

**SUPPLEMENT DATED 10 FEBRUARY 2017  
TO THE BASE PROSPECTUS DATED 20 JULY 2016**



**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 20 July 2016 (as supplemented on 5 August 2016, 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 “*Description of the Issuer*”, “*Collection and Recovery Procedures*”, “*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](http://www.bourse.lu)).

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## DESCRIPTION OF THE ISSUER

Under the section headed “*Description of the Issuer*”, at the end of the paragraph headed “*Recent Events*”, on page 91 of the Base Prospectus, the following paragraphs are added:

“On 16 November 2016, Intesa Sanpaolo announced that it had entered a process aimed at the possible sale of its stake held in Allfunds Bank (“Allfunds”), a multimanager distribution platform of asset management products targeted at institutional investors. This stake represents 50% of Allfunds’s capital and is held through Intesa Sanpaolo’s subsidiary Eurizon Capital SGR.

The finalisation of the transaction is subject to the terms and conditions of the possible sale being agreed, resolutions to be passed by the Boards of Directors of Intesa Sanpaolo and Eurizon Capital SGR, and subsequent required authorisations being received from competent authorities.

On 17 November 2016, Intesa Sanpaolo announced that it had concluded, on 16 November 2016, the ordinary share buy-back programme launched on the same day and announced to the market in a press release dated 15 November 2016. The programme executes a plan that assigns, free of charge, ordinary shares of Intesa Sanpaolo to the Group’s employees; this covers the share-based incentive plan for 2015 reserved for the so-called “risk takers”, as well as managers or professionals accruing a “relevant bonus”. The aforementioned plan was approved at the Shareholders’ Meeting of Intesa Sanpaolo on 27 April 2016. In addition, the Intesa Sanpaolo’s subsidiaries included in the announcement have terminated their purchase programmes of the Intesa Sanpaolo’s shares to be assigned, free of charge, to their employees. The programmes were approved by their respective corporate bodies within their remits and are analogous to the programme approved at the Intesa Sanpaolo’s Shareholders’ Meeting.

In compliance with Article 113-ter of Legislative Decree 58 of 24 February 1998 (TUF-Consolidated Law on Finance), Article 5 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, and Article 2 of the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016, details concerning the purchases executed are provided below. Information is also given by Intesa Sanpaolo on behalf of the aforementioned subsidiaries.

On the day of execution of the programme (16 November 2016), the Intesa Sanpaolo Group purchased a total of 8,440,911 Intesa Sanpaolo ordinary shares through Banca IMI (which was responsible for the programme execution). These represent approximately 0.05% of the ordinary share capital and total share capital of Intesa Sanpaolo (comprising ordinary shares and savings shares) at an average purchase price of 2.149 euro per share, for a total counter value of 18,139,446 euro. Intesa Sanpaolo purchased 3,582,633 shares at an average purchase price of 2.149 euro per share, for a counter value of 7,697,307 euro.

Purchase transactions were executed in compliance with provisions included in Articles 2357 and following and 2359-bis and following of the Italian Civil Code and within the limits of number of shares and consideration as determined in the resolutions passed by the competent corporate bodies. Pursuant to Article 132 of TUF and Article 144-bis of the Issuers’ Regulation and subsequent amendments, purchases were executed on the regulated market MTA managed by Borsa Italiana in accordance with trading methods laid down in the market rules for these transactions.

Moreover, purchases have been arranged in compliance with the conditions and the restrictions under Article 5 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, Articles 2, 3, and 4 of the Commission Delegated Regulation (EU)

2016/1052 of 8 March 2016, and market practices as allowed by Consob pursuant to Article 180, paragraph 1, letter c of TUF.

The total number of shares purchased and, therefore, the daily volume of purchases executed, did not exceed 25% of the daily average volume of the Intesa Sanpaolo ordinary shares traded in October 2016, which was equal to 94 million shares.

Details of share purchases are summarised in the table below.

