Intesa Sanpaolo Upper Tier II Subordinated Notes pursuant to this Condition or the Trust Deed, the obligations of Intesa Sanpaolo in respect of the Intesa Sanpaolo Upper Tier II Subordinated Notes shall be reinstated to the extent that Intesa Sanpaolo is able to make payment thereof *pari passu* and *pro rata* with the payments on or in relation to such Other Pari Passu Claims whether or not the maturity date of the relevant obligations has occurred.

For the purposes of these Conditions, "**Minimum Capital**" means the minimum capital required for Intesa Sanpaolo by the Bank of Italy from time to time for the issuance or maintenance of the Bank of Italy's authorisation to conduct banking activity.

The Trustee shall be entitled to rely on certificates of the Auditors of Intesa Sanpaolo without further investigation.

(b) *Arrears of Interest*

On any Optional Interest Payment Date (as defined below) there may be paid (if Intesa Sanpaolo so elects but subject to Condition 4(b)(iii) and the application of Condition 4(b)(iii)(a)) the interest in respect of the Intesa Sanpaolo Upper Tier II Subordinated Notes accrued in the Interest Period ending on the day immediately preceding such date, but (except as provided in Condition 4(b)(iii)(c)) Intesa Sanpaolo shall not have any obligation to make such payment and any failure to pay shall not constitute a default by Intesa Sanpaolo for any purpose.

Any interest in respect of the Intesa Sanpaolo Upper Tier II Subordinated Notes not paid on an Optional Interest Payment Date, together with any other interest in respect thereof not paid on any other Interest Payment Date, shall, so long as the same remains unpaid, constitute "**Arrears of Interest**".

For the avoidance of doubt, during any period when there are Arrears of Interest due to the Noteholders, the Intesa Sanpaolo Upper Tier II Subordinated Notes shall continue to accrue interest at the relevant Rate of Interest on their original principal amount.

In addition, each amount of Arrears of Interest shall itself bear interest as if it were principal of the Intesa Sanpaolo Upper Tier II Subordinated Notes at a rate which corresponds to the Rate of Interest from time to time applicable to the Intesa Sanpaolo Upper Tier II Subordinated Notes in respect of any Interest Period, and the amount of such interest (the "**Additional Interest Amount**") with respect to each amount of Arrears of Interest shall become due and payable pursuant to paragraph (c) below and shall be calculated by the Principal Paying Agent by applying the Rate of Interest to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in this Condition 4. The Additional Interest Amount accrued up to any Interest Payment Date shall be added to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest. Arrears of Interest (together with corresponding Additional Interest Amount) shall be payable in accordance with Condition 11 (*Payments*).

(c) *Payment of Arrears of Interest*

Arrears of Interest (together with the corresponding Additional Interest Amount) may at the option of Intesa Sanpaolo be paid in whole or in part at any time except that:

- (i) if at any time Intesa Sanpaolo shall make any payment of or in respect of amounts of interest or principal or premium on or in relation to any Other Pari Passu Claims, Arrears of Interest (together with the corresponding Additional Interest Amount) shall become due and payable on the next Interest Payment Date (or, if none, the tenth Business Day) immediately following such payment of or in respect of amounts of interest or principal or premium on or in relation to Other Pari Passu Claims (as provided in Condition 4(b)(iii) and Condition 4(b)(iii)(a)) *pari passu* and *pro rata* with any other payments of or in respect of interest on or in relation to any Other Pari Passu Claims to the extent that Intesa Sanpaolo has funds available to pay such amount; and
- (ii) all Arrears of Interest (together with the corresponding Additional Interest Amount) in respect of all Intesa Sanpaolo Upper Tier II Subordinated Notes for the time being outstanding shall become due and payable (as provided in Condition 4(b)(iii) and Condition 4(b)(iii)(a)) on whichever is the earliest of:
 - (A) the Interest Payment Date immediately following the date upon which distribution to the holders of any class of dividend is approved or paid on any share of Intesa Sanpaolo;
 - (B) the date on which the Intesa Sanpaolo Upper Tier II Subordinated Notes are to be repaid pursuant to any provision of Condition 10 (*Redemption and Purchase*); and
 - (C) the commencement of a bankruptcy, dissolution, liquidation or winding-up of Intesa Sanpaolo or when Intesa Sanpaolo becomes subject to an order for *Liquidazione Coatta Amministrativa*.

If notice is given by Intesa Sanpaolo of its intention to pay the whole or any part of Arrears of Interest, Intesa Sanpaolo shall (subject to Condition 4(b)(iii) and the application of Condition 4(b)(iii)(a)) be obliged to do so (together with the corresponding Additional Interest Amount) upon the expiration of such notice.

- (d) *Notice of Interest Deferral, Payment of Arrears of Interest and Loss Absorption*

Intesa Sanpaolo shall give not more than 25 nor less than 15 days' prior notice to the Trustee, the Paying Agents, and to the Noteholders in accordance with Condition 19 (*Notices*):

- (i) of any Optional Interest Payment Date on which, pursuant to the provisions of Condition 4(b)(iii)(b) above, interest will not be paid;
- (ii) of any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable;
- (iii) of (1) the amount of principal and of sums which would otherwise be payable as interest in respect of the Intesa Sanpaolo Upper Tier II Subordinated Notes which are to be applied to meet the losses of Intesa Sanpaolo pursuant to Condition 4(b)(iii)(a), (2) the date of such application and (3) details of the nature of such losses; and
- (iv) of (1) the amount of principal and of sums which would otherwise have been payable as interest in respect of the Intesa Sanpaolo Upper Tier II Subordinated Notes and which, having been applied to meet the losses of Intesa Sanpaolo pursuant to Condition 4(b)(iii)(a), are to be reinstated as provided herein, (2) the date of such reinstatement and the date on which the relevant amount shall become due and payable in accordance with these Conditions and (3) details of the event giving rise to such reinstatement.

The information contained in any notice given in accordance with this paragraph (d) will be available at the specified office of the Principal Paying Agent from the date of the relevant notice.

(e) *Partial Payment of Arrears of Interest*

If amounts in respect of Arrears of Interest and Additional Interest Amounts become payable:

- (i) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (ii) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (iii) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any Note shall be *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case

may be, Additional Interest Amounts accrued to the date of payment.

(f) *Definitions*

For the purposes of this Condition 4(b)(iii):

- (i) the term "**interest**" includes, unless the context requires otherwise, Arrears of Interest and Additional Interest Amounts;
- (ii) "**Optional Interest Payment Date**" means any Interest Payment Date in respect of which:
 - (A) no annual dividend has been approved by the shareholders of Intesa Sanpaolo or paid in respect of any class of shares of Intesa Sanpaolo during the twelve month period ending on the date immediately preceding such Interest Payment Date; or
 - (B) the board of directors of Intesa Sanpaolo has announced at the time of publication of any interim accounts (the "**Interim Accounts**", which expression includes the semi-annual accounts and any other interim accounts that, according to Italian law applicable at that time, entitle Intesa Sanpaolo to make distributions of interim dividends) of Intesa Sanpaolo published during the two Interest Periods immediately preceding such Interest Payment Date that, based on such Interim Accounts, no sums are available at such time in accordance with Italian law for the payment of interim dividends;
- (iii) "**Other Pari Passu Claims**" means claims of creditors of Intesa Sanpaolo which are subordinated so as to rank *pari passu* with the claims of the holders of the Intesa Sanpaolo Upper Tier II Subordinated Notes and the holders of the related Coupons and the Trustee in respect of the Intesa Sanpaolo Upper Tier II Subordinated Notes and of the related Coupons; and
- (iv) "**Senior Creditors**" means (a) all unsubordinated creditors of Intesa Sanpaolo; (b) all creditors of Intesa Sanpaolo whose claims are, or are expressed to be, subordinated to the claims of unsubordinated creditors of Intesa Sanpaolo, but not further or otherwise including, for the avoidance of doubt, all claims of existing and future holders of the Intesa Sanpaolo Lower Tier II Subordinated Notes and Tier III Subordinated Notes; and (c) all other creditors of Intesa Sanpaolo except the holders of the Intesa Sanpaolo Upper Tier II Subordinated Notes and the holders of the related Coupons and the Trustee in relation to their claims in respect of the Intesa Sanpaolo Upper Tier II Subordinated Notes and of the related Coupons and creditors

whose claims rank, or are expressed to rank, *pari passu* with or junior to such claims.

(iv) ***Special provisions relating to Tier III Subordinated Notes***

(A) ***Ranking***

In the event of a bankruptcy, dissolution, liquidation or winding-up of Intesa Sanpaolo or in the event that Intesa Sanpaolo becomes subject to an order for *Liquidazione Coatta Amministrativa* (as defined in the Consolidated Banking Act), the Tier III Subordinated Notes will be repaid, with respect to principal and accrued interest, only after the satisfaction of all unsubordinated creditors of Intesa Sanpaolo and of all creditors holding instruments which are less subordinated than the Tier III Subordinated Notes. Tier III *Pari Passu* Creditors (as defined below) will be satisfied together and *pro rata* with the holders of the Tier III Subordinated Notes, without any preference or priority. Tier III Junior Creditors (as defined below) rank after the holders of the Tier III Subordinated Notes in a bankruptcy, liquidation or winding-up of Intesa Sanpaolo or in the event that Intesa Sanpaolo becomes subject to an order for *Liquidazione Coatta Amministrativa*.

"Tier III *Pari Passu* Creditors" means the creditors of Intesa Sanpaolo holding notes, securities, similar instruments or other negotiable rights having the same degree of subordination as the Tier III Subordinated Notes, including, but not limited to, creditors of Intesa Sanpaolo holding notes, securities, similar instruments or other negotiable rights classified, in accordance with the applicable Bank of Italy regulations, as *Passività Subordinate*.

"Tier III Junior Creditors" means the creditors of Intesa Sanpaolo holding notes, securities, similar instruments or other negotiable rights ranking more subordinated than the Tier III Subordinated Notes (including, but not limited to, subordinated creditors of Intesa Sanpaolo holding notes, securities, similar instruments or other negotiable rights classified, in accordance with the 2006 Bank of Italy Regulations, as *Strumenti Ibridi di Patrimonializzazione* or that otherwise are expressed to rank subordinated to the Tier III Subordinated Notes or to securities more subordinated than the Tier III Subordinated Notes).

No Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by Intesa Sanpaolo arising under or in connection with the Tier III Subordinated Notes.

(B) *Lock-in Clause*

(a) The payment of the sums due with respect to interest and/or principal on Tier III Subordinated Notes will be entirely suspended and deferred, and any such suspension and deferral to pay shall not constitute a default of Intesa Sanpaolo under the Tier III Subordinated Notes and the Trust Deed if, at the time any such payment becomes due:

(A) Intesa Sanpaolo's Total Amount of Regulatory Capital (as defined below) is, on a consolidated or unconsolidated basis, less than the aggregate minimum credit risk (*rischio creditizio*) capital requirements of Intesa Sanpaolo, as provided by the then applicable Bank of Italy regulations, on a consolidated or unconsolidated basis; or

(B) upon payment of interest and/or repayment of principal under the Tier III Subordinated Notes, Intesa Sanpaolo's Total Amount of Regulatory Capital would become, on a consolidated or unconsolidated basis, less than the aggregate minimum credit risk (*rischio creditizio*) capital requirements of Intesa Sanpaolo, as provided by the then applicable Bank of Italy regulations, on a consolidated or unconsolidated basis.

(b) **"Intesa Sanpaolo's Total Amount of Regulatory Capital"** means:

(A) on an unconsolidated basis, the aggregate amount of the items stated and defined in (I), (II), (III), (IV), (V), and (VI) below and any additional, replacement and/or adjusted or other items, in each case which may from time to time be required to be included pursuant to the then applicable Bank of Italy regulations for the purposes of calculating the Issuer's Total Amount of Regulatory Capital;

- (B) on a consolidated basis, the aggregate amount of the items listed in (A) above, calculated on a consolidated basis, according to the Bank of Italy regulations from time to time applicable,

WHERE:

- (I) taken as a positive figure, the aggregate amount of the regulatory capital of Intesa Sanpaolo (*Patrimonio di Vigilanza*), calculated on an unconsolidated basis, as set forth in the then applicable Bank of Italy regulations;
- (II) taken as a positive figure, the aggregate amount of any indebtedness of Intesa Sanpaolo qualified by the Bank of Italy as "*passività subordinate di 3° livello*", intended to cover the minimum capital requirements for market risks, calculated on an unconsolidated basis (as defined in Title I, Chapter 2, Section II, paragraph 1.5 of the 2006 Bank of Italy Regulations or any provision which amends or replaces such definition) in accordance with the following paragraph (III), *provided however that* the amount of such indebtedness can only be included up to the absolute amount of the following paragraph (III);
- (III) taken as a negative figure, the minimum capital requirements for market risks of Intesa Sanpaolo, calculated on an unconsolidated basis (as defined in Title I, Chapter 2, Section II of the 2006 Bank of Italy Regulations or any provisions which amends or replaces such definition);
- (IV) taken as a negative figure, the excess of the limit to the ownership of shareholdings in non-financial companies acquired by Intesa Sanpaolo following the recovery of credits (as defined in Title II, Chapter 6, Section II of the 2006 Bank of Italy Regulations or any provision which amends or replaces such definition);

- (V) taken as a negative figure, the excess over the limit on the ownership of real estate acquired by Intesa Sanpaolo following the recovery of credits (as defined in Title IV, Chapter 10, Section II of the Bank of Italy Supervisory Regulations for Banks, as set in Circular No. 229 of 21st April, 1999 (as amended, supplemented or re-enacted from time to time, the "**1999 Bank of Italy Regulations**" or any provision which amends or replaces such definition);
 - (VI) taken as negative figure, any additional specific capital requirements imposed on Intesa Sanpaolo by the Bank of Italy, to the extent not taken into account in paragraphs (III) to (V).
- (c) For the purposes of the Tier III Subordinated Notes, Intesa Sanpaolo's Total Amount of Regulatory Capital is deemed to be equal to or more than the minimum credit risk (*rischio creditizio*) capital requirements of Intesa Sanpaolo as required by the then applicable Bank of Italy regulations, when:
- (A) Intesa Sanpaolo's Total Amount of Regulatory Capital, calculated on an unconsolidated basis, is equal to or more than the 7 per cent. (or such other percentage as may be, from time to time, set forth, on an unconsolidated basis, by the Bank of Italy) of the aggregate weighted assets to be comprised in the calculation, on an unconsolidated basis, of the minimum capital requirements of Intesa Sanpaolo (such assets being defined in Title IV, Chapter 2, Section II of the 1999 Bank of Italy Regulations or any provision which amends or replaces such definition); and
 - (B) Intesa Sanpaolo's Total Amount of Regulatory Capital, calculated on a consolidated basis, is equal to or more than 8 per cent. (or such other percentage as the Bank of Italy may, from time to time, require on a consolidated basis) of the aggregate weighted assets to be

comprised in the calculation of the consolidated minimum capital requirements of the banking group controlled directly or indirectly by Intesa Sanpaolo (such assets being defined in Title IV, Chapter 2, Section III of the 1999 Bank of Italy Regulations or any provision which amends or replaces such definition).

- (d) The obligations of Intesa Sanpaolo to effect the payment of interest (including Tier III Arrears of Interest and Default Interest (each as defined below)) not paid when due and/or to repay principal not repaid when due, in each case in accordance with Condition 4(b)(iv)(B)(a), will (subject to, and to the extent provided in, Condition 4(b)(iv)(B)(e)), be reinstated and will start to accrue in whole and as if the payment obligations of Intesa Sanpaolo had never been so suspended (but without prejudice to the subordination provided for in Condition 4(b)(i)):
- (A) in the event of a bankruptcy, dissolution, liquidation or winding-up of Intesa Sanpaolo or in the event that Intesa Sanpaolo becomes subject to an order for *Liquidazione Coatta Amministrativa*; or
 - (B) in the event that Intesa Sanpaolo's Total Amount of Regulatory Capital after the payment of interest and/or repayment of principal is, both on an unconsolidated and on a consolidated basis, equal to or more than the minimum aggregate credit risk (*rischio creditizio*) capital requirements of Intesa Sanpaolo, both on an unconsolidated and consolidated basis, as respectively required by the then applicable Bank of Italy regulations; or
 - (C) in the event that, at any time, Intesa Sanpaolo shall make any payment of or in respect of amounts of interest or principal or premium on or in relation to any other Tier III issue.
- (e) Where, following any suspension and deferral pursuant to Condition 4(b)(iv)(B)(a), the obligation to pay interest (including Tier III

Arrears of Interest and Default Interest) and/or to repay principal has been reinstated pursuant to Condition 4(b)(iv)(B)(d)(B), the obligation will become effective at and will be paid on the first Interest Payment Date (or, if none, on the tenth Business Day) immediately following the date of transmission by the Bank of Italy of a Report (as defined below), according to which Intesa Sanpaolo's Total Amount of Regulatory Capital net of amounts to be paid in respect of interest and/or repayment of principal, both on an unconsolidated and consolidated basis, is equal to or more than the minimum aggregate credit risk (*rischio creditizio*) capital requirements set forth by the then applicable Bank of Italy regulations.

If the payment of interest and/or the repayment of principal has been suspended pursuant to the provisions of Condition 4(b)(iv)(B)(a), the reinstatement of the obligation to make payment and/or repayment in respect thereof pursuant to Condition 4(b)(iv)(B)(d) shall, where there are insufficient amounts pursuant to the foregoing provisions to make full payment in respect thereof, be made in part as such amounts become so available pursuant to the foregoing provisions in the following order:

- (A) payment of any Default Interest (where not paid in full, Default Interest shall be paid in the order in which it accrued);
- (B) payment of any Tier III Arrears of Interest (where not paid in full, Tier III Arrears of Interest shall be paid in the order in which it accrued);
- (C) payment of interest otherwise due; and
- (D) repayment of principal.

All payments to holders of Tier III Subordinated Notes will be made on a *pro rata* basis.

- (f) If for any reason (including, but not limited to, merger or any other extraordinary transaction) Intesa Sanpaolo, in accordance with any applicable laws and regulations, ceases to be a member of a banking group, the percentage referred to in Condition 4(b)(iv)(B)(c)(A) will

be the percentage required by the then applicable Bank of Italy regulations on a consolidated basis.

- (g) If for any reason (including, but not limited to, merger or any other extraordinary transaction) Intesa Sanpaolo, in accordance with any applicable laws and regulations, ceases to be a member of a banking group, all references in this Condition 4(b)(iv) to parameters referred to consolidated figures of Intesa Sanpaolo will be read as references to figures calculated on a consolidated basis (but without prejudice to the provisions of Condition 4(b)(iv)(f) above).
- (h) *Tier III Arrears of Interest and Default Interest*

Any interest that Intesa Sanpaolo does not pay when due shall constitute, for the purposes of the Tier III Subordinated Notes, "**Tier III Arrears of Interest**".

Tier III Arrears of Interest not paid by Intesa Sanpaolo in accordance with Condition 4(b)(iv) shall not bear interest, whether default interest or otherwise. In all other cases, Tier III Arrears of Interest not paid by Intesa Sanpaolo when due for reasons other than those provided for in Condition 4(b)(iv), shall accrue default interest ("**Default Interest**") at the Rate of Interest in accordance with Conditions 6 (*Fixed Rate Note Provisions*) and 7 (*Floating Rate Note and Index-linked Interest Note Provisions*) as if references therein to the outstanding nominal amount of a Note were references to the Tier III Arrears of Interest in respect thereof.

Such Default Interest will accrue during the entire period from the date of the failure to pay Tier III Arrears of Interest until the date of their full payment.

- (i) In these Terms and Conditions:

"**Report**" means the report that Intesa Sanpaolo, under Title IV, Chapter 2, Sections II and III of the 1999 Bank of Italy Regulations, is required to send semi-annually to the Bank of Italy for purposes of the control of compliance with minimum regulatory capital requirements, on an consolidated and consolidated basis, as of

31st December and 30th June of each fiscal year. For the purposes of these Terms and Conditions, neither the quarterly Report which Italian banks are required to send for the sole purposes of the control of compliance with the minimum regulatory capital requirements on an unconsolidated basis as of 31st March and 30th September of each fiscal year, nor any such other reporting which the Bank of Italy may in the future require to be made, will be taken into account.

- (j) The Trustee shall be entitled to rely on any notices or reports from Intesa Sanpaolo to the value from time to time of Intesa Sanpaolo's Total Amount of Regulatory Capital without further investigation.

(c) **Status – Subordinated Notes issued by INSPIRE**

This Condition 4(c) is applicable only in relation to Notes issued by INSPIRE and specified in the Final Terms as being subordinated ("INSPIRE Subordinated Notes").

(i) **Status of INSPIRE Subordinated Notes**

- (a) Upper Tier II Subordinated Notes issued by INSPIRE ("**INSPIRE Upper Tier II Subordinated Notes**") and any related Coupons constitute unconditional and unsecured obligations of INSPIRE subordinated as described in Condition 4(c)(iii)(a). Notes of each Series of INSPIRE Upper Tier II Subordinated Notes will rank *pari passu* without any preference among themselves.
- (b) Lower Tier II Subordinated Notes issued by INSPIRE ("**INSPIRE Lower Tier II Subordinated Notes**") and any related Coupons constitute unconditional and unsecured obligations of INSPIRE subordinated as described in Condition 4(c)(ii). Notes of each Series of INSPIRE Lower Tier II Subordinated Notes will rank *pari passu* without any preference among themselves.
- (c) In relation to each Series of INSPIRE Subordinated Notes, all INSPIRE Subordinated Notes of such Series will be treated equally and all amounts paid by INSPIRE in respect of principal and interest thereon will be paid *pro rata* on all INSPIRE Subordinated Notes of such Series.
- (d) Each Noteholder of an INSPIRE Subordinated Note unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy that it might otherwise have, under the laws of any jurisdiction, in respect of such INSPIRE Subordinated Note.

- (e) The repayment of principal and the payment of interest in respect of INSPIRE Subordinated Notes are obligations of INSPIRE.

(ii) ***Special Provisions relating to INSPIRE Lower Tier II Subordinated Notes***

In the event of a bankruptcy or liquidation of INSPIRE, claims against INSPIRE in respect of INSPIRE Lower Tier II Subordinated Notes ("**INSPIRE Lower Tier II Claims**") will rank:

- (a) after claims of all unsubordinated creditors and claims of all subordinated creditors whose claims are less subordinated than the INSPIRE Lower Tier II Claims;
- (b) *pari passu* with all claims of subordinated creditors that have the same degree of subordination as the INSPIRE Lower Tier II Claims;
- (c) ahead of all claims of subordinated creditors that are more subordinated than the INSPIRE Lower Tier II Claims (which will include INSPIRE Upper Tier II Claims (as defined below)) and all claims in respect of the share capital of INSPIRE.

All claims of subordinated creditors that have the same degree of subordination as the INSPIRE Lower Tier II Claims will be satisfied together and *pro rata* with the holders of the INSPIRE Lower Tier II Subordinated Notes, without any preference or priority.

(iii) ***Special Provisions relating to INSPIRE Upper Tier II Subordinated Notes***

(a) *Subordination*

In the event of a bankruptcy or liquidation of INSPIRE, claims against INSPIRE in respect of INSPIRE Upper Tier II Subordinated Notes ("**INSPIRE Upper Tier II Claims**") will rank:

- (A) after claims of all unsubordinated creditors and claims of all subordinated creditors whose claims are less subordinated than the INSPIRE Upper Tier II Claims (which will include INSPIRE Lower Tier II Claims);
- (B) *pari passu* with all claims of subordinated creditors that have the same degree of subordination as the INSPIRE Upper Tier II Claims; and
- (C) ahead of all claims in respect of the share capital of INSPIRE.

All claims of subordinated creditors that have the same degree of subordination as the INSPIRE Upper Tier II Claims will be satisfied together and *pro rata* with the holders of the INSPIRE Upper Tier II Subordinated Notes, without any preference or priority.

(b) *Deferral of interest*

Notwithstanding the terms of any other Condition or provisions of, or relating to, the INSPIRE Upper Tier II Subordinated Notes, INSPIRE shall not have any obligation to pay interest accrued in respect of such Notes and any failure to pay such interest shall not constitute a default of INSPIRE for any purpose.

(c) *Loss absorption*

To the extent that INSPIRE at any time suffers losses that would, in accordance with the provisions of any applicable law, prevent INSPIRE from continuing to trade (as determined by INSPIRE, acting reasonably and having taken such professional advice as it considers appropriate, and certified to the Trustee in accordance with the Trust Deed), the obligations of INSPIRE in respect of interest and principal under the INSPIRE Upper Tier II Subordinated Notes, whether or not matured, will be reduced to the extent necessary to enable INSPIRE to continue to trade in accordance with the requirements of law (as determined by the directors of INSPIRE, acting reasonably and having taken such professional advice as it considers appropriate, and certified to the Trustee in accordance with the Trust Deed). Such obligations shall be reinstated if INSPIRE would, after such reinstatement and by reason of the occurrence of any event, be entitled to continue to trade (as determined by INSPIRE, acting reasonably and having taken such professional advice as it considers appropriate, and certified to the Trustee in accordance with the Trust Deed). Such reduction shall, subject to the below, be deemed to cease should INSPIRE become, and for so long as it remains, subject to any bankruptcy or liquidation proceedings or process and the obligations of INSPIRE under the INSPIRE Upper Tier II Subordinated Notes shall, in such event, be treated as if they were not reduced in accordance with this Condition. If, at any time during such bankruptcy or liquidation proceedings or process, reduction of the obligations would enable such proceedings or process to be dismissed, discharged, stayed, restrained or vacated and INSPIRE to continue to trade (as determined by INSPIRE, acting reasonably and having taken such professional advice as it considers appropriate, and certified to the Trustee in accordance with the Trust Deed), the obligations of INSPIRE under the INSPIRE Upper Tier II Subordinated Notes shall be deemed to be reduced.

The Trustee shall be entitled to rely on certificates of INSPIRE in this regard without further investigation.

(d) **Status – Lower Tier II Subordinated Notes issued by SEB**

This Condition 4(d) is applicable only in relation to Notes issued by SEB and specified in the Final Terms as being subordinated ("SEB Lower Tier II Subordinated Notes").

(i) *Status of SEB Lower Tier II Subordinated Notes*

The Lower Tier II Subordinated Notes issued by SEB and any related Coupons constitute unconditional and unsecured obligations of SEB subordinated as described in Condition 4(d)(ii).

Note of each Series of SEB Lower Tier II Subordinated Notes will rank *pari passu* without any preference among themselves.

- (a) In relation to each Series of SEB Lower Tier II Subordinated Notes, all SEB Lower Tier II Subordinated Notes of such Series will be treated equally and all amounts paid by SEB in respect of principal and interest thereon will be paid pro rata on all SEB Lower Tier II Subordinated Notes of such Series.
- (b) Each Noteholder of a SEB Lower Tier II Subordinated Note unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy that it might otherwise have, under the laws of any jurisdiction, in respect of such SEB Lower Tier II Subordinated Note.
- (c) The repayment of principal and the payment of interest in respect of SEB Lower Tier II Subordinated Notes are obligations of SEB.

(ii) ***Special Provisions relating to SEB Lower Tier II Subordinated Notes***

In the event of insolvency or liquidation of SEB which shall be governed by Luxembourg law, claims against SEB in respect of SEB Lower Tier II Subordinated Notes ("**SEB Lower Tier II Claims**") will rank:

- (a) after claims of all unsubordinated creditors and claims of all subordinated creditors whose claims are less subordinated than the SEB Lower Tier II Claims;
- (b) *pari passu* with all claims of subordinated creditors that have the same degree of subordination as the SEB Lower Tier II Claims; and
- (c) ahead of all claims of subordinated creditors that are more subordinated than the SEB Lower Tier II Claims (which will include all claims in respect of the share capital of SEB).

All claims of subordinated creditors that have the same degree of subordination as the SEB Lower Tier II Claims will be satisfied together and *pro rata* with the holders of the SEB Lower Tier II Subordinated Notes, without any preference or priority.

5. **Status of the Guarantee**

(a) **Status – Unsubordinated Guarantee**

This Condition 5(a) is applicable in relation to Unsubordinated Notes if the Notes are specified in the applicable Final Terms as having the benefit of the Guarantee of the Unsubordinated Notes and upon the entering into of a Deed of Guarantee.

The obligations of the Guarantor under the Unsubordinated Guarantee of the Notes (if stated as applicable in the relevant Final Terms and upon the entering into of a Deed of Guarantee) constitute direct, general, unconditional and unsecured obligations of the Guarantor and rank equally (subject to any obligation preferred by any applicable law) with all other unsecured and unsubordinated indebtedness and monetary obligations (including deposits) of the Guarantor (present and future).

(b) **Status – Subordinated Guarantee**

This Condition 5(b) is applicable in relation to INSPIRE Subordinated Notes and to Lower Tier II SEB Subordinated Notes guaranteed by Intesa Sanpaolo on a subordinated basis and specified in the applicable Final Terms as having the benefit of the Guarantee of the INSPIRE Subordinated Notes and the SEB Lower Tier II Subordinated Notes upon the entering into of a Deed of Guarantee.

The obligations of Intesa Sanpaolo under the Subordinated Guarantee in respect of INSPIRE Subordinated Notes and in respect of SEB Lower Tier II Subordinated Notes (if stated as applicable in the relevant Final Terms and upon the entering into of a Deed of Guarantee) constitute unconditional, unsecured and subordinated obligations of Intesa Sanpaolo.

(i) ***Special provisions relating to a guarantee on a subordinated basis in respect of Notes described as INSPIRE Upper Tier II Subordinated Notes***

In the event of a bankruptcy, dissolution, liquidation or other winding-up of Intesa Sanpaolo, or in the event that Intesa Sanpaolo becomes subject to an order for *Liquidazione Coatta Amministrativa* (within the meaning ascribed to that expression by the Consolidated Banking Act and the other relevant laws of the Republic of Italy (hereinafter in these Conditions referred to a "***Liquidazione Coatta Amministrativa***")), the payment obligations of Intesa Sanpaolo under the Subordinated Guarantee will be subordinated to the claims of all Senior Creditors (as defined below) so that all such claims are entitled to be satisfied in full before any payments are made in respect of principal and interest under the Subordinated Guarantee of the INSPIRE Upper Tier II Subordinated Notes. In a bankruptcy, dissolution, liquidation or other winding-up of Intesa Sanpaolo, or in the event that Intesa Sanpaolo becomes subject to an order for *Liquidazione Coatta Amministrativa*, the payment obligations of Intesa Sanpaolo under the Subordinated Guarantee of the INSPIRE Upper Tier II Subordinated Notes will rank *pari passu* with Other Pari Passu Claims (as defined below), and senior to the share capital of Intesa Sanpaolo.

For the purposes of this Condition 5(b)(i):

"Senior Creditors" means (a) all unsubordinated creditors of Intesa Sanpaolo; (b) all creditors of Intesa Sanpaolo whose claims are, or are expressed to be, subordinated to the claims of unsubordinated creditors of Intesa Sanpaolo, but not further or otherwise including, for the avoidance of doubt, all claims of existing and future holders of Intesa Sanpaolo Lower Tier II Subordinated Notes; and (c) all other creditors of Intesa Sanpaolo, except the holders of the INSPIRE Upper Tier II Subordinated Notes and the holders of the related

Coupons and the Trustee in relation to their claims in respect of the Subordinated Guarantee of the INSPIRE Upper Tier II Subordinated Notes and creditors whose claims rank, or are expressed to rank, *pari passu* with or junior to such claims.

"**Other Pari Passu Claims**" means claims of creditors of Intesa Sanpaolo, which are subordinated so as to rank *pari passu* with the claims of the holders of the INSPIRE Upper Tier II Subordinated Notes and the holders of the related Coupons and the Trustee in respect of the Subordinated Guarantee of the INSPIRE Upper Tier II Subordinated Notes.

(a) *Loss Absorption*

To the extent that Intesa Sanpaolo at any time suffers losses which, in accordance with Articles 2446 and 2447 of the Italian Civil Code, or otherwise in accordance with the provisions of Italian laws and regulations, would require Intesa Sanpaolo to reduce its capital to below the Minimum Capital (as defined herein) (as detailed by the Auditors of Intesa Sanpaolo and certified to the Trustee in accordance with the Trust Deed) the obligations of Intesa Sanpaolo under the Subordinated Guarantee of the Notes, whether matured or not, will be reduced to the extent necessary to enable Intesa Sanpaolo to maintain at least the Minimum Capital in accordance with the requirements of law as detailed by the Auditors of the Guarantor and certified to the Trustee in accordance with the Trust Deed.

