



INTESA SANPAOLO S.p.A.
(incorporated as a società per azioni in the Republic of Italy)

as Issuer

Issue of EUR 500,000,000 Senior Unsecured 5-Year Fixed Rate Green Notes due 27 June 2022 (the "Notes")

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

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "CSSF") in its capacity as competent authority in Luxembourg to approve this document as a drawdown prospectus (the "**Drawdown Prospectus**") under the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005, as amended (the "**Luxembourg Prospectus Law**") which implements Directive 2003/71/EC, as amended (the "**Prospectus Directive**") in Luxembourg. Application has been made by Intesa Sanpaolo S.p.A. (the "**Issuer**") for the Notes 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. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC. This Drawdown Prospectus constitutes a prospectus for the purposes of Article 5.3 of the Prospectus Directive.

The Notes will 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. The Issuer will pay interest on the Notes from (and including) 27 June 2017 (the "**Issue Date**") annually in arrear on 27 June in each year, beginning on 27 June 2018 to (but excluding) 27 June 2022 (the "**Maturity Date**"). Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments*).

Payments of interest, premium and other income on the Notes are subject in principle to a substitutive tax (referred to as the *imposta sostitutiva*), in certain circumstances. *Imposta sostitutiva* is levied at the rate of 26 per cent. In order to obtain exemption from the *imposta sostitutiva* in respect of payments of interest, premium or other income relating to the Notes, each Noteholder not resident in the Republic of Italy is generally required to certify, *inter alia*, that such Noteholder is eligible for the exemption. See "*Information Incorporated by Reference – Base Prospectus – Taxation*".

The Notes have been assigned a rating of Baa1 (Stable) by Moody's, BBB- (Stable) by Standard and Poor's, BBB (Stable) by Fitch and BBB High (Stable) by DBRS. A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes. Each of Moody's, Standard and Poor's, Fitch and DBRS 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**"). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation. **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.**

The CSSF gives no undertaking as to the economic or financial soundness of the transaction or the quality and solvency of the Issuer in line with the provisions of article 7 (7) of the Luxembourg Prospectus Law.

Investing in the Notes involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" beginning on page 1.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes are being offered outside the United States in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold, pledged or otherwise transferred in the United States or to U.S. persons (as defined in Regulation S) except in a transaction that is exempt from the registration requirements of the Securities Act and in compliance with any applicable state securities laws. In addition, Notes issued in reliance on Regulation S during the 40-day period beginning on the date of the completion of the distribution of the Notes will only be issued to a person that is neither a U.S. person nor holding such Notes for the account or benefit of a U.S. person. Terms in the previous sentence have the meaning given to them in Regulation S.

Joint Lead Managers

Banca IMI

Crédit Agricole CIB

HSBC

Société Générale Corporate & Investment Banking

The date of this Drawdown Prospectus is 22 June 2017.

IMPORTANT NOTICES

This Drawdown Prospectus is to be read in conjunction with all documents which are deemed to be incorporated by reference herein (see "*Information Incorporated by Reference*" below).

Terms used herein and not otherwise defined shall have the same meanings given to them in the base prospectus dated 9 December 2016 (the "**2016 Base Prospectus**"), relating to the €70,000,000,000 Euro Medium Term Note Programme of the Issuer (the "**Programme**"), Intesa Sanpaolo Bank Ireland p.l.c. and Intesa Sanpaolo Bank Luxembourg S.A. (previously known as Société Européenne de Banque S.A.) as supplemented by the supplement dated 10 February 2017, (the "**Supplement**", and together with the 2016 Base Prospectus, the "**Base Prospectus**") filed with the CSSF pursuant to Article 11 of the Prospectus Directive.

