SUPPLEMENT DATED 30 MAY 2016

TO THE BASE PROSPECTUS DATED 30 JULY 2015, AS SUPPLEMENTED ON 26 AUGUST 2015

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*)

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

This supplement (the **Supplement**) constitutes a Supplement to the Base Prospectus dated 30 July 2015 (as supplemented on 26 August 2015, 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, as subsequently amended (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 updating the section of the Base Prospectus entitled "*Risk Factors*", "*General Description of the Programme*", "*Description of the Issuer*", "*Description of the Sellers*", "*Description of the Covered Bond*

Guarantor", "*Selected aspects of Italian law*", "*Taxation*", "*General Information*" and "*Documents incorporated by reference*".

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

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

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

* * *

TABLE OF CONTENTS

RISK FACTORS....4

GENERAL DESCRIPTION OF THE PROGRAMME....11

DESCRIPTION OF THE ISSUER....12

DESCRIPTION OF THE SELLERS....13

DESCRIPTION OF THE COVERED BOND GUARANTOR....14

SELECTED ASPECTS OF ITALIAN LAW....15

TAXATION....20

GENERAL INFORMATION....29

DOCUMENTS INCORPORATED BY REFERENCE....31

RISK FACTORS

Under the section headed "*Risk Factors*", in the paragraph headed "*Basel III and CRD IV*", the third period on page 18 of the Base Prospectus is deleted and replaced by the following:

"*The implementation began on 1st January 2014, with particular elements being phased in over a period of time (the requirements will be largely fully effective by 2019 and some minor transitional provisions provide for the phase-in until 2024) but it is possible that in practice implementation under national laws be delayed. Additionally, it is possible that Member States may introduce certain provisions at an earlier date than that set out in the CRD IV Package. It should be noted that on 24th March 2016, the European Central Bank (ECB) published the Regulation on the exercise of options and discretions (ONDs) and the ECB Guide on options and discretions available in Union law. These documents lay down how the exercise of options and discretions in banking legislation will be harmonised in the euro area.*"

* * *

Under the section headed "*Risk Factors*", in the paragraph headed "*Basel III and CRD IV*", the fifth and sixth periods on page 20 of the Base Prospectus and the first period on page 21 of the Base Prospectus are deleted and replaced by the following:

"*One of the main proposed changes to the global regulatory framework is for G-SIBs to be required to have a minimum Total Loss Absorbing Capacity (TLAC). In November 2014, the Financial Stability Board (the FSB) published a consultation document setting out its proposals for TLAC, which were endorsed at the Group of Twenty's (G20) Brisbane conference in November 2014. The FSB on November 2015 issued the final TLAC standard for G-SIBs, with application starting from 2019.*

G-SIBs will be required to meet the TLAC requirement alongside the minimum regulatory requirements set out in the Basel III framework. Specifically, they will be required to meet a Minimum TLAC requirement of at least 16% of the resolution group's risk-weighted assets (TLAC RWA Minimum) as from 1 January 2019 and at least 18% as from 1 January 2022. Minimum TLAC must also be at least 6% of the Basel III leverage ratio denominator (TLAC Leverage Ratio Exposure (LRE) Minimum) as from 1 January 2019, and at least 6.75% as from 1 January 2022.Liabilities that are eligible for TLAC shall be capital instruments and instruments that are contractually, statutorily or structurally subordinated to certain "excluded liabilities" (including insured deposits and liabilities that cannot be effectively written down or converted into equity by relevant authorities) in a manner that does not give rise to a material risk of compensation claims or successful legal challenges. The impact on G-SIBs may well come ahead of 2019, as markets may force earlier compliance and as banks will need to adapt their funding structure in advance. The EU Commission is now working on a legislative proposal implementing the TLAC in the EU, which will likely be published by the end of 2016. Under discussion is also the possibility to extend the standard of TLAC to other systemic important institutions (O-SIIs) by introducing an integrated approach adapting the Minimum Requirement for Own Funds and Eligible Liabilities" (MREL) of the BBRD to TLAC (see below for details).

Moreover, it is worth mentioning the Basel Committee has embarked on a very significant RWA variability review. This includes the "Fundamental Review of the Trading Book", revised standardised approaches (credit, market, operational risk) and a consultation paper on a capital floor. The regulator's primary aim is to eliminate unwarranted levels of RWA variance.

*The finalization of the new framework is likely to be expected in the course of 2016 for all the relevant workstreams. The new setup will have a revolutionary impact on risk modelling: directly on the exposures assessed via standardized approach, but also indirectly on internal ratings based approach (**IRB**) RWA, due to the introduction of capital floors that, according to the new framework, will be calculated basing on the revised standardized approach. In this sense in March 2016, the Basel Committee on Banking Supervision published a consultation on the reduction of variation in credit risk-weighted assets. The aim of the consultation is to propose new rules to constrain the use of internal models approach and reduce the complexity of the regulatory framework and variability of capital requirements for credit risk.*"

* * *

Under the section headed "*Risk Factors*", the paragraph headed "*The Intesa Sanpaolo Group will be subject to the provisions of the EU Recovery and Resolution Directive, once finalised and implemented, in the future*", on pages 22 and 23 of the Base Prospectus, is deleted and replaced by the following:

"***The Intesa Sanpaolo Group may be subject to the provisions of the EU Recovery and Resolution Directive which is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing.***

*On 2 July 2014, the Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the **Banks Recovery and Resolution Directive** or **BRRD**) entered into force.*

The BRRD provides competent authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD provides that it shall be applied by Member States from 1 January 2015, except for the General Bail-In Tool (as defined below) which is applicable from 1 January 2016.

*The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which grants resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to shares or other instruments of ownership (i.e. shares, other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership) (the **General Bail-In Tool**), which equity could also be subject to any future application of the General Bail-In Tool.*

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools (including the General Bail-In Tool) to the maximum extent practicable whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilization tools. These consist of the public

equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD. In particular, a single resolution fund financed by bank contributions at national level is being established and Regulation (EU) no. 806/2014 establishes the modalities for the use of the fund and the general criteria to determine contributions to the fund.

An institution will be considered as failing or likely to fail when: (a) it is, or is likely in the near future to be, in breach of its requirements for continuing authorization; (b) its assets are, or are likely in the near future to be, less than its liabilities; (c) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (d) it requires extraordinary public financial support (except in limited circumstances).

*In addition to the General Bail-In Tool, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments at the point of non-viability and before any other resolution action is taken (**BRRD Non-Viability Loss Absorption**).*

For the purposes of the application of any BRRD Non-Viability Loss Absorption measure, the point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution will no longer be viable unless the relevant capital instruments are written-down or converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable.

