

SUPPLEMENT DATED 12 SEPTEMBER 2012
TO THE BASE PROSPECTUS DATED 3 NOVEMBER 2011



Intesa Sanpaolo S.p.A.

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

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

ISP CB Ipotecario S.r.l.

(incorporated with limited liability under the laws of the Republic of Italy)

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

This supplement (the **Supplement**) constitutes a Supplement to the Base Prospectus dated 3 November 2011, as supplemented on 8 June 2012 and 6 July 2012 (the **Base Prospectus**) for the purposes of Article 16 of Directive 2003/71/EC (the **Prospectus Directive**) and Article 13, paragraph 1, of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005 (the **Luxembourg Law**).

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

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

Each of the Issuer, the Covered Bonds Guarantor and the Seller 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, the Seller and the Covered Bonds 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 Base Prospectus Directive and Luxembourg Law, as a supplement issued in compliance with the Base Prospectus Directive and relevant implementing measures in Luxembourg for the purposes of: (i) incorporating by reference in the Base Prospectus the Issuer's unaudited condensed consolidated financial statements in respect of the half-year 2012; (ii) incorporating by reference in the Base

Prospectus the Covered Bond Guarantor's unaudited interim condensed financial statements in respect of the half-year 2012; (iii) updating the section of the Base Prospectus entitled "*Documents incorporated by reference*"; (iv) updating the section "*Financial Information of the Issuer – an overview*" under the section of the Base Prospectus entitled "*Description of the Issuer*"; (v) updating the section of the Base Prospectus entitled "*Description of the Covered Bond Guarantor*"; (vi) updating the description of the "*Cash Management and Agency Agreement*" under the section of the Base Prospectus entitled "*Description of the Transaction Documents*" and (vii) updating the section entitled "*General Information*" of the Base Prospectus.

In accordance with Article 16, paragraph 2, of the Prospectus Directive and Article 13, paragraph 2, of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities before this Supplement is published have the right, exercisable on the date falling two working days after the publication of this Supplement (being 14 September 2012), to withdraw their acceptances.

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

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

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

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DOCUMENTS INCORPORATED BY REFERENCE

The first paragraph of section “*DOCUMENTS INCORPORATED BY REFERENCE*”, on page 6 of the Base Prospectus is replaced by the following:

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

- (a) the Issuer's audited annual consolidated financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles, and the Issuer's audited annual financial statements including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the years ending on 31 December 2009 and 31 December 2010;*
- (b) the Covered Bond Guarantor's audited annual financial statements in respect of the years ending on 31 December 2009 and 31 December 2010;*
- (c) the Issuer's unaudited condensed consolidated financial statements in respect of the half-year 2011, with auditors' review report;*
- (d) the Covered Bond Guarantor's unaudited interim condensed financial statements in respect of the half-year 2011 with auditors' review report;*
- (e) the auditors' report for the Covered Bond Guarantor in relation to the financial statements in respect of the years ending on 31 December 2009 and 31 December 2010;*
- (f) the Issuer's audited annual consolidated financial statements, including the auditors' report thereon, notes thereto and the relevant accounting principles, and the Issuer's audited annual financial statements including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ending on 31 December 2011;*
- (g) the Covered Bond Guarantor's audited annual financial statements in respect of the year ending on 31 December 2011;*
- (h) the auditors' report for the Covered Bond Guarantor in relation to the financial statements in respect of the year ending on 31 December 2011;*
- (i) the Issuer's unaudited condensed consolidated financial statements in respect of the half-year 2012, with auditors' review report;*
- (j) the Covered Bond Guarantor's unaudited interim condensed financial statements in respect of the half-year 2012 with auditors' review report;*
- (k) the Covered Bond Guarantor's auditors' review report in respect of the half-year 2012."*

* * *

The information set out below supplements the paragraph “*Cross- reference list*” on page 6 of the Base Prospectus:

Intesa Sanpaolo half-yearly report as at and for the six months ended 30 June 2012