The Issuer accepts responsibility for the information contained in and incorporated by reference in this document and, to the best of the knowledge and belief of the Issuer (which has 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 Issuer confirms to Banca IMI S.p.A., Crédit Agricole Corporate and Investment Bank, HSBC Bank plc and Société Générale (the "**Joint Lead Managers**") that this Drawdown Prospectus contains all information regarding the Issuer and its subsidiaries (the "**Intesa Sanpaolo Group**") and the Notes which is, in the context of the issue, offering and sale 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, expectations or intentions expressed herein are honestly held or made and are not misleading in any material respect; that there are no other facts in relation to the information contained or incorporated by reference in this Drawdown Prospectus the omission of which would, in the context of the issue, offering and sale of the Notes, make any statement therein, or opinions or intentions expressed therein misleading in any material respect; and that all reasonable 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 Drawdown Prospectus or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or by the Joint Lead Managers.

No representation or warranty is made or implied by the Joint Lead Managers or any of their affiliates, and none of the Joint Lead Managers nor any of its affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Drawdown Prospectus. Neither the delivery of this Drawdown Prospectus nor the offering, sale or delivery of the Notes shall, in any

circumstances, create any implication that the information contained in this Drawdown Prospectus is true subsequent to the date hereof or the date upon which this Drawdown Prospectus has been most recently 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 the Intesa Sanpaolo Group since the date hereof or that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. This Drawdown Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Lead Managers to subscribe for, or purchase, any Notes.

This Drawdown Prospectus may only be used for the purposes for which it has been published. The distribution of this Drawdown Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Drawdown Prospectus comes are required by the Issuer and the Joint Lead Managers 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 Drawdown Prospectus and other offering material relating to the Notes, see the section of the Base Prospectus entitled "*Subscription and Sale*" (as incorporated by reference herein – see "*Information Incorporated by Reference*"). In particular, the Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons.

This Drawdown Prospectus does not constitute an offer or an invitation to subscribe for or purchase the Notes and it should not be considered as a recommendation by the Issuer, the Joint Lead Managers or any of them that any recipient of this Drawdown Prospectus should subscribe for or purchase the Notes. Each recipient of this Drawdown Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Intesa Sanpaolo Group and to have consulted its own legal, business, accounting and tax advisers.

In this Drawdown Prospectus, unless otherwise specified or where the context requires otherwise: references to a "**Member State**" are references to a Member State of the European Economic Area (the "**EEA**"); references to a "**Condition**" are to the correspondingly numbered provision as described in the section entitled "*Base Prospectus Terms and Conditions*" (as defined below); references to "€", "**EUR**" or "**euro**" 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 3 May 1998 on the introduction of the euro, as amended; and references to "**billions**" are to thousands of millions.

Certain figures included or incorporated by reference in this Drawdown 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.

CONTENTS

	Page
IMPORTANT NOTICES	ii
RISK FACTORS	1
INFORMATION INCORPORATED BY REFERENCE	2
TERMS AND CONDITIONS OF THE NOTES	7
ISSUE TERMS	8
USE OF PROCEEDS	17
GENERAL INFORMATION.....	18

RISK FACTORS

The Issuer believes that the following risk factors may affect its ability to fulfil its obligations under the Notes. Most of these risk factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, risk factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the risk factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risk of holding the Notes are exhaustive.

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

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

The risks that may affect the Issuer's ability to fulfil its obligations under the Notes are set out under the heading "*Factors that may affect the Issuers' ability to fulfil their obligations under Notes issued under the Programme*" on pages 1 to 25 in the section entitled "*Risk Factors*" in the Base Prospectus, which has been incorporated by reference into this Drawdown Prospectus.

Risks related to the Notes

The risks relating to the Notes are set out under the heading "*Risks relating to the Notes*" on pages 25 to 32 in the section entitled "*Risk Factors*" in the Base Prospectus, which has been incorporated by reference into this Drawdown Prospectus.