The powers set out in the BRRD will impact on how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

Although the bail-in powers are not intended to apply to secured debt (such as the rights of Covered Bondholders in respect of the Covered Bond Guarantee), the determination that securities issued by the Group will be subject to write-down, conversion or bail-in is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Group's control. This determination will also be made by the relevant resolution authority and there may be many factors, including factors not directly related to the bank or the Group, which could result in such a determination. Because of this inherent uncertainty, it will be difficult to predict when, if at all, the exercise of a bail-in power may occur which would result in a principal write off or conversion to other securities, including equity. Moreover, as the criteria that the relevant resolution authority will be obliged to consider in exercising any bail-in power provide it with considerable discretion, holders of the securities issued by the Group may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such power and consequently its potential effect on the Group and the securities issued by the Group. Potential investors in the securities issued by the Group should consider the risk that a holder may lose all or part of its investment, including the principal amount plus any accrued interest, if such statutory loss absorption measures are acted upon.

With specific reference to the Covered Bonds, to the extent that claims in relation to the relevant Covered Bonds are not met out of the assets of the Cover Pool or the proceeds arising from it (and the Covered Bonds subsequently rank pari passu with senior debt), the Covered Bonds may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in Covered bondholders losing some or all of their investment. In the limited circumstances described above, the exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Covered Bondholders, the price or value of their investment in any relevant Covered Bonds and/or the ability of the Issuer to satisfy its obligations under any relevant Covered Bonds.

On 31 July 2015, the "European Delegation Law 2014" – Law No. 114 of 9 July 2015 – was published on the Italian Official Gazette containing, inter alia, principles and criteria for the

implementation by the Government of the BRRD in Italy. Subsequently, on 16 November 2015, the Italian Government issued Legislative Decrees No. 180 and 181 implementing the BRRD in Italy (the ***BRRD Implementing Decrees****). The BRRD Implementing Decrees entered into force on the date of publication on the Italian Official Gazette (i.e. 16 November 2015), save that: (i) the bail-in tool applies from 1 January 2016; and (ii) a "depositor preference" granted for deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SME's will apply from 1 January 2019.*

In the context of these resolution tools, the resolution authorities have the power to amend or alter the maturity of debt instruments and other eligible liabilities issued by an institution under resolution or amend the amount of interest payable under such instruments and other eligible liabilities, or the date on which the interest becomes payable, including by suspending payment for a temporary period, except for those secured liabilities which are subject to Article 44(2) of the BRRD.

*In addition, given that (i) Article 44(2) of the BRRD excludes certain liabilities from the application of the general bail-in tool and (ii) Article 44(3) provides that the resolution authority may partially or fully exclude certain further liabilities from the application of the general bail-in tool, the BRRD contemplates accordingly that pari passu ranking liabilities may be treated unequally. With respect to the BRRD Implementing Decrees, Legislative Decree No. 180 of 16 November 2015 sets forth provisions regulating resolution plans, the commencement and closing of resolution procedures, the adoption of resolution measures, crisis management related to cross-border groups, powers and functions of the national resolution authority and also regulating the national resolution fund. On the other hand, Legislative Decree No. 181 of 16 November 2015 (****Decree No. 181****) introduces certain amendments to the Consolidated Banking Act and the Financial Law Consolidation Act, by introducing provisions regulating recovery plans, intra-group financial support, early intervention measures and changes to creditor hierarchy. Moreover, the decree also amends certain provisions regulating the extraordinary administration procedure ("amministrazione straordinaria") , in order to make them compliant with the European regulation. The regulation on the liquidation procedures applied to banks ("liquidazione coatta amministrativa") are also amended in compliance with the new regulatory framework and certain new market standard practices.*

It is important to note that, pursuant to article 44 (2) of the BRRD, as implemented by article 49 of Legislative Decree No. 180 of 16 November 2015, resolution authorities shall not exercise the write down or conversion powers in relation to secured liabilities, including covered bonds or their related hedging instruments, save to the extent that these powers may be exercised in relation to any part of a secured liability (including covered bonds and their related hedging instruments) that exceeds the value of the assets, pledge, lien or collateral against which it is secured.

Furthermore, Article 108 of the BRRD requires that Member States modify their national insolvency regimes such that deposits of natural persons and micro, small and medium sized enterprises in excess of the coverage level contemplated by deposit guarantee schemes created pursuant to Directive 2014/49/EU have a ranking in normal insolvency proceedings which is higher than the ranking which applies to claims of ordinary, unsecured, non-preferred creditors. In addition, the BRRD does not prevent Member States, including Italy, from amending national insolvency regimes to provide other types of creditors, with rankings in insolvency higher than ordinary, unsecured, non-preferred creditors. Decree No. 181 has amended the creditor hierarchy in the case of admission of Italian banks and investment firms to resolution, by providing that, as from 1 January 2019, all deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SME's will benefit from a preference in respect of senior unsecured liabilities, though with a ranking which is lower than that provided for individual/SME deposits exceeding the coverage limit of the deposit guarantee scheme. This means that, as from 1 January 2019, significant amounts of liabilities in

the form of large corporate and interbank deposits which under the national insolvency regime currently in force in Italy rank pari passu with any unsecured liability owed to the Covered Bondholders, will rank higher than such unsecured liabilities in normal insolvency proceedings and therefore that, on application of the general bail-in tool, such creditors will be written-down/converted into equity capital instruments only after Covered Bonds (for the portion, if any, that could be subject to bail-in in accordance with the above). Therefore, the safeguard set out in Article 75 of the BRRD would not provide any protection since, Article 75 of the BRRD only seeks to achieve compensation for losses incurred by creditors which are in excess of those which would have been incurred in a winding-up under normal insolvency proceedings.

Decree No. 181 has also introduced strict limitations on the exercise of the statutory rights of set-off normally available under Italian insolvency laws, in effect prohibiting set-off by any creditor in the absence of an express agreement to the contrary.

As of 2016, European banks will also have to maintain at all times a sufficient aggregate amount of own funds and "eligible liabilities", expressed as a percentage of the total liabilities and own funds of the institution (known as the ***Minimum Requirement for Own Funds and Eligible Liabilities*** *or* ***MREL****), with a view to facilitating effective resolution of institutions and minimising to the greatest extent possible the need for interventions by taxpayers. "Eligible liabilities" (or bail-inable liabilities) are those liabilities and other instruments that are not excluded by the BRRD from the scope of the bail-in tool. The BRRD does not foresee an absolute minimum, but attributes the competence to set a minimum amount for each bank to national resolution authorities (for banks not being part of the European banking union (the* ***Banking Union****) or to the Single Resolution Board (the* ***SRB****) for banks being part of the Banking Union. The EBA has submitted to the European Commission its final draft regulatory technical standards which are designed to define the way in which resolution authorities/the SRB should calculate the MREL requirement for individual banks. The Commission will likely publish the final regulatory technical standards on MREL by the end of April 2016. At the same time, given that the TLAC and the MREL aim to achieve the same objectives, the EU Commission intends to avoid the overlapping of requirements, in particular for G-SIBs, by elaborating an integrated standard harmonising TLAC and MREL in EU, which is likely to be applied to some extend also to "other systemic important institutions (O-SIIs).*"

* * *

Under the section headed "*Risk Factors*", the paragraph headed "*As of 2016 the Intesa Sanpaolo Group will be subject to the provisions of the Regulation establishing the Single Resolution Mechanism*", on page 23 of the Base Prospectus, is deleted and replaced by the following:

"***As of 2016 the Intesa Sanpaolo Group may be subject to the provisions of the Regulation establishing the Single Resolution Mechanism***

On 19 August 2014, the Regulation (EU) No. 806/2014 establishing a Single Resolution Mechanism (the ***SRM Regulation****) entered into force.*

The SRM is operational as from 1 January 2016, There are, however, certain provisions including those concerning the preparation of resolution plans and provisions relating to the cooperation of the Single Resolution Board (the ***Board****) with national resolution authorities, which entered into force on 1st January 2015(set out in paragraphs 3 to 5 of art. 99 of SRM Regulation).*

The SRM Regulation, which will complement the SSM (as defined above), will apply to all banks supervised by the SSM. It will mainly consist of the Board and a Single Resolution Fund (the ***Fund****).*

A centralised decision-making process will be built around the Board and will involve the European Commission and the Council of the European Union – which will have the possibility

to object to Board decisions – as well as the ECB and the national resolution authorities.

