

**SUPPLEMENT DATED 8 JANUARY 2015**  
**TO THE BASE PROSPECTUS DATED 31 JULY 2014**



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

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

**€30,000,000,000 Covered Bond (*Obbligazioni Bancarie Garantite*) Programme**

***unsecured and unconditionally and irrevocably guaranteed as to payments of interest and principal by***

**ISP OBG S.r.l.**

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

**IN ACCORDANCE WITH ARTICLE 7, PARAGRAPH 7, OF THE LUXEMBOURG LAW (AS DEFINED BELOW), THE COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER ASSUMES NO RESPONSIBILITY AS TO THE ECONOMICAL AND FINANCIAL SOUNDNESS OF THE TRANSACTION AND THE QUALITY OR SOLVENCY OF THE ISSUER.**

This supplement (the **Supplement**) constitutes a Supplement to the Base Prospectus dated 31 July 2014 as supplemented on 25 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: (A) updating the cover page of the Base Prospectus and the sections of the Base Prospectus entitled "*Risk Factors*", "*General Description of the Programme*", "*Credit Structure*", "*Accounts and Cash Flows*", "*Description of the Transaction Documents*", "*Terms and Conditions of the Covered Bonds*" and "*Rules of the Organisation of the Covered Bondholders*", in order to reflect the amendments required by DBRS Rating Limited to assign a rating to the Covered Bonds; (B) updating the section of the Base Prospectus entitled "*Description of the Issuer*" due to, *inter alios*, certain changes to the organisation of Intesa Sanpaolo Group; (C) updating the section of the Base Prospectus entitled "*Collection and recovery procedures*" in order to reflect certain amendments to the collection and recovery procedures followed by the Servicers; (D) updating the sections of the Base Prospectus entitled "*Selected Aspects of Italian Law*" and "*Taxation*" in order to reflect certain regulatory amendments; (E) updating the sections of the Base Prospectus entitled "*General Information*" and "*Documents incorporated by reference*" in order to reflect the incorporation by reference of the press release dated 26 October 2014; and (F) updating the

section of the Base Prospectus entitled "*Glossary*" in order to reflect, *inter alios*, the amendments to the certain definitions due to the assignment of the rating.

In accordance with Article 16, paragraph 2, of the Prospectus Directive and Article 13, paragraph 2, of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities before this Supplement is published have the right, exercisable on the date falling two working days after the publication of this Supplement (being 12 January 2015), to withdraw their acceptances.

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 by the Supplement are available on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

## TABLE OF CONTENTS

Clause	Page
COVER PAGE .....	4
RISK FACTORS .....	5
GENERAL DESCRIPTION OF THE PROGRAMME .....	6
DESCRIPTION OF THE ISSUER .....	13
COLLECTION AND RECOVERY PROCEDURES .....	26
CREDIT STRUCTURE .....	32
ACCOUNTS AND CASH FLOWS .....	33
DESCRIPTION OF THE TRANSACTION DOCUMENTS .....	44
SELECTED ASPECTS OF ITALIAN LAW .....	48
TERMS AND CONDITIONS OF THE COVERED BONDS .....	49
RULES OF THE ORGANISATION OF THE COVERED BONDHOLDERS .....	53
TAXATION .....	54
GENERAL INFORMATION .....	61
DOCUMENTS INCORPORATED BY REFERENCE .....	63
GLOSSARY .....	65

## COVER PAGE

The twelfth paragraph of the cover page of the Base Prospectus is replaced by the following:

“Each Series is expected, upon the relevant issue, to be assigned a rating as specified in the relevant Final Terms by DBRS Ratings Limited (**DBRS**). Conditions precedent to the issuance of any Series include that a rating letter assigning the rating to such Series of Covered Bonds is issued by the Rating Agency. Whether or not the credit rating applied for in relation to relevant Series of Covered Bonds will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended, the **CRA Regulation**) will be disclosed in the Final Terms. The credit ratings included or referred to in this Base Prospectus have been issued by DBRS, which is established in the European Union and is registered under the CRA Regulation. As such DBRS is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>, in accordance with such Regulation. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation.

**A credit rating is not a recommendation to buy, sell or hold Covered Bonds and may be subject to revision or withdrawal by the Rating Agency.”**

## RISK FACTORS

Paragraph “*Rating of the Covered Bonds*” on page 8 of the Base Prospectus is replaced by the following:

### “**Rating of the Covered Bonds**”

The rating assigned to the Covered Bonds address, *inter alia*:

- the likelihood of full and timely payment to Covered Bondholders of all payments of interest on each CB Payment Date;
- the likelihood of ultimate payment of principal in relation to Covered Bonds on (a) the Maturity Date thereof, or (b) if the Covered Bonds are subject to an Extended Maturity Date in accordance with the applicable Final Terms, the Extended Maturity Date thereof.

Whether or not a rating in relation to any Series of Covered Bonds will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. The credit ratings included or referred to in this Base Prospectus have been issued by DBRS which is established in the European Union and is registered under the CRA Regulation. As such DBRS is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs> in accordance with such Regulation. In general, European regulated investors are restricted under CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

The expected rating of the Covered Bonds is set out in the relevant Final Terms for each Series of Covered Bonds. The Rating Agency may lower its ratings or withdraw its rating if, in its sole judgement, the credit quality of the Issuer or the Covered Bonds has declined or is in question, and the Issuer has not undertaken to maintain a rating. In addition, at any time the Rating Agency may revise its relevant rating methodology with the result that, amongst other things, any rating assigned to the Covered Bonds may be lowered. If any rating assigned to the Covered Bonds is lowered or withdrawn, the market value of the Covered Bonds may reduce.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above and other factors that may affect the value of the Covered Bonds.”

\* \* \*

Paragraph “*Change of law*” on page 9 of the Base Prospectus is replaced by the following:

### “**Change of law**”

The structure of the Programme and, *inter alia*, the issue of the Covered Bonds and the rating assigned to the Covered Bonds are based on the relevant law, tax and administrative practice in effect at the date of this Base Prospectus, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to the law (including any change in regulation which may occur without a change in primary legislation), tax or administrative practice or its interpretation will not change after the Issue Date of any Series or that such change will not adversely impact the structure of the Programme and the treatment of the Covered Bonds. This Base Prospectus will not be updated to reflect any such changes or events.”

## GENERAL DESCRIPTION OF THE PROGRAMME

Under paragraph 1 (“*Principal Parties*”) on page 49 of the Base Prospectus the description of the “*Rating Agency*” is included after the description of the “*Representative of the Covered Bondholders*”:

“**Rating Agency**            DBRS Ratings Limited (**DBRS** or the **Rating Agency**)”

\* \* \*

Under paragraph 2 (“*The Covered Bonds and the Programme*”) on page 54 of the Base Prospectus the following paragraph is inserted at the end of the section “*Substitution of the Issuer*”:

“Any substitution as described above shall be notified by the Issuer to the Rating Agency.”

\* \* \*

Under paragraph 2 (“*The Covered Bonds and the Programme*”) Section “*Conditions Precedent to the Issuance of a new Series of Covered Bonds*” on page 55 of the Base Prospectus is replaced by the following:

“**Conditions Precedent to the Issuance of a new Series of Covered Bonds**            The Issuer will be entitled (but not obliged) at its option, on any date and without the consent of the holders of the Covered Bonds issued beforehand and of any other creditors of the Covered Bond Guarantor or of the Issuer, to issue further Series of Covered Bonds other than the first issued Series, subject to, *inter alia*:

- (i) issuance of a rating letter by the Rating Agency with respect to such further issue of Covered Bonds, unless the Covered Bonds issued under such further issue are unrated;
- (ii) satisfaction of the Mandatory Tests both before and immediately after such further issue of Covered Bonds;
- (iii) compliance with (a) the requirements of issuing/assigning banks (*Requisiti delle banche emittenti e/o cedenti*; see Section II, Para. 1 of the BoI OBG Regulations; the **Conditions to the Issue**) and (b) the limits to the assignment of further assets set forth by the BoI OBG Regulations (*Limiti alla cessione*; see Section II, Para. 2 of the BoI OBG Regulations; the **Limits to the Assignment**), if applicable;
- (iv) no Article 74 Event having occurred (and being continuing);
- (v) no Issuer Event of Default having occurred; and
- (vi) the Reserve Fund Required Amount, the Liability Swap Principal Accumulation Account and the Interest Accumulation Amount (if and to the extent due) have been credited on the Investment Account, on the immediately preceding Guarantor Payment Date.

The payment obligations under the Covered Bonds issued under all Series shall be cross-collateralised by all the assets included in the Portfolio, through the Covered Bond Guarantee (see also the section headed “*Ranking of the Covered Bonds*”).”

\* \* \*

Under paragraph 2 (“*The Covered Bonds and the Programme*”) on page 56 of the Base Prospectus the following paragraphs are inserted after the paragraph “*Governing Law*”:

**“Rating** Each Series issued under the Programme may be assigned a rating by the Rating Agency. Whether or not a rating in relation to any Series of Covered Bonds will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation, will be disclosed in the relevant Final Terms. **All credit ratings assigned to the Covered Bonds issued under the Programme will be disclosed in the relevant Final Terms.**

**Rating Agency Confirmation** The issue of any Series of Covered Bonds, in each case as specified in the applicable Final Terms, and the increase of the Programme Limit, may be subject to Rating Agency’s confirmation. By subscribing for or purchasing the Covered Bond(s), each Covered Bondholder will be deemed to have acknowledged and agreed that a credit rating of a Series of Covered Bonds is an assessment of credit risk and does not address other matters that may be of relevance to Covered Bondholders, including, without limitation, in the case of a Rating Agency’s confirmation, whether such action is either (i) permitted by the terms of the relevant Transaction Document, or (ii) in the best interest of, or not prejudicial to, some or all of the Covered Bondholders.

In being entitled to have regard to the fact that the Rating Agency has confirmed that the then current rating of the relevant Series of Covered Bonds would not be adversely affected or withdrawn, each of the Issuer, the Covered Bond Guarantor, the Representative of the Covered Bondholders, the Covered Bondholders and the other Secured Creditors is deemed to have acknowledged and agreed that a Rating Agency’s confirmation does not impose or extend any actual or contingent liability on the Rating Agency to the Issuer, the Covered Bond Guarantor, the Representative of the Covered Bondholders, the Covered Bondholders and the other Secured Creditors or any other person or create any legal relations between the Rating Agency and the Issuer, the Covered Bond Guarantor, the Representative of the Covered Bondholders, the Covered Bondholders and the other Secured Creditors or any other person whether by way of contract or otherwise.

By subscribing for or purchasing the Covered Bond(s), each Covered Bondholder will be deemed to have acknowledged and agreed that:

- (a) a Rating Agency’s confirmation may or may not be given at the sole discretion of the Rating Agency;
- (b) depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that the Rating Agency cannot provide a Rating Agency’s confirmation in the time available, or at all, and the Rating Agency will not be responsible for the consequences thereof;
- (c) a Rating Agency’s confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the Covered Bonds form a part; and
- (d) a Rating Agency’s confirmation represents only a restatement of the opinions given, and will not be construed as advice for the benefit of any Covered Bondholder or any other party.

\* \* \*

Under paragraph 2 (“*The Covered Bonds and the Programme*”) the sections “*Pre-Issuer Default Interest Priority of Payments*”, “*Post-Issuer Default Priority of Payments*” and “*Post-Guarantor Default Priority of Payments*”, on page from 61 to 66 of the Base Prospectus, are replaced by the followings:

**“Pre-Issuer Default Interest Priority of Payments**

On each Guarantor Payment Date, prior to the service of an Article 74 Notice to Pay or a Notice to Pay (or following the withdrawal of an Article 74 Notice to Pay), the Covered Bond Guarantor will use Interest Available Funds to make payments due on such Guarantor Payment Date or to make provisions towards payments due after such Guarantor Payment Date in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full) (the **Pre-Issuer Default Interest Priority of Payments**):

- (i) *first*, to pay *pari passu* and *pro rata* according to the respective amounts thereof any and all taxes due and payable by the Covered Bond Guarantor;
- (ii) *second, pari passu* and *pro rata* according to the respective amounts thereof (a) to pay any Covered Bond Guarantor’s documented fees, costs, expenses, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation and any other obligation relating to the Programme, to the extent that such costs and expenses are not to be paid under any other item ranking junior hereto and/or are not met by utilising any amounts standing to the credit of the Expenses Account and/or the Corporate Account and (b) to credit the Covered Bond Guarantor Disbursement Amount into the Expenses Account and the Covered Bond Guarantor Retention Amount into the Corporate Account;
- (iii) *third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable (including fees, costs and expenses) to the Representative of the Covered Bondholders, the Account Bank, the Cash Manager, the Calculation Agent, the Administrative Services Provider, the Asset Monitor, the Paying Agent, the Receivables Account Banks, the Master Servicer, the Servicers, the Swap Service Providers and the Special Servicers;
- (iv) *fourth, pari passu* and *pro rata* according to the respective amounts thereof (a) to pay any Hedging Senior Payments, other than in respect of principal, due and payable on such Guarantor Payment Date, under the Asset Swaps, if any or applicable, (b) to pay any Hedging Senior Payment, other than in respect of principal, due and payable on such Guarantor Payment Date under the Liability Swaps, if any or applicable;
- (v) *fifth*, to credit to the ISP Investment Account an amount equal to the Reserve Fund Required Amount;
- (vi) *sixth*, to credit to the Investment Account an amount equal to the amounts paid under item (i) of the Pre-Issuer Default Principal Priority of Payments on any preceding Guarantor



Payment Date and not yet repaid;

- (vii) *seventh*, if a Servicer Termination Event has occurred, to credit all remaining Interest Available Funds to the Investment Account until such Servicer Termination Event is either remedied by the Servicer or waived by the Representative of the Covered Bondholders or a new servicer is appointed to service the Portfolio;
- (viii) *eighth*, if any of the Tests is not satisfied on the Calculation Date immediately preceding the relevant Guarantor Payment Date or an Issuer Event of Default or a Covered Bond Guarantor Event of Default has occurred on or prior to such Guarantor Payment Date or the Issuer has not paid interest and principal due on the CB Payment Dates falling in the immediately preceding Guarantor Interest Period or on the relevant Guarantor Payment Date, to credit all remaining Interest Available Funds to the Investment Account until the following Guarantor Payment Date;
- (ix) *ninth*, to pay any amount arising out of any termination event under any Swap Agreements not provided for under item (iv) above;
- (x) *tenth*, to pay any other amount due and payable to the Sellers, the Additional Sellers (if any) or the Issuer under any Transaction Document (other than the Subordinated Loan Agreement);
- (xi) *eleventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable as Base Interest Amount under the Subordinated Loans;
- (xii) *twelfth*, to pay any Additional Interest Amount under the Subordinated Loans.

**Post-Issuer Default  
Priority of Payments**

On each Guarantor Payment Date, prior to the service of an Article 74 Notice to Pay (which has not been withdrawn) or an Issuer Event of Default, but prior to the occurrence of a Covered Bond Guarantor Event of Default, the Covered Bond Guarantor will use the Available Funds, to make payments due on such Guarantor Payment Date or to make provisions towards payments due after such Guarantor Payment Date in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full) (the **Post-Issuer Default Priority of Payments**):

- (i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any expenses and taxes, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation;
- (ii) *second*, *pari passu* and *pro rata* according to the respective amounts thereof (a) to pay any amount due and payable to the Representative of the Covered Bondholders, the Account Bank, the Cash Manager, the Administrative Services Provider, the Calculation Agent, the Asset Monitor, the Portfolio Manager,

the Paying Agent, the Receivables Account Banks, the Servicers, the Master Servicer, the Swap Service Providers and the Special Servicers, and (b) to credit the Covered Bond Guarantor Disbursement Amount into the Expenses Account and the Covered Bond Guarantor Retention Amount into the Corporate Account;

- (iii) *third, pari passu* and *pro rata* according to the respective amounts thereof (a) to pay any Hedging Senior Payment, other than in respect of principal, due and payable on such Guarantor Payment Date, under the Asset Swaps, (b) to pay any Hedging Senior Payment, other than in respect of principal, due and payable on such Guarantor Payment Date under the Liability Swaps, where the Issuer does not serve as Hedging Counterparty, and (c) to pay any interest amount due and payable on each Series of Covered Bonds on each CB Payment Date falling on such Guarantor Payment Date or to credit to the Investment Account an amount equal to the Interest Accumulation Amount, to be used for any interest payment due on the CB Payment Dates falling during the immediately following Guarantor Interest Period (except if the relevant CB Payment Date falls on the first day of such immediately following Guarantor Interest Period), in respect of any Series of Covered Bonds;
- (iv) *fourth, pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay any Hedging Senior Payment in respect of principal due and payable on such Guarantor Payment Date under the Asset Swaps, (b) to pay any Hedging Senior Payment, in respect of principal, due and payable on such Guarantor Payment Date under the Liability Swaps (if any) or to credit to the Investment Account an amount equal to the Liability Swap Principal Accumulation Amount to be used for Hedging Senior Payments under the Liability Swaps (if any) during the next following Guarantor Interest Period, and (c) to pay any amount in respect of principal due and payable on each Series of Covered Bonds on each CB Payment Date falling on such Guarantor Payment Date or to credit to the Investment Account any amount in respect of principal to be paid on each CB Payment Dates falling during the next following Guarantor Interest Period;
- (v) *fifth*, to deposit on the Investment Account any residual amount until all Covered Bonds are fully repaid or an amount equal to the Required Redemption Amount for each Series of Covered Bonds outstanding has been accumulated;
- (vi) *sixth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount arising out of any termination event under any Swap Agreement not provided for under items (iii) and (iv) above;
- (vii) *seventh*, to the extent that all the Covered Bonds issued under any Series have been repaid in full or an amount equal to the Required Redemption Amount for each Series of Covered Bonds outstanding has been accumulated, to pay, *pari passu*

and *pro rata* according to the respective amounts thereof, any other amount due and payable to the Sellers, the Additional Sellers (if any) or the Issuer under any Transaction Document (other than the Subordinated Loan Agreement);

- (viii) *eighth*, to the extent that all the Covered Bonds issued under any Series have been repaid in full or an amount equal to the Required Redemption Amount for each Series of Covered Bonds outstanding has been accumulated, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due as Base Interest Amount under the Subordinated Loans;
- (ix) *ninth*, to the extent that all the Covered Bonds issued under any Series have been repaid in full or an amount equal to the Required Redemption Amount for each Series of Covered Bonds outstanding has been accumulated, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due as principal under the Subordinated Loans;
- (x) *tenth*, to the extent that all the Covered Bonds issued under any Series have been repaid in full or an amount equal to the Required Redemption Amount for each Series of Covered Bonds outstanding has been accumulated, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due as Additional Interest Amount under the Subordinated Loans.