INFORMATION INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Drawdown Prospectus:

1. the 2016 Base Prospectus;
2. the Supplement;
3. the audited consolidated annual financial statements of the Intesa Sanpaolo Group as at and for the year ended 31 December 2014, as shown in the Intesa Sanpaolo Group 2014 Annual Report;
4. the audited consolidated annual financial statements of the Intesa Sanpaolo Group as at and for the year ended 31 December 2015, as shown in the Intesa Sanpaolo Group 2015 Annual Report;
5. the unaudited condensed consolidated half yearly financial statements of the Intesa Sanpaolo Group as at and for the six months ended 30 June 2016, as shown in the Intesa Sanpaolo Group 2016 Half yearly Report;
6. the unaudited interim consolidated financial statements of the Intesa Sanpaolo Group as at and for the nine months ended 30 September 2016, as shown in the Intesa Sanpaolo Group Interim Statement as at 30 September 2016; and
7. the press release issued by Intesa Sanpaolo on 3 February 2017 and entitled "*Intesa Sanpaolo: Consolidated Results as at 31 December 2016*" (the "**Press Release**"),

save that any statement contained herein or in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Drawdown Prospectus to the extent that a statement contained in this Drawdown Prospectus or any such document which is incorporated by reference herein expressly or impliedly modifies or supersedes such earlier statement.

Any information not listed in the cross reference list but included in the documents incorporated by reference is given for information purposes only and is not required by the relevant annexes of the Commission Regulation 809/2004/EC, as amended by Commission Delegated Regulation (EU) No 486/2012 of 30 March 2012.

The documents incorporated by reference in this Drawdown Prospectus shall not include any documents which are themselves incorporated by reference in such incorporated documents ("daisy chained" documents). Such daisy chained documents incorporated by reference in the 2016 Base Prospectus, the Supplement or any of the financial statements listed above as being incorporated by reference in this Drawdown Prospectus shall not form part of this Drawdown Prospectus. Where only part of the documents listed above have been

incorporated by reference, only information expressly incorporated by reference herein shall form part of this document and the non-incorporated parts are either not relevant for the investor or covered elsewhere in this Drawdown Prospectus.

The Issuer will, at the specified offices of the Principal Paying Agent and the Listing Agent in Luxembourg and at the registered offices of the Issuer, provide, free of charge, upon oral or written request, a copy of this Drawdown Prospectus (or any document incorporated by reference in this Drawdown Prospectus). Written or oral requests for such documents should be directed to the specified office of any of the Paying Agents or to the specified office of the Listing Agent in Luxembourg. In addition such documents will be available, without charge, on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Cross Reference List

The following information shall be incorporated into, and form part of, this Drawdown Prospectus:

2016 Base Prospectus

<i>Section incorporated</i>	<i>Page references</i>
Risk Factors	1 to 32
General Description of the Programme	33 to 40
Further Prospectuses and Supplements	45
Forms of the Notes	46 to 49
Terms and Conditions of the Notes	50 to 89
Overview of Provisions Relating to the Notes while in Global Form	90 to 91
Description of Intesa Sanpaolo S.p.A.	105 to 127
Overview of the Financial Information of the Intesa Sanpaolo Group	128 - 134
Taxation	147 to 170
Subscription and Sale	173 to 178
General Information	179 to 182

Supplement

Section incorporated**Page references**

Base Prospectus supplement dated 10 February 2017 Entire document

The following tables show where the information required under Annex IX, paragraph 11.1 of Commission Regulation (EC) No. 809/2004 can be found in the above-mentioned financial statements incorporated by reference in this Drawdown Prospectus.

Intesa Sanpaolo Group 2014 Annual Report

	Page number(s)
Consolidated balance sheet	164 - 165
Consolidated income statement	166
Statement of consolidated comprehensive income	167
Changes in consolidated shareholders' equity	168
Consolidated statement of cash flows	169
Notes to the consolidated financial statements	173-441
– <i>Part A – Accounting policies</i>	173-214
– <i>Part B – Information on the consolidated balance sheet</i>	215-290
– <i>Part C – Information on the consolidated income statement</i>	291-311
– <i>Part D – Consolidated comprehensive income</i>	312
– <i>Part E– Information on risks and relative hedging policies</i>	313-410
– <i>Part F – Information on consolidated capital</i>	411-425
– <i>Part G – Business combinations</i>	426-428
– <i>Part H – Information on compensation and transactions with related parties</i>	429-434
– <i>Part I – Share-based payments</i>	435-437
– <i>Part L – Segment reporting</i>	438-441
Certification of the consolidated financial statements pursuant to Art. 154 bis of Legislative Decree 58/1998.....	442
Independent Auditors' Report on the consolidated financial statements	443-445