**Summary of purchases of Intesa Sanpaolo ordinary shares by the Intesa Sanpaolo Group executed on 16 November 2016**

COMPANY	NUMBER OF SHARES PURCHASED	AVERAGE PURCHASE PRICE (€)	COUNTERVALUE (€)
Intesa Sanpaolo Parent Company	3,582,633	2.149	7,697,307
Intesa Sanpaolo Group Services	324,688	2.149	697,897
Cassa di Risparmio in Bologna	25,975	2.149	55,829
Intesa Sanpaolo Private Banking	1,262,253	2.149	2,713,125
Intesa Sanpaolo Vita	123,584	2.149	265,633
Intesa Sanpaolo Assicura	30,439	2.149	65,425
Intesa Sanpaolo Life	31,251	2.149	67,171
Banca IMI	1,959,292	2.149	4,210,182
Fideuram	118,921	2.150	255,630
Fideuram Investimenti	78,706	2.149	169,173
Fideuram Vita	32,468	2.150	69,793
Eurizon Capital SGR	627,054	2.151	1,348,484
Epsilon	129,875	2.150	279,207
Eurizon Capital S.A.	24,351	2.150	52,348
Banca Intesa Beograd	54,236	2.150	116,600
Intesa Sanpaolo Banka Bosna i Hercegovina	35,185	2.150	75,641
<b>Total</b>	<b>8,440,911</b>	<b>2.149</b>	<b>18,139,446</b>

On 12 December 2016 Intesa Sanpaolo received notification of the ECB's final decision concerning the capital requirement that it has to meet on a consolidated basis as of 1 January 2017, following the results of the 2016 Supervisory Review and Evaluation Process (SREP). The overall capital requirement Intesa Sanpaolo has to meet in terms of Common Equity Tier 1 ratio is 7.25% under the transitional arrangements for 2017, and 9.25% on a fully loaded basis. This is the result of:

- a SREP requirement in terms of Total Capital ratio of 9.5%, comprising a minimum Pillar 1 capital requirement of 8%, of which 4.5% is Common Equity Tier 1 ratio, and an additional Pillar 2 capital requirement of 1.5% made up entirely of Common Equity Tier 1 ratio; and
- additional requirements, entirely in terms of Common Equity Tier 1 ratio, relating to a Capital Conservation Buffer of 1.25% under the transitional arrangements for 2017, and 2.5% on a fully loaded basis in 2019, and an O-SII Buffer (Other Systemically Important Institutions Buffer) of zero under the transitional arrangements for 2017 and 0.75% on a fully loaded basis in 2021.

On 24 January 2017, Intesa Sanpaolo has confirmed, in accordance with the 2014-2017 Business Plan disclosed to the market, that Intesa Sanpaolo is interested in industrial growth in the areas of asset management, private banking and insurance, in synergy with its banking networks, including through possible international partnerships.

The management of Intesa Sanpaolo regularly examines options for growth, both internal and external, including those proposed by investment banks, adopting stringent criteria aimed at

preserving Intesa Sanpaolo's leadership in terms of capital adequacy and in accordance with the policy of creation and distribution of value for Intesa Sanpaolo's shareholders.

In light of the above, the management of Intesa Sanpaolo carefully examines, and will examine, any possible opportunities to strengthen its competitive positioning and, therefore, the Group's future financial performance.

These opportunities, including possible industrial combinations with Assicurazioni Generali, are being examined by Intesa Sanpaolo's management.

On 3 February 2017, in relation to an upcoming launch of a Public Exchange Offer concerning Assicurazioni Generali, which include presumed relevant conditions, Intesa Sanpaolo - as already stated by a spokesman from Intesa Sanpaolo has reiterated the contents of what it already declared on 24 January 2017.

Therefore, Intesa Sanpaolo has confirmed that possible industrial combinations with Assicurazioni Generali continue to be only the subject of a case study, which is part of the various analyses that Intesa Sanpaolo's management regularly carries out about the Group's options for growth, both internally and externally.

On 3 February 2017, the Board of Directors of Intesa Sanpaolo passed a resolution authorising the sale of a stake representing a total of around 4.88% of the Bank of Italy's share capital. The stake will be sold at its nominal value, which is equal to its carrying value, for an amount of around Euro 366 million. The buyers are: Compagnia di San Paolo, Fondazione Cariplo, Fondo Pensione a contribuzione definita del Gruppo Intesa Sanpaolo, Cassa di Previdenza Integrativa per il Personale Istituto San Paolo Torino, Fondo Pensione Complementare per il Personale del Banco di Napoli, Fondo Pensioni per il Personale Cariplo, Fondo di Previdenza Cr Firenze.