<i>Unaudited half-year condensed consolidated financial statements</i>	<i>Page number(s)</i>
Consolidated financial statements	37
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Covered Bond Guarantor half-yearly report as at and for the six months ended 30 June 2012

<i>Unaudited half-year condensed financial statements</i>	<i>Page number(s)</i>
Balance Sheet	12-13
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Statement of comprehensive income	16
Statements of changes in quotaholders' equity	17
Cash Flow Statement	18
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Independent Auditors' Review Report	Separate document

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The last three paragraphs of "Cross- reference list" paragraph on page 6 of the Base Prospectus are replaced as follows:

"Any information not listed above but included in the documents incorporated by reference is given for information purpose only.

The consolidated financial statements of the Issuer as at and for the years ended on 31 December 2009, 31 December 2010 and 31 December 2011 have been audited by Reconta Ernst and Young S.p.A. , in their capacity as independent auditors of the Issuer, as indicated in

their reports thereon, while the interim condensed financial statements of the Issuer in respect of the half-year 2012 have been reviewed by KPMG S.p.A., in their capacity as independent auditors of the Issuer, as indicated in their report thereon..

The financial statements of the Covered Bond Guarantor as at and for the years ended on 31 December 2009, 31 December 2010 and 31 December 2011 have been audited and the interim condensed financial statements of the Covered bond Guarantor in respect of the half-year 2012 have been reviewed by Reconta Ernst and Young S.p.A., in their capacity as independent auditors of the Covered Bond Guarantor, as indicated in their reports thereon.

The financial statements referred to above have been prepared in accordance with the accounting principles issued by the International Accounting Standards Board (IASB) and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union under Regulation (EC) 1606/2002."

DESCRIPTION OF THE ISSUER

The section entitled “*FINANCIAL INFORMATION OF THE ISSUER – AN OVERVIEW*”, beginning on page 92 of the Base Prospectus is amended as follows:

Audited Consolidated Annual Financial Statements

The annual financial information as at and for the years ended 31st December 2010 and 31st December 2011, has been derived from the audited consolidated annual financial statements of the Intesa Sanpaolo Group as at and for the year ended 31st December 2011 (the "2011 Annual Financial Statements"), that include comparative figures as at and for the year ended 31st December 2010. The 2011 Annual Financial Statements have been audited by Reconta Ernst & Young, auditors to Intesa Sanpaolo S.p.A., who issued their audit report on 23 April 2012.

Half-yearly Financial Statements

The half yearly financial information as at and for the six months ended 30th June, 2012 has been derived from the unaudited consolidated half-yearly financial statements of the Intesa Sanpaolo Group as at and for the six months ended 30th June, 2012 (the "2012 Half-Yearly Financial Statements") that include comparative balance sheet figures as at 31st December, 2011 and income statement figures for the six months ended 30th June, 2011. KPMG S.p.A. has performed a review on the 2012 Half-Yearly Financial Statements as at and for the six months ended 30th June, 2012 in accordance with CONSOB Regulation No. 10867 of 31st July, 1997 and issued their review report on 9 August 2012.

Accounting Principles

The annual financial statements and half-yearly financial statements referred to above have been prepared in accordance with the accounting principles issued by the International Accounting Standards Board and the relative interpretations of the International Financial Reporting Interpretations Committee, otherwise known as International Financial Reporting Standards, as adopted by the European Union under Regulation (EC) 1606/2002. The half-yearly financial statements referred to above have been prepared in compliance with International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Incorporation by Reference

Both the annual and the half-yearly financial statements referred to above are incorporated by reference in this Base Prospectus (see the section headed “Documents incorporated by reference”). The financial information set out below forms only part of, should be read in conjunction with and is qualified in its entirety by reference to the above-mentioned annual and half-yearly financial statements, together with the accompanying notes and auditors’ reports.