The Intesa Sanpaolo Group 2014 Annual Report is published on the Intesa Sanpaolo website (www.intesasanpaolo.com) in two separate pdf. documents.

The Intesa Sanpaolo Group 2015 Annual Report

	Page number(s)
Consolidated balance sheet	144-145
Consolidated income statement	146
Statement of consolidated comprehensive income	147
Changes in consolidated shareholders' equity	148-149
Consolidated statement of cash flows	150
Notes to the consolidated financial statements	153-414
– <i>Part A– Accounting policies</i>	153-199
– <i>Part B– Information on the consolidated balance sheet</i>	200-271
– <i>Part C– Information on the consolidated income statement</i>	272-291

	Page number(s)
– Part D– Consolidated comprehensive income.....	292
– Part E– Information on risks and relative hedging policies.....	293-386
– Part F– Information on consolidated capital	387-399
– Part G – Business combinations.....	400-403
– Part H – Information on compensation and transactions with related parties	404-409
– Part I – Share-based payments.....	410-412
– Part L – Segment reporting	413-414
Certification of the consolidated financial statements pursuant to Art. 154 bis of Legislative Decree 58/1998.....	415-416
Independent Auditors' Report on the consolidated financial statements	417-420
Attachments to the Consolidated Financial Statements	421-447

The Intesa Sanpaolo Group 2015 Annual Report is published on the Intesa Sanpaolo website (www.intesasanpaolo.com) in two separate pdf. documents.

Intesa Sanpaolo Group Interim Statement as at 30 September 2016

	Page number(s)
Consolidated balance sheet	40 – 41
Consolidated income statement	42
Statement of consolidated comprehensive income	43
Changes in consolidated shareholders' equity	44
Report on operations	47 - 113
<i>Economic results</i>	47 – 59
<i>Balance sheet aggregates</i>	60 – 70
<i>Breakdown of consolidated results by business area</i>	71 – 92
<i>Risk management</i>	93 – 113
<i>Accounting policies</i>	117 – 118
Declaration of the Manager responsible for preparing the Company's financial reports.....	119
Attachments	121 - 141

Intesa Sanpaolo Group - Half-yearly Report as at 30 June 2016

	Page number(s)
Consolidated balance sheet	48-49
Consolidated income statement	50
Statement of consolidated comprehensive income	51
Changes in consolidated shareholders' equity	52
Consolidated statement of cash flows.....	53
Explanatory Notes.....	55-144
<i>Accounting policies</i>	57-64
<i>Subsequent events</i>	65

	Page number(s)
<i>Economic results</i>	66
<i>Balance sheet aggregates</i>	79-90
<i>Breakdown of results by business area and geographical area</i>	91-114
<i>Risk management</i>	115-138
<i>Shareholder base, related party transactions and other information</i>	139-144
Certification of the half-yearly condensed consolidated financial statements pursuant to Art. 154 bis of Legislative Decree 58/1998.....	146
Independent Auditors' Report	147
Attachments	151

Press Release

For ease of reference, the table below sets out page references for specific items of information contained in the Press Release.

1. Reclassified consolidated statement of income	Page 26
2. Quarterly development of the reclassified consolidated statement of income	Page 27
3. Reclassified consolidated balance sheet	Page 28
4. Quarterly development of the reclassified consolidated balance sheet	Page 29
5. Breakdown of financial highlights by business area	Page 30

The information incorporated by reference that is not included in the cross-reference lists above is considered as additional information and is not required by the relevant schedules of Regulation (EC) 809/2004 (as amended).