**Post-Guarantor  
Default Priority of  
Payments**

On each Guarantor Payment Date, following a Covered Bond Guarantor Event of Default, the Representative of the Covered Bondholders (or a receiver appointed on its behalf) will use the Available Funds to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any expenses and taxes;
- (ii) *second*, *pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay any amounts due and payable to the Representative of the Covered Bondholders, the Account Bank, the Cash Manager, the Calculation Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Receivables Account Banks, the Servicers, the Master Servicer and the Special Servicers, and (b) to credit an amount up to the Covered Bond Guarantor Disbursement Amount into the Expenses Account and the Covered Bond Guarantor Retention Amount into the Corporate Account;
- (iii) *third*, *pari passu* and *pro rata* according to the respective amounts thereof (a) to pay any Hedging Senior Payment, other than in respect of principal, due and payable on such Guarantor Payment Date, under the Asset Swaps, (b) to pay any Hedging Senior Payments, other than in respect of principal, due and payable on such Guarantor Payment Date under the Liability Swaps where the Issuer does not serve as Hedging Counterparty and (c) to pay any amount, other than in respect of principal, due and payable on each Series of Covered Bonds;

(iv) *fourth, pari passu and pro rata* according to the respective amounts thereof, (a) to pay any Hedging Senior Payment in respect of principal due and payable on such Guarantor Payment Date, under the Asset Swaps, (b) to pay any amount in respect of principal due and payable under each Series of Covered Bonds on such Guarantor Payment Date and (c) to pay any Hedging Senior Payments in respect of principal due and payable on such Guarantor Payment Date under the Liability Swaps (if any);

(v) *fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount arising out of any termination event under any Swap Agreements not provided for under items (iii) and (iv) above;

(vi) *sixth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due and payable to the Sellers, the Additional Sellers (if any) or the Issuer under any Transaction Document (other than the Subordinated Loan Agreement);

(vii) *seventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due as Base Interest Amount under the Subordinated Loans;

(viii) *eighth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amounts due as principal under the Subordinated Loans;

(ix) *ninth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due as Additional Interest Amount under the Subordinated Loans;

(the **Post-Guarantor Default Priority of Payments** and, together with the Pre-Issuer Default Principal Priority of Payments, the Pre-Issuer Default Interest Priority of Payments, the Post-Issuer Default Priority of Payments, are collectively referred to as the **Priorities of Payments**).

## DESCRIPTION OF THE ISSUER

Paragraphs from “History and organisational of the Group” to “Shareholders” at page 77 to 87 of the Base Prospectus are replaced by the followings:

### **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.

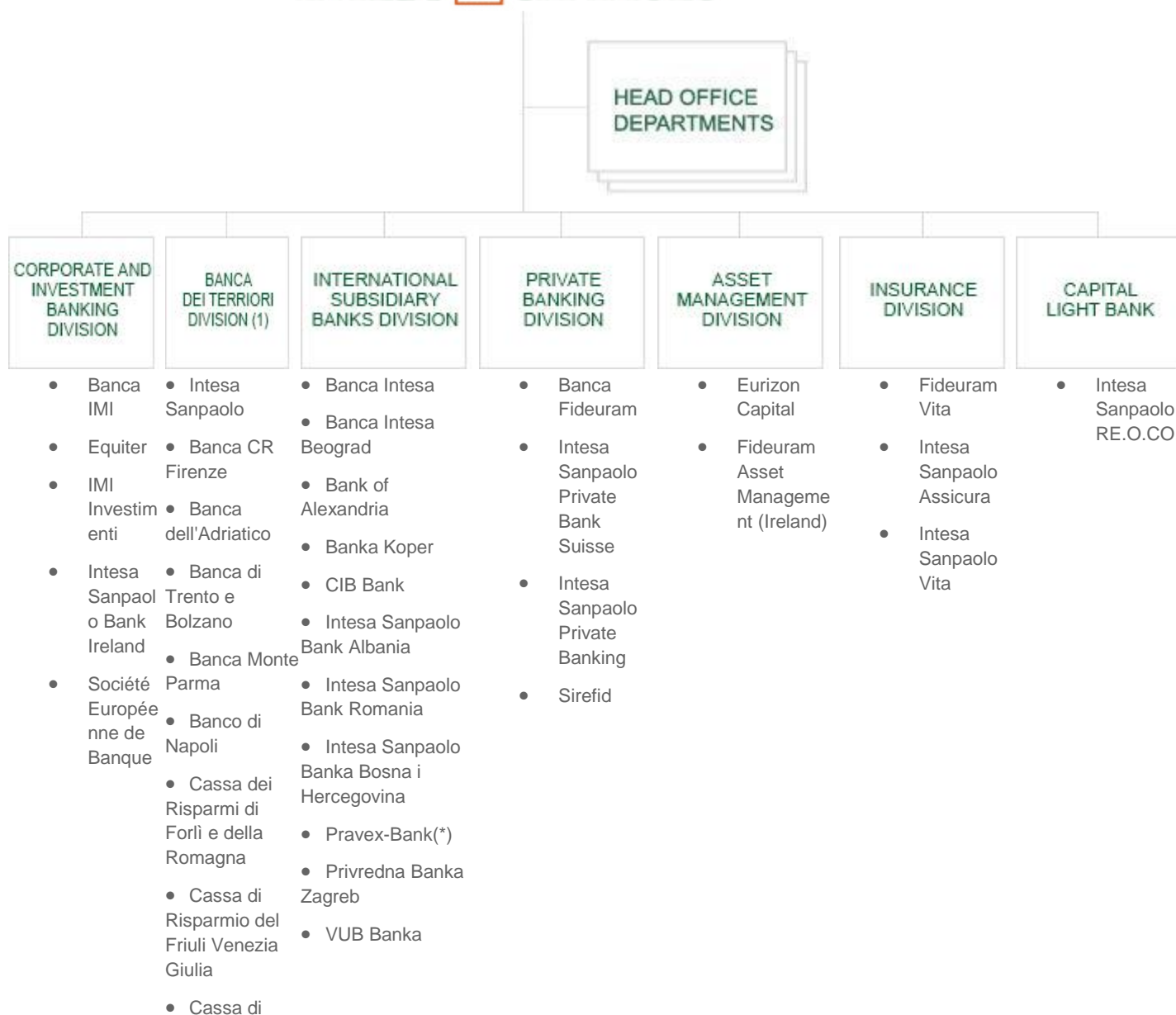
## Objects

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 1 December 2014, 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. Since 1 December 2014 there has been no change to Intesa Sanpaolo's share capital.

## Organisational Structure



Risparmio del  
Veneto

- Cassa di  
Risparmio in  
Bologna

---

- Banca  
Prossima

- Intesa  
Sanpaolo  
Personal  
Finance

- Mediocredito  
Italiano

- Setefi

(1) Domestic commercial banking

(\*) In January 2014 an agreement was signed for the sale of 100% of Pravex-Bank. Finalisation of the transaction is subject to regulatory approval

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.

In the first nine months of 2014, the Intesa Sanpaolo Group has operated through five business units:

- **Banca dei Territori** – this division includes Italian subsidiary banks. It is based on a model that supports and enhances regional brands, upgrades local commercial positioning and strengthens relations with individuals, small businesses, small and medium enterprises, mid corporates and non-profit entities. Private banking, bancassurance, leasing, factoring and industrial credit are also part of this division.
- **Corporate and Investment Banking** – this division supports, taking a medium-long term view, the balanced and sustainable development of corporates and financial institutions both nationally and internationally. The division acts as a “global partner”, with an in-depth knowledge of corporate strategies and a complete range of services. Its main activities include M&A, structured finance and capital markets carried out through Banca IMI as well as merchant banking. 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.
- **International Subsidiary Banks** – this division includes the following retail and commercial 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, Banca Koper in Slovenia and Pravex-Bank in Ukraine.
- **Eurizon Capital** – this is the Intesa Sanpaolo Group’s company specialised in asset management.
- **Banca Fideuram** – this is the Intesa Sanpaolo Group’s company specialised in asset gathering.

In the fourth quarter of 2014, the organisational structure of the Intesa Sanpaolo Group has been revised into 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 who 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, investment banking and structured finance carried out through Banca IMI, as well as merchant banking. 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 retail and commercial 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, Banka Koper in Slovenia and Pravex-Bank in Ukraine.
- The **Private Banking division**: serves the customer segment consisting of Private clients and High Net Worth Individuals with the offering of products and services tailored for this segment. The division includes Intesa Sanpaolo Private Banking and Banca Fideuram.
- 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 and Fideuram Asset Management (Ireland).
- 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.
- **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-core equity stakes, and proactive management of other non-core assets.

### **Intesa Sanpaolo in the last two years**

Below is a summary of the transactions carried out by the Intesa Sanpaolo Group during 2013 and 2014 which, where necessary, have been reported in specific market disclosure documents.

On 11 April 2013, Intesa Sanpaolo and the Trade Unions signed an agreement to facilitate the exit of a further 600 employees. The agreement envisaged the possibility for employees who at that date had met the A.G.O. pension requirements, or who would do so by 31 December 2013, to retire on 1 July 2013, or subsequently to that date upon meeting the requirements, up until 31 December 2013. Furthermore, employees who meet the pension requirements by 30 September 2017 are offered the possibility of using the Solidarity Allowance for a maximum period of 36 months.

On expiry of the time limits for joining the exit agreement, 252 employees had accepted it; of these, 97 already met the minimum retirement requirements or would meet them by the end of 2013, while 155 accessed the Solidarity Allowance.

A supplemental agreement was signed on 2 July 2013, in compliance with the provisions set out in the agreement of 11 April 2013, and in order to achieve the objectives pursued, expanding the group of employees eligible for the Solidarity Allowance. Employees wishing to take advantage of this exit option could apply for the scheme by 16 September 2013.

A subsequent agreement of 8 October 2013 extended the deadline from 16 September to 31 October 2013.



At the end of this second round, the proposal had been accepted by a further 201 persons.

The cost of the exit incentive and of supporting the early retirement of these employees was approximately 66 million euro (before discounting and before taxes), which were charged to the income statement for 2013.

At the beginning of July, Intesa Sanpaolo launched a bid to purchase its senior notes. The transaction allowed optimisation of the Bank's liabilities profile, reducing excess amounts and modifying the related timing distribution. With an offer of 2,247 million euro, the final total of notes delivered was 1,493 million euro, corresponding to a total purchase amount of 1,510 million euro. As a consequence of the buyback finalisation, the Intesa Sanpaolo Group registered a positive contribution in the year, including the positive impact of the unwinding of interest rate derivatives, of approximately 106 million euro gross (71 million euro net of the tax effect).

In August, Intesa Sanpaolo carried out an exchange of existing subordinated notes (exchange offer) with newly issued Tier 2 subordinated notes in euro, with maturity on 13 September 2023. The transaction was finalised on 13 September. At the end of the offer, the aggregate nominal value of the notes offered by the holders and accepted for the exchange was 1,428 million euro. Consequently, as at the settlement date, Intesa Sanpaolo issued an aggregate nominal value of new notes amounting to 1,446 million euro. As a consequence of finalisation of the exchange, the Intesa Sanpaolo Group registered a positive contribution of 87 million euro to its pre-tax income and of 58 million euro to its net income in the third quarter of 2013.

On 24 September 2013, Telco's shareholders entered into an agreement amending the shareholders' agreement relating to Telco for the purposes of recapitalising and refinancing the company. The overall impact of the investment in Telco in the 2013 consolidated income statement of Intesa Sanpaolo was thus negative in the amount of 80 million euro.

On 15 October 2013, the Management Board of Intesa Sanpaolo adopted the following detailed action plan in favour of Alitalia: first, to subscribe to the increase in the share capital of the company for an amount of 26 million euro (proportionate to Intesa Sanpaolo's stake in Alitalia); second, to guarantee the underwriting of up to 50 million euro of any unsubscribed shares subject to certain conditions, which later occurred; third, to grant an advance of up to 50 million euro under the aforementioned underwriting commitment. In the 2013 financial statements of the Intesa Sanpaolo Group, in the light of the current complex situation of the sector, marked by a high degree of uncertainty, it was deemed appropriate to value the stake with a prudential approach, pending developments in the current negotiations. Consequently, impairment of about 61 million euro was recognised, as well as losses of 35 million euro, both certain and estimated on the basis of the available data.

The increase in the share capital was completed in December 2013, and totalled 300 million euro, with the entry of new shareholders (Poste Italiane, Unicredit, Percassi Group). Intesa Sanpaolo's commitment to the capital increase was 76 million euro. Furthermore, in February 2013, Intesa Sanpaolo had subscribed for a portion (approximately 16 million euro) in the subordinated convertible bond loan approved by the Shareholders' Meeting of Alitalia for a maximum amount of 150 million euro and subscribed by the shareholders as to 95 million euro. As at 31 December 2013, the first expiry date for exercising the conversion option, Intesa Sanpaolo decided not to exercise this right. Following the subscription to the capital increase and conversion of the bond loan (not converted by Intesa Sanpaolo), the interest held by Intesa Sanpaolo comes to 20.59% (19.21% directly and 1.38% through Ottobre 2008). As part of the same financing transaction, on 3 December 2013 the Management Board approved the extension of short-term credit facilities, commitments and derivatives commitments of approximately 250 million euro through 30 June 2015, whereas on 28 January 2014 it then approved a loan of 70 million euro as part of a pool transaction of a total of 165 million euro. This financing transaction, including equity and debt, was aimed at allowing a new industrial investor to be identified. Since last spring, Intesa Sanpaolo has been engaged in negotiations in view of a partnership and merger agreement between Alitalia and Etihad Airways. To that end, subject to the successful completion of the ongoing negotiations, Intesa Sanpaolo has indicated its willingness to support the transaction by granting new lines of credit and guaranteeing its participation, to the extent of its involvement, with an equity commitment of a maximum of 300 million euro.

Based on a prudent assessment of the current situation of Alitalia and of the commitments undertaken, Intesa Sanpaolo has, in the Half-yearly Report: (i) fully written down the residual carrying amount of the

investment (38 million euro); (ii) established provisions for risks and charges of 30 million euro for losses that the company is suffering; (iii) adjusted cash loans, currently equal to approximately 160 million euro, for an amount of 119 million euro. The impact on the half-yearly income statement amounted to 188 million euro, before tax.

On 11 November 2013, Intesa Sanpaolo completed the sale of approximately 21 million ordinary shares in Assicurazioni Generali, corresponding to approximately 1.3% of this company's share capital, at a price of 16.60 euro per share in an accelerated bookbuilt offering. The total consideration was approximately 348 million euro, yielding for Intesa Sanpaolo a positive contribution to its consolidated net income of approximately 63 million euro. By completing this transaction, Intesa Sanpaolo sold its entire stake in Assicurazioni Generali, reporting for the fourth quarter a positive contribution to consolidated net income of approximately 82 million euro. The total contribution of this stake to net income for 2013, which takes into account the impairment of 58 million euro recognised in the half-yearly report as at 30th June, was about 24 million euro.

On 2 December 2013, Intesa Sanpaolo (jointly with other shareholders) executed with Fondo Strategico Italiano, F2i SGR and Orizzonte SGR sale-and-purchase agreements concerning the sale of 59.3% of the share capital of SIA (28.9% of which is held by the Intesa Sanpaolo Group). The price was determined on the basis of a valuation of 100% of the SIA capital equal to 765 million euro; the transaction was completed on 28 May 2014. The Intesa Sanpaolo Group's consolidated net income has recorded a positive contribution of approximately €170 million from the transaction.

Again in December 2013, the third amending agreement was signed in respect of the existing agreements between the company Carlo Tassara S.p.A. and the lending banks as part of a restructuring plan to enable the company to better enhance the assets under disposal, the proceeds of which will be used to repay its financial debt. With regard to the overall gross exposure towards Carlo Tassara, Intesa Sanpaolo recognised a 497 million euro adjustment (including 67 million euro recognised in the 2013 financial statements), considered suitable to cover the Bank's total exposure.

Finally, on 16 May 2013 EBA recommended supervisory authorities to conduct asset quality reviews on major EU banks, the objective being to review the banks' classifications and valuations of their assets so to help dispel concerns over the deterioration of asset quality due to macroeconomic conditions in Europe. On 23 October 2013, the ECB announced that, together with the national competent authorities responsible for conducting bank supervision, it would carry out a comprehensive assessment of the banking system, pursuant to the regulations on the Single Supervisory Mechanism (EU Council Regulation No. 1024/2013 of 15 October 2013) that became effective on 3 November 2013. This activity, started during 2014, will involve the major European banks, including the Intesa Sanpaolo Group.

As to important events after the close of the year 2013, we report that on 23 January 2014 Intesa Sanpaolo signed an agreement concerning the sale of 100% of the capital of its Ukrainian subsidiary Pravex-Bank to CentraGas Holding GmbH for a consideration of 74 million euro. Finalisation of the transaction is subject to regulatory approval being obtained and is expected to take place within the next few months. As a result, the consolidated income statement will record a negative contribution of 38 million euro after tax (calculated on the basis of the subsidiary's shareholders' equity as at 31 December 2013), plus, at the time of finalising the transaction, the effect of the release of foreign exchange differences from the related valuation reserve, which will be negative in the amount of 60 million euro. The evidence of a transaction price lower than the carrying amount, which constitutes an impairment indicator, led to recognition of the loss already in the 2013 financial statements, with the exception of the effect linked to the exchange rate reserve, for which IAS 21 requires recognition in the income statement only at the time of disposal.

Furthermore, the Intesa Sanpaolo Group has signed a binding memorandum of understanding concerning the sale of the stake held by subsidiary Intesa Sanpaolo Vita in the Chinese insurance company Union Life (representing 19.9% of the latter's capital) for a consideration of 146 million euro. This transaction will generate a positive contribution of approximately 30 million euro after tax to the consolidated income statement. It is subject to prior authorisation being obtained from local supervisory bodies.

On 6 March 2014, Intesa Sanpaolo completed the sale of approximately 7 million ordinary shares held in Pirelli & C., corresponding to approximately 1.5% of the Company's voting share capital and representing

the entire stake held. The sale was made at a price of 12.48 euro per share in an accelerated bookbuilt offering.

The total value was 89.3 million euro, representing a positive contribution to consolidated net income for Intesa Sanpaolo of approximately 55 million euro recognised in the income statement of the first quarter of 2014.