The Fund, which will back the SRM Regulation decisions mainly taken by the Board, will be divided into national compartments during an eight years transitional period, as set out by an intergovernmental agreement. Starting from 2015, banks are required to pay contributions to national resolution funds, that will transform gradually into the Fund starting from 2016 (and will be additional to the contributions to the national deposit guarantee schemes). The Issuer may therefore be required to pay contributions to the SRM in addition to contributions to the national deposit guarantee scheme.

This framework ensures that, instead of national resolution authorities, there will be a single authority – i.e. the Board – which will take all relevant decisions for banks being supervised by the SSM and part of the Banking Union.

There are other benefits that will derive from the Banking Union. Such benefits are aimed at: (a) breaking the negative feed loop between banks and their sovereigns; (b) providing a solution to home-host conflicts in resolution; and (c) a competitive advantage that Banking Union banks will have vis-à-vis non-Banking Union ones, due to the availability of a larger resolution fund."

* * *

Under the section headed "*Risk Factors*", the first period in the paragraph headed "*The Intesa Sanpaolo Group may be affected by a proposed EU Financial Transactions Tax*", on pages 24 and 25 of the Base Prospectus, is deleted and replaced by the following:

"*On 14th February 2013 the European Commission published a legislative proposal on a new Financial Transactions Tax (the* ***FTT****). The proposal followed the Council's authorisation to proceed with the adoption of the FTT through enhanced cooperation, i.e. adoption limited to 11 countries initially, now to 10 because Estonia left the enhanced cooperation - among which Italy, France, Germany and Austria. Although implementation was originally envisaged for 1st January 2014, the process has been repeatedly delayed. Finance Ministers of the EU11 Member States are currently aiming to reach an agreement, during the first half of 2016, which means that entry into force of the tax, if agreed, could slip to 2017.*"

* * *

Under the section headed "*Risk Factors*", the paragraph headed "*European Savings Directive*", on page 29 of the Base Prospectus, is deleted and replaced by the following:

"***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.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). 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).

On 10 November 2015, the Council of the European Union adopted a Council Directive (EU) 2015/2060 of 10 November 2015 repealing the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of

information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The new regime under Council Directive 2011/16/EU (as amended) is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it does not impose withholding taxes."

* * *

Under the section headed "*Risk Factors*", the paragraph headed "*Implementation in Italy of the EU Savings Directive*", on page 30 of the Base Prospectus, is deleted and replaced as follows:

"***Implementation in Italy of the EU Savings Tax Directive***

*Italy has implemented the EU Savings Tax Directive through Legislative Decree No. 84 of 18 April 2005 (**Decree 84**). Under Decree 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner. On 10 November 2015, the Council of the European Union adopted a Council Directive repealing the EU Savings Tax Directive in order to prevent overlap between the EU Savings Tax Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation.*

Council Directive (EU) 2015/2060 of 10 November 2015, repealed the EU Savings Directive with effect from 1 January 2016, to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime implemented under Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation as amended by Council Directive 2014/107/EU of 9 December 2014. With Law No. 114 of 9 July 2015, the Italian Parliament delegated the Government to implement Council Directive 2014/107/EU into domestic legislation (Council Directive 2011/16/EU has already been implemented in Italy through Legislative Decree No. 29 of 9 March 2014). The Minister of Economy and Finance issued the Decree of 28 December 2015 (published in the Official Gazette No. 303 of 31 December 2015) to implement Directive 2014/107/EU. However, the obligations of Member States, economic operators and paying agents under the EU Savings Directive shall continue to apply until 5 October 2016 (31 December 2016, with respect to the obligations under Article 13(2) of the EU Savings Directive) or until those obligations have been fulfilled."

GENERAL DESCRIPTION OF THE PROGRAMME

Under the section headed "*General description of the Programme*", the paragraph headed "*Representative of the Covered Bondholders*", on pages 49 and 50 of the Base Prospectus, is deleted and replaced by the following:

"***Representative of the Covered Bondholders***	*FISG S.r.l., a joint stock company with a sole quotaholder under the laws of the Republic of Italy, whose registered office is at Via Vittorio Alfieri No. 1, Conegliano (TV), Italy, incorporated with Fiscal Code number and registration number with the Treviso Register of Enterprises No. 04796740266, VAT No. 04796740266, in its own capacity and as representative of the Organisation of the Covered Bondholders (the* ***Representative of the Covered Bondholders****)*"

DESCRIPTION OF THE ISSUER

Under the section headed "*Description of the Issuer*", at the end of the paragraph headed "*Recent Event*", on page 87 of the Base Prospectus, the following periods are added:

"*On 26 February 2016, Intesa Sanpaolo provided the following information: at the Extraordinary Meeting held today, Intesa Sanpaolo's shareholders approved the new Articles of Association which relate to the adoption of the one-tier corporate governance system. This system is based on a Board of Directors composed of a minimum of 15 to a maximum of 19 members, five of whom will be part of the Management Control Committee.*

The new Articles of Association will become effective at the time of the first renewal of the corporate bodies after today's Shareholders' Meeting. An exception is made for the provisions governing the composition and requirements set for the Board of Directors (Article 13), and those governing the appointment of the Board of Directors (Article 14), which will apply from the date of the notice convening the Shareholders' Meeting called to appoint the new corporate bodies."

* * *

Under the section headed "*Description of the Issuer*", the paragraph headed "*Principal Shareholders*" on page 92 of the Base Prospectus, is deleted and replaced by the following:

"***Principal Shareholders***

As at 18 May 2016, the shareholder structure of Intesa Sanpaolo was composed as follows (holders of shares exceeding 3 per cent.).

SHAREHOLDER	***ORDINARY SHARES***	***% OF ORDINARY SHARES***
Compagnia di San Paolo	*1,481,372,075*	*9.341%*
BlackRock Inc. (1)	*1,003,329,993*	*6.326%*
Fondazione Cariplo	*767,029,267*	*4.836%*
Fondazione C.R. Padova e Rovigo	*524,111,188*	*3.305%*

(1) *Fund Management*"

DESCRIPTION OF THE SELLERS

Under the section headed "*Description of the Sellers*", at the end of the sub-section headed "*Banca dell'Adriatico S.p.A.*", on page 117 of the Base Prospectus, the following paragraph is added:

"***Merger by incorporation of Banca dell'Adriatico S.p.A. into Intesa Sanpaolo S.p.A.***

On 17 March 2016, Intesa Sanpaolo provided the following information: Intesa Sanpaolo notifies its shareholders that the Management Board of the Bank, at its meeting of 3 November 2015, approved the plan for the merger by incorporation of Banca dell'Adriatico S.p.A. (a company wholly owned by Intesa Sanpaolo) into Intesa Sanpaolo S.p.A.. The Management Board also approved the relevant explanatory report.

