

SUPPLEMENT DATED 11 JUNE 2015
TO THE BASE PROSPECTUS DATED 24 JULY 2014 AS SUPPLEMENTED ON 24
SEPTEMBER 2014



Intesa Sanpaolo S.p.A.

(incorporated as a joint stock company under the laws of the Republic of Italy)

€20,000,000,000.00 Covered Bond (*Obbligazioni Bancarie Garantite*) Programme
unsecured and unconditionally and irrevocably guaranteed as to payments of interest and
principal by

ISP CB Pubblico S.r.l.

(incorporated as a limited liability company under the laws of the Republic of Italy)

BY APPROVING THIS SUPPLEMENT THE COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER (THE “CSSF”) GIVES NO UNDERTAKING AS TO THE ECONOMICAL AND FINANCIAL OPPORTUNENESS OF THE TRANSACTION OR THE QUALITY AND SOLVENCY OF THE ISSUER IN LINE WITH THE PROVISIONS OF ARTICLE 7 (7) OF THE LUXEMBOURG LAW DATED 10 JULY 2005 ON PROSPECTUSES FOR SECURITIES.

This supplement (the “**Supplement**”) constitutes a Supplement to the base prospectus dated 24 July 2014 as supplemented on 24 September 2014 (the “**Base Prospectus**”) for the purposes of Article 16 of Directive 2003/71/EC (the “**Prospectus Directive**”) and Article 13, paragraph 1, of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005 (the “**Luxembourg Law**”).

This Supplement constitutes a Supplement to, and should be read in conjunction with, the Base Prospectus.

Capitalized terms used in this Supplement and not otherwise defined herein, shall have the same meaning ascribed to them in the Base Prospectus.

Each of the Issuer and the Covered Bond Guarantor accepts responsibility for the information contained in this Supplement, with respect to those sections which already fall under the responsibility of each of them under the Base Prospectus and which are supplemented by means of this Supplement. To the best of the knowledge of the Issuer and the Covered Bond Guarantor (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement has been approved by the *Commission de Surveillance du Secteur Financier*, which is the Luxembourg competent authority for the purposes of the Prospectus Directive and Luxembourg Law, as a supplement issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purposes of (i) incorporating by reference the Issuer’s audited consolidated annual financial statements, including the auditors’

report thereon, notes thereto and the relevant accounting principles, in respect of the year ended on and as at 31 December 2014; (ii) incorporating by reference the Covered Bonds Guarantor audited annual financial statements, including the auditor's report thereon, in respect of the year ended on and as at 31 December 2014; (iii) updating the following sections of the Base Prospectus: (a) "*General Description of the Programme*", (b) "*Risk Factors*", (c) "*Documents incorporated by reference*", (d) "*Description of the Issuer*", (e) "*Description of the Covered Bonds Guarantor*", (f) "*Description of the Portfolio*", (g) "*Taxation in the Republic of Italy*", (h) "*General Information*", and (i) "*Glossary*".

Save as disclosed in this Supplement, there has been no other significant new factor and there are no material mistakes or inaccuracies relating to information included in the Base Prospectus which is capable of affecting the assessment of Covered Bonds issued under the Programme since the publication of the Base Prospectus. To the extent that there is any inconsistency between (i) any statement in this Supplement and (ii) any statement in or incorporated by reference into the Base Prospectus, the statements in this Supplement will prevail.

Copies of this Supplement and all documents incorporated by reference in this Supplement and in the Base Prospectus may be inspected during normal business hours at the Specified Office of the Luxembourg Listing Agent and of the Representative of the Covered Bondholders.

Copies of this Supplement and all documents incorporated by reference in the Base Prospectus are available on the Luxembourg Stock Exchange's website (www.bourse.lu).

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GENERAL DESCRIPTION OF THE PROGRAMME

The paragraph headed “*Covered bond Guarantee – Security for the Covered Bonds*”, on pages 23 and 24 of the Base Prospectus, is substituted by the following:

“In accordance with Law 130, by virtue of the Covered Bonds Guarantee, the Covered Bondholders will benefit from a guarantee issued by the Covered Bonds Guarantor which will, in turn, hold a portfolio of receivables originated by the Seller and Additional Seller, if any, consisting of some or all of the following assets: (i) loans extended to, or guaranteed by (on the basis of “guarantees valid for the purpose of credit risk mitigation” – *garanzie valide ai fini della mitigazione del rischio di credito* – as defined by Article 1, paragraph 1, lett. h) of the MEF Decree), the public entities indicated in Article 2, paragraph 1, lett. c) of the MEF Decree (including (a) public administrations of Admitted States, including therein any Ministries, municipalities (*enti pubblici territoriali*), national or local entities and other public bodies, which attract a risk weighting factor not exceeding 20 per cent. pursuant to the EC Directive 2006/48 regulation under the “Standardised Approach” to credit risk measurement; (b) public administrations of States other than Admitted States which attract a risk weighting factor equal to 0 per cent. under the “Standardised Approach” to credit risk measurement, municipalities and national or local public bodies not carrying out economic activities (*organismi pubblici non economici*) of States other than Admitted States which attract a risk weight factor not exceeding 20 per cent. pursuant to the EC Directive 2006/48 regulation under the “Standardised Approach” to credit risk measurement (provided that such receivables and securities may not exceed 10 per cent. of the nominal value of the assets held by the Covered Bonds Guarantor) (the “**Loans**”); and (ii) securities issued or guaranteed by the entities mentioned under (i) above satisfying the requirements set forth under article 2, paragraph 1, letter c) of the MEF Decree (the “**Public Securities**” and, jointly with the securities mentioned under article, 2, para. 3, point 3, of the MEF Decree and any ancillary right thereto, the “**Securities**”). Assets under (i) and (ii) are jointly defined as the “**Public Assets**” and, within certain limits, Integration Assets (as defined below). The monetary claims arising out of Public Assets and Integration Assets (as defined below) are jointly defined as the “**Receivables**”.

Under the terms of the Covered Bonds Guarantee the Covered Bonds Guarantor will be obliged to pay any amounts due under the Covered Bonds on the relevant Due for Payment Date (as defined herein) and in accordance with the relevant Priority of Payments.

In view of ensuring timely payment by the Covered Bonds Guarantor, a Notice to Pay (as defined below) will be served on the same as a consequence of an Issuer Event of Default.

The obligations of the Covered Bonds Guarantor under the Covered Bonds Guarantee shall constitute a first demand, unconditional and independent guarantee (*garanzia autonoma*) and certain provisions of Italian Civil Code relating to non-autonomous personal guarantees (*fidejussioni*), specified in the MEF Decree, shall not apply. Accordingly, such obligation shall be a direct, unconditional, unsubordinated obligation of the Covered Bonds Guarantor, with limited recourse to the Available Funds (as defined below), irrespective of any invalidity, irregularity or unenforceability of any of the guaranteed obligations of the Issuer. ”

RISK FACTORS

The paragraph headed *EU Savings Directive*, on pages 69 and 70 of the Base Prospectus, is substituted by the following:

“EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**EU Savings Directive**”), each Member State is required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest or other similar income (within the meaning of the EU Savings Directive) paid by a paying agent within its jurisdiction to, or collected by such a paying agent for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. 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.

Also a number of non EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt 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 paying agent for, an individual resident or certain limited types of entity 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 certain limited types of entity established in one of those territories.

On 24 March 2014, the European Council adopted an EU Council Directive formally adopted a Council Directive amending the EU Savings Tax Directive (the “**Amending Directive**”). The Amending Directive broadens the scope of the requirements described above. In particular, the changes expand the range of payments covered by the EU Savings Directive to include certain additional types of income, and widen the range of recipients payments to whom are covered by the EU Savings Directive, to include certain other types of entity and legal arrangement. Member States are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.”