INTESA SANPAOLO
CONSOLIDATED BALANCE SHEET
AS AT 30/06/2012 AND 31/12/2011

Assets	30.06.2012	31.12.2011	(millions of euro)	
			Changes	
			amount	%
Cash and cash equivalents	4,150	4,051	99	2.2
Financial assets held for trading	66,080	59,963	6,117	10.2
Financial assets designated at fair value through profit and loss	37,842	34,253	3,589	10.5
Financial assets available for sale	88,408	68,777	19,631	28.5
Investments held to maturity	2,222	2,621	-399	-15.2
Due from banks	35,826	35,866	-39	-0.1
Loans to customers	374,953	376,744	-1,791	-0.5
Hedging derivatives	11,708	10,248	1,460	14.2
Fair value change of financial assets in hedged portfolios (+/-)	118	137	-19	-15.9
Investments in associates and companies subject to joint control	2,795	2,630	165	6.3
Technical insurance reserves reassured with third parties	15	15	-	-
Property and equipment	5,511	5,538	-25	-0.5
Intangible assets	14,830	15,041	-211	-1.4
of which				
- goodwill	8,671	8,689	-18	-0.2
Tax assets	13,313	14,702	-1,389	-9.4
a) current	3,175	2,379	796	33.5
b) deferred	10,138	12,323	-2,185	-17.7
Non-current assets held for sale and discontinued operations	27	26	1	3.8
Other assets	8,619	8,602	17	0.2
Total Assets	666,417	639,221	27,196	4.3

Source: Issuer's unaudited condensed consolidated financial statements in respect of the half-year 2012

INTESA SANPAOLO
CONSOLIDATED BALANCE SHEET
AS AT 30/06/2012 AND 31/12/2011

Liabilities and Shareholders' Equity	30.06.2012	31.12.2011	(millions of euro)	
			Changes	
			amount	%
Due to banks	83,617	78,844	4,973	6.3
Due to customers	205,849	197,165	8,684	4.4
Securities issued	68,790	60,245	-465	-0.3
Financial liabilities held for trading	54,921	48,740	6,181	12.7
Financial liabilities designated at fair value through profit and loss	24,854	22,653	2,201	9.7
Hedging derivatives	9,651	8,576	1,275	14.9
Fair value change of financial liabilities in hedged portfolios (+/-)	2,016	1,666	330	19.6
Tax liabilities	2,931	4,064	-1,133	-27.9
a) current	864	669	175	25.4
b) deferred	2,067	3,375	-1,308	-38.8
Liabilities associated with non-current assets				
held for sale and discontinued operations	-	-	-	
Other liabilities	6,944	8,968	2,981	21.3
Employee termination indemnities	1,316	1,338	-22	-1.6
Allowances for risks and charges	3,362	3,628	-266	-7.3
a) post employment benefits	391	402	-11	-2.7
b) other allowances	2,971	3,226	-255	-7.9
Technical reserves	52,310	50,761	1,549	3.1
Valuation reserves	-2,704	-3,298	-594	-18.0
Redeemable shares	-	-	-	
Equity instruments	-	-	-	
Reserves	9,963	8,948	-3,880	-28.0
Share premium reserve	30,934	36,148	-5,209	-14.4
Share capital	8,546	8,546	-	-
Treasury shares (-)	-15	-4	11	
Minority interests (+/-)	668	78	-60	-8.4
Net income (loss)	1,274	-8,190	9,464	
Total Liabilities and Shareholders' Equity	666,417	639,221	27,196	4.3

Source: Issuer's unaudited condensed consolidated financial statements in respect of the half-year 2012

INTESA SANPAOLO
CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED 30/06/2012 AND 30/06/2011