The amount by which the obligations of Intesa Sanpaolo have been reduced in accordance with this Condition will be reinstated whether or not the maturity date of the relevant obligation has occurred under the following circumstances, as detailed by the Auditors of Intesa Sanpaolo and certified to the Trustee in accordance with the Trust Deed:

- (i) in whole, in the event of a bankruptcy, dissolution, liquidation or winding-up of Intesa Sanpaolo or in the event that Intesa Sanpaolo becomes subject to an order for *Liquidazione Coatta Amministrativa* and with effect prior to the commencement of such bankruptcy, dissolution, liquidation or winding-up or order for *Liquidazione Coatta Amministrativa* as if such obligations of Intesa Sanpaolo were not so reduced in accordance with this Condition; and
- (ii) in whole or in part, from time to time, to the extent that Intesa Sanpaolo, by reason of its having profits, or by reason of its obtaining new capital contributions, or by reason of the occurrence of any other event, would again have at least the Minimum Capital and would not be required, in accordance with Articles 2446 and 2447 of the Italian Civil Code, or otherwise in accordance with the provisions of Italian laws and regulations, to reduce its capital to below the Minimum Capital.

As further provided in Condition 4(b)(iii)(c)(ii)(A), in the event of any distribution to the holders of any class of shares of Intesa Sanpaolo being approved or made prior to the full reinstatement of the obligations of Intesa Sanpaolo in respect of the INSPIRE Upper Tier II Subordinated Notes pursuant to this Condition or the Trust Deed, such obligations shall be reinstated in full whether or not the maturity date of the relevant obligation has occurred forthwith upon such distribution being approved or made.

As further provided in Condition 4(b)(iii)(c)(i), in the event of Intesa Sanpaolo making or proposing to make any payment of or in respect of amounts of interest or principal or premium or in relation to any Other Pari Passu Claims prior to the full reinstatement of the obligations of Intesa Sanpaolo under the Subordinated Guarantee of the INSPIRE Upper Tier II Subordinated Notes pursuant to this Condition or the Trust Deed, the obligations of Intesa Sanpaolo under the Subordinated Guarantee shall be reinstated to the extent that Intesa Sanpaolo is able to make payment thereof *pari passu* and *pro rata* with the payments on or in relation to such Other Pari Passu Claims whether or not the maturity date of the relevant obligations has occurred.

The Trustee shall be entitled to rely on certificates of the Auditors of Intesa Sanpaolo without further investigation.

(ii) ***Special provisions relating to a guarantee on a subordinated basis in respect of Notes described as INSPIRE Lower Tier II Subordinated Notes and in respect of Notes described as SEB Lower Tier II Subordinated Notes***

In the event of a bankruptcy, dissolution, liquidation or winding-up of Intesa Sanpaolo or in the event that Intesa Sanpaolo becomes subject to an order for *Liquidazione Coatta Amministrativa*, the payment obligations of Intesa Sanpaolo under the Subordinated Guarantee of the INSPIRE Lower Tier II Subordinated Notes and under the Subordinated Guarantee of the SEB Lower Tier II Subordinated Notes will be repaid only after the satisfaction of all unsubordinated creditors of Intesa Sanpaolo and of all creditors holding instruments which are less subordinated than the INSPIRE Lower Tier II Subordinated Notes and SEB Lower Tier II Subordinated Notes. Lower Tier II *Pari Passu* Creditors (as defined in Condition 4(b)(ii)) will be satisfied together and *pro rata* with the holders of the relevant INSPIRE Lower Tier II Subordinated Notes and with the holders of the relevant SEB Lower Tier II Subordinated Notes and the beneficiaries under the Subordinated Guarantee of the INSPIRE Lower Tier II Subordinated Notes and under the Subordinated Guarantee of the SEB Lower Tier II Subordinated Notes, without any preference or priority. Lower Tier II Junior Creditors (as defined in Condition 4(b)(ii)) rank after the INSPIRE Lower Tier II Subordinated Notes and after the SEB Lower Tier II Subordinated Notes, and the beneficiaries under the Subordinated Guarantee of such Notes in a bankruptcy, liquidation or winding-up of Intesa Sanpaolo or in the event that Intesa Sanpaolo becomes subject to an order for *Liquidazione Coatta Amministrativa*.

6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. Where the Specified Denomination of a Fixed Rate Note is the multiple of the Calculation Amount, the Amount of interest payable in respect of such Fixed Rate Note shall be the multiple of the product of the amounts (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

7. **Floating Rate Note and Index-Linked Interest Note Provisions**

- (a) *Application:* This Condition 7 (*Floating Rate Note and Index-Linked Interest Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7(b) (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums

due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for deposits in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or, as the case may be, the arithmetic mean last determined in relation to the Notes in respect of the immediately preceding Interest Period for which such rate or arithmetic mean was determined.

(d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of

Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or on the Euro-zone inter-bank offered rate (EURIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) *Index-Linked Interest:* If the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.
- (f) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (g) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount of such Note during such Interest Period and multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit rounded upwards). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note is the multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amounts (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.
- (h) *Calculation of other amounts:* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.

- (i) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Guarantor (where applicable), the Trustee, the Paying Agents and each stock exchange (if any) on which the Notes are then listed as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 19 (*Notices*). The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.
- (j) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor (where applicable), the Trustee, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (k) *Determination or Calculation by Trustee:* If the Calculation Agent fails at any time to determine a Rate of Interest or to calculate an Interest Amount, the Trustee will make such determination or calculation which shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply all of the provisions of these conditions with any necessary consequential amendments to the extent that, in its sole opinion and with absolute discretion, it can do so and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof. Any such determination or calculation made by the Trustee shall be binding on the Issuer, the Guarantor (where applicable), the Noteholders and the Couponholders.

8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums

due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. Dual Currency Note Provisions

- (a) *Application:* This Condition 9 (*Dual Currency Note Provisions*) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Rate of Interest:* If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

10. Redemption and Purchase

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will (subject as mentioned below with respect to certain Subordinated Notes) be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments*).

- (i) The redemption of Intesa Sanpaolo Upper Tier II Subordinated Notes shall always be subject to the prior approval of the Bank of Italy, such approval being dependent on Intesa Sanpaolo maintaining its minimum capital requirements (*patrimonio di vigilanza*) as prescribed in Title I, Chapter 2 of the 2006 Bank of Italy Regulations immediately following redemption of the Intesa Sanpaolo Upper Tier II Subordinated Notes. If such approval is not given on or prior to the Maturity Date or early redemption date pursuant to the provisions of this Condition, Intesa Sanpaolo will re-apply to the Bank of Italy for its consent to such redemption forthwith upon its having again, by whatever means, such required minimum capital and shall promptly notify the Noteholders in accordance with Condition 19 (*Notices*). The Issuer will use its best endeavours to maintain such required minimum capital. Amounts that would otherwise be payable on the Maturity Date will continue to bear interest as provided in Conditions 6(b) and 7(b) (*Accrual of interest*).

The redemption of Tier III Subordinated Notes will be subject to the satisfaction of the conditions set out in Condition 4(b)(iv).

- (ii) Notwithstanding the terms of any other Condition or provisions of, or relating to, the INSPIRE Subordinated Notes, the redemption of:
 - (A) INSPIRE Upper Tier II Subordinated Notes at any time; and
 - (B) INSPIRE Lower Tier II Subordinated Notes having:
 - (1) an original maturity of at least five years before the Maturity Date; or
 - (2) no fixed maturity in circumstances where five years' notice of redemption has not been given,

shall always be subject to the prior consent of the Central Bank of Ireland and any failure by INSPIRE, as the case may be, to redeem any such Notes where such consent has not been granted shall not constitute a default of INSPIRE, as the case may be, for any purpose. Consent to redemption is at the discretion of the Central Bank of Ireland but will not be granted at the initiative of the Noteholder or where the solvency of INSPIRE, as the case may be, would be affected.

(iii) Notwithstanding the terms of any other Condition or provisions of, or relating to, the SEB Lower Tier II Subordinated Notes, the redemption of SEB Lower Tier II Subordinated Notes having:

- (A) an original maturity of at least five years on the Maturity Date; or
- (B) no fixed maturity in circumstances where five years' notice of redemption has not been given, shall always be subject to the prior consent of the CSSF and any failure by SEB, as the case may be, to redeem any such Notes where such consent has not been granted shall not constitute a default of SEB, as the case may be, for any purpose. Consent to redemption is at the discretion of the CSSF but will not be granted at the initiative of the Noteholder or where the solvency of SEB, as the case may be, would be affected.

(b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part (but subject to the prior approval of the Bank of Italy in the case of Intesa Sanpaolo Subordinated Notes, subject to the prior approval of the CSSF and the provisions of Condition 10(a)(iii) above) in the case of the SEB Lower Tier II Subordinated Notes and to the provisions of Condition 10(a)(ii) above in the case of INSPIRE Subordinated Notes:

- (i) at any time (if neither the Floating Rate Note Provisions, the Dual Currency Note Provisions, or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable); or
- (ii) on any Interest Payment Date (if the Floating Rate Note Provisions, the Dual Currency Note Provisions, or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer satisfies the Trustee immediately prior to the giving of the notice by the Issuer referred to above that it has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of Italy, in the case of Intesa Sanpaolo, or Ireland, in the case of INSPIRE, or Luxembourg in the case of SEB, or any political subdivision or any authority or agency thereof or therein, or any change in the application or interpretation or administration of such laws or regulations, which change or amendment becomes

effective on or after the date of issue of the first Tranche of the Notes; and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

- (B) the Guarantor (where applicable) satisfies the Trustee immediately prior to the giving of the notice by the Issuer referred to above that it has or (if a demand were made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of Italy or any political subdivision or any authority or agency thereof or therein, or any change in the application or interpretation or administration of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it.

At least 15 days prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two duly authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred (and such evidence shall be sufficient to the Trustee and conclusive and binding on the Noteholders). Upon the expiry of any such notice as is referred to in this Condition 10(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(b).

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part (subject to the prior approval of the Bank of Italy, in the case of Intesa Sanpaolo Subordinated Notes, subject to the prior approval of the CSSF in the case of the SEB Lower Tier II Subordinated Notes, and the provisions of Condition 10(a)(iii) above and to the provisions of Condition 10(a)(ii) above in the case of INSPIRE Subordinated Notes) on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (d) *Partial redemption:*
 - (i) *Partial Redemption of Bearer Notes:* If Bearer Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Trustee approves and in such manner as the Trustee considers appropriate, subject to compliance with applicable law and the rules of each stock exchange on which the Notes are then listed, and the notice to Noteholders referred to in Condition 10(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be

redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

- (ii) Partial Redemption of Registered Notes: If Registered Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), each Registered Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Registered Notes to be redeemed on the relevant Option Redemption Date (Call) bears to the aggregate principal amount of outstanding Registered Notes on such date.

- (e) *Redemption at the option of Noteholders:*

This provision is not applicable to Subordinated Notes.

If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note, redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(e), the Holder of any Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Agent such Note together, in the case of Bearer Notes, with all unmatured Coupons relating thereto and 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 Holder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(e), 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 10(e), the depositor of such Note and not such Agent shall be deemed to be the holder of Note for all purposes.

- (f) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.
- (g) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the

date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 10(g) or, if none is so specified, a Day Count Fraction of Actual/Actual (or 30/360 if such request is made to and accepted by the respective Issuer).

- (h) *Purchase:* The Issuer and the Guarantor (where applicable) may at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith. Such Notes may be held, resold or, at the option of the purchaser, surrendered to any Paying Agent for cancellation. Any purchase by the Issuer or Guarantor of Subordinated Notes is subject to the provisions of the Bank of Italy in the case of Intesa Sanpaolo Subordinated Notes, in the case of INSPIRE Subordinated Notes, subject to the consent of the Central Bank of Ireland and at the initiative of INSPIRE and in the case of SEB Lower Tier II Subordinated Notes, subject to the consent of the CSSF.
- (i) *Cancellation:* All Notes so redeemed by the Issuer or the Guarantor (where applicable) and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.
- (j) *Redemption Amount:* For the avoidance of doubt, in no event will the Redemption Amount of any Notes issued by Intesa Sanpaolo be lower than the principal amount of the Notes.

11. **Payments**

Payments under Bearer Notes

- (a) *Principal:* Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to Condition 11(h) (*Payments other than in respect of matured Coupons*) be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer and (where applicable) the Guarantor have appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Bearer Notes in the currency in

which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

- (d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented for payment on redemption without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment such missing Coupons shall become void.

Each sum of principal deducted pursuant to (i) above shall be paid in the manner provided in paragraph (a) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void:* If the relevant Final Terms specifies that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date for final redemption of any Note or early redemption of such Note pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(e) (*Redemption at the option of Noteholders*), Condition 10(c) (*Redemption at the option of the Issuer*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days:* If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Agent outside the United States (or in New York City if permitted by Condition 11(c) (*Payments in New York City*) above).

- (i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

Payments under Registered Notes

- (k) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due on or, upon application by a Registered Holder to the specified office of the Principal Paying Agent not later than the 15th day before the due date for any such payment, by transfer to an account denominated in such currency (or, if that currency is euro, any other account to which euro may be credited or transferred) maintained by the payee with a bank in the Principal Financial Centre of such currency and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (l) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due on or, upon application by a Registered Holder to the specified office of the Principal Paying Agent not later than the 15th day before the due date for any such payment, by transfer to an account denominated in such currency (or, if that currency is euro, any other account to which euro may be credited or transferred) maintained by the payee with a bank in the Principal Financial Centre of such currency and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (m) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Registered Holders in respect of such payments.
- (n) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of an Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Registered Holder shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A)

the due date for a payment not being a business day or (B) a cheque mailed in accordance with this Condition arriving after the due date for payment or being lost in the mail.

- (o) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the relevant Issuer, failing which the Guarantor, shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (p) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

12. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons (if any) by or on behalf of the Issuer and, where applicable, the Guarantor shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, present or future, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy, Ireland (where the Issuer is INSPIRE) or Luxembourg (where the Issuer is SEB), or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders (if relevant) after such withholding or deduction of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any payment of any interest or principal either:
 - (i) (in respect of payments by Intesa Sanpaolo) for or on account of Imposta Sostitutiva (at the then applicable rate of tax) pursuant to Italian Legislative Decree No. 239 of 1st April, 1996 (as amended), the "**Legislative Decree No. 239**") or, for the avoidance of doubt, Italian Legislative Decree No. 461 of 21st November, 1997 (as amended by Italian Legislative Decree No. 201 of 16th June, 1998) (as any of the same may be amended or supplemented) or any related implementing regulations and in all circumstances in which the procedures set forth in Legislative Decree No. 239 in order to benefit from a tax exemption have not been met or complied with except where such procedures have not been met or complied with due to the actions or omissions of Intesa Sanpaolo or its agents; or
 - (ii) with respect to any Notes or Coupons presented for payment:
 - (A) in the Republic of Italy (in respect of Notes issued by Intesa Sanpaolo) or (in respect of Notes issued by INSPIRE) Ireland or (in respect of Notes issued by SEB) Luxembourg; or

- (B) by or on behalf of a holder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the Republic of Italy (in respect of Notes issued by Intesa Sanpaolo) or (in respect of Notes issued by INSPIRE) Ireland or (in respect of Notes issued by SEB) Luxembourg other than the mere holding of such Note or Coupon; or
 - (C) by or on behalf of a holder who is entitled to avoid such withholding or deduction in respect of such Note or Coupon by making, or procuring, a declaration of non-residence or other similar claim for exemption but has failed to do so; or
 - (D) more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to an additional amount on presenting such Note or Coupon for payment on such thirtieth day assuming that day to have been a Business Day; or
 - (E) (in respect of Notes issued by Intesa Sanpaolo) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts is paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a tax haven country (as defined and listed in the Ministry of Finance Decree of 23rd January, 2002 as amended from time to time) or which is resident in a country which does not allow for a satisfactory exchange of information with the Republic of Italy; or
 - (F) (in respect of Notes issued by Intesa Sanpaolo) in respect of any Notes having an original maturity (being the period from an including the Issue Date to but excluding the Maturity Date) of less than eighteen months, where such withholding is required pursuant to Italian Presidential Decree No. 600 of 29th September, 1973, as amended or supplemented from time to time; or
 - (G) in respect of Notes classified as atypical securities where such withholding or deduction is required under Law Decree No. 512 of 30th September, 1983, as amended and supplemented from time to time; or
- (iii) where such withholding or deduction is imposed on a payment to an individual or to a residual entity (within the meaning of the EU Savings Tax Directive) and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive, or the agreements concluded by Luxembourg with several dependant or associated territories in this context; or
 - (iv) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to a Paying Agent in another Member State of the European Union.

- (b) *Taxing jurisdiction:* If payments made by the Issuer or (if applicable) the Guarantor become subject to withholding tax as a result of the Issuer or Guarantor becoming resident, whether for tax purposes or otherwise, in any taxing jurisdiction other than the Republic of Italy, Ireland or Luxembourg as applicable, references in these Conditions to the Republic of Italy, Ireland or Luxembourg shall be construed as references to such other jurisdiction instead of the Republic of Italy, Ireland or Luxembourg. For the avoidance of doubt, the relevant Issuer or (if applicable) the Guarantor will have no obligation to pay additional amounts in respect of the Notes for any amounts required to be withheld or deducted pursuant to sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 if withholding is imposed under those rules as a result of the failure by any person other than the relevant Issuer or (if applicable) the Guarantor or any of their agents to establish that they are able to receive payments free of such withholding.

13. **Events of Default**

(a) **Events of Default – Unsubordinated Notes**

This Condition 13(a) is applicable only in relation to Unsubordinated Notes.

If any of the following events occurs, then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter in principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified or provided with security to its satisfaction) (but, in the case of the happening of any of the events mentioned in sub-paragraphs (iii), (iv), (v), (vi),(vii) and (viii), only if the Trustee shall have certified in writing to the Issuer and, where applicable, the Guarantor that such event is, in its opinion, materially prejudicial to the interest of the Noteholders) give written notice to the Issuer and, where applicable, the Guarantor declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued interest without further action or formality:

- (i) *Non-payment:* a default is made for more than 15 days (in the case of interest) or seven days (in the case of principal) in the payment on the due date of the interest or principal in respect of any of the Notes of the relevant Series; or
- (ii) *Insolvency:* the Issuer or, where applicable, the Guarantor shall:
- (A) be adjudicated or found bankrupt or insolvent; or
 - (B) become subject (in the case of Intesa Sanpaolo) to an order for "*Liquidazione Coatta Amministrativa*" or "*Liquidazione*" (within the meanings ascribed to those expressions by the laws of the Republic of Italy in force as at the date hereof) or (in the case of any of Intesa Sanpaolo, INSPIRE or SEB) otherwise become subject to or initiate or consent to judicial or administrative proceedings relating to itself under any applicable insolvency, liquidation, composition, reorganisation or other similar laws (otherwise than for the purposes of an Approved Reorganisation (as defined below) or on terms previously approved in

- writing by the Trustee or by an Extraordinary Resolution of the Noteholders); or
- (C) (in the case of Intesa Sanpaolo) be submitted to an "*Amministrazione Straordinaria*" (within the meaning ascribed to that expression by the laws of the Republic of Italy) proceeding; or
 - (D) cease generally to pay its debts or admit in writing its inability to pay its debts as they mature; or
 - (E) enter into, or pass any resolution for, or become subject to any order by any competent court or administrative agency in relation to:
 - (1) any arrangement with its creditors generally or any class of creditors; or
 - (2) the appointment of an administrative or other receiver, administrator, trustee or other similar official in relation to the Issuer or, where applicable, the Guarantor or the whole or substantially (in the opinion of the Trustee) the whole of its undertaking or assets; or
 - (F) be wound up or dissolved (otherwise than for the purposes of an Approved Reorganisation or on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders); or
- (iii) *Unsatisfied judgment*: the Issuer or, where applicable, the Guarantor fails to pay a final judgment of a court of competent jurisdiction within 30 days from the entering thereof or an execution is levied on or enforced upon or sued out in pursuance of any judgment against the whole or a substantial (in the opinion of the Trustee) part of the assets or property of the Issuer or, where applicable, the Guarantor; or
 - (iv) *Encumbrancer, etc*: an encumbrancer takes possession of, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against, the whole or a substantial (in the opinion of the Trustee) part of the undertaking or assets of the Issuer or, where applicable, the Guarantor; or
 - (v) *Cessation of business*: the Issuer or, where applicable, the Guarantor shall cease or threaten to cease to carry on the whole or substantially (in the opinion of the Trustee) the whole of its business (other than for the purposes of an Approved Reorganisation or on terms previously approved in writing by the Trustee or an Extraordinary Resolution of the Noteholders); or
 - (vi) *Security enforced*: the security for any debenture, mortgage or charge securing indebtedness in excess of €50,000,000 (or its equivalent in any other currency or currencies) of the Issuer or, where applicable, the Guarantor shall become enforceable and the holder or holders thereof shall take any legal proceedings to enforce the same; or

- (vii) *Cross-default of the Issuer/Guarantor:* any Indebtedness for Borrowed Money of the Issuer or, where applicable, the Guarantor, or any guarantee or indemnity given by the Issuer or, where applicable, the Guarantor in respect of any Indebtedness for Borrowed Money of any other person, where the aggregate principal amount (including any premium payable on repayment or at maturity) is in excess of €50,000,000 (or its equivalent in any other currency or currencies) (a) in the case of any such guarantee or indemnity, shall not be honoured when due and called or (b) in the case of any Indebtedness for Borrowed Money either (i) shall become repayable prior to the due date for payment thereof by reason of default (howsoever described) by the Issuer or, where applicable, the Guarantor or (ii) shall not be paid on the due date for repayment or shall not be repaid at maturity as extended by any applicable grace period therefor, as the case may be; or
- (viii) *Breach of other obligations:* default is made by the Issuer or, where applicable, the Guarantor in the performance or observance of any obligation, condition or provision binding on it under these Conditions, the Trust Deed or the Agency Agreement (other than any obligation for payment of any principal moneys or interest in respect of the Notes) and (except in any case where the default is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) such default continues for 30 days after written notice thereof addressed to the Issuer or, where applicable, the Guarantor by the Trustee has been delivered to the Issuer or, where applicable, the Guarantor requiring the same to be remedied; or
- (ix) *Guarantee of the Notes:* where applicable, the Guarantee of the Notes is not, or is claimed by the Guarantor not to be, in full force and effect.

In these Conditions, "**Approved Reorganisation**" means a solvent and voluntary reorganisation involving, alone or with others, the Issuer or, as applicable, the Guarantor, and whether by way of consolidation, amalgamation, merger, transfer of all or substantially all of its business or assets, or otherwise *provided that* the principal resulting, surviving or transferee entity (a "**Resulting Entity**") is a banking company and effectively assumes all the obligations of the Issuer or, as applicable, the Guarantor, under, or in respect of, the Notes or, as applicable, the Guarantee of the Notes.

(b) **Events of Default: Subordinated Notes**

This Condition 13(b) is applicable only in relation to Subordinated Notes.

- (i) The Trustee may at its discretion and without further notice institute such proceedings against the Issuer and (if applicable) the Guarantor as it may think fit to enforce any obligation, condition or provision binding on the Issuer or (if applicable) the Guarantor, under the Trust Deed or in relation to the Notes *provided that* the Issuer or (if applicable) the Guarantor, shall not by virtue of the institution of any such proceedings, other than proceedings for the bankruptcy, dissolution, liquidation, or winding-up of (a) Intesa Sanpaolo in the Republic of Italy (where Intesa Sanpaolo is the Issuer or the Guarantor) or (b) INSPIRE in Ireland (where INSPIRE is the Issuer) or (c) SEB in the Grand Duchy of Luxembourg (where SEB is the Issuer) or (d) in the Republic of

Italy for an order for *Liquidazione Coatta Amministrativa* in respect of Intesa Sanpaolo, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

The Trustee shall not in any event be bound to take any of the actions referred to in this Condition unless it shall have been so requested in writing by the holders of at least one quarter of the principal amount of the Notes outstanding or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders and unless it shall have been indemnified to its satisfaction.

- (ii) The Trustee may, at its discretion, or if so requested in writing by holders of at least one quarter in principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution (subject to the Trustee having been indemnified or provided with security to its satisfaction), shall give written notice to the Issuer and, where applicable, the Guarantor declaring the Notes to be immediately due and payable, whereupon the Notes shall become immediately due and payable at their original outstanding principal amount on issue together with interest accrued as provided in the Trust Deed upon the occurrence of any of the following events (each an "**Event of Default**"):
 - (A) the Issuer or, if applicable, the Guarantor fails to pay any amount of principal or interest on the date on which the same has become due and payable in accordance with these Conditions and/or the Trust Deed; or
 - (B) save in the case of INSPIRE Upper Tier II Subordinated Notes where Condition 4(c)(iii)(b) applies, on any Interest Payment Date that is not an Optional Interest Payment Date, the Issuer or, if applicable, the Guarantor fails to pay interest in respect of the Notes accrued in the Interest Period ending on the day immediately preceding such date; or
 - (C) in the event of the bankruptcy, dissolution, liquidation or winding-up of the Issuer or (where applicable) the Guarantor or if (where applicable) the Guarantor becomes subject to an order for *Liquidazione Coatta Amministrativa* (otherwise than for the purpose of an Approved Reorganisation or on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders).
- (iii) No remedy against the Issuer or (where applicable) the Guarantor other than (i) as provided by this Condition 13(b) or (ii) the instituting of proceedings for the bankruptcy, dissolution, liquidation or winding-up of the Issuer or (where applicable) the Guarantor or for an order for *Liquidazione Coatta Amministrativa* in respect of the Guarantor shall be available to the Trustee on behalf of the Noteholders or the Couponholders whether for the recovery of amounts owing under or in respect of the Notes, the Coupons or under the Trust Deed or in respect of any breach by the Issuer or (where applicable) the Guarantor of any of its obligations under the Trust Deed or in relation to the Notes or the Coupons or otherwise.
- (iv) No Noteholder or Couponholder shall be entitled to proceed against the Issuer or (where applicable) the Guarantor unless the Trustee, having become bound to proceed, fails to do so within a reasonable period and such failure shall be

continuing and only to the extent that the Trustee would have been entitled to do so.

14. Prescription

Claims against the Issuer or the Guarantor for payment of principal and interest in respect of the Notes or under the Guarantee of the Notes, as the case may be, will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date.

15. Replacement of Notes and Coupons

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

16. Trustee and Agents

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceeds to enforce payment unless indemnified to its satisfaction, and to be paid its costs and expenses in priority to the claims of Noteholders. The Trustee is entitled to enter into business transactions with the Issuer and, where applicable, the Guarantor and any entity related to the Issuer or, where applicable, the Guarantor without accounting for any profit.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and, where applicable, the Guarantor or, following the occurrence of an Event of Default, the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer and, where applicable, the Guarantor reserve the right (with the prior written approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent or Calculation Agent and additional or successor paying agents; *provided, however, that:*

- (a) the Issuer and, where applicable, the Guarantor shall at all times maintain a Principal Paying Agent and a Registrar;
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and, where applicable, the Guarantor shall at all times maintain a Calculation Agent;

- (c) if and for so long as the Notes are listed or admitted to trading on any stock exchange or admitted to listing by any other relevant authority for which the rules require the appointment of an Agent in any particular place, the Issuer and, where applicable, the Guarantor shall maintain an Agent having its Specified Office in the place required by the rules of such stock exchange;
- (d) the Issuer and (where applicable) the Guarantor undertake that they shall maintain a Paying Agent outside of the Republic of Italy and (in respect of Notes issued by INSPIRE) outside of Ireland; and
- (e) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with Condition 19 (*Notices*).

17. Meetings of Noteholders; Modification and Waiver; Substitution; Additional Issuers

- (a) The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions, the terms of the Notes, and the Trust Deed. The modification of certain terms, including, *inter alia*, the status of the Notes and the Coupons, the rate of interest payable in respect of the Notes, the principal amount thereof, the currency of payment thereof, the date for repayment of the Notes and any date for payment of, or the method of determining the rate of, interest thereon, may only be effected at a meeting of Noteholders to which special quorum provisions apply. Any resolution duly passed at a meeting of Noteholders shall be binding on all the Noteholders and all the Couponholders, whether present or not.
- (b) The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification (except as aforesaid) of these Conditions, the Trust Deed, the Notes, and the Coupons and may waive or authorise any breach or proposed breach by the Issuer or, where applicable, the Guarantor of any of the provisions of these Conditions, the Trust Deed, the Notes, and the Coupons which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders and may agree, without consent as aforesaid, to any modification which is of a formal, minor or technical nature or is made to correct a manifest error.
- (c) The Trustee may (and in the case of an Approved Reorganisation shall) agree with the Issuer (or any previous substitute) and the Guarantor at any time without the consent of the Noteholders or Couponholders:
 - (i) to the substitution in place of INSPIRE or SEB (or of any previous substitute) as principal debtor under the Notes, the Coupons and the

Trust Deed by Intesa Sanpaolo or another subsidiary of Intesa Sanpaolo (the "**Substitute**"); or

- (ii) to an Approved Reorganisation; or
- (iii) that INSPIRE or SEB (or any previous substitute) or Intesa Sanpaolo may, other than by means of an Approved Reorganisation, consolidate with, merge into or amalgamate with any Successor Company (as defined in the Trust Deed),

provided that:

- (i) where (in the case of substitution) the Substitute is not Intesa Sanpaolo or (in the case of an Approved Reorganisation) the assumption of the obligations of INSPIRE and/or SEB is by a Resulting Entity other than Intesa Sanpaolo or (in the case of a consolidation, merger or amalgamation) the assumption of the obligations of INSPIRE and/or SEB is by a Successor Company other than Intesa Sanpaolo, the obligations of the Substitute or such other entity under the Trust Deed and the Notes and the Coupons shall be irrevocably and unconditionally guaranteed by Intesa Sanpaolo (on like terms as to subordination, if applicable) to those of the Guarantee of the Notes;
- (ii) (other than in the case of an Approved Reorganisation) the Trustee is satisfied that the interests of the Noteholders will not be materially prejudiced thereby; and
- (iii) certain other conditions set out in the Trust Deed are satisfied.

Upon the assumption of the obligations of an Issuer by a Substitute or of an Issuer by a Resulting Entity or of an Issuer by a Successor Company, INSPIRE, SEB or, as the case may be, Intesa Sanpaolo shall (subject to the provisions of the Trust Deed) have no further liabilities under or in respect of the Trust Deed or the Notes or the Coupons.

Any such assumption shall be subject to the relevant provisions of the Trust Deed and to such amendment thereof and such other conditions as the Trustee may require.

The Trust Deed provides that any such substitution, Approved Reorganisation or consolidation, merger or amalgamation shall be notified to the Noteholders in accordance with Condition 19 (*Notices*). In the case of a substitution, the relevant Issuer shall notify the Luxembourg Stock Exchange thereof and prepare, or procure the preparation of, a supplement to the Prospectus in respect of the Programme.

- (d) In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation, replacement, transfer or substitution as aforesaid):
 - (i) the Trustee shall have regard to the interests of the Noteholders as a class and in particular, but without prejudice to the generality of the

foregoing, shall not have regard to the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory; and

- (ii) the Trustee shall not be entitled to claim from the Issuer or, where applicable, the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for by Condition 12 (*Taxation*) or by any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.
- (e) The Trustee may also agree, without the consent of the Noteholders or the Couponholders, to the addition of another company as an issuer of Notes under the Programme and the Trust Deed. Any such addition shall be subject to the relevant provisions of the Trust Deed and to such amendment thereof as the Trustee may require.

18. Further Issues

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

19. Notices

To Holders of Bearer Notes

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

To Registered Holders

Notices to the Registered Holders will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing. In addition, so long as the Notes are listed or admitted to trading on a stock exchange and the rules of that stock exchange so

require, notices to Registered Holders will be published on the date of such mailing in a daily newspaper of general circulation in the place or places required by that stock exchange (which, in the case of the Luxembourg Stock Exchange, such place will be Luxembourg and such newspaper is expected to be the *Luxemburger Wort*) or, in the case of the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

To Holders of Notes held in a clearing system

While all the Notes are represented by a Global Note and the Global Note is deposited with a depository or a common depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**") and/or any other relevant clearing system or a common safekeeper for Euroclear and/or Clearstream, Luxembourg, as the case may be, notices to Noteholders may (to the extent permitted by the rules of the Luxembourg Stock Exchange or any other exchange on which the Notes are then listed or admitted to trading) be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Any such notices shall be deemed to have been given to the Noteholders on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

20. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

21. **Third Party Rights**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999.

22. **Governing Law and Jurisdiction**

- (a) The Trust Deed and the rights and obligations in respect of the Notes and the Coupons, and any non-contractual obligations arising out of or in connection with each of the foregoing, are governed by, and shall be construed in accordance with, English law, save that the subordination provisions applicable to the Intesa Sanpaolo Subordinated Notes and the subordination provisions relating to the Subordinated Guarantee described in Conditions 4 (*Status of the Notes*) and 5 (*Status of the Guarantee*) and Clauses 4 (*The Notes; Subordinated Notes*) and 5 (*Guarantee and Indemnity*) of the Trust Deed and any non-contractual obligations arising out of or in connection with

such provisions, shall be governed by the laws of the Republic of Italy and that the subordination provisions applicable to the INSPIRE Subordinated Notes described in Condition 4(c) (*Status - Subordinated Notes issued by INSPIRE*) and any non-contractual obligations arising out of or in connection with such provisions shall be governed by the laws of Ireland and that the subordination and redemption provisions applicable to the SEB Lower Tier II Subordinated Notes and insolvency or liquidation provisions applicable to SEB described in Condition 4(d) (*Status - Lower Tier II Subordinated Notes issued by SEB*) and any non-contractual obligations arising out of or in connection with such provisions shall be governed by the laws of the Grand Duchy of Luxembourg. For the avoidance of doubt, Articles 86 to 94-8 of the Luxembourg law on commercial companies dated 10th August, 1915, as amended shall not apply to the Notes or the holders of the Notes issued by SEB.