The merger plan, following the authorisation released by the Bank of Italy pursuant to Article 57 of Legislative Decree no. 385/1993, was filed with the Torino Company Register, as provided for by Article 2501-ter of the Italian Civil Code, on 17 March 2016.

The merger shall be submitted for the approval of the Management Board of Intesa Sanpaolo pursuant to Article 2505, paragraph 2, of the Italian Civil Code, as provided for by Article 17.2 of the Articles of Association.

The foregoing is without prejudice - pursuant to Article 2505, last paragraph, of the Italian Civil Code - to the right of Intesa Sanpaolo shareholders holding at least five per cent of the Bank's share capital, to request that the approval from Intesa Sanpaolo be resolved upon by shareholders at an Extraordinary meeting, in compliance with Article 2502, paragraph 1, of the Italian Civil Code. Shareholders who may want to exercise this right are asked to address their request, within eight days of the aforementioned filing date of the plan with the Torino Company Register, and by registered mail with delivery receipt, to Intesa Sanpaolo S.p.A., Servizio Segreteria Societaria - Ufficio Soci, Corso Inghilterra 3, 10138 Torino, including the appropriate document certifying the title of the shares (documentation to be transmitted in advance to fax no. +39 011 0932650 or to email: ufficio.soci@intesasanpaolo.com).

In accordance with the regulations in force, documentation relating to the present issue - which includes the merger plan, the explanatory reports of the Management Board and the Board of Directors, as well as the Annual Reports as at 31 December 2015 (in substitution of the financial statements) - has been made available at the Registered Office of Intesa Sanpaolo, as well as on the authorised storage system eMarket Storage and on the website group.intesasanpaolo.com.

The annual reports for the last three years of the companies involved in the transaction are available at the Registered Office of Intesa Sanpaolo.

Shareholders may obtain a copy of the above-mentioned documentation.

On 4 April 2016, Intesa Sanpaolo provided the following information: Notice is hereby given that on 4 April 2016, the minutes of the Management Board's meeting held on 31 March 2016 were made available at the Company's Registered Office, as well as on the authorised storage system eMarket Storage. At the aforementioned meeting, the Management Board, pursuant to Article 2505, paragraph 2, of the Italian Civil Code, as provided for by Article 17.2 of the Articles of Association, approved the merger by incorporation of Banca dell'Adriatico S.p.A. into Intesa Sanpaolo S.p.A..

On 4 April 2016, a request was filed for the registration of the aforementioned minutes with the Torino Company Register.

Related documentation can be consulted on the website group.intesasanpaolo.com."

DESCRIPTION OF THE COVERED BOND GUARANTOR

Under the section headed "*Description of the Covered Bond Guarantor*", the first period of the paragraph headed "*Financial Information concerning the Covered Bond Guarantor's Assets and Liabilities, Financial Position, and Profits and Losses*", on page 126 of the Base Prospectus, is deleted and replaced by the following:

"*The financial information of the Covered Bond Guarantor derive from the statutory financial statements of the Covered Bond Guarantor as at and for the years ended on 31 December 2013, 31 December 2014 and 31 December 2015. They are prepared in accordance with IAS/IFRS Accounting Standards principles. Such financial statements, together with their respective auditors' reports and the relevant accompanying notes, are incorporated by reference into this Base Prospectus (see the section headed "Documents incorporated by reference").*"

* * *

Under the section headed "*Description of the Covered Bond Guarantor*", item (b) of the paragraph headed "*Documents on Display*", on page 127 of the Base Prospectus, is deleted and replaced by the following:

"*(b)* *Covered Bond Guarantor audited annual financial statements in respect of (i) the financial year ended on 31 December 2013, (ii) the financial year ended on 31 December 2014, and (iii) the financial year ended on 31 December 2015; and the auditors' report for the Covered Bond Guarantor in relation to (i) the financial year ended on 31 December 2013, (ii) the financial year ended on 31 December 2014, and (iii) the financial year ended on 31 December 2015;*"

SELECTED ASPECTS OF ITALIAN LAW

Under the section headed "*Selected aspects of Italian law*", the paragraphs headed "*Insolvency proceedings (procedure di insolvenza)*", "*Description of extraordinary administration of banks (Amministrazione Straordinaria delle Banche) – Suspension of payment*", "*Description of administrative liquidation (Liquidazione Coatta Amministrativa delle Banche)*", from page 182 to 186 (included) of the Base Prospectus, are deleted and replaced by the following:

"*Insolvency proceedings (procedure di insolvenza)*

Insolvency proceedings (procedure di insolvenza) conducted under Italian law may take the form of, inter alia, a bankruptcy proceeding (fallimento), a composition agreement with creditors under Article 160 and following of the Insolvency Law (concordato preventivo) or a debts restructuring agreement under Article 182-bis of the Insolvency Law (accordo di ristrutturazione dei debiti). Insolvency proceedings are only applicable to businesses (imprese) either run by companies, partnerships or by individuals. An individual who is not a sole entrepreneur or an unlimited partner in a partnership is not subject to insolvency.

A debtor can be declared bankrupt (fallito) and subject to fallimento (at its own initiative, or at the initiative of any of its creditors or, in certain cases, the public prosecutor) if it is not able to fulfil its obligations in a timely manner. If a bankruptcy proceeding is commenced, except for contrary provisions of the law, from the day of declaration of bankruptcy, no individual executory and precautionary action, even if relating to receivables fallen due during the bankruptcy proceeding, may be commenced or pursued against assets included in the bankruptcy proceeding. The debtor loses control over all of its assets and of the management of its business, which is taken over by a court appointed receiver (curatore fallimentare). Once judgment has been made by the court and the creditors' claims have been approved, the sale of the debtor's property is conducted in accordance with a liquidation plan (approved by the delegated judge and the creditors' committee) which may provide for the dismissal of the whole business or single business units, even through competitive procedures.

A qualifying insolvent debtor may avoid being subject to a bankruptcy proceeding (fallimento) by proposing to its creditors a composition agreement pursuant to Article 160 and following of the Insolvency Law (concordato preventivo) which is a restructuring proceeding involving an arrangement by a debtor in a state of crisis or state of insolvency with its creditors, subject to court supervision, the aim of which is to restructure the business and thus avoid a declaration of bankruptcy of such debtor. Such proposal shall based on a plan describing proposed actions and activities to be performed in order to accomplish the financial restructuring of debtor's business and to satisfy its creditors, which may provide for, among other things: (i) sales of assets, the assumption of debts or other extraordinary operations, such as the conversion of debt into equity, bonds, convertible bonds or other securities; (ii) the transfer of the business as a going concern to another entity (assuntore); (iii) the division of the creditors into separate classes consistent with their specific legal and economic characteristics; and (iv) different treatment for creditors belonging to different classes. In any case, the proposed composition agreement pursuant to Article 160 and following of the Insolvency Law must ensure the payment of at least twenty percent of the amount of unsecured credits.