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes shall consist of the Terms and Conditions of the Notes set out in the Base Prospectus (the "**Base Prospectus Terms and Conditions**") as incorporated by reference herein (see "*Information Incorporated by Reference*") as completed by the terms set out in the issue terms set out below (the "**Issue Terms**") (the Base Prospectus Terms and Conditions and the Issue Terms, together, being the "**Terms and Conditions of the Notes**"). Any references to "this document" in the "Issue Terms" section of this Drawdown Prospectus shall be deemed to refer to the Terms and Conditions of the Notes. References in the Base Prospectus Terms and Conditions to "Final Terms" shall be deemed to refer to the Issue Terms set out below.

ISSUE TERMS

1. (i) Series Number: 872
- (ii) Tranche Number: 1
- (iii) Date on which the Notes become fungible: Not Applicable
2. Specified Currency or Currencies: Euro ("**EUR**")
3. Aggregate Nominal Amount:
 - (i) Series: EUR 500,000,000
 - (ii) Tranche: EUR 500,000,000
4. Issue Price: 99.534 per cent. of the Aggregate Nominal Amount
5. (i) Specified Denominations: EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No Notes in definitive form will be issued with a denomination above EUR 199,000
- (ii) Calculation Amount: EUR 1,000
6. (i) Issue Date: 27 June 2017
- (ii) Interest Commencement Date: Issue Date
7. Maturity Date: 27 June 2022
8. Interest Basis: 0.875 % per annum Fixed Rate
(further particulars specified below)
9. Redemption/Payment Basis: Redemption at par
10. Change of Interest or Redemption/Payment Basis: Not Applicable
11. Put/Call Options: Not Applicable

12. (i) Status of the Notes: Senior
- (ii) Status of the Guarantee: Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** Applicable
- (i) Rate(s) of Interest: 0.875% per cent. per annum payable annually in arrear
- (ii) Interest Payment Date(s): 27 June in each year commencing on 27 June 2018 up to and including the Maturity Date
- (iii) Fixed Coupon Amount(s): EUR 8.75 per Calculation Amount
- (iv) Day Count Fraction: Actual/Actual (ICMA)
- (v) Broken Amount(s): Not Applicable
14. **Floating Rate Note Provisions** Not Applicable
15. **Fixed-Floating Rate Note Provisions** Not Applicable
16. **Floating-Fixed Rate Note Provisions** Not Applicable
17. **Zero Coupon Note Provisions** Not Applicable
18. **Inflation Linked Note Provisions** Not Applicable
19. **Change of Interest Basis Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

20. **Call Option** Not Applicable
21. **Put Option** Not Applicable
22. **Regulatory Call** Not Applicable
23. **Final Redemption Amount** EUR 1,000 per Calculation Amount
24. **Early Redemption Amount**
- (i) Early Redemption Amount(s) payable on redemption for taxation As per Condition 10(b)

reasons:

25. **Early Termination Amount**

- (i) Payable on redemption for event of default: As per Condition 13(a)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. **Form of Notes:**

Bearer Notes

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.

27. New Global Note Form:

Yes

28. Additional Financial Centre(s) or other special provisions relating to Payment Dates:

TARGET2

29. Talons for future Coupons to be attached to Definitive Notes:

No

PART B – OTHER INFORMATION

LISTING AND ADMISSION TO TRADING

1. (i) Listing: Luxembourg
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from 27 June 2017
- (iii) Estimate of total expenses related to admission for trading EUR 3,350

2. RATINGS

Ratings: The Notes to be issued are expected to be rated:

S & P's: BBB- (stable)

Moody's: Baa1 (stable)

Fitch: BBB (stable)

DBRS: BBB High (stable)

Each of Standard & Poor's Credit Market Services, Moody's Investors Service Ltd., Fitch Ratings Limited and DBRS Ratings Limited is established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended).

