

**SUPPLEMENT DATED 11 FEBRUARY 2019
TO THE BASE PROSPECTUS DATED 20 DECEMBER 2018**



Intesa Sanpaolo S.p.A.

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

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

ISP CB Pubblico S.r.l.

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

BY APPROVING THIS SUPPLEMENT, THE *COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER* GIVES NO UNDERTAKING AS TO THE ECONOMIC 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 December 2018 (the **Base Prospectus**) for the purposes of Article 16 of Directive 2003/71/EC, as subsequently amended (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 following sections of the Base Prospectus: (a) "*Documents incorporated by reference*", (b) "*Description of the Issuer*" and (c) "*General Information*".

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

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

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

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DOCUMENTS INCORPORATED BY REFERENCE

The information set out below supplements the first three paragraphs of section “*Documents incorporated by reference*”, on page 92 of the Base Prospectus (the underlined words show the insertions made):

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

- (1) the press release dated 5 February 2019 regarding the Issuer’s consolidated results in respect of the year ended on 31 December 2018 (the 5 February 2019 Press Release);
- (2) the Issuer’s unaudited condensed consolidated financial statements as at 30 September 2018;
- (3) the Issuer’s unaudited condensed consolidated financial statements in respect of the half-year 2018, with auditors’ limited review report;
- (4) the Issuer’s audited consolidated annual financial statements, including the auditors’ report thereon, notes thereto and the relevant accounting principles, in respect of the year ended on and as at 31 December 2017;
- (5) the Issuer’s audited consolidated annual financial statements, including the auditors’ report thereon, notes thereto and the relevant accounting principles, in respect of the year ended on and as at 31 December 2016 ;
- (6) the Covered Bond Guarantor’s unaudited interim condensed financial statements, including the auditors’ limited review report, in respect of the half-year 2018;
- (7) the Covered Bonds Guarantor audited annual financial statements, including the auditor’s report thereon, in respect of the year ended on and as at 31 December 2017;
- (8) the Covered Bonds Guarantor audited annual financial statements including the auditor’s report thereon, in respect of the year ended on and as at 31 December 2016.

The table below sets out the relevant page references for, *inter alia* (i) the notes, the balance sheet, the income statement and the accounting policies relating to the unaudited condensed financial statements of the Issuer as at 30 September 2018 and the unaudited condensed consolidated financial statements of the Issuer in respect of the half-year ended on 30 June 2018, with auditors’ limited review report; (ii) the notes, the balance sheet, the income statement, the auditor’s report and the accounting policies relating to the consolidated financial statements of the Issuer for the years ended on and as at 31 December 2017 and 31 December 2016, (iii) the notes, the balance sheet, the income statement and the accounting policies relating to the interim financial statements of the Covered Bonds Guarantor in respect of the half-year ended on 30 June 2018, with auditors’ limited review report, and (iv) the notes, the balance sheet, the income statement, the auditor’s report and the accounting policies relating to the financial statements of the Covered Bonds Guarantor for the years ended on and as at 31 December 2017 and 31 December 2016.

The audited consolidated financial statements referred to above, together with the audit reports thereon, the Issuer’s unaudited condensed consolidated financial statements in respect of the half-year 2018 and the Issuer’s unaudited condensed consolidated financial statements as at 30 September 2018 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 Bonds 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 Cover Bonds Guarantor's financial reports (as

applicable). Any part of the documents listed under items from (1) to (8) above not listed in cross reference list below but contained in such documents, is not incorporated by reference in this Base Prospectus and is either not relevant for the investor or it is covered elsewhere in this Base Prospectus.”

* * *

Under the section headed “*Documents incorporated by reference*”, on page 621 of the Base Prospectus, in the paragraph headed “*Cross-reference List*”, before the table headed “*Intesa Sanpaolo interim statements as at 30 September 2017 (Commission Regulation (EC) No. 809/2004, Annex XI, paragraph 11.5.)*” the following table is included:

“5 February 2019 Press Release

| Press Release | Page number(s) |
|--|-----------------------|
| Reclassified consolidated statement of income | 22 |
| Quarterly development of the reclassified consolidated statement of income | 23-24 |
| Reclassified consolidated balance sheet | 25 |
| Quarterly development of the reclassified consolidated balance sheet | 26 |
| Breakdown of financial highlights by business area | 27” |

The information incorporated by reference that is not included in the cross-reference list above is considered as additional information and is not required by the relevant schedules of Regulation (EC) 809/2004 (as amended).