Article 161 of the Insolvency Law, as amended from time to time, provides that a debtor in a state of crisis or state of insolvency may file a petition before the competent court containing a request in advance for a composition agreement (domanda di concordato anticipata). Such request may contain only the annual financial statements for the last three financial years and the list of creditors' name with indication of the relevant credits. The debtor shall subsequently file the above mentioned plan, within the date set by the competent court. Together with the motivated decree setting such date, the competent court may nominate a court-appointed officeholder, following the provision of Article 161 paragraph 6, of the Insolvency Law that,

pursuant to Article 170, paragraph 2 of the Insolvency Law, may examine the financial statements of the debtor.

*Law Decree No. 83 of 27 June 2015, as converted into Law No. 132 of 6 August 2015 (**Decree 83**), has amended the discipline of the Insolvency Law and, inter alios, some aspects regarding:*

(i) the composition agreement (concordato preventivo); and

(ii) the debts restructuring agreement (accordo di ristrutturazione dei debiti).

In relation to the composition agreement, pursuant to the new Article 163-bis, when the plan of the composition provides for an offer to purchase, the court shall issue a decree in order to start a competitive procedure (procedimento competitivo) by searching for new prospective buyers. Such decree shall also indicate and describe the procedure for submitting irrevocable offers and ensure the comparability between them. At the hearing set for the exam of the offers, these are published. In the presence of different offers better than the proposal of the debtor, the court provides for a competition between them. As a consequence, the debtor shall amend the proposal of composition agreement in compliance with the result of the competition.

In addition, the Decree 83 has amended Article 163 of the Insolvency Law in order to allow the creditors to offer alternative proposals of composition agreement from that offered by the insolvent debtor. For this purpose, the new proposal must be formulated by creditors representing at least the 10% of all the claims, provided that such request will not be taken into account when the offer of the debtor ensure the payment of at least 30% of the unsecured claims.

From the date on which the petition for a composition agreement with creditors or the petition containing a request in advance for a composition agreement (domanda di concordato anticipata) is filed with the competent companies' register, an "automatic stay" period is triggered, during which all creditors are prevented from recovering their debt or foreclosing on the debtor's assets. The temporary "automatic stay" is effective until the date of final ratification (decreto di omologazione) of the composition agreement with creditors. Following the filing of the petition before the competent court, the relevant court evaluates whether conditions for admission to such proceeding are met. Should the court decide that the petition does not satisfy the requirements set out by law, the debtor's petition is rejected and if the debtor is in a state of insolvency it may be declared bankrupt (fallito). If the conditions for admission are met, the relevant court will, inter alia, appoint the court-appointed officeholder (if it was not appointed by the competent court pursuant to Article 161, paragraph 6, of the Insolvency Law) who will notify each creditor of the date of the creditor's meeting to vote on the plan proposed by the debtor. The composition agreement with creditors is approved with the affirmative vote of creditors representing the majority of credits admitted to vote. If there are different classes of creditors, the composition agreement with creditors is approved if the majority is reached also in the major number of classes. If creditors approve the composition agreement, the designated judge, if all procedures have taken place regularly and in the absence of oppositions (or once possible oppositions have been dealt with and resolved), will ratify that approval.

Pursuant to Article 182-bis of the Insolvency Law, a debtor which is experiencing a state of crisis may require the ratification (omologazione) of a debts restructuring agreement (accordo di ristrutturazione dei debiti) entered into between it and its creditors representing at least 60 per cent. of the credits owed by it, by filing with the competent court the required corporate documentation and a certification of an expert - having certain characteristics - confirming (i) the feasibility of the debts restructuring agreement and (ii) its capability of procuring the integral payment of those creditors which are not a party to such debts restructuring agreement. The Debts Restructuring Agreement must be published in the debtor's companies' register and shall be effective as of the date of its publication. For a period of 60 days from the date of its

publication, the debts restructuring agreement shall determine an "automatic stay" period pursuant to which any creditor having a title against such debtor arisen in advance to the date of publication of the debts restructuring agreement, will not be allowed to commence or continue any enforcement or precautionary action on the assets of the debtor. If the debts restructuring agreement complies with all the requirement set out by law and it is feasible to aim its purposes, the court shall issue a decree (decreto di omologazione) validating such debts restructuring agreement.

*Law No. 3 of 27 January 2012 provides that consumers and other entities which cannot be subject to Insolvency Proceedings (**Other Entities**) may benefit from a special proceeding for the reconstructuring of their debts. Law No. 3 of 27 January 2012 provides that the Other Entities may file a recovery plan for the restructuring of their debts and the payment of the creditors with a special authority and with the competent court and that in the case of approval of the plan, it will become binding on all the creditors of the Other Entity.*

Description of extraordinary administration of banks (Amministrazione Straordinaria delle Banche) – Suspension of payments

A bank may be submitted to the extraordinary administration of banks (amministrazione straordinaria delle banche) where: (a) the members of the administrative and supervisory bodies and the senior management of the bank are removed by the Bank of Italy as a consequence of serious administrative irregularities, or serious violations of the provisions governing the bank's activity provided for by laws, regulations or the bank's by-laws activity; (b) serious capital losses are expected to occur; (c) the dissolution has been the object of a request by the administrative bodies or an extraordinary company meeting providing the reasons for the request.

According to the Banking Law, the procedure is initiated with an act (provvedimento) of the Bank of Italy, to be published on the Official Gazette, which shall dissolve the bodies entrusted respectively with management and control functions of the bank. With the same act, the Bank of Italy shall appoint: (a) one or more special administrator (commissari straordinari); (b) a surveillance committee composed of between three and five members (comitato di sorveglianza). Unless otherwise provided in the act by means of which the extraordinary administration is initiated, the commissari straordinari are entrusted with the powers of the administrative bodies and with the duty to assess the situation of the bank, remove the irregularities which may have been found and promote solutions in the interest of the depositors of the bank and of the sound and prudent management. The comitato di sorveglianza exercises auditing functions and provides to the commissari straordinari the opinions requested by the provisions of the Banking Law or by the Bank of Italy. However, it should be noted that the Bank of Italy may revoke or replace the commissari straordinari and the comitato di sorveglianza, as well as change their powers and duties.

In exceptional circumstances, pursuant to article 74 of the Banking Law, the commissari straordinari, in order to protect the interests of the creditors, in consultation with the comitato di sorveglianza and subject to an authorisation by the Bank of Italy, may suspend payment of the bank's liabilities and the restitution to customers of financial instruments. Payments may be suspended for a period of up to one month, which may be extended for an additional period of two months. During the suspension period forced executions or actions to perfect security interests involving the bank's properties or customers' securities may not be initiated or prosecuted. During the same period mortgages may not be registered on the bank's immovable property nor may any other rights of preference on the bank's movable property be acquired, except in the case of enforceable court orders issued prior to the beginning of the suspension period. The suspension shall not trigger the insolvency of the bank.