- (b) In the Trust Deed, each of Intesa Sanpaolo, INSPIRE and SEB has irrevocably agreed for the benefit of the Noteholders that the courts of England are to have jurisdiction to hear and determine any suit, action or proceedings and to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Trust Deed and the Notes and the Coupons (including any non-contractual obligations arising out of or in connection with the foregoing) (respectively "**Proceedings**" and "**Disputes**") and for such purposes have irrevocably submitted to the non-exclusive jurisdiction of such courts. Notwithstanding any Conditions, with regard to the subordination and redemption of the SEB Lower Tier II Subordinated Notes and insolvency or liquidation provisions applicable to SEB, the courts of Luxembourg-City shall have an exclusive jurisdiction to settle any disputes that may arise out of or in connection with such provisions and relating to non-contractual obligation arising out of or in connection with such provisions.
- (c) *Appropriate forum:* In the Trust Deed each of Intesa Sanpaolo, INSPIRE and SEB has irrevocably waived any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and has agreed not to claim that any such court is not a convenient or appropriate forum.
- (d) *Process Agent:* In the Trust Deed, each of Intesa Sanpaolo, INSPIRE and SEB has agreed that the documents which start any Proceedings or any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Intesa Sanpaolo S.p.A., London Branch which is presently at 90 Queen Street, London EC4N 1SA or its address for the time being. If such person is not or ceases to be effectively appointed to accept service of process on INSPIRE and SEB's behalf or is not or ceases to be registered in England, Intesa Sanpaolo, INSPIRE and SEB have agreed in the Trust Deed that they shall, on the written demand of the Trustee or, failing the Trustee, any Noteholder, addressed to the relevant Issuer and delivered to the relevant Issuer or to the specified office of the Principal Paying Agent, appoint a further person in England to accept service of process on their behalf and, failing such appointment within 15 days, the Trustee or, failing the Trustee, any Noteholder, shall be entitled to appoint such a person by written notice addressed to each of the Issuers or to the specified office of the Principal Paying Agent. Nothing in this paragraph shall affect the right of the Trustee or, failing the Trustee, any Noteholder, to serve process in any other manner permitted by law.

- (e) *Non-exclusivity*: The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any Noteholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether currently or not) if and to the extent permitted by law.
- (f) *Consent to enforcement etc.*: In the Trust Deed, each of Intesa Sanpaolo, INSPIRE and SEB has consented generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Bearer Global Note, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the bearer of the relevant Bearer Global Note which, for so long as the Bearer Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Registered Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name such Registered Global Note is for the time being registered in the Register which, for so long as the Registered Global Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Bearer Global Note or a Registered Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer or the Guarantor to the holder of such Bearer Global Note or Registered Global Note and in relation to all other rights arising under such Bearer Global Note or Registered Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Bearer Global Note or Registered Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Bearer Global Note or Registered Global Note, Accountholders shall have no claim directly against the Issuer or the Guarantor in respect of payments due under the Notes and such obligations of the Issuer and the Guarantor will be discharged by payment to the holder of such Bearer Global Note or Registered Global Note.

Conditions applicable to Global Notes

Each Bearer Global Note and Registered Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to such Bearer Global Note or Registered Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Bearer Global Note or Registered Global Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Bearer Global Note or Registered Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the

Notes. On each occasion on which a payment of principal or interest is made in respect of the Bearer Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

Payment Business Day: In the case of a Bearer Global Note, or a Registered Global Note, a "Payment Business Day" shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Registered Global Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "Record Date") where "Clearing System Business Day" means a day on which each clearing system for which the Registered Global Note is being held is open for business.

Exercise of put option: In order to exercise the option contained in Condition 10(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Registered Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 10(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Registered Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Registered Global Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Registered Global Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

**FORM OF FINAL TERMS FOR NOTES WITH A DENOMINATION OF AT LEAST
€100,000¹**

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

Final Terms dated []

**[Intesa Sanpaolo S.p.A./
Intesa Sanpaolo Bank Ireland p.l.c./
Société Européenne de Banque S.A.]**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
(Notes issued by *INSPIRE* or *SEB* only) [Guaranteed by

Intesa Sanpaolo S.p.A.]

**under the €70,000,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 28th October, 2011 [and the supplement to the Prospectus dated []], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC), as amended (the "**Prospectus Directive**") which includes the amendments made by Directive 2010/73/EU, the "**2010 PD Amending Directive**", to the extent such amendments have been implemented in a relevant Member State. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [and the supplement dated []]. The Prospectus [and the supplement] [is/are] available for viewing at the registered office[s] of the Issuer at [3rd Floor, KBC House, 4 George's Dock, IFSC Dublin, Ireland and of the Guarantor at]/[19-21 Boulevard du Prince Henri, Luxembourg, and of the Guarantor at] Piazza San Carlo 156, 10121 Turin, Italy and from Société Européenne de Banque S.A. at 19-21 Boulevard du Prince Henri, Luxembourg. The Prospectus [and the supplement] and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.

¹ or €50,000 until such time that Directive 2010/73/EU (the "Amending Directive") is transposed into national law and becomes directly applicable to wholesale securities issued under this Programme, where tap issues (further issuances of the same series of securities) are not contemplated after transposition of the Amending Directive. The Amending Directive entered into force on 31st December, 2010 and EEA Member States are required to implement the Amending Directive into national law by 1st July, 2012.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Prospectus dated *[date of original prospectus]*. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC), as amended (the "**Prospectus Directive**") which includes the amendments made by Directive 2010/73/EU, the "**2010 PD Amending Directive**", to the extent such amendments have been implemented in a relevant Member State and must be read in conjunction with the Prospectus dated 28th October, 2011 [and the supplement to the Prospectus dated []], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated *[original date]* and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectuses dated *[date of original prospectus]* and 28th October, 2011 [and the supplement dated []]. The Prospectuses [and the supplement] are available for viewing at the registered office[s] of the Issuer at [3rd Floor, KBC House, 4 George's Dock, IFSC Dublin, Ireland and of the Guarantor at]/[19-21 Boulevard du Prince Henri, Luxembourg, and of the Guarantor at] Piazza San Carlo 156, 10121 Turin, Italy and from Société Européenne de Banque S.A. at 19-21 Boulevard du Prince Henri, Luxembourg. The Prospectuses [and the supplement] and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

1. [(i)] Issuer: [Intesa Sanpaolo S.p.A./Intesa Sanpaolo Bank Ireland p.l.c./Société Européenne de Banque S.A.]

[(ii)] Guarantor: Intesa Sanpaolo S.p.A.]

(Only applicable if Status of the Guarantee is Applicable under paragraph 13)²

² N.B. – This will always be applicable if Notes are issued by Intesa Sanpaolo Bank Ireland p.l.c. / Société Européenne de Banque S.A.

2. (i) Series Number: []
- (ii) Tranche Number: []
- (If fungible with an existing Series, [] details of that Series, including the date on which the Notes become fungible).
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
- (i) Series: []
- (ii) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *(insert date, if applicable)*]
6. [(i)] Specified Denominations: [] [and integral multiples of [] in excess thereof up to and including []. No Notes in definitive form will be issued with a denomination above [].]

(Unless paragraph 24 (Form of Notes) below specifies that the Global Note is to be exchanged for Definitive Notes "in the limited circumstances described in the Permanent Global Note", Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. Where paragraph 24 (Form of Notes) does so specify, Notes may be issued in denominations of €100,000 or €50,000 and higher integral multiples of €1,000 up to a maximum of €199,000 or €99,000, as applicable. In such circumstances, insert the wording below)

[A Noteholder who holds a principal amount of less than €100,000 or €50,000 may not receive a

Definitive Note (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding is an integral multiple of €100,000 or €50,000.]

(N.B. Following the entry into force of the 2010 PD Amending Directive on 31st December, 2010, Notes to be admitted to trading on a regulated market within the European Economic Area with a maturity date which will fall after the implementation date of the 2010 PD Amending Directive in the relevant European Economic Area Member State (which is due to be no later than 1st July, 2012) must have a minimum denomination of €100,000 (or equivalent) in order to benefit from Transparency Directive exemptions in respect of wholesale securities. Similarly, Notes issued after the implementation of the 2010 PD Amending Directive in a Member State must have a minimum denomination of €100,000 (or equivalent) in order to benefit from the wholesale exemption set out in Article 3.2(d) of the Prospectus Directive in that Member State.)

[(ii)] Specified Minimum Amounts: [] *[For Registered Notes only.]*

[(iii)] Specified Increments: [] *[For Registered Notes only.]*

(iv) Calculation Amount: [] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. There must be a common factor in the case of two or more Specified Denominations.)*

7. (i) Issue Date: []

(ii) Interest Commencement Date (if different from the Issue Date): *[Specify/Issue Date/Not Applicable]*

8. Maturity Date: *[specify date or (for Floating Rate Notes) Interest Payment Date falling in the relevant month and year]*

9. Interest Basis: [% Fixed Rate]
- [[specify reference rate] +/- []% Floating Rate]
- [Zero Coupon]
- [Index-Linked Interest]
- [Dual Currency Interest]
- [Other (specify)]
- (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
- [Index-Linked Redemption]
- [Dual Currency]
- [Partly Paid]
- [Instalment]
- [Other (specify)]
- [N.B. If the Final Redemption Amount is other than 100 per cent. of the principal amount, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive will apply.]*
11. Change of Interest Redemption/Payment Basis: or [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]
12. Put/Call Options: [Investor Put]

[Issuers Call]

[(further particulars specified below)]

13. (i) Status of the Notes: [Senior/Subordinated]
[Lower Tier II/Upper Tier II/Tier III]

(ii) [Status of the Guarantee: [Applicable/Not Applicable]]³
[Senior/Subordinated]
[Lower Tier II/Upper Tier II]

(iii) [Date of Deed of Guarantee: []]

(N.B. For a guaranteed issuance, a separate Deed of Guarantee has to be entered into upon each issuance of Notes – see form of Deed of Guarantee in the Trust Deed)

(N.B. If the issue is a fungible issue state that the issue will be covered by a Deed of Guarantee entered into on [date] in relation to the first issue of the Series)

(iv) [Date [Board] approval for issuance of Notes [and Guarantee] obtained: [] [and [], respectively]]

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee of the Notes)

14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]

³ N.B. – This will always be applicable if Notes are issued by Intesa Sanpaolo Bank Ireland p.l.c. / Société Européenne de Banque S.A.

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [] in each year

(N.B. This will need to be amended in the case of any long or short coupons.)
- (iii) Fixed Coupon Amount[(s)]: [] per Calculation Amount
- (iv) Day Count Fraction: [30/360]/[Actual/Actual (ICMA/ISDA/other)]/[If neither of these options applies, give details]
- (v) Broken Amount(s): [] per Calculation Amount payable on the Interest Payment Date [in/on] []
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

16. Floating Rate Note Provisions [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)

- (i) Specified Period(s)/Specified Interest Payment Dates: []
- (ii) First Interest Payment Date []
- (iii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day

Convention/ other (give details)]

(Note that this item adjusts the end date of each Interest Period (and consequently, also adjusts the length of the Interest Period and the amount of interest due). In relation to the actual date on which Noteholders are entitled to receive payment of interest, see also Conditions 11(g) and (n) (Payments on business days) and the defined term "Payment Business Day".)

(iv) Additional Business Centre(s): [Not Applicable/give details]

(v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]

(vi) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent): [[Name] shall be the Calculation Agent (no need to specify if the Principal Paying Agent is to perform this function)]

(vii) Screen Rate Determination:

• Reference Rate: [For example, LIBOR or EURIBOR]

• Relevant Screen Page: [For example, Reuters EURIBOR 01]

• Interest Determination Date(s): []

• Relevant Time: [For example, 11.00 a.m. London time/Brussels time]

• Relevant Financial Centre: [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]

(viii) ISDA Determination:

- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (ix) Margin(s): [+/-] [] per cent. per annum
- (x) Minimum Rate of Interest: [] per cent. per annum
- (xi) Maximum Rate of Interest: [] per cent. per annum
- (xii) Day Count Fraction: [Actual/Actual (ICMA)
- Actual/Actual (ISDA)
- Actual/365 (Fixed)
- Actual/365 (Sterling)
- Actual/360
- 30/360
- 30E/360
- Other]
- (See Conditions 6 and 7 for alternatives)*
- (xiii) Fall back provisions, []
rounding provisions,
denominator and any other
terms relating to the method
of calculating interest on
Floating Rate Notes, if
different from those set out
in the Conditions:

17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Accrual Yield: [] per cent. per annum

(ii) Reference Price: []

(iii) Any other formula/basis of determining amount payable: [Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 10(g) (Early redemption of Zero Coupon Notes)]

18. **Index-Linked Interest Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

(i) Index/Formula: [Give or annex details]

(ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent): [name] shall be the Calculation Agent (no need to specify if the Principal Paying Agent is to perform this function)]

(iii) Provisions for determining Rate(s) of Interest and/or Interest Amounts where calculated by reference to Index and/or Formula and/or other variable:

- (iv) Determination Date(s): []
- (v) Provisions for determining Rate(s) of Interest and/or Interest Amounts where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []
- (vi) Interest or calculation period(s): []
- (vii) Specified Period(s)/Specified Interest Payment Dates: []
- (viii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]

(Note that this item adjusts the end date of each Interest Period (and, consequently, also adjusts the length of the Interest Period and the amount of interest due). In relation to the actual date on which Noteholders are entitled to receive payment of interest, see also Condition 11(g) and (n) (Payments on business days) and the defined term "Payment Business Day".)

- (ix) Additional Business Centre(s): []
- (x) Minimum Rate of Interest: [] per cent. per annum
- (xi) Maximum Rate of Interest: [] per cent. per annum
- (xii) Day Count Fraction: []

19. **Dual Currency Interest Note** [Applicable/Not Applicable]

Provisions

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

- (i) Rate of Exchange/method of calculating Rate of Exchange: [Give or annex details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent): [Name] shall be the Calculation Agent *(no need to specify if the Principal Paying Agent is to perform this function)*
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [Need to include a description of market disruption or settlement disruption events and adjustment provisions.]
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

20. **Call Option** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s) (Call): []
- (ii) Optional Redemption Amount(s) (Call) and [] per Calculation Amount/specify other/See

method, if any, of Appendix
calculation of such
amount(s):

(iii) If redeemable in part:

(a) Minimum Redemption [] per Calculation Amount
Amount:

(b) Maximum Redemption [] per Calculation Amount
Amount:

(iv) Notice period (if other than []
as set out in the Conditions):

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)

21. Put Option

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Optional Redemption []
Date(s):

(ii) Optional Redemption [] per Calculation Amount/*specify other/See*
Amount(s) and method, if Appendix
any, of calculation of such
amount(s):

(iii) Notice period (if other than []
as set out in the Conditions):

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is

advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)

22. Final Redemption Amount

[[] per Calculation Amount/other/see Appendix]

[N.B. If the Final Redemption Amount is other than 100 per cent. of the principal amount, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive will apply.]

[In cases where the Final Redemption Amount is Index-Linked]

(i) Index/Formula/variable: [give or annex details]

(ii) Party responsible for calculating the Final Redemption Amount (if not the Principal Paying Agent): [Name] shall be the Calculation Agent (no need to specify if the Principal Paying Agent is to perform this function)

(iii) Provisions for determining Final []

Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:

(iv) Determination Date(s): []

(v) Provisions for determining Final []

Redemption Amount where calculation by reference to Index

and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:

(vi) Payment Date: []

(vii) Minimum Final Redemption Amount [] per Calculation Amount

(viii) Maximum Final Redemption Amount [] per Calculation Amount

23. **Early Redemption Amount**

Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable (*if both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes*)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. **Form of Notes:**

Bearer Notes

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on 60 days' notice at any time/in the limited circumstances specified in the Permanent Global Note.]

[Temporary Global Note exchangeable for Definitive Notes on 60 days' notice.]

[Permanent Global Note exchangeable for Definitive Notes on 60 days' notice at any time/in the limited circumstances specified in the Permanent Global Note].

Registered Notes

[Registered Global Note registered in the name

of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg]/[a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))]

[In relation to any issue of Notes which are "exchangeable to Definitive Notes" in circumstances other than "in the limited circumstances specified in the Global Note", such Notes may only be issued in denominations equal to or greater than, €100,000 or, at the option of the Issuer and until such time that the increase of the minimum denomination threshold for wholesale securities from €50,000 to €100,000 introduced by Directive 2010/73/EU is implemented in Italy, Ireland or Luxembourg (as appropriate) and/or other relevant Member State(s), €50,000 (or equivalent) and multiples thereof.]

25. New Global Note Form: [Yes/No]
26. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. (Note that this paragraph relates to the place of payment, and not interest period end dates, to which paragraphs 16(iv) and 18(ix) relate)]
27. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuers to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to [Not Applicable/give details]

be made:

30. Redenomination applicable Redenomination [not] applicable. (*If redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms*)
31. Renominalisation and reconventioning provisions: [Not Applicable/The provisions annexed to this Final Terms apply]
32. Other final terms: [Not Applicable/give details]
- (When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*

DISTRIBUTION

33. (i) If syndicated, names of Managers: [Not applicable/give names]

(Include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers. Where not all of the issue is underwritten, a statement of the portion not covered.)⁴

[(ii) Date of Syndication []]⁴
Agreement:

[(iii) Stabilising Manager(s) (if any): [Not Applicable/give name]

⁴ Only required if the Notes are derivative securities to which Annex XII to the Prospectus Directive Regulations applies.

34. If non-syndicated, name of Dealer: [Not applicable/*give name and address*]
35. U.S. selling restrictions: Reg. S compliance category; [TEFRA C/
TEFRA D/TEFRA not applicable]
36. Additional selling restrictions: [Not Applicable/*give details*]

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue [and admission to trading]⁵ of the Notes described herein pursuant to the €70,000,000,000 Euro Medium Term Note Programme of Intesa Sanpaolo S.p.A., Intesa Sanpaolo Bank Ireland p.l.c. and Société Européenne de Banque S.A. [guaranteed, in respect of the Notes issued by Intesa Sanpaolo Bank Ireland p.l.c. and Société Européenne de Banque S.A., by Intesa Sanpaolo S.p.A.]⁶

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. To the best of the knowledge of [each of] the Issuer [and the Guarantor], having taken all reasonable care to ensure that such is the case, the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information.

[[] has been extracted from []. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:
Duly authorised

[Signed on behalf of the Guarantor:

By:
Duly authorised

PART B – OTHER INFORMATION

LISTING AND ADMISSION TO TRADING

⁵ Delete if the Notes are unlisted.

⁶ Delete if the Notes are issued by Intesa Sanpaolo S.p.A. and therefore not subject to a Deed of Guarantee.

1. (i) Listing: [Luxembourg/other (*specify*)/None]
- (ii) Admission to trading: [Application [has been/is expected to be] made for the Notes to be admitted to trading on [] with effect from [].]/[Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission for trading []

2. RATINGS

Ratings: The Notes to be issued [[have been]/[are expected]] to be rated:

[S & P's: []]

[Moody's: []]

[[Other]: []]

(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

EITHER

[Insert legal name of particular credit rating agency entity providing rating] is established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA**

Regulation").

OR

[Insert legal name of particular credit rating agency entity providing rating] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority.

OR

[Insert legal name of particular credit rating agency entity providing rating] is established in the European Union and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**").

OR

[[Insert legal name of particular credit rating agency entity providing rating] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**").]

OR

[Insert legal name of particular credit rating agency entity providing rating] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but the rating it has given to the Notes [has been]/[is expected to be] endorsed by *[insert legal name of credit rating agency]*, in accordance with the same regulation which is established in the European Union and registered under Regulation (EC) No 1060/2009 (as

amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**").

OR

[Insert legal name of particular credit rating agency entity providing rating] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but is certified under Regulation (EC) No 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**").

OR

[[Insert legal name of particular credit rating agency entity providing rating] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**"). However, the application for registration under the CRA Regulation of *[insert the name of the relevant EU CRA affiliate that applied for registration]*, which is established in the European Union, disclosed the intention to endorse credit ratings of *[insert legal name of particular credit rating agency entity providing rating]*.

OR

[Insert legal name of particular credit rating agency entity providing rating] is not established in the European Union, has not applied for registration under Regulation (EC) 1060/2009 and is not certified under Regulation (EC) No 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the European Union and registered under the CRA Regulation.

In general, European regulated investors are restricted from using a rating for regulatory

purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the Regulation (EC) No 1060/2009 (as amended by Regulation (EC) No 513/2011) ("**CRA Regulation**") unless the rating is provided by a credit rating agency operating in the European Union before 7th June, 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

3. NOTIFICATION

The [*include name of competent authority in EEA home Member State*] [has been requested to provide/has provided] [*include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [*include names of competent authorities of host Member States*] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*]

Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. (*Amend as appropriate if there are other interests*)

[*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.*]

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer: []

(*See "Use of Proceeds" wording in Prospectus. If reasons for offer different from making profit and/or hedging certain risks, will need to include*

those reasons here.])

[(ii) Estimated net proceeds: []

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)]

[(iii) Estimated total expenses: [Include breakdown of expenses]⁷

[6. ***Fixed Rate Notes only***] **YIELD**

Indication of yield: []

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

[7. ***Floating Rate Notes only***] **HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

[8. ***Index-Linked or other variable-linked Notes only***] **PERFORMANCE OF INDEX/FORMULA/ OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

(Need to include:

(i) *details of the exercise price or the final reference price of the underlying;*

⁷ Only required if the Notes are derivative securities to which Annex XII to the Prospectus Directive Regulation applies. If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.

- (ii) *details of where past and future performance and volatility of the index/formula/other variable can be obtained;*
- (iii) *a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident;*
- (iv) *a description of any market disruption or settlement disruption events that affect the underlying;*
- (v) *adjustment rules in relation to events concerning the underlying;*
- (vi) *where the underlying is a security, the name of the issuer of the security and its ISIN or other such security identification code;*
- (vii) *where the underlying is an index, the name of the index and a description (if composed by the Issuer) and (if the index is not composed by the Issuer) details of where the information about the index can be obtained;*
- (viii) *where the underlying is not an index, equivalent information;*
- (ix) *where the underlying is an interest rate, a description of the interest rate;*
- (x) *where the underlying is a basket of underlyings, disclosure of the relevant weightings of each underlying in the basket; and*
- (xi) *any other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.⁸⁾*

(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

[The Issuer [does not intend/intends] to provide post-issuance information except to the extent required by any applicable laws and regulations. (Specify what information will be reported and where it can be obtained.⁹⁾

⁸ Required if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulations apply.

⁹ Required if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulations apply.

[9. **[Dual Currency Notes only] PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

*(Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)*¹⁰

[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

[10] **OPERATIONAL INFORMATION**

ISIN Code: []

Common Code: []

Intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No]

[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for Registered Notes held in NSS]] and does not necessarily mean that the Notes will be recognized 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.]

[Include this text if "Yes" selected, in which case

¹⁰ Required if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulations apply.

the Notes must be issued in NGN form]

Any clearing system(s) other than Euroclear Bank S.A./N.V. [./and] Clearstream Banking, société anonyme and the relevant identification numbers): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional [] Paying Agent(s)(if any):

[[11 FURTHER INFORMATION RELATING TO THE ISSUER]

(Only required for Notes issued by Intesa Sanpaolo S.p.A.)

Further information relating to the Issuer is set out below, pursuant to Article 2414 of the Italian Civil Code.

(The information set out in this Schedule may need to be updated if, at the time of the issue of the Notes, any of it has changed since the date of this Prospectus)

(i) Objects: The objects of the Issuer, as set out in Article 4 of its by-laws, are the collection of savings and the carrying-out of all forms of lending activities, through its subsidiaries or otherwise. The Issuer may, in compliance with regulations in force and subject to obtaining any prior authorisations required, perform all banking and financial services and transactions, including the creation and management of open- and closed-end supplementary pension schemes, as well as any other transaction necessary for, or incidental to, the achievement of its corporate purpose, through its subsidiaries or otherwise.

As parent company of the "Intesa Sanpaolo" banking group, pursuant to Article 61 of Legislative Decree No. 385 of 1st September, 1993, the Issuer, in its direction and coordination capacity, issues instructions to Intesa Sanpaolo Group companies, including those for the

purposes of implementing the Bank of Italy's regulations and of ensuring the stability of the Intesa Sanpaolo Group.

The Issuer performs the role of parent company of a financial conglomerate, pursuant to Article 3 of Legislative Decree No. 142 of 30th May, 2005.

- (ii) Registered office: Piazza San Carlo 156, 10121 Turin, Italy
- (iii) Company registration: Registered at the Companies' Registry of the Chamber of Commerce of Turin, Italy under registration no. 00799960158.
- (iv) Amount of paid-up share capital and reserves: Paid-up share capital: €[]

Reserves: €[]

**FORM OF FINAL TERMS FOR NOTES WITH A DENOMINATION OF LESS
THAN €100,000¹¹**

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

Final Terms dated []

**[Intesa Sanpaolo S.p.A./
Intesa Sanpaolo Bank Ireland p.l.c./
Société Européenne de Banque S.A.]**

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
(*Notes issued by INSPIRE or SEB only*) [Guaranteed by

Intesa Sanpaolo S.p.A.]

**under the €70,000,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC), as amended (the "**Prospectus Directive**") which includes the amendments made by Directive 2010/73/EU, the "**2010 PD Amending Directive**", to the extent such amendments have been implemented in a relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

¹¹ or €50,000 until such time that Directive 2010/73/EU (the "Amending Directive") is transposed into national law and becomes directly applicable to wholesale securities issued under this Programme, where tap issues (further issuances of the same series of securities) are not contemplated after transposition of the Amending Directive. The Amending Directive entered into force on 31st December, 2010 and EEA Member States are required to implement the Amending Directive into national law by 1st July, 2012.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].¹²

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC), as amended (the "**Prospectus Directive**") which includes the amendments made by Directive 2010/73/EU, the "**2010 PD Amending Directive**", to the extent such amendments have been implemented in a relevant Member State, (each a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances] ¹³

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 28th October, 2011 [and the supplement to the Prospectus dated []], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC), as amended (the "**Prospectus Directive**") which includes the amendments made by Directive 2010/73/EU, the "**2010 PD Amending Directive**", to the extent such amendments have been implemented in a relevant Member State. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [and the supplement dated []]. The Prospectus [and the supplement] [is/are] available for viewing at the registered office[s] of the Issuer at [3rd Floor, KBC House, 4 George's Dock, IFSC Dublin, Ireland and of the Guarantor at]/[19-21 Boulevard du Prince Henri, Luxembourg, and of the Guarantor at] Piazza San Carlo 156, 10121 Turin, Italy and from Société Européenne de Banque S.A. at 19-21 Boulevard du Prince Henri, Luxembourg. The Prospectus [and the supplement] and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Prospectus dated [date of original prospectus]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC), as amended (the "**Prospectus Directive**") which includes the amendments made by Directive 2010/73/EU, the "**2010 PD Amending Directive**", to the extent such amendments have been implemented in a relevant Member State and must be read in conjunction with the Prospectus dated 28th October, 2011

¹² Consider including this legend where a non-exempt offer of Notes is anticipated.

¹³ Consider including this legend where only an exempt offer of Notes is anticipated.

[and the supplement to the Prospectus dated []], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [*original date*] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectuses dated [*date of original prospectus*] and 28th October, 2011 [and the supplement dated []]. The Prospectuses [and the supplement] are available for viewing at the registered office[s] of the Issuer at [3rd Floor, KBC House, 4 George's Dock, IFSC Dublin, Ireland and of the Guarantor at]/[19-21 Boulevard du Prince Henri, Luxembourg, and of the Guarantor at] Piazza San Carlo 156, 10121 Turin, Italy and from Société Européenne de Banque S.A., at 19-21 Boulevard du Prince Henri, Luxembourg. The Prospectuses [and the supplement] and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

1. [(i)] Issuer: [Intesa Sanpaolo S.p.A./Intesa Sanpaolo Bank Ireland p.l.c./Société Européenne de Banque S.A.]

[(ii)] Guarantor: Intesa Sanpaolo S.p.A.]

(Only applicable if Status of the Guarantee is Applicable under paragraph 13)¹⁴

2. (i) Series Number: []

(ii) Tranche Number: []

(If fungible with an existing Series, [] details of that Series, including the date on which the Notes become fungible).

¹⁴ N.B. – This will always be applicable if Notes are issued by Intesa Sanpaolo Bank Ireland p.l.c. / Société Européenne de Banque S.A.

3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
- (i) Series: [Up to] []
- (ii) Tranche: [Up to] []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount
[plus accrued interest from (*insert date, if applicable*)]
6. [(i)] Specified Denominations: []
- (N.B. Notes issued after the implementation of the 2010 PD Amending Directive in a Member State must have a minimum denomination of €100,000 (or equivalent) in order to benefit from the wholesale exemption set out in article 3.2(d) of the Prospectus Directive in that Member State)*
- (ii) Calculation Amount: [] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. There must be a common factor in the case of two or more Specified Denominations.)*
7. (i) Issue Date: []
- [(ii) Interest Commencement Date (if different from the Issue Date): [Specify/Issue Date/Not Applicable]
8. Maturity Date: [*specify date or (for Floating Rate Notes) Interest Payment Date falling in the relevant month and year*]
9. Interest Basis: [% Fixed Rate]

[[specify reference rate] +/- []% Floating Rate]

[Zero Coupon]

[Index-Linked Interest]

[Dual Currency Interest]

[Other (*specify*)]

(further particulars specified below)

10. Redemption/Payment Basis: [Redemption at par]

[Index-Linked Redemption]

[Dual Currency]

[Partly Paid]

[Instalment]

[Other (*specify*)]

[N.B. If the Final Redemption Amount is other than 100 per cent. of the principal amount, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive will apply.]

11. Change of Interest Redemption/Payment Basis: or [*Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis*]

12. Put/Call Options: [Investor Put]

[Issuers Call]

[(further particulars specified below)]

13. (i) Status of the Notes: [Senior/Subordinated]
[Lower Tier II/Upper Tier II/Tier III]

(ii) [Status of the Guarantee: [Applicable/Not Applicable]]¹⁵
[Senior/Subordinated]

[Lower Tier II/Upper Tier II]

(iii) [Date of Deed of Guarantee: []]

(N.B. For a guaranteed issuance, a separate Deed of Guarantee has to be entered into upon each issuance of Notes – see form of Deed of Guarantee in the Trust Deed)

(N.B. If the issue is a fungible issue state that the issue will be covered by a Deed of Guarantee entered into on [date] in relation to the first issue of the Series)

(iv) [Date [Board] approval for [] [and [], respectively]]
issuance of Notes [and
Guarantee] obtained:

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee of the Notes)

14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining

¹⁵ N.B. – This will always be applicable if Notes are issued by Intesa Sanpaolo Bank Ireland p.l.c. / Société Européenne de Banque S.A.

sub-paragraphs of this paragraph)

- (i) Rate(s) of Interest: [] per cent. per annum [payable annually/semi-annually/quarterly/monthly] in arrear
- (ii) Interest Payment Date(s): [] in each year

(N.B. This will need to be amended in the case of any long or short coupons.)
- (iii) Fixed Coupon Amount[(s)]: [] per Calculation Amount
- (iv) Day Count Fraction: [30/360]/[Actual/Actual (ICMA/ISDA/other)]/[If neither of these options applies, give details]
- (v) Broken Amount(s): [] per Calculation Amount payable on the Interest Payment Date [in/on] []
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

16. Floating Rate Note Provisions [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)

- (i) Specified Period(s)/Specified Interest Payment Dates: []
- (ii) First Interest Payment Date []
- (iii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day

Convention/ other (give details)]

(Note that this item adjusts the end date of each Interest Period (and consequently, also adjusts the length of the Interest Period and the amount of interest due). In relation to the actual date on which Noteholders are entitled to receive payment of interest, see also Condition 11(g) and (n) (Payments on business days) and the defined term "Payment Business Day".)