Compagnia di San Paolo and Fondazione Cariplo are entities identified by Intesa Sanpaolo as Related Parties in that they are Intesa Sanpaolo shareholders possessing a holding in Intesa Sanpaolo's capital with voting rights that is above the minimum threshold set by the rules governing the notification of major holdings in listed companies (the threshold is currently at 3%). The other buyers are entities identified by Intesa Sanpaolo as Related Parties in that they are supplementary pension funds established in favour of employees of Intesa Sanpaolo or of entities related to Intesa Sanpaolo.

This is not a transaction of "greater significance", therefore no information document is required. The resolution authorising the sale was passed by the Board of Directors, a favourable opinion having been expressed by the Committee for Transactions with Related Parties of Intesa Sanpaolo and Associated Entities of the Group.

The sale of the stakes in the Bank of Italy's capital is compliant with law provisions concerning shareholdings that exceed the threshold of 3% established by regulators. These provisions were introduced by Legislative Decree no 133 of 30 November 2013 converted into law no 5 of 29 January 2014, which establishes, in particular, that, as of 31 December 2016, no dividend shall be distributed to shares (held either directly or indirectly) exceeding that threshold.

The sale authorised today shall be carried out under the same conditions as applied to the sales made in the past few months to counterparties that were not related parties. The entire decision process was supported by an opinion requested from Professor Angelo Provasoli, which confirmed that the selling price was fair.

The completion of each transaction is conditional on the verification by the Board of Directors of the Bank of Italy that the buyer satisfies all necessary requirements.

Following the completion of the transaction, the Intesa Sanpaolo Group's stake in the Bank of Italy's share capital will decrease to 27.81%. The Intesa Sanpaolo Group intends to reduce its shareholding to a percentage not exceeding the threshold of 3%, and hold this exclusively

through Intesa Sanpaolo Vita, for investment purposes, and Banca IMI, for market making purposes.”

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Under the section headed “*Description of the Issuer*”, the paragraph headed “*Principal Shareholders*”, on pages 93 and 94 of the Base Prospectus, is deleted and replaced by the following:

**“Principal Shareholders**

As at 26 January 2017, the shareholder structure of Intesa Sanpaolo was composed as follows (holders of shares exceeding 3 per cent.<sup>(\*)</sup>).

<b>SHAREHOLDER</b>	<b>ORDINARY SHARES</b>	<b>% OF ORDINARY SHARES</b>
Compagnia di San Paolo	1,481,372,075	9.340%
Fondazione Cariplo	767,029,267	4.836%
Assicurazioni Generali SPA <sup>(1)</sup>	535,482,137	3.376%
Fondazione C.R. Padova e Rovigo	524,111,188	3.305%

(\*) Shareholders being fund management companies may be exempted from disclosure up to the 5% threshold.

(1) 3.184% of Assicurazioni Generali voting rights in the Intesa Sanpaolo capital is held through securities lending.”

## COLLECTION AND RECOVERY PROCEDURES

The section headed “*Collection and Recovery Procedures*”, on pages from 129 to 136 of the Base Prospectus, is deleted and replaced by the following:

### “COLLECTION AND RECOVERY PROCEDURES

#### A. Performing Mortgage Loans

##### *Payment Procedures*

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

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

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

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

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

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

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

##### *Payments by direct debit*

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

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

on the same day the “*Mutui*” procedure debits the amounts of the instalment due to such account so as to offset the credited amount.

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

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

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

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

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

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

#### **Renegotiations of Mortgage Loans**

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

### **B. Performing Securities**

#### **Payment Procedures**

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

with Monte Titoli or Clearstream. The custodian bank automatically and promptly pays the collected amounts as follows:

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

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

#### **Further payments**

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

#### **Collection verification**

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

### **C. Management of Loans in Arrears or likely to become in Arrears (crediti con arretrati o potenzialmente in arretrato)**

Constant monitoring of the quality of the loan portfolio is pursued through specific operating activities for all the phases of loan management, using both IT procedures and activities aimed at the systematic analysis of loans, in order to promptly detect any symptoms of anomaly and promote corrective actions aimed at preventing situations of possible deterioration of credit risk. Symptoms of the possible deterioration of loans are captured through several indicators (level of risk of any debtor and level of risk of the economic group, rating of the relevant borrower, *overdrafts*, ratio of instalments in arrears, etc.).