	1 st half of 2012	1 st half of 2011	(millions of euro)	
			Changes amount	%
Interest and similar income	1,018	9,195	823	9.0
Interest and similar expense	-4,170	-3,627	543	15.0
Interest margin	5,848	5,568	280	5.0
Fee and commission income	3,165	3,176	9	0.3
Fee and commission expense	-709	-620	89	14.4
Net fee and commission income	2,476	2,556	-80	-3.1
Dividend and similar income	314	376	-62	-16.5
Profits (Losses) on trading	277	67	10	65.9
Fair value adjustments in hedge accounting	-4	-29	-25	-88.2
Profits (Losses) on disposal or repurchase of				
a) loans	1	12	-11	-91.7
b) financial assets available for sale	206	467	-251	-54.9
c) investments held to maturity	-3	-1	2	
d) financial liabilities	264	7	257	
Profits (Losses) on financial assets and liabilities designated at fair value	714	-109	823	
Net interest and other banking income	1,088	9,004	1,089	12.1
Net losses / recoveries on impairment	-1,959	-1,395	564	40.4
a) loans	-1,848	-1,343	500	37.2
b) financial assets available for sale	-68	-86	-18	-20.9
c) investments held to maturity	-	-1	-1	
d) other financial activities	-48	35	-83	
Net income from banking activities	8,134	7,609	525	6.9
Net insurance premiums	2,857	5,669	-2,812	-49.6
Other net insurance income (expense)	-4,164	-6,089	-1,925	-31.6
Net income from banking and insurance activities	6,827	7,189	-362	-5.0
Administrative expenses	-4,440	-4,520	-30	-0.7
a) personnel expenses	-2,771	-2,792	-21	-0.8
b) other administrative expenses	-1,719	-1,728	-9	-0.5
Net provisions for risks and charges	-79	-88	-9	-10.2
Net adjustments to / recoveries on property and equipment	-137	-162	5	2.7
Net adjustments to / recoveries on intangible assets	-341	-348	-7	-2.0
Other operating expenses (income)	249	236	13	5.5
Operating expenses	-4,848	-4,902	-54	-1.1
Profits (Losses) on investments in associates and companies subject to joint control	8	-128	116	
Valuation differences on property, equipment and intangible assets measured at fair value	-	-	-	
Goodwill impairment	-	-	-	
Profits (Losses) on disposal of investments	3	176	-173	-98.3
Income (Loss) before tax from continuing operations	2,000	2,335	-335	-14.3
Taxes on income from continuing operations	-689	-888	-199	-22.4
Income (Loss) after tax from continuing operations	1,311	1,447	-136	-9.4
Income (Loss) after tax from discontinued operations	-	-	-	
Net income (loss)	1,311	1,447	-136	-9.4
Minority interests	-37	-45	-8	-17.8
Parent Company's net income (loss)	1,274	1,402	-128	-9.1
Basic EPS - Euro	0.08	0.11		
Diluted EPS - Euro	0.08	0.11		

Source: Issuer's unaudited condensed consolidated financial statements in respect of the half-year 2012

DESCRIPTION OF THE COVERED BOND GUARANTOR

The paragraph "*Administrative, Management and Supervisory Bodies*" on page 101 of the Base Prospectus is replaced by the following:

"The directors of the Covered Bond Guarantor are:

<u>Director</u>	<u>Position</u>	<u>Principal activities performed outside Intesa Sanpaolo</u>
Paola Fandella	Chairman	<p>Professor of banking, finance and securities markets; Università Cattolica del Sacro Cuore, Milan;</p> <p>Coordinator for the courses of Economics and management in fine art and cultural activities; Università Cattolica del Sacro Cuore, Milan;</p> <p>Director of the Master in management of museum and cultural activities; Università Cattolica del Sacro Cuore, Milan.</p>
Valter Cantino	Director	<p>Professor of business economics at Università degli Studi di Torino</p> <p>Statutory Auditor of Fiat Group Automobiles Capital S.p.a.</p> <p>Statutory Auditor of Fiat Industrial S.p.A.</p>
Mario Masini	Director	<p>Director of Mediolanum Gestione Fondi Sgrpa</p> <p>Director of ILME S.p.A.</p> <p>Director of IMAC S.p.A.</p>