- (iv) Additional Business Centre(s): [Not Applicable/give details]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (vi) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent): *[[Name] shall be the Calculation Agent (no need to specify if the Principal Paying Agent is to perform this function)]*
- (vii) Screen Rate Determination:
- Reference Rate: *[For example, LIBOR or EURIBOR]*
 - Relevant Screen Page: *[For example, Reuters EURIBOR 01]*
 - Interest Determination Date(s): []
 - Relevant Time: *[For example, 11.00 a.m. London time/Brussels time]*
 - Relevant Financial Centre: *[For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]*

- (viii) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (ix) Margin(s): [+/-] [] per cent. per annum
- (x) Minimum Rate of Interest: [] per cent. per annum
- (xi) Maximum Rate of Interest: [] per cent. per annum
- (xii) Day Count Fraction: [Actual/Actual (ICMA)
- Actual/Actual (ISDA)
- Actual/365 (Fixed)
- Actual/365 (Sterling)
- Actual/360
- 30/360
- 30E/360
- Other]
- (See Conditions 6 and 7 for alternatives)*
- (xiii) Fall back provisions, []
rounding provisions,
denominator and any other
terms relating to the
method of calculating
interest on Floating Rate
Notes, if different from

those set out in the
Conditions:

17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Accrual Yield: [] per cent. per annum

(ii) Reference Price: []

(iii) Any other formula/basis of determining amount payable: [Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 10(g) (Early redemption of Zero Coupon Notes)]

18. **Index-Linked Interest Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

(i) Index/Formula: [Give or annex details]

(ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent): [name] shall be the Calculation Agent *(no need to specify if the Principal Paying Agent is to perform this function)*

(iii) Provisions for determining Rate(s) of Interest and/or Interest Amounts where calculated by reference to Index and/or Formula

and/or other variable:

- (iv) Determination Date(s): []
- (v) Provisions for determining Rate(s) of Interest and/or Interest Amounts where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []
- (vi) Interest or calculation period(s): []
- (vii) Specified Period(s)/Specified Interest Payment Dates: []
- (viii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]

(Note that this item adjusts the end date of each Interest Period (and, consequently, also adjusts the length of the Interest Period and the amount of interest due). In relation to the actual date on which Noteholders are entitled to receive payment of interest, see also Condition 11(g) and (n) (Payments on business days) and the defined term "Payment Business Day".)
- (ix) Additional Business Centre(s): []
- (x) Minimum Rate of Interest: [] per cent. per annum
- (xi) Maximum Rate of Interest: [] per cent. per annum

(xii) Day Count Fraction: []

19. **Dual Currency Interest Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

(i) Rate of Exchange/method of calculating Rate of Exchange: [Give or annex details]

(ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent): [Name] shall be the Calculation Agent (no need to specify if the Principal Paying Agent is to perform this function)

(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [Need to include a description of market disruption or settlement disruption events and adjustment provisions.]

(iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

20. **Call Option** [Applicable/Not Applicable]

(If not applicable, delete the remaining

sub-paragraphs of this paragraph)

- (i) Optional Redemption []
Date(s) (Call):

- (ii) Optional Redemption [] per Calculation Amount/*specify other/see*
Amount(s) (Call) and Appendix
method, if any, of
calculation of such
amount(s):

- (iii) If redeemable in part:
 - (a) Minimum Redemption [] per Calculation Amount
Amount:

 - (b) Maximum Redemption [] per Calculation Amount
Amount:

- (iv) Notice period (if other than []
as set out in the
Conditions):

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)

21. Put Option

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption []
Date(s):

- (ii) Optional Redemption [] per Calculation Amount/*specify other/see*
Amount(s) and method, if

any, of calculation of such amount(s): Appendix

- (iii) Notice period (if other than [] as set out in the Conditions):

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Paying Agent or Trustee)

22. **Final Redemption Amount** [[] per Calculation Amount/other/see Appendix]

[N.B. If the Final Redemption Amount is other than 100 per cent. of the principal amount, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive will apply.]

[In cases where the Final Redemption Amount is Index-Linked]

(i) Index/Formula/variable: [give or annex details]

(ii) Party responsible for calculating the Final Redemption Amount (if not the Principal Paying Agent): [Name] shall be the Calculation Agent (no need to specify if the Principal Paying Agent is to perform this function)

(iii) Provisions for determining Final []

Redemption Amount where

calculated by reference to Index and/or Formula and/or other variable:

(iv) Determination Date(s): []

(v) Provisions for determining Final []

Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:

(vi) Payment Date: []

(vii) Minimum Final [] per Calculation Amount Redemption Amount

(viii) Maximum Final [] per Calculation Amount Redemption Amount

23. **Early Redemption Amount**

Early Redemption Amount(s) [Not Applicable (if both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)] payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. **Form of Notes:**

Bearer Notes

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on 60 days' notice at any time/in the limited circumstances specified in the

Permanent Global Note.]

[Temporary Global Note exchangeable for Definitive Notes on 60 days' notice.]

[Permanent Global Note exchangeable for Definitive Notes on 60 days' notice at any time/in the limited circumstances specified in the Permanent Global Note].

Registered Notes

[[Registered Global Note registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg]/[a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))]

25. New Global Note Form: [Yes/No]
26. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/*give details. (Note that this paragraph relates to the place of payment, and not interest period end dates, to which paragraphs 16(iv) and 18(ix) relate)*]
27. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuers to forfeit the Notes and interest due on late payment: [Not Applicable/*give details*]
29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]

30. Redenomination applicable Redenomination [not] applicable. (*If redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms*)
31. Renominalisation and reconventioning provisions: [Not Applicable/The provisions annexed to this Final Terms apply]
32. Other final terms: [Not Applicable/*give details*]
- (*When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.*)

DISTRIBUTION

33. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not applicable/*give names, addresses and underwriting commitments*]
- (*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.*)
- (ii) Date of Syndication Agreement: []
- (iii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
34. If non-syndicated, name and address of Dealer: [Not applicable/*give name and address*]
35. Total commission and concession: [] per cent. of the Aggregate Nominal Amount
36. U.S. selling restrictions: Reg. S compliance category; [TEFRA C/TEFRA D/TEFRA not applicable]

37. Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [*specify other persons, if applicable*]] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported*] (together, the "**Public Offer Jurisdictions**") during the period from [*specify date*] until [*specify date*] (the "**Offer Period**").
38. Additional selling restrictions: [Not Applicable/*give details*]

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue [and] [public offer in the Public Offer Jurisdictions] [and admission to trading] of the Notes described herein pursuant to the €70,000,000,000 Euro Medium Term Note Programme of Intesa Sanpaolo S.p.A., Intesa Sanpaolo Bank Ireland p.l.c. and Société Européenne de Banque S.A. [guaranteed, in respect of the Notes issued by Intesa Sanpaolo Bank Ireland p.l.c. and Société Européenne de Banque S.A. by Intesa Sanpaolo S.p.A.]¹⁶

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. To the best of the knowledge of [each of] the Issuer [and the Guarantor], having taken all reasonable care to ensure that such is the case, the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information.

[[] has been extracted from []. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:
Duly authorised

[Signed on behalf of the Guarantor:

¹⁶ Delete if the Notes are issued by Intesa Sanpaolo S.p.A. and therefore not subject to a Deed of Guarantee.

By:.....
Duly authorised]

PART B – OTHER INFORMATION

LISTING AND ADMISSION TO TRADING

1. (i) Listing: [Luxembourg/other (*specify*)/None]
- (ii) Admission to trading: [Application [has been/is expected to be] made for the Notes to be admitted to trading on [] with effect from [].]/[Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

2. RATINGS

Ratings: The Notes to be issued [[have been]/[are expected]] to be rated:

[S & P's: []]

[Moody's: []]

[[Other]: []]

(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

EITHER

[Insert legal name of particular credit rating agency entity providing rating] is established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**").

OR

[Insert legal name of particular credit rating agency entity providing rating] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority.

OR

[Insert legal name of particular credit rating agency entity providing rating] is established in the European Union and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**").

OR

[[Insert legal name of particular credit rating agency entity providing rating] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**").]

OR

[Insert legal name of particular credit rating agency entity providing rating] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but the rating it has given to the Notes [has been]/[is expected to be] endorsed by *[Insert legal name of credit rating agency]*, in accordance with the same Regulation which is established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**").

OR

[Insert legal name of particular credit rating agency entity providing rating] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but is certified under Regulation (EC) No 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**").

OR

[[Insert legal name of particular credit rating agency entity providing rating] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**"). However, the application for registration under the CRA Regulation of *[insert the name of the relevant EU CRA affiliate that applied for registration]*, which is established in the European Union, disclosed the intention to endorse credit ratings of *[Insert legal name of particular credit rating agency entity providing rating].]*

OR

[Insert legal name of particular credit rating agency entity providing rating] is not established in the European Union has not applied for registration under Regulation (EC) 1060/2009 and is not certified under Regulation (EC) No 1060/2009 (as amended by Regulation (EC) No 513/2011) (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the European Union and registered under the CRA Regulation.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless

the rating is provided by a credit rating agency operating in the European Union before 7th June, 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

3. NOTIFICATION

The [include name of competent authority in EEA home Member State] [has been requested to provide/has provided] [include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:]

Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. (*Amend as appropriate if there are other interests*)

[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer: []

(*See "Use of Proceeds" wording in Prospectus. If reasons for offer different from making profit and/or hedging certain risks, will need to include those reasons here.*)

[(ii) Estimated net proceeds: []

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses: [Include breakdown of expenses]

[6. ***Fixed Rate Notes only***] **YIELD**

Indication of yield: []

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

[7. ***Floating Rate Notes only***] **HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

[8. ***Index-Linked or other variable-linked Notes only***] **PERFORMANCE OF INDEX/FORMULA/ OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

(Need to include:

- (i) *details of the exercise price or the final reference price of the underlying;*
- (ii) *details of where past and future performance and volatility of the index/formula/other variable can be obtained;*
- (iii) *a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident;*
- (iv) *a description of any market disruption or settlement disruption events that*

affect the underlying;

- (v) *adjustment rules in relation to events concerning the underlying;*
- (vi) *where the underlying is a security, the name of the issuer of the security and its ISIN or other such security identification code;*
- (vii) *where the underlying is an index, the name of the index and a description (if composed by the Issuer) and (if the index is not composed by the Issuer) details of where the information about the index can be obtained;*
- (viii) *where the underlying is not an index, equivalent information;*
- (ix) *where the underlying is an interest rate, a description of the interest rate;*
- (x) *where the underlying is a basket of underlyings, disclosure of the relevant weightings of each underlying in the basket; and*
- (xi) *any other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.¹⁷⁾*

(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

[The Issuer [does not intend/intends] to provide post-issuance information except to the extent required by any applicable laws and regulations. *(Specify what information will be reported and where it can be obtained.*¹⁸⁾

[9. *Dual Currency Notes only*] PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

(Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how

¹⁷ Required if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulations apply.

¹⁸ Required if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulations apply.

the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)]¹⁹

[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

[10] **OPERATIONAL INFORMATION**

ISIN Code: []

Common Code: []

Intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No]

[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for Registered Notes held in NSS]] and does not necessarily mean that the Notes will be recognized 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.]

[Include this text if "Yes" selected, in which case the Notes must be issued in NGN form]

Any clearing system(s) other than Euroclear Bank S.A./N.V. [,/and] Clearstream Banking, société anonyme and the relevant [Not Applicable/give name(s) and number(s)]

¹⁹ Required if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulations apply.

identification numbers):

Delivery: Delivery [against/free of] payment

Names and addresses of additional []
Paying Agent(s)(if any):

[11] **TERMS AND CONDITIONS OF THE OFFER**

Offer price: [Issue Price/Not Applicable/*specify*]

Conditions to which the offer is subject: [Not Applicable/*give details*]

Description of the application process: [Not Applicable/*give details*]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/*give details*]

Details of the minimum and/or maximum amount of application: [Not Applicable/*give details*]

Details of the method and time limits for paying up and delivering the Notes: [Not Applicable/*give details*]

Manner in and date on which results of the offer are to be made public: [Not Applicable/*give details*]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/*give details*]

Categories of potential investors to which the Notes are offered and [Not Applicable/*give details*]

whether tranche(s) have been reserved for certain countries:

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/*give details*]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/*give details*]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [None/*give details*]

[[12 FURTHER INFORMATION RELATING TO THE ISSUER]

(Only required for Notes issued by Intesa Sanpaolo)

Further information relating to the Issuer is set out below, pursuant to Article 2414 of the Italian Civil Code.

(The information set out in this Schedule may need to be updated if, at the time of the issue of the Notes, any of it has changed since the date of this Prospectus)

- (i) Objects: The objects of the Issuer, as set out in Article 4 of its by-laws, are the collection of savings and the carrying-out of all forms of lending activities, through its subsidiaries or otherwise. The Issuer may, in compliance with regulations in force and subject to obtaining any prior authorisations required, perform all banking and financial services and transactions, including the creation and management of open- and closed-end supplementary pension schemes, as well as any other transaction necessary for, or incidental to, the achievement of its corporate purpose, through its subsidiaries or otherwise.

As parent company of the "Intesa Sanpaolo"

banking group, pursuant to Article 61 of Legislative Decree No. 385 of 1st September, 1993, the Issuer, in its direction and coordination capacity, issues instructions to Intesa Sanpaolo Group companies, including those for the purposes of implementing the Bank of Italy's regulations and of ensuring the stability of the Intesa Sanpaolo Group.

The Issuer performs the role of parent company of a financial conglomerate, pursuant to Article 3 of Legislative Decree No. 142 of 30th May, 2005.

- (ii) Registered office: Piazza San Carlo 156, 10121 Turin, Italy
- (iii) Company registration: Registered at the Companies' Registry of the Chamber of Commerce of Turin, Italy under registration no. 00799960158.
- (iv) Amount of paid-up share capital and reserves: Paid-up share capital: €[]

Reserves: €[]

DESCRIPTION OF INTESA SANPAOLO S.p.A.

History and organisation of the Intesa Sanpaolo Group

Intesa Sanpaolo's origins

Intesa Sanpaolo is the result of the merger by incorporation of Sanpaolo IMI S.p.A. with and into Banca Intesa S.p.A. (effective 1st 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 1st January, 2003, the corporate name was changed to "Banca Intesa S.p.A."

Sanpaolo IMI S.p.A.

Sanpaolo IMI S.p.A. ("**Sanpaolo IMI**") 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 31st 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 12th October, 2006 and the merger became effective on 1st January, 2007. The surviving entity changed its name to Intesa Sanpaolo S.p.A., the parent company of the Intesa Sanpaolo Group.

Legal Status

Intesa Sanpaolo is a company limited by shares, incorporated in 1925 under the laws of Italy and 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".

Registered Office

Intesa Sanpaolo's registered office is at Piazza San Carlo 156, 10121 Turin and its telephone number is +39 0115551. Intesa Sanpaolo's secondary office is at Via Monte di Pietà 8, 20121 Milan.

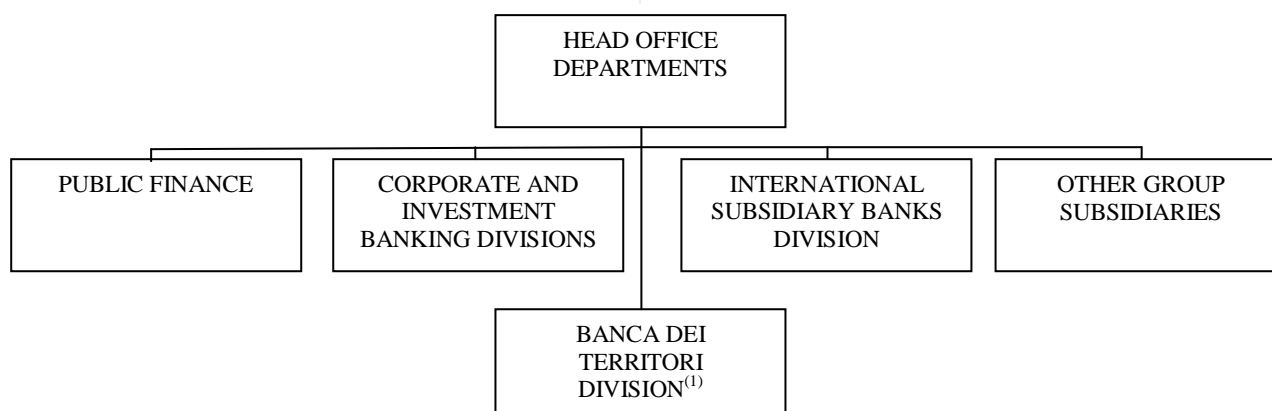
Objects

The objects of Intesa Sanpaolo are deposit-taking and the carrying-on of all forms of lending activities, including through its subsidiaries. Intesa Sanpaolo 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.

Share Capital

At 30th June, 2011, Intesa Sanpaolo's issued and paid-up share capital amounted to €8,545,561,614.72, divided into 16,433,772,336 shares with a nominal value of €0.52 each, in turn comprising 15,501,281,775 ordinary shares and 932,490,561 non-convertible savings shares. Since 30th June, 2011, there has been no change to Intesa Sanpaolo's share capital.

Organisational Structure



Banca Infrastrutture Innovazione e Sviluppo	Banca IMI IMI Investimenti Intesa Sanpaolo Bank Ireland Leasint Mediofactoring Société Européenne de Banque	Intesa Sanpaolo Banca CR Firenze Banca dell'Adriatico Banca di Credito Sardo Banca di Trento e Bolzano Banca Monte Parma ^(*) Banco di Napoli Cassa dei Risparmi di Forlì e della Romagna Cassa di Risparmio del Friuli Venezia Giulia Cassa di Risparmio del Veneto Cassa di Risparmio di Venezia Cassa di Risparmio in Bologna Banca Prossima Centrovita Assicurazioni EurizonVita Intesa Sanpaolo Assicura Intesa Sanpaolo Previdenza Intesa Sanpaolo Private Banking Intesa Sanpaolo Vita Mediocredito Italiano Moneta Neos Finance Setefi Sirefid Sud Polo Vita	Banca Intesa Banca Intesa Beograd Bank of Alexandria Banka Koper CIB Bank Intesa Sanpaolo Bank Albania Intesa Sanpaolo Bank Romania Intesa Sanpaolo Banka Bosna i Hercegovina Pravex-Bank Privredna Banka Zagreb VUB Banka	Banca Fideuram Eurizon Capital
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() Intesa Sanpaolo acquired control of Banca Monte Parma in July 2011*

(1) Domestic commercial banking

Intesa Sanpaolo is an Italian and European banking and financial services leader, offering a wide range of banking, financial and related services throughout Italy and internationally,

with a focus on Central Eastern Europe, the Middle East and North Africa. Intesa Sanpaolo's activities include deposit taking, lending, asset management, securities trading, investment banking, trade finance, corporate finance, leasing, factoring and the distribution of life insurance and other insurance products.

The activity of the Intesa Sanpaolo Group is organised by six business units:

- The **Banca dei Territori Division** - which includes Italian subsidiary banks - operates with 5,376 branches serving 11 million customers and is based on a business model oriented to maintain and enhance regional brands, strengthen local commercial coverage and relations with individuals, small businesses and SMEs. Banca Prossima was established to serve non-profit entities and operates through the Intesa Sanpaolo Group's branches, with local offices and dedicated professionals.

The activities of this Division include private banking, industrial credit (operated by Mediocredito Italiano) and bancassurance (operated by EurizonVita, Sud Polo Vita, Centrovita Assicurazioni and Intesa Sanpaolo Vita in the life insurance sector and Intesa Sanpaolo Assicura in the casualty sector, with products mainly addressed to the safeguard of person and assets).

- The **Corporate & Investment Banking Division** has the mission of supporting the steady and sustainable growth of businesses and financial institutions with a medium/long term view, on a national and international basis, acting as a "global partner" with an in-depth understanding of company strategies and a complete service range. The Division includes M&A activities, structured finance and capital markets (performed through Banca IMI S.p.A.) and also merchant banking. It is present in 29 countries supporting the cross-border activity of its customers through a specialised network which comprises foreign branches, representative offices and subsidiaries performing corporate banking activity.
- The **International Subsidiary Banks Division**, which is responsible for activities outside Italy, operates through subsidiary and partly-owned commercial banks and provides guidelines, coordination and support to subsidiaries abroad active in retail and commercial banking. It operates with 1,724 branches serving approximately 8.3 million customers in the following 13 countries in Central-Eastern Europe and the Mediterranean region: Albania (Intesa Sanpaolo Bank Albania), Bosnia-Herzegovina (Intesa Sanpaolo Banka Bosna i Hercegovina), Croatia (Privredna Banka Zagreb), Egypt (Bank of Alexandria), the Russian Federation (Banca Intesa), Greece (with the Athens branch of Intesa Sanpaolo Bank Albania), the Czech Republic (with the Prague branch of VUB Banka), Romania (with Intesa Sanpaolo Bank Romania and Banca CR Firenze Romania), Serbia (Banca Intesa Beograd), Slovakia (VUB Banka), Slovenia (Banka Koper), Hungary (CIB Bank) and Ukraine (Pravex-Bank).
- **Public Finance** is responsible for customers in government, public entities, local authorities, public utilities, general contractors, public and private healthcare structures, developing activities related to lending and day-to-day banking operations, project financing, securitisations, financial advisory, with the aim of favouring cooperation between public and private entities and supporting initiatives and investment projects in large infrastructures, healthcare, research and public utilities in general. Public finance activities are performed through Banca Infrastrutture Innovazione e Sviluppo.

- **Eurizon Capital** is the Intesa Sanpaolo Group's asset management company.
- **Banca Fideuram** is the Intesa Sanpaolo Group company specialised in asset gathering, performed by the network of financial advisors and 98 branches serving customers with medium to high savings potential.

Intesa Sanpaolo in 2011

In 2011 there was the finalisation of the agreement for which in June 2010 Intesa Sanpaolo and Crédit Agricole established terms and conditions relating to Intesa Sanpaolo's sale to the Crédit Agricole Group of the entire stake held through the subsidiary Banca CR Firenze in Cassa di Risparmio della Spezia (80 per cent. of the capital), and 96 branches of the Intesa Sanpaolo Group in Italy.

The sale of the Cassa di Risparmio della Spezia was finalised at the beginning of January 2011. An initial tranche of the branches was transferred in the last few days of March 2011: 11 branches of Banca CR Firenze were contributed to Cassa di Risparmio di Parma e Piacenza. An additional 85 branches (belonging to Intesa Sanpaolo and Cassa di Risparmio del Veneto) were sold in May 2011. The whole transaction produced a positive effect on the consolidated income statement of €145 million (net of minority interest and tax) and a positive effect of about 20 basis points on the Core Tier I ratio.

In February 2011, Intesa Sanpaolo acquired the majority of shares in Banco Emiliano Romagnolo, a mono-branch bank based in Bologna, under extraordinary administration. The transaction, which was carried out with the approval of the Bank of Italy, entailed the reduction of the bank's share capital by an amount equal to the losses incurred, and a concurrent €26 million share capital increase, (including share premium of €14 million) 52 per cent. of which was reserved for Intesa Sanpaolo.

Consequently, as at 30th June, 2011 Intesa Sanpaolo held a majority interest in this Bologna-based bank. In the half-yearly report as at 30th June, 2011 (as well as in the Interim Statement as at 31st March, 2011) the investment was consolidated at equity, as it is formally still under extraordinary administration.

The remaining portion of the capital increase was offered with pre-emptive rights to the other shareholders and was subscribed for and paid in advance by Intesa Sanpaolo under a termination clause in the event the purchase option was exercised by the other shareholders. The option period ended in July and the stake held by Sanpaolo came to more than 99 per cent.

At the end of July 2011, the company's shareholders' meeting was held, and resolved to end the special administration period and appointed the corporate governance bodies. The special administrators have 4 months time to prepare the final report on their management.

On 1st June, 2011, after all the suspensive conditions set out in the contract were met and after obtaining the required authorisations, the acquisition by Banca Fideuram of 100 per cent. of the shares in Banca Sara was finalised.

At the end of June 2011, Intesa Sanpaolo finalised the sale of its remaining 25 per cent. equity investment in Findomestic – which it held via its subsidiary Banca CR Firenze – to the BNP Paribas Group against a consideration of €629 million. The sale generated a positive

impact on the Intesa Sanpaolo Group's consolidated income statement in the second quarter of 2011 of €154 million (€128 million in terms of net income) and on the Core Tier I capital ratio of about 11 basis points.

Intesa Sanpaolo also sold a 4 per cent. stake in Prada S.p.A.'s capital in the framework of the global offer linked to the latter company's listing on the Hong Kong stock exchange. After the sale, Intesa Sanpaolo still holds an equity investment in Prada amounting to 1 per cent. of the company's capital. The sale generated a positive impact on the Intesa Sanpaolo Group's consolidated income statement in the second quarter of 2011 of €272 million (€253 million in terms of net income) and on the Core Tier I capital ratio of about 8 basis points.

The end of June 2011 also saw the sale of Fideuram Bank Suisse, a wholly-held subsidiary of Fideuram Bank Luxembourg (which in turn is 100 per cent. owned by Banca Fideuram), specialising in private banking services, to Banca Credinvest. The consideration agreed for the sale is about €26 million. The sale agreement includes an amount adjustment clause, in order to take into account the developments in the volumes held by the Fideuram Group. The capital gain on the sale of this subsidiary is about €8 million.

On 15th July, 2011, the results were announced for the 2011 EU-wide Stress Test – conducted by the European Banking Authority (EBA) in cooperation with the Bank of Italy, the European Central Bank (ECB), the European Commission (EC) and the European Systemic Risk Board (ESRB) – in which Intesa Sanpaolo participated.

The EU-wide stress test, carried out across 90 banks covering over 65 per cent. of the EU banking systems total assets, sought to assess the resilience of European banks to severe shocks and their specific solvency to hypothetical stress events under certain restrictive conditions.

As a result of the assumed shock, in the adverse scenario the consolidated Core Tier I ratio of Intesa Sanpaolo would go from 7.9 per cent. at the end of 2010 to 8.9 per cent. at the end of 2012. This result incorporates the effects of the €5 billion capital increase, completed in June 2011 and does not take into account future strengthening actions planned by Intesa Sanpaolo.

On 20th July, 2011, the Intesa Sanpaolo Supervisory Board - upon proposal of the Management Board - approved the Intesa Sanpaolo Group's new remuneration policies. These policies adopt the regulations recently issued by the Bank of Italy on this matter. These policies include the New Incentive System intended for a part of the Management staff and the so-called "risk takers" of the Intesa Sanpaolo Group. This System replaces the long-term incentive plan approved last year, in the light of the relevant changes that took place in national and international regulations. The previous plan already met, to a large extent, the criteria provided for in the new regulations, among which are incentives linked to actual medium-term value creation and the appropriate balancing between fixed and variable components. The most significant difference between the proposed system and the previous plan regards the introduction of shares - explicitly required by the Bank of Italy - as part of the variable component of remuneration.

The proposed system, effective from 2011 and covering the three-year period 2011-2013 of the business plan, falls under the category of financial instrument-based remuneration plan and addresses, *inter alia*, top and senior executives who have regular access to privileged information and have the power to make management decisions which may affect the Intesa Sanpaolo Group's evolution and outlook.

On 26th July, 2011, Intesa Sanpaolo finalised the purchase of 51.0 per cent. of Banca Monte Parma shares from Fondazione Monte Parma and 9.8 per cent. of Banca Monte Parma shares from Banca Sella (Banca Sella Holding, GBA Vita and HDI Assicurazioni). As a result of the above purchase, Intesa Sanpaolo holds 60.8 per cent. of the shares of Banca Monte Parma. As a result of an additional similar trade among the remaining shareholders of Banca Monte Parma, the shareholders' structure is as follows: Fondazione Monte Parma 21.0 per cent., Fondazione Piacenza e Vigevano 15.5 per cent., Compagnia Generale e Immobiliare 2.5 per cent., others 0.5 per cent..

On 29th July, 2011, Intesa Sanpaolo signed an agreement with the Trade Unions for implementation of personnel cuts and re-deployment.

Under the terms of the agreement at least 2,500 employees that have accrued compulsory pension rights are expected to leave by 30th June, 2014. A further 2,500 employees, who will have accrued pension rights by 1st January, 2018, will be given the option to subscribe to the "solidarity allowance", on a purely voluntary basis.

The agreement also includes the methods for professional re-deployment of 5,000 employees and the recruitment of up to 1,000 young people, giving priority to those that have gained work experience with the Intesa Sanpaolo Group under non-permanent contracts.

The Capital Increase

At the beginning of April the Management Board and the Supervisory Board approved (each within the scope of its competence) the Intesa Sanpaolo Group's 2011-2013/2015 Business Plan and, as a part of that, decided to propose a €5 billion capital increase at the Extraordinary Shareholders' Meeting convened for 9th to 10th May, 2011.

The Extraordinary Shareholders' Meeting held on 10th May, 2011 resolved a share capital increase for consideration, for a total maximum amount of €5 billion, including share premium, to be executed by 31st December, 2011, in divisible form, through the issuance of ordinary shares with a nominal value of €0.52 each, carrying regular rights (1st January, 2011), to be offered with pre-emptive rights to the shareholders holding ordinary shares and owners/holders of the Company's savings shares, pursuant to article 2441 of the Italian Civil Code.

On 19th May, 2011, the Management Board resolved – in execution of the Shareholders' Meeting resolution – to issue 3,651,949,408 ordinary shares, with a nominal value of €0.52 each, having the same characteristics as those outstanding, and carrying regular rights, to be offered with pre-emptive rights to shareholders at a price of €1.369 per share, inclusive of €0.849 of share premium, in the ratio of 2 newly issued shares to 7 ordinary shares and/or savings shares held, up to a maximum total nominal value of €1,899,013,692.16 and to a maximum total aggregate value, inclusive of the share premium, of €4,999,518,739.55. The issue price was determined by applying a discount of approximately 24 per cent. to the theoretical ex-right price (TERP) of ordinary shares, calculated on the basis of the current official Stock Exchange price.

The rights offering of new ordinary shares ended on 22nd June, 2011 with full subscription of the total 3,651,949,408 shares offered, for a total aggregate value of €4,999,518,739.55.

In greater detail, during the subscription period - which ran from 23rd May, 2011 until 10th June, 2011 - 12,756,471,903 rights were exercised and a total of 3,644,706,258 new shares were subscribed, accounting for 99.80 per cent. of total new shares under the offering, corresponding to an aggregate amount of €4,989,602,867.20, gross of directly attributable expenses.

The 25,351,025 rights that had not been exercised at the end of the subscription period were sold on 15th June, 2011 – on the first day they were offered on the Stock Exchange through Banca IMI S.p.A. – and were subsequently exercised by 22nd June, 2011 through subscription of 7,243,150 shares, equal to 0.20 per cent. of the new shares on offer, for an aggregate amount of €9,915,872.35.

Exposure to Greece

As at 30th June, 2011, the Intesa Sanpaolo Group's total exposure to Greece sovereign risk amounted to €881 million in terms of nominal value, recognised to the balance sheet with a value of €559 million.

Following intensification of the Greek debt crisis and financial market expectations of an extensive and credible support plan, on 21st July, 2011, the Heads of State of euro-zone countries approved a structured plan of aid for Greece (the "**21 July 2011 Agreement**") which envisages further involvement of the European Union and the IMF, stronger powers and intervention for the EFSF and even the involvement of private institutional investors. As part of this plan, banks and insurance companies under the direction of the Institute of International Finance (IIF) defined a number of support options for Greece.

These options under the 21 July 2011 Agreement were proposed as a securities exchange/roll-over programme for existing Greek public bonds maturing by 31st December, 2020, with new 15-year and 30-year securities issued by the Greek government. In respect of private sector intervention, there are four options expected which vary depending on the maturity, rate and guarantees over the new securities. Such securities are estimated to generate a 21 per cent. loss in terms of net present value, assuming a discount rate of 9 per cent. (which rate could be reached in the Greek debt market, as a result of the newly-approved aid).

Subsequent to the 21 July 2011 Agreement, on 26th October, 2011, the Heads of State of euro zone countries at a specially convened European Union Summit had invited all Greek bondholders to accept a deeper haircut of a 50 per cent. write down on the nominal face value of eligible Greek bonds to be exchanged through a voluntary bond exchange offer undertaken by the Hellenic Republic. As of the date of this Prospectus, the specific terms and conditions to the voluntary exchange offer have not been finalised, including (i) a proposal for the net present value loss accepted by bondholders participating in the voluntary exchange offer or (ii) the proposed timeframe for the execution of such voluntary exchange offer.

The amended plan therefore involves huge and detailed support actions, the actual effects of which on the Greek solvency position cannot yet be fully assessed, given the recent definition of the form of support and current lack of technical information on how the exchange/roll-over options which involve private institutional investors will actually be finalised.

In preparing the half-yearly report as at 30th June, 2011, both securities covered by the 21 July 2011 Agreement and those maturing beyond 2020 were measured according to the

criteria specific to their classification categories. In particular, securities classified as financial assets available for sale and financial assets held for trading were measured at fair value based on their market prices as at 30th June, 2011.

As the debt refers to a sovereign entity and given that protection mechanisms have been put into place by supranational bodies for this type of debt, in preparing the Intesa Sanpaolo Group's 2011 half-yearly report impairment losses were recognised only for the government securities maturing by 2020, for which the conditions for private institutional investor participation under the terms of the aforementioned agreement have been taken into account. An impairment loss of €48 million has therefore been recognised, measured in reference to the aforementioned net present value for securities classified under the loans and receivables caption, and referring to market prices as at 30th June, 2011 (recognising the entire negative equity reserve to the income statement) for securities classified as assets available for sale. The impact on the consolidated income statement, net of amounts allocated to insurance products under separate management, came to €25 million.