On 30 June 2014, following the approval obtained at the shareholders' meeting of NH Hotel Group S.A. (formerly NH Hoteles S.A., hereinafter **NH**) on 26 June 2014 regarding the capital increase reserved for Intesa Sanpaolo through the issue of 42,000,000 new ordinary shares of NH at a price of 4.70 euro per share, Intesa Sanpaolo executed the capital increase by contributing its entire shareholding owned in NH Italia S.p.A., representing 44.5% of the latter's share capital, to NH. Intesa Sanpaolo's consolidated net income has recorded a positive contribution of 47 million euro from the transaction.

On 16 June 2014, Assicurazioni Generali, Intesa Sanpaolo and Mediobanca exercised the right to request the demerger of Telco, under the terms of its shareholders' agreement. On 26 June 2014, the Board of Directors of Telco and, subsequently, on 9 July, the shareholders' meeting of Telco approved the proposed partial non-pro rata demerger of the company. Telco will continue to exist with a minimal share capital and with no Telecom Italia shares held, in order to deal with the remaining assets and liabilities on the balance sheet. The company will then be placed in liquidation once this phase is complete. In this context, also in occasion of the 2014 Half-yearly Report, the investment was valued by considering the Telecom shares at their market price as at 30 June 2014, equal to 0.925 euro. This valuation resulted in a recovery on the investment of 25 million euro, which net of the pro rata amount of losses recorded by the company, equal to 3 million, brings the new carrying amount of the investment to 22 million euro.

On 10 July 2014, Nuove Partecipazioni S.p.A. (**NP**), Intesa Sanpaolo S.p.A. (**ISP**), UniCredit S.p.A. (**UC**), Clessidra SGR S.p.A., on behalf of Fondo Clessidra Capital Partner II (**Clessidra**), and Long-Term Investments Luxembourg S.A., a company designated by Rosneft Oil Company, as investor in Camfin S.p.A. (the **Strategic Investor**) finalised a transaction concerning Camfin S.p.A. by which the Strategic Investor purchased for a total consideration of 552.7 million euro: i) from Clessidra, the entire share capital of Lauro 54 and, therefore, the indirect stake representing 24.06% of Lauro 61/Camfin share capital; ii) from each of ISP and UC, a stake representing 12.97% of Lauro 61/Camfin share capital. Intesa Sanpaolo's consolidated net income has recorded a positive contribution of 44 million euro from the transaction.

On 21 July 2014, Intesa Sanpaolo announced that its Hungarian subsidiary CIB Bank and the Intesa Sanpaolo Group are impacted by a law approved in Hungary on 4 July 2014 and published on 18 July 2014, which regards the local banking sector. The enactment of this law entails a negative impact on the Intesa Sanpaolo Group's consolidated net income for the second quarter of 2014 of approximately €65 million, resulting from customer reimbursement in relation to the abolition, and the consequent retroactive correction, of the bid/offer spreads applied to retail foreign-currency loans.

On 14 October 2014, Intesa Sanpaolo entered into an agreement concerning the transfer of a portfolio of its non-core real estate assets, consisting of some 113 properties totalling approximately 115,000 square meters. The portfolio will be transferred to a newly created Italian real estate fund which is managed by IDeA FIMIT SGR. The quotas will be purchased by funds managed by Colony Capital LLC for a price of around €175 million. The transaction is expected to be completed by the end of 2014 and will generate a positive contribution to the Intesa Sanpaolo Group's consolidated net income of around €40 million.

On 14 October 2014, Intesa Sanpaolo concluded the ordinary share buy-back programme launched on 13 October 2014 which executed a plan assigning, free of charge, ordinary shares of Intesa Sanpaolo to the Intesa Sanpaolo Group's employees, named Leveraged Employee Co-Investment Plan (**Lecoip**). In the days during which the programme was executed the Intesa Sanpaolo Group purchased a total of 49,476,201 Intesa Sanpaolo ordinary shares, representing approximately 0.3% of the ordinary share capital and total share capital (comprising ordinary shares and savings shares) of Intesa Sanpaolo, at an average purchase price of 2.233 euro per share, for a total countervalue of 110,469,112 euro.

On 31 October 2014, the offering period of the Certificates issued by Credit Suisse and reserved for the Intesa Sanpaolo Group's employees in relation to the Lecoip expired. Under the Lecoip, the Intesa Sanpaolo Group's employees, having been assigned, without charge, Intesa Sanpaolo ordinary shares purchased on the

market (**Free Shares**), are allocated additional, newly-issued Intesa Sanpaolo ordinary shares deriving from a free share capital increase (**Matching Shares**). The Lecoip also provides that the Intesa Sanpaolo Group's employees subscribe to newly-issued Intesa Sanpaolo ordinary shares deriving from a share capital increase made against payment and reserved for employees, through the issue of shares at a discounted price (**Discounted Shares**). Overall, as at the date of conclusion of the offering period, 50,298 of the Intesa Sanpaolo Group's employees have adhered to the investment plan, representing 79% of the qualifying persons, for a countervalue, corresponding to the Free Shares and the Matching Shares, equal to around 150 million euro.

On 11 November 2014, in execution of the shares sale and purchase agreement signed on 26 May 2014, between Intesa Sanpaolo S.p.A. (**ISP**) (on one side) and HNA Group Co. Ltd. (**HNA**) and Tangla Spain S.L. Sociedad Unipersonal (**Tangla**), a special purpose vehicle entirely owned by HNA, (on the other side), ISP sold No. 29,162,596 ordinary shares of NH Hotel Group S.A. (formerly NH Hoteles S.A. and hereinafter **NH**), representing approximately 8.3% of the latter's share capital, to Tangla. The sale was priced at 4.55 euro per share for a total amount of approximately 133 million euro. Following and as a consequence of the execution of the above-mentioned transaction, ISP retains, directly and indirectly, a stake constituting approximately 7.6% of NH's share capital. ISP's consolidated net income has recorded a positive contribution of 14 million euro from the transaction.

On 1 December 2014, Intesa Sanpaolo announced the number of Intesa Sanpaolo ordinary shares which have been assigned to the Intesa Sanpaolo Group's employees and which have been subscribed for by the Intesa Sanpaolo Group's employees, as well as the corresponding number of certificates issued by Credit Suisse, i.e. the financial instruments - which are basically representative of the abovementioned shares - that the Intesa Sanpaolo Group's employees receive under the Lecoip. Under the Lecoip, 22,646,388 Free Shares and 42,332,754 Matching Shares have been assigned to the Intesa Sanpaolo Group's employees, and 259,916,568 Discounted Shares have been subscribed for by the Intesa Sanpaolo Group's employees. The numbers have been calculated on the basis of the arithmetic average of the VWAP (Volume Weighted Average Price) of the Intesa Sanpaolo ordinary share recorded on each working day in the 30 calendar days preceding 1 December 2014, equal to 2.2885 euro, and, for the Discounted Shares, on the basis of a discount of 16% applied to the average. Consequently, a total number of 64,979,142 certificates - corresponding to the abovementioned sum of Free Shares plus Matching Shares - have been assigned to the Intesa Sanpaolo Group's employees. Following the delegation of powers granted by the Shareholders' Meeting to the Management Board pursuant to article 2443 of the Italian Civil Code:

- in relation to the assignment of the Matching Shares, a free share capital increase has been executed, pursuant to article 2349, paragraph 1, of the Italian Civil Code, for an amount of 35,883,846.96 euro, through the issue of 69,007,398 Intesa Sanpaolo ordinary shares with a nominal value of 0.52 euro;
- in relation to the subscription of the Discounted Shares, a capital increase against payment, without pre-emption rights, in favour of the Intesa Sanpaolo Group's employees and pursuant to article 2441, paragraph 8, of the Italian Civil Code, has been executed for an amount of 135,156,615.36 euro, through the issue of 259,916,568 Intesa Sanpaolo ordinary shares at a price of 1.9223 euro, of which 0.52 euro of nominal value and 1.4023 euro of share premium.

The total number of shares issued in the free share capital increase and the capital increase made against payment represents 2.1% of the ordinary share capital and 2% of the total share capital (comprising ordinary shares and savings shares) of Intesa Sanpaolo. The capital increase made against payment leads to an increase in the Intesa Sanpaolo Group's consolidated shareholders' equity of 500 million euro, of which 135 million in share capital and 365 million in share premium reserve. The assignment and the subscription of the ordinary shares reserved for employees under the Lecoip generate as a whole an increase in the Intesa Sanpaolo Group's Common Equity Tier 1 ratio of 14 basis points, compared with the 13.3% as at 30 September 2014.

## **Sovereign risk exposure**

As at 30 June 2014, the Intesa Sanpaolo Group's sovereign debt exposure was represented by debt securities for 120 billion euros (of which 51 billion euros in securities held in Intesa Sanpaolo Group insurance companies' portfolios) and by other loans for 21 billion euros.

Among these, the exposure to Italian government securities totalled approximately 100 billion euros (of which 47 billion euros in securities held in Intesa Sanpaolo Group insurance companies' portfolios), in addition to 19 billion euros represented by loans. The security exposures decreased slightly compared to the 31 December 2013 figures of 103 billion euros.

## Management

### *Supervisory Board*

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

<b>Member of Supervisory Board</b>	<b>Position</b>	<b>Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities</b>
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)
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. Director of NH Hoteles S.A. Managing Director of Costruzione Gestione Progettazione

<b>Member of Supervisory Board</b>	<b>Position</b>	<b>Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities</b>
Carlo Corradini	Member	- Co.Ge.Pro S.p.A. 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. Director of Pirelli 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	Chairman of the Board of the Statutory Auditors of Banco di Napoli S.p.A.
Marco Mangiagalli	Member	Director of Autogrill S.p.A. 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 Fiat Sepin S.c.p.a. 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

<b>Member of Supervisory Board</b>	<b>Position</b>	<b>Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities</b>
		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 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.

<b>Director</b>	<b>Position</b>	<b>Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities</b>
Gian Maria Gros-Pietro <sup>(a)</sup>	Chairman	Chairman of ASTM S.p.A. Director of Edison S.p.A.

<b>Director</b>	<b>Position</b>	<b>Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities</b>
Marcello Sala <sup>(b)</sup>	Senior Deputy Chairperson	
Giovanni Costa <sup>(b)</sup>	Deputy Chairperson	Director of Edizione S.r.l.
Carlo Messina <sup>(b)(e)</sup>	Managing Director and CEO	
Gaetano Micciché <sup>(d)</sup>	Member	Managing Director of Banca IMI S.p.A. Director of Pirelli & C. S.p.A. Director of Prada S.p.A.
Bruno Picca <sup>(d)</sup>	Member	Director of Intesa Sanpaolo Group Services S.C.P.A.
Giuseppe Morbidelli <sup>(c)</sup>	Member	Chairman of the Board of Directors of C.R. Firenze S.p.A.
Carla Patrizia Ferrari <sup>(c)</sup>	Member	Member of the Advisory Board of Ambienta SGR S.p.A.
Piera Filippi <sup>(a)</sup>	Member	
Stefano Del Punta <sup>(d)(f)</sup>	Member	Director of Banca IMI S.p.A.

(a) Non-executive, independent in accordance with Art. 148 of the Financial Law

(b) Executive

(c) Non-executive

(d) Manager, executive

(e) Appointed on 29 September 2013 following the resignation of Enrico Tommaso Cucchiani on the same date

(f) Appointed on 22 May 2014

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 a 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 4 December 2014, the shareholder structure of Intesa Sanpaolo was composed as follows (holders of shares exceeding 2 per cent.).

SHAREHOLDER	ORDINARY SHARES	% OF ORDINARY SHARES
<b>Compagnia di San Paolo</b>	1,506,372,075	9.506%
<b>BlackRock Inc. (1)</b>	775,978,889	4.897%
<b>Fondazione Cariplo</b>	767,029,267	4.840%
<b>Fondazione C.R. Padova e Rovigo</b>	659,451,562	4.162%
<b>Ente C.R. Firenze</b>	514,655,221	3.248%
<b>Norges Bank</b>	321,954,711	2.032%

<sup>(1)</sup> Fund Management ”

## COLLECTION AND RECOVERY PROCEDURES

The section headed “*Collection and recovery procedures*” at page 121 of the Base Prospectus is replaced by the following:

### “A. Performing Mortgage Loans

#### ***Payment Procedures***

Almost all the mortgage loans begin to amortise on the first day of the second month falling after the execution date of the mortgage loan agreement (except where the mortgage loan agreements provide for pre-amortisation periods). From the date of execution of the agreement to the start date of the amortisation, the borrower is only required to pay interest.

The payment of the instalments under the mortgage loans can be mainly effected as follows:

- (i) by direct debit from the current account, held with any branch of the bank;
- (ii) by submitting the payment advice slip (MAV - “*Pagamento Mediante Avviso*”, at a branch of the relevant Bank, using the MAV system;
- (iii) by direct debit from the current account, held with another bank (**SDD Order**);
- (iv) by payment made at a branch of the relevant Bank and/or by a transfer from another bank.

For the purposes of this section “Collection and Recovery Procedures”, the “Bank” means any bank appointed as Servicer pursuant to the Servicing Agreement.

#### ***Direct debit payments from current accounts***

Where payments are made by direct debit from a current account, a procedure is in place which identifies all the instalments falling due on a specific day and debits the current account (on such a day). Where a current account of the borrower does not have sufficient funds to its credit, the account will still be debited, and the IT system will automatically flag to each branch, on a daily basis, the list of instalments made which have caused a current account to exceed its limit. The relevant branch can then transfer the said instalment back to the current account.

Any default is immediately registered on the IT systems of the relevant Bank. The status of payments of a mortgage loan in any case can be checked at any time.

#### ***Payments by direct debit***

In order to facilitate the making of payments by the borrowers and to offer borrowers services increasingly aimed at meeting their needs, it is also possible for the borrowers to make the payments of instalments due by authorising direct debit payments to current accounts held with other banks. Such instruction to debit accounts held with other banks, only to be carried out upon the explicit request of the relevant borrower, is an alternative to the debiting to a current account open with the relevant Bank. This option is interesting in respect of the management of borrowers operating with other credit institutions. This service contributes to reducing the number of mortgage loans which are not linked to a current account.

A few days prior to the instalments falling due in relation to the amounts to be collected through SSD order, the flows of amounts due are automatically determined and notified to the relevant correspondent bank. On the day of expiry of the debit instructions, the procedure credits the collections (“*salvo buon fine*”) subject to the availability of funds to a transitional account, and on the same day the “*Mutui*” procedure debits the amounts of the instalment due to such account so as to offset the credited amount.

Where such direct debit cannot be effected by the correspondent banks, the instalment payment is automatically transferred back to the transitional account by the procedure. Such payments are made automatically by the procedure. In view of the time that it takes for the banks with which the borrowers’ accounts are held to return the credited amounts (“*salvo buon fine*”) and the subsequent processing time, the instalment only appears as paid (or unpaid) approximately after thirty days.

### ***The payment advice slip – (MAV) – “Pagamento Mediante avviso”***

In order to ensure a faster registration of the payments made against the payment of mortgage loan instalments with other credit institutions and making the relevant procedure automatic, a payment advice slip was prepared in standard interbank form, which permits the automatic interbank payment system to be used to credit the amounts received to the relevant Bank.

The payment advice slip (MAV) is a paper form which can be presented to make payment at any bank which uses such a system (i.e. virtually all Italian banks). The Bank sends such form to the borrower, before the instalment payment is due, approximately sixty days, in case of a mortgage loan payable on a semi-annual basis, forty five days, in case of a mortgage loan payable on a quarterly basis and twenty days, in case of a mortgage loan payable on a monthly basis. If the payment is then made with a branch of the Bank, the relevant registration is made in real time. If the borrower makes such payment with another bank, an electronic data flow concerning all the details of such payment is transferred to the bank.

The use of the automatic interbank payment system, in addition to accelerating the transfer of data and providing timely updates on the mortgage files, also minimises the manual work that needs to be carried out by the Bank in order to monitor the documented money transfers received from other banks.

Any payment made with another bank (and transferred electronically) is normally received within three days of the date of such payment.

### **Renegotiations of Mortgage Loans**

Under the Servicing Agreement, the Servicer has been granted certain powers to renegotiate the Mortgage Loans (with respect to duration and interest rate). In addition, the Servicer may, inter alia, extend the duration of the floating and fixed rate loans, provided that (a) in respect of retail consumers only, the final deadline of the amortising plan shall not exceed 40 years and the relevant debtor shall not be over 75 (or such other limits as are determined pursuant to the current policy of the Group); (b) the Servicer shall allow payment holidays for up to twelve months in several circumstances (in the event of agreements promoted by trade associations (*associazioni di categoria*), eg. ABI in order to help small business and retail customers or in connection with laws and regulations, existing or to be enacted or reached, such as the *Fondo di solidarietà* pursuant to Ministerial Decree number 132 issued by the Ministry of Economy and Finance on 21 June 2010 or particular provisions to prevent natural disasters or humanitarian emergencies); and (c) the Servicer may allow payment holidays up to twelve months in the context of the then applicable commercial policy toward its clients).

## **B. Performing Securities**

### **Payment Procedures**

All principal redemption amounts, interest payments and any other amounts due for any reason in relation to the Securities will be credited by Monte Titoli or Clearstream (as the case may be) to the custodian bank in favour of the securities account opened and maintained in the name of the Covered Bond Guarantor, through specific segregated liquidator account, properly opened with Monte Titoli or Clearstream. The custodian bank automatically and promptly pays the collected amounts as follows:

- any principal amount to the Principal Securities Collection Account; and
- any interest amount to the Interest Securities Collection Account

(jointly, the **Securities Collection Accounts**).

### **Further payments**

If, for any reason, the Servicer receives any collections other than those described above, the Servicer shall carry out a reconciliation of the amounts received within 20 (twenty) days from the receipt of such amounts by the Debtors and credit to the relevant Securities Collection Account, in respect of principal and interest, such sums received and reconciled within 3 (three) Business Days following the reconciliation of such amounts and with value date corresponding to the collection date by the Servicer.

## Collection verification

Further to any payment date of each Security, as set forth under the relevant Securities documents, the Servicer will verify that the amounts due as principal, interest or for any other reason due in relation to each Security have been credited on the relevant Securities Collection Account, in respect of principal and interest, with value date corresponding to the relevant payment date of each Securities, as set forth under the relevant Security documents.