The Issuer confirms that the figures contained in the 5 February 2019 Press Release are substantially consistent with the final figures to be published in the next annual audited financial statements. The unaudited results (the audit procedures by statutory auditors are in progress) for the year ended 31 December 2018 have been compiled on the basis of the same accounting principles and standards utilized for the preparation of the consolidated financial statements of the Issuer for the year ended 31 December 2017 in all material respects other than as regards IFRS 9 and IFRS 15 which came into force in 2018 and accordingly applies only to the 2018 unaudited results.

* * *

The paragraph headed “*Availability of Documents*” on page 96 of the Base Prospectus, is deleted and replaced by the following (the underlined words show the insertions made):

“Availability of Documents

Copies of the documents incorporated by reference into this Base Prospectus may also be obtained from the registered office of the Issuer; the Issuer’s unaudited condensed consolidated interim financial statements as at 31 September 2018, the Issuer’s unaudited condensed consolidated financial statements in respect of the half-year 2018 and the audited consolidated annual financial statements of the Issuer, including the auditor’s report thereon, notes thereto and the relevant accounting principles in respect of the years respectively ended on as at 31 December 2017 and 31 December 2016, on the Issuer’s website (http://www.group.intesasanpaolo.com/scriptIsir0/si09/salastampa/eng_comunicati_stampa.jsp and http://www.group.intesasanpaolo.com/scriptIsir0/si09/investor_relations/eng_bilanci_relazioni.jsp#investor_relations/eng_bilanci_relazioni.jsp). In addition, copy of the 5 February 2019 Press Release may be obtained on the Issuer’s website

(https://www.group.intesasanpaolo.com/scriptIsir0/si09/investor_relations/eng_comunicati_stampa_price.jsp).

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

DESCRIPTION OF THE ISSUER

Under the section headed “*Description of the Issuer*”, on page 97 of the Base Prospectus, the paragraph titled “*Sovereign risk exposure*” is deleted and replaced by the following (the underlined words show the insertions made):

“**Sovereign risk exposure**”

As at 30 June 2018, Intesa Sanpaolo Group’s exposure in securities to Italian sovereign debt to a total of Euro 75,225 million, in addition to receivables for Euro 11,907 million. The security exposures decreased slightly compared to Euro 75,978 million as at 31 December 2017.”

* * *

Under the section headed “*Description of the Issuer*”, on page 128 and 129 of the Base Prospectus, the paragraph titled “*Tax litigation*” is deleted and replaced by the following (the underlined words show the insertions made):

“The Intesa Sanpaolo Group's tax litigation risks are covered by adequate provisions to allowances for risks and charges.

As at 30 June 2018, Intesa Sanpaolo had pending litigation proceedings (for tax, fines and interest) for a total amount of 220 million euro (214 million euro as at 31 December 2017), considering both administrative and judicial proceedings at various instances.

In relation to these proceedings, the actual risks were quantified at 64 million euro as at 30 June 2018 (65 million euro as at 31 December 2017).

In the first half, only one new dispute of a significant amount was initiated (dispute of 6.7 million euro, plus interest; fines not imposed). Two transactions involving the contribution of private equity business lines and the subsequent partial demerger were contested against the Parent Company and IMI Investimenti, as jointly and severally liable, which the Italian Revenue Agency - Second Provincial Office of Milan reclassified as transfers of business lines subject to registration tax at a proportional rate (3%).

At the Intesa Sanpaolo Group's other Italian companies included in the scope of consolidation (with the exclusion of Risanamento S.p.A., not subject to management and coordination by Intesa Sanpaolo), tax litigation totalled 131 million euro as at 30 June 2018 (139 million euro as at 31 December 2017), covered by specific provisions of 31 million euro (32 million euro at the end of 2017).