The amministrazione straordinaria delle banche shall last for one year, unless the act of the Bank of Italy which initiates it provides for a shorter period or the Bank of Italy authorises the

early termination. The procedure may be extended for additional periods of one year, in case the conditions for submission to the extraordinary administration of banks are met, with an act of the Bank of Italy to be published on the Official Gazette.

At the end of the procedure, the commissari straordinari shall undertake the necessary steps for the appointment of the bodies governing the bank in the ordinary course of business. After the appointment, the management and audit functions shall be transferred to the newly appointed bodies. It should however be noted that, should at the end of the procedure or at any earlier time the conditions for the declaration of the liquidazione coatta amministrativa (described in the following section) be met, then the bank may be subject to such procedure.

Description of administrative liquidation (Liquidazione Coatta Amministrativa delle Banche)

According to the Banking Law, the Ministry of Economy and Finance, acting on a proposal of the Bank of Italy, by way of a decree, may submit the bank to the compulsory winding up (liquidazione coatta amministrativa), even when the extraordinary administration or the liquidation of the bank is in course, in case (a) the institution is in financial instability (dissesto) or financial instability risk is envisaged, (b) there is no reasonable prospect that any alternative measure would prevent the failure of the institution within a reasonable timeframe, and (c) the conditions for the application of a resolution action are not being met.

From the date of issue of the decree the functions of the administrative and control bodies, of the shareholders meetings and of any other governing body of the bank shall cease. The Bank of Italy shall appoint: (a) one or more liquidators (commissari liquidatori); (b) a surveillance committee composed of between three and five members (comitato di sorveglianza).

From the date the commissari liquidatori and the comitato di sorveglianza have assumed their functions and in any case from the sixth business day following the date of issue of the aforesaid decree of the Ministry of Economy and Finance, the payment of any liabilities and the restitution of assets owned by third parties shall be suspended.

The commissari liquidatori shall act as legal representatives of the bank, exercise all actions that pertain to the bank and carry out all transactions concerning the liquidation of the bank's assets. The comitato di sorveglianza shall: (i) assist the commissari liquidatori in exercising their functions, (ii) control the activities carried out by commissari liquidatori; and (iii) provide to the commissari liquidatori the opinions requested by the provisions of the Banking Law or by the Bank of Italy. The Bank of Italy may issue directives concerning the implementation of the procedure and establish that some categories of operations and actions shall be subject to its authorisation and to preliminary consultation with the comitato di sorveglianza.

The Banking Law regulates the procedure for the assessment of the bank's liabilities (accertamento del passivo), and the procedures which allow creditors whose claims have been excluded from the list of liabilities (stato passivo) to challenge the list of liabilities.

The liquidators, with the favourable opinion of the comitato di sorveglianza and subject to authorisation by the Bank of Italy, may assign assets and liabilities, going concerns, assets and legal relationships identifiable as a pool (in blocco). In case the conditions for the intervention of the depositor guarantee schemes are not met or its intervention is insufficient, in order to facilitate the liquidation, the liabilities may be sold in part only. The procedures shall in any case be subject to compliance with equal treatment of creditors and their order of priority. Assets may be assigned at any stage of the procedure, even before the stato passivo has been deposited. The assignor shall however be liable exclusively for the liabilities included in the stato passivo. Subject to prior authorisation of the Bank of Italy and for the purpose of maximizing profits deriving from the liquidation of the assets, the commissari liquidatori may continue the banks' activity or of specific going concerns of the bank, in compliance with any indications provided for by the comitato di sorveglianza. In such case the provision of the Insolvency Law concerning the termination of legal relationships shall not apply.

Once the assets, or a material part thereof, have been realised and before the final allotment to the creditors or to the last restitution to customers, the commissari liquidatori shall present to the Bank of Italy the closing statement of accounts of the liquidation, the financial statement and the allotment plan, accompanied by their own report and a report by the surveillance committee."

TAXATION

Under the section headed "*Taxation*", the paragraph headed "*Republic of Italy*" from page 253 to 259 (included) of the Base Prospectus, is deleted and replaced by the following:

"***Republic of Italy***

The following is an overview of current Italian law and practice relating to the taxation of the Covered Bonds. The statements herein regarding taxation are based on the laws in force in Italy as of the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis.

The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Covered Bonds and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Covered Bonds are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Covered Bonds.

*Law Decree No. 66 of 24 April 2014, published in the Official Gazette No. 95 of 24 April 2014 (**Decree 66**), introduced tax provisions amending certain aspects of the tax treatment of the Covered Bonds, as summarised below. The new rules, as converted into law with amendments by Law No. 89 of 23 June 2014, (published in Official Gazette No. 143 of 23 June 2014) (**Law 89**) are effective as of 1 July 2014.*

As set forth in Circular No. 19/E of 27 June 2014 of the Italian Revenue Agency, Decree 66 provides for an increase in the imposta sostitutiva set out by Decree 239 (as defined below) or other withholding taxes on interest accrued as of 1 July 2014.

Tax treatment of the Covered Bonds

*Legislative Decree No. 239 of 1 April 1996, as subsequently amended, (**Decree 239**) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes issued, inter alia, by Italian banks, falling within the category of bonds (obbligazioni) or debentures similar to bonds (titoli similari alle obbligazioni). For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value.*

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 .

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 (**IRES**) (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**), Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010, and Legislative Decree No. 44 of 4 March 2014, all as amended, 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, and Italian real estate SICAFs (**Real Estate SICAFs**) are subject neither to imposta sostitutiva nor to any other income tax in the hands of a real estate investment fund or Real Estate SICAF.*

*If an investor is resident in Italy and is an open-ended or a closed-ended investment fund, a SICAF (an investment company with fixed capital) or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund, the SICAF or the 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**).*

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. The 20 per cent. substitute tax shall apply on the portfolio's results accrued at the end of the tax year from 2015 onwards, but would also apply on a retroactive basis with reference to the portfolio's results accrued at the end of tax year 2014.

As of 1 January 2015, Italian pension fund benefit from a tax credit equal to 9% of the result of the relevant portfolio accrued at the end of the tax period, provided that such pension funds invest in certain medium long term financial assets as identified with the Ministerial Decree of 19 June 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.