DOCUMENTS INCORPORATED BY REFERENCE

The information set out below supplements the first three paragraphs of section “*Documents incorporated by reference*”, on page 81 of the Base Prospectus (the underlined words show the insertions made):

“The following documents which have previously been published or which are published simultaneously with this Base Prospectus and which have been filed with the CSSF shall be incorporated by reference in, and form part of this Base Prospectus:

- (1) the Issuer’s audited consolidated annual financial statements, including the auditors’ report thereon, notes thereto and the relevant accounting principles, in respect of the year ended on and as at 31 December 2014;
- (2) the Issuer’s unaudited condensed consolidated financial statements in respect of the half-year 2014, with auditors’ limited review report;
- (3) the Issuer’s unaudited condensed consolidated interim financial statements as at 31 March 2014;
- (4) the Issuer’s audited consolidated annual financial statements, including the auditors’ report thereon, notes thereto and the relevant accounting principles, in respect of the year ended on and as at 31 December 2013;
- (5) the Issuer’s audited consolidated annual financial statements, including the auditors’ report thereon, notes thereto and the relevant accounting principles, in respect of the year ended on and as at 31 December 2012;
- (6) the Covered Bonds Guarantor audited annual financial statements in respect of the year ended on and as at 31 December 2014 and the relevant auditor’s report;
- (7) the Covered Bonds Guarantor’s unaudited interim condensed financial statements in respect of the half-year 2014, with auditors’ limited review report;
- (8) the Covered Bonds Guarantor audited annual financial statements, including the auditor’s report thereon, in respect of the year ended on and as at 31 December 2013;
- (9) the Covered Bonds Guarantor audited annual financial statements in respect of the year ended on and as at 31 December 2012 and the relevant auditor’s report.

The table below sets out the relevant page references for, *inter alia* (i) the notes, the balance sheet, the income statement and the accounting policies relating to the unaudited condensed consolidated interim financial statements of the Issuer for the three months ended on and as at 31 March 2014; (ii) the notes, the balance sheet, the income statement, the auditor’s limited review report and the accounting policies relating to the unaudited condensed consolidated financial statements of the Issuer in respect of the half-year 2014; (iii) the notes, the balance sheet, the income statement, the auditor’s report and the accounting policies relating to the consolidated financial statements of the Issuer for the years ended on and as at 31 December 2014, 31 December 2013 and 31 December 2012; (iv) the notes, the balance sheet, the income statement, the auditor’s report on review and the accounting policies relating to the unaudited condensed financial statements of the Covered Bonds Guarantor in respect of the half-year

2014; and (v) the notes, the balance sheet, the income statement, the auditor's report and the accounting policies relating to the financial statements of the Covered Bonds Guarantor for the years ended on and as at 31 December 2014, 31 December 2013 and 31 December 2012."

* * *

On page 82 of the Base Prospectus, the following table is included before the table headed "*Audited Annual consolidated financial statements of the Issuer for the year ended and as at 31 December 2013*":

Audited Annual consolidated financial statements of the Issuer for the year ended and as at 31 December 2014

Consolidated Balance Sheet	Pages 164-165
Consolidated Income Statement	Page 166
Statement of consolidated comprehensive income	Page 167
Statement of changes in consolidated shareholders' equity	Page 168
Consolidated Statement of Cash Flows	Page 169
Independent Auditors' Report	Pages 443-445

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On page 82 of the Base Prospectus, the following table is included before the table headed "*Audited Annual financial statements of the Covered Bond Guarantor for the year ended as at 31 December 2013*":

Audited Annual financial statements of the Covered Bonds Guarantor for the year ended and as at 31 December 2014

Statement of Financial Position	Pages 18
Income Statement	Page 21
Statement of comprehensive income	Page 22
Statements of changes in equity	Page 23
Statement of Cash Flows	Page 24
Notes	Pages 25-54
Independent Auditors' Report	Separate Document

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The first paragraph at the end of the tables, on page 83 of the Base Prospectus, is substituted by the following:

"The consolidated financial statements of the Issuer as at and for the years ended on and as at 31 December 2014, 31 December 2012 and 31 December 2013 have been audited by KPMG

S.p.A., in their capacity as independent auditors of the Issuer, as indicated in their reports thereon. The condensed consolidated financial statements of the Issuer in respect of the half-year 2014 have been reviewed by KPMG S.p.A., in their capacity as independent auditors of the Issuer, as indicated in their reports thereon. The financial statements of the Covered Bonds Guarantor as at and for the years ended on 31 December 2014, 31 December 2012 and on 31 December 2013 have been audited by KPMG S.p.A., in their capacity as independent auditors of the Covered Bonds Guarantor, as indicated in their reports thereon. The interim condensed financial statements of the Covered Bond Guarantor in respect of the half-year 2014 have been reviewed by KPMG S.p.A., in their capacity as independent auditors of the Covered Bonds Guarantor, as indicated in their reports thereon.”

* * *

The paragraph headed “Availability of Documents” on page 83 of the Base Prospectus, is substituted by the following:

“Copies of the documents incorporated by reference into this Base Prospectus may also be obtained from the registered office of the Issuer the Issuer’s unaudited condensed consolidated financial statements in respect of the half-year 2014 with auditors’ limited review report, or for the Issuer’s unaudited condensed consolidated interim financial statements as at 31 March 2014 and the audited consolidated annual financial statements of the Issuer, including the auditor’s report thereon, notes thereto and the relevant accounting principles in respect of the years respectively ended on as at 31 December 2014, 31 December 2013 and 31 December 2012 on the Issuer's website (http://www.group.intesasanpaolo.com/scriptIsir0/si09/investor_relations/eng_bilanci_relazioni.jsp#/investor_relations/eng_bilanci_relazioni.jsp).

Copies of all documents incorporated by reference herein may be obtained without charge at the head office of the Luxembourg Listing Agent in the city of Luxembourg and the website of the Luxembourg Stock Exchange (www.bourse.lu). Written or oral requests for such documents should be directed to the specified office of the Luxembourg Listing Agent.”

DESCRIPTION OF THE ISSUER

The paragraphs headed “*History and organisation of the Group*” and “Organisational Structure”, on pages 84 to 87 of the Base Prospectus, are replaced by the following:

“History and organisation of the Intesa Sanpaolo Group

Intesa Sanpaolo 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 1 January 2007).

Banca Intesa S.p.A.

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

Sanpaolo IMI S.p.A.

Sanpaolo IMI S.p.A. (**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 31 December 1991, Sanpaolo became a stock corporation (società per azioni) with the name Istituto Bancario San Paolo di Torino Società per Azioni.

IMI was established as a public law entity in 1931 and during the 1980s it developed its specialist credit and investment banking services and, with Banca Fideuram, its professional asset management and financial consultancy services. IMI became a stock corporation (società per azioni) in 1991.

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

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

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

As at today, Intesa Sanpaolo’s issued and paid-up share capital amounted to € 8,724,861,778.88, divided into 16,778,580,344 shares with a nominal value of €0.52 each, in turn comprising 15,846,089,783 ordinary shares and 932,490,561 non-convertible savings shares.

Organisational structure



(1) Domestic commercial banking.

(*) Pravax-Bank in Ukraine, currently included under discontinued operations, reports to Capital Light Bank

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

The Intesa Sanpaolo Group operates through seven business units:

- The **Banca dei Territori division**: focus on the market and centrality of the territory for stronger relations with individuals, small and medium-sized businesses and non-profit entities. The division includes the Italian subsidiary banks and the activities in industrial credit, leasing and factoring carried out through Mediocredito Italiano.