### ▪ C. The Management of Mortgage Loans in Arrears (*crediti con arretrati*)

*Credito Proattivo* is defined as the set of processes relating to those receivables due from customers that are potentially problematical, although not openly so at present, but which, if not dealt with promptly, could lead to breach of contract and the consequent deterioration of the quality of the risks assumed by the Bank. *Credito Proattivo* management processes represent the new model of the Intesa Sanpaolo Group dedicated to the management of those customers who present potential problems, with the aim of addressing the anomalies in a correct and timely manner from the very first signs of a deterioration.

Once the loan (or the borrower, as the case may be) is intercepted, the Bank uses a set of different processes.

In the *Processo Credito Proattivo* a Mortgage Loan is intercepted when certain of the following indicators are met (i) risk rating of the client high or medium/high; (ii) current account overdraft; (iii) continuous overrun for more than 30 days above the materiality threshold and (iv) the ratio between the arrears (including default interests) and the last instalment due (*coefficiente rate arretrate*) being greater than or equal to 1. The process is divided into the following steps.

The first step is for Private or Small Business Micro and involves the application of Phone Banking status to the borrowers intercepted due to the *coefficiente rate arretrate* or due to a current account overdraft of limited amount, in both cases with the customer's full identification details. In this phase, the Contact Unit contacts the relevant borrowers and tries to reach an agreement with them in relation to the payment of the instalments due or to organise a meeting in the branch of the Bank.

The second step, *Gestione Filiale* status, shall be operative for any loan position, intercepted due to overrun, current account overdraft of a significant amount (*coefficiente rate arretrate*). The duration of the status is of maximum 60 days.

The third automatic step is the *Gestione Proattiva*, phase is for the following loan positions (i) outstanding Branch Management and Phone Banking phases; (ii) positions intercepted by Risk or Fatal level; (iii) segmented Small Business Core and Regulatory Corporate loan positions intercepted due to an overrun above the 30-day threshold. The said phase does not have a defined duration; it ends with the resolution of the files or their transition to: "*in risanamento*" status (applicable for large exposures that may be subject to company recovery plans) or "*credito deteriorato*" status. The latter (which corresponds to "*attività deteriorate*") reflects the default definition contained in the Basel framework. According to the Bank of Italy, the *attività deteriorate* relate to:

- Loans that are overdue and/or overrun (*Sconfino*);
- Substandard loans (*Incagli*);
- Restructured loans;
- "*Sofferenze*".

The *Sconfino* status is an automatic interception by the IT system arising when (i) the total exposure of a borrower (eg. current account, mortgage) is in arrears or the cash account is negative for more than 90 days (or different date pursuant to the applicable BoI Regulations) with no interruption - and (ii) such amount in arrears must be greater than 5% of the client's total exposure.

According to the provisions of the Bank of Italy, the total exposure of a borrower who is insolvent or bankrupt or is in the process of being declared insolvent or bankrupt or who has an equivalent status, is considered as "*in sofferenza*" (even where no judgment has yet been given in relation to such insolvency), regardless of any debt predictions which may have been drawn up by the Bank or any valuations made in relation to guarantees.

In each case, in the Programme, a mortgage loan will be considered as being a Defaulted Loan if the loan is classified as “*in sofferenza*” according to the provisions of the Bank of Italy (as defined above) and, in any event, where the ratio of the sum of instalment payments in arrears divided by the last instalment due is greater than or equal to (i) 10, in the case of a mortgage loan payable on a monthly basis, (ii) 4 in the case of a mortgage loan payable on a quarterly basis and (iii) 2 in the case of a mortgage loan payable on a semi-annual basis.

### **External Collection**

For the out-of-court settlement of the loans in arrears granted to households and clients belonging to the small business segment, being classified as *Credito Proattivo* or *Deteriorato* (only *Incaglio*, *Sconfino* and restructured loans), in addition to their internal offices, the banks of the *Divisione Banca dei Territori* now avail themselves of specialised external companies having the necessary regulatory requirements.

The assignment and management process is supported by a dedicated IT processing system allowing the immediate visibility of the collection actions undertaken by such external companies and a punctual monitoring of the evolution of the loan status.

The relevant thresholds for the appointment of third party Companies are:

- in respect of counterparties that have only unsecured exposures, where such exposures are between Euro 15,500 and Euro 50,000; and
- in respect of counterparties that have both unsecured exposures and mortgage loans, where the aggregate exposure is between Euro 15,500 and Euro 200,000, provided that the mortgage loan amount is equal to or higher than 80 per cent. of the total exposure.

The main contractual conditions applicable to the appointment of third party companies are the following:

- appointments are granted periodically, usually monthly, according to the Bank’s needs and in its total discretion, without any obligation to grant a minimum number of loans to third party companies;
- such companies undertake to carry out the assignments with upmost care and according to criteria of qualified expertise;
- such companies’ activities are to be carried out in full compliance with any Authority’s laws, regulations or provisions applicable from time to time and, in particular, are to operate in careful compliance with anti-money laundering laws and personal data protection;
- such companies cannot directly collect amounts due on the Loans, unless they have the necessary regulatory authorisations.

In order to carry out their appointment, such companies may appoint an external lawyer to receive advice and to send further payment reminders to the relevant debtor. Such companies shall provide monthly reports on the activities carried out and also provide the Bank with specific written reports.

### **Renegotiation**

In the case of a mortgage loan with overdue payments, the term of the amortisation plan only may be renegotiated.. As to the positions classified as, *Gestione Proattiva*, *Risanamento*, *Sconfino* or *Incaglio*, the proposal of a renegotiation of the Mortgage Loan to the relevant client must obtain previous clearance by the relevant department of the Servicer.

The characteristics of such renegotiation are as follows, subject to renegotiations made under laws or regulations or agreements promoted by relevant authorities or trade associations (*associazioni di categoria*), existing or to be enacted or reached:

- option to include the amount of the overdue, unpaid instalments, together with the residual debt, with a restructuring of the amortisation plan; the customer has the option to extend the term of the loan for another 10 years compared to the original maturity, in compliance with the limits set out below:
- for retail customers, an overall term of the loan, including the extension, of no more than 40 years and provided that at the new maturity the age of the principal debtor does not exceed 75 years;

- for Companies, within the maximum limit equal to twice the residual life of the renegotiated Loan;
- solely for the positions classified as *Credito Proattivo*, in *Risanamento*, *Sconfino* or *Incaglio*, it is possible to provide a pre-amortisation period of no more than 36 months in which only interest instalments will be paid, with specific authorisation at the minimum level of Regional Department/BDT Division Bank limited to Private counterparties;
- without prejudice, as a priority, to the need to collect, together with the renegotiation, in addition to the interest accrued from the last instalment due on the day of completion of the transaction, the contractual interest accrued on overdue payments in the last six months and all default interest, with specific authorisation at the minimum level of resolution of the Regional Department of the BDT Division and only for positions classified as Overrun and/or Substandard, the last two items (accrued interest in the last six months and default interest) may be extended and deferred on the renegotiated loan. In this case, the extension period may last up to a maximum of 36 months and no later than the remaining term of the renegotiated loan. These items will be non-interest bearing, not subject to late payment interest including in the event of default and will be collected in instalments starting from the first instalment after those made up only of interest (in case of any pre-amortisation period). Derogation to the collection for Performing positions is not permitted.

## **Restructuring**

A loan is deemed to be “restructured” if it meets both the following conditions:

- (i) deterioration of the economic and financial situation of the debtor (except for the country risk); and
- (ii) a loss exists under such loan.

The meeting of the second condition is determined by a comparison between the current values of the expected cash flows before and after the restructuring.

Loans with renegotiations leading to less stringent financial conditions compared to those originally agreed upon shall be classified as restructured loans.

With regard to the different kinds of loans taken out by business entities and the different kinds of renegotiation, renegotiations are evaluated on a case-by-case basis in light of the condition of the financial market at the time of the renegotiation request, the creditworthiness of the relevant borrower and the particular conditions of the relevant loan agreement.

### **D. The Management of the Defaulted Loans classified as “*in sofferenza*”**

The assignment of the management of the Defaulted Loans classified as “*in sofferenza*” to the First Special Servicer or the Second Special Servicer will comply with the provisions included in the Servicing Agreement.

#### **The Management of the Defaulted Loans Classified as “*in sofferenza*” by the First Special Servicer**

A judicial action will be carried out as follows:

- (i) directly, to the extent possible, for actions to be taken by the parties (*atti di parte*) (e.g. timely proving in bankruptcy, declaration of credit in insolvency proceedings, etc.) or for judicial acts carried out with the assistance of in-house counsels,

and

- (ii) by appointing external counsel for judicial initiatives (e.g. injunction decree (*decreto ingiuntivo*), and foreclosure proceedings, etc), whose activity will be closely supervised.

As for the recovery activity of positions having a significant value, an initial assessment will be carried out and all the urgent and necessary actions will be implemented to maximise the chance of recovery of the claim. The best operating strategy will then be devised in order to maximise the recovery within the shortest possible period of time and, in particular, it may be resolved:

- (a) to carry out the direct recovery of the individual claim (whether in the framework of a judicial action or by an out-of-court procedure);

(b) to entrust the recovery to external companies (almost exclusively in the case of positions of negligible amount);

(c) to carry out transfers of individual claims without recourse (*pro soluto*).

In order to manage the Defaulted Loans classified as “*in sofferenza*”, the First Special Servicer has been granted by ISP OBG S.r.l., *inter alia*, the power to authorise any judicial, administrative and enforceable action in any court and at any level of judgment.

The First Special Servicer may perform its activities also through the divisions and units of Intesa Sanpaolo.

#### **Management of the Defaulted Loans Classified as “*in sofferenza*” by the Second Special Servicer**

Once the receivables are recorded as Defaulted Loans classified as “*in sofferenza*”, the Servicer communicates the credit position to the Second Special Servicer by providing information on the financial situation of the debtor and any guarantors and submits all the documentation needed to activate the recovery. In communicating to the Second Special Servicer the credit position of the Defaulted Loans classified as “*in sofferenza*”, the Servicer highlights, *inter alia*, that the relevant Defaulted Loans classified as “*in sofferenza*” relate to the Programme.

The powers of the Second Special Servicer in relation to Defaulted Loans classified as “*in sofferenza*” that it manages itself are the same as the powers conferred upon the Second Special Servicer in respect of individual customers by certain agreements between Intesa Sanpaolo and the Second Special. Such management powers shall be deemed to be amended from time to time in the event of subsequent agreements between the companies of Intesa Sanpaolo Group and the Second Special Servicer, provided that such powers may not be wider than the powers of the First Special Servicer as provided by the Collection Policies. In case of amendments of these powers, the First Special Servicer will promptly inform ISP OBG S.r.l. and the Representative of the Covered Bondholders.

As specified under the Servicing Agreement, the Second Special Servicer may also avail itself of third parties, who will act under its responsibility, to carry out specific services relating to the management of defaulted loans classified as “*in sofferenza*”. The power to delegate to such third parties is regulated by certain agreements between Intesa Sanpaolo and the Second Special Servicer. . Even in this case, such powers shall be deemed amended from time to time in the event of subsequent agreements between the First Special Servicer and the Second Special Servicer. In case of amendments of these powers, the First Special Servicer will promptly inform ISP OBG S.r.l. and the Representative of the Covered Bondholders.

#### **E. Defaulted Securities - Monitoring of events of default**

The Servicer shall monitor on a continuing basis the financial performance of the Securities and the fulfilment of the Debtors’ obligations in respect of the Securities, and shall classify as Defaulted Securities the Securities (i) whose issuer has been classified as “in default”; (ii) that may be considered “in default” in accordance with the provisions of the relevant Securities documents provided that an acceleration notice has been served by the relevant representative of the noteholders or trustee, and (iii) that have been delinquent for more than 30 Business Days starting from the maturity date provided for under the relevant Securities documents.”

## CREDIT STRUCTURE

The letter Y of the paragraph headed “*Nominal Value Test*” at page 130 of the Base Prospectus is replaced by the following:

“**Y** is equal to (i) nil, if the Issuer’s ratings are at least “BBW (low)” by DBRS, or (ii) the Potential Set-Off Amount;”

\* \* \*

At page 133 of the Base Prospectus the definition of “*Asset Percentage*” is replaced by the following:

“**Asset Percentage** means the lower of (i) 9.5% and (ii) such other percentage figure as determined by the Issuer on behalf of the Covered Bond Guarantor in accordance with the Rating Agency’s methodologies (after procuring the required level of overcollateralisation), and notified using the *pro forma* notice attached under Schedule 1 (*Notice of the Asset Percentage*) of this Agreement, to the Representative of the Covered Bondholders, the Servicer, the Calculation Agent and the Asset Monitor and the Rating Agency. The Asset Percentage as at 5 November 2014 is 89.29%. Any adjustment of the Asset Percentage, from that previously notified, will appear from the relevant Investor Report as the new Asset Percentage as determined in accordance with this Agreement.”

\* \* \*

At page 134 of the Base Prospectus the definition of “*Potential Set-Off Amount*” is replaced by the following:

“**Potential Set-Off Amount** means with reference to Eligible Assets consisting of Receivables only, the aggregate Outstanding Principal Balance of such assets included in the Portfolio that could potentially be set-off by the relevant Debtors pursuant to Italian law against any credit owed by any such Debtor towards the relevant Seller. Such amount, which in any event will never be lower than the Net Deposits, will be calculated by the Calculation Agent (based on the aggregate information provided by the Servicer) on each Calculation Date and/or on each other date on which the Nominal Value Test is to be carried out pursuant to the provisions of this Agreement and the other Transaction Documents, except when the Issuer's ratings are at least "BBB (low)" by DBRS.”

\* \* \*

At page 134, after the definition of “*Potential Set-Off Amount*”, the following paragraph is inserted:

### “**Set-Off Risk**

Pursuant to the Portfolio Administration Agreement, the Servicer has undertaken, upon occurrence of an Issuer Downgrade Event, to notify the Rating Agency, the Covered Bond Guarantor and the Representative of the Covered Bondholders of such events. Further to such downgrade, and for so long as the rating is not re-established above such levels, the Potential Set-Off Amount will be calculated and factored for the purposes of the Nominal Value Test. Upon occurrence of an Issuer Downgrade Event, the Calculation Agent shall notify the Rating Agency of the Potential Set-Off Amount on a quarterly basis.”



## ACCOUNTS AND CASH FLOWS

Paragraph “Accounts” on page 135 to 141 is modified as follows:

### “ACCOUNTS

The following accounts have been established and shall be maintained with the Receivables Account Banks or the Account Bank, as the case may be, as separate accounts in the name of the Covered Bond Guarantor. The same provision shall be considered applicable, *mutatis mutandis*, to each of the Additional Receivables Account Banks and any references to Banco di Napoli as Receivables Account Bank shall be meant as referred to the relevant Additional Receivables Account Bank.

#### **(1) The ISP Receivables Collection Account**

##### Deposits

Intesa Sanpaolo S.p.A. as Servicer shall transfer to the ISP Receivables Collection Account all payments and recovery amounts received by it as Servicer and/or the Special Servicers in relation to the Receivables, with value date as of the relevant date of receipt.

##### Withdrawals

- (a) Subject to (b) below, Intesa Sanpaolo as Receivables Account Bank shall transfer any amount standing to the credit of the ISP Receivables Collection Account to the ISP Investment Account on a daily basis by the day following the relevant day of receipt;
- (b) by the 3rd Business Day prior to each Guarantor Payment Date, Intesa Sanpaolo as Receivables Account Bank shall transfer to the ISP Investment Account all amounts of interest accrued and credited to the ISP Receivables Collection Account, if any.

#### **(2) The BDN Receivables Collection Account**

##### Deposits

Banco di Napoli S.p.A. as Servicer shall transfer to the BDN Receivables Collection Account all payments and recovery amounts received by it as Servicer and/or the Special Servicers in relation to the Receivables, with value date as of the relevant date of receipt.

##### Withdrawals

- (a) Subject to (b) below, the Banco di Napoli as Receivables Account Bank shall transfer any amount standing to the credit of the BDN Receivables Collection Account to the BDN Investment Account on a daily basis by the day following the relevant day of receipt;
- (b) by the 3rd Business Day prior to each Guarantor Payment Date, the Banco di Napoli as Receivables Account Bank shall transfer to the BDN Investment Account all amounts of interest accrued and credited to the BDN Receivables Collection Account, if any.

#### **(3) The Securities Collection Accounts**

##### **3.1 The Interest Securities Collection Account**

##### Deposits

All interest amounts paid in relation to the Securities, shall be transferred to the Interest Securities Collection Account with value date as of the relevant date of receipt.

##### Withdrawals

- (a) Subject to (b) below, the Account Bank shall transfer any amount standing to the credit of the Interest Securities Collection Account to the ISP Investment Account on a daily basis by the day following the relevant day of receipt.

- (b) No later than the 2nd Business Day prior to each Guarantor Payment Date, the Account Bank shall transfer to the General Payment Account all amounts of interest accrued and credited to the Interest Securities Collection Account, if any.

### **3.2 Principal Securities Collection Account**

#### Deposits

All principal amounts paid in relation to the Securities (including any proceeds arising from the liquidation of the Securities), shall be transferred to the Principal Securities Collection Account with value date as of the relevant date of receipt.

#### Withdrawals

- (a) Subject to (b) below, the Account Bank shall transfer any amount standing to the credit of the Principal Securities Collection Account to the ISP Investment Account on a daily basis by the day following the relevant day of receipt.
- (b) No later than the 2nd Business Day prior to each Guarantor Payment Date, the Account Bank shall transfer to the General Payment Account all amounts of interest accrued and credited to the Principal Securities Collection Account, if any.

#### **(4) The ISP Investment Account**

#### Deposits

Intesa Sanpaolo as Receivables Account Bank shall transfer the following amounts to the ISP Investment Account, on a daily basis by the day following the relevant day of receipt:

- (a) any amount standing to the credit of the ISP Receivables Collection Account and the Securities Collection Accounts;
- (b) the funds resulting from the reimbursement or liquidation of the Eligible Investments relating to receivables assigned by Intesa Sanpaolo;
- (c) any amount to be credited to the ISP Investment Account in accordance with the relevant Priorities of Payments;
- (d) any amount standing to the credit of the General Payment Account, after (i) distribution in accordance with the applicable Priorities of Payment, or (ii) payments due on the relevant CB Payment Dates, or (iii) payments of the purchase price to be paid to Intesa Sanpaolo in accordance with the Master Transfer Agreement;
- (e) any proceeds arising from the liquidation of Receivables relating to the ISP Portfolio, with value date as of the relevant date of receipt, pursuant to the Portfolio Administration Agreement and other Transaction Documents;
- (f) by the 4th Business Day prior to each Guarantor Payment Date, all amounts of interest accrued and credited to the ISP Receivables Collection Account, the Expenses Account and the Corporate Account will be credited to the ISP Investment Account.

