

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

[13] October 2017

Banca IFIS S.p.A.

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

**Issue of EUR 400,000,000 4.500% Tier 2 Subordinated Callable Notes due 2027
under the €5,000,000,000
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 (the “**Conditions**”) set forth in the Base Prospectus dated 29 September 2017 which constitutes a base prospectus for the purposes of the Prospectus Directive (the “**Base Prospectus**”). 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 the Base Prospectus. 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 Base Prospectus. The Base Prospectus is available for viewing on the website of the Issuer (www.bancaifis.it). The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Irish Stock Exchange, the Final Terms will also be published on the website of the Irish Stock Exchange (www.ise.ie).

In these Final Terms, the expression “**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 the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

1	Issuer:	Banca IFIS S.p.A.
2	(a) Series Number:	1
	(b) Tranche Number:	1
	(c) Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3	Specified Currency or Currencies:	Euro
4	Aggregate Nominal Amount:	€400,000,000

	(a) Series:	€400,000,000
	(b) Tranche:	€400,000,000
5	Issue Price:	100 per cent. of the Aggregate Nominal Amount
6	(a) Specified Denominations:	€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000.
	(b) Calculation Amount:	€1,000
7	(a) Issue Date:	17 October 2017
	(b) Interest Commencement Date:	Issue Date
8	Maturity Date:	17 October 2027
9	Interest Basis:	4.500 per cent. Fixed Rate to be reset on the Reset Date (further particulars specified below under item 14)
10	Change of Interest Basis:	Not Applicable
11	Put/Call Options:	Call Option Regulatory Call (further particulars specified below under items 17 and 18)
12	Status of the Notes:	Subordinated Notes

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13	Fixed Rate Note Provisions	Not Applicable
14	Reset Rate Note Provisions	Applicable
	(a) Initial Rate of Interest:	4.500 per cent. per annum payable annually in arrear
	(b) Interest Payment Date(s):	17 October in each year commencing on 17 October 2018, up to and including the Maturity Date
	(c) Day Count Fraction:	Actual/Actual (ICMA)
	(d) Reset Date(s):	17 October 2022
	(e) Reset Reference Rate(s) and Relevant Financial Centre:	Reset Reference Rate: Mid Swaps
	(f) Reset Margin:	+4.251 per cent. per annum
	(g) Reset Rate Screen Page:	Reuters Page: ISDAFIX2
	(h) Mid Swap Maturity:	5 years
	(i) Reset Determination	13 October 2022

Date:

- (j) Reset Rate Time: 11:00 a.m. (Central European Time)
- (k) Party responsible for calculating the Reset Rate and Interest Amount(s) (if not the Agent): The Agent shall be the Calculation Agent

15 Floating Rate Note Provisions Not Applicable

16 Zero Coupon Note Provisions Not Applicable

PROVISIONS RELATING TO REDEMPTION

17 Call Option: Applicable, subject to Condition 11.6 (*Redemption of Subordinated Notes*)

(a) Optional Redemption Date(s) (Call): 17 October 2022

(b) Optional Redemption Amount(s) (Call): €1,000 per Calculation Amount

(c) If redeemable in part:

(i) Minimum Redemption Amount: Not applicable

(ii) Maximum Redemption Amount: Not applicable

(d) Notice period (if other than as set out in the Conditions): As per Conditions

18 Regulatory Call: Condition 11.3 is applicable

19 Put Option: Not Applicable

20 Early Redemption Amount(s) payable on redemption for taxation or regulatory reasons or on event of default: €1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21 Form of Notes:

(a) Form: 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.

(b) New Global Note: Yes

22 Additional Financial Centre(s): Not Applicable

- 23 Talons for future Coupons to be attached to Definitive Notes: No
- 24 Modification or Substitution of Subordinated Notes for Regulatory Event/Tax Event: Applicable in relation to Regulatory Event or Tax Event

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of
Banca IFIS S.p.A.

By:

Duly authorised

**PART B
OTHER INFORMATION**

1 LISTING AND ADMISSION TO TRADING

- | | |
|---|---|
| (a) Listing and Admission to trading | Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange and listing on the Official List of the Irish Stock Exchange with effect from 17 October 2017. |
| (b) Estimate of total expenses related to admission to trading: | €600 |

2 RATINGS

Ratings: The Notes to be issued are expected to be rated BB by Fitch Italia S.p.A. (“**Fitch**”).

Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). As such Fitch is included in the list of credit ratings agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Joint Lead Managers in respect of the Notes, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. Such Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4 REASONS FOR THE OFFER – USE OF PROCEEDS

The net proceeds of the issuance of the Notes will be used for the general corporate purposes of the Group, as set forth in “*Use of Proceeds*” in the Base Prospectus.

5 YIELD

Indication of yield: 4.500 per cent. per annum in respect of the period from the Issue Date to the Reset Date.

The yield is calculated at the Issue Date on the basis of the Issue Price and the Initial Rate of Interest until the Reset Date. It is not an indication of future yield. Since the Reset Rate will apply from the Reset Date (unless the Call Option is exercised), an indication of yield up to the Maturity Date cannot be given.

6 HISTORIC INTEREST RATE

Not Applicable

7 OPERATIONAL INFORMATION

- | | |
|---|--|
| (a) ISIN Code: | XS1700435453 |
| (b) Common Code: | 170043545 |
| (c) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s): | Not Applicable |
| (d) Delivery: | Delivery against payment |
| (e) Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (f) 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 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 satisfaction of the Eurosystem eligibility criteria. |

8 DISTRIBUTION

- | | |
|--|--|
| (a) Method of distribution: | Syndicated |
| (b) If syndicated, names of Managers: | Nomura International plc
UBS Limited
UniCredit Bank AG |
| (c) Date of Subscription Agreement: | 13 October 2017 |
| (d) Stabilising Manager(s) (if any): | Not Applicable |
| (e) If non-syndicated, name of relevant Dealers: | Not Applicable |
| (f) U.S. Selling Restrictions: | Reg. S Compliance Category 2;
TEFRA D |

9 PROHIBITION OF SALES TO EEA RETAIL INVESTORS

- | | |
|---|------------|
| Prohibition of sales to EEA Retail Investors: | Applicable |
|---|------------|