Non-Italian resident Covered Bondholders

Where the Covered Bondholder is a non-Italian resident, without a permanent establishment in Italy to which the Covered Bonds are connected, an exemption from the imposta sostitutiva applies provided that the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in the Ministerial Decree of 4 September 1996, as amended from time to time (the ***White List****), or in a decree to be issued pursuant to Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No. 147 of 14 September 2015), or in any other decree or regulation that will be issued in the future to provide the list of such countries (the* ***New White List****), including any country that will be deemed listed therein for the purpose of any interim rule; or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central bank or an entity which manages, inter alia, the official reserves of a foreign State; or (d) an institutional investor which is resident in a country included in the White List (or the New White List, once effective), even if it does not possess the status of a taxpayer in its own country of residence.*

The imposta sostitutiva will be applicable at the rate of 26 per cent., or at the reduced rate provided for by the applicable double tax treaty, if any, to interest, premium and other income paid to Covered Bondholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy. In order to ensure gross payment, non-resident investors must be the beneficial owners of payments of interest, premium or other income and (a) deposit, directly or indirectly, the Covered Bonds, the Receipts or the coupons with a bank or a SIM or a permanent establishment in Italy of a non-resident bank or SIM or with a non-resident operator of a clearing system having appointed as its agent in Italy for the purposes of Decree 239 a resident bank or SIM or a permanent establishment in Italy or a non-resident bank or SIM which are in contact via computer with the Ministry of Economy and Finance and (b) file with the relevant depositary, prior to or concurrently with the deposit of the Covered Bonds, a statement of the relevant Covered Bondholder, to be provided only once, until revoked or withdrawn, in which the Covered Bondholder declares to be eligible to benefit from the applicable exemption from imposta sostitutiva. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy or in the case of foreign Central Banks or entities which manage the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001.

Payments made by an Italian resident guarantor

With respect to payments on the Covered Bonds made to certain Italian resident Covered Bondholders by an Italian resident guarantor, in accordance with one interpretation of Italian tax law, any payment of liabilities equal to interest and other proceeds from the Covered Bonds may be subject to a provisional withholding tax at a rate of 26 per cent. pursuant to Presidential Decree No. 600 of 29 September 1973, as subsequently amended. In case of payments to non-Italian resident Covered Bondholders, the withholding tax may be applied at 26 per cent. as a final tax.

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

In accordance with another interpretation, any such payment made by the Italian resident guarantor will be treated, in certain circumstances, as a payment by the relevant Issuer and will thus be subject to the tax regime described in the previous paragraphs of this section.

Atypical Securities

Interest payments relating to Covered Bonds that are not deemed to be bonds (obbligazioni), debentures similar to bonds (titoli similari alle obbligazioni), shares or securities similar to shares pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986 may be subject to a withholding tax, levied at the rate of 26 per cent. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value.

Where the Covered Bondholder is (a) an Italian individual engaged in an entrepreneurial activity to which the Covered Bonds are connected, (b) an Italian company or a similar Italian commercial entity, (c) a permanent establishment in Italy of a foreign entity, (d) an Italian commercial partnership or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases the withholding tax is a final withholding tax. For non-Italian resident Covered Bondholders, the withholding tax rate may be reduced by any applicable tax treaty.

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. Pursuant to Decree 66, 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. Pursuant to Decree 66, 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. Pursuant to Decree 66, 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 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, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010, and Legislative Decree No. 44 of 4 March 2014, all as amended, apply will be subject neither to imposta sostitutiva nor to any other income tax at the level of the real estate investment fund or Real Estate SICAF.

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. The 20 per cent. substitute tax shall apply on the portfolio's results accrued at the end of the tax year from 2015 onwards, but would also apply on a retroactive basis with reference to the portfolio's results accrued at the end of tax year 2014.

As of 1 January 2015, Italian pension fund benefit from a tax credit equal to 9% of the result of the relevant portfolio accrued at the end of the tax period, provided that such pension funds invest in certain medium long term financial assets to be identified with the Ministerial Decree of 19 June 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 included in the White List (or the New White List, once effective); 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 included in the White List (or the New White List, once effective), even if it does not possess the status of a taxpayer in its own country of residence.

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.

Inheritance and gift taxes

*Pursuant to Law Decree No. 262 of 3 October 2006 (**Decree No. 262**), converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:*

(a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent on the value of the inheritance or the gift exceeding € 1,000,000, for each beneficiary;

(b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent inheritance and gift tax on the value of the inheritance or the gift exceeding € 100,000, for each beneficiary; and

(c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b) and (c) on the value exceeding, for each beneficiary, €1,500,000.

Transfer tax

Following the repeal of the Italian transfer tax contracts relating to the transfer of securities are subject to the registration tax as follows: (a) public deeds and notarized deeds are subject to fixed registration tax at rate of €200; (b) private deeds are subject to registration tax only in case of use or voluntary registration.

Stamp duty

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

The stamp duty applies at a rate of 0.2 per cent.; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Covered Bond is held. The stamp duty cannot exceed € 14,000.00 if the Covered Bondholder is not an individual.

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

Wealth Tax on securities deposited abroad

According to the provisions set forth by Law No. 214 of 22 December 2011, as amended and supplemented, Italian resident individuals holding the Covered Bonds outside the Italian territory are required to pay an additional tax at a rate of 0.2 per cent.

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

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

Financial assets held abroad are excluded from the scope of the Wealth Tax if financial such assets are administered by Italian financial intermediaries pursuant to an administration agreement. In this case the above mentioned stamp duty provided for by Article 13 of the tariff attached to Decree 642 does apply.

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.*

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). 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).

On 10 November 2015, the Council of the European Union adopted a Council Directive (EU) 2015/2060 of 10 November 2015 repealing the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The new regime under Council Directive 2011/16/EU (as amended) is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it does not impose withholding taxes.

Implementation in Italy of the EU Savings Directive

*Italy has implemented the EU Savings Directive through Decree 84 of 18 April 2005 (****Decree 84****). Under Decree 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.*

Council Directive (EU) 2015/2060 of 10 November 2015, repealed the EU Savings Directive with effect from 1 January 2016, to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime implemented under Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation as amended by Council

Directive 2014/107/EU of 9 December 2014. With Law No. 114 of 9 July 2015, the Italian Parliament delegated the Government to implement Council Directive 2014/107/EU into domestic legislation (Council Directive 2011/16/EU has already been implemented in Italy through Legislative Decree No. 29 of 9 March 2014). The Minister of Economy and Finance issued the Decree of 28 December 2015 (published in the Official Gazette No. 303 of 31 December 2015) to implement Directive 2014/107/EU. However, the obligations of Member States, economic operators and paying agents under the EU Savings Directive shall continue to apply until 5 October 2016 (31 December 2016, with respect to the obligations under Article 13(2) of the EU Savings Directive) or until those obligations have been fulfilled."

***

Under the section headed "*Taxation*", the paragraph headed "*The proposed financial transactions tax (FTT)*", on pages 261 and 262 of the Base Prospectus, is amended and replaced by the following:

"*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**). However, Estonia has since stated that it will not participate.*

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.

However, the FTT proposal remains subject to negotiation between 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

Under the section headed "*General information*", the paragraph headed "*No significant change and no material adverse change*", on page 268 of the Base Prospectus, is deleted and replaced by the following:

"***No significant change and no material adverse change***

Since 31 December 2015, there has been no material adverse change in the prospects of the Issuer and the Covered Bond Guarantor. Since 31 December 2015, there has been no significant change in the financial or trading position of the Issuer and the Covered Bond Guarantor."