On the basis of the monitoring activity mentioned above, the Bank identifies within its portfolio loans which, while not yet showing features falling within the definition of “non-performing loans”, require special management approaches. These loans still considered as “performing” fall in the categories of "*Proactive Management/Credito Proattivo*" and "*In Risanamento*".

Since 7/2014, the ***Proactive Management*** Unit has been established for the management of those customers showing potential problems, with the aim of addressing the anomalies in a correct and timely manner from the very first signs of deterioration, with the involvement of the commercial unit as from the very first phases of the process. Proactive Management process is carried out through specialised structures both at a central (Chief Lending Officer Area) and at a peripheral level (Regional Directions for loans pertaining to Banche dei Territori Division).

High risk positions are taken care by the Proactive Management Unit and the relationship manager must prepare an action plan within 30 days. The Proactive Management Unit supports the loan manager in order to analyse the loan, validates the action plans and monitors that such plans are followed.

When risks are perceived as particularly high, the loan may be classified as *Non performing (Deteriorato)*.

A loan falls automatically into the Proactive Management Category when at least one of the following criteria is met:

- Risk Level is High or Medium/High
- Overdraft of limited amount (only for Private or Small Business Micro Segments)
- There is a continuous overdraft for more than 30 days for an amount above the materiality threshold
- The overdue instalment ratio (coefficiente rate arretrate, i.e. the ratio between the overdue amounts – including default interest – and the instalment due) is higher or equal to 1
- Past due exposure for more than 1 day on forborne performing loans deriving from non-performing loans

In case of retail customers the interception does not take into account the Risk Level, but only certain well defined (fatal) symptoms, or overdue amounts.

The process starts with contacting the client to verify the causes of the problems that led to the interception, with timing prescribed by:

- The On line Branch
- The Branch Manager

When necessary, all due actions are put in place to support the client who is facing temporary difficulties in honouring its obligations with the Bank.

Once the borrower is intercepted, the Bank management process can be divided in three statuses: “Phone Banking”, “Branch Management”, and “Proactive Management”.

- 1) The *Phone Banking status* is applicable only to Private or Small Business Micro segments, intercepted due to the *coefficiente rate arretrate* (the ratio between amount in arrears, including default interests, and the last instalment due) or due to an overdraft of limited amount, in both cases when full identification data for the client are available. The On line Branch contacts the borrowers, verifies the reason of their difficulties in facing their obligations, with the aim of finding, whenever possible, an agreement to settle the overdue amounts or, in case this is not feasible, to arrange a meeting at the Bank.

The client is given a grade (from one to three) on the basis of how difficult the solution is perceived by the On line Branch.

The client may remain in this status for maximum 60 days.

The Branch may decide within 10 days since the loan has been intercepted, to exclude some loans from this status. This causes automatically the classification of the loan into the “Branch Management” category.

Any position that at the maturity of the status still shows the symptoms that caused the interception, is automatically classified into the “Proactive Management” status.

- 2) The *Branch Management status* is applicable to any loan, intercepted due to overdraft of a material amount, or – only when full identification data for the clients are not available – due to overdraft or due to the *coefficiente rate arretrate*.

The client is given a grade on the basis of how difficult the solution is perceived by the On line Branch.

The client may remain in this status for maximum 60 days.

Any position that at the maturity of the status still shows the symptoms that caused the interception is automatically classified into the “Proactive Management” status.

- 3) The *Proactive Management status* is applicable to those loans:
- i. Previously falling into the Phone Banking and Branch Management status and not normalized at the expiration of the status
  - ii. Intercepted for Risk Level
  - iii. Past due exposure for more than 1 day on forbore performing loans deriving from non-performing loans
  - iv. There is a continuous overdraft for more than 30 days for an amount above the materiality threshold.

This status does not have a pre-defined maturity; it ends when the loan is normalised or when it is classified into the “*In Risanamento*” status (described hereinafter) or “credito deteriorato” status.

The status “*In Risanamento*” used to apply to positions with overall exposure higher than € 1 million (at group level) and with at least one of the following conditions:

- 1) prospect of an interbank table for any restructuring plan
- 2) request for a moratorium/standstill in sight/presence of an inter-bank table for any restructuring plan/reorganization or restructuring / reorganization under the Bankruptcy Law (art. 67 letter. d, art. 182 / bis),
- 3) possible restructuring / reorganization under the Bankruptcy Law (art. 67 letter. d, art. 182 / bis or of similar models of foreign law).