The tax auditors’ report by the Piedmont regional office – large taxpayers office notified to the Bank on 28 September 2018 two findings for the year 2014 of a non-material amount (a total of 1.5 million euro), in addition to the notification of higher taxable income for IRES and IRAP for the years 2013, 2014 and 2015 for a total taxable income of €1.2 million. For Banca IMI, two tax disputes of a significant amount relating to 2005 and 2006 were closed as a result of access to the procedure for the settlement of pending tax disputes concerning withholding tax on manufactured dividends paid to non-residents in relation to Italian shares borrowed by Banca IMI. With respect to a total value of claims of 20.2 million euro, the settlement was made for a total of 8.6 million euro, without effect on the income statement, as the claims were covered by specific allowances for tax litigation. In addition, on 24 January 2018, the Lombardy Regional Office - Large Taxpayers Department of the Italian Revenue Agency began a tax audit of direct

taxes, VAT, IRAP and withholding tax for 2015. On 31 July 2018 the tax audit concluded without any remark.

In May, the IRES and IRAP disputes for the year 2012 were settled for Banca Apulia, a company that joined the ISP Group following the acquisition of the business lines of the Venetian Banks. Starting from an initial total claim for IRES and IRAP for the 2012 tax year of 5.5 million euro, the dispute was settled by means of a tax settlement proposal for a total charge of 0.8 million euro (partly already paid by the bank in the form of substitute tax and acknowledged by the Italian Revenue Agency and partly through use of the allowance for tax litigation). This settlement prevented an identical claim of significant value for the tax periods from 2013 to 2021.

As regards Mediocredito Italiano, following the final judgement handed down by the Lombardy Regional Tax Commission, the litigation concerning VAT for the tax year 2007 (former Leasint) was concluded in the bank's favour with respect to an original claim of over 7 million euro (for taxes, interest and fines).

The general tax audit of Intesa Sanpaolo Assicura concerning the tax periods 2013, 2014 and 2015 was completed on 21 May, with an overall positive outcome. For the settlement of the findings, it is estimated that the actual cost will not exceed 0.3 million euro.

Tax disputes involving international subsidiaries, totalling 5.4 million euro (11 million euro as at 31 December 2017), are covered by allowances of 3.6 million euro (4 million euro as at 31 December 2017).

A tax audit of IMI SEC by the US tax authorities was initiated for the years 2015 and 2016. Lastly, the VAT dispute of the foreign subsidiary CIB Bank Ltd (claim amount of 3.6 million euro) was concluded with an unfavourable ruling by the local Supreme Court. Nevertheless, this had no effect on the income statement, as the company had already paid the entire amount of the tax claim in full in previous years."

GENERAL INFORMATION

Under the section headed “*General information*”, the paragraph “*Documents available for inspection*”, on page 260 of the Base Prospectus is deleted and replaced by the following (the underlined words show the insertions made):

“Documents available for inspection

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

- (i) the Transaction Documents (but excluding, for avoidance of doubt, any document in respect of any Registered Covered Bonds);
- (ii) the Issuer’s memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof;
- (iii) the Covered Bonds Guarantor’s memorandum of association and by-laws as of the date hereof;
- (iv) the 5 February 2019 Press Release;
- (v) the Issuer’s unaudited condensed consolidated financial statements as at 30 September 2018;
- (vi) the Issuer’s unaudited condensed consolidated financial statements in respect of the half-year 2018, with auditors’ limited review report;
- (vii) the Issuer’s audited consolidated annual financial statements including the auditors’ report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2017;
- (viii) the Issuer’s audited consolidated annual financial statements including the auditors’ report thereon, notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2016;
- (ix) the Covered Bond Guarantor’s unaudited interim condensed financial statements, including the auditors’ limited review report, in respect of the half-year 2018;
- (x) the Covered Bonds Guarantor’s audited annual financial statements in respect of the year ended on 31 December 2017 and the relevant auditor’s report;
- (xi) the Covered Bonds Guarantor’s audited annual financial statements, including the auditors’ report thereon, in respect of the year ended on 31 December 2016;
- (xii) a copy of this Base Prospectus together with any supplement thereto, if any, or further Base Prospectus;
- (xiii) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Covered Bonds Guarantor’s request any part of which is included or referred to in the Base Prospectus;
- (xiv) the historical financial information of the Covered Bonds Guarantor or, in the case of a group, the historical financial information of the Covered Bonds Guarantor and its subsidiary undertakings for each of the two financial years preceding the publication of the Base Prospectus.
- (xv) 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 (other than Registered Covered Bonds) which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Covered Bondholders.

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