The statutory auditors of the Covered Bond Guarantor are:

<u>Statutory Auditor</u>	<u>Position</u>	<u>Principal activities performed outside Intesa Sanpaolo</u>
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Nicola Bruni	Chairman	Performs administrative, management and supervisory functions in the following companies: Linear Life S.p.A., UGF Merchant Banca per le Imprese S.p.A., UGF Banca S.p.A., Unisalute S.p.A. Biotecnica Instruments S.p.A.
Giuseppe Dalla Costa –	Statutory auditor (regular)	Performs administrative, management and supervisory functions in the following companies: Aries S.p.A., Fidicommet, Emva, Fondazione Yulm, PSTL.
Eugenio Braja	Statutory auditor (regular)	-
Carlo Maria Bertola	Statutory auditor (alternate)	Performs administrative, management and supervisory functions in the following companies: Akhela S.r.l., Angelo Moratti S.a.p.A., Arcola Petrolifera S.p.A., Borghesi Colombo Ass. S.p.A., Compuware S.p.A., Deborah Group S.p.A.
Renzo Mauri	Statutory auditor (alternate)	Controls MA Service S.r.l.

All the statutory auditors are registered with the Register of the Statutory Auditors (*Albo dei Revisori Contabili*).

The business address of each member of the Board of Directors and the Board of Statutory Auditors is ISP CB Ipotecario S.r.l., Via Monte di Pietà 8, 20121 Milan."

CREDIT STRUCTURE

The definition of item "B" included under paragraph "Tests", sub-paragraph "1. Nominal Value Test", of the Section entitled "Credit Structure", at page 116 of the Base Prospectus, is replaced by the following:

"B" stands for the aggregate amount standing to the credit of each Relevant Investment Account and the principal amount of any Integration Assets (i) not exceeding the Integration Assets Limit and (ii) in relation to which a breach of any of the representations and warranties contained in the relevant Master Transfer Agreement has not occurred or has been remedied;

The definition of item "Y" included under paragraph "Tests", sub-paragraph "1. Nominal Value Test", of the Section entitled "Credit Structure", at page 116 of the Base Prospectus, is replaced by the following:

"Y" is equal to (i) nil, if (a) the portfolio consists of Securities only, and (b) in the event that the Portfolio includes Mortgage Loans, the Issuer's ratings are at least "P-2/Baa2" by Moody's, or (ii) the Potential Set-Off Amount; and

The definition of "Annual Net Interest Collections from the Eligible Portfolio" included under paragraph "Tests", sub-paragraph "3. Interest Coverage Test", at page 117-118 of the Base Prospectus is replaced by the following:

"Annual Net Interest Collections from the Eligible Portfolio means, as of a Calculation Date or any other relevant date and with reference to each of (x) the four following Guarantor Payment Dates or (y) the four following Guarantor Interest Periods, and (z) the relevant Collection Periods, as the case may be, an amount equal to the difference between (i) and (ii), where:

(i) is equal to the sum of:

(a) interest payments (or the Euro Equivalent of the interest payments) from the Fixed Component of the Eligible Portfolio and payments and Expected Floating Payments in respect of interest from the Floating Component of the Eligible Portfolio received or expected to be received by the Covered Bond Guarantor;

(b) any amount expected to be received by the Covered Bond Guarantor as payments under the Asset Swaps (which are not Excluded Swaps);

(c) with reference to Covered Bonds with semi-annual CB Payment Dates, any amount (or the Euro Equivalent of any amount) expected to be received by the Covered Bond Guarantor as payments under the Liability Swaps (which are not Excluded Swaps);

(d) with reference to Covered Bonds with annual CB Payment Dates, the amount (or the Euro Equivalent of the amount) to be received annually by the Covered Bond Guarantor as payment under the Liability Swaps (which are not Excluded Swaps); and

(ii) is equal to the payments (or the Euro Equivalent of the payments) to be effected, in accordance with the relevant Priority of Payments, by the Covered Bond Guarantor in priority to, and including, payments under the Swap Agreements (which are not Excluded Swaps).