#### Withdrawals

Intesa Sanpaolo as Receivables Account Bank shall transfer the following amounts from the ISP Investment Account:

- (a) no later than 3 Business Days prior to each Guarantor Payment Date, any amount standing to the credit of the ISP Investment Account equal to the amount of the Available Funds indicated in the last available Payment Report (other than the Liability Swap Principal Accumulation Amount (as provided for under the Payments Report delivered by the Calculation Agent and other than any amount received under the Asset Swap)), shall be transferred to the ISP Payment Account;
- (b) 2 Business Days prior to each CB Payment Date falling after the occurrence of an Issuer Event of Default or an Article 74 Event and service of an Article 74 Notice to Pay (which has not been

withdrawn), any amount to be paid under the Covered Bonds on such CB Payment Date shall be transferred to the General Payment Account;

- (c) no later than 10 Business Days after the First Issue Date, an amount equal to Euro 70,000 shall be transferred to the Expenses Account;
- (d) no later than 10 Business Days after the First Issue Date, an amount equal to Euro 30,000 shall be transferred to the Corporate Account.

**(5) The BDN Investment Account**

Deposits

Banco di Napoli as Receivables Account Bank shall transfer the following amounts to the BDN Investment Account, on a daily basis by the day following the relevant day of receipt:

- (a) any amount standing to the credit of the BDN Receivables Collection Account;
- (b) the funds resulting from the reimbursement or liquidation of the Eligible Investments relating to receivables assigned by Banco di Napoli;
- (c) any amount to be credited to the BDN Investment Account in accordance with the relevant Priorities of Payments;
- (d) any amount standing to the credit of the General Payment Account, after (i) distribution in accordance with the applicable Priorities of Payment, or (ii) payments due on the relevant CB Payment Dates, or (iii) payments of the purchase price to be paid to Banco di Napoli in accordance with the Master Transfer Agreement;
- (e) any proceeds arising from the liquidation of Receivables relating to the BDN Portfolio, with value date as of the relevant date of receipt, pursuant to the Portfolio Administration Agreement and other Transaction Documents;
- (f) by the 3rd Business Day prior to each Guarantor Payment Date, all amounts of interest accrued and credited to the BDN Receivables Collection Account will be credited to the BDN Investment Account.

Withdrawals

Banco di Napoli as Receivables Account Bank shall transfer the following amounts from the BDN Investment Account:

- (a) no later than 3 Business Days prior to each Guarantor Payment Date, any amount standing to the credit of the BDN Investment Account equal to the amount of the Available Funds indicated in the last available Payment Report (other than the Liability Swap Principal Accumulation Amount (as provided for under the Payments Report delivered by the Calculation Agent) and other than any amount received under the Asset Swap, shall be transferred to the BDN Payment Account;
- (b) 2 Business Days prior to each CB Payment Date falling after the occurrence of an Issuer Event of Default or an Article 74 Event and service of an Article 74 Notice to Pay (which has not been withdrawn), any amount to be paid under the Covered Bonds on such CB Payment Date shall be transferred to the General Payment Account.

**(6) The ISP Payment Account**

Deposits

Intesa Sanpaolo as Receivables Account Bank shall transfer, or procure the transfer of, or the following amounts shall be paid into, the ISP Payment Account:

- (a) 3 (three) Business Days prior to each Guarantor Payment Date:
  - (i) any amounts to be paid by the Asset Hedging Counterparty under the Asset Swaps;
  - (ii) any amounts (to the extent of the Interest Available Funds or Principal Available Funds as the case may be) standing to the credit of the ISP Investment Account;

- (b) 2 Business Days prior to each relevant CB Payment Date any amounts to be paid by the Liability Hedging Counterparty under the Liability Swaps;
- (c) any drawdown paid by ISP under the Subordinated Loan Agreement;
- (d) the Issuer shall credit the Reserve Fund Required Amount on the date on which the reserve is constituted; not later than 5 business days prior to each Guarantor Payment Date, the Issuer shall credit the relevant integration if any, to the Reserve Fund Required Amount, as calculated by the Calculation Agent.

Withdrawals

- (a) On the date on which the purchase price of the relevant Portfolio is to be paid in accordance with the provisions of the Master Transfer Agreement, the Cash Manager shall transfer an amount equal to such purchase price to the Seller, it being understood that the Cash Manager will execute payments for the purchase of any Eligible Assets and Integration Assets funded through the Subordinated Loan in accordance with the provisions of the Master Transfer Agreement;
- (b) no later than 2 Business Days prior to each Guarantor Payment Date, any amounts (other than any amount granted as Subordinated Loan Agreement as per point a) above) standing to the credit of the ISP Payment Account shall be transferred to the General Payment Account;
- (c) 2 Business Days following the relevant CB Payment Date any amounts relating the Liability Swap will be transferred by the Cash Manager to the ISP Investment Account.

**(7) The BDN Payment Account**

Deposits

Banco di Napoli as Receivables Account Bank shall transfer, or procure the transfer of, or the following amounts shall be paid into, the BDN Payment Account:

- (a) 3 (three) Business Days prior to each Guarantor Payment Date:
  - (i) any amounts to be paid by the Asset Hedging Counterparty under the Asset Swaps;
  - (ii) any amounts (to the extent of the Interest Available Funds or Principal Available Funds as the case may be) standing to the credit of the BDN Investment Account;
- (b) 2 Business Days prior to each date on which a purchase price has to be paid under the Master Transfer Agreement, from the BDN Investment Account, an amount equal to the relevant purchase price which shall have to be paid by the Covered Bond Guarantor;
- (c) any drawdown paid by BDN under the Subordinated Loan Agreement.

Withdrawals

- (a) On the date on which the purchase price of the relevant Portfolio is to be paid in accordance with the provisions of the Master Transfer Agreement, the Cash Manager shall transfer an amount equal to such purchase price to the Seller, it being understood that the Cash Manager will execute payments for the purchase of any Eligible Assets and Integration Assets funded through the Subordinated Loan in accordance with the provisions of the Master Transfer Agreement.
- (b) no later than 2 Business Days prior to each Guarantor Payment Date, any amounts standing to the credit of the BDN Payment Account shall be transferred to the General Payment Account.

**(8) The Securities Account**

Deposits

The Account Bank will deposit and keep in the Securities Account all the Eligible Assets and Integration Assets consisting of securities (other than the Eligible Investments), further to the relevant purchase in accordance with the provisions of the Master Transfer Agreement.

Withdrawals

All Eligible Assets and Integration Assets consisting of securities (other than the Eligible Investments) will be (a) liquidated in accordance with the provisions of the Portfolio Administration Agreement, or (b) sold to the relevant Seller in accordance with the Master Transfer Agreement, and the proceeds thereof shall be credited by the Account Bank to the Investment Account.

**(9) The ISP Eligible Investments Account**

Deposits

Intesa Sanpaolo as Receivables Account Bank will deposit all securities constituting Eligible Investments purchased by the Cash Manager on behalf of the Covered Bond Guarantor with the amounts standing to the credit of the ISP Investment Account other than the Reserve Fund Required Amount in the ISP Eligible Investments Account pursuant to any order of the Cash Manager.

Withdrawals

- (a) No later than 6 Business Days prior to each Guarantor Payment Date, all the Eligible Investments standing to the credit of the ISP Eligible Investments Account will be liquidated and proceeds thereof shall be credited to the ISP Investment Account;
- (b) No later than 6 Business Days prior to each relevant CB Payment Date falling after the occurrence of an Issuer Event of Default or an Article 74 Event and service of an Article 74 Notice to Pay (which has not been withdrawn), all the Eligible Investments standing to the credit of the ISP Eligible Investments Account will be liquidated and proceeds thereof shall be credited by Intesa Sanpaolo as Receivables Account Bank to the ISP Investment Account.

**(10) The BDN Eligible Investments Account**

Deposits

Banco di Napoli as Receivables Account Bank will deposit all securities constituting Eligible Investments purchased by the Cash Manager on behalf of the Covered Bond Guarantor with the amounts standing to the credit of the BDN Investment Account in the BDN Eligible Investments Account pursuant to any order of the Cash Manager.

Withdrawals

- (a) No later than 6 Business Days prior to each Guarantor Payment Date, all the BDN Eligible Investments standing to the credit of the BDN Eligible Investments Account will be liquidated and proceeds thereof shall be credited to the BDN Investment Account;
- (b) No later than 6 Business Days prior to each relevant CB Payment Date falling after the occurrence of an Issuer Event of Default or an Article 74 Event and service of an Article 74 Notice to Pay (which has not been withdrawn), all the Eligible Investments standing to the credit of the BDN Eligible Investments Account will be liquidated and proceeds thereof shall be credited by Banco di Napoli as Receivables Account Bank to the BDN Investment Account.

**(11) The Quota Capital Account**

Deposits

All the sums contributed by the Quotaholders as quota capital of the Covered Bond Guarantor and all interest accrued from time to time thereon.

Withdrawals

Upon liquidation of the Covered Bond Guarantor, all sums standing to the credit of the Quota Capital Account shall be distributed in accordance with the financial statements prepared by the liquidator of the Covered Bond Guarantor.

**(12) The Expenses Account**

Deposits

The Account Bank shall transfer the following amounts into the Expenses Account:

- (i) no later than 10 Business Days after the First Issue Date, an amount equal to Euro 70,000;
- (ii) on the Guarantor Payment Date falling in February of each calendar year, an amount equal to the Covered Bond Guarantor Disbursement Amount.

Withdrawals

The Account Bank shall utilise, upon the instructions of the Administrative Services Provider, the amounts standing to the credit of the Expenses Account to pay all general expenses incurred in connection with the Programme (the **Expenses**), other than corporate costs and expenses of the Covered Bond Guarantor.

On the 4th Business Day prior to each Guarantor Payment Date, the Account Bank shall transfer to the Investment Account all amounts of interest accrued and credited to the Expenses Account.

**(13) The Corporate Account**

Deposits

The Account Bank shall transfer the following amounts into the Corporate Account:

- (i) no later than 10 Business Days after the First Issue Date an amount equal to Euro 30,000;
- (ii) on the Guarantor Payment Date falling in February of each calendar year, an amount equal to the Covered Bond Guarantor Retention Amount.

Withdrawals

The Account Bank shall utilise, upon the instructions of the Administrative Services Provider, the amounts standing to the credit of the Corporate Account to pay all the corporate expenses which are due and payable from time to time.

On the 4th Business Day prior to each Guarantor Payment Date, the Account Bank shall transfer to the Investment Account all amounts of interest accrued and credited to the Corporate Account.

**(14) The General Payment Account**

Deposits

The General Account Bank shall transfer, or procure the transfer of, or the following amounts shall be paid into, the General Payment Account:

- (a) no later than 2 Business Days prior to each Guarantor Payment Date:
  - (i) any amount standing to the credit of the Payment Accounts;
- (b) 2 Business Days prior to each CB Payment Date falling after the occurrence of an Issuer Event of Default or an Article 74 Event and service of an Article 74 Notice to Pay (which has not been withdrawn), from the ISP Investment Account, any amount to be paid under the Covered Bonds on such CB Payment Date.

Withdrawals

- (a) On each Guarantor Payment Date, the Cash Manager will execute payments or credit the relevant amounts in accordance with the relevant Priorities of Payments (including the purchase price of Eligible Assets and Integration Assets funded through Available Funds), provided that on the Business Day immediately following each Guarantor Payment Date, any remaining amount will be transferred to the ISP and BDN Investment Accounts and the other Investment Accounts open with any Additional Receivables Account Bank (in respective amounts as determined by the Calculation Agent and indicated in the Payments Report);
- (b) 1 Business Day prior to each CB Payment Date (or on each CB Payment Date, if so agreed between the Issuer, the Covered Bond Guarantor and the Paying Agent) falling after an Issuer Event of Default, an Article 74 Event and service of an Article 74 Notice to Pay (which has not been withdrawn) or a Covered Bond Guarantor Event of Default, the Cash Manager will transfer to the Paying Agent the amounts necessary to execute payments of interest and principal due in relation to

the outstanding Covered Bonds in accordance with the Post-Issuer Default Priority of Payments or Post-Guarantor Default Priority of Payments (as the case may be);

- (c) 2 Business Days following the relevant Guarantor Payment Date, any amount in excess, after payments of the amounts mentioned above, will be transferred by the Cash Manager to the ISP and BDN Investment Accounts and the other Investment Accounts open with any Additional Receivables Account Bank (in respective amounts as determined by the Calculation Agent and indicated in the Payments Report).”

\* \* \*

Under paragraph “Cash Flows” the sections “Pre-Issuer Default Interest Priority of Payments”, “Post-Issuer Default Priority of Payments” and “Post-Guarantor Default Priority of Payments”, on page 142 to 146 of the Base Prospectus, are modified as follows:

### “CASH FLOWS

This section summarises the cash flows of the Covered Bond Guarantor only, as to the allocation and distribution of amounts standing to the credit of the Accounts and their order of priority (all such orders of priority, the **Priority of Payments**) (a) prior to an Issuer Event of Default and a Covered Bond Guarantor Event of Default, (b) following an Issuer Event of Default but prior to a Covered Bond Guarantor Event of Default and (c) following a Covered Bond Guarantor Event of Default.

#### 1. Pre-Issuer Default Interest Priority of Payments

On each Guarantor Payment Date, prior to the service of an Article 74 Notice to Pay or a Notice to Pay (or following the withdrawal of an Article 74 Notice to Pay), the Covered Bond Guarantor will use Interest Available Funds to make payments due on such Guarantor Payment Date or to make provisions towards payments due after such Guarantor Payment Date in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full) (the **Pre-Issuer Default Interest Priority of Payments**):

- (i) *first*, to pay *pari passu* and *pro rata* according to the respective amounts thereof any and all taxes due and payable by the Covered Bond Guarantor;
- (ii) *second*, *pari passu* and *pro rata* according to the respective amounts thereof (a) to pay any Covered Bond Guarantor’s documented fees, costs, expenses, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation and any other obligation relating to the Programme, to the extent that such costs and expenses are not to be paid under any other item ranking junior hereto and/or are not met by utilising any amounts standing to the credit of the Expenses Account and/or the Corporate Account and (b) to credit the Covered Bond Guarantor Disbursement Amount into the Expenses Account and the Covered Bond Guarantor Retention Amount into the Corporate Account;
- (iii) *third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable (including fees, costs and expenses) to the Representative of the Covered Bondholders, the Account Bank, the Cash Manager, the Calculation Agent, the Administrative Services Provider, the Asset Monitor, the Paying Agent, the Receivables Account Banks, the Master Servicer, the Servicers, the Swap Service Providers and the Special Servicers;
- (iv) *fourth*, *pari passu* and *pro rata* according to the respective amounts thereof (a) to pay any Hedging Senior Payments, other than in respect of principal, due and payable on such Guarantor Payment Date, under the Asset Swaps, if any or applicable, (b) to pay any Hedging Senior Payment, other than in respect of principal, due and payable on such Guarantor Payment Date under the Liability Swaps, if any or applicable;
- (v) *fifth*, to credit to the ISP Investment Account an amount equal to the Reserve Fund Required Amount;
- (vi) *sixth*, to credit to the Investment Account an amount equal to the amounts paid under item (i) of the Pre-Issuer Default Principal Priority of Payments on any preceding Guarantor Payment Date and not yet repaid;
- (vii) *seventh*, if a Servicer Termination Event has occurred, to credit all remaining Interest Available Funds to the Investment Account until such Servicer Termination Event is either remedied by the Servicer or waived by the Representative of the Covered Bondholders or a new servicer is appointed to service the Portfolio;
- (viii) *eighth*, if any of the Tests is not satisfied on the Calculation Date immediately preceding the relevant Guarantor Payment Date or an Issuer Event of Default or a Covered Bond Guarantor Event of



Default has occurred on or prior to such Guarantor Payment Date or the Issuer has not paid interest and principal due on the CB Payment Dates falling in the immediately preceding Guarantor Interest Period or on the relevant Guarantor Payment Date, to credit all remaining Interest Available Funds to the Investment Account until the following Guarantor Payment Date;

- (ix) *ninth*, to pay any amount arising out of any termination event under any Swap Agreements not provided for under item (iv) above;
- (x) *tenth*, to pay any other amount due and payable to the Sellers, the Additional Sellers (if any) or the Issuer under any Transaction Document (other than the Subordinated Loan Agreement);
- (xi) *eleventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable as Base Interest Amount under the Subordinated Loans;
- (xii) *twelfth*, to pay any Additional Interest Amount under the Subordinated Loans.