..*

Under the section headed "*General information*", in the paragraph headed "*Documents available for inspection*", the first period on page 268 of the Base Prospectus, is deleted and replaced by the following (the underlined words show the insertions made):

"*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 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 2015;*

(v) *the Issuer's unaudited condensed consolidated interim financial statements as at 31 March 2015;*

(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 2014;*

(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 2013;*

(viii) *the Covered Bond Guarantor's audited annual financial statements in respect of the year ended on 31 December 2015 and the relevant auditors' report;*

(ix) *the Covered Bond Guarantor's audited annual financial statements in respect of the year ended on 31 December 2014 and the relevant auditors' report;*

(x) *the Covered Bond Guarantor's audited annual financial statements including the auditors' report thereon in respect of the year ended on 31 December 2013;*

(xi) *a copy of this Base Prospectus together with any supplement thereto, if any, or further Base Prospectus;*

(xii) *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;*

(xiii) *any reports, letters, balance sheets, valuations and statements of experts included or referred to in the Base Prospectus (other than consent letters);*

(xiv) *any Final Terms relating to Covered Bonds which are admitted to the official list and traded on the regulated market of the Luxembourg Stock Exchange (such Final Terms will be also available on the internet site of the Luxembourg Stock Exchange, at www.bourse.lu). 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.*"

..*

Under the section headed "*General information*", in the paragraph headed "*Auditors*", the first period, on page 269 of the Base Prospectus, is deleted and replaced by the following (the underlined words show the insertions made):

"*The auditors of the Issuer are KPMG S.p.A., KPMG S.p.A. has audited the financial statements of the Issuer, in accordance with auditing standards and procedures recommended by the Commissione Nazionale per le Società e la Borsa (**CONSOB**) as at and for the years ended on 31 December 2013, 31 December 2014 and 31 December 2015. The audit report on 2015 audited financial statements has been issued by KPMG S.p.A. on 3 March 2016*."

..*

Under the section headed "*General information*", in the paragraph headed "*Auditors*", the fourth and fifth periods, on page 269 of the Base Prospectus, are deleted and replaced by the following (the underlined words show the insertions made):

"*The annual financial statements of the Covered Bond Guarantor as at and for the year ended on 31 December 2013, 31 December 2014 and 31 December 2015 have been audited by KPMG S.p.A., in their capacity as independent auditors of the Covered Bond Guarantor, as indicated in their reports thereon.*

The audit report on 2013 Audited Financial Statements of the Covered Bond Guarantor has been issued by KPMG S.p.A. on 19 March 2014, the audit report on 2014 Audited Financial Statements of the Covered Bond Guarantor has been issued by KPMG S.p.A. on 9 March 2015 and the audit report on 2015 Audited Financial Statements of the Covered Bond Guarantor has been issued by KPMG S.p.A. on 3 March 2016."

DOCUMENTS INCORPORATED BY REFERENCE

Under the section headed "*Documents incorporated by reference*", the first three paragraphs on page 270 of the Base Prospectus, are deleted and replaced by the following (the underlined words show the insertions made):

"*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 press release dated 2 May 2016 regarding the agreement for sale of Setefi and Intesa Sanpaolo Card to Advent, Bain Capital and Clessidra (the* ***2 May 2016 Press Release****);*

(b) *the press release dated 27 April 2016 regarding the ordinary shareholders' meeting of the Issuer (the* ***27 April 2016 Press Release****);*

(c) *the press release dated 15 April 2016 regarding the participation of the Issuer in the alternative investment fund named Atlante (the* ***15 April 2016 Press Release*** *and, together with the 2 May 2016 Press Release and the 27 April 2016 Press Release, the* ***2016 Press Releases****);*

(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 and as at 31 December 2015;*

(e) *the Issuer's unaudited condensed consolidated interim financial statements as at 31 March 2015;*

(f) *the Issuer's audited consolidated annual financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles, in respect of the year ended on and as at 31 December 2014;*

(g) *the Issuer's audited consolidated annual financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles, in respect of the year ended on and as at 31 December 2013;*

(h) *the Covered Bond Guarantor audited annual financial statements in respect of the year ended on and as at 31 December 2015;*

(i) *the Covered Bond Guarantor audited annual financial statements in respect of the year ended on and as at 31 December 2014;*

(j) *the auditor's report to the Covered Bond Guarantor audited annual financial statements in respect of the year ended on and as at 31 December 2014;*

(k) *the Covered Bond Guarantor audited annual financial statements, including the auditor's report thereon, in respect of the year ended on and as at 31 December 2013;*

(l) *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 interim financial statements as at 31 March 2015, the Issuer's audited consolidated annual financial statements of the Issuer as at and for the years ended on 31 December 2015, 31 December 2014 and 31 December 2013and the auditor's report for the Issuer for the financial years ended on 31 December 2015, 31 December 2014 and 31 December 2013 on the Issuer's website (http://www.group.intesasanpaolo.com/scriptIsir0/si09/investor_relations/eng_bilanci_relazioni.jsp). In addition, copy of the 2016 Press Releases may be obtained on the Issuer's website (http://www.group.intesasanpaolo.com/scriptIsir0/si09/salastampa/eng_comunicati_detail_intesa_spaolo.jsp?contentId=CNT-05-00000003ECE3F&title=no). 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 interim financial statements as at 31 March 2015 and the 2016 Press Releases 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)."

* * *

Under the section headed "*Documents incorporated by reference*", in the paragraph headed "*Cross-reference List*", before the table headed "*Unaudited condensed consolidated interim financial statements of the Issuer as at 31 March 2015*" on page 271 of the Base Prospectus, the following tables are added:

"***Press Release dated 2 May 2016***

Press Release	***Page number(s)***
Entire document	*All*

Press Release dated 27 April 2016

Press Release	***Page number(s)***
Entire document	*All*

Press Release dated 15 April 2016

Press Release	***Page number(s)***
Entire document	*All*

Audited annual consolidated financial statements of the Issuer for the year ended on 31 December 2015 (Commission Regulation (EC) No. 809/2004, Annex XI, paragraph 11.1.)

Audited annual consolidated financial statements of the Issuer	***2015***
Consolidated Balance Sheet	*Pages 144-145*
Consolidated Income Statement	*Page 146*
Statement of consolidated comprehensive income	*Page 147*
Changes in consolidated shareholders' equity	*Pages 148-149*
Consolidated Statement of Cash Flow	*Pages 150-152*
Notes to the Consolidated Financial Statements	*Pages 153-414*
Independent Auditors' Report	*Pages 417-420*"

* * *

Under the section headed "*Documents incorporated by reference*", in the paragraph headed "*Cross-reference List*", before the table headed "*Annual financial statements of the Covered Bond Guarantor for the year ended on 31 December 2014 (Commission Regulation (EC) No. 809/2004, Annex XI, paragraph 11.1.)*" on page 272 of the Base Prospectus, the following table is added:

"***Annual financial statements of the Covered Bond Guarantor for the year ended on 31 December 2015 (Commission Regulation (EC) No. 809/2004, Annex XI, paragraph 11.1.)***

Audited annual financial statements of the Covered Bond Guarantor	***2015***
Statement of financial position	*Pages 21-22*
Income Statement	*Page 23*
Statement of comprehensive income	*Page 24*
Statements of changes in equity	*Page 25*
Statement of Cash Flows	*Page 26*
Notes to the financial statements	*Pages 27-60*
Report of the auditors	*Separate document*"