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

Save for any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. Banca IMI S.p.A., a Joint Lead Manager under the Notes, is a subsidiary of the Issuer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND

TOTAL EXPENSES

- (i) Reasons for the offer: The net proceeds from the issue of the Notes will be exclusively used to finance or refinance loans held by the Issuer or its subsidiaries to finance eligible projects within the list of Eligible Categories (the "**Eligible Loans**").
- "**Eligible Categories**" are defined in the Issuer Green Bond Framework, made available on the Issuer's website in the investor relations section at <http://www.group.intesasanpaolo.com/scripts/Isir0/si09/contentData/view/Intesa%20Sanpaolo%20Green%20Bond%20Framework.pdf?id=CNT-05-00000004DAFC7&ct=application/pdf>, and will include the following loan categories:
- a. **Renewable Energy:** Loans that are used to finance investments in production, transmission, infrastructure and associated assets, specifically for solar, wind, bio-energy/biomass and hydro energy generation
 - b. **Energy Efficiency:** Loans that are used to finance the following projects:
 - i. New investments and ongoing maintenance in infrastructure, associated assets, technology and services that contribute towards reduced energy usage and or increased energy efficiency, such as: energy storage, energy efficiency in industrial facilities, high efficiency co-generation of heat and power, district heating, smart grids,

LED lighting;

ii. Construction of new building developments or renovation of existing buildings (including public service, commercial, residential and recreational) which meet recognised environmental standards such as: LEED – gold, BREEAM – good/very good, HQE – very good/excellent, CASBEE – A(very good)/S(excellent) or equivalent or, buildings which have reduced life cycle consumption of energy levels of at least 20% less than statute/city baseline.

Pending the full allocation of the net proceeds of the issue of the Notes to Eligible Loans, the Issuer will hold the unallocated proceeds in accordance with its normal liquidity management, including treasury liquidity portfolio, Cash, Time Deposit with banks or other form of available short term and medium / long term funding sources (e.g. Commercial Paper Programme, Bank Credit Line), that do not include GHG intensive activities (i.e. related to fossil fuels exploitation and to carbon intensive assets such as infrastructure dependent on fossil fuels; fossil fuel-fired power plants; high-carbon assets) nor any disputable activity (Alcohol, Animal maltreatment, Armament, Hazardous chemicals, Gambling, Genetically Modified Organisms (GMO) in food & feed, Nuclear energy, Sex industry, Tobacco).

Until the full allocation of the net proceeds of the issue of the Notes, the Issuer undertakes to provide any

Noteholder with an annual report regarding the allocation of net proceeds of the Notes to the various Eligible Loans, example loans from each sector, unallocated proceeds.

Furthermore, the Issuer undertakes to report annually and until the maturity of the Notes, the environmental benefits resulting from each loan disbursed from the net proceeds of the Notes. Such annual reporting will be reviewed by external auditors and will be published on the Issuer's website: www.group.intesasanpaolo.com

(ii) Estimated net proceeds: EUR 496,420,000

5. YIELD

Indication of yield: 0.971 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

7. OPERATIONAL INFORMATION

ISIN Code: XS1636000561

Common Code: 163600056

Intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of Euroclear Bank S.A./N.V. and/or Clearstream Banking, S.A. Luxembourg (the "ICSDs") as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during

their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

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

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s)(if any): Not Applicable

Deemed delivery of clearing system notices for the purposes of Condition 19: Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the day on which it was given to Euroclear and Clearstream, Luxembourg.