Such status is currently being dismissed: since July 2016 no loan positions are classified as In Risanamento and therefore the status applies to the existing stock only.

Loans classified as “*Credito Proattivo*” are still considered as “performing”.

### **“Non performing loans”**

In 2014 the European Banking Authority (EBA) published the final version of the “Draft Implementing Technical On Supervisory reporting on forbearance and non-performing exposures under article 99(4) of Regulation (EU) No 575/2013”. Consequently on January 2015 the Bank of Italy issued an updated regulations providing for the amendment of the subdivision of non-performing financial assets into risk-categories, thus harmonizing its regulations to the new European Union law.

According to new Bank of Italy’s regulations, “Non performing loans” consist in:

- Past due exposures (“*Sconfino*”);
- Unlikely to pay (“*Inadempienze probabili*”);
- Doubtful (“*Sofferenze*”).

All such exposures are subject to valuations for accounting purposes.

Furthermore, it has also been identified a new array of exposures covering all loans being renegotiated because of financial difficulties (existing or likely to exist) of the counterparty. Such range of loans can be classified as follows:

- Forbearance Non Performing: non performing exposures with forbearance measures
- Forbearance Performing: performing exposures with forbearance measures.

#### ***“Past due exposures”***

Exposures other than those classified as Doubtful or Unlikely to Pay that, as at reporting date, are past due for over 90 days on a continuous basis and exceeding a materiality threshold.

#### ***“Unlikely to pay”***

Some specific and minimum criteria are taken into consideration for the classification of an exposure as Unlikely to pay. It's the result of the assessment as to the improbability that the borrower will thoroughly fulfil its credit obligations (by way of repayment of principal and/or interest) without recourse to actions such as the enforcement of guarantees/ collateral. Such assessment should be carried out irrespectively of any past due and/or unpaid amounts (or instalments).

#### ***“Doubtful”***

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

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

#### **External Collection**

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

A dedicated IT processing system had been set up for the assignment and management of the loans, in order to allow the immediate visibility of the collection actions undertaken by such external companies and a punctual monitoring of the evolution of the loan status.

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

- appointments are to be granted periodically according to the Bank's needs and in its total discretion, without any obligation to grant a minimum number of loans to third party companies;
- such companies must undertake to carry out the assignments with upmost care and according to criteria of qualified expertise;
- such companies' activities are to be carried out in full compliance with any Authority's laws, regulations or provisions applicable from time to time and, in particular, are to operate in careful compliance with anti-money laundering laws and personal data protection;

- such companies cannot directly collect amounts due on the Loans, unless they have the necessary regulatory authorisations.

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

### **Renegotiation**

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

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

- option to include the amount of the overdue, unpaid instalments, together with the residual debt, with a restructuring of the amortisation plan; the customer has the option to extend the term of the loan for another 10 years compared to the original maturity, in compliance with the limits set out below;
- an overall term of the loan, including the extension, of no more than 40 years, provided that, for retail costumers, at the new maturity the age of the principal debtor does not exceed 75 years;
- solely for the positions classified as *Credito Proattivo*, in *Risanamento*, *Sconfino* or *Inadempienza probabile*, it is possible to provide a pre-amortisation period of no more than 36 months in which only interest instalments will be paid, with specific authorisation at the minimum level of Regional Department/BDT Division Bank limited to Private counterparties;
- without prejudice, as a priority, to the need to collect, together with the renegotiation, in addition to the interest accrued from the last instalment due on the day of completion of the transaction, the contractual interest accrued on overdue payments in the last six months and all default interest, with specific authorisation at the minimum level of resolution of the Regional Department of the BDT Division and only for positions classified as Overrun and/or Substandard, the last two items (accrued interest in the last six months and default interest) may be extended and deferred on the renegotiated loan. In this case, the extension period may last up to a maximum of 36 months and no later than the remaining term of the renegotiated loan. These items will be non-interest bearing, not subject to late payment interest including in the event of default and will be collected in instalments starting from the first instalment after those made up only of interest (in case of any pre-amortisation period). Derogation to the collection for Performing positions is not permitted.