These measurements will be tested again in the next quarterly and annual reports to take into account developments in the aforementioned agreements and plans, in the market scenarios and in the general solvency position of the Greek government. In addition to the above exposures, the Intesa Sanpaolo Group as at 30th June, 2011, has exposures in securities of Greek companies and public entities for a nominal value of €279 million, recognised to the balance sheet for €282 million (€230 million among loans and receivables, €50 million as financial assets available for sale and €2 million as financial assets held for trading) and with a fair value of €154 million, for which the measurement criteria applied as at previous reporting dates remained unchanged and without impairment loss recognition. Furthermore, loans to Greek companies and public entities have been disbursed for €225 million.

Management

Supervisory Board

The composition of Intesa Sanpaolo's Supervisory Board is as set out below.

<u>Member of Supervisory Board</u>	<u>Position</u>	<u>Principal activities performed outside Intesa Sanpaolo</u>
Giovanni Bazoli	Chairman	Chairman of Mittel S.p.A. Deputy Chairman of La Scuola S.p.A. Member of Supervisory Board of UBI Banca S.c.p.A. Director of RCS Quotidiani S.p.A.
Elsa Fornero	Deputy Chairman	Director of Buzzi Unicem S.p.A.
Mario Bertolissi	Deputy Chairman	-
Franco Dalla Sega	Board Member	Chairman of the Board of Statutory Auditors of Intesa Previdenza SIM S.p.A.

		Chairman of the Board of Statutory Auditors of Mittel Investimenti Immobiliari S.r.l.
		Chairman of the Board of Statutory Auditors of Hopa S.p.A.
		Chairman of the Board of Statutory Auditors of Mittel S.p.A.
		Chairman of the Board of Statutory Auditors of Brands Partners 2 S.p.A.
		Member of the Board of Statutory Auditors of I.T.L. S.r.l.
		Director of Avvenire Nuova Editoriale Italiana S.p.A.
		Chairman of the Board of Statutory Auditors of Bios S.p.A.
Luigi Arturo Bianchi	Board Member	Chairman of Idea SIM S.p.A.
		Director and Member of Control Committee of Benetton Group S.p.A.
		Director and Member of Control Committee of UBS Fiduciaria S.p.A.
		Director and Member of Control Committee of Banca Generali S.p.A.
Rosalba Casiraghi	Board Member	Chairman of the Board of Statutory Auditors of Non Performing Loans S.p.A.
		Chairman of the Board of Statutory Auditors of Banca CR Firenze S.p.A.
		Chairman of the Board of Statutory Auditors of Nuovo Trasporto Viaggiatori S.p.A.
		Member of the Board of Statutory Auditors of Industrie de Nora S.p.A.
		Director of Luisa Spagnoli S.p.A.
		Director of Spa.Im S.r.l.
		Director of Spa.Pi S.r.l.
		Director of Spa.Ma S.r.l.

		Director of Alto Partners SGR S.p.A.
		Director of Biancamano S.p.A.
		Director of NH Hoteles SA
		Managing Director of Costruzione Gestione Progettazione - Co.Ge.Pro S.p.A.
		Sole Director of Rating S.r.l.
Gianluca Ferrero	Board Member	Executive Partner of Giovanni Agnelli e C. Sapaz
		Director of Banca del Piemonte S.p.A.
		Director of SEI Società Editrice Internazionale S.p.A.
		Director of Finlega S.p.A.
		Director of Lol S.r.l.
		Chairman of the Board of Statutory Auditors of Luigi Lavazza S.p.A.
		Chairman of the Board of Statutory Auditors of Biotronik Italia S.r.l.
		Chairman of the Board of Statutory Auditors of G.F.T. NET S.p.A. (in liquidazione)
		Chairman of the Board of Statutory Auditors of Praxi Intellectual Property S.p.A.
		Chairman of the Board of Statutory Auditors of TO-DIS S.r.l.
		Chairman of the Board of Statutory Auditors of Cafiero Mattioli Finanziaria S.p.A.
		Member of the Board of Statutory Auditors of Alberto Lavazza e C. Sapa
		Member of the Board of Statutory Auditors of Emilio Lavazza Sapa
		Member of the Board of Statutory Auditors of Fenera Holding S.p.A.
		Member of the Board of Statutory Auditors of Fenera Real Estate S.p.A.

		Member of the Board of Statutory Auditors of Centro Congressi Unione Industriali Torino S.p.A.
		Liquidator of Tecnodelta S.p.A. (in liquidazione)
		Sole Director of B. S.r.l.
		Member of the Board of Statutory Auditors of COFINCAF S.p.A.
		Member of the Board of Statutory Auditors of Gabriel Fiduciaria S.r.l.
Jean Paul Fitoussi	Board Member	Director of Telecom Italia S.p.A.
Pietro Garibaldi	Board Member	-
Giulio Stefano Lubatti	Board Member	Chairman of the Board of Statutory Auditors of Banco di Napoli S.p.A.
		Chairman of the Board of Statutory Auditors of Eurizon Capital SGR S.p.A.
Marco Mangiagalli	Board Member	Director of Luxottica Group S.p.A.
		Member of Autogrill S.p.A.
		Member of Falck Renewables S.p.A.
Gianni Marchesini	Board Member	-
Fabio Pasquini	Board Member	Chairman of Fidicont S.r.l.
		Managing Director of Torino Fiduciaria – Fiditor S.r.l.
		Member of the Board of Statutory Auditors of Rexcourta S.p.A.
		Member of the Board of Statutory Auditors of S.p.A. Michelin Italiana – S.A.M.I.
		Member of the Board of Statutory Auditors of Autoliv Italia S.p.A.
		Member of the Board of Statutory Auditors of Casco Imos Italia S.r.l. a socio unico
		Member of the Board of Statutory Auditors of Jacobacci & Partners S.p.A.

		Chairman of the Board of Statutory Auditors of Sangiorgio Costruzioni S.p.A.
		Chairman of the Board of Statutory Auditors of Sapri S.p.A.
		Member of the Supervisory Board of Alpi Fondi SGR S.p.A.
		Member of the Supervisory Board of Nuovi Investimenti Sim S.p.A.
		Managing Director of Linearis S.r.l.
Eugenio Pavarani	Board Member	Chairman of the Board of Statutory Auditors of Cassa di Risparmio in Bologna
		Chairman of the Board of Statutory Auditors of Mediofactoring S.p.A.
		Chairman of the Board of Statutory Auditors of Mittel Real Estate SGR S.p.A.
		Member of the Board of Statutory Auditors of Roche Diagnostics S.p.A.
		Member of the Board of Statutory Auditors of Roche Pharma S.p.A.
		Member of the Board of Statutory Auditors of Banca del Monte di Parma S.p.A.
Gianluca Ponzellini	Board Member	Chairman of Metodo S.r.l.
		Chairman of the Board of Statutory Auditors of Banca IMI S.p.A.
		Chairman of the Board of Statutory Auditors of De' Longhi Capital Services S.r.l.
		Chairman of the Board of Statutory Auditors of De' Longhi S.p.A.
		Chairman of the Board of Statutory Auditors of De' Longhi Appliances S.r.l.
		Chairman of the Board of Statutory Auditors of Finmar S.p.A.
		Chairman of the Board of Statutory Auditors of Luisa Spagnoli S.p.A.

Chairman of the Board of Statutory Auditors
of Spa.Pi S.r.l.

Chairman of the Board of Statutory Auditors
of Spa.Im S.r.l.

Chairman of the Board of Statutory Auditors
of Spa.Ma S.r.l.

Chairman of the Board of Statutory Auditors
of Diperdi S.r.l.

Member of the Board of Statutory Auditors
of G.S. S.p.A.

Member of the Board of Statutory Auditors
of Casa Editrice Universo S.p.A.

Member of the Board of Statutory Auditors
of Caretti & Associati S.p.A.

Member of the Board of Statutory Auditors
of Etnastore S.r.l.

Member of the Board of Statutory Auditors
of SSC Società Sviluppo Commerciale S.r.l.

Member of the Board of Statutory Auditors
of Telecom Italia S.p.A.

Gianguido Morsiani Sacchi Board Member

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Marco Spadacini Board Member

Chairman of the Board of Statutory Auditors
of Atlantia S.p.A.

Chairman of the Board of Statutory Auditors
of Ambi S.p.A.

Chairman of the Board of Statutory Auditors
of Apple Italia S.r.l.

Chairman of the Board of Statutory Auditors
of Apple S.p.A.

Chairman of the Board of Statutory Auditors
of Cooperativa Palomar 3 arl

Director of Arnoldo Mondadori Editore
S.p.A.

		Director of Lorenzo Galtruccio S.p.A.
		Director of Compagnia Fiduciaria Nazionale S.p.A.
		Member of the Board of Statutory Auditors of Axa Assicurazioni S.p.A.
		Member of the Board of Statutory Auditors of Axa Partecipazioni S.p.A.
		Member of the Board of Statutory Auditors of Centurion Immobiliare S.p.A.
		Member of the Board of Statutory Auditors of Expo 2015 S.p.A.
		Member of the Board of Statutory Auditors of Transalpina di Energia S.r.l.
		Member of the Board of Statutory Auditors of Fondiaria S.A.I. S.p.A.
Livio Torio	Board Member	Chairman of the Board of Statutory Auditors of Mediocredito Italiano S.p.A.
		Chairman of the Board of Statutory Auditors of Moneta S.p.A.
		Chairman of the Board of Statutory Auditors of Setefi S.p.A.
		Chairman of the Board of Statutory Auditors of Alintec Scarl
		Chairman of the Board of Statutory Auditors of Senato 14/16 Immobiliare S.r.l.
		Chairman of the Board of Statutory Auditors of Fondo Pensioni per il Personale Cariplo
		Member of the Board of Statutory Auditors of Banca di Credito Sardo S.p.A.
		Member of the Board of Statutory Auditors of Fondazione Lombardia Film Commission
		Member of the Board of Statutory Auditors of P.S.M. Celada Fasteners S.r.l.
Riccardo Varaldo	Board Member	Director of Piaggio & C. S.p.A.

Management Board

The composition of the Management Board of Intesa Sanpaolo is as set out below.

<u>Director</u>	<u>Position</u>	<u>Principal activities performed outside Intesa Sanpaolo</u>
Andrea Beltratti	Chairman	-
Marcello Sala	Senior Deputy Chairman	Director of Bank of Alexandria S.A.E. Director of Banca ITB S.p.A.
Giovanni Costa	Deputy Chairman	Director of Edizione S.r.l. Chairman of Cassa di Risparmio del Veneto S.p.A.
Corrado Passera	Managing Director and Chief Executive Officer	-
Aureliano Benedetti	Board Member	Chairman of Banca CR Firenze S.p.A. Chairman of Centrovita Assicurazioni S.p.A. Deputy Chairman of Agriventure S.p.A. Director of Banca IMI S.p.A.
Paolo Campaioli	Board Member	Director of Cassa di Risparmio di Pistoia e Pescia S.p.A. Director of Centrovita Assicurazioni S.p.A.
Elio Catania	Board Member	Chairman and Managing Director of Azienda Trasporti Milanesi S.p.A. Director of Telecom Italia S.p.A.
Roberto Firpo	Board Member	Director of Banco di Napoli S.p.A. Director of Equiter S.p.A.

Emilio Ottolenghi	Board Member	Chairman of Banca IMI S.p.A. Chairman of La Petrolifera Italo Rumena S.p.A. Chairman of Pir Finanziaria S.p.A. Chairman of Vis S.p.A. Director of Sapir S.p.A. Chairman of the Supervisory Board of La Petrolifera Italo Albanese Sh.A.
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The business address of each member of the Management Board and of the Supervisory Board is Intesa Sanpaolo S.p.A., Piazza San Carlo 156, 10121 Turin.

Conflicts of interest

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

Principal Shareholders

As at 30th June, 2011, the shareholder structure of Intesa Sanpaolo was composed as follows (holders of shares exceeding 2 per cent.).

Shareholders	Ordinary shares	% of ordinary shares
Compagnia di San Paolo	1,506,372,075	9.718%
Fondazione Cariplo	767,029,267	4.948%
Fondazione C.R. Padova e Rovigo	750,092,011	4.839%
Crédit Agricole S.A.	592,000,000	3.819%
Assicurazioni Generali S.p.A.	590,924,220	3.812%
Ente C.R. Firenze	514,655,221	3.320%
BlackRock Inc. (1)	376,688,882	2.430%
Fondazione C.R. in Bologna	313,656,442	2.023%

(1) Fund Management (as per declaration of 12th July, 2010).

Legal Risks

Legal risks are analysed by Intesa Sanpaolo Group and by group companies. Provisions are made to allow for risks and charges, in the presence of legal obligations for which it is probable the funds will be disbursed to meet such obligations and where it is possible to make a reliable estimate of the disbursement.

The most complex legal procedures are described in the paragraphs below.

Litigation regarding compound interest

In 1999, the Italian Supreme Court (Corte di Cassazione) declared that quarterly capitalisation of interim interest payable on current accounts was unlawful. Although a subsequent Legislative Decree (342 of 4th August, 1999) confirmed the legitimacy of capitalisation of interest on current accounts under certain conditions, this decree only took effect in April 2000. Disputes therefore arose regarding those contracts which were entered into before April 2000. A further ruling by the Italian Supreme Court on 2nd December, 2010 confirmed its prior approach and cast some doubt on the date from which the 10-year Italian statute of limitations should be calculated. As a result of this ruling, it is not possible for us to estimate the impact that this may have on the outstanding proceedings against us since each claim will have to be reviewed on a case by case basis. Finally, a new law was published on 26th February, 2011 which attempts to clarify how the 10-year Italian statute of limitations should be calculated. However, there are doubts as to the compatibility of this law with the Italian constitution and a ruling is expected by the Italian Constitutional Court.

The overall number of pending cases on this issue is not significant and Intesa Sanpaolo believes that the potential losses related to these disputes are sufficiently covered by provisions made for risks and charges.

Litigation regarding bonds in default

Intesa Sanpaolo is party to a number of proceedings related to the bond defaults of Cirio (in addition to the Cirio default described below), Parmalat, Argentina and Lehman Brothers.

With respect to Parmalat, pursuant to an agreement with Italian consumer groups, Intesa Sanpaolo has instituted a settlement procedure that covered all of the approximately 27,000 customers of the former Sanpaolo IMI Group who had purchased Parmalat bonds and subsequently converted them into shares and warrants of the new Parmalat. Approximately 16,800 of these customers (of which approximately 4,500 pertain to the *Banca dei Territori* business segment) agreed to participate in the procedure. Examination of claims began in November 2008 and concluded in June 2010 with overall reimbursements of about €15 million. Former Sanpaolo IMI Group customers also benefit from the support offered by the Sanpaolo IMI Customer Parmalat Bond Committee which was established in 2004. The committee's mission is to provide free protection for the rights to compensation of participants, including by filing a civil claim in the pending trials of those responsible for the default. The results of these initiatives include four important settlements reached by the committee and the parties against whom civil claims were brought in the trials. These settlements resulted in the availability of a total of €97 million, which has been distributed to participants.

With respect to the bond defaults by Argentina and Lehman Brothers, customer claims are managed on a case-by-case basis. With respect to the Argentinian bonds, Intesa Sanpaolo's exposure has been reduced following the acceptance by a significant portion of its customers to the settlement proposal made by the Argentinian government in 2010. Intesa Sanpaolo believes that the potential losses related to these disputes are sufficiently covered by provisions made for risks and charges.

Cirio Group default

In November 2002, the Cirio Group, one of the largest Italian groups operating in the agro-industrial sector, was declared insolvent. The bonds issued by the Cirio Group had a nominal value totalling approximately €1,250 million. Together with other major banking groups, both the former Banca Intesa Group and the former Sanpaolo IMI Group had granted loans to the Cirio Group.

In April 2007, ten companies of the Cirio Group claimed that Intesa Sanpaolo and Banca Caboto (now Banca IMI S.p.A.), together with five other banks, were jointly and severally liable for damages caused by aggravating the default of the Cirio Group by assisting in the issuance in the 2000/2002 period of six bonds. The Cirio Group alleges that damages could be between €2,082 million and €421 million, as well as an indeterminate amount resulting from claims alleging the bondholders' loss of opportunity in placing the company in administration, which they claim could have been brought forward had its financial situation been identified in a timely manner. The Cirio Group also claims compensation for damages deriving from the payment of commissions, amounting to €9.8 million, for the placement of the bonds. On 3rd November, 2009, the Court of Rome ruled against the Cirio Group, finding that their claim was unfounded and rejecting the request for damages. The appeal to define the conclusions is due to be heard on 27th January, 2016.

Equitalia Polis S.p.A. (formerly Gest Line S.p.A.) ("Equitalia")

In three separate transactions in September 2006, December 2007 and April 2008, Intesa Sanpaolo sold to Equitalia (a tax collection company owned by the Italian government through two state entities) 100 per cent. of the share capital of Gest Line S.p.A. ("**Gest Line**") (now Equitalia Polis), a company that performed tax-collection activities in the former Sanpaolo IMI Group. At the time of the sale, Intesa Sanpaolo undertook to indemnify the buyer against losses related to Gest Line's tax-collection activities prior to the September 2006 sale: the most significant portion of such potential losses may arise from litigation concerning alleged irregularities by Gest Line, particularly the first half of the 1990s. In 2005 a new law was introduced the effect of which was to transfer to the seller any payment obligation relating to tax-collections made prior to the sale of the tax-collection company. Although an amnesty for administrative irregularities was passed in Italy (introduced in Italy by Law No. 311/04), the local tax authorities involved in the litigation, and higher courts on appeal, held that Gest Line was not eligible for the amnesty. Notwithstanding a new regulatory initiative passed in 2007 (Law Decree No. 248/2007) aimed at clarifying the scope of the amnesty the judicial framework remains unchanged. Most recently new legislation was passed (Law Decree No. 40/2010) allowing parties that have sold their interests in collection agencies to settle on advantageous terms all proceedings pending as of 26th May, 2010 in connection with collection activity conducted through 30th June, 1999 by paying 10.91 per cent. of the disputed amounts. On 29th October, 2010, Intesa Sanpaolo opted to reach such an advantageous settlement, agreeing to pay the indicated percentage of 10.91 per

cent. The Intesa Sanpaolo Group is currently awaiting the receipt of notice of extinguishment of all proceedings affected by this law.

Banca Infrastrutture Innovazione e Sviluppo and Municipality of Taranto litigation

Banca Infrastrutture Innovazione e Sviluppo "**BIIS**"), as the successor to Banca OPI, was involved in a case pending before the Court of Taranto brought by the Municipality of Taranto in relation to the subscription in May 2004 by Banca OPI for a €250 million bond issued by the Municipality. In its judgment of 27th April, 2009, the Court declared the invalidity of the operation, ordering BIIS to reimburse, with interest, the partial repayments of the loan made by the Municipality of Taranto. The latter was ordered to reimburse, with interest, the loan granted. Lastly, the Court ordered compensation in favour of the Municipality, to be calculated by separate proceedings.

Both parties appealed against the judgment. Moreover, BIIS requested the stay of enforcement of the judgment and brought a case for negative clearance. The Municipality and BIIS have agreed not to enforce the judgment.

According to the legal firm assisting BIIS, there are valid grounds to believe that the first leave judgment will be modified.

In February 2010, the insolvency procedure entity for the Municipality of Taranto informed BIIS that the Municipality's debt to the bank for the repayment of the €250 million bond had been added to the insolvency procedures' "list of debts". The fact that the Municipality's debt to BIIS has been included in the solvency procedure's "list of debts" instead of in the "rebalanced financial statements" does not, in and of itself, have consequences for BIIS's right to repayment of its loan to the Municipality and, accordingly on the position's risk profile. BIIS appealed the judgment before the Regional Administrative Court of Puglia, which in a ruling handed down in February 2011 rejected the appeal due to lack of jurisdiction, without prejudice to the claims against the Municipality.

Class action by Codacons

On 5th January, 2010, Codacons (the Italian consumer rights organisation), acting on behalf of a single account holder, filed a class action suit against Intesa Sanpaolo and other major banking groups arguing that the new fee structure (which replaced the prior system of overdraft charges) is unlawful and requesting compensation in the amount of €1,250 for each of the affected account holders in the class. Intesa Sanpaolo believes that the case is not properly admissible as a class action and, moreover, is incorrect on its merits.

The Court of Turin ruled in June 2010 that this case is inadmissible as a class action. This ruling was appealed by the plaintiffs and the Court of Appeal of Turin rejected such claim on 25th October, 2010. Codacons has again appealed this decision before the Court of *Cassazione* and the appeal is still pending.

Class action by Altroconsumo

On 17th November, 2010, the association Altroconsumo, acting on behalf of three account holders, filed a class action suit against Intesa Sanpaolo regarding the application of overdraft charges and fees. It also seeks to ascertain whether the maximum usury rate has been exceeded and, in such case, requested the repayment of amounts collected by Intesa Sanpaolo

in excess of such usury rate. The claim has been quantified in a total amount of approximately €456 with respect to the three claimants. The Court of Turin ruled on 28th April, 2011 that this case is inadmissible as a class action. Further to an appeal filed by the plaintiffs, the Court of Appeal of Turin, with ruling dated 23rd September, 2011, repealed the preceding decision and declared that the class action is admissible with regard to the overdraft charges and fees applied by Intesa Sanpaolo as from 16th August, 2009. The ruling is exclusively related to the evaluation regarding the existence of the prerequisites for the action to be admissible and which therefore does not rule regarding the legitimacy of the application of overdraft charges and fees. This matter shall be considered during a different phase of the proceeding, which will commence in front of a court solely when (i) the relevant court will have issued a ruling regarding the timing and formalities for the publicity regarding the adherence of the account holders and (ii) the expiry date for the deposit of the relevant adherences with the court's offices will have elapsed.

Intesa Sanpaolo believes that there are valid arguments to sustain the rightful applicability of the overdraft charges and fees.

Angelo Rizzoli litigation

In September 2009, Angelo Rizzoli filed lawsuit against Intesa Sanpaolo (as the successor of the former Banco Ambrosiano) and four other parties seeking to nullify transactions undertaken between 1977 and 1984, which he alleges resulted in the wrongful loss of control he would have exercised over Rizzoli Editore S.p.A. Mr. Rizzoli is requesting compensation in an amount ranging from €650 to €724 million. This case is still pending. Intesa Sanpaolo believes that these claims are incorrect on their merits and, moreover, are inadmissible on the grounds that the Milan Court of Appeal already ruled on this matter in a 1996 judgment, the Italian statute of limitations would apply and, in any case, the asset taken over would now be subject to adverse possession. The Court has reserved judgment.

Allegra Finanz AG

On 31st January, 2011, Allegra Finanz AG and 16 other international institutional investors filed a suit before the Court of Milan against several leading international financial institutions, including Intesa Sanpaolo and Eurizon Capital SGR (as the successor to Nextra). The claimants are seeking compensation in excess of €129 million in respect of losses resulting from investments in bonds and shares issued by various Parmalat group companies. The plaintiffs claim that the banks knowingly and by various means concealed the financial state of the Parmalat group by means of transactions that prolonged its survival, with the effect of offloading the insolvency risk on investors. Intesa Sanpaolo's involvement in the proceedings relates to a private placement of €300 million by Parmalat Finance Corporation B.V. fully subscribed for by Nextra in June 2003, a transaction that, as stated by the claimants themselves, resulted in a settlement between Nextra and the Parmalat extraordinary administration procedure. The first hearing has been scheduled for 19th September, 2011. Intesa Sanpaolo promptly appeared, objecting that the claims are barred, the lack of causation between the activities carried out by Nextra and Parmalat's situations and the highly and knowingly speculative nature of the investments made by the claimants. Eurizon is challenging the legal basis on which it has been sued. The next hearing is scheduled for 25th January, 2012.

Other judicial and administrative proceedings

The District Prosecutor of New York and the Department of Justice have started a criminal investigation in the U.S. aimed at verifying the methods used for clearing dollar payments in the U.S. to/from countries embargoed by the U.S. government in the years from 2001 to 2008. The investigation involves the treatment of payment orders issued in connection with SWIFT interbank payments settled through U.S. banks, and the alleged omission or alteration of information relating to the senders and beneficiaries of these payments. Intesa Sanpaolo is cooperating in full with this investigation.

The U.S. banking supervisory authorities also initiated a parallel administrative proceeding in March 2007 related to weaknesses in the anti-money laundering systems of Intesa Sanpaolo's New York branch. Remedial action was requested to strengthen these anti-money laundering procedures, and Intesa Sanpaolo believes that it has complied with all such requests to date.

Based on the information available, Intesa Sanpaolo cannot currently estimate when and how these proceedings will be concluded or what impact they may have. While a settlement involving the payment of administrative sanctions by Intesa Sanpaolo is theoretically possible, from the information available to Intesa Sanpaolo cannot forecast the timing, outcome and amount of any possible sanction. See "*Risk Factors—Risks related to Intesa Sanpaolo's business*". Intesa Sanpaolo is subject to criminal and civil investigations brought by authorities in the U.S. related to the processing of U.S. dollar payments involving persons or entities in countries sanctioned by the U.S. government.

Italian competition authority proceedings related to Crédit Agricole

In May 2009, the Italian Competition Authority began non-compliance proceedings against Intesa Sanpaolo related to its relationship with Crédit Agricole following the merger between Banca Intesa and Sanpaolo IMI. Pursuant to the Italian Competition Authority's authorisation of the merger, Intesa Sanpaolo is required to ensure that Crédit Agricole complies with certain obligations to reduce its ownership interest in Intesa Sanpaolo. In April 2009, Assicurazioni Generali S.p.A. and Crédit Agricole entered into a shareholders' agreement with respect to Intesa Sanpaolo shares, which prompted the Italian Competition Authority to begin non-compliance proceedings against Intesa Sanpaolo.

In February 2010, Intesa Sanpaolo executed an agreement with Crédit Agricole pursuant to which Crédit Agricole agreed to purchase certain assets from Intesa Sanpaolo and made a series of commitments to Intesa Sanpaolo in view of the reduction of its participation in Intesa Sanpaolo's share capital.

In a resolution of 18th February, 2010, the Italian Competition Authority acknowledged Intesa Sanpaolo's agreement with Crédit Agricole and extended the deadline for the conclusion of the non-compliance proceedings until 15th July, 2011.

On 13th July, 2011 the Italian Competition Authority, after examining a number of commitments put forward by Intesa Sanpaolo and Crédit Agricole, issued a decision stating that the said commitments are able to eliminate any relationship existing between the two banks and therefore guarantee that Crédit Agricole can be considered, for antitrust purposes, a third party, independent of Intesa Sanpaolo. As a result, the Authority has not imposed any sanction on Intesa Sanpaolo.

Tax litigation

The risks associated with tax litigation are covered by specific provisions for risks and charges. The outstanding tax litigation as of 31st December, 2010 involving the parent company amounted to a total of €1,040 million, while the actual risk has been quantified as €109 million.

The most significant disputes that arose in 2010 relate to interpretative issues (with respect to which Intesa Sanpaolo Group believes it has acted correctly). These include:

- approximately €342 million connected to the sale without recourse of doubtful loans to Castello Finance S.r.l., made in 2005 by Banca Intesa and the merged Intesa Gestione Crediti;
- approximately €377 million relating to structured finance transactions undertaken in 2005 involving shares of companies listed in Italy;
- €42 million in respect of alleged irregularities in the trading of unrefined gold with a Swiss multinational; and
- €44 million claimed in connection with the contribution of branches to Cariparma and Friuladria and the subsequent sale of shares to Crédit Agricole.

The outstanding tax litigation as of 31st December, 2010 involving the other Italian and international companies of the Intesa Sanpaolo Group amounted to a total of €614 million, in respect of which specific allowances of €51 million have been made.

In addition, the affected companies are disputing these matters in the appropriate tax courts. In May 2011, the Tax Police of the Milan Guardia di Finanza began a tax inspection into Intesa Sanpaolo with regard to any structured finance transactions executed in 2006 and later years. This inspection is still in progress.

During the first half of 2011 the Tax Police squad issued reports of findings against Intesa Sanpaolo and other companies in the Intesa Sanpaolo Group in relation to transactions under repurchase agreements in foreign bonds completed in the period from 2006 to 2009, which generated credits for taxes prepaid in other countries and which the inspectors believe were not due as a result of alleged misuse of a right. The tax benefit being challenged totals of approximately €119 million, of which €72 million for Intesa Sanpaolo and €47 million for other companies in the Intesa Sanpaolo Group.

No specific provision has been allocated in relation to the tax demands as the expected result of any litigation that might arise is currently viewed as positive.

Recent Events

INTESA SANPAOLO: EBA TEST CONFIRMS THE GROUP'S CAPITAL ADEQUACY

On 27th October, 2011, Intesa Sanpaolo published a press release, the full text of which is set out below:

"Torino, Milano, 27 October 2011 – Following the estimates disclosed by the European Banking Authority (EBA) as regards the recapitalisation needs of Europe's banks, Intesa

Sanpaolo announces - at Consob's request - that **the Group does not need additional capital.**

As at 30 June 2011, the Group had a 10.2% Core Tier 1 ratio. This would decrease to around 10% applying to the risk-weighted assets (RWAs) as at the same date the increase envisaged in the CRD3 provisions, as requested by the EBA exercise. Taking into account the capital buffer computed by EBA against the Group's sovereign risk exposure as at 30 June 2011 on the basis of market prices at 30 September 2011, the Core Tier 1 ratio would be at around 9.2% - above the minimum level set at 9%.

This is a preliminary and indicative result. It will be updated to take into account the figures as at the end of September 2011 and shall be analysed by banks and Supervisory Authorities."

OVERVIEW OF THE FINANCIAL INFORMATION OF THE INTESA SANPAOLO GROUP

Audited Consolidated Annual Financial Statements

The annual financial information below as at and for the years ended 31st December, 2009 and 31st December, 2010 has been derived from the audited consolidated annual financial statements of the Intesa Sanpaolo Group as at and for the year ended 31st December, 2010 (the "**2010 Annual Financial Statements**") that include comparative figures as at and for the year ended 31st December, 2009. The 2010 Annual Financial Statements have been audited by Reconta Ernst & Young S.p.A., auditors to Intesa Sanpaolo S.p.A., who issued their audit report on 29th March, 2011.

Half-Yearly Financial Statements

The half yearly financial information below as at and for the six months ended 30th June, 2011 has been derived from the unaudited condensed consolidated half-yearly financial statements of the Intesa Sanpaolo Group as at and for the six months ended 30th June, 2011 (the "**2011 Half-Yearly Financial Statements**") that include comparative balance sheet figures as at 31st December, 2010 and income statement figures for the six months ended 30th June, 2010. Reconta Ernst & Young S.p.A. has performed a limited review on the 2011 Half-Yearly Financial Statements as at and for the six months ended 30th June, 2011 in accordance with CONSOB Regulation No. 10867 of 31st July, 1997 and issued their review report on 6th August, 2011.

Incorporation by Reference

Both the annual and the half-yearly financial statements referred to above are incorporated by reference in this Prospectus (see "*Information Incorporated by Reference*"). The financial information set out below forms only part of, should be read in conjunction with and is qualified in its entirety by reference to the above-mentioned annual and half-yearly financial statements, together with the accompanying notes and auditors' reports.

Accounting Principles

The annual and 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 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.

INTESA SANPAOLO
CONSOLIDATED ANNUAL BALANCE SHEET
AS AT 31/12/2010

Assets	31/12/2010	31/12/2009
	Audited	Audited
	<i>(in millions of €)</i>	
Cash and cash equivalents	4,758	8,412
Financial assets held for trading	71,899	69,825
Financial assets designated at fair value through profit and loss	35,549	21,965
Financial assets available for sale	61,612	35,895
Investments held to maturity	3,839	4,561
Due from banks	42,737	43,242
Loans to customers	379,235	374,033
Hedging derivatives	7,377	7,008
Fair value change of financial assets in hedged portfolios (+/-)	92	69
Investments in associates and companies subject to joint control	2,716	3,059
Technical insurance reserves re-assured with third parties	27	38
Property and equipment	5,455	5,291
Intangible assets of which:	25,990	25,789
- <i>goodwill</i>	19,217	18,838
Tax assets	8,733	7,320
<i>a) current</i>	2,759	2,072
<i>b) deferred</i>	5,974	5,248
Non-current assets held for sale and discontinued operations	75	6,552
Other assets	8,663	11,785
Total assets	658,757	624,844

INTESA SANPAOLO
CONSOLIDATED ANNUAL BALANCE SHEET
AS AT 31/12/2010

Liabilities and Shareholders' Equity	31/12/2010	31/12/2009
	Audited	Audited
	<i>(in millions of €)</i>	
Due to banks	52,860	43,369
Due to customers	221,064	210,814
Securities issued	179,983	185,243
Financial liabilities held for trading	45,045	42,249
Financial liabilities designated at fair value through profit and loss	26,144	25,887
Hedging derivatives	5,884	5,179
Fair value change of financial liabilities in hedged portfolios (+/-)	1,412	1,513
Tax liabilities	3,269	2,965
<i>a) current</i>	<i>661</i>	<i>841</i>
<i>b) deferred</i>	<i>2,608</i>	<i>2,124</i>
Liabilities associated with non-current assets held for sale and discontinued operations	-	9,723
Other liabilities	13,658	15,755
Employee termination indemnities	1,370	1,374
Allowances for risks and charges	3,280	3,420
<i>a) post employment benefits</i>	<i>374</i>	<i>512</i>
<i>b) other allowances</i>	<i>2,906</i>	<i>2,908</i>
Technical reserves	50,188	23,582
Valuation reserves	-1,054	-430
Reimbursable shares	-	-
Equity instruments	-	-
Reserves	12,143	10,565
Share premium reserve	33,102	33,102
Share capital	6,647	6,647
Treasury shares (-)	-10	-8
Minority interests (+/-)	1,067	1,090
Net income (loss)	2,705	2,805
Total Liabilities and Shareholders' Equity	658,757	624,844

INTESA SANPAOLO
CONSOLIDATED ANNUAL STATEMENTS OF INCOME
FOR THE YEAR ENDED 31/12/2010

The annual financial information below includes comparative figures as at and for the year ended 31st December, 2009.