### **3. Post-Issuer Default Priority of Payments**

On each Guarantor Payment Date, following either an Article 74 Notice to Pay (which has not been withdrawn) or an Issuer Event of Default, but prior to the occurrence of a Covered Bond Guarantor Event of Default, the Covered Bond Guarantor will use the Available Funds, to make payments due on such Guarantor Payment Date or to make provisions towards payments due after such Guarantor Payment Date in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full) (the **Post-Issuer Default Priority of Payments**):

- (i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any expenses and taxes, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation;
- (ii) *second*, *pari passu* and *pro rata* according to the respective amounts thereof (a) to pay any amount due and payable to the Representative of the Covered Bondholders, the Account Bank, the Cash Manager, the Administrative Services Provider, the Calculation Agent, the Asset Monitor, the Portfolio Manager, the Paying Agent, the Receivables Account Banks, the Servicers, the Master Servicer, the Swap Service Providers and the Special Servicers, and (b) to credit the Covered Bond Guarantor Disbursement Amount into the Expenses Account and the Covered Bond Guarantor Retention Amount into the Corporate Account;
- (iii) *third*, *pari passu* and *pro rata* according to the respective amounts thereof (a) to pay any Hedging Senior Payment, other than in respect of principal, due and payable on such Guarantor Payment Date, under the Asset Swaps, (b) to pay any Hedging Senior Payment, other than in respect of principal, due and payable on such Guarantor Payment Date under the Liability Swaps, where the Issuer does not serve as Hedging Counterparty, and (c) to pay any interest amount due and payable on each Series of Covered Bonds on each CB Payment Date falling on such Guarantor Payment Date or to credit to the Investment Account an amount equal to the Interest Accumulation Amount, to be used for any interest payment due on the CB Payment Dates falling during the immediately following Guarantor Interest Period (except if the relevant CB Payment Date falls on the first day of such immediately following Guarantor Interest Period), in respect of any Series of Covered Bonds;
- (iv) *fourth*, *pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay any Hedging Senior Payment in respect of principal due and payable on such Guarantor Payment Date under the Asset Swaps, (b) to pay any Hedging Senior Payment, in respect of principal, due and payable on such Guarantor Payment Date under the Liability Swaps (if any) or to credit to the Investment Account an amount equal to the Liability Swap Principal Accumulation Amount to be used for Hedging Senior Payments under the Liability Swaps (if any) during the next following Guarantor Interest Period, and (c) to pay any amount in respect of principal due and payable on each Series of Covered Bonds on each CB Payment Date falling on such Guarantor Payment Date or to credit to the Investment Account any amount in respect of principal to be paid on each CB Payment Dates falling during the next following Guarantor Interest Period;

- (v) *fifth*, to deposit on the Investment Account any residual amount until all Covered Bonds are fully repaid or an amount equal to the Required Redemption Amount for each Series of Covered Bonds outstanding has been accumulated;
- (vi) *sixth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount arising out of any termination event under any Swap Agreement not provided for under items (iii) and (iv) above;
- (vii) *seventh*, to the extent that all the Covered Bonds issued under any Series have been repaid in full or an amount equal to the Required Redemption Amount for each Series of Covered Bonds outstanding has been accumulated, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due and payable to the Sellers, the Additional Sellers (if any) or the Issuer under any Transaction Document (other than the Subordinated Loan Agreement);
- (viii) *eighth*, to the extent that all the Covered Bonds issued under any Series have been repaid in full or an amount equal to the Required Redemption Amount for each Series of Covered Bonds outstanding has been accumulated, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due as Base Interest Amount under the Subordinated Loans;
- (ix) *ninth*, to the extent that all the Covered Bonds issued under any Series have been repaid in full or an amount equal to the Required Redemption Amount for each Series of Covered Bonds outstanding has been accumulated, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due as principal under the Subordinated Loans;
- (x) *tenth*, to the extent that all the Covered Bonds issued under any Series have been repaid in full or an amount equal to the Required Redemption Amount for each Series of Covered Bonds outstanding has been accumulated, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due as Additional Interest Amount under the Subordinated Loans.

#### **4. Post-Guarantor Default Priority of Payments**

On each Guarantor Payment Date, following a Covered Bond Guarantor Event of Default, the Representative of the Covered Bondholders (or a receiver appointed on its behalf) will use the Available Funds to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full) (the **Post-Guarantor Default Priority of Payments**):

- (i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any expenses and taxes;
- (ii) *second*, *pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay any amounts due and payable to the Representative of the Covered Bondholders, the Account Bank, the Cash Manager, the Calculation Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Receivables Account Banks, the Servicers, the Master Servicer, the Swap Service Providers and the Special Servicers, and (b) to credit an amount up to the Covered Bond Guarantor Disbursement Amount into the Expenses Account and the Covered Bond Guarantor Retention Amount into the Corporate Account;
- (iii) *third*, *pari passu* and *pro rata* according to the respective amounts thereof (a) to pay any Hedging Senior Payment, other than in respect of principal, due and payable on such Guarantor Payment Date, under the Asset Swaps, (b) to pay any Hedging Senior Payments, other than in respect of principal, due and payable on such Guarantor Payment Date under the Liability Swaps where the Issuer does not serve as Hedging Counterparty and (c) to pay any amount, other than in respect of principal, due and payable on each Series of Covered Bonds;
- (iv) *fourth*, *pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay any Hedging Senior Payment in respect of principal due and payable on such Guarantor Payment Date, under the Asset Swaps, (b) to pay any amount in respect of principal due and payable under each Series of Covered Bonds on such Guarantor Payment Date and (c) to pay any Hedging Senior Payments in

respect of principal due and payable on such Guarantor Payment Date under the Liability Swaps (if any);

- (v) *fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount arising out of any termination event under any Swap Agreements not provided for under items (iii) and (iv) above;
  - (vi) *sixth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due and payable to the Sellers, the Additional Sellers (if any) or the Issuer under any Transaction Document (other than the Subordinated Loan Agreement);
  - (vii) *seventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due as Base Interest Amount under the Subordinated Loans;
  - (viii) *eighth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amounts due as principal under the Subordinated Loans;
- ninth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due as Additional Interest Amount under the Subordinated Loans.”

## DESCRIPTION OF THE TRANSACTION DOCUMENTS

Paragraph headed “*Cash Management and Agency Agreement*” under section “*Description of the Transaction Documents*” at pages 156 to 159 is replaced by the following:

“Pursuant to the Cash Management and Agency Agreement the Receivables Account Banks, the Account Bank, the Cash Manager, the Paying Agent, the Luxembourg Listing Agent, the Servicers, the Administrative Services Provider and the Calculation Agent will provide the Covered Bond Guarantor with certain calculation, notification and reporting services together with account handling and cash management services in relation to monies from time to time standing to the credit of the Accounts. On 28 November 2012, on 23 May 2013 and 26 May 2014, the Covered Bond Guarantor has appointed Cassa di Risparmio del Veneto, Banca dell'Adriatico and Cassa di Risparmio in Bologna, respectively, as Additional Receivables Account Bank and Cassa di Risparmio del Veneto, Banca dell'Adriatico and Cassa di Risparmio in Bologna have acceded to the Cash Management and Agency Agreement each as Additional Seller, Additional Servicer, Additional Receivables Account Bank, Additional Subordinated Loan Provider and Asset Hedging Counterparty.

In particular, under the Cash Management and Agency Agreement:

- (i) the Receivables Account Banks will provide, *inter alia*, the Covered Bond Guarantor with account handling services in relation to monies from time to time standing to the credit of the Receivables Account Bank Accounts;
- (ii) the Account Bank will provide, *inter alia*, the Covered Bond Guarantor with account handling services in relation to monies from time to time standing to the credit of the Other Accounts;
- (iii) the Cash Manager will provide, *inter alia*, the Covered Bond Guarantor with a report (on or prior to each Quarterly Report Date), together with certain cash management services in relation to monies standing to the credit of the Accounts;
- (iv) the Calculation Agent will provide, *inter alia*, the Covered Bond Guarantor: (i) with the Payments Report, which will set out the Available Funds and the payments to be made on the immediately succeeding Guarantor Payment Date in accordance with the applicable Priorities of Payments; and (ii) with the Investor Report, which will set out certain information with respect to the Portfolio and the Covered Bonds;
- (v) the Paying Agent will provide the Issuer and the Covered Bond Guarantor with certain payment services.

### *Receivables Account Banks and Account Bank*

The Receivables Account Bank Accounts will be opened in the name of the Covered Bond Guarantor and shall be operated by the Receivables Account Banks and the Other Accounts will be opened in the name of the Covered Bond Guarantor and shall be operated by the Account Bank, and the amounts standing to the credit thereof shall be debited and credited in accordance with the provisions of the Cash Management and Agency Agreement.

Pursuant to the Cash Management and Agency Agreement, it is a necessary requirement that the Receivables Account Banks shall always maintain the Minimum Required Receivables Account Bank Rating provided for under the Cash Management and Agency Agreement, provided that failure by a Receivables Account Bank to so qualify, shall trigger certain consequences described in the Cash Management and Agency Agreement, and no termination event in respect of such Receivables Account Bank (but only limited to the Receivables Collection Account) shall occur if Intesa Sanpaolo or the relevant Receivables Account Bank complies with the provisions of the Cash Management and Agency Agreement.

On behalf of the Covered Bond Guarantor, each of the Receivables Account Banks shall maintain or ensure that records in respect of each of the relevant Receivables Account Bank Accounts held by it are maintained and such records will, on or prior to each Quarterly Report Date, show separately: (i) the balance of each of the Receivables Account Bank Accounts as of the immediately preceding Collection Date; (ii) the total

interest accrued and paid on the Receivables Account Bank Accounts as of the immediately preceding Collection Date; and (iii) details of all amounts or securities credited to, and transfers made from, each of the Receivables Account Bank Accounts in the course of the immediately preceding Collection Period. The Receivables Account Banks will provide information to the Covered Bond Guarantor, the Representative of the Covered Bondholders, the Administrative Services Provider and/or the Calculation Agent, upon their request, regarding the balance of the Receivables Account Bank Accounts.

On behalf of the Covered Bond Guarantor, the Account Bank shall maintain or ensure that records in respect of each of the Other Accounts held by it are maintained and such records will, on or prior to each Quarterly Report Date, show separately: (i) the balance of each of the Other Accounts as of the immediately preceding Collection Date; (ii) the total interest accrued and paid on the Other Accounts as of the immediately preceding Collection Date; and (iii) details of all amounts or securities credited to, and transfers made from, each of the Other Accounts in the course of the immediately preceding Collection Period. The Account Bank will provide information to the Covered Bond Guarantor, the Representative of the Covered Bondholders, the Administrative Services Provider and/or the Calculation Agent, upon their request, regarding the balance of the Other Accounts.

Pursuant to the Cash Management and Agency Agreement, it is a necessary requirement that the Account Banks shall always maintain the Minimum Required Account Bank Rating provided for under the Cash Management and Agency Agreement, provided that failure by Intesa Sanpaolo to so qualify shall trigger certain consequences described in the Cash Management and Agency Agreement and no termination event in respect of the Account Bank (but only limited to the Receivables Collection Account) shall occur if Intesa complies with the provisions of the Cash Management and Agency Agreement the Cash Management and Agency Agreement.

Each of the Receivables Account Banks and the Account Bank may resign from its appointment under the Cash Management and Agency Agreement and the Covered Bond Guarantor and the Representative of the Covered Bondholders may jointly terminate the appointment of any of the Receivables Account Banks and the Account Bank pursuant to the terms of the Cash Management and Agency Agreement. Any of the Receivables Account Banks and the Account Bank shall not be released from its obligations under the Cash Management and Agency Agreement until its substitute, to be appointed by the Representative of the Covered Bondholders and the Covered Bond Guarantor jointly, has entered into the Cash Management and Agency Agreement, the Intercreditor Agreement and the Master Definitions Agreement and has accepted the security created under the Pledge Agreement and the Deed of Charge and Assignment.

#### *Cash Manager*

On each Guarantor Payment Date, the Cash Manager shall, subject to receiving the Payments Report from the Calculation Agent, execute the payment instructions stated by the Calculation Agent and shall allocate the amounts standing on the General Payment Account according to the relevant Priorities of Payments, except for the payments to be carried out by the Paying Agent under the outstanding Covered Bonds.

During each Collection Period, the Cash Manager may instruct the Receivables Account Banks to invest funds standing to the credit of the relevant Investment Account in Eligible Investments on behalf of the Covered Bond Guarantor.

Subject to compliance with the definition of Eligible Investments and the other restrictions set out in the Cash Management and Agency Agreement, the Cash Manager shall have absolute discretion as to the types and amounts of Eligible Investments which it may acquire and as to the terms on which, through whom and on which markets, any purchase of Eligible Investments may be effected. As long as each of the Account Bank meets the requirements under the Cash Management and Agency Agreement, and the Collection Accounts and the Investment Account constitute Eligible Investments, the Cash Manager will be under no obligation or duty whatsoever to instruct or consider instructing the Account Banks to invest funds standing to the credit of the Investment Account in any other Eligible Investment.

On or prior to each Quarterly Report Date, the Cash Manager shall deliver a copy of its report to, *inter alios*, the Covered Bond Guarantor, the Representative of the Covered Bondholders, the Rating Agency and the Calculation Agent; such report shall include information on the Eligible Investments.

The Cash Manager may resign from its appointment under the Cash Management and Agency Agreement and the Covered Bond Guarantor and the Representative of the Covered Bondholders may jointly terminate the appointment of the Cash Manager pursuant to the terms of the Cash Management and Agency Agreement. The Cash Manager shall not be released from its obligations under the Cash Management and Agency Agreement until its substitute, to be appointed by the Representative of the Covered Bondholders and the Covered Bond Guarantor jointly, has entered into the Cash Management and Agency Agreement, the Intercreditor Agreement and the Master Definitions Agreement and has accepted the security created under the Pledge Agreement and the Deed of Charge and Assignment.

#### *Calculation Agent*

The Calculation Agent will prepare a Payments Report on each Calculation Date, subject to receipt by it of reports from the Master Servicer, the Cash Manager, the Account Banks, the Receivables Account Banks, the Hedging Counterparties and the Administrative Services Provider, which will set out the Available Funds and payments to be made on the immediately succeeding Guarantor Payment Date in accordance with the applicable Priorities of Payments. Such Payments Report will be available for inspection during normal business hours at the registered office of the Luxembourg Listing Agent.

On or prior to the Investor Report Date, the Calculation Agent shall prepare and deliver to the Issuer, the Covered Bond Guarantor, the Representative of the Covered Bondholders, the Servicers, the Administrative Services Provider, the Luxembourg Listing Agent, the Rating Agency and the Cash Manager, the Investor Report in electronic format setting out certain information with respect to the Portfolio and the Covered Bonds.

On the Business Day prior to each Calculation Date and on any other date on which the verifications of the Tests is required pursuant to the Transaction Documents, the Calculation Agent will prepare the Asset Cover Report, pursuant to the provisions of the Portfolio Administration Agreement

#### *Paying Agent*

Prior to the delivery of an Article 74 Notice to Pay (or following the relevant withdrawal) or a Notice to Pay, the Paying Agent shall make payments of principal and interest in respect of the Covered Bonds on behalf of the Issuer in accordance with the Conditions, the relevant Final Terms and the Cash Management and Agency Agreement.

Following the delivery of an Article 74 Notice to Pay (which has not been withdrawn), a Notice to Pay or a Covered Bond Guarantor Acceleration Notice, the Account Bank, shall make payments of principal and interest, in accordance with the Covered Bond Guarantee, the relevant Priorities of Payments and the relevant provisions of the Cash Management and Agency Agreement.

Pursuant to the Cash Management and Agency Agreement, it is a necessary requirement that the Paying Agent shall always maintain the Minimum Required Paying Agent Rating provided for under the Cash Management and Agency Agreement, and failure to so qualify shall constitute a termination event thereunder.

#### *Luxembourg Listing Agent*

The Luxembourg Listing Agent will, upon and in accordance with the written instructions of the Issuer and, after the occurrence of an Issuer Event of Default, the Covered Bond Guarantor or, following the occurrence of a Covered Bond Guarantor Event of Default, the Representative of the Covered Bondholders received at least 5 (five) calendar days before the proposed publication date, arrange for publication of any supplement to this Base Prospectus and any notice which is to be given to the Covered Bondholders by publication in the Luxembourg Stock Exchange website or alternatively in a newspaper having general circulation in Luxembourg – or by any other means time to time acceptable by the Luxembourg Stock Exchange – and will maintain one copy thereof at its address and will supply a copy thereof to the Issuer, Paying Agent, Monte Titoli and, if applicable, the Luxembourg Stock Exchange.

The Luxembourg Listing Agent will (a) promptly forward to the Issuer, the Paying Agent, the Administrative Services Provider, the Representative of the Covered Bondholders and the Covered Bond Guarantor a copy of any notice or communication addressed to the Covered Bond Guarantor or the Issuer by any Covered

Bondholders and which is received by the Luxembourg Listing Agent; (b) make available to the Issuer, the Covered Bond Guarantor and the Paying Agent such information in its possession as is reasonably required for the maintenance of the records in respect of all the Accounts; (c) comply with the listing rules of the Luxembourg Stock Exchange in connection with the Programme; and (d) promptly inform the Covered Bond Guarantor of any fact which may affect its duties in connection with the Programme.

#### *Termination*

Upon the occurrence of certain events, the Account Bank, the Receivables Account Banks or the Paying Agent ceasing to maintain the respective Minimum Required Ratings (it being understood that, if Intesa Sanpaolo ceases to have the Minimum Required Account Bank Rating, no Termination Event in respect of Intesa Sanpaolo shall occur if Intesa Sanpaolo fully, duly and timely complies with the provisions of the Cash Management and Agency Agreement), either the Issuer (only prior to the occurrence of an Issuer Event of Default and with respect to certain agents only), the Representative of the Covered Bondholders or the Covered Bond Guarantor, provided that (in the case of the Covered Bond Guarantor) the Representative of the Covered Bondholders consents in writing to such termination, may terminate the appointment of the Receivables Account Banks, the Account Bank, the Cash Manager, the Paying Agent, the Luxembourg Listing Agent and the Calculation Agent, as the case may be, under the terms of the Cash Management and Agency Agreement.

#### *Governing Law*

The Cash Management and Agency Agreement, and any non-contractual obligations arising out of or in connection with the Cash Management and Agency Agreement, is governed by Italian law.”

### **SELECTED ASPECTS OF ITALIAN LAW**

Under Section “*Eligibility criteria of the assets and limits to the assignment of assets*” on page 166 of the Base Prospectus, third paragraph, is modified as follows:

The BoI OBG Regulations set out certain requirements for banks belonging to banking groups with respect to the issuance of covered bonds to be met at the time of the relevant issuance:

- (i) own funds (*fondi propri*) of not less than Euro 250,000,000.00; and
- (ii) a total capital ratio on a consolidated basis of not less than 9 per cent.



## TERMS AND CONDITIONS OF THE COVERED BONDS

Under paragraph 1 (*Introduction*), subparagraph (a) (*The Programme*) on page 175 of the Base Prospectus is modified as follows (the underlined words show the insertion made and the strikethrough words show the deletion made):

### “1 Introduction

- (a) *The Programme*: Intesa Sanpaolo (the **Issuer**) has established on the Programme Date a Covered Bond Programme (the **Programme**) for the issuance of up to an aggregate principal amount of €30,000,000,000 covered bonds (the **Covered Bonds**) guaranteed by ISP OBG S.r.l. (the **Covered Bond Guarantor**). Covered Bonds are and will be issued pursuant to Article 7-*bis* of Law No. 130 of 30 April 1999 (as amended and/or supplemented from time to time, **Law 130**), the Decree of the Ministry for the Economy and Finance of 14 December 2006 No. 310 (the **MEF Decree**) and the supervisory instructions of the Bank of Italy relating to covered bonds under ~~Title V~~ Part III, Section 3, of the 85<sup>th</sup> update to circular n. ~~263285~~ 2717 dated ~~2717~~ December 20062013, containing the "~~Nuove disposizioni~~ Disposizioni di vigilanza prudenziali per le banche" as further implemented and amended (the **BoI OBG Regulations** and, jointly with Law 130 and the MEF Decree, the **OBG Regulations**).”