- The **Corporate and Investment Banking division**: a global partner which supports, taking a medium-long term view, the balanced and sustainable development of corporates and financial institutions, both nationally and internationally. Its main activities include capital markets and investment banking carried out through Banca IMI. The division is present in 29 countries where it facilitates the cross-border activities of its customers through a specialist network made up of branches, representative offices, and subsidiary banks focused on corporate banking. The division operates in the public finance sector as a global partner for public administration.
 - The **International Subsidiary Banks division**: includes the following commercial banking subsidiaries: Intesa Sanpaolo Bank Albania, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Privredna Banka Zagreb in Croatia, the Prague branch of VUB Banka in the Czech Republic, Bank of Alexandria in Egypt, CIB Bank in Hungary, Intesa Sanpaolo Bank Romania, Banca Intesa in the Russian Federation, Banca Intesa Beograd in Serbia, VUB Banka in Slovakia and Banka Koper in Slovenia.
- The **Private Banking division**: serves the customer segment consisting of Private clients and High Net Worth Individuals with the offering of products and services tailored for this segment. The division includes Intesa Sanpaolo Private Banking and Banca Fideuram, with about 5,900 private bankers.
- The **Asset Management division**: asset management solutions targeted at the Group's customers, commercial networks outside the Group, and the institutional clientele. The division includes Eurizon Capital, with approximately 223 billion euro of assets under management.
 - The **Insurance division**: insurance and pension products tailored for the Group's clients. The division includes Intesa Sanpaolo Vita, Fideuram Vita, and Intesa Sanpaolo Assicura with technical reserves of approximately 118 billion euro.
 - **Capital Light Bank**: set up to extract greater value from non-core activities through the workout of non-performing loans and repossessed assets, the sale of non-strategic equity stakes, and proactive management of other non-core assets (including Pravex-Bank in Ukraine)."

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After the paragraph headed "*Intesa Sanpaolo in 2013 and in 2014*", on page 90 of the Base Prospectus, the paragraph headed "*Recent Event*" is added as follows:

"Recent Event

On 25 February 2015, Intesa Sanpaolo provided the following information, as requested by Consob:

- the Bank has today received notification of the ECB's final decision concerning the specific capital requirements that the Bank has to meet on a consolidated basis;
- the Bank's Directors do not see any difficulty regarding the current and future ability of Intesa Sanpaolo to meet these requirements, which establish an overall capital ratio equal to:
 - 9% in terms of Common Equity Tier 1 ratio and
 - 11.5% in terms of Total Capital ratio;

- Intesa Sanpaolo's capital ratios as at December 31st 2014 on a consolidated basis - net of 1.2 billion euro of proposed dividends for the financial year 2014 - were as follows:

- 13.6% in terms of Common Equity Tier 1 ratio ⁽¹⁾ and

- 17.2% in terms of Total Capital ratio ⁽²⁾,

calculated by applying Basel 3 transitional arrangements for 2014, and

- 13.3% in terms of pro-forma Common Equity Tier 1 ratio and

- 16% in terms of pro-forma Total Capital ratio,

calculated on a fully loaded basis ⁽³⁾.

On 17 April 2015, Intesa Sanpaolo - upon CONSOB's request dated as of April 14th 2015, with regards to the press release dated as of April 22nd 2014 which announced that Intesa Sanpaolo S.p.A. ("Intesa Sanpaolo") and UniCredit S.p.A. ("UniCredit") signed a memorandum of understanding with Alvarez & Marsal and KKR concerning the management of a "selected portfolio of receivables under restructuring", as well as with regards to recent news leaks concerning the status of the project - provided the following information.

1. Following the signing of the memorandum of understanding, the parties have analyzed the issues concerning the project's corporate and contractual structure. Intesa Sanpaolo Management Board, upon its meeting held on March 17th 2015, and UniCredit Board of Directors, upon its meeting held on April 9th 2015, approved the participation to the project with KKR and Alvarez & Marsal, granting the respective competent managerial bodies the responsibility for the final definition of the structure, the economics and contractual documentation as well as the selection of the portfolios involved which, as previously mentioned, are currently under negotiations among the parties.

2. In the ongoing negotiation phase, the main corporate features of the initial structure under which the project should be implemented consist of a securitization vehicle (the "130 Vehicle") and of a joint-stock company (the "SPA"), that will control the 130 Vehicle and whose controlling shareholder will be KKR. Banks will not control (not even jointly) the abovementioned companies, nor will the Banks exercise any form of notable influence, although a participating relationship is not excluded.

At the moment it is assumed that to the above structure be transferred certain portfolios of receivables - basically arising from medium and long-term loans (which will be acquired by the 130 Vehicle) - as well as of equity instruments - such as shares or participating instruments (which will be acquired by SPA) - towards certain non-listed borrowers which might appreciate following financial and industrial restructuring; it is currently foreseen that the global nominal amount of such portfolios be around Euro 1,000,000,000. As consideration for such transfer, the

¹ Includes the net income for 2014 after the deduction of accrued dividends; excluding it, the Common Equity Tier 1 ratio is equal to 13.5%.

² Includes the net income for 2014 after the deduction of accrued dividends; excluding it, the Total Capital ratio is still equal to 17.2%.

³ Estimated by applying the parameters set out under fully loaded Basel 3 to the financial statements as at December 31st 2014, considering the total absorption of deferred tax assets (DTAs) related to the goodwill realignment, the expected absorption of DTAs on losses carried forward, and the effect of the Danish compromise (under which insurance investments are risk weighted instead of being deducted from capital, with a benefit of nine basis points for the Common Equity Tier 1 ratio and five basis points for the Total Capital ratio).

Banks will receive Notes of diversified seniority issued by the 130 Vehicle and – where applicable – participating instruments issued by SPA.

3. The operating management of the companies involved in this structure, controlled by KKR which will also provide the resources needed for adequate new finance injections, will be the responsibility of an independent management, with significant experience in the areas of restructuring and turnaround that will have the possibility to rely upon the skilled support of Alvarez & Marsal which will act as Preferred Asset Manager Advisor. The responsibilities for the management of the portfolios to be transferred will belong exclusively to such companies, controlled by KKR, which will independently make all decisions concerning the management, with a view to optimize the appreciation and disposal of such assets.

4. The possible consequences upon the Banks' balance sheets of the effects of the deployment of the project as well as of the development of the restructuring processes, together with prudential regulation issues, are currently under analysis and discussion with the competent authorities.

5. The project is aimed at allowing that management of the restructuring portfolios occur in the framework of turnaround and re-launching of medium-large companies, benefitting from industrial restructuring expertise and new money injection as well as leveraging on primary managerial skills and new governance. Indeed the possibility to manage globally the portfolios involved in each restructuring process and the immediate availability of new finance are crucial to enhance the promptness and effectiveness of the actions taken in such restructuring processes.

On 27 April 2015, Intesa Sanpaolo provided the following information: at the Ordinary Shareholders' Meeting of Intesa Sanpaolo, held today, the resolutions detailed below were passed.

1. Item 1 on the agenda, proposal for allocation of net income for the year. For 2014, shareholders adopted a resolution to distribute a dividend of 7 euro cents in respect of each of the 15,846,089,783 ordinary shares outstanding and a dividend of 8.1 euro cents in respect of each of the 932,490,561 savings shares outstanding, before tax, for a total dividend disbursement of 1,184,758,020.25 euro. Dividends not distributed in respect of any own shares the Bank should hold at record date will be allocated to the extraordinary reserve. Dividends will be made payable as of May 20th 2015 (with detachment of the coupon on May 18th and record date on May 19th). The dividend yield is 2.2% per ordinary share and 2.8% per savings share based on today's stock price.