	2010	2009
	Audited	Audited
	<i>(in millions of €)</i>	
Interest and similar income	17,500	19,607
Interest and similar expense	-6,879	-8,370
Interest margin	10,621	11,237
Fee and commission income	6,494	6,141
Fee and commission expense	-1,317	-1,186
Net fee and commission income	5,177	4,955
Dividend and similar income	490	479
Profits (Losses) on trading	243	855
Fair value adjustments in hedge accounting	-182	-41
Profits (Losses) on disposal or repurchase of:	229	316
<i>a) loans</i>	-11	-16
<i>b) financial assets available for sale</i>	235	320
<i>c) investments held to maturity</i>	-	-
<i>d) financial liabilities</i>	5	12
Profits (Losses) on financial assets and liabilities designated at fair value	179	81
Net interest and other banking income	16,757	17,882
Net losses/recoveries on impairment	-2,896	-3,711
<i>a) loans</i>	-2,818	-3,448
<i>b) financial assets available for sale</i>	-79	-256
<i>c) investments held to maturity</i>	-	-
<i>d) other financial activities</i>	1	-7
Net income from banking activities	13,861	14,171
Net insurance premiums	8,483	6,579
Other net insurance income (expense)	-9,050	-7,251
Net income from banking and insurance activities	13,294	13,499
Administrative expenses	-9,347	-9,615
<i>a) personnel expenses</i>	-5,665	-5,788
<i>b) other administrative expenses</i>	-3,682	-3,827
Net provisions for risks and charges	-401	-330
Net adjustments to/recoveries on property and equipment	-400	-413
Net adjustments to/recoveries on intangible assets	-738	-771

Other operating expenses (income)	528	519
Operating expenses	-10,358	-10,610
Profits (Losses) on investments in associates and companies subject to joint control	293	561
Valuation differences on property, equipment and intangible assets measured at fair value	-	-
Goodwill impairment	-	-
Profits (Losses) on disposal of investments	8	5
Income (Loss) before tax from continuing operations	3,237	3,455
Taxes on income from continuing operations	-1,155	-686
Income (Loss) after tax from continuing operations	2,082	2,769
Income (Loss) after tax from discontinued operations	694	169
Net income (loss)	2,776	2,938
Minority interests	-71	-133
Parent company's net income (loss)	2,705	2,805
Basic EPS - Euro	0.21	0.22
Diluted EPS - Euro	0.21	0.22

INTESA SANPAOLO
CONSOLIDATED HALF-YEARLY BALANCE SHEET
AS AT 30/06/2011

Assets	30/06/2011	31/12/2010
	Unaudited	Audited
	<i>(in millions of €)</i>	
Cash and cash equivalents	4,252	4,758
Financial assets held for trading	60,555	71,899
Financial assets designated at fair value through profit and loss	36,303	35,549
Financial assets available for sale	68,991	61,612
Investments held to maturity	2,856	3,839
Due from banks	43,194	42,737
Loans to customers	372,361	379,235
Hedging derivatives	5,058	7,377
Fair value change of financial assets in hedged portfolios (+/-)	61	92
Investments in associates and companies subject to joint control	2,694	2,716
Technical insurance reserves reassured with third parties	22	27
Property and equipment	5,391	5,455
Intangible assets	25,343	25,990
of which		
- goodwill	18,891	19,217

Tax assets	7,826	8,733
<i>a) current</i>	1,923	2,759
<i>b) deferred</i>	5,903	5,974
Non-current assets held for sale and discontinued operations	38	75
Other assets	9,728	8.663
Total assets	644,673	658,757

INTESA SANPAOLO
CONSOLIDATED HALF-YEARLY BALANCE SHEET
AS AT 30/06/2011

Liabilities and Shareholders' Equity	30/06/2011	31/12/2010
	Unaudited	Audited
	<i>(in millions of €)</i>	
Due to banks	49,665	52,860
Due to customers	211,341	221,064
Securities issued	176,036	179,983
Financial liabilities held for trading	38,215	45,045
Financial liabilities designated at fair value through profit and loss	24,729	26,144
Hedging derivatives	5,269	5,884
Fair value change of financial liabilities in hedged portfolios (+/-)	752	1,412
Tax liabilities	3,284	3,269
<i>a) current</i>	588	661
<i>b) deferred</i>	2,696	2,608
Liabilities associated with non-current assets held for sale and discontinued operations	-	-
Other liabilities	18,160	13,658
Employee termination indemnities	1,348	1,370
Allowances for risks and charges	3,014	3,280
<i>a) post employment benefits</i>	362	374
<i>b) other allowances</i>	2,652	2,906
Technical reserves	52,887	50,188
Valuation reserves	-937	-1,054
Redeemable shares	-	-
Equity instruments	-	-
Reserves	13,792	12,143
Share premium reserve	36,143	33,102
Share capital	8,546	6,647
Treasury shares (-)	-11	-10
Minority interests (+/-)	1,038	1,067
Net income (loss)	1,402	2,705
Total Liabilities and Shareholders' Equity	644,673	658,757

INTESA SANPAOLO
CONSOLIDATED HALF-YEARLY STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED 30/06/2011

The half-yearly financial information below includes comparative figures as at and for the six months ended 30th June, 2010.

	First half of 2011 Unaudited	First half of 2010 Unaudited
	<i>(in millions of €)</i>	
Interest and similar income	9,195	8,572
Interest and similar expense	-3,627	-3,389
Interest margin	5,568	5,183
Fee and commission income	3,176	3,212
Fee and commission expense	-620	-617
Net fee and commission income	2,556	2,595
Dividend and similar income	376	285
Profits (Losses) on trading	167	95
Fair value adjustments in hedge accounting	-29	-84
Profits (Losses) on disposal or repurchase of	475	152
<i>a) loans</i>	<i>12</i>	<i>-2</i>
<i>b) financial assets available for sale</i>	<i>457</i>	<i>153</i>
<i>c) investments held to maturity</i>	<i>-1</i>	<i>-</i>
<i>d) financial liabilities</i>	<i>7</i>	<i>1</i>
Profits (Losses) on financial assets and liabilities designated at fair value	-109	53
Net interest and other banking income	9,004	8,279
Net losses / recoveries on impairment	-1,395	-1,467
<i>a) loans</i>	<i>-1,343</i>	<i>-1,419</i>
<i>b) financial assets available for sale</i>	<i>-86</i>	<i>-47</i>
<i>c) investments held to maturity</i>	<i>-1</i>	<i>-</i>
<i>d) other financial activities</i>	<i>35</i>	<i>-1</i>
Net income from banking activities	7,609	6,812
Net insurance premiums	5,669	3,832
Other net insurance income (expense)	-6,089	-4,009
Net income from banking and insurance activities	7,189	6,635
Administrative expenses	-4,520	-4,594
<i>a) personnel expenses</i>	<i>-2,792</i>	<i>-2,802</i>
<i>b) other administrative expenses</i>	<i>-1,728</i>	<i>-1,792</i>
Net provisions for risks and charges	-88	-197
Net adjustments to / recoveries on property and equipment	-182	-194
Net adjustments to / recoveries on intangible assets	-348	-357

Other operating expenses (income)	236	252
Operating expenses	-4,902	-5,090
Profits (Losses) on investments in associates and companies subject to joint control	-128	11
Valuation differences on property, equipment and intangible assets measured at fair value	-	-
Goodwill impairment	-	-
Profits (Losses) on disposal of investments	176	9
Income (Loss) before tax from continuing operations	2,335	1,565
Taxes on income from continuing operations	-888	-533
Income (Loss) after tax from continuing operations	1,447	1,032
Income (Loss) after tax from discontinued operations	-	691
Net income (loss)	1,447	1,723
Minority interests	-45	-33
Parent Company's net income (loss)	1,402	1,690
Basic EPS - Euro	0.11	0.13
Diluted EPS - Euro	0.11	0.13

DESCRIPTION OF INTESA SANPAOLO BANK IRELAND p.l.c.

History

Intesa Sanpaolo Bank Ireland p.l.c. ("**INSPIRE**"), a wholly-owned subsidiary of Intesa Sanpaolo, was incorporated in Ireland on 22nd September, 1987 under the Irish Companies Acts, 1963 to 1986 (now the Companies Acts 1963 to 2005, as amended) under company registration number 125216. On 2nd October, 1998, INSPIRE was granted a banking licence by the Central Bank of Ireland under section 9 of the Irish Central Bank Act 1971.

As a fully licensed bank in Ireland, INSPIRE is subject to regulation by the Central Bank of Ireland.

INSPIRE's registered office is located at 3rd floor, KBC House, 4 George's Dock, IFSC Dublin 1 (tel: +353 1 6726 720).

Activities

As a licensed bank, the principal areas of business of INSPIRE include:

- Intra-group lending;
- International lending to corporate and credit institutions on a bilateral or syndicated basis;
- Management of a portfolio of securities held for liquidity purposes; and
- Treasury activities.

INSPIRE 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 31st December, 2010, INSPIRE is ranked the thirteenth largest bank in Ireland²⁰.

Board of Directors

The current composition of the Board of Directors of INSPIRE is as follows:

Name, Title and Business

Address

Principal Activities outside INSPIRE

Marco Antonio Bertotti, Chairman Intesa Sanpaolo S.p.A. Via Verdi, 11 20121 Milan (MI) Italy	-
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²⁰ Source: *The Irish Times Top 1,000 Companies, 2011.*

**Name, Title and Business
Address**

Principal Activities outside INSPIRE

Gianfranco Pizzutto Intesa Sanpaolo Bank Ireland p.l.c. 3rd Floor, KBC House 4 George's Dock, IFSC Dublin 1 Ireland	Director of Intesa Global Finance Co. Ltd Director of Sanpaolo Invest Ireland Ltd. Director of Fideuram Asset Management (Ireland) Ltd
Ian Letchford 60 Eagle Valley Powerscourt Enniskerry, Co. Wicklow Ireland	Director of Aviateur Capital Ltd
Francesco Introzzi Intesa Sanpaolo S.p.A. Piazza della Scala, 6 20121 Milan (MI) Italy	Director of Société Européenne de Banque SA
Salvatore Catalano Studio Legale Avv. Salvatore Catalano Via Cesare Battisti, 23 20122 Milan (MI) Italy	Director of Société Européenne de Banque – Luxembourg Director of Fondazione Universitaria Kore – Università Kore di Enna Member of Audit Committee of Confcommercio Member of Audit Committee of Camera di commercio Industria Artigianato e Agricoltura di Sondrio Chairman of Board of Auditors of Fondazione Arsnèa Auditor of SAC Società Aeroporto Catania S.p.A. Chairman of Statutory Board of Auditors of Azienda Ospedaliera – Polo Universitario Luigi Sacco Vice President of Banca Intesa Russia – Moscow Chairman of Monitoring Committee of Olcese S.p.A. Chairman of Monitoring Committee of Ferrania S.p.A. Judge – Federal Court of Justice – Federazione Italiana Gioco Calcio Chairman of Statutory Board of Auditors of Vienord S.p.A. Chairman of Sport Invest 2000 S.p.A. Member of Audit Committee of Fondazione Ente Autonomo Fiera Internazionale di Milano Auditor of Avio S.p.A. Chairman of Etruria Fund Management Company S.A. – Lussemburgo Chairman of Prisma SGR S.p.A.

**Name, Title and Business
Address**

Principal Activities outside INSPIRE

	Member of Audit Committee of Camera di Commercio, Industria Artigianato e Agricoltura di Milano Director of Banca di Legnano
Luigi Ruggerone Intesa Sanpaolo S.p.A. Piazza Paolo Ferrari, 10 20121 Milan (MI) Italy	Member of Audit Committee of Banka Köper, Slovenia Member of Audit Committee of Intesa Sanpaolo Albania
Richard Barkley 40 Dodderbank Milltown Bridge Dublin 14 Ireland	Director of BETA1 ETFund plc (in members' voluntary liquidation) Director of Club di Dublino Ltd Director of Tearfund Ireland Director of Dodderbank Management Ltd.

Conflicts of Interest

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

OVERVIEW OF THE FINANCIAL INFORMATION RELATING TO INTESA SANPAOLO BANK IRELAND p.l.c.

The unconsolidated annual financial statements of INSPIRE as at and for the years ended 31st December, 2010 and 2009 incorporated by reference into this Prospectus were audited by Ernst & Young Chartered Accounts, the current independent auditors of INSPIRE. Both the 2010 and 2009 annual financial statements have been prepared in accordance with IFRS.

The following tables show balance sheet and income statement information of INSPIRE as at and for the years ended 31st December, 2010 and 2009. Such financial information is derived from, should be read in conjunction with and is qualified entirely by reference to the full audited unconsolidated annual financial statements of INSPIRE as at and for the years ended 31st December, 2010 and 2009, together with the accompanying notes and auditors' report, all of which are incorporated by reference in this Prospectus.

The half-yearly financial information of INSPIRE as at and for the six months ended 30th June, 2011 and 30th June, 2010 is not audited.

European Communities (Credit Institutions: Accounts) Regulations 1992 of Ireland (the "Accounts Regulations")

The financial information in relation to any financial year of INSPIRE contained in this Prospectus does not constitute full accounts within the meaning of regulation 6 of the Accounts Regulations. Full accounts (within such meaning) of INSPIRE have been prepared for the financial years ended 31st December, 2010 and 2009 and the auditors have given unqualified reports on such accounts which have been annexed to the relevant annual returns delivered to the Irish Registrar of Companies.

INTESA SANPAOLO BANK IRELAND p.l.c.
ANNUAL BALANCE SHEETS

	31/12/2010	31/12/2009
	Audited	Audited
	<i>(in thousands of Euro)</i>	
ASSETS		
Cash and balance with central banks	166,012	158,020
Loans and advances to banks	13,109,809	12,791,748
Financial assets at fair value through income statement.....	69,728	151,564
Derivative financial instruments	214,990	241,471
Loans and advances to customers	4,436,018	3,488,798
Available for sale debt securities	807,307	566,098
Property, plant and equipment	71	88
Prepayments and accrued income	501	223
Deferred tax assets	2,328	1,052
Other assets	8,378	8,651
Total assets	18,815,142	17,407,713
LIABILITIES		
Deposits from banks	4,542,611	639,477
Derivative financial instruments	318,375	356,117
Due to customers	1,860,810	1,689,858
Debt securities in issue	10,597,586	13,616,021
Repurchase Agreements	358,978	-
Accruals and deferred income.....	13,528	17,314
Other liabilities.....	4,820	3,241
Corporation tax/Deferred Income tax.....	515	1,296
Provisions for liabilities and commitments.....	2,291	2,025
Total liabilities	17,699,514	16,325,349
EQUITY		
Share capital.....	400,500	400,500
Share premium.....	1,025	1,025
Other reserves	495,670	505,372
Retained earnings	218,433	175,467
Total equity	1,115,628	1,082,364
Total liabilities and shareholders' funds	18,815,142	17,407,713

INTESA SANPAOLO BANK IRELAND p.l.c.
ANNUAL INCOME STATEMENTS

	31/12/2010	31/12/2009
	Audited	Audited
	<i>(in thousands of Euro)</i>	
Interest and similar income	416,498	603,307
Interest expense and similar charges	(273,787)	(471,480)
Net interest income	142,711	131,827
Fees and commissions income	15,390	8,629
Fees and commissions expense	(23,049)	(19,815)
Net trading income (loss).....	(920)	(13,694)
Foreign exchange profit (loss).....	(399)	223
Provisions	(1,633)	(4,745)
Net operating income	132,100	102,425
Administrative expenses and depreciation.....	(4,950)	(4,882)
Operating profit/profit on ordinary activities before tax-continuing activities	127,150	97,543
Tax on profit on ordinary activities	(15,899)	(12,209)
Profit for the financial year	111,251	85,334

INTESA SANPAOLO BANK IRELAND p.l.c.
HALF-YEARLY BALANCE SHEETS

	30/06/2011	30/06/2010
	Unaudited	Unaudited
	<i>(in thousands of Euro)</i>	
ASSETS		
Securities - carried at fair value.....	63,280	72,517
Securities - available for sale	1,221,738	760,769
Securities - loans and receivables.....	156,426	1,224,240
Sundry debtors and deferred expenses	8,816	8,979
Bank deposits	3,357,325	3,418,585
Loans advanced.....	17,272,211	12,981,251
Fixed assets	72	97
Deferred tax	1,660	1,964
Accrued interest receivable.....	1,334	635
Derivative financial instruments.....	212,306	283,405
Corporation tax receivables	1,084	-
Other assets	-	457
Total assets	22,296,252	18,752,899
LIABILITIES		
Funds received	9,804,692	5,546,527

	30/06/2011	30/06/2010
	Unaudited	Unaudited
	<i>(in thousands of Euro)</i>	
Debt securities in issue	11,080,674	11,709,623
Corporation tax payable and deferred tax	278	2,845
Accruals & deferred income	20,003	19,460
Derivative financial instruments	287,768	411,266
Provisions for liabilities and commitments	1,881	1,733
Other liabilities	24	-
Total liabilities	21,195,320	17,691,454
 EQUITY		
Share capital.....	400,500	400,500
Share premium	1,025	1,025
Other reserves	500,535	498,147
Retained earnings	198,872	161,773
Total equity	1,100,932	1,061,445
Total liabilities and shareholders' funds	22,296,252	18,752,899

INTESA SANPAOLO BANK IRELAND p.l.c.
HALF YEARLY INCOME STATEMENTS

	30/06/2011	30/06/2010
	Unaudited	Unaudited
	<i>(in thousands of Euro)</i>	
Interest and similar income	250,947	192,606
Interest expense and similar charges	(192,802)	(120,663)
Net interest income	58,145	71,943
Net fees	(4,253)	(4,161)
Net trading income (loss).....	(1,493)	(2,983)
Exchange gain (loss).....	(797)	(806)
Net operating income	51,602	63,993
Administrative expenses	(2,602)	(2,512)
Impairment provision	4,417	375
Net profit before tax	53,417	61,856
Tax on profit on ordinary activities	(6,686)	(7,736)
Profit after tax	46,731	54,120

DESCRIPTION OF SOCIÉTÉ EUROPÉENNE DE BANQUE S.A.

History

Société Européenne de Banque S.A. ("**SEB**") was incorporated in Luxembourg on 2nd June, 1976 under Luxembourg law, and notably the law of 10th August, 1915, as amended. SEB holds a banking licence pursuant to Luxembourg law issued on 19th May, 1976 under number 23906 by the *Ministère des Classes Moyennes*. As a fully licensed bank in Luxembourg, SEB is regulated by the CSSF.

In the context of successive group concentrations, with effect from 1st January, 2002, SEB incorporated all the assets and liabilities of Banca Intesa International S.A., Luxembourg. With effect from 7th July, 2008, SEB incorporated the non investment fund assets and liabilities of Sanpaolo Bank S.A., Luxembourg and transferred at the same time its services to investment funds to this Intesa Sanpaolo entity.

SEB is registered with the Register of Commerce and Companies (*Registre de Commerce et des Sociétés*) in Luxembourg under registration number B13859.

Its registered office is located at 19-21 Boulevard du Prince Henri, L-1724 Luxembourg (tel: +352 4614111).

SEB is a wholly owned subsidiary of Intesa Sanpaolo Holding International S.A., itself a wholly owned subsidiary of Intesa Sanpaolo. SEB currently has two active subsidiaries, Lux Gest Asset Management S.A., a Luxembourg asset management company, and Intesa Sanpaolo Private Bank (Suisse) S.A., a Swiss based bank.

Activities

As a licensed bank, the principal areas of business of SEB include:

- Corporate structuring, domiciliation and accounting services;
- Private banking and wealth management;
- International lending to corporate and credit institutions on a bilateral or syndicated basis;
- Management of a portfolio of securities held for liquidity purposes;
- Treasury activities; and
- Intra-group lending.

SEB's credit exposures are widely diversified geographically, with an emphasis on Europe. Based on total assets as at 31st December, 2010, SEB is ranked the seventeenth largest bank in Luxembourg. (*Source: Luxemburger Wort, Luxembourg Banks Insights 2011*).

SEB currently has 210 employees.

Board of Directors

The current composition of the Board of Directors of SEB is as follows:

<i>Name, Title and Business Address:</i>	<i>Principal Activities outside SEB:</i>
Angelo Caloia, Chairman	Director of Fondazione Giuseppe Lazzati Director of Fondazione Vittorino Colombo Director of Fondazione CESIPI Chairman of Veneranda Fabbrica del Duomo di Milano Chairman of SIREF Fiduciaria SpA Director of Banco di Napoli SpA Deputy Chairman of Banca Fideuram SpA
Ferdinando Superti Furga, Deputy Chairman	Chairman of the Board of Statutory Auditors of SARAS SpA Chairman of the Board of Statutory Auditors of Publitalia 80 SpA Chairman of the Board of Statutory Auditors of Arnoldo Mondadori Editore SpA Liquidator of C. Coala Srl Statutory Auditor of Telecom Italia SpA Chairman of Fondazione Lombarda per la Prevenzione del Fenomeno dell'Usura Onlus Director of G. Citterio Srl Chairman of Superti Furga e Partners Srl Director of Spaim Srl Director of SpaMa Srl Director of Luisa Spagnoli SpA Director of SpaPi Srl Chairman of the Board of Statutory Auditors of Fininvest SpA Chairman of the Board of Statutory Auditors of Binda SpA in liquidazione Chairman of the Board of Statutory Auditors of Fondazione Housing Sociale Liquidator of Ezzo Uno Srl Liquidator of Nuova Cimimontubi SpA
Marco Bus, Managing Director and Chief Executive Officer	Director of Intesa Sanpaolo Private Bank (Suisse) S.A., Lugano
Paul Helminger	President of SIDOR (syndicat intercommunal pour la gestion des déchets en provenance des ménages et des déchets assimilables des communes des cantons de Luxembourg, d'Esch et de Capellen) Member of Parliament Member of the Inter-Parliamentary Group of the Scout Movement Effective Member of the Luxembourgish Delegation to the Interregional Parliamentary Counsel Effective Member of the Luxembourgish Delegation to the Parliamentary Assembly of the Organisation for Security and Co-operation in Europe (OSCE)

	Member of the Sustainable Development Commission (for issues relating to transport and territorial arrangements)
	Member of the Commission of Internal Affairs, Greater Region and Police
	Member of the Commission of Foreign and European Affairs, Defence, Co-operation and Immigration (for issues relating to Co-operation and Foreign Affairs)
Francesco Introzzi	Director of Intesa Sanpaolo Bank Ireland p.l.c., Dublin
Paolo Molesini	Managing Director of Intesa Sanpaolo Private Banking SpA Director of Banco di Napoli SpA Director of Sud Polo Vita SpA
Stefano Stangoni	
Salvatore Catalano	Director of Intesa Sanpaolo Bank Ireland p.l.c. Director of Fondazione Universitaria Kore – Università Kore di Enna Member of the Audit Committee of Confcommercio Member of the Audit Committee of Camera di Commercio Industria, Artigianato e Agricoltura di Sondrio Chairman of the Board of Auditors of Fondazione Arsnèa Auditor of SAC Società Aeroporto Catania S.p.A. Chairman of the Board of Statutory Auditors of Azienda Ospedaliera Polo Universitario Luigi Sacco Vice President of Banca Intesa Russia, Moscow Chairman of Monitoring Committee of Olcese S.p.A. Chairman of Monitoring Committee of Ferrania S.p.A. Judge – Federal Court of Justice – Federazione Italiana Giuoco Calcio Chairman of Statutory Board of Auditors of Vienord S.p.A. Chairman of Sport Invest 2000 S.p.A. Member of the Audit Committee of Fondazione Ente Autonomo Fiera Internazionale di Milano Auditor of Avio SpA Chairman of Etruria Fund Management Company S.A. – Lussemburgo Chairman of Prisma SGR SpA Member of Audit Committee of Camera di Commercio, Industria Artigianato e Agricoltura di Milano Director of Banca di Legnano
Walter Mauro Ambrogi	Director of Fineurop SpA Director of Italy-China Foundation Director of Shanghai Sine-Italy Business Advisory Company Director of Italian Chinese Chamber of Commerce Director of Italian-Egyptian Business Council Director of Banca Intesa, Moscow
Marco Elio Rottigni	Director of Leasint SpA

Arthur Philippe

Chairman of the Board of Pollux Funds S.A., Luxembourg
Vice-Chairman of the Board of Centre de Recherche Public Henri Tudor,
Luxembourg
Vice-Chairman of the Board of Intesa Sanpaolo Holding International SA,
Luxembourg
Director of Elisabeth asbl, Luxembourg

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

Conflicts of Interest

SEB is not aware of any potential conflicts of interest between the duties to SEB of each of
the members of the Board of Directors listed above and their private interests or other duties.

**OVERVIEW OF THE STATEMENTS OF FINANCIAL POSITION RELATING TO
SOCIÉTÉ EUROPÉENNE DE BANQUE S.A.**

The unaudited half-yearly financial information of SEB as at and for the six months ended 30th June, 2011 have been prepared in accordance with the principles of the IFRS.

	31/12/2010	31/12/2009
	Audited	Audited
	<i>(in thousands of Euro)</i>	
ASSETS		
Cash and cash balances with central banks.....	105,691	71,329
Financial assets held for trading	120,676	230,465
Financial assets designated at fair value through profit or loss.....	194,419	234,794
Available for sale financial assets	1.227,940	853,005
Held-to-maturity investments	181,279	181,313
Loans and advances to credit institutions	7.991,690	7.302,590
Loans and advances to customers	566,318	650,633
Derivative held for hedging	14,168	22,910
Property, plant and equipment	11,819	13,300
Intangible assets	12	25
Deferred tax assets	22,463	12,137
Other assets	6,796	6,675
Total assets	10,443,271	9,579,176
LIABILITIES		
Deposits from central banks.....	0	869
Financial liabilities held for trading	195,626	137,229
Financial liabilities designated at fair value through profit or loss	60,002	98,219
Deposits from credit institutions	3,966,800	4,323,630
Deposits from customers	3,566,460	2,333,127
Debts evidenced by certificates	2,039,991	2,110,981
Derivative held for hedging	3,791	18,908
Provisions	750	1,411
Deferred tax liabilities	22,463	14,494
Other liabilities.....	20,479	17,184
Total liabilities	9,876,362	9,056,052
SHAREHOLDERS' EQUITY		
Issued capital	45,000	45,000
Revaluation reserve	(8,996)	5,886
Other reserves and retained earnings.....	434,888	379,373
Net profit for the year	96,017	92,866
Total shareholders' equity	566,909	523,124
Total liabilities and shareholders' equity	10,443,271	9,579,176

SOCIÉTÉ EUROPÉENNE DE BANQUE S.A.
ANNUAL INCOME STATEMENTS

	31/12/2010	31/12/2009
	Audited	Audited
	<i>(in thousands of Euro)</i>	
Interest and similar income	245,163	349,382
Interest expense, and similar charges	(115,965)	(232,859)
Net interest income	129,198	116,523
Fee and commission income	33,363	39,243
Fee and commission expenses	(8,313)	(9,747)
Dividend income	5,236	2,769
Net (un)realised gains (losses) on financial assets and liabilities held for trading	(12,637)	(25,398)
Net (un)realised gains (losses) on financial assets and liabilities at fair value through profit or loss	(16,395)	7,451
Net realised gains (loss) on financial assets and liabilities not at fair value through profit or loss	1,252	1,172
Net other operating income / expenses	(4,142)	(3,875)
 Administrative expenses	 (30,922)	 (28,928)
Provisions	461	(480)
Depreciation and amortisation	(1,623)	(1,860)
Impairment	541	(4,004)
Net profit for the year	96,017	92,866

SOCIÉTÉ EUROPÉENNE DE BANQUE S.A.
HALF-YEARLY BALANCE SHEETS

	30/06/2011	30/06/2010
	Non Audited	Non Audited
	<i>(in thousands of Euro)</i>	
ASSETS		
Cash and cash balances with central banks.....	107,703	82,190
Financial assets held for trading	82,596	255,416
Financial assets designated at fair value through profit or loss.....	151,453	240,380
Available for sale financial assets	1,453,510	904,466
Held-to-maturity investments	178,006	178,189
Loans and advances to credit institutions	9,073,755	8,501,900
Loans and advances to customers	530,301	1,319,470
Derivative held for hedging	14,135	2,689
Property, plant and equipment	11,295	12,514
Intangible assets	6	19
Deferred tax assets	12,646	30,233

	30/06/2011	30/06/2010
	Non Audited	Non Audited
	<i>(in thousands of Euro)</i>	
Other assets	9,925	9,123
Total assets	11,625,331	11,536,589

LIABILITIES

Deposits from central banks.....	0	0
Financial liabilities held for trading	163,155	224,562
Financial liabilities designated at fair value through profit or loss	47,077	80,856
Deposits from credit institutions	2,723,701	4,427,889
Deposits from customers	2,753,174	4,070,501
Debt evidenced by certificates	5,271,410	2,119,065
Derivative held for hedging	1,642	3,298
Provisions	750	911
Deferred tax liabilities	12,647	28,696
Other liabilities.....	25,741	62,601
Total liabilities	10,999,297	11,018,379

SHAREHOLDERS' EQUITY

Issued capital	45,000	45,000
Revaluation reserve	(11,061)	(3,842)
Other reserves and retained earnings	530,905	434,888
Net profit for the period.....	61,190	42,164
Total shareholders' equity	626,034	518,210
Total liabilities and shareholders' equity	11,625,331	11,536,589

SOCIÉTÉ EUROPÉENNE DE BANQUE S.A. HALF YEARLY INCOME STATEMENTS

	30/06/2011	30/06/2010
	Non Audited	Non Audited
	<i>(in thousands of Euro)</i>	
Interest and similar income	131,302	114,265
Interest expense and similar charges	(62,293)	(46,878)
Net interest income	69,009	67,387
Fee and commission income	16,973	16,800
Fee and commission expenses	(4,924)	(4,059)
Dividend income	1,261	5,236
Net (un)realised gains (losses) on financial assets and liabilities held for trading	2,522	(15,600)
Net (un)realised gains (losses) on financial assets and liabilities at fair value through profit or loss	(533)	(9,190)

	30/06/2011	30/06/2010
	Non Audited	Non Audited
	<i>(in thousands of Euro)</i>	
Net (un)realised gains (losses) on financial assets and liabilities not at fair value through profit or loss	489	1.543
Net other operating income / expenses	(2,170)	(1,842)
Depreciation and amortisation	(693)	(843)
Administrative expenses	(15,153)	(15,389)
Provisions	0	300
Impairment	(5,591)	(2,179)
Profit for the financial period	61,190	42,164

TAXATION

ITALIAN TAXATION

*The statements herein regarding taxation are based on the laws in force as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes. This summary is based upon the laws and/or practice in force as at the date of this Prospectus, as amended by Law Decree No. 138 of 13 August, 2011 ("**Decree 138**"), converted into law with amendments by Law No. 148 of 14 September, 2011. Italian tax laws and interpretations may be subject to frequent changes which could be made on a retroactive basis.*

Taxation of the Notes issued by Intesa Sanpaolo

Tax treatment of Notes issued by the Issuer having an original maturity of no less than 18 months

Italian Legislative Decree No. 239 of 1 April 1996 ("**Decree 239**") sets out the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by Italian banks, provided that the notes are issued for an original maturity of not less than 18 months.