### **Restructuring**

A loan may be restructured according to Italian laws dealing with bankruptcy establishing criteria and ways of restructuring

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

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

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

A judicial action will be carried out as follows:

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

and

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

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

- (a) to carry out the direct recovery of the individual claim (whether in the framework of a judicial action or by an out-of-court procedure);
- (b) to entrust the recovery to external companies (almost exclusively in the case of positions of negligible amount);
- (c) to carry out transfers of individual claims without recourse (*pro soluto*).

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

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

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

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

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

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

Servicer. In case of amendments of these powers, the First Special Servicer will promptly inform ISP OBG S.r.l. and the Representative of the Covered Bondholders.

Pursuant to the *Accordo di Gestione* (i) the Second Special Servicer will continue to manage exclusively the Defaulted Loans delegated to it until 30 April 2015, with reference to the clients who, at the date of the relevant delegation, had an exposure not higher than €249,999; and (ii) starting from 1 May 2015, Intesa Sanpaolo Group Services S.C.p.A. will manage the Defaulted Receivables delegated to it prior to 30 April 2015 (with reference to the clients who, at the date of the relevant delegation, had an exposure higher than €249,999), as well as any other loans which, starting from 1 May 2015, may be classified by the Servicer as Defaulted Loans.

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

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

## TAXATION

Under the section headed “*Taxation*”, in the paragraph headed “*Italian resident Covered Bondholders*”, on page 264 of the Base Prospectus, the following text is added after the first sub-paragraph:

“Subject to certain conditions, interest in respect of Covered Bonds issued by Intesa Sanpaolo that qualify as *obbligazioni or titoli similari alle obbligazioni* received by Italian resident individuals holding the Covered Bonds not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Covered Bonds are included in a long-term savings account (*piano di risparmio a lungo termine*) pursuant Article 1, paragraph 100 – 114, of Law No.232 of 11 December 2016 (“**Law 232**”).”

\* \* \*

Under the section headed “*Taxation*”, in the paragraph headed “*Italian resident Covered Bondholders*”, the second sub-paragraph on page 264 of the Base Prospectus is deleted and replaced by the following:

“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.”

\* \* \*

Under the section headed “*Taxation*”, in the paragraph headed “*Italian resident Covered Bondholders*”, the sub-paragraph on page 264 of the Base Prospectus as reproduced below is deleted:

“As of 1st January, 2015, Italian pension fund benefits from a tax credit equal to 9% of the increase in value of the managed assets accrued at the end of the tax period, provided that the pension fund invests in certain medium long term financial assets as identified with the Ministerial Decree of 19th June, 2015 published in the Official Gazette – general series No. 175, on 30 July 2015.”

\* \* \*

Under the section headed “*Taxation*”, in the paragraph headed “*Atypical Securities*” on page 265 of the Base Prospectus, after the first sub-paragraph the following text is added:

“Subject to certain conditions, interest in respect of Covered Bonds issued by Intesa Sanpaolo that do not qualify as *obbligazioni or titoli similari alle obbligazioni* and are treated as atypical securities received by Italian resident individuals holding the Covered Bonds not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Covered Bonds are included in a long-term savings account (*piano di risparmio a lungo termine*) pursuant Article 1, paragraph 100 – 114, of Law 232.”

\* \* \*

Under the section headed “*Taxation*”, in the paragraph headed “*Capital gains tax*”, the third sub-paragraph on page 267 of the Base Prospectus is deleted and replaced by the following:

“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.”

\* \* \*

Under the section headed “*Taxation*”, in the paragraph headed “*Capital gains tax*”, the sub-paragraph on page 267 of the Base Prospectus as reproduced below is deleted:

“As of 1st January, 2015, Italian pension fund benefits from a tax credit equal to 9% of the increase in value of the managed assets accrued at the end of the tax period, provided that the pension fund invests in certain medium long term financial assets as identified with the Ministerial Decree of 19th June, 2015 published in the Official Gazette – general series No. 175, on 30 July 2015.”

\* \* \*

Under the section headed “*Taxation*”, in the paragraph headed “*Capital gains tax*” on page 267 of the Base Prospectus, after the last sub-paragraph the following text is added:

“Subject to certain conditions, capital gains in respect of Covered Bonds issued by Intesa Sanpaolo that qualify as *obbligazioni or titoli similari alle obbligazioni* realized upon sale, transfer or redemption by Italian resident individuals holding the Covered Bonds not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Covered Bonds are included in a long-term savings account (*piano di risparmio a lungo termine*) pursuant Article 1, paragraph 100 – 114, of Law 232.”