2. Item 2 on the agenda, remunerations and own shares.

a) Report on Remuneration: resolution pursuant to art. 123-ter, paragraph 6, of Legislative Decree no. 58/1998. Shareholders approved the Intesa Sanpaolo Report on Remuneration, with specific reference to the following paragraphs of Section I: 1 - "Procedures for adoption and implementation of the remuneration policies", and 5 - "Remuneration policy for employees and other staff not bound by an employment agreement", regarding only General Managers and Key Managers.

b) Proposal for the approval of the Incentive Plan based on financial instruments and authorisation for the purchase and disposal of own shares. Shareholders approved the share-based Incentive System for 2014 covering the so-called "risk takers". This system provides for the free assignment of Intesa Sanpaolo ordinary shares to be purchased on the market. Shareholders also authorised the purchase and disposal of own shares to ensure implementation of the system:

- for this purpose, Intesa Sanpaolo ordinary shares with a nominal value of 0.52 euro each will be purchased, also in several tranches, up to a maximum number of ordinary shares and a maximum percentage of Intesa Sanpaolo share capital calculated by dividing the comprehensive amount of approximately 14,000,000 euro by the official price recorded today by the share. Being 3.11006 euro the official price recorded today for an Intesa Sanpaolo ordinary share, the maximum number of shares to be purchased on the market to meet the total requirement of the Incentive System for the whole Intesa Sanpaolo Group amounts to 4,501,521 equal to around 0.03% of the ordinary share capital and of the total share capital (comprising ordinary shares and savings shares);

- the purchase of shares will be carried out in compliance with provisions included in articles 2357 and following of the Italian Civil Code, within the limits of distributable income and available reserves as reported in the financial statements most recently approved. Pursuant to art. 132 of Legislative Decree no. 58 of February 24th 1998 and art. 144-bis of CONSOB Regulation no. 11971/99 and subsequent amendments, purchases will be carried out on the regulated markets in accordance with trading methods laid down in market rules, in full accordance with the regulatory requirements as to equality of treatment among shareholders, the measures preventing market abuse, as well as the market practices permitted by CONSOB; by the date the group-level programme of purchases begins, which will be disclosed to the market as required by regulation, the subsidiaries will have activated the procedure for seeking equivalent authorisation at their shareholders' meetings, or from the bodies with jurisdiction over such matters within their structures;

- following shareholders' authorisation at today's Meeting, effective for a maximum period of 18 months, the purchase will be made at a price identified on a case-by-case basis, net of accessory charges, in the range of a minimum and maximum price determined using the following criteria: the minimum purchase price will not be lower than the reference price of the share in the trading session prior to that of the particular purchase transaction, less 10 per cent; the maximum purchase price will not be higher than the reference price of the share in the trading session prior to that of the particular purchase transaction, plus 10 per cent. At any rate, the purchase price will not be higher than the higher of the price of the last independent trade and the highest current independent bid on the market;

- furthermore, pursuant to article 2357-ter of the Italian Civil Code, the Shareholders' Meeting authorised the disposal on the regulated market of own ordinary shares exceeding the Incentive System's requirements under the same conditions as applied to the purchases and at a price no lower than the reference price of the share in the trading session prior to that of the particular transaction, less 10 per cent. Alternatively, these shares may be retained to service possible future incentive plans.

c) Proposal for the approval of the criteria for the determination of the compensation to be granted in the event of early termination of the employment agreement or early termination of office. Shareholders passed a resolution approving the criteria for the determination of the compensation to be granted in the event of early termination of the employment agreement or early termination of office, including the limits established for said compensation in terms of fixed annual remuneration and the maximum amount arising from the application of such limits. Shareholders approved as the maximum limit of the "golden parachute" compensation, comprising the indemnity for failed notice as provided in the national collective bargaining agreement, 24 months of fixed remuneration. The adoption of this maximum limit may imply a maximum payment equal to 3.3 million euro.

d) Proposal for the approval of an increase in the cap on variable-to-fixed remuneration for specific and limited professional categories and business segments. Shareholders approved, for 2015 only, the proposed increase in the cap on variable-to-fixed remuneration cap from 1:1 to 2:1, only for Asset Management, Private and Investment Banking professional categories.

On 28 May 2015, Intesa Sanpaolo communicated that the same day the Bank has terminated the agreement concerning the sale of 100% of the capital of its Ukrainian subsidiary Pravex-Bank to CentraGas Holding GmbH. The agreement, which was signed on January 23rd 2014, has been terminated as the Bank, to date, has not yet obtained the regulatory approval needed to finalise the transaction. The termination of the agreement has no material impact on the Group's income statement and balance sheet other than the continued inclusion of the subsidiary in the scope of consolidation.

On 5 June 2015, Intesa Sanpaolo communicated that the sale of the stake held by the Bank's subsidiary Intesa Sanpaolo Vita in Chinese life insurance company Union Life (19.9% of the latter's capital) has been finalised for a consideration of approximately 165 million euro. This transaction represents a positive contribution of around 50 million euro after tax to the consolidated income statement. Intesa Sanpaolo Vita has been assisted by Chiomenti Studio Legale as legal advisor."

* * *

The paragraphs headed "*Management*", "*Management Board*", "*Conflict of Interest*" and "*Principal Shareholders*" on pages 91 to 95 of the Base Prospectus, are replaced by the following:

"Management

Supervisory Board

The composition of Intesa Sanpaolo's Supervisory Board is as set out below.

Member of Supervisory Board	Position	Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities
Giovanni Bazoli	Chairman	Deputy Chairman of La Scuola S.p.A.
Mario Bertolissi	Deputy chairman	Director of Equitalia S.p.A.
Gianfranco Carbonato	Deputy chairman	Chairman and Managing Director of Prima Industrie S.p.A Chairman of Finn-Power OY (Finland) Chairman of Prima Electro S.p.A. Chairman of Prima Power North America Inc. Director of Prima Power China Co. Ltd. Director of Prima Power Suzhou Co. Ltd .
Gianluigi Baccolini	Member	Managing Director of Renografica S.r.l. Managing Director of Velincart S.r.l. Director of My Frances S.r.l. Director of Finreno S.r.l. Chairman of Oner d.o.o. (Serbia)

Member of Supervisory Board	Position	Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities
Francesco Bianchi	Member	Chairman of Seven Capital Partners S.r.l. Director of H7+ S.r.l.
Rosalba Casiraghi	Member	Chairman of the Board of Statutory Auditors of Non Performing Loans S.p.A. Chairman of the Board of Statutory Auditors of Nuovo Trasporto Viaggiatori S.p.A. Chairman of the Board of Statutory Auditors of Telecom Italia Media 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. Managing Director of Costruzione Gestione Progettazione - Co.Ge.Pro S.p.A.
Carlo Corradini	Member	Sole Director of Corradini & C. S.r.l. Director of PLT Energia S.p.A. Director of Value Investments S.p.A. Director of YLF S.p.A.
Franco Dalla Sega	Member	Chairman of Mittel S.p.A. Director of Profima S.A. Director of Diversa S.A. Director of British Grolux Investments Ltd.
Piergiuseppe Dolcini	Member	Director of Sinloc S.p.A.
Jean Paul Fitoussi	Member	Director of Telecom Italia S.p.A.
Edoardo Gaffeo	Member	
Pietro Garibaldi	Member	Chairman of Ruspa Office S.p.A.
Rossella Locatelli	Member	Member of Supervisory Committee of Darma Sgr <i>in compulsory liquidation</i> Chairman of Società Bonifiche Ferraresi S.p.A.
Giulio Stefano Lubatti	Member	

Member of Supervisory Board	Position	Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities
Marco Mangiagalli	Member	Director of Luxottica Group S.p.A.
Iacopo Mazzei	Member	Chairman and Managing Director of R.D.M. Asia Chairman and Managing Director of R.D.M. S.r.l. Director of Residenziale Immobiliare 2004 S.r.l. Director of ADF Aeroporto di Firenze S.p.A. Director of Marchesi Mazzei S.p.A. Director of Finprema S.p.A. Sole Director of JM Investments S.p.A.
Beatrice Ramasco	Member	Chairman of the Board of the Statutory Auditors of Iveco Acentro S.p.A. Chairman of the Board of the Statutory Auditors of Astra Veicoli Industriali S.p.A. Chairman of the Board of the Statutory Auditors of SADI S.p.A. Chairman of the Board of the Statutory Auditors of Iveco Partecipazioni Finanziarie S.r.l. Chairman of the Board of the Statutory Auditors of Fiat Gestione Partecipazioni S.p.A. Chairman of the Board of the Statutory Auditors of IN.TE.S.A. S.p.A. Chairman of the Board of the Statutory Auditors of Iveco Defence Vehicles S.p.A. Member of the Board of the Statutory Auditors of Tyco Electronics AMP Italia Products S.p.A. Member of the Board of the Statutory Auditors of Tyco Electronics Italia Holding S.r.l. Member of the Board of the Statutory Auditors of Tekno Farma S.p.A. Member of the Board of the Statutory Auditors of SEDES Sapientiae S.r.l.