For the avoidance of doubt, items under (i)(a) above shall include (i) interest expected to be received from the investment, into Eligible Investments, of principal collections arising from the expected amortisation of the Eligible Portfolio and (ii) the Reserve Fund Required Amount outstanding as of the Calculation Date and with reference to the Guarantor Payment Date prior to the earliest Guarantor Payment Date included in the calculation."

The definition of item "B" included under paragraph "Tests", sub-paragraph "4. Amortisation Test", of the Section entitled "Credit Structure", at page 120 of the Base Prospectus, is replaced by the following:

"B" stands for the aggregate amount standing to the credit of each Relevant Investment Account and the principal amount of any Integration Assets in relation to which a breach of any of the representations and warranties contained in the relevant Master Transfer Agreement has not occurred or has been remedied;

The definition of "Potential Set-Off Amount" included under paragraph "Tests" of the section entitled "Credit Structure", at page 122 of the Base Prospectus, is replaced by the following:

"Potential Set-Off Amount means, with reference to Eligible Assets consisting of Receivables only, the aggregate Outstanding Principal Balance of such assets included in the Portfolio that could potentially be set-off by the relevant Debtors against any credit owed by any such Debtor towards Intesa Sanpaolo. Such amount, which, subject to the proviso below, will never be lower than the Net Deposits, will be calculated by the Calculation Agent (based on the aggregate information provided by the Servicer) on each Calculation Date and/or on each other date on which the Nominal Value Test is to be carried out pursuant to the provisions of this Agreement and the other Transaction Documents, provided that when the Issuer's ratings are at least "P-2/Baa2" by Moody's, the Potential Set-Off Amount shall be equal to 0 (zero)."

DESCRIPTION OF THE TRANSACTION DOCUMENTS

In the description of the "*Intercreditor Agreement*" on page 141 of the Base Prospectus, the following new paragraph, before the paragraph "*Governing Law*", is inserted:

"Back-up Servicer

*Pursuant to the Intercreditor Agreement, the Issuer has undertaken that, within 45 Business Days following the date on which the rating of the Issuer is lower than Baa3 by Moody's, it shall identify and propose to the Covered Bond Guarantor and the Representative of the Covered Bondholders one or more entities, having the characteristics required for the Successor Servicer under the Servicing Agreement, which would be prepared to act as back-up servicer (the **Back-up Servicer**) in the context of the Programme.*

*Upon receipt of a notification from the Issuer identifying one or more entities as provided above and indicating the commercial terms pursuant to which such entities may act as such and as Successor Servicer (upon termination of the appointment of the Servicer), the Covered Bond Guarantor (subject to the prior written approval of the Representative of the Covered Bondholders), will, within 15 Business Days, designate one of those entities to act as Back-up Servicer and enter into an agreement (in form and substance reasonably satisfactory to the Representative of the Covered Bondholders) with the entity so designated (the **Back-up Servicing Agreement**), pursuant to which such Back-up Servicer shall agree that, upon termination of the Servicer in accordance with the provisions of the Servicing Agreement, it shall perform the servicing of the Portfolio substantially on the same terms and conditions provided under the Servicing Agreement, it being understood that the Covered Bond Guarantor shall not be considered in breach of this Agreement nor be held liable if, at the end of that period, no Back-up Servicing Agreement has been executed and the Covered Bond Guarantor may prove to the Representative of the Covered Bondholders (to the reasonable satisfaction of the Representative of the Covered Bondholders) that the negotiations (on economic and technical matters) with one or more entities identified in accordance with the paragraph above have not been completed and that the Back-up Servicing Agreement has not been executed for reasons which are not attributable to the Covered Bond Guarantor. "*

The description of the "*Cash Management and Agency Agreement*" on page 142 of the Base Prospectus is replaced by the following:

"7 Cash Management and Agency Agreement

Pursuant to the Cash Management and Agency Agreement the Account Banks, the Cash Manager, the Paying Agent, the Luxembourg Listing Agent, the Servicer, the Administrative Services Provider and the Calculation Agent will provide the Covered Bond Guarantor with certain calculation, notification and reporting services together with account handling and cash management services in relation to monies from time to time standing to the credit of the Accounts.