Italian Resident Noteholders

Pursuant to Decree 239, where the Italian resident holder of Notes issued by Intesa Sanpaolo that qualify as *obbligazioni or titoli similari alle obbligazioni* and have an original maturity of eighteen months or more, who is the beneficial owner of such Notes, is:

- (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has entrusted the management of his financial assets, including the Notes, to an authorised intermediary and has opted for the so-called *risparmio gestito* regime according to Article 7 of Italian Legislative Decree No. 461 of 21st November, 1997, as amended ("**Decree No. 461**") – the "**Asset Management Option**"); or
- (b) a partnership (other than a *societa' in nome collettivo or societa' in accomandita semplice* or similar partnership), *de facto* partnership not carrying out commercial activities or professional association; or
- (c) a private or public institution not carrying out mainly or exclusively commercial activities; or
- (d) an investor exempt from Italian corporate income taxation,

Interest payments relating to the Notes are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 12.5 per cent. (20 per cent. on Interest accrued from 1st January, 2012) (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes). All the above categories are qualified as "net recipients".

Where the resident holders of the Notes described above under (a) and (c) are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional income tax and may be deducted from the taxation on income due.

Decree 138 provides that zero coupon bonds with a residual maturity over 12 months and bonds paying the first coupon not before 1 year after 31st December, 2011 are deemed to be transferred at the date of 31st December, 2011 for the purposes of debiting the noteholders with the substitute tax of 12.5 per cent. and crediting with a 20 per cent. on interest accrued up to such date, to ensure that the substitute tax is applied at the right rate.

Pursuant to Decree 239, the 12.5 per cent. (or 20 per cent.) *imposta sostitutiva* is applied by banks, *societa' di intermediazione mobiliare* (so called "**SIMs**"), fiduciary companies, *societa' di gestione del risparmio* (SGRs), stock brokers and other qualified entities resident in Italy ("**Intermediaries**" and each an "**Intermediary**"), or by permanent establishments in Italy of banks or intermediaries resident outside Italy, that must intervene in any way in the collection of Interest or, also as transferees, in transfers or disposals of the Notes.

Where the Notes and the relevant coupons are not deposited with an authorised Intermediary (or with a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld:

- by any Italian bank or any Italian Intermediary paying Interest to the Noteholders; or
- by the Issuer.

Payments of Interest in respect of Notes issued by Intesa Sanpaolo that qualify as *obbligazioni* or *titoli similari alle obbligazioni* and have an original maturity of eighteen months or more, are not subject to the 12.5 per cent. (20 per cent. on Interest accrued from 1st January, 2012) *imposta sostitutiva* if made to beneficial owners who are: (i) Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; (ii) Italian resident partnerships carrying out commercial activities (*'società in nome collettivo'* or *'società in accomandita semplice'*); (iii) Italian resident open-ended or closed-ended collective investment funds (together the "**Funds**" and each a "**Fund**"), SICAVs, Italian resident pension funds referred to in Legislative Decree No. 252 of 5th December, 2005 ("**Decree No. 252**"), Italian resident real estate investment funds; and (iv) Italian resident individuals holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised financial Intermediary and have opted for the Asset Management Option. Such categories are qualified as "gross recipients". To ensure payment of Interest in respect of the Notes without the application of 12.5 per cent. (or 20 per cent.) *imposta sostitutiva*, gross recipients indicated above under (i) to (iv) must (a) be the beneficial owners of payments of Interest on the Notes and (b) deposit the Notes in due time together with the coupons relating to such Notes directly or indirectly with an Italian authorised financial Intermediary (or a permanent establishment in Italy of a foreign Intermediary). Where the Notes and the relevant coupons are not deposited with an authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld:

- by any Italian bank or any Italian Intermediary paying Interest to the Noteholder; or
- by the Issuer,

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

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

Italian resident individuals holding Notes not in connection with entrepreneurial activity who have opted for the Asset Management Option are subject to a 12.5 per cent. (20 per cent. on increase in value of the managed assets accrued from 1st January, 2012) annual substitute tax (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised Intermediary.

If the investor is resident in Italy and is a Fund or a SICAV and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the financial results of the Fund or the SICAV. The Fund or SICAV will not be subject to taxation on such result, but a substitute tax or withholding tax of 12.5 per cent. (20 per cent. on distributions made from 1st January, 2011) will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the "**Collective Investment Fund Substitute Tax**").

Italian resident pension funds subject to the regime provided by Article 17 of Legislative Decree No. 252 of 5th December, 2005 are subject to an 11 per cent. annual substitute tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes).

Where a Noteholder is an Italian resident real estate investment fund, to which the provisions of Law Decree No. 351 of 25th September, 2001, as subsequently amended, apply, Interest accrued on the Notes will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund. The income of the real estate fund is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Non-Italian resident Noteholders

According to Decree 239, payments of Interest in respect of the Notes issued by Intesa Sanpaolo that qualify as *obbligazioni or titoli simili alle obbligazioni* and have an original maturity of eighteen months or more will not be subject to the *imposta sostitutiva* at the rate of 12.5 per cent. (20 per cent. on Interest accrued from 1st January, 2012) if made to

beneficial owners who are non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected *provided that*:

- (a) such beneficial owners are tax resident in (i) a country listed in the Italian Ministerial Decree dated 4th September, 1996, as amended from time to time, or (ii), as from the fiscal year in which the decree pursuant to article 168-*bis* of Decree No. 917 is effective, in a state or territory that is included (or deemed to be included, pursuant to Article 1, paragraph 90 of Law No. 244 of 24th December, 2007 ("**Law No. 244**")) in the list of states allowing an adequate exchange of information with the Italian tax authorities listed in the decree referred to in Article 168-*bis*, paragraph 1 of Decree No. 917; and
- (b) all the requirements and procedures set forth in Decree 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time.

The 12.5 per cent. (20 per cent. on Interest accrued from 1st January, 2012) *imposta sostitutiva* may be reduced (generally to 10 per cent.) or reduced to zero under certain applicable double tax treaties entered into by Italy, if more favourable, subject to timely filing of required documentation.

Decree 239 also provides for additional exemptions from the *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; and (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

To ensure payment of Interest in respect of the Notes without the application of 12.5 per cent. (or 20 per cent.) *imposta sostitutiva*, non-Italian resident investors indicated above must:

- (a) be the beneficial owners of payments of Interest on the Notes; and
- (b) deposit the Notes in due time together with the coupons relating to such Notes directly or indirectly with an Intermediary, or a permanent establishment in Italy of a non-Italian bank or financial intermediary, or with a non-Italian resident operator participating in a centralised securities management system which is in contact via computer with the Ministry of Economy and Finance; and
- (c) file with the relevant depository a declaration (*autocertificazione*) in due time stating, *inter alia*, that he or she is resident, for tax purposes, one of the above-mentioned states. Such declaration (*autocertificazione*), which must comply with the requirements set forth by Ministerial Decree of 12th December, 2001 (as amended and supplemented), is valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The declaration (*autocertificazione*) is not required for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state.

Failure of a non-resident Noteholder to comply in due time with the procedures set forth in Decree 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interests payments to a non-resident Noteholder.

Taxation of Notes issued by INSPIRE or by SEB

Italian resident Noteholders

Decree 239 regulates the tax treatment of interest, premiums and other income from notes issued, *inter alia*, by non-Italian resident entities. The provisions of Decree 239 only apply to interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") from those Notes issued by INSPIRE or by SEB which qualify as *obbligazioni* or *titoli similari alle obbligazioni* pursuant to Article 44 of Decree No. 917.

Where the Italian resident holder of Notes issued by INSPIRE or by SEB that qualify as *obbligazioni* or *titoli similari alle obbligazioni* and have an original maturity of eighteen months or more, who is the beneficial owner of such Notes, is:

- (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has entrusted the management of his financial assets, including the Notes, to an authorised intermediary and has opted for the Asset Management Option); or
- (b) a partnership (other than a *societa in nome collettivo* or *societa in accomandita semplice* or similar partnership), de facto partnership not carrying out commercial activities or professional association; or
- (c) a private or public institution not carrying out mainly or exclusively commercial activities; or
- (d) an investor exempt from Italian corporate income taxation.

Interest payments relating to the Notes are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 12.5 per cent. (20 per cent. on Interest accrued from 1st January, 2012) (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes). All the above categories are qualified as "net recipients".

Where the resident holders of the Notes described above under (a) and (c) are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional income tax and may be deducted from the taxation on income due.

Decree 138 provides that zero coupon bonds with a residual maturity over 12 months and bonds paying the first coupon not before 1 year after 31st December, 2011 are deemed to be transferred at the date of 31st December, 2011 for the purposes of debiting the noteholders with the substitute tax of 12.5 per cent. and crediting with a 20 per cent. on interest accrued up to such date, to ensure that the substitute tax is applied at the right rate.

Pursuant to Decree 239, the 12.5 per cent. (or 20 per cent.) *imposta sostitutiva* is applied by Intermediaries or by permanent establishments in Italy of banks or of Intermediaries resident outside Italy.

Pursuant to Decree 239, Intermediaries (or permanent establishment in Italy of foreign Intermediaries) must intervene in any way in the collection of Interest or, also as transferees, in transfers or disposals of the Notes. Where the Notes and the relevant coupons are not deposited with an authorised Intermediary (or with a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian bank or any Italian intermediary paying Interest to the Noteholders.

Payments of Interest in respect of Notes issued by INSPIRE or by SEB that qualify as *obbligazioni* or *titoli similari alle obbligazioni* and have an original maturity of eighteen months or more, are not subject to the 12.5 per cent. (20 per cent. on Interest accrued from 1st January, 2012) *imposta sostitutiva* if made to beneficial owners who are: (i) Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; (ii) Italian resident partnerships carrying out commercial activities (*'società in nome collettivo'* or *'società in accomandita semplice'*); (iii) Funds, SICAVs, Italian resident pension funds referred to in Decree No. 252, Italian resident real estate investment funds; and (iv) Italian resident individuals holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised financial intermediary and have opted for the Asset Management Option. Such categories are qualified as "gross recipients". To ensure payment of Interest in respect of the Notes without the application of 12.5 per cent. (20 per cent. on Interest accrued from 1st January, 2012) *imposta sostitutiva*, gross recipients indicated above under (i) to (iv) must (a) be the beneficial owners of payments of Interest on the Notes and (b) deposit the Notes in due time together with the coupons relating to such Notes directly or indirectly with an Italian authorised financial intermediary (or permanent establishment in Italy of foreign intermediary). Where the Notes and the relevant coupons are not deposited with an authorised Intermediary (or permanent establishment in Italy of foreign intermediary), the *imposta sostitutiva* is applied and withheld by any Italian bank or any Italian intermediary paying Interest to the Noteholder and gross recipients that are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Interest accrued on the Notes would be included in the corporate taxable income (and in certain circumstances, depending on the "status" of the Noteholder, also in the net value of production for purposes of regional tax on productive activities – IRAP) of beneficial owners who are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules, and such beneficial owners should be generally entitled to a tax credit for any withholding taxes applied outside Italy on Interest on Notes issued by INSPIRE or by SEB.

Italian resident individuals holding Notes not in connection with entrepreneurial activity who have opted for the Asset Management Option are subject to the 12.5 per cent. (20 per cent. on the increase in value of the managed assets accrued from 1st January, 2012) annual Asset Management Tax on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Italian collective investment funds and SICAVs are not subject to such substitute tax but it is included in the aggregate income of the investment fund or SICAV. The investment fund or

SICAV will not be subject to tax on the Interest. A withholding tax of 12.5 per cent. (20 per cent. on distributions made from 1st January, 2012) may apply on income of the investment fund or SICAV derived by unitholders or shareholders through distribution and/or upon redemption or disposal of the units and shares.

Italian resident pension funds subject to the regime provided by articles 17 of Decree No. 252, are subject to an 11 per cent. annual Pension Fund Tax on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes).

Where a Noteholder is an Italian resident real estate investment fund, to which the provisions of Law Decree No. 351 of 25th September, 2001, as subsequently amended, apply, Interest accrued on the Notes will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund. The income of the real estate fund is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Where Interest on Notes with an original maturity of eighteen months or more issued by INSPIRE or by SEB and beneficially owned by Noteholders qualifying as net recipients, as defined above, are not collected through the intervention of an Italian resident intermediary and as such no *imposta sostitutiva* is applied, the Italian resident beneficial owners qualifying as net recipients will be required to declare Interest in their yearly income tax return and subject them to final substitute tax at a rate of 12.5 per cent. (20 per cent. on Interest accrued from 1st January, 2012), unless option for a different regime is allowed and made. Italian resident net recipients that are individuals not engaged in entrepreneurial activity may elect instead to pay ordinary personal income taxes at the progressive rates applicable to them in respect of Interest on such Notes: if so, the beneficial owners should be generally entitled to a tax credit for withholding taxes applied outside Italy, if any.

Non-Italian resident Noteholders

Interest payments relating to Notes issued by INSPIRE or by SEB and received by non-Italian resident beneficial owners are not subject to taxation in Italy.

If Notes issued by INSPIRE or by SEB and beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign Intermediary) or are sold through an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or in any case an Italian resident intermediary (or permanent establishment in Italy of foreign intermediary) intervenes in the payment of Interest on such Notes, to ensure payment of Interest without application of Italian taxation a non-Italian resident Noteholder may be required to produce to the Italian bank or other intermediary a declaration (*autocertificazione*) stating that he or she is not resident in Italy for tax purposes.

Fungible issues

Pursuant to Article 11, paragraph 2 of Decree 239, where Intesa Sanpaolo issues a new Tranche forming part of a single series with a previous Tranche, for the purposes of calculating the amount of Interest subject to *imposta sostitutiva* (if any), the issue price of the new Tranche will be deemed to be the same as the issue price of the original Tranche. This

rule applies where (a) the new Tranche is issued within 12 months from the issue date of the previous Tranche and (b) the difference between the issue price of the new Tranche and that of the original Tranche does not exceed 1 per cent. of the nominal value of the Notes multiplied by the number of years of the duration of the Notes.

Early Redemption of Notes with an original maturity of eighteen months or longer

Without prejudice to the above provisions, Notes issued by Intesa Sanpaolo with an original maturity of eighteen months or longer which are redeemed within eighteen months from the date of issue, or, on certain conditions, are repurchased by the Issuer (as specified by the Italian Revenue Agency (*Agenzia delle Entrate*) by Resolution No. 11 of 31st January, 2011), the Issuer will be required to pay an additional tax on such early redemption at the rate of 20 per cent. in respect of Interest accrued on the Notes up to the date of the early redemption pursuant to Article 26, 1st paragraph, of Presidential Decree No. 600 of 29th September, 1973, as amended ("**Decree 600**"). In respect of Notes issued by INSPIRE or by SEB with an original maturity of eighteen months or longer which are redeemed within eighteen months from their date of issue, such additional tax is withheld by the intermediary responsible for the payment of interest on the redemption of the Notes from the payment of the Interest on the Notes and does not apply to payments of Interest made to non-Italian resident Noteholders. According to one interpretation of Italian tax law, the above 20 per cent. additional amount may also be due in the event of any purchase of Notes by Intesa Sanpaolo, INSPIRE or by SEB as the case may be, with subsequent cancellation thereof prior to eighteen months from the date of issue.

The 20 per cent. charge will be repealed from 1st January, 2012. Absent any precise guidance on the effective date, there are arguments to conclude that the 20 per cent. charge is not applicable to any redemption made following 1st January, 2012 regardless of when the Notes are issued.

Notes with an original maturity of less than eighteen months

Notes with an original maturity of less than eighteen months issued by Intesa Sanpaolo and/or INSPIRE and/or SEB are subject to a withholding tax or, in the case of Notes issued by INSPIRE or by SEB, to an *imposta sostitutiva* levied at the rate of 27 per cent. in respect of Interest.

In the case of Notes issued by Intesa Sanpaolo, the 27 per cent. (20 per cent. on Interest due and paid from 1st January, 2012) withholding tax is a provisional tax where the holder of the Notes is (i) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected, (ii) an Italian company or similar Italian commercial entity, (iii) a permanent establishment in Italy of a foreign entity to which the Notes are connected, (iv) an Italian commercial partnership, or (v) an Italian commercial private or public institution. In all other cases, including where the holder of the Notes is a non-Italian resident, the withholding tax is a final withholding tax.

In the case of Notes issued by INSPIRE or by SEB, the 27 per cent. (20 per cent. on Interest accrued from 1st January, 2012) *imposta sostitutiva* is also applied to any payments of interest or premium relating to the Notes made to (i) Italian pension funds, (ii) Italian Funds and (iii) Italian SICAVs. As of 1st January, 2012, this 27 per cent. *imposta sostitutiva* will be repealed in relation to interest or premium distributed to entities under (i) to (iii) above.

Interest on Notes having an original maturity of less than 18 months, issued from 1st January, 2012, should be subject to the same tax regime provided for Interest on Notes having an original maturity of 18 months or more.

Atypical securities

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 27 per cent. (20 per cent. on Interest due and paid from 1st January, 2012). For this purpose, securities similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value.

In the case of Notes issued by an Italian-resident issuer, where the Noteholder is (i) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected, (ii) an Italian company or a similar Italian commercial entity, (iii) a permanent establishment in Italy of a foreign entity to which the Notes are connected, (iv) an Italian commercial partnership or (v) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases, the withholding tax is a final withholding tax.

If the Notes are issued by a non-Italian resident Issuer, the 27 per cent. (20 per cent. on Interest due and paid from 1st January, 2012) withholding tax mentioned above does not apply to interest payments made to a non-Italian resident Noteholder and to an Italian resident Noteholder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership or (iii) a commercial private or public institution.

Payments made by the Guarantor

There is no authority directly regarding the Italian tax regime of payments on Notes made by an Italian resident guarantor. Accordingly, there can be no assurance that the Italian tax authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian court would not support such an alternative treatment.

With respect to payments made by Intesa Sanpaolo as Guarantor under the Trust Deed in respect of Notes issued by SEB or by INSPIRE, in accordance with one interpretation of Italian fiscal law, any such payments may be subject to Italian withholding tax at the rate of 12.5 per cent. (20 per cent. on payments made from 1st January, 2012) levied as a final tax or a provisional tax ("*a titolo d'imposta o a titolo di acconto*") depending on the residential "status" of the Noteholder, pursuant to Decree No. 600. In the case of payments to non-Italian residents, the withholding tax should be final and may be applied at the rate of 27 per cent. (20 per cent. on payments made from 1st January, 2012) if, in certain circumstances, payments are made to non-Italian residents who are resident in a country with a "privileged tax regime" as defined in Article 110 of Decree No. 917, and identified by a Decree of the Treasury Ministry of 23rd January, 2002, both as amended from time to time. Double taxation treaties entered into by Italy may apply allowing for a lower (or in certain cases, nil) rate applicable of the withholding tax in case of payments to non-Italian residents.

In that event, and in accordance with Condition 12 (*Taxation*), the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders (if

relevant) after such withholding or deduction of such amounts as would have been received by them if no such withholding or deduction had been required.

In accordance with another interpretation, any such payment made by the Guarantor should be treated, in certain circumstances, as a payment by the relevant Issuer and made subject to the tax treatment described above under "*Taxation of Notes issued by Intesa Sanpaolo*" and "*Taxation of Notes issued by INSPIRE or by SEB*".

Capital Gains

Notes Issued by Intesa Sanpaolo

Pursuant to Decree No. 461, a 12.5 per cent. capital gains tax (20 per cent. on capital gains realised from 1st January, 2012) (referred to as "*imposta sostitutiva*") is applicable to capital gains realised by:

Italian resident individuals not engaged in entrepreneurial activities to which the Notes issued by Intesa Sanpaolo are connected,

- an Italian resident partnership not carrying out commercial activities,
- an Italian private or public institution not carrying out mainly or exclusively commercial activities,
- on any sale or transfer for consideration of the Notes or redemption thereof.

Under the so called "*tax declaration regime*", which is the standard regime for taxation of capital gains, the 12.5 per cent. (20 per cent. on capital gains realised from 1st January, 2012) *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year.

Alternatively to the tax declaration regime, holders of the Notes who are:

- Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected,
- an Italian resident partnership not carrying out commercial activities,
- an Italian private or public institution not carrying out mainly or exclusively commercial activities,

may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Notes ("*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express election for the so-called *risparmio amministrato* regime

being made in writing in due time by the relevant holder of the Notes. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the holder of the Notes, deducting a corresponding amount from proceeds to be credited to the holder of the Notes. Where a sale or transfer or redemption of the Notes results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Notes within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the realised capital gain is not required to be included in the annual income tax return of the Noteholder and the Noteholder remains anonymous.

Special rules apply if the Notes are part of a portfolio managed in a regime of Asset Management Option ("*risparmio gestito*" regime) by an Italian asset management company or an authorised intermediary. The capital gains realised upon sale, transfer or redemption of the Notes will not be subject to 12.5 per cent. (20 per cent. on capital gains realised from 1st January, 2012) *imposta sostitutiva* on capital gains but will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at year end may be carried forward against appreciation accrued in each of the following years up to the fourth. Also under the Asset Management Option the realised capital gain is not required to be included in the annual income tax return of the Noteholder and the Noteholder remains anonymous.

The capital losses realised before 1st January, 2012 may be carried forward to offset subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

In the case of Notes held by Funds and SICAVs, capital gains on Notes contribute to determinate the increase in value of the managed assets of the Funds or SICAVs accrued at the end of each tax year. The Funds or SICAVs will not be subject to taxation on such increase, but the Collective Investment Fund Substitute Tax will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

The 12.5 per cent. (20 per cent. on capital gains realised from 1st January, 2012) *imposta sostitutiva* on capital gains may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23 of Decree No. 917, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad, and in certain cases subject to timely filing of required documentation (in the form of a declaration (*autocertificazione*) of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

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

- (a) pursuant to the provisions of Decree No. 461 non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from the *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Notes if they are resident, for tax purposes: (a) in a White-list State listed in Italian Ministerial Decree dated 4th September, 1996, as amended from time to time or (b) as from the tax year in which the decree pursuant to article 168-bis of Decree No 917 is effective, in a State or territory that is included (or deemed to be included, pursuant to Article 1, paragraph 90 of Law No. 244) in the list of States allowing an adequate exchange of information with the Italian tax authorities listed in the decree referred to in Article 168-bis, paragraph 1 of Decree No. 917. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Option or are subject to the *risparmio amministrato* regime, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate declaration (*autocertificazione*) stating that they meet the requirement indicated above. The same exemption applies where the beneficial owners of the Notes are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; or (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State; and
- (b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of Notes.

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

Any capital gains realised by Italian resident corporations or similar commercial entities or permanent establishments in Italy of non-Italian resident corporations to which the Notes are connected, will be included in their business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant ordinary tax rules.

Notes issued by INSPIRE or by SEB

Pursuant to Decree No. 461, a 12.5 per cent. capital gains tax (20 per cent. on capital gains realised from 1st January, 2012) (referred to as *imposta sostitutiva*) is applicable to capital gains realised by:

- Italian resident individuals not engaged in entrepreneurial activities to which the Notes issued by the relevant Issuer are connected,

- an Italian resident partnership not carrying out commercial activities,
- an Italian private or public institution not carrying out mainly or exclusively commercial activities,

on any sale or transfer for consideration of the Notes or redemption thereof.

Under the so called "*tax declaration regime*", which is the standard regime for taxation of capital gains the 12.5 per cent. (20 per cent. on capital gains realised from 1st January, 2012) *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year.

Alternatively to the tax declaration regime, holders of the Notes who are:

- Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected,
- an Italian resident partnership not carrying out commercial activities,
- an Italian private or public institution not carrying out mainly or exclusively commercial activities,

may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Notes ("*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express election for the so-called *risparmio amministrato* regime being made in writing in due time by the relevant holder of the Notes. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the holder of the Notes, deducting a corresponding amount from proceeds to be credited to the holder of the Notes. Where a sale or transfer or redemption of the Notes results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Notes within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the realised capital gain is not required to be included in the annual income tax return of the Noteholder and the Noteholder remains anonymous.

If the Notes are part of a portfolio managed in a regime of Asset Management Option ("*risparmio gestito*" regime) by an Italian asset management company or an authorised intermediary the capital gains realised upon sale, transfer or redemption of the Notes will not be subject to 12.5 per cent. (20 per cent. on capital gains realised from 1st January, 2012) *imposta sostitutiva* on capital gains but will contribute to determine the annual accrued

appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at year end may be carried forward against appreciation accrued in each of the following years up to the fourth. Also under the Asset Management Option the realised capital gain is not required to be included in the annual income tax return of the Noteholder and the Noteholder, remains anonymous.

The capital losses realised before 1st January, 2012 may be carried forward to offset subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

In the case of Notes held by Funds and SICAVs, capital gains on Notes contribute to determinate the increase in value of the managed assets of the Funds or SICAVs accrued at the end of each tax year. Funds and SICAVs will not be subject to taxation on such increase, but the Collective Investment Fund Substitute Tax will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders, subject to the Collective Investment Fund Tax at the relevant applicable rate.

The 12.5 per cent. (20 per cent. on capital gains realised from 1st January, 2012) *imposta sostitutiva* on capital gains may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy. However, the same exemptions illustrated under the section "*Capital gains – Notes issued by Intesa Sanpaolo*" apply to the benefit of non-Italian residents if capital gains on the Notes might become taxable due to the holding of the Notes in Italy.

Any capital gains realised by Italian resident corporations or similar commercial entities or permanent establishments in Italy of non-Italian resident corporations to which the Notes are connected, will be included in their business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant ordinary tax rules.

Inheritance and gift tax

Pursuant to Law Decree No. 262 of 3rd October, 2006, converted with amendments by Law No. 286 of 24th November, 2006 effective from 29th November, 2006, and Law No. 296 of 27th December, 2006, the transfers of any valuable assets (including the Notes) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

- (a) 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding €1,000,000 (per beneficiary);
- (b) 6 per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding €100,000 (per beneficiary);
- (c) 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree; and

- (d) 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding €1,500,000.

Moreover, an anti-avoidance rule is provided by Law No. 383 of 18th October, 2001 for any gift of assets (such as the Notes) which, if sold for consideration, would give rise to capital gains subject to the *imposta sostitutiva* provided for by Decree No. 461. In particular, if the donee sells the Notes for consideration within five years from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift has never taken place.

Transfer tax

Contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €168; (ii) private deeds are subject to registration tax only in the case of use of voluntary registration.

Tax Monitoring Obligations

Italian resident individuals will be required to report in their yearly income tax return, according to Law Decree No. 167 of 28th June, 1990 converted into law by Law Decree No. 227 of 4th August, 1990, for tax monitoring purposes:

- (a) the amount of Notes (issued by INSPIRE or by SEB) held at the end of each tax year, if exceeding in the aggregate €10,000.00; and
- (b) the amount of any transfers from abroad, towards abroad and occurring abroad, related to the Notes (issued by INSPIRE or by SEB), occurring during each tax year, if these transfers exceed in the aggregate €10,000.00. This also applies in the case that at the end of the tax year, Notes are no longer held by Italian individuals.

Italian individuals will however not be required to comply with the above reporting requirements with respect to Notes deposited for management with qualified Italian financial intermediaries and with respect to contracts entered into through their intervention, upon condition that the items of income derived from the Notes are received through the intervention of the same intermediaries.

IRELAND TAXATION

The following summary of the anticipated tax treatment in Ireland in relation to the payments on the Notes is based on the taxation law and practice in force at the date of this document. It does not purport to be, and is not, a complete description of all of the tax considerations that may be relevant to a decision to subscribe for, buy, hold, sell, redeem or dispose of the Notes. The summary relates only to the position of persons who are the absolute beneficial owners of the Notes and the interest on them. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Notes and the receipt of interest and distributions (whether or not on a winding-up) with respect to such Notes under the laws of the jurisdictions in which they may be liable to taxation. Prospective investors should be aware that the anticipated tax treatment in Ireland summarised below may change.

Irish Withholding Tax on the Notes

In general, withholding tax at the rate of 20 per cent. must be deducted from Irish source yearly interest payments made by a company. However no withholding for or on account of Irish income tax is required to be made on interest arising on the Notes in a number of circumstances.

Notes issued by Intesa Sanpaolo or SEB, as the case may be

Payments of interest in respect of Notes issued by Intesa Sanpaolo, or SEB, as the case may be, will be made without deduction of withholding tax in circumstances where Intesa Sanpaolo, or SEB, as the case may be, does not, in issuing the Notes or making the relevant payments:

- (a) operate out of Ireland; or
- (b) make the payments through a paying agent located in Ireland.

Notes issued by INSPIRE having a maturity less than one year

Payments of interest in respect of Notes issued may be made without deduction or withholding of tax where the maturity of the Notes is less than one year.

Notes issued by INSPIRE having a maturity over one year

Section 246(3)(b) of the Taxes Consolidation Act 1997, as amended (the "Taxes Act")

The obligation to withhold tax does not apply to interest payments made by a bank such as INSPIRE in the ordinary course of a bona fide banking business in Ireland.

Quoted Eurobond exemption

Section 64 ("**Section 64**") of the Taxes Act provides for the payment of interest on a "quoted Eurobond" without a deduction of tax in certain circumstances. A quoted Eurobond is defined in Section 64 as a security which:

- (a) is issued by a company;

- (b) is quoted on a recognised stock exchange (this term is not defined but is understood to mean an exchange which is recognised in the country in which it is established); and
- (c) carries a right to interest.

There is no obligation to withhold tax on quoted Eurobonds where:

- (a) the person by or through whom the payment is made is not in Ireland, or
- (b) the payment is made by or through a person in Ireland, and
 - (i) the quoted Eurobond is held in a recognised clearing system within the meaning of section 246A of the Taxes Act (a "**Recognised Clearing System**") (Euroclear, Clearstream, Luxembourg and Monte Titoli S.p.A. have been designated as Recognised Clearing Systems); or
 - (ii) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate written declaration in the prescribed format to this effect.

The Revenue Commissioners of Ireland (the "**Revenue Commissioners**") have confirmed that definitive bearer Notes issued in exchange for interests in global Notes held within a Recognised Clearing System will continue to be regarded as held within a Recognised Clearing System for the purposes of (b)(i).

Section 246(3)(h) of the Taxes Act

The obligation to withhold tax does not apply in respect of, *inter alia*, interest payments made by a company such as INSPIRE in the ordinary course of a trade or business carried on by it to a company resident in a relevant territory under the laws of that relevant territory provided that either:

- (a) that relevant territory imposes a tax that generally applies to interest receivable in that relevant territory by companies from sources outside that relevant territory; or
- (b) the company is exempted from the charge to Irish income tax under a double tax treaty in effect with Ireland or would be so exempted if a double tax treaty signed by Ireland was in effect.

The interest must not relate to an Irish branch or agency of the recipient. A relevant territory for this purpose is a Member State of the European Union, other than Ireland, or not being such a Member State, a territory which has signed a double tax treaty with Ireland. The jurisdictions with which Ireland has signed a double tax treaty are as follows: Albania, Armenia, Australia, Austria, Bahrain, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Chile, China, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hong Kong, Hungary, Iceland, India, Israel, Italy, Japan, Republic of Korea, Kuwait, Latvia, Lithuania, Luxembourg, Macedonia, Malaysia, Malta, Mexico, Moldova, Montenegro, Morocco, the Netherlands, New Zealand, Norway, Pakistan, Poland, Portugal, Romania, Russia, Serbia, Singapore, the Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, the United Arab Emirates, the United Kingdom, the United States of America, Vietnam and Zambia.

Negotiations for new treaties are taking place with Argentina, Azerbaijan, Egypt, Panama, Saudi Arabia, Thailand, Tunisia, Ukraine and Uzbekistan.

Applicable Double Tax Treaty

A requirement to operate Irish withholding tax on interest may be obviated or reduced pursuant to the terms of an applicable double tax treaty (see above).

Discounts

The Revenue Commissioners have confirmed that discounts arising on Notes will not be subject to Irish withholding tax.

Dividend Withholding Tax

In the case of the Notes, where the consideration given by INSPIRE, as the case may be, for the use of the principal secured is dependent on the results of the relevant Issuer's business, interest payments made will be deemed to be a distribution as prescribed by Section 130 of the Taxes Act, as amended. Accordingly, dividend withholding tax may apply.

Section 172D of the Taxes Act

This section provides that the Irish law provisions whereby an Irish resident company must withhold tax (currently 20 per cent.) when it makes a relevant distribution shall not apply in certain circumstances. Provided the requisite declarations in the prescribed format, are in place, the following are included in the categories of shareholders exempted from the scope of dividend withholding tax:

- (a) a person who is neither resident nor ordinarily resident in Ireland and is a resident of a country which Ireland has signed a double tax treaty with (a "**tax treaty country**") or is a resident of an EU Member State (other than Ireland);
- (b) companies which are ultimately controlled by persons who are resident in another EU Member State or tax treaty country;
- (c) companies not resident in Ireland which are themselves resident in an EU Member State or tax treaty country and are not under the control, whether directly or indirectly, of Irish residents; and
- (d) companies, the principal class of whose shares or the shares of its 75 per cent. parent, are substantially and regularly traded on a stock exchange, in a tax treaty country or an EU Member State or on such other stock exchange as may be approved of by the Minister for Finance.