Member of Supervisory Board	Position	Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities
		Member of the Board of the Statutory Auditors of IBM Italia S.p.A.
		Member of the Board of the Statutory Auditors of FPT Industrial S.p.A.
		Member of the Board of the Statutory Auditors of Comau S.p.A.
		Official receiver of GIDIBI S.r.l. <i>in liquidazione</i>
		Official receiver of Cascina Gorino S.s. <i>in liquidazione</i>
		Member of the Board of the Statutory Auditors of PetroLig S.r.l.
Marcella Sarale	Member	
Monica Schiraldi	Member	Managing Director of Car City Club S.r.l. Managing Director of Ca.Nova S.p.A. Director of Extra.To S.c.a.r.l.

Management Board

The composition of the Management Board of Intesa Sanpaolo is as set out below.

Director	Position	Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities
Gian Maria Gros-Pietro ^(a)	Chairman	Chairman of ASTM S.p.A. Director of Edison S.p.A.
Marcello Sala ^(b)	Senior Deputy Chairperson	
Giovanni Costa ^(b)	Deputy Chairperson	Director of Edizione S.r.l.
Carlo Messina ^{(b)(e)}	Managing Director and CEO	
Gaetano Micciché ^(d)	Member	Director of Banca IMI S.p.A. Director of Pirelli & C. S.p.A. Director of Prada S.p.A.
Bruno Picca ^(d)	Member	Director of Intesa Sanpaolo Group Services S.C.P.A.

Director	Position	Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities
Carla Patrizia Ferrari ^(c)	Member	Chairperson of Equiter S.p.A. Director of Compagnia di San Paolo Sistema Torino S.c.r.l
Piera Filippi ^(a)	Member	
Stefano Del Punta ^(d)	Member	

(a) Non-executive, independent in accordance with Art. 148 of Consolidated Law on Finance

(b) Executive

(c) Non-executive

(d) Manager, executive

(*) Giuseppe Morbidelli resigned with effect from 16/03/2015

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.

Administrative, Management and Supervisory bodies conflicts of interests

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

- Article 53 (*Supervisory regulations*) of the Banking Law and the relevant implementing regulations issued by the Bank of Italy, with particular reference to the supervisory regulations relating to transactions with related parties;
- Article 136 (*Duties of banking officers*) of the Banking Law which requires the adoption of a particular authorisation procedure in case an officer, directly or indirectly, assumes obligations towards the bank in which such officer has an administrative, management or controlling role;
- Article 2391 (*Directors' interests*) of the Italian Civil Code; and
- Article 2391-bis (*Transactions with related parties*) of the Italian Civil Code.

The Issuer and its corporate bodies have adopted internal measures and procedures to guarantee compliance with the above mentioned provisions.

For information on the "Related Party Transactions" of the Intesa Sanpaolo Group, see Part H of the Notes to the consolidated financial statements for 2013 of Intesa Sanpaolo.

Principal Shareholders

As at 29 May 2015, the shareholder structure of Intesa Sanpaolo was composed as follows (holders of shares exceeding 2 per cent.).

SHAREHOLDER	ORDINARY SHARES	% OF ORDINARY SHARES
Compagnia di San Paolo	1,486,372,075	9.380%
BlackRock Inc. (1)	775,978,889	4.897%
Fondazione Cariplo	767,029,267	4.840%
Fondazione C.R. Padova e Rovigo	531,264,450	3.353%
Ente C.R. Firenze	514,655,221	3.248%
Norges Bank (2)	331,386,184	2.091%

(1) Fund Management

(2) Also on behalf of the Government of Norway

”

DESCRIPTION OF THE COVERED BONDS GUARANTOR

The first part of the paragraph headed “*ISP CB Pubblico S.r.l. has been established as a special purpose vehicle for the purpose of guaranteeing the Covered Bonds*” on page 111 of the Base Prospectus, is replaced by the following (the underlined words show the insertions made):

“ISP CB Pubblico S.r.l. has been established as a special purpose vehicle for the purpose of guaranteeing the Covered Bonds.

ISP CB Pubblico S.r.l. was incorporated in the Republic of Italy as a limited liability company (*società a responsabilità limitata*) incorporated under Article 7-bis of Law 130, with Fiscal Code number and registration number with the Milan Register of Enterprises no. 05936150969 and registered under no. 40387 in the general register held by the Bank of Italy pursuant to Article 106 of the Banking Law.

On 8 May 2015, the Ministerial Decree no. 53/2015 (the "Decree 53/2015") issued by the Ministry of Economy and Finance, has been published in the Official Gazette of the Republic of Italy. The Decree 53/2015 provides for the implementation of Articles 106, paragraph 3, 112, paragraph 3, and 114 of the Banking Law and Article 7-ter, paragraph 1-bis of the Law 130 and has come into force on 23 May 2015, repealing Decree no. 29/2009. Pursuant to Article 7 of the Decree 53/2015, covered bond guarantors belonging to a banking group as defined by Article 60 of the Banking Law, including ISP CB Pubblico S.r.l., will no longer have to register in the general register held by the Bank of Italy pursuant to Article 106 of the Banking Law.”

* * *

The information set out below supplements the paragraph “*Financial Information concerning the Covered Bonds Guarantor’s Assets and Liabilities, Financial Position, and Profits and Losses*” on page 115 (the underlined words show the insertions made):

“The statutory interim financial statements of ISP CB Pubblico S.r.l. for the half-year period ended 30 June 2014, has been prepared in accordance with IAS/IFRS Accounting Standards principles in respect of which an auditors’ report on review has been delivered by KPMG S.p.A. on 4 August 2014. The statutory financial statements of ISP CB Pubblico S.r.l. as at and for the years ended on 31 December 2012, 31 December 2013 and 31 December 2014, has been prepared in accordance with IAS/IFRS Accounting Standards principles in respect of which an audit report has been delivered by KPMG S.p.A., respectively, on 12 march 2013, on 18 march 2014 and on 9 March 2015. Such financial statements, together with their respective auditors’ reports and the accompanying notes, are incorporated by reference into this Base Prospectus (see Section “*Documents incorporated by reference*” below).”

DESCRIPTION OF THE PORTFOLIO

The paragraph headed “*Introduction*”, on page 117 of the Base Prospectus, is substituted by the following:

“The Initial Portfolio and each New Portfolio acquired by the Covered Bonds Guarantor, consists of receivables originated by the Seller (or which have been transferred to the Seller by way, for example, of the transfer of going concern to the Seller, or in case of Securities or Public Securities, purchased by the Seller) and the Additional Seller, if any, sold to the Covered Bonds Guarantor in accordance with the terms of the Master Transfer Agreement, as more fully described under Section “*Description of the Transaction Documents – Master Transfer Agreement*”.

In particular, the Portfolio may consist of some or all of the following assets: (i) Loans; and (ii) Public Securities. Assets under (i) and (ii) are jointly defined as the “**Public Assets**” and, within certain limits, Integration Assets (as defined below). The monetary claims arising out of Public Assets and Integration Assets (as defined below) are jointly defined as the “**Receivables**”.

Further to the above, the Portfolio may be integrated through the inclusion of Integration Assets in limit of the Integration Assets Limit. Integration Assignments (whether through Integration Assets or through originally eligible Public Assets) shall be allowed for the purpose of complying with the Tests.