\* \* \*

On page 181 of the Base Prospectus, the following definition is included after the definition of “*Day Count Fraction*”:

“**DBRS** means DBRS Rating Limited.”

\* \* \*

On page 181 of the Base Prospectus, the following definition is included after the definition of “*Eligible Assets*”:

“**EMIR Regulation** means the Regulation (EU) 648/2012 of the European Parliament and Council dated 4 July 2012 on OTC derivatives, central counterparties and trade repositories, as supplemented by the relevant delegated regulations, as amended from time to time.”

\* \* \*

The definition of “*Hedging Senior Payment*” on page 182 of the Base Prospectus is modified as follows (the strikethrough words show the deletion made):

“**Hedging Senior Payment** means, on any relevant date, any interest and/or principal payment due under any Asset Swap or Liability Swap, as the case may be, including any termination payment arising out of a termination event, other than termination payments where the relevant Hedging Counterparty is the defaulting party or the sole affected party, but including, in any event, the amount of any termination payment due and payable to the relevant Hedging Counterparty in relation to the termination of the relevant swap transactions to the extent of any premium received (net of any costs reasonably incurred by the Covered Bond Guarantor to find a replacement swap counterparty), if any, by the Covered Bond Guarantor from a replacement swap counterparty in consideration for entering into swap transactions with the Covered Bond Guarantor on the same terms as the relevant Asset Swaps or Liability Swaps. ~~With respect to the Additional Provisions Mark to Market Payment in the Asset Swaps, any payment under this clause will be part of the Hedging Senior Payments for an amount up to the positive difference on each Guarantor Payment Date between the purchase price paid by any purchaser/s of the Selected Asset and the Outstanding Principal Balance of the Eligible Assets and Integration Assets sold to such purchaser/s~~”

\* \* \*

On page 184 of the Base Prospectus, the following definition is included after the definition of “*ISDA Definitions*”:

“**ISGS** means Intesa Sanpaolo Group Services S.c.p.A., a limited liability consortium (*società consortile per azioni*), whose registered office is in Piazza San Carlo 156, Turin, registered in the Register of Enterprises of Turin with no. 07975420154, VAT number 04932231006, belonging to the Intesa Sanpaolo Group, subject to the direction and coordination (*direzione e coordinamento*), pursuant to Article 2497-bis of the Italian Civil Code, of Intesa Sanpaolo S.p.A.”

\* \* \*

The definition of “*Italian Law Transaction Documents*” on page 184 of the Base Prospectus is modified as follows (the underlined words show the insertion made):

“**Italian Law Transaction Documents** means the Master Transfer Agreement and each Transfer Agreement entered into in accordance with the provisions thereof, the Servicing Agreement, the Administrative Services Agreement, the Subordinated Loan Agreements, the Covered Bond Guarantee, the Portfolio Administration Agreement, the Dealer Agreement, each Subscription Agreement, the Asset Monitor Agreement, the Cash Management and Agency Agreement, the Intercreditor Agreement, the Quotaholders’ Agreement, the Pledge Agreement, the Master Definitions Agreement, the Swap Service Agreements, the Conditions, the Final Terms and any document or agreement governed by Italian law which supplements, amends or restates the content of any of those documents and any other document governed by Italian law designated as such by the Issuer, the Covered Bond Guarantor and the Representative of the Covered Bondholders.”

\* \* \*

On page 186 of the Base Prospectus, the following definition is included after the definition of “*Rate of Interest*”:

“**Rating Agency** means DBRS, to the extent that, at the relevant time, it provides ratings in respect of the then outstanding Covered Bonds.”

\* \* \*

The definition of “*Secured Creditors*” on page 188 of the Base Prospectus is modified as follows (the underlined words show the insertion made):

“**Secured Creditors** means, collectively, the Covered Bondholders, the Representative of the Covered Bondholders, the Issuer, the Sellers, the Subordinated Loan Providers, the Servicers, the Master Servicer, the Special Servicer, the Administrative Services Provider, the Account Bank, the Receivables Account Banks, the Paying Agent, the Luxembourg Listing Agent, the Hedging Counterparties, the Swap Service Providers, the Cash Manager, the Asset Monitor, the Calculation Agent, the Dealers and any other entity acceding to the Intercreditor Agreement.”

\* \* \*

On page 190 of the Base Prospectus, the following definitions are included after the definition of “*Swap Agreements*”:

“**Swap Service Agreements** means certain mandate agreements that the Covered Bond Guarantor has entered into and may enter, from time to time, into for the supply to the Covered Bond Guarantor of certain services due under the Swap Agreements pursuant to the EMIR Regulation;

**Swap Service Providers** means Intesa Sanpaolo, Banco di Napoli, Cassa di Risparmio del Veneto, Banca dell’Adriatico, Cassa di Risparmio in Bologna and ISGS and any other party that has entered or will enter, from time to time, into a Swap Service Agreement.”

\* \* \*

The Condition 8 (*Redemption and Purchase*) section (k) (*Legislative Exchange*) on page 197 of the Base Prospectus is modified as follows (the underlined words show the insertion made):

“(k) *Legislative Exchange*: Following the coming into force in Italy, at any time after the Issue Date, of (i) any legislation similar to the OBG Regulation in force in any other European Union country or (ii) any rules, regulations or guidelines published by any governmental authority that provides for bonds issued by Italian issuers to qualify for the same benefits available to covered bonds issued under covered bond legislation in force in any other European Union country, the Issuer may, at its option and without the consent of the Representative of the Covered Bondholders, exchange all (but not some only) of the Covered Bonds of all Series or Tranche then outstanding (the **Existing Covered Bonds**) for new Covered Bonds which qualify as covered bonds under such new legislation, rules, regulations or guidelines (the **New Covered Bonds**) on the same economic terms and conditions as the Existing Covered Bonds (the **Legislative Exchange**) if not more than 60 nor less than 30 days’ notice to the Covered Bondholders (in accordance with Condition 18 (*Notices*)) and the Representative of the Covered Bondholders is given and provided that:

- (i) on the date on which such notice expires the Issuer delivers to the Representative of the Covered Bondholders a certificate signed by two authorised signatories of each of the Issuer and the Covered Bond Guarantor confirming that, in the case of the Issuer, no Issuer Event of Default and, in the case of the Covered Bond Guarantor, no Covered Bond Guarantor Event of Default, has occurred which is continuing;
- (ii) the New Covered Bonds will be assigned the same ratings as are then applicable to the Existing Covered Bonds; and
- (iii) if the Existing Covered Bonds are listed, quoted and/or traded on or by a competent and/or relevant listing authority, stock exchange and/or quotation system on or before the date on which such notice expires, the Issuer delivers to the Representative of the Covered Bondholders a certificate signed by two authorised signatories of the Issuer confirming that all applicable rules of such competent and/or relevant listing authority, stock exchange and/or quotation system have been or will be complied with.

The Existing Covered Bonds will be cancelled concurrently with the issue of the New Covered Bonds and with effect on and from the date of issue thereof all references herein to Covered Bonds shall be deemed to be references to the New Covered Bonds.”

\* \* \*

The Condition 10 (*Taxation*) paragraph (b) (*Taxing jurisdiction*) on page 200 of the Base Prospectus is modified as follows (the underlined words show the insertion made):

“(b) *Taxing jurisdiction*: If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction. For the avoidance of doubt, the Issuer will have no obligation to pay additional amounts in respect of the Covered Bonds for any amounts required to be withheld or deducted pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or official interpretations thereof or any law implementing an intergovernmental approach thereto.”

\* \* \*

After paragraph (b) (*Taxing jurisdiction*) on page 200 of the Base Prospectus the following paragraph is included:

“(c) *No Gross-up by the Guarantor*: If withholding of, or deduction of any present or future taxes, duties, assessments or charges of whatever nature is imposed by or on behalf of Italy, any authority therein or thereof having power to tax, the Covered Bond Guarantor will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Covered Bondholders, as the case may be, and shall not be obliged to pay any additional amounts to the Covered Bondholders.”

\* \* \*

The Condition 11 (*Article 74 Event and Events of Default*) section (d) (*Covered Bond Guarantor Events of Default*) (i) (*Non-Payment*) on page 202 of the Base Prospectus is modified as follows (the underlined words show the insertion made and the strikethrough words show the deletion made):

“(i) *Non-payment*: non-payment by the Covered Bond Guarantor of principal and/or interest in respect of the relevant Series or Tranche of Covered Bonds in accordance with the Covered Bond Guarantee, subject to a ~~157~~ day cure period in respect of principal or redemption amounts and a ~~3014~~ day cure period in respect of interest amounts or non-setting aside for payment of costs or amounts due to any Hedging Counterparties.”

\* \* \*

Under paragraph 16 (*Substitution of the Issuer*) on page 204 of the Base Prospectus, the third subparagraph is modified as follows (the underlined words show the insertion made):

“Any such substitution, Approved Reorganisation or consolidation, merger or amalgamation shall be notified to the Covered Bondholders in accordance with Condition 18 (*Notices*) and to the Rating Agency. In the case of a substitution, the relevant Issuer shall notify the Luxembourg Stock Exchange thereof and prepare, or procure the preparation of, a supplement to the Base Prospectus in respect of the Programme.”

## RULES OF THE ORGANISATION OF THE COVERED BONDHOLDERS

Paragraph 27.5 (*Consents given by Representative of the Covered Bondholders*) on page 222 of the Base Prospectus is modified as follows:

### **“27.5 Consents given by Representative of the Covered Bondholders**

Any consent or approval given by the Representative of the Covered Bondholders under these Rules and any other Transaction Document shall be notified to the Rating Agency and may be given on such terms and subject to such conditions (if any) as the Representative of the Covered Bondholders deems appropriate and, notwithstanding anything to the contrary contained in the Rules or in the Transaction Documents, such consent or approval may be given retrospectively.”

\* \* \*

On page 226 of the Base Prospectus, the following paragraph is included after the definition of “*Certificates of parties to Transaction Documents*”:

### **“29.7 Rating Agency**

The Representative of the Covered Bondholder shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interests of the holders of Covered Bonds of any Series or of all Series for the time being outstanding if the then current rating of the Covered Bonds of any such Series or all such Series (as the case may be) would not be adversely affected by such exercise, or if, after having given prior written notice to the Rating Agency of the proposed action, it results that the Rating Agency has no comments with regard to the proposed action provided that the Rating Agency will be under no obligation to provide any rating confirmation in this respect. If the Representative of the Covered Bondholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the views of the Rating Agency as to how a specific act would affect any outstanding rating of the Covered Bonds, the Representative of the Covered Bondholders may inform the Issuer, which will then obtain such views at its expense on behalf of the Representative of the Covered Bondholders or the Representative of the Covered Bondholders may seek and obtain such views itself at the cost of the Issuer.”

\* \* \*

Under paragraph 30 (*Amendments and Modifications*), subparagraph 30.3 on page 226 of the Base Prospectus is modified as follows:

“30.3 In establishing whether an error is established as such, the Representative of the Covered Bondholders may have regard to any evidence on which the Representative of the Covered Bondholders considers reasonable to rely on, and may, but shall not be obliged to, have regard to all or any of the following:

30.3.1 a certificate from a Relevant Dealer, stating the intention of the parties to the relevant Transaction Document, confirming nothing has been said to, or by, investors or any other parties which is in any way inconsistent with such stated intention and stating the modification to the relevant Transaction Document that is required to reflect such intention;

30.3.2 a prior written notice to the Rating Agency of the envisaged modification, if it has ground to believe that the current rating of the Covered Bonds would not be adversely affected by the envisaged modification, provided that the Rating Agency will be under no obligation to provide any rating confirmation in this respect.”

## TAXATION

Paragraph “*Italian resident Covered Bondholders*” on page 239 of the Base Prospectus is replaced by the following:

### “*Italian resident Covered Bondholders*”

Where an Italian resident Covered Bondholder is (a) an individual not engaged in an entrepreneurial activity to which the Covered Bonds are connected (unless the individual has opted for the application of the “*risparmio gestito*” regimes – see “*Capital Gains Tax*” below), (b) a non-commercial partnership, (c) a non-commercial private or public institution, or (d) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Covered Bonds, accrued during the relevant holding period, are subject to a withholdings tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent (20 per cent. on interest accrued up to 30 June 2014).

In the event that the Covered Bondholders described under (a) or (c) above are engaged in an entrepreneurial activity to which the Covered Bonds are connected, the *imposta sostitutiva* applies as a provisional tax.

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, premium and other income from the Covered Bonds will not be subject to *imposta sostitutiva*, but must be included in the relevant Covered Bondholder’s annual 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 regional tax productive activities (**IRAP**)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 (**Decree 351**), as clarified by the Italian Revenues Agency (*Agenzia delle Entrate*) through Circular No. 47/E of 8 August 2003 and Circular No. 11/E of 28 March 2012, payments of interest, premiums or other proceeds in respect of the Covered Bonds made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 or pursuant to Article 14-bis of Law No. 86 of 25 January 1994, are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a real estate investment fund.

If an investor is resident in Italy and is an open-ended or a closed-ended investment fund or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund or SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the **Fund**), and the relevant Covered Bonds are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Covered Bonds will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund accrued at the end of each tax period. The Fund will not be subject to taxation on such result, but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the **Collective Investment Fund Tax**). For an interim period, in certain circumstances, the Collective Investment Fund Tax may remain applicable at a rate of 20 per cent. for income accrued as of 30 June 2014.

Where an Italian resident Covered Bondholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Covered Bonds are deposited with an authorised intermediary, interest, premium and other income 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 (with certain adjustments for fiscal year 2014 as provided by the Italian stability law for 2015).

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, *Società di intermediazione mobiliare* (SIMs), fiduciary companies, *Società di gestione del risparmio* (SGRs), stockbrokers and other entities identified by a Decree of the Ministry of Economy and Finance (each an **Intermediary**) as subsequently amended and integrated.

An Intermediary must: (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (b) intervene, in any way, in the collection of interest or in the transfer of the Covered Bonds. For the purpose of the application of the *imposta sostitutiva*, a transfer of Covered Bonds includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Covered Bonds or in a change of the Intermediary with which the Covered Bonds are deposited.

Where the Covered Bonds are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Covered Bondholder.”

\* \* \*

Paragraph “*Capital gains tax*” on page 241 of the Base Prospectus is replaced by the following:

“*Capital gains tax*

Any gain obtained from the sale, early redemption or redemption of the Covered Bonds would be treated as part of the taxable income (and, in certain circumstances, depending on the “status” of the Covered Bondholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Covered Bonds are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Covered Bonds are connected.

Where an Italian resident Covered Bondholder is (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, any capital gain realised by such Covered Bondholder from the sale early redemption or redemption of the Covered Bonds would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Covered Bondholders may set off losses with gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity to which the Covered Bonds are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Covered Bondholder holding the Covered Bonds not in connection with an entrepreneurial activity pursuant to all sales, early redemption or redemptions of the Covered Bonds carried out during any given tax year. Italian resident individuals holding the Covered Bonds not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. 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.

As an alternative to the tax declaration regime, Italian resident individual Covered Bondholders holding the Covered Bonds not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale, early redemption or redemption of the Covered Bonds (the *risparmio amministrato* regime provided for by Article 6 of the Legislative Decree No. 461 of 21 November 1997, as a subsequently amended, the **Decree 461**). Such separate taxation of capital gains is allowed subject to (a) the Covered Bonds being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (b) an express and valid election for the *risparmio amministrato* regime being punctually made in writing by the relevant Covered Bondholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale, early redemption or redemption of the Covered Bonds (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Covered Bondholder or

using funds provided by the Covered Bondholder for this purpose. Under the *risparmio amministrato* regime, where a sale, early redemption or redemption of the Covered Bonds results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, 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 the capital gains in the annual tax return. 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.

Any capital gains realised or accrued by Italian resident individuals holding the Covered Bonds not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Covered Bonds, to an authorised intermediary and have validly opted for the so-called *risparmio gestito* regime (regime provided by Article 7 of Decree 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under this *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Covered Bondholder is not required to declare the capital gains realised in the annual tax return. 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.

Any capital gains realised by a Covered Bondholder who is a Fund will be included in the result of the relevant portfolio accrued at the end of the tax period. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a Covered Bondholder who is an Italian real estate fund to which the provisions of Decree 351 as subsequently amended apply will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund.

Any capital gains realised by a Covered Bondholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax (with certain adjustments for fiscal year 2014 as provided by the Italian stability law for 2015).

Capital gains realised by non-Italian-resident Covered Bondholders from the sale, early redemption or redemption of Covered Bonds issued by an Italian resident Issuer are not subject to Italian taxation, provided that the Covered Bonds are traded on regulated markets.

Capital gains realised by non-Italian resident Covered Bondholders from the sale, early redemption or redemption of Covered Bonds not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country which allows for a satisfactory exchange of information with Italy; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of a taxpayer in its own country of residence.

Please note that, according to the Budget Law 2008, a Decree still to be issued will introduce a new “white list”, so as to identify those countries which (a) allow for a satisfactory exchange of information and (b) do not have a more favourable tax regime.

If none of the conditions above are met, capital gains realised by non-Italian resident Covered Bondholders from the sale or redemption of Covered Bonds issued by an Italian resident Issuer are subject to the *imposta sostitutiva* at the current rate of 26 per cent..



In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Covered Bonds are connected, that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale, early redemption 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 the sale, early redemption or redemption of Covered Bonds.”

\* \* \*

Paragraph “*Withholding under the EU Savings Directive*” on page 245 of the Base Prospectus is replaced by the following:

“*Withholding under the EU Savings Directive*

Under Council Directive 2003/48/EC on the taxation of savings income (the **EU Savings Directive**), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The EU Savings Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).”

\* \* \*

Paragraph “*Luxembourg Taxation*” on page 245 of the Base Prospectus is replaced by the following:

### **Luxembourg Taxation**

*The following is a general description of certain Luxembourg withholding tax considerations relating to the Covered Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Covered Bonds, whether in Luxembourg or elsewhere. Prospective purchasers of the Covered Bonds should consult their own tax advisers as to which countries’ tax laws could be relevant to acquiring, holding and/or disposing of the Covered Bonds and receiving payments of interest, principal and/or other amounts under the Covered Bonds and the consequences of such actions under the tax laws of Luxembourg. This information is based on the laws, regulations and administrative and judicial interpretations presently in force in Luxembourg and is subject to any change in law that may take effect after such date.*

*Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.*

#### *Withholding Tax*

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Covered Bonds can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any

political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) with respect to Luxembourg non-resident investors, the application of the Luxembourg laws of 21 June 2005, as amended, (the **Savings Laws**) implementing the EU Savings Directive (Council Directive 2003/48/EC) and several agreements (the **Agreements**) concluded with certain dependent or associated territories of EU Member States (the **Territories**) and providing for the application of a 35% withholding tax on payments of interest or similar income made or ascribed a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity (within the meaning of the Savings Laws) resident in, or established in, an EU Member State (other than Luxembourg) or one of the Territories unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent Luxembourg fiscal authority in order for such information to be communicated to the competent tax authorities of the beneficiary's country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the the Covered Bonds coming within the scope of the Savings Laws will be subject to a withholding tax at a rate of 35%.