## GENERAL INFORMATION

Under the section headed “*General information*”, the paragraph headed “*No significant change and no material adverse change*”, on page 277 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 30 September 2016, there has been no significant change in the financial or trading position of the Issuer. Since 30 June 2016, there has been no significant change in the financial or trading position of the Covered Bond Guarantor.”

\* \* \*

Under the section headed “*General information*”, in the paragraph headed “*Documents available for inspection*”, the first paragraph, on page 277 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 3 February 2017 Press Release;
- (v) the 2 August 2016 Press Release;
- (vi) the Issuer’s unaudited condensed consolidated financial statements as at 30 September 2016;
- (vii) the Issuer’s unaudited condensed consolidated financial statements in respect of the half-year 2016, with auditors’ limited review report;
- (viii) the Issuer’s unaudited condensed consolidated interim financial statements as at 31 March 2016;
- (ix) 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;
- (x) 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;
- (xi) the Covered Bond Guarantor’s unaudited interim condensed financial statements in respect of the half-year 2016, with auditors’ limited review report;
- (xii) the Covered Bond Guarantor’s audited annual financial statements including the auditors’ report thereon in respect of the year ended on 31 December 2015;
- (xiii) the Covered Bond Guarantor’s audited annual financial statements including the auditors’ report thereon in respect of the year ended on 31 December 2014;

- (xiv) a copy of this Base Prospectus together with any supplement thereto, if any, or further Base Prospectus;
- (xv) the Terms and Conditions of the Covered Bonds contained in the prospectus dated 29 July 2013, pages 155 to 208 (inclusive), in the prospectus dated 31 July 2014, pages 175 to 229 (inclusive) and in the prospectus dated 30 July 2015, pages 187 to 243 (inclusive), each prepared by the Issuer in connection with the Programme;
- (xvi) any reports, letters, balance sheets, valuations and statements of experts included or referred to in the Base Prospectus (other than consent letters);
- (xvii) 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](http://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.”

## DOCUMENTS INCORPORATED BY REFERENCE

Under the section headed “*Documents incorporated by reference*”, the first paragraph, on page 280 of the Base Prospectus, is 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 3 February 2017 regarding the Issuer’s consolidated results in respect of the year ended on 31 December 2016 (the **3 February 2017 Press Release**);
- (b) the press release dated 2 August 2016 regarding the Issuer’s consolidated results as at 30 June 2016 (the **2 August 2016 Press Release**);
- (c) the press release dated 29 July 2016 regarding the EU-wide stress test conducted by the European Banking Authority in relation to the Issuer (the **29 July 2016 Press Release** and, together with the 2 August 2016 Press Release, the **2016 Press Releases**);
- (d) the Issuer’s unaudited condensed consolidated financial statements as at 30 September 2016;
- (e) the Issuer’s unaudited condensed consolidated financial statements in respect of the half-year 2016, with auditors’ limited review report;
- (f) the Issuer’s unaudited condensed consolidated interim financial statements as at 31 March 2016;
- (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 2015;
- (h) 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<sup>1</sup>;
- (i) the Covered Bond Guarantor’s unaudited interim condensed financial statements in respect of the half-year 2016, with auditors’ limited review report;
- (j) 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 2015;
- (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 2014;
- (l) the Terms and Conditions of the Covered Bonds contained in the prospectus dated 29 July 2013, pages 155 to 208 (inclusive), in the prospectus dated 31 July 2014, pages 175 to 229 (inclusive) and in the prospectus dated 30 July 2015, pages 187 to 243 (inclusive), each prepared by the Issuer in connection with the Programme.”

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<sup>1</sup> Please note that the files incorporated under items (g) and (h) above include the consolidated financial statements of the Intesa Sanpaolo Group as required under Commission Regulation (EC) No. 809/2004, and does not include the individual financial statements of Intesa Sanpaolo. Therefore, even if the index of these documents contains references to the Intesa Sanpaolo’s individual financial statements, only information related to the consolidated financial statements of the Intesa Sanpaolo Group is relevant and incorporated by reference in the Base Prospectus.