In accordance with Article 2 paragraph 3, points 2 and 3 of the MEF Decree and the BoI OBG Regulations, Integration Assets shall include:

- (i) deposits with banks residing in Eligible States;
- (ii) securities issued by banks residing in Eligible States with residual maturity not longer than one year;

provided that the assets listed under (i) and (ii) above shall meet the Integration Assets Rating Requirements. ”

TAXATION IN THE REPUBLIC OF ITALY

Section headed “*Taxation in the Republic of Italy*” on pages 239 to 247 of the Base Prospectus, is replaced by the following:

“The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Covered Bonds.

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 Covered Bonds 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.

This summary is based upon the laws and/or practice in force as at the date of this Base Prospectus, which are subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis.

*Law Decree No. 66 of 24 April 2014, as converted with amendments by Law No. 89 of 23 June 2014 published in the Official Gazette No. 143 of 23 June 2014, (“**Law No. 89**”) has introduced new tax provisions amending certain aspects of the tax regime of the Covered Bonds as summarized below. In particular the Law No. 89 has increased from 20 per cent. to 26 per cent the rate of withholding and substitute taxes of interest accrued, and capital gains realized, as of 1 July 2014 on financial instruments (including the Covered Bonds) other than government bonds.*

Prospective purchasers of the Covered Bonds are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Covered Bonds.

Italian Tax Treatment of the Covered Bonds – General

Decree No. 239 sets out the applicable regime regarding the tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price) from certain securities issued, *inter alia*, by Italian resident banks (hereinafter collectively referred to as “**Interest**”). The provisions of Decree No. 239 only apply to Covered Bonds issued by the Issuer which qualify as bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986 as amended and supplemented (“**Decree 917**”).

Taxation of Interest

Italian Resident Covered Bondholders

Pursuant to Decree No. 239, where the Italian resident holder of Covered Bonds that qualifies as *obbligazioni* or *titoli similari alle obbligazioni*, who is the beneficial owner of such Covered Bonds, is:

- (a) an individual holding Covered Bonds otherwise than in connection with entrepreneurial activity (unless he has entrusted the management of his financial assets, including the Covered Bonds, to an authorised intermediary and has opted for the so-called *risparmio*

gestito regime according to Article 7 of Decree No. 461 – the “**Asset Management Option**”); or

- (b) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or *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 (including the Italian state and public entities); or
- (d) an investor exempt from Italian corporate income taxation,

interest payments relating to the Covered Bonds are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Covered Bonds. All the above categories are qualified as “net recipients”.

Where the resident holders of the Covered Bonds described above under (a) and (c) are engaged in an entrepreneurial activity to which the Covered Bonds are effectively connected with the same business activity, *imposta sostitutiva* applies as a provisional income tax and may be deducted from the tax due.

Where an Italian resident Covered Bondholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Covered Bonds are effectively connected, and the Covered Bonds are deposited with an authorised intermediary, Interest from the Covered Bonds shall not be subject to *imposta sostitutiva*. They must, however, be included in the relevant Covered Bondholder’s income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the “status” of the Covered Bondholder, also to IRAP - the regional tax on productive activities).

Italian real estate funds created under Article 37 of Italian Legislative Decree 58 of 24 February 1998 and Article 14 bis of Italian Law No. 86 of 25 January 1994 and Italian Real Estate SICAFs (“*Società di investimento a capitale fisso*”) (“**Real Estate SICAFs**”) to which the provisions of Law Decree No. 351 dated 25 September 2001, as subsequently amended, apply, are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund or the Real Estate SICAFs.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund a SICAF or a SICAV (an “**Italian Fund**”), and the Covered Bonds are held by an authorised intermediary, Interest accrued during the holding period on the Covered Bonds shall not be subject to *imposta sostitutiva*, nor to any other income tax in the hands of the relevant Covered Bondholder; a withholding tax of 26 per cent. (the **Collective Investment Fund Tax**) shall be levied on proceeds distributed by the Italian Fund or received by certain categories of unitholders upon redemption or disposal of the units.

Where an Italian resident Covered Bondholders is a pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005 – “**Decree 252**”) and the Covered Bonds are deposited with an authorised intermediary, Interest relating to the Covered Bonds and accrued during the holding period will not be subject to

imposta sostitutiva, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax (as increased by Law No. 190 of 23 December 2014 (the “**Finance Act 2015**”), which, however, provides for certain adjustments for fiscal year 2014).

As of 1 January 2015, Italian pension funds benefit from a tax credit equal to 9% of the result of the relevant portfolio accrued at the end of the tax period, provided that such pension funds invest in certain medium long term financial assets to be identified with a Ministerial Decree.

Italian resident individuals holding Covered Bonds not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Covered Bonds, to an authorised financial Intermediary and have opted for the Asset Management Option are not subject to the *imposta sostitutiva*.

Such categories are qualified as “gross recipients”. Pursuant to Decree No. 239, the *imposta sostitutiva* is applied by banks, società di intermediazione mobiliare (so called “SIMs”), fiduciary companies, società 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 foreign 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 Covered Bonds.

Where the Covered Bonds 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 Bondholders; or
- by the Issuer.

To ensure payment of Interest in respect of the Covered Bonds without the application of the *imposta sostitutiva*, gross recipients indicated above must (a) be the beneficial owners of payments of Interest on the Covered Bonds and (b) timely deposit the Covered Bonds together with the coupons relating to such Covered Bonds directly or indirectly with an Italian authorised financial Intermediary (or a permanent establishment in Italy of a foreign Intermediary).

In case of application of the *imposta sostitutiva* gross recipients that are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Covered Bonds are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Non-Italian resident Covered Bondholders

According to Decree No. 239, payments of Interest in respect of Covered Bonds that qualify as *obbligazioni* or *titoli similari alle obbligazioni* will not be subject to the *imposta sostitutiva* at the rate of 26 per cent., provided that:

- (a) the payments are made to non-Italian resident beneficial owners of the Covered Bonds with no permanent establishment in Italy to which the Covered Bonds are effectively connected; and

- (b) such beneficial owners are resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy (the "**White List States**") as listed (i) in the Italian Ministerial Decree dated 4 September 1996, as amended from time to time, or (ii) as from the tax year in which the decree pursuant to article 168-bis of Decree No. 917 is effective, in the list of States allowing an adequate exchange of information with the Italian tax authorities as per the decree issued to implement Article 168-bis, paragraph 1 of Decree No. 917 (for the 5 years starting on the date of publication of the Decree in the Official Gazette, States and territories that are not included in the current black-lists set forth by Italian Ministerial Decrees of 4 May 1999, 21 November 2001 and 23 January 2002 nor in the current white list set forth by Italian Ministerial Decree of 4 September 1996 are deemed to be included in the new white-list); and
- (c) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are timely met or complied with.

The *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 No. 239 also provides for additional exemptions from the *imposta sostitutiva* for payments of Interest in respect of the Covered Bonds 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 the payment of Interest in respect of the Covered Bonds without the application of the *imposta sostitutiva*, non-Italian resident investors indicated above must:

- (a) be the beneficial owners of payments of Interest on the Covered Bonds; and
- (b) timely deposit the Covered Bonds together with the coupons relating to such Covered Bonds 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) timely file with the relevant depository a self-assessment (*autocertificazione*) stating, *inter alia*, that he or she is resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information. Such self-assessment (*autocertificazione*) 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 self-assessment (*autocertificazione*) is not requested 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 Covered Bondholders to timely comply with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interest payments to a non-resident Covered Bondholders.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. to interest, premium and other income accrued during the holding period when the Covered Bondholders are resident, for fiscal purposes, in countries which do not allow for a satisfactory exchange of information with Italy.

Should the above exemptions not be applicable, non-Italian resident Covered Bondholders may be entitled to claim if certain relevant conditions are met, a reduction *imposta sostitutiva* under double taxation treaty, if any, entered into by Italy and its country of residence, subject to filing of required documentation.