In particular, under the Cash Management and Agency Agreement:

- (i) the Relevant Account Bank will provide, inter alia, the Covered Bond Guarantor with account handling services in relation to monies from time to time standing to the credit of the Accounts;*
- (ii) the Cash Manager will provide, inter alia, the Covered Bond Guarantor with a report (on or prior to each Quarterly Report Date), together with certain cash management services in relation to monies standing to the credit of the Accounts;*

(iii) the Calculation Agent will provide, inter alia, the Covered Bond Guarantor: (i) with the Payments Report, which will set out the Available Funds and the payments to be made on the immediately succeeding Guarantor Payment Date in accordance with the applicable Priorities of Payments; and (ii) with the Investor Report, which will set out certain information with respect to the Portfolio and the Covered Bonds;

(iv) the Paying Agent will provide the Issuer and the Covered Bond Guarantor with certain payment services.

Account Banks

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

Pursuant to the Cash Management and Agency Agreement, notwithstanding the provisions regarding deposits and withdrawals in respect of the Accounts contained therein (as described in the section headed "Accounts and Cash Flows"), from the date on which the rating of Intesa Sanpaolo is re-established to the Minimum Required Account Bank Rating by way of a guarantee and until termination of that guarantee, if, at any time, the aggregate amount (or the cash equivalent amount, in case of the Intesa Securities Account, or the originally invested amount, in case of the Intesa Eligible Investments Account) standing to the credit of the Intesa Investment Account, the Intesa Payment Account, the Intesa Collateral Accounts, the Intesa Interest Securities Collection Account, the Intesa Principal Securities Collection Account, the Intesa Securities Account and the Intesa Eligible Investments Account exceeds the amount of euro 1,500,000,000, any such excess shall be credited by Intesa Sanpaolo (as Account Bank), acting in the name and on behalf of the Covered Bond Guarantor, to the CA-CIB Collection Account (in case of cash) or the CA-CIB Securities Account (in case of securities consisting of Eligible Assets), the CA-CIB Eligible Investments Account (in case of securities consisting of Eligible Investments) or the CA-CIB Collateral Account (in case of collateral consisting of cash) and the relevant amounts and/or securities shall be withdrawn therefrom and credited to the Intesa Account from which they were originally withdrawn on any Business Day on which a payment (or disinvestment in case of Eligible Investments) by any such Intesa Account will have to be made in accordance with the provisions regarding deposits and withdrawals in respect of the Accounts.

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

Pursuant to the Cash Management and Agency Agreement, it is a necessary requirement that the Account Banks shall always maintain the Minimum Required Account Bank Rating provided for under the Cash Management and Agency Agreement, provided that failure by Intesa Sanpaolo to so qualify shall not constitute a termination event in relation to it, but shall trigger the other consequences described under the Cash Management and Agency Agreement.

Each Account Bank may resign from its appointment under the Cash Management and Agency Agreement and the Covered Bond Guarantor and the Representative of the Covered Bondholders may jointly terminate the appointment of each Account Bank pursuant to the terms of the Cash Management and Agency Agreement. Each Account Bank shall not be released from

its obligations under the Cash Management and Agency Agreement until its substitute, to be appointed by the Representative of the Covered Bondholders and the Covered Bond Guarantor jointly, has entered into the Cash Management and Agency Agreement, the Intercreditor Agreement and the Master Definitions Agreement and has accepted the security created under the Pledge Agreement and the Deed of Charge and Assignment.