8. DISTRIBUTION

(i) Method of distribution: Syndicated

(ii) If syndicated:

(A) Names of Managers Banca IMI S.p.A
Largo Mattioli, 3
20121 Milan
Italy

Crédit Agricole Corporate and Investment Bank
12, place des Etats-Unis, CS 70052
92547 Montrouge Cedex
France

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

Société Générale

29, boulevard Haussmann
75009 Paris
France

(B) Date of Subscription 22 June 2017
Agreement:

(C) Stabilising Manager(s) (if Société Générale
any):

(iii) If non-syndicated, name and Not Applicable
address of Dealer:

(iv) U.S. Selling Restrictions: Reg. S compliance category: 2
TEFRA D

USE OF PROCEEDS

The net proceeds from the issue of the Notes will be exclusively used to finance or refinance loans held by the Issuer or its subsidiaries to finance Eligible Loans (as defined in the Issue Terms). See "*Issue Terms—Part B-Other Information—Reasons for the offer, estimated net proceeds and total expenses—Reasons for the offer*".

GENERAL INFORMATION

Listing and Admission to trading

Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and admit the Notes to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from the Issue Date.

Litigation

Save as disclosed on pages 120 to 128 of the Base Prospectus (as incorporated by reference herein – see "*Information Incorporated by Reference*"), the Issuer and its subsidiaries are not or have not 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 Issuer's financial position or profitability and, so far as the Issuer is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

No significant change and no material adverse change

Save as disclosed on pages 113 to 117 of the Base Prospectus, since 31 December 2015, there has been no material adverse change in the prospects of the Issuer and, since 30 September 2016 there has been no significant change in the financial position of the Intesa Sanpaolo Group.

Documents available

For as long as Notes issued pursuant to this Drawdown Prospectus are to be traded on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange, electronic copies and, where appropriate, English translations of the following documents will be available during normal business hours at the Specified Offices of the Principal Paying Agent and the Listing Agent in Luxembourg and at the registered offices of the Issuers, namely:

- (a) the Base Prospectus and the Supplement thereto;
- (b) a certified copy of the constitutive documents of the Issuer;
- (c) the Agency Agreement;
- (d) the Trust Deed;
- (e) the Operating & Administrative Procedures Memorandum;
- (f) the audited consolidated annual financial statements of the Issuer as at and for the years ended 31 December 2014 and 2015;
- (g) the unaudited condensed consolidated half yearly financial statements of the Intesa Sanpaolo Group as at and for the six months ended 30 June 2016;

- (h) the unaudited interim consolidated financial statements of the Intesa Sanpaolo Group as at and for the nine months ended 30 September 2016;
- (i) the Press Release; and
- (j) the most recent annual or unaudited interim consolidated financial information of the Issuer published from time to time (whether audited or unaudited).

Auditors

From 28 May 2012 the auditors of Intesa Sanpaolo S.p.A. are KPMG S.p.A. for the period 2012-2020. KPMG S.p.A. have audited Intesa Sanpaolo S.p.A.'s consolidated annual financial statements, in accordance with generally accepted auditing standards in Italy as at and for the years ended 31 December 2014 and 2015.

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

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

REGISTERED OFFICE OF THE ISSUER

**Intesa Sanpaolo
S.p.A.**
Piazza San Carlo, 156
10121 Turin
Italy

JOINT LEAD MANAGERS

Banca IMI S.p.A
Largo Mattioli, 3
20121 Milan
Italy

Crédit Agricole Corporate and Investment Bank

12, place des Etats-Unis, CS 70052
92547 Montrouge Cedex
France

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

Société Générale
29, boulevard Haussmann
75009 Paris
France

AUDITORS

KPMG S.p.A.
Via Vittor Pisani, 25
20124 Milano MI
Italy

TRUSTEE

The Law Debenture Trust Corporation p.l.c.

5th Floor
100 Wood Street
London EC2V 7EX
United Kingdom

**PRINCIPAL PAYING
AGENT**

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

LEGAL ADVISERS TO THE JOINT LEAD MANAGERS

Clifford Chance
Studio Legale Associato
Piazzetta M. Bossi, 3
20121 Milan
Italy

LUXEMBOURG LISTING AGENT

Intesa Sanpaolo Bank Luxembourg
S.A.
19-21, Boulevard Prince Henri
Luxembourg
L-1724
Luxembourg
Grand Duchy of Luxembourg