Atypical securities

Interest payments relating to Covered Bonds that are not deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) may be qualified as “*atypical securities*” and subject to a withholding tax, levied at the rate of 26 per cent.. 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 case of Covered Bonds issued by an Italian-resident issuer, where the Covered Bondholders is (i) an Italian individual engaged in an entrepreneurial activity to which the Covered Bonds 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 Covered Bonds 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.

Payments made by the Guarantor

There is no authority directly regarding the Italian tax regime of payments on Covered Bonds 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 on the Covered Bonds made to certain Italian resident Covered Bondholders by an Italian resident guarantor, in accordance with one interpretation of Italian tax law, any payment of liabilities equal to interest and other proceeds from the Covered Bonds may be subject to an advance withholding tax at a rate of 26 per cent. pursuant to Presidential Decree No. 600, as subsequently amended. With respect to non-Italian resident Covered Bondholders, a final withholding tax may be applied at 26 per cent.

Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax.

It is worth to mentioning that, in accordance with another interpretation, any payment made by the Italian resident guarantor shall be treated, in certain circumstances, as a payment by the

relevant Issuer and thus shall be subject to the tax regime described in the previous paragraphs of this section.

Capital Gains Tax

Italian resident Covered Bondholders

Pursuant to Decree No. 461, a 26 per cent. capital gains tax - referred to as “*imposta sostitutiva*” - is applicable to capital gains realised by (i) an individual holding the Covered Bonds not in connection with an entrepreneurial activity, (ii) a non- commercial partnership, (iii) a non- commercial private or public institution, to which the Covered Bonds issued by Intesa Sanpaolo are connected, on any sale or transfer for consideration of the Covered Bonds or redemption thereof.

Under the so called “tax declaration regime”, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activities, the 26 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised by Italian resident individuals not engaged in entrepreneurial activities 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 by Italian resident individuals 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. Pursuant to Law No. 89, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

Alternatively to the tax declaration regime, holders of the Covered Bonds who are Italian resident individuals not engaged in entrepreneurial activities to which the Covered Bonds are connected, may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Covered Bonds (“*risparmio amministrato*” regime). Such separate taxation of capital gains is allowed subject to (i) the Covered Bonds 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 timely made in writing by the relevant bondholder of the Covered Bonds. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Covered Bonds, 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 Covered Bonds, deducting a corresponding amount from proceeds to be credited to the holder of the Covered Bonds. Where a sale or transfer or redemption of the Covered Bonds 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 Covered Bonds 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 Covered Bondholder is not required to declare capital

gains in its annual tax declaration and remains anonymous. Pursuant to Law No. 89, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

Special rules apply if the Covered Bonds 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. In that case the capital gains realised upon sale, transfer or redemption of the Covered Bonds will not be subject to *imposta sostitutiva* on capital gains but will contribute to determine the taxable base of the Asset Management Tax applicable at rate of 26 per cent..

In particular, under the Asset Management Option, any appreciation of the Covered Bonds, even if not realised, 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 yearend 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 requested to be included in the annual income tax return of the Covered Bondholders and the Covered Bondholders remains anonymous. Pursuant to Law No. 89, decreases in value of the management assets may be carried forward to be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 48.08 per cent. of the relevant decreases in value registered before 1 January 2012; (ii) 76.92 per cent. of the decreases in value registered from 1 January 2012 to 30 June 2014.

The capital gains realised by an Italian Fund are not subject to *imposta sostitutiva* nor to any other income tax in the hands of the relevant Italian Fund but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Tax.

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 Covered Bonds 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.

In the case of Covered Bonds held by pension fund pursuant to Decree No 252 capital gains on Covered Bonds will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax (as increased by Finance Act 2015, which, however, provides for certain adjustments for fiscal year 2014).

As of 1 January 2015, Italian pension funds benefit from a tax credit equal to 9% of the result of the relevant portfolio accrued at the end of the tax period, provided that such pension funds invest in certain medium long term financial assets to be identified with a Ministerial Decree.

Italian resident real estate funds created under Article 37 of Italian Legislative Decree No. 58 of 24 February 1998 and Article 14*bis* of Law No. 86 dated 25 January 1994 and the Real Estate SICAFs to which the provisions of Law Decree No. 351 dated 25 September 2001, as

subsequently amended, apply, are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund or the Real Estate SICAF.

Non-Italian resident Covered Bondholders

The 26 per cent. final *imposta sostitutiva* may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of Covered Bonds by non-Italian resident persons or entities without a permanent establishment in the Republic of Italy to which the Covered Bonds are effectively connected, if the Covered Bonds are held in the Republic of 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 Covered Bonds are effectively connected through the sale for consideration or redemption of the Covered Bonds are exempt from taxation in Italy to the extent that the Covered Bonds 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 self-assessment (*autocertificazione*) of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Covered Bonds are deposited, even if the Covered Bonds are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Where the Covered Bonds 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 Covered Bonds with no permanent establishment in Italy to which the Covered Bonds 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 Covered Bonds if they are resident, for tax purposes: (i) in a White-list State listed into Italian Ministerial Decree dated 4 September 1996, as amended from time to time, or (ii), 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 of 24 December 2007, No. 244) in the list of States allowing for 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 Covered Bonds are effectively connected elect for the *risparmio amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate self-assessment (*autocertificazione*) stating that they meet the requirement indicated above. The same exemption applies where the beneficial owners of the Covered Bonds 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 Covered Bonds are effectively connected that may

benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Covered Bonds 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 Covered Bonds.

Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Covered Bonds are effectively connected hold Covered Bonds with an Italian authorised financial intermediary and elect for the Asset Management Option or are subject to the *risparmio amministrato* regime, in order to benefit from exemption from Italian taxation on capital gains such non-Italian residents may be required to file in time with the authorised financial intermediary appropriate documents which include *inter alia* a certificate of residence from the competent tax authorities of the country of residence of the non-Italian residents.

Inheritance and gift tax

Pursuant to Law Decree No. 262 of 3 October 2006, converted with amendments by Law No. 286 of 24 November 2006 effective from 29 November 2006, and Law No. 296 of 27 December 2006, the transfers of any valuable assets (including the Covered Bonds) 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 is levied to the rate mentioned above in (a), (b), (c) and (d) on the value exceeding €1,500,000.

Transfer tax

Contracts relating to the transfer of securities are subject to a Euro 200 registration tax as follows: (i) public deeds and notarised deeds are subject to mandatory registration; (ii) private deeds are subject to registration only in the case of voluntary registration.

Stamp Duty

Pursuant to Article 13 par. 2/ter of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972 (“**Decree 642**”), a proportional stamp duty applies, based on the period accounted, to any periodic reporting communications which may be sent by a financial intermediary to a Covered Bondholder in respect of any Covered Bond which may be held by with such financial intermediary.

The stamp duty applies at a rate of 0.20 per cent.; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption

amount of the Covered Bond held. The stamp duty cannot exceed € 14,000.00 if the Covered Bondholder is not an individual.

The stamp duty applies both to Italian resident and non-Italian resident investors, to the extent that Covered Bonds are held with an Italian-based financial intermediary.

Wealth Tax on securities deposited abroad

According to the provisions set forth by Law No. 214 of 22 December 2011, as amended and supplemented, Italian resident individuals holding the Covered Bonds outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent.. In this case the above mentioned stamp duty provided for by Article 13 of the tariff attached to Decree 642 does not apply.

This tax is calculated on the market value of the Covered Bonds at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. The amount of tax due, based on the value indicated by the Covered Bondholder in its own annual tax declaration, must be paid within the same date in which payment of the balance of the annual individual income tax (“**IRPEF**”) is due.

Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Are excluded from the scope of the Wealth Tax the financial assets held abroad if administered by Italian financial intermediaries pursuant to an administration agreement.