Deposit Interest Retention Tax (DIRT)

No DIRT will be deductible in respect of Notes which are issued by Intesa Sanpaolo *provided that*:

- (a) Intesa Sanpaolo is not resident in Ireland for corporation tax purposes; and

- (b) the relevant Notes are recorded in the books of Intesa Sanpaolo other than as a liability of a branch of Intesa Sanpaolo situate in Ireland.

A relevant deposit taker (as defined by Section 256 of the Taxes Act) such as INSPIRE is obliged to withhold tax (currently at a rate of 25 per cent. or, where the interest is not paid annually or more frequently and cannot be determined until the date of payment of such interest, at a rate of 28 per cent.) from certain interest payments or other returns. However there are certain exceptions to this as set out below.

Insofar as the Notes constitute a debt on a security issued by INSPIRE and are listed on a stock exchange, DIRT shall not apply.

The Revenue Commissioners agree that DIRT which would otherwise be applicable will not apply to interest or other returns paid in respect of unquoted euro commercial paper (such as the Notes issued by INSPIRE) that do not mature within two years issued to persons not resident in Ireland and not offered in Ireland, subject to certain specified conditions which are set out in the selling restrictions or below. These conditions require that:

- (a) as far as primary sales of any Notes issued by INSPIRE are concerned, the dealers as a matter of contract undertake to the relevant Issuer that their action in any jurisdiction will comply with the then applicable laws and regulations and that the dealers will also undertake as a matter of contract to the relevant Issuer that they will not knowingly make primary sales (or knowingly offer to do so, or distribute any material in that connection in Ireland) to any Irish residents or persons;
- (b) the Notes are cleared through a Recognised Clearing System (save that such Notes represented by definitive bearer Notes may be taken out of the Recognised Clearing System and cleared outside that system, it being acknowledged that definitive bearer Notes may be issued in exchange for interests in a Global Note held in Euroclear or Clearstream, Luxembourg (in accordance with the terms of the Global Note) and, in the case of Sterling, denomination Global Notes, on demand by the holder for as long as this is a requirement);
- (c) the minimum denomination in which the Notes issue is made will be €500,000 or its equivalent.

In respect of any Note that is not listed on any stock exchange and matures within two years, pursuant to section 246A of the Taxes Act, DIRT will not apply where the Note is of the requisite denomination outlined in this Document and is held in a Recognised Clearing System. If the Note is not held in a Recognised Clearing System but is of the requisite minimum denomination outlined in this Document then *provided that*:

- (a) either:
 - (i) the person by whom the payment is made; or
 - (ii) the person through whom the payment is made,is resident in Ireland or the payment is made by or through an Irish branch or agency through which a company that is not resident in Ireland carries on a trade or business; and

- (b)
 - (i) the person who is beneficially entitled to the interest is a resident of Ireland who has provided their tax reference number to the payer; or
 - (ii) the person who is the beneficial owner of the Note and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration in the prescribed form,

then DIRT will not apply to the interest or returns thereon.

In addition, DIRT will not apply to interest or other returns on Notes in certain situations including where the person that is beneficially entitled to the interest or returns thereon is not resident in Ireland and an appropriate declaration as referred to in section 256 of the Taxes Act is made.

Encashment tax

Interest on any Note issued:

- (a) by Intesa Sanpaolo or SEB, as the case may be, paid by a paying agent in Ireland; or
- (b) by Intesa Sanpaolo or SEB, as the case may be, paid to an agent in Ireland on behalf of a holder of the relevant Note; or
- (c) by INSPIRE that is a quoted Eurobond held in a Recognised Clearing System (see above) or where that payment of interest was not paid by or entrusted to any person in Ireland and, in each case, was paid to an agent in Ireland acting on behalf of a holder of the relevant Note,

will be subject to a withholding for Irish income tax at the standard rate (currently 20 per cent.) unless it is proved, on a claim made in the required manner to the Irish Revenue Commissioners, that the beneficial owner of the relevant Note and entitled to interest is not resident in Ireland and such interest is not deemed, under the provisions of Irish tax legislation, to be income of another person resident in Ireland.

Liability of Noteholders to Irish tax

In general, persons who are resident and domiciled in Ireland are liable to Irish taxation on their world-wide income whereas persons who are not resident or ordinarily resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Revenue Commissioners to issue or raise an assessment.

Interest earned or discount realised on Notes issued by INSPIRE would be regarded as Irish source income. Accordingly, pursuant to general Irish tax rules, such income or discount, as the case may be, would be technically liable to Irish income tax (and the universal social charge if received by an individual). Credit is available for any Irish tax withheld from income on account of the related income tax liability. Non-Irish tax resident companies, where the income is not attributable to a branch or agency of the company in Ireland, are subject to income tax at the standard rate (currently 20 per cent.). Therefore any withholding tax suffered should be equal to and in satisfaction of the full liability. However, individuals

are liable to tax at a higher rate of tax (currently 41 per cent.) plus the universal social charge on taxable income exceeding a certain threshold, the level of which depends on their individual circumstances.

Section 198 of the Taxes Act

With regard to interest earned on the Notes, Section 198 of the Taxes Act provides an exemption from Irish income tax in each of the following circumstances:

- (a) where:
 - (i) the interest is paid by a company in the ordinary course of its trade or business; and
 - (ii) the recipient of the interest is a company resident in an EU Member State (other than Ireland) or in a country which has signed a double tax treaty with Ireland provided that either:
 - (A) that relevant territory imposes a tax that generally applies to interest receivable in that relevant territory by companies from sources outside that relevant territory; or
 - (B) the company is exempted from the charge to Irish income tax under a double tax treaty in effect with Ireland or would be so exempted if a double tax treaty signed by Ireland was in effect; and
- (b) where:
 - (i) the provisions of Section 64 of the Taxes Act (quoted Eurobond exemption as described above) apply; and
 - (ii) the recipient is a person who is resident in a member state of the European Union (other than Ireland) or in a country which has signed a double tax treaty with Ireland; and
- (c) where:
 - (i) the provisions of section 246A of the Taxes Act apply; and
 - (ii) the recipient is a person who is resident in a member state of the European Union (other than Ireland) or in a country which has signed a double tax treaty with Ireland.

In addition, with regard to discount arising on the Notes, section 198 of the Taxes Act provides an exemption from Irish income tax where the Notes are issued by a company in the ordinary course of its trade and the recipient of the discount is a person resident in an EU Member State (other than Ireland) or in a country which has signed a double tax treaty with Ireland.

For the purposes of (a), (b) and (c) above, residence is determined under the terms of the relevant double taxation agreement, if such exists, or in any other case, the law of the country in which the recipient claims to be resident. Where the interest is paid to a foreign company

carrying on a trade in Ireland through a branch or agency or a permanent establishment to which interest paid by INSPIRE is attributable, corporation tax is payable on the interest.

Applicable Double Tax Treaty

The majority of Ireland's double tax treaties (see above) exempt interest from Irish tax when received by a resident of the other jurisdiction. Thus, a Noteholder may be entitled to exemption from Irish income tax on interest, and in some cases, discounts, under the terms of a double tax treaty between Ireland and the jurisdiction in which the Noteholder is resident.

Section 153 of the Taxes Act

As mentioned above, in the case of the Notes, where the consideration given by INSPIRE, as the case may be, for the use of the principal secured is dependent on the results of its business, interest payments made will be deemed to be a distribution as prescribed by Section 130 of the Taxes Act. However, Section 153 of the Taxes Act ("**Section 153**") provides exemption from income tax on distributions for certain non-residents. The exempted non-residents are:

- (a) a person who is neither resident nor ordinarily resident in Ireland and is a resident of a tax treaty country or is a resident of an EU Member State (other than Ireland);
- (b) a company which is not resident in Ireland and which is ultimately controlled by persons resident in another EU Member State or in a tax treaty country;
- (c) a company which is not resident in Ireland and is, by virtue of the law of a tax treaty country or an EU Member State, resident for the purposes of tax in that tax treaty country or EU Member State, but is not under the control, whether directly or indirectly, of Irish residents;
- (d) companies, the principal class of whose shares or the shares of its 75 per cent. parent, are substantially and regularly traded on a stock exchange, in a tax treaty country or an EU Member State or on such other stock exchange as may be approved of by the Minister for Finance;
- (e) a parent company in another EU Member State in respect of distributions made to it by its Irish resident subsidiary company where withholding tax on such distributions is prohibited under the EU Parent-Subsidiaries Directive.

Section 153 also provides that, if dividend withholding tax (see above) has been applied, and the recipient is an individual then no further Irish tax liability should exist.

Other Circumstances

If, however, the payments are not exempt and there is no double tax treaty between Ireland and the jurisdiction in which the Noteholder is resident, there is no mechanism by which the Revenue Commissioners can collect residual income tax. Therefore, there is a long standing practice whereby no action will be taken to pursue any liability to such residual Irish income tax in respect of persons who are not resident in Ireland except where such persons:

- (a) are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest; or

- (b) seek to claim relief and/or repayment of tax deducted at source in respect of taxed income from Irish sources; or
- (c) are chargeable to Irish corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

There can be no assurance that the Revenue Commissioners will apply this practice in the case of the holders of Notes, and, as mentioned above, there is a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

Capital Gains Tax

Provided the Notes are listed on a Stock Exchange, or the Notes do not derive their value, or the greater part of their value from certain Irish land or mineral rights, then a Noteholder will not be subject to Irish tax on capital gains *provided that* such Noteholder is neither resident nor ordinarily resident in Ireland and such Noteholder does not have an enterprise, or an interest in an enterprise, which carries on business in Ireland through a branch or agency, or a permanent establishment, to which or to whom the Notes are attributable.

Capital Acquisitions Tax

If the Notes are comprised in a gift or inheritance taken from an Irish resident or ordinarily resident disponent or if the disponent's successor is resident or ordinarily resident in Ireland, or if any of the Notes are regarded as property situated in Ireland (that is, in the case of Bearer Notes, if the Notes are physically located in Ireland or, in the case of Registered Notes, if the register for the Notes is maintained in Ireland), the disponent's successor may be liable to Irish Capital Acquisitions Tax. Accordingly, if such Notes are comprised in a gift or inheritance, the disponent's successor may be liable to Irish capital gains tax, even though the disponent may not be domiciled in Ireland. For the purposes of capital acquisition tax it is important to note that a non-domiciled person shall not be treated as resident or ordinarily resident in Ireland except where that person has been resident in Ireland for five consecutive years of assessment immediately preceding the year of assessment in which the date of the gift or inheritance falls.

Stamp Duty

No Irish stamp duty is payable on the issue of the Notes.

Transfer of Notes issued by Intesa Sanpaolo

In the case of Notes issued by Intesa Sanpaolo, no Irish stamp duty is chargeable *provided that* the instrument of transfer (if any):

- (a) is not executed in Ireland; and
- (b) does not relate (wherever executed) to any property situated in Ireland or to any matter or thing to be done in Ireland.

Transfer of Notes issued by INSPIRE

Irish stamp duty is not chargeable on the transfer by delivery of Notes issued by INSPIRE. In the event of written transfer of such Notes no stamp duty is chargeable *provided that* the Notes:

- (a) do not carry a right of conversion into stocks or marketable securities (other than loan capital) of a company having a register in Ireland or into loan capital having such a right;
- (b) do not carry rights of the same kind as shares in the capital of a company, including rights such as voting rights, a share in the profits or a share in the surplus upon liquidation;
- (c) are issued for a price which is not less than 90 per cent. of their nominal value (thus certain Notes issued at a discount may not qualify for this exemption); and
- (d) do not carry a right to a sum in respect of repayment or interest which is related to certain movements in an index or indices (based wholly or partly and directly or indirectly on stocks or marketable securities) specified in any instrument or other document relating to the Notes.

Where the above exemptions or another exemption does not apply, the instrument of transfer is liable to stamp duty at the rate of one per cent. of the consideration paid in respect of the transfer (or if greater, the market value thereof) which must be paid in euro by the transferee (assuming an arm's length transfer) within 30 days of the date on which the transfer instrument is executed, after which interest and penalties will apply.

LUXEMBOURG TAXATION

The following is a general description of Luxembourg tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect as at the date of this Prospectus.

Withholding Tax

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (a) the application of the Luxembourg laws of 21st June, 2005 implementing the European Union Savings Directive (Council Directive 2003/48/EC) and agreements concluded with certain dependant or associated territories providing for the possible application of a withholding tax (35 per cent. from 1st July, 2011) on interest paid to certain non Luxembourg resident investors (individuals and certain types of entities called "residual entities" as defined in article 4-2 of the EU Savings Tax Directive) in

the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned directive (see, paragraph "*EU Savings Tax Directive*" below). For a transitional period, however, Luxembourg introduced an optional information reporting system whereby if a beneficial owner, within the meaning of the EU Savings Tax Directive, does not comply with one of the procedures for information reporting, the relevant Member State will levy a withholding tax on payments to such beneficial owner;

- (b) the application as regards Luxembourg resident individuals of the Luxembourg law of 23rd December, 2005 which has introduced a 10 per cent. withholding tax on savings income paid by a Luxembourg paying agent (within the meaning of the EU Savings Tax Directive) (i.e. with certain exemptions, savings income within the meaning of the Luxembourg law of 21st June, 2005, as amended, implementing the European Union Savings Directive).

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21st June, 2005 and 23rd December, 2005, as amended, is assumed by the Luxembourg paying agent within the meaning of these laws.

Taxes on Income and Capital Gains

Noteholders who derive income from Notes or who realize a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on income or capital gains (subject to the application of the laws of 21st June, 2005 and the law of 23rd December, 2005, as amended, which has introduced a 10 per cent. final withholding tax on savings income as regards Luxembourg resident individuals) unless:

- (a) such Noteholders are, or are deemed to be, resident in Luxembourg for Luxembourg tax purposes (or for the purposes of the relevant provisions);
- (b) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg or a fixed base of business in Luxembourg.

Net Wealth Tax

Luxembourg net wealth tax will not be levied on Noteholders unless:

- (a) Noteholders are, or are deemed to be, residents in Luxembourg for the purpose of the relevant provisions;
- (b) Notes are attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative or a fixed base of business in Luxembourg;

Other Taxes and Duties

There is no Luxembourg registration tax, capital tax, stamp duty or any similar tax or duty payable in Luxembourg in respect of or in connection with the issue, execution, delivery and enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Notes or the performance of the Issuer obligations under the Notes, except that in the case of a voluntary registration or in case of courts proceedings in a

Luxembourg court or the representation of the Notes to an "autorité constituée", such court or such "autorité constituée" may require registration thereof, in which case the registration of the Notes will be subject to a fixed registration duty of €12, unless the assets for which the Notes are issued are under fiduciary for a period exceeding 30 years, in which case the registration duties would depend on the nature of the documents.

Residence

A Noteholder will not become resident, or deemed to be resident, in Luxembourg by reason of the only holding of Notes or the execution, performance, delivery and/or enforcement of that or any other Notes.

EU SAVINGS TAX DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Tax Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a paying agent (within the meaning of the EU Savings Tax Directive) within its jurisdiction to, or collected by such a paying agent (within the meaning of the EU Savings Tax Directive) for, an individual resident or certain limited types of entity known as "residual entities" as defined in article 4-2 of the EU Savings Tax Directive established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at the rate of 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries (including Switzerland) and certain dependent or associated territories of certain Member States (including Switzerland), have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent (within the meaning of the EU Savings Tax Directive) within its jurisdiction to, or collected by such a paying agent (within the meaning of the EU Savings Tax Directive) for, an individual resident or certain limited types of entity known as "residual entities" established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity known as "residual entities" established in one of those territories.

The European Commission has proposed certain amendments to the EU Savings Tax Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

Implementation in Italy

Italy has implemented the EU Savings Tax Directive through Legislative Decree No. 84 of 18th April, 2005 ("**Decree 84**"). Under Decree 84, subject to a number of important conditions being met, where interest is paid starting from 1st July, 2005 (including interest accrued on the Notes at the time of their disposal) to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State of the European Union or in a dependent or associated territory under the relevant international

agreement (currently Jersey, Guernsey, the Isle of Man, the Netherlands Antilles, the British Virgin Islands, Turks and Caicos Islands, the Cayman Islands, Montserrat, Anguilla and Aruba), Italian paying agents (including any banks, SIMs, fiduciary companies and SGRs resident for tax purposes in Italy) are required to report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the state of residence of the beneficial owner.

In certain circumstances, the same reporting requirements must be complied with also in respect of interest paid to an entity established in another EU Member State, other than legal persons (with the exception of certain Finnish and Swedish entities), whose profits are taxed under general arrangements for business taxation and, in certain circumstances, undertakings for collective investments in transferable securities or "UCITS" recognised in accordance with Directive 85/311/EEC.

Either payments of interest on the Notes or the realisation of the accrued interest through the sale of the Notes would constitute "payments of interest" under Article 6 of the Directive and, as far as Italy is concerned, Article 2 of Decree 84. Accordingly, such payments of interest arising out of the Notes would fall within the scope of the Directive being the Notes issued after 1st March, 2001.

Implementation in Ireland

The Directive has been enacted into Irish legislation. Since 1st January, 2004, where any person in the course of a business or profession carried on in Ireland makes an interest payment to, or secures an interest payment for the immediate benefit of, the beneficial owner of that interest, where that beneficial owner is an individual, that person must, in accordance with the methods prescribed in the legislation, establish the identity and residence of that beneficial owner. Where such a person makes such a payment to a "residual entity" then that interest payment is a "deemed interest payment" of the "residual entity" for the purpose of this legislation. A "residual entity", in relation to "deemed interest payments", must, in accordance with the methods prescribed in the legislation, establish the identity and residence of the beneficial owners of the interest payments received that are comprised in the "deemed interest payments".

"Residual entity" means a person or undertaking established in Ireland or in another Member State or in an "associated territory" to which an interest payment is made for the benefit of a beneficial owner that is an individual, unless that person or undertaking is within the charge to corporation tax or a tax corresponding to corporation tax, or it has, in the prescribed format for the purposes of this legislation, elected to be treated in the same manner as an undertaking for collective investment in transferable securities within the meaning of the UCITS Directive 85/611/EEC, or it is such an entity or it is an equivalent entity established in an "associated territory", or it is a legal person (not being an individual) other than certain Finnish or Swedish legal persons that are excluded from the exemption from this definition in the Directive.

Procedures relating to the reporting of details of payments of interest (or similar income) made by any person in the course of a business or profession carried on in Ireland, to beneficial owners that are individuals or to residual entities resident in another Member State or an "associated territory" and procedures relating to the reporting of details of deemed interest payments made by residual entities where the beneficial owner is an individual

resident in another Member State or an "associated territory", have applied since 1st July, 2005. For the purposes of these paragraphs "**associated territory**" means Aruba, the Netherlands Antilles, Jersey, Gibraltar, Guernsey, the Isle of Man, Anguilla, the British Virgin Islands, the Cayman Islands, Montserrat, Turks and Caicos Islands, Andorra, Liechtenstein, Monaco, San Marino and the Swiss Confederation.

Implementation in Luxembourg

The EU Savings Tax Directive was implemented in Luxembourg by the Law of 21st June, 2005. Under the EU Savings Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a paying agent within its jurisdiction to, or collected by such a paying agent for, an individual resident or Residual Entities established in that other Member State; however, for a transitional period, Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent. (as from 1st July, 2011). In the case of Luxembourg, the recipient of the interest payment may opt for one of the two information exchange procedures available instead of the application of the above withholding system. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent within its jurisdiction to, or collected by such a paying agent for, an individual resident or Residual Entities established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a paying agent in a Member State to, or collected by such a paying agent for, an individual resident or Residual Entities established in one of those territories.

On 15th September, 2008, the European Commission issued a report to the Council of the European Union on the operation of the EU Savings Directive, which included the Commission's advice on the need for changes to the EU Savings Directive. On 13th November, 2008, the European Commission published a more detailed proposal for amendments to the EU Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24th April, 2009. If any of those were implemented, the proposed changes made in relation to the amendments would, inter alia, (i) extend the scope of the EU Savings Directive, they may amend to payments made through certain intermediate structures (whether or broaden the scope of the requirements described above) for the ultimate benefit of EU resident individuals, and (ii) provide for a wider definition of interest subject to the EU Savings Directive. Investors who are in any doubt as to their position should consult their professional advisors.

SUBSCRIPTION AND SALE

The Dealers have in a dealer agreement (as amended, supplemented and/or restated, the "**Dealer Agreement**") dated 28th October, 2011, agreed with Intesa Sanpaolo and INSPIRE a basis upon which they or any of them may from time to time agree to subscribe or procure subscribers for Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*" above. In the Dealer Agreement, Intesa Sanpaolo, INSPIRE and SEB have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and update of the Programme and the issue of Notes under the Programme.

United States

Neither the Notes nor the Guarantee thereof have been, nor will they be, registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

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

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to

the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) **Approved prospectus**: if the Final Terms or Drawdown Prospectus in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus which is not a Drawdown Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) **Qualified investors**: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) **Fewer than 100 offerees**: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) **Other exempt offers**: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- (a) an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;
- (b) the "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State; and
- (c) the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act ("FSMA")) received by it in connection with the issue or the sale of any Notes in circumstances in which Section 21(1) of the FSMA does not or, would not if it were not an authorised person, apply to the relevant Issuer or the Guarantor, as the case may be; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes issued by Intesa Sanpaolo, INSPIRE or SEB in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that, save as set out below, it has not made and will not make an offer of any Notes to the public in the Republic of Italy, and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Prospectus or any other document relating to the Notes in the Republic of Italy except:

- (a) that each Dealer may offer, sell or deliver Notes or distribute copies of any prospectus or other document relating to such Notes in an offer to the public, following the date of publication of such prospectus in relation to such Notes, *provided that* (i) such prospectus has been approved in another Relevant Member State (ii) CONSOB has been notified of such approval all in accordance with the Prospectus Directive, as implemented in Italy under Legislative Decree No. 58 of 24th February, 1998 as amended ("**Decree No. 58**") and CONSOB Regulation No. 11971 of 14th May, 1999, as amended ("**Regulation No. 11971**"), in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) to "qualified investors" (*investitori qualificati*), as defined pursuant to article 100 of Decree No. 58 and in Article 34-ter, first paragraph, letter b) of Regulation No. 11971; or
- (c) in any other circumstances where an express exemption from compliance with offering restrictions applies, as provided under Decree No. 58 and/or Regulation No. 11971.

Any such offer, or any sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1st September, 1993, as amended, Decree No. 58, CONSOB Regulation No. 16190 of 29th October, 2007 and any other applicable laws and regulations; and

- (b) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Provisions relating to the secondary market in Italy

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, Article 100-*bis* of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Notes with a denomination of less than €100,000 or €50,000 (or its equivalent in another currency) are placed solely with qualified investors and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under Decree No. 58 applies.

Ireland

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that:

- (a) in connection with offers for sale of any Note issued by INSPIRE that is not listed on any stock exchange and that does not mature within two years, it will not:
 - (i) knowingly sell or offer for sale any Notes issued by INSPIRE to any person, including any body corporate, resident in Ireland or having its usual place of abode in Ireland (an "**Irish Person**");
 - (ii) knowingly issue or distribute, or knowingly cause to be issued or distributed, any documentation offering for subscription or sale any Notes issued by INSPIRE, to any Irish Person;
 - (iii) as far as primary sales of any Notes issued by INSPIRE are concerned, its actions in any jurisdiction will comply with the then applicable laws and regulations;
 - (iv) offer, sell or deliver any such Note to any person in a denomination of less than €500,000, or its equivalent in any other currency. In addition, such Notes must be cleared through a Recognised Clearing System; and
- (b) in connection with offers for sale of any Notes issued by INSPIRE that is not listed on any stock exchange that matures within two years, it will not offer, sell or deliver any such Note to any person in a denomination of less than €500,000 if the relevant Note is denominated in euro, US\$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 Notes must be cleared through a Recognised Clearing System.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "**FIEA**") and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in

Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

France

Each Dealer represents, warrants and undertakes that it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any Final Terms or any related offering material, and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or delivers and none of the Issuer, the Guarantor (where applicable), the Trustee and the other Dealers shall have any responsibility therefor.

Other than with respect to the admission to listing, trading and/or quotation by such one or more competent authorities, stock exchanges and/or quotation systems as may be specified in the Final Terms, no action has been or will be taken in any country or jurisdiction by the relevant Issuer, the Guarantor (where applicable) or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus or any Final Terms comes are required by the relevant Issuer, the Guarantor (where applicable) and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the relevant Issuer and, if applicable, the Guarantor. Any such supplement or modification will be set out

in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this document.

GENERAL INFORMATION

Listing, Approval and Admission to trading of the Notes to the Luxembourg Stock Exchange

This Prospectus has been approved by the CSSF as a base prospectus. Application has been made for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.

However, Notes may be issued pursuant to the Programme which are admitted to listing, trading and/or quotation by such competent authority, stock exchange and/or quotation system as the Issuer(s) and the relevant Dealer(s) may agree or which are not admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system.

The CSSF may at the request of the Issuer, send to the competent authority of another European Economic Area Member State (i) a copy of this Prospectus; (ii) an Attestation Certificate; and (iii) if so required by such competent authority, a translation of the Summary set out on pages 2 to 7 of this Prospectus. At the date hereof, the Issuers have requested the CSSF to send an Attestation Certificate and copy of this Prospectus to the Central Bank of Ireland in its capacity as competent authority in Ireland.

Authorisations

The establishment and update of the programme and the increases in the aggregate nominal amount of all Notes from time to time outstanding under the Programme were authorised by resolutions of the Boards of Directors of Banca Intesa passed on 19th March, 2001, 24th June, 2003, 26th April, 2005, 11th November, 2005 and 6th March, 2006 and of the Management Board of Intesa Sanpaolo passed on 18th June, 2007. The addition of INSPIRE as an Issuer under the Programme was authorised by a resolution of the Board of Directors of INSPIRE passed on 15th February, 2007. The addition of SEB as an Issuer under the Programme was authorised by a resolution of the Board of Directors of SEB passed on 19th October, 2011. Each of Intesa Sanpaolo, INSPIRE and SEB has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the guarantee relating to them.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Use of proceeds

The net proceeds of the issue of each Tranche of Notes will be used for general funding purposes of the Intesa Sanpaolo Group.

Litigation

Save as disclosed from pages 185 to 191, none of the Issuers, the Guarantor or any member of the Intesa Sanpaolo Group is or has been involved in any governmental, legal, arbitration

or administrative proceedings in the 12 months preceding the date of this document relating to claims or amounts which may have, or have had in the recent past, a significant effect on the Intesa Sanpaolo Group's financial position or profitability and, so far as Intesa Sanpaolo or, as the case may be or INSPIRE (where INSPIRE is the Issuer) or, as the case may be, SEB (where SEB is the Issuer), is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

Auditors

The auditors of Intesa Sanpaolo are Reconta Ernst & Young S.p.A., who are members of Assirevi, the Italian professional association of auditors and are registered under No. 2 in the special register (*albo speciale*) maintained by CONSOB and set out under Article 161 of Legislative Decree No. 58 of 24th February, 1998 (as amended) and under No. 70945 in the Register of Accountancy Auditors (*Registro dei Revisori Contabili*) in compliance with the provisions of Legislative Decree No. 88 of 27th January, 1992. Reconta Ernst & Young S.p.A. have audited Intesa Sanpaolo's financial statements, without qualification, in accordance with generally accepted auditing standards in Italy as at and for the years ended 31st December, 2009 and 2010.

The auditors of INSPIRE are Ernst & Young Chartered Accountants, who are members of the ICA (Institute of Chartered Accountants in Ireland) and have audited the unconsolidated annual financial statements of INSPIRE, without qualification, in accordance with International Standards on Auditing (UK and Ireland) as at and for the years ended 31st December, 2009 and 2010.

The auditors of SEB are Ernst & Young S.A., who are registered as a corporate body with the official table of company auditors drawn up by the Luxembourg Ministry of Justice and are members of the Luxembourg Institute of Auditors (*Institut des Réviseurs d'Entreprises*) and have audited the annual financial statements of SEB, without qualification, in accordance with generally accepted auditing standards in Luxembourg as at and for the years ended 31st December, 2009 and 2010. Ernst & Young S.A. is approved by the CSSF in the context of the law dated 18th December, 2009 relating to the audit profession.

No significant change and no material adverse change

Since 31st December, 2010 there has been no material adverse change in the financial position or situation or the prospects of the Issuers and, since 30th June, 2011 (in the case of Intesa Sanpaolo), 30th June, 2011 (in the case of INSPIRE) or 30th June, 2011 (in the case of SEB), there has been no significant change in the financial position of the Intesa Sanpaolo Group.

Material contracts

None of Intesa Sanpaolo, INSPIRE, SEB and Intesa Sanpaolo'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 the Issuers' ability to meet their obligations to Noteholders.

Documents available for inspection

For so long as the Programme remains valid with the Luxembourg Stock Exchange or any Notes shall be outstanding, copies and, where appropriate, the following documents (translated into English, where applicable) may be obtained by the public during normal business hours at the specified office of the Principal Paying Agent and the Listing Agent in Luxembourg and at the registered offices of the Issuers, namely:

- (a) this Prospectus and any supplements to this Prospectus (together with any prospectuses published in connection with any future updates in respect of the Prospectus) and any other information incorporated herein or therein by reference;
- (b) a certified copy of the constitutive documents of Intesa Sanpaolo, INSPIRE and SEB;
- (c) the Agency Agreement;
- (d) the Trust Deed (incorporating a form of the Deed of Guarantee by Intesa Sanpaolo in respect of payment of amounts due in relation to Notes issued by INSPIRE or SEB, and any further issuer that may be appointed from time to time under the Programme);
- (e) the Dealer Agreement;
- (f) the Operating & Administrative Procedures Memorandum;
- (g) any Final Terms relating to Notes which are listed on any stock exchange (save that Final Terms relating to Notes which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by the relevant Noteholders and such holder must produce evidence satisfactory to the Issuer and the Listing Agent as to its holding of Notes and identity);
- (h) any Deed of Guarantee relating to Notes which are listed on any stock exchange (save that a Deed of Guarantee relating to Notes which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by the relevant Noteholders and such holder must produce evidence satisfactory to the Issuer and the Listing Agent as to its holding of Notes and identity); and
- (i) any supplemental agreement prepared and published in connection with the Programme.

In addition, copies of this Prospectus, any supplements to this Prospectus, each Final Terms relating to the Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website (www.bourse.lu).

Financial statements available

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents may be obtained during normal business hours at the specified office of the Luxembourg Listing Agent, Société

Européenne de Banque S.A., at 19-21 Boulevard du Prince Henri, Luxembourg and at the registered offices of the Issuers and the Guarantor:

- (a) the audited consolidated annual financial statements of Intesa Sanpaolo as at and for the years ended 31st December, 2009 and 2010;
- (b) the audited annual financial statements of INSPIRE as at and for the years ended 31st December, 2009 and 2010;
- (c) the audited annual financial statements of SEB as at and for the years ended 31st December, 2009 and 2010;
- (d) the most recent annual or interim consolidated financial information of Intesa Sanpaolo published from time to time (whether audited or unaudited), commencing with its unaudited consolidated half-yearly financial statements as at and for the six months ended 30th June, 2011;
- (e) the most recent annual or interim financial information of INSPIRE published from time to time (whether audited or unaudited), commencing with its unaudited unconsolidated half-yearly financial information as at and for the six months ended 30th June, 2011; and
- (f) the most recent annual or interim financial information of SEB published from time to time (whether audited or unaudited), commencing with its unaudited, unconsolidated half-yearly financial information as at and for the six months ended 30th June, 2011,

in each case, together with the accompanying notes and any auditors' report.

INSPIRE and SEB do not currently publish any consolidated financial information.

The Trust Deed provides that the Trustee may rely on certificates or reports from the Auditors whether or not any such certificate or report or engagement letter or other document entered into by the Trustee and the Auditors in connection therewith contains any limit on liability (monetary or otherwise) of the Auditors.

Post-issuance information

The Issuers do not intend to provide any post-issuance information in relation to any assets underlying issues of Notes constituting derivative securities except to the extent required by any applicable laws and regulations.

Clearing systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

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

Declaration of the officer responsible for preparing Intesa Sanpaolo's financial reports

The officer responsible for preparing the company's financial reports, Ernesto Riva, declares, pursuant to paragraph 2 of Article 154-*bis* of the Consolidated Law on Finance²¹ that the accounting information contained in this Prospectus corresponds to Intesa Sanpaolo's documentary results, books and accounting records.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

²¹ Legislative Decree No. 58 of 24th February, 1998, as amended and supplemented from time to time

REGISTERED OFFICE OF INTESA SANPAOLO

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REGISTERED OFFICE OF INSPIRE

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REGISTERED OFFICE OF SEB

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Citigroup Global Markets Limited

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Commerzbank Aktiengesellschaft

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Germany

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**Crédit Agricole Corporate and Investment
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Credit Suisse Securities (Europe) Limited

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Goldman Sachs International

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HSBC Bank plc

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Morgan Stanley & Co. International plc

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Natixis

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The Royal Bank of Scotland plc

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Société Générale

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UBS Limited

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ITALIAN PAYING AGENT

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