\* \* \*

Under the section headed “*Documents incorporated by reference*”, the third and fourth paragraphs, on page 280 of the Base Prospectus, are deleted and replaced by the following (the underlined words show the insertions made):

“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 audited consolidated annual financial statements of the Issuer as at and for the years ended on 31 December 2015 and 31 December 2014, the Issuer’s unaudited condensed consolidated interim financial statements as at 31 March 2016, the auditor’s report for the Issuer for the financial years ended on 31 December 2015 and 31 December 2014, the Issuer’s unaudited condensed consolidated financial statements in respect of the half-year 2016 and the Issuer’s unaudited condensed consolidated financial statements as at 30 September 2016 on the Issuer’s website ([http://www.group.intesasanpaolo.com/scriptIsir0/si09/investor\\_relations/eng\\_bilanci\\_relazioni.jsp](http://www.group.intesasanpaolo.com/scriptIsir0/si09/investor_relations/eng_bilanci_relazioni.jsp)). In addition, copy of the 2016 Press Releases and the 3 February 2017 Press Release may be obtained on the Issuer’s website ([http://www.group.intesasanpaolo.com/scriptIsir0/si09/salastampa/eng\\_comunicati\\_stampajsp](http://www.group.intesasanpaolo.com/scriptIsir0/si09/salastampa/eng_comunicati_stampajsp)). 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 2016, the 2016 Press Releases, the 3 February 2017 Press Release, the Issuer’s unaudited condensed consolidated financial statements in respect of the half-year 2016 with auditors’ limited review report and the Issuer’s unaudited condensed consolidated financial statements as at 30 September 2016 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 2016 (Commission Regulation (EC) No. 809/2004, Annex XI, paragraph 11.5.)*”, on page 281 of the Base Prospectus, the following tables are included:

**“Press Release dated 3 February 2017**

<b>Press Release</b>	<b>Page number(s)</b>
Intesa Sanpaolo Group: reclassified consolidated statement of income	26
Intesa Sanpaolo Group: quarterly development of the reclassified consolidated statement of income	27
Intesa Sanpaolo Group: reclassified consolidated balance sheet	28
Intesa Sanpaolo Group: quarterly development of the reclassified consolidated balance sheet	29

**Intesa Sanpaolo interim statements as at 30 September 2016 (Commission Regulation (EC) No. 809/2004, Annex XI, paragraph 11.5.)**

<b>Unaudited interim consolidated financial statements</b>	<b>Page number(s)</b>
Consolidated financial statement	39-44
<i>Consolidated balance sheet</i>	40-41
<i>Consolidated income statement</i>	42
<i>Statement of consolidated comprehensive income</i>	43
<i>Statement of changes in consolidated shareholders' equity as at 30 September 2016</i>	44
<i>Statement of changes in consolidated shareholders' equity as at 30 September 2015</i>	44
Report on operations	45
<i>Economic results</i>	47-59
<i>Balance sheet aggregates</i>	60-70
<i>Breakdown of consolidated results by business area</i>	71-92
<i>Risk management</i>	93-114
Accounting policies	115
<i>Criteria for the preparation of the Interim statement</i>	117-118

**Intesa Sanpaolo half-yearly report as at and for the six months ended on 30 June 2016 (Commission Regulation (EC) No. 809/2004, Annex XI, paragraph 11.5.)**

<b>Unaudited half-year condensed consolidated financial statements</b>	<b>Page number(s)</b>
Consolidated financial statements	47
Consolidated balance sheet	48-49
Consolidated income statement	50
Statement of consolidated comprehensive income	51
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Consolidated statement of cash flows	53
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<i>Balance sheet aggregates</i>	79-90
<i>Breakdown of consolidated results by business area and geographical area</i>	91-114

<i>Risk management</i>	115-138
<i>Shareholder base, transactions with related parties and other information</i>	139-144
Independent Auditors' Report	147-150"

\* \* \*

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 2015 (Commission Regulation (EC) No. 809/2004, Annex IX, paragraph 11.1.)*", on page 282 of the Base Prospectus, the following table is included:

**"Covered Bond Guarantor half-yearly report as at and for the six months ended on 30 June 2016 (Commission Regulation (EC) No. 809/2004, Annex IX, paragraph 11.5.)**

<b>Unaudited half-year condensed financial statements</b>	<b>PDF Page number(s)</b>
Statement of financial position	15-16
Income Statement	17
Statement of comprehensive income	18
Statements of changes in equity	19
Statement of cash flows	20
Notes to the financial statements	21-58
Independent Auditors' Report	2-3"