Tax Monitoring

According to the Law Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax the amount of investments (including the Covered Bonds) directly or indirectly held abroad.

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Covered Bonds deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through the intervention of qualified Italian financial intermediaries, upon condition that the items of income derived from the Covered Bonds have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a €15,000 threshold throughout the year.

European Savings Directive

Under EC Council Directive 2003/48/EC (the "**EU Savings Directive**") on the taxation of savings income, each Member State is required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest or other similar income (within the meaning of the EU Savings Directive) paid by a paying agent within its jurisdiction to, or collected by such a paying agent for an individual resident or certain limited types of entity established in that other Member State;

However, for a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 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.

Also a number of non-EU countries, including Switzerland and certain dependent or associated territories of certain Member States, have agreed to adopt 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 certain limited types of entity 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 established in one of those territories.

On 24 March 2014, the European Council adopted an EU Council Directive formally adopted a Council Directive amending the EU Savings Tax Directive (the Amending Directive). The Amending Directive broadens the scope of the requirements described above. In particular, the changes expand the range of payments covered by the EU Savings Directive to include certain additional types of income, and widen the range of recipients payments to whom are covered by the EU Savings Directive, to include certain other types of entity and legal arrangement. Member States are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

Implementation in Italy of the EU Savings Directive

Italy has implemented the Savings Directive through Decree 84/2005. Under Decree 84/2005, subject to a number of important conditions being met, in the case of interest paid starting from 1 July 2005 (including the case of interest accrued on the Covered Bonds 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 or in certain associated territories of Member

States, Italian paying agents (i.e. banks, Italian investment firms (“*società di intermediazione mobiliare – SIM*”), fiduciary companies, Italian management company (“*società di gestione del risparmio – SGR*”) resident for tax purposes in Italy, permanent establishments in Italy of non-resident persons and any other economic operator resident for tax purposes in Italy paying interest for professional or commercial reasons) shall 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 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 circumstance, undertakings for collective investments in transferable securities (“**UCITS**”).”.

GENERAL INFORMATION

Paragraph “*No significant change and no material adverse change*” on page 254 of the Base Prospectus is replaced by the following (the underlined words show the insertions made):

“**No significant change and no material adverse change**”

Since 31 December 2014, there has been no material adverse change in the prospects of the Issuer and the Covered Bond Guarantor. Since 31 December 2014, there has been no significant change (i) in the financial or trading position of the Issuer and (ii) in the financial position of the Covered Bond Guarantor.”

..*

Paragraph “*Independent auditors*” on page 254 of the Base Prospectus is replaced by the following (the underlined words show the insertions made):

“**Independent auditors**”

The auditors of the Issuer are KPMG S.p.A.. KPMG S.p.A. has audited the financial statements of the Issuer, without qualification, in accordance with auditing standards and procedures recommended by the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) as at and for the years ended on 31 December 2012, 31 December 2013 and 31 December 2014. The audit report on 2013 Audited Financial Statements has been issued by KPMG S.p.A. on 3 April 2014 and the audit report on 2014 Audited Financial Statements has been issued by KPMG S.p.A. on 12 March 2015.

KPMG S.p.A. is a member of Assirevi, the Italian professional association of auditors and as required by article 17 “Setting up the Register” of Ministerial decree no. 145 of 20 June 2012 “Regulation implementing article 2.2/3/4/7 and article 7.7 of Legislative decree no. 39 of 27 January 2010, implementing Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts (12G0167)”, KPMG S.p.A. is included in the Register of Certified Auditors held by the Ministry for Economy and Finance – Stage general accounting office, at no. 70623.

KPMG S.p.A. was appointed to act as Intesa Sanpaolo’s external auditor for the period 2012-2020. KPMG S.p.A. address is: Via Vittor Pisani, 25, 20124 Milan.

The auditors of the Covered Bond Guarantor are KPMG S.p.A.. KPMG S.p.A. has audited the financial statements of the Covered Bond Guarantor, without qualification, in accordance with auditing standards and procedures recommended by the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) as at and for the years ended on 31 December 2012, 31 December 2013 and 31 December 2014.

KPMG S.p.A. is a member of Assirevi, the Italian professional association of auditors and as required by article 17 “Setting up the Register” of Ministerial decree no. 145 of 20 June 2012 “Regulation implementing article 2.2/3/4/7 and article 7.7 of Legislative decree no. 39 of 27 January 2010, implementing Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts (12G0167)”, KPMG S.p.A. is included in the Register of Certified Auditors held by the Ministry for Economy and Finance – Stage general accounting office, at no. 70623.

KPMG S.p.A. was appointed to act as Covered Bond Guarantor’s auditor for the period 2012-2020. KPMG S.p.A. address is: Via Vittor Pisani, 25, 20124 Milan.”

,,*

The information set out below supplements the paragraph “*Documents available for inspection*”, on pages 254 and 255 of the Base Prospectus (the underlined words show the insertions made):

“Documents available for inspection

For so long as the Programme remains in effect or any Covered Bonds shall be outstanding and admitted to trading on the regulated market of the Luxembourg Stock Exchange, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the Specified Office of the Luxembourg Listing Agent, namely:

- (i) the Transaction Documents (but excluding, for avoidance of doubt, any document in respect of any Registered Covered Bonds);
- (ii) the Issuer’s memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof;
- (iii) the Covered Bonds Guarantor’s memorandum of association and by-laws as of the date hereof;
- (iv) the Issuer’s audited consolidated annual financial statements including the auditors’ report thereon, notes thereto and the relevant accounting principles in respect of the years ended on 31 December 2014;
- (v) the Issuer’s unaudited condensed consolidated interim financial statements as at 31 March 2014;
- (vi) the Issuer’s unaudited condensed consolidated financial statements in respect of the half-year 2014, with auditors’ limited review report;
- (vii) the Issuer’s audited consolidated annual financial statements including the auditors’ report thereon, notes thereto and the relevant accounting principles in respect of the years ended on 31 December 2013;
- (viii) the Issuer’s audited consolidated annual financial statements including the auditors’ report thereon, notes thereto and the relevant accounting principles in respect of the years ended on 31 December 2012;
- (ix) the Covered Bonds Guarantor’s audited annual financial statements in respect of the year ended on 31 December 2014 and the relevant auditor’s report;
- (x) the Covered Bond Guarantor's unaudited interim condensed financial statements in respect of the half-year 2014, with auditors’ limited review report;
- (xi) the Covered Bonds Guarantor’s audited annual financial statements, including the auditors’ report thereon, in respect of the year ended on 31 December 2013;
- (xii) the Covered Bonds Guarantor’s audited annual financial statements in respect of the year ended on 31 December 2012 and the relevant auditor’s report;
- (xiii) a copy of this Base Prospectus together with any supplement thereto, if any, or further Base Prospectus;

- (xiv) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Covered Bonds Guarantor's request any part of which is included or referred to in the Base Prospectus;
- (xv) the historical financial information of the Covered Bonds Guarantor or, in the case of a group, the historical financial information of the Covered Bonds Guarantor and its subsidiary undertakings for each of the two financial years preceding the publication of the Base Prospectus.
- (xvi) any Final Terms relating to Covered Bonds which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. In the case of any Covered Bonds (other than Registered Covered Bonds) which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Covered Bondholders.

Copies of all such documents shall also be available to Covered Bondholders at the Specified Office of the Representative of the Covered Bondholders.”.

GLOSSARY

The definition of “ABS Securities” on page 257 of the Base Prospectus is deleted.

The definition of “*Public Assets*” on page 274 of the Base Prospectus is replaced by the following:

«“**Public Assets**” (*Attività Idonee*) means (i) Loans, and (ii) Public Securities.».

The definition of “*Securities*” on page 277 of the Base Prospectus is replaced by the following:

«“**Securities**” (*Titoli*) means jointly the Public Securities and the securities mentioned under article, 2, para. 3, point 3, of the MEF Decree and any ancillary right thereto.».