Luxembourg has abolished the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive;

- (ii) with respect to Luxembourg resident investors, to the application of the Luxembourg law of 23 December 2005, as amended, (the **Relibi Law**) which has introduced a 10% withholding tax on certain payments of interest made to certain Luxembourg resident individuals.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the Savings Laws) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the the Covered Bonds coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 10 %.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg Savings Laws and Relibi Law is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.”

\* \* \*

Paragraph “*Foreign Account Tax Compliance Act*” on page 247 of the Base Prospectus is replaced by the following:

#### “**Foreign Account Tax Compliance Act**”

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a “foreign financial institution”, or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States account” of the Issuer (a “Recalcitrant Holder”). The Issuer is classified as an FFI and the Guarantor may be classified as FFI.

The new withholding regime is now in effect for payments from sources within the United States and may apply to “**foreign passthru payments**” (a term not yet defined) no earlier than 1 January 2017. This

withholding would potentially apply to payments in respect of (i) any Covered Bonds characterised as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the “**grandfathering date**”, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Covered Bonds characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Covered Bonds are issued on or before the grandfathering date, and additional Covered Bonds of the same series are issued after that date, the additional Covered Bonds may not be treated as grandfathered, which may have negative consequences for the existing Covered Bonds, including a negative impact on market price.

The United States and a number of other jurisdictions have negotiated intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a “**Reporting FI**” not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Italy have entered into an agreement (the **U.S.-Italy IGA**) based largely on the Model 1 IGA.

If the Issuer and Guarantor are treated as Reporting FIs pursuant to the U.S.-Italy IGA they do not anticipate that they will be obliged to deduct any FATCA Withholding on payments they make. There can be no assurance, however, that the Issuer and Guarantor will be treated as Reporting FIs, or that they would in the future not be required to deduct FATCA Withholding from payments they make. Accordingly,, the Issuer, the Guarantor and financial institutions through which payments on the Covered Bonds are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Covered Bonds is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

It is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Covered Bonds by the Issuer, the Guarantor, any paying agent and the depository, given that each of the entities in the payment chain between the Issuer and with the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Covered Bonds.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Covered Bonds.**

#### *The proposed financial transactions tax (FTT)*

On 14 February 2013, the European Commission published a proposal (the **Commission’s Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The Commission’s Proposed has very broad scope and could, if introduced in its current form, apply to certain dealings in Covered Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Covered Bonds should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Covered Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of Covered Bonds are advised to seek their own professional advice in relation to the FTT.”

## GENERAL INFORMATION

Paragraph "*Documents available for inspection*" on page 254 of the Base Prospectus is replaced by the following:

### “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;
- (ii) the Issuer’s memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof;
- (iii) the Covered Bond Guarantor’s memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof;
- (iv) the Issuer’s unaudited condensed consolidated financial statements in respect of the half-year 2014, with auditors’ limited review report;
- (v) the Issuer’s unaudited condensed consolidated interim financial statements as at 31 March 2014;
- (vi) 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 31 December 2013;
- (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 year ended on 31 December 2012;
- (viii) the Covered Bond Guarantor’s unaudited interim condensed financial statements in respect of the half-year 2014 with auditors’ limited review report;
- (ix) the Covered Bond Guarantor’s audited annual financial statements including the auditors’ report thereon in respect of the year ended on 31 December 2013;
- (x) the Covered Bond Guarantor’s audited annual financial statements in respect of the year ended on 31 December 2012 and the relevant auditors’ report;
- (xi) the press release issued by Intesa Sanpaolo on 26 October 2014 and entitled “Intesa Sanpaolo well above comprehensive assessment capital requirements” announcing the conclusions of the comprehensive assessment carried out by the ECB on the Intesa Sanpaolo Group (the **Press Release dated 26 October 2014**);
- (xii) a copy of this Base Prospectus together with any supplement thereto, if any, or further Base Prospectus;
- (xiii) the Terms and Conditions of the Covered Bonds contained in the prospectus dated 29 July 2013, pages 155 to 208 (inclusive), prepared by the Issuer in connection with the Programme;
- (xiv) any reports, letters, balance sheets, valuations and statements of experts included or referred to in the Base Prospectus (other than consent letters);
- (xv) 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 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.”

## DOCUMENTS INCORPORATED BY REFERENCE

The first four paragraphs of section “*Documents incorporated by reference*”, on page 256 of the Base Prospectus, are replaced by the followings:

“This Base Prospectus should be read and construed in conjunction with the following documents, which have been previously published, or are published simultaneously with this Base Prospectus or filed with the CSSF, together, in each case, with the audit reports (if any) thereon:

- (a) the Issuer’s unaudited condensed consolidated interim financial statements as at 30 June 2014;
- (b) the Issuer’s unaudited condensed consolidated interim financial statements as at 31 March 2014;
- (c) 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 31 December 2013;
- (d) 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 31 December 2012;
- (e) the Covered Bond Guarantor’s unaudited condensed interim financial statements as at 30 June 2014 and the relevant auditors’ report;
- (f) the Covered Bond Guarantor’s audited annual financial statements including the auditors’ report thereon in respect of the year ended on 31 December 2013;
- (g) the Covered Bond Guarantor’s audited annual financial statements in respect of the year ended on 31 December 2012 and the relevant auditors’ report;
- (h) the Press Release dated 26 October 2014; and
- (i) the Terms and Conditions of the Covered Bonds contained in the prospectus dated 29 July 2013, pages 155 to 208 (inclusive), prepared by the Issuer in connection with the Programme.

Such documents shall be incorporated by reference into, and form part of, this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference into this Base Prospectus may be obtained from the registered office of the Issuer or, for the Issuer’s unaudited condensed consolidated financial statements in respect of the half-year 2014, with auditor’s limited review report, the Issuer’s unaudited condensed consolidated interim financial statements as at 31 March 2014, the Issuer’s audited consolidated annual financial statements of the Issuer as at and for the years ended on 31 December 2013 and 31 December 2012 and the auditor’s report for the Issuer for the financial years ended on 31 December 2013 and 31 December 2012 and the Press Release dated 26 October 2014 on the Issuer’s website ([http://www.group.intesasanpaolo.com/scriptIsir0/si09/investor\\_relations/eng\\_bilanci\\_relazioni.jsp](http://www.group.intesasanpaolo.com/scriptIsir0/si09/investor_relations/eng_bilanci_relazioni.jsp)). This Base Prospectus and the documents incorporated by reference will also be available on the Luxembourg Stock Exchange’s web site (<http://www.bourse.lu>).

The audited consolidated annual financial statements referred to above, together with the audit reports thereon, the Issuer’s unaudited condensed consolidated financial statements in respect of the half-year 2014 and the Issuer’s unaudited condensed financial statements as at 31 March 2014 are available both in the original Italian language and in English language. The English language versions represent a direct translation from the Italian language documents. The Issuer and the Covered Bond Guarantor, as relevant, are responsible for the English translations of the financial reports incorporated by reference in this Base

Prospectus and declare that such is an accurate and not misleading translation in all material respects of the Italian language version of the Issuer's and Covered Bond Guarantor's financial reports (as applicable).”



## GLOSSARY

On page 262 of the Base Prospectus, the definition of “*BoI OBG Regulations*” is replaced by the following:

“**BoI OBG Regulations** (*Istruzioni di Vigilanza sulle OBG*) means the Supervisory Instructions of the Bank of Italy relating to covered bonds (*Obbligazioni Bancarie Garantite*) under Section 3, Chapter 3 of the 5th update dated 24th June 2014 to Circular n. 285 dated 17 December 2013 containing the “*Disposizioni di vigilanza per le banche*”, as amended and supplemented from time to time.”

\* \* \*

On page 263 of the Base Prospectus, the definition of “*Covered Bond Guarantor Disbursement Amount*” is replaced by the following:

“**Covered Bond Guarantor Disbursement Amount** means on each Guarantor Payment Date, falling in November of each calendar year, the difference between: (i) Euro 450,000 and (ii) any amount standing to the credit of the Expenses Account as at the Calculation Date immediately preceding such Guarantor Payment Date.”

\* \* \*

On page 264 of the Base Prospectus, the following definition is added after the definition of “*Day Count Fraction*”:

“**DBRS** means DBRS Ratings Limited.”

On page 265 of the Base Prospectus, the definition of “*Eligible Investments*” is replaced by the following:

**Eligible Investments** means:

(i) any Public Asset, as defined below, which have a maturity up to 6 Business Days prior to each Guarantor Payment Date; and/or

(ii) (a) any other Euro denominated unsubordinated dematerialised debt securities having the minimum rating as determined by the parties in accordance with the applicable rating methodology to be applicable by the Rating Agency from time to time, being, as at the date hereof:

(A) "BBB (high) " or “R-2 (high)” by DBRS, or

(B) (in the absence of a rating from DBRS) an Equivalent Rating equal (upon conversion on the basis of the DBRS Equivalence Chart) to "BBB (high) or "R-2 (high)", and

which have a maturity of up to 30 calendar days;

(C) "A (low)" or “R-1 (low)” by DBRS or

(D) (in the absence of a rating from DBRS) an Equivalent Rating equal (upon conversion on the basis of the DBRS Equivalence Chart) to "A (low) or "R-1 (low)" and

which have a maturity of up to 90 calendar days;

(E) "A" or “R-1 (low)” by DBRS or

(F) (in the absence of a rating from DBRS) an Equivalent Rating equal (upon conversion on the basis of the DBRS Equivalence Chart) to "A" or "R-1 (low)" and

which have a maturity of up to 180 calendar days;

(G) "A (high)", or "R-1 (middle)" by DBRS or

(H) (in the absence of a rating from DBRS) an Equivalent Rating equal (upon conversion on the basis of the DBRS Equivalence Chart) to "A (high)" or "R-1 (middle)" and

which have a maturity of up to 365 calendar days which may be liquidated without loss within 30 days from a downgrade below "BBB (high)" or "R-2 (high)" by DBRS or (in the absence of a rating from DBRS) an Equivalent Rating equal (upon conversion on the basis of the DBRS Equivalence Chart) to "BBB (high)" or "R-2 (high)" and which qualify as Eligible Assets and/or Integration Asset,

(b) repo transactions, reserve accounts, deposit accounts, and other similar accounts held with a bank having minimum ratings as determined by the parties in accordance with the applicable rating methodology by the Rating Agency from time to time, being, as at the date hereof:

(A) "BBB (high)" or "R-2 (high)" by DBRS, or

(B) (in the absence of a rating from DBRS) an Equivalent Rating equal (upon conversion on the basis of the DBRS Equivalence Chart) to "BBB (high)" or "R-2 (high)", and

which have a maturity of up to 30 calendar days;

(C) "A (low)" or "R-1 (low)" by DBRS or

(D) (in the absence of a rating from DBRS) an Equivalent Rating equal (upon conversion on the basis of the DBRS Equivalence Chart) to "A (low)" or "R-1 (low)" and

which have a maturity of up to 90 calendar days;

(E) "A" or "R-1 (low)" by DBRS or

(F) (in the absence of a rating from DBRS) an Equivalent Rating equal (upon conversion on the basis of the DBRS Equivalence Chart) to "A" or "R-1 (low)" and

which have a maturity of up to 180 calendar days;

(G) "A (high)", or "R-1 (middle)" by DBRS or

(H) (in the absence of a rating from DBRS) an Equivalent Rating equal (upon conversion on the basis of the DBRS Equivalence Chart) to "A (high)" or "R-1 (middle)" and

which have a maturity of up to 365 calendar days;

*provided that :*

- (1) in all cases, such investments provide a fixed principal amount at maturity (or upon disposal or liquidation, as the case may be) at least equal to the principal amount invested;
- (2) in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) securities issued as a part of either the Programme or related transactions, or (ii)

credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any Available Funds in the context of the Programme otherwise be invested in any such instruments at any time, or (iii) asset-backed securities, irrespective of their subordination, status or ranking or (iv) swaps, other derivatives instruments, or synthetic securities, or (v) any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time as being instruments in which funds underlying asset-backed securities eligible as collateral for monetary policy operations sponsored by the European Central Bank may not be invested;

- (3) any such investments shall be liquidated in accordance with the provisions of the Cash Management and Agency Agreement.

For the purposes of paragraph (i) above, "Public Assets" means (i) securities satisfying the requirements set forth under article 2, paragraph 1, letter c) of the MEF Decree, and (ii) loans extended to, or guaranteed by, the public entities set forth under article 2, paragraph 1, letter c) of the MEF Decree or guaranteed (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, para. 1, lett. h) of the MEF Decree), by such public entities.

For the purposes of this definition

**Equivalent Rating** means:

- (a) if a Fitch public rating, a Moody's public rating and an S&P public rating in respect of the relevant security are all available at such date, the middle one of such three ratings, upon their conversion on the basis of the DBRS Equivalence Chart; or
- (b) if the Equivalent Rating cannot be determined under paragraph (1) above, but public ratings of the Eligible Investment by any two of Fitch, Moody's and S&P are available at such date, the lower rating available (upon conversion on the basis of the DBRS Equivalence Chart),

provided that if only one or none of a Fitch public rating, a Moody's public rating and a S&P public rating is available in respect of the relevant security, no Equivalent Rating will exist.

**DBRS Equivalence Chart** means the DBRS rating equivalent of any of the below ratings by Moody's, Fitch or S&P:

Moody's		S&P		Fitch		DBRS	
Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
Aaa		AAA		AAA		AAA	R-1H
Aa1	P-1	AA+		AA+		AA(high)	
Aa2		AA	A-1+	AA	F1+	AA	R-1M
Aa3		AA-		AA-		AA(low)	
A1		A+	A-1	A+	F1	A(high)	R-1L
A2		A		A		A	
A3	P-2	A-	A-2	A-	F2	A(low)	
Baa1		BBB+		BBB+		BBB(high)	R-2H

Baa2	P-3	BBB	A-3	BBB	F3	BBB	R-2M
Baa3		BBB-		BBB		BBB(low)	R2L R3
Ba1		BB+		BB+	B	BB(high)	R-4
Ba2		BB		BB		BB	
Ba3		BB-		BB-		BB(low)	
B1		B+		B+		B(high)	
B2		B		B		B	R-5
B3		B-		B-		B(low)	
Caa1		CCC+		CCC+	C	CCC(high)	
Caa2		CCC		CCC		CCC	
Caa3		CCC-		CCC-		CCC(low)	
C		D		D	I	D	

”

\* \* \*

On page 267 of the Base Prospectus, the following definition is added after the definition of “*Intercreditor Agreement*”:

“**Interest Accumulation Amount** means an amount, (i) prior to the service of a Notice to Pay, funded by the Issuer and (ii) following the service of a Notice to Pay funded by the Guarantor, equal to the sum of interest accruing during the immediately following Guarantor Interest Period and/or due on the CB Payment Dates falling during the immediately following Guarantor Interest Period, in respect to all outstanding Series of Covered Bonds.”

On page 268 of the Base Prospectus, the following definition is added after the definition of “*Investor Report*”:

“**ISGS** means Intesa Sanpaolo Group Services S.c.p.A., a limited liability consortium (*società consortile per azioni*), whose registered office is in Piazza San Carlo 156, Turin, registered in the Register of Enterprises of Turin with no. 07975420154, VAT number 04932231006, belonging to the Intesa Sanpaolo Group, subject to the direction and coordination (*direzione e coordinamento*), pursuant to Article 2497-bis of the Italian Civil Code, of Intesa Sanpaolo S.p.A.”

\* \* \*

On page 269 of the Base Prospectus, the following definition is added after the definition of “*Issue Price*”:

“**Issuer Downgrade Event** means the Issuer being downgraded to ratings as determined to be applicable or agreed by DBRS from time to time, being, at the date hereof, to or below “BBB (low)”.”

\* \* \*

On page 269 of the Base Prospectus, the following definitions are added after the definition of “*MEF Decree*”:

“**Minimum Required Account Bank Rating** means the long term rating as determined with reference to the entity which acts in its capacity as Account Bank (or any institution guaranteeing its obligation on the basis of a guarantee satisfying the criteria of the Rating Agency), being, as at the date hereof, "BBB (high)" by DBRS.

**Minimum Required Paying Agent Rating** means the long term rating as determined with reference to the entity which acts in its capacity as Paying Agent (or any institution guaranteeing its obligation on the basis of a guarantee satisfying the criteria of the Rating Agency), being, as at the date hereof, "BBB (high)" by DBRS.

**Minimum Required Ratings** means, in respect of the Account Bank, the Paying Agent and the Receivables Account Bank, the Minimum Required Account Bank Rating, the Minimum Required Paying Agent Rating and the Minimum Required Receivables Account Bank Rating, respectively.

**Minimum Required Receivables Account Bank Rating** means the DBRS long term rating as determined with reference to the entity which acts in its capacity as Receivables Account Bank (or any institution guaranteeing its obligation on the basis of a guarantee satisfying the criteria of the Rating Agency), being, as at the date hereof, "BBB (high)" by DBRS.”

\* \* \*

On page 270 of the Base Prospectus, the following definition is added after the definition of “*Negative Carry Factor*”:

“**Net Deposit** has the meaning ascribed to such expression in the Portfolio Administration Agreement.”

\* \* \*

On page 272 of the Base Prospectus, the following definition is added after the definition of “*Random Basis*”:

“**Rating Agency** (*Agenzia di Rating*) means DBRS.”

\* \* \*

On page 272 of the Base Prospectus, the following definition is added after the definition of “*Required Redemption Amount*”:

“**Reserve Fund Required Amount** means, prior to the service of a Notice to Pay, the amount funded and maintained by the Issuer, as calculated by the Calculation Agent on or prior to each Calculation Date equal to the sum of the Interest Accumulation Amount and the aggregate amount to be paid by the Covered Bond Guarantor on the immediately following Guarantor Payment Date in respect of the items (i) to (iv) of the Pre-Issuer Default Interest Priority of Payments.”