Cash Manager

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

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

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

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

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

Calculation Agent

The Calculation Agent will prepare a Payments Report by no later than the fifth Business Day prior to each Guarantor Payment Date, subject to receipt by it of reports from the Servicer, the Cash Manager, the Account Banks, the Hedging Counterparties and the Administrative Services Provider, which will set out the Available Funds and payments to be made on the immediately succeeding Guarantor Payment Date in accordance with the applicable Priorities of Payments. Such Payments Report will be available for inspection during normal business hours at the registered office of the Luxembourg Listing Agent.

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

Paying Agent

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

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

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

Luxembourg Listing Agent

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

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

Termination

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

Governing Law

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

Sub-paragraph entitled "Sale of Selected Assets and Integration Assets following the occurrence of an Article 74 Event or an Issuer Event of Default", included under paragraph "Portfolio Administration Agreement", of the Section entitled "Description of the Transaction Documents" on page 144 of the Base Prospectus is replaced by the following:

"Following the delivery of an Article 74 Notice to Pay (which has not been withdrawn) or a Notice to Pay (and prior to the occurrence of any Covered Bond Guarantor Event of Default), if necessary in order to effect timely payments under the Covered Bonds, as resulting from the Payments Report and upon consultation by the Calculation Agent with the Portfolio Manager, all the Integration Assets (other than cash deposits) shall be sold by the Servicer, or any other third party appointed by the Representative of the Covered Bondholders, in the name and on behalf of the Covered Bond Guarantor, at the prevailing market conditions as quickly as reasonably practicable. The proceeds of any such sale shall be credited to the Relevant Investment Account."

Sub-paragraph entitled "Sale of Selected Assets and Integration Assets following a breach of the Pre-Maturity Liquidity Test" included under paragraph "Portfolio Administration Agreement", of the Section entitled "Description of the Transaction Documents" on page 145 of the Base Prospectus is replaced by the following:

"Following a breach of the Pre-Maturity Liquidity Test in accordance with Condition 10(m) (Pre-Maturity Liquidity Test), the Servicer, or any other third party appointed by the Representative of the Covered Bondholders, in the name and on behalf of the Covered Bond Guarantor shall (if such breach has not been already cured by the Issuer in accordance with the Conditions), sell, subject to any pre-emption right of the Seller or the Additional Sellers (if any) pursuant to the relevant Master Transfer Agreement, Selected Assets (which, where applicable and possible in accordance with Italian law, may be identified as a block (in blocco) in accordance with Article 58 of the Banking Law) in accordance with Clause 3.2 (Method for sale of Selected Assets) and Integration Assets in accordance with Clause 3.3 (Sale of Integration Assets) above and for an amount equal to the Adjusted Required Redemption Amount of the Series of Hard Bullet Covered Bonds to which such Pre-Maturity Liquidity Test relates, by the earlier of (a) 20 Business Days from the date on which the Issuer is notified of the breach of the Pre-Maturity Liquidity Test, and (b) the Maturity Date of that Series of Hard Bullet Covered Bonds, it being understood that if not remedied, an Issuer Event of Default will occur and, accordingly, the Representative of the Covered Bondholders shall deliver a Notice to Pay in accordance with the Conditions. The proceeds of any such sale shall be credited to the Relevant Investment Account."

Sub-paragraph entitled "Sale of Selected Assets and Integration Assets following the occurrence of a Covered Bond Guarantor Event of Default" included under paragraph "Portfolio Administration Agreement", of the Section entitled "Description of the Transaction Documents" on page 146 of the Base Prospectus is replaced by the following:

"Following the occurrence of a Covered Bond Guarantor Event of Default and the delivery of a Covered Bond Guarantor Acceleration Notice, the Representative of the Covered Bondholders shall, in the name and on behalf of the Covered Bond Guarantor (so authorised by means of the execution of the Portfolio Administration Agreement), direct the Servicer, or any other third party appointed by the Representative of the Covered Bondholders, to sell Selected Assets

(which, where applicable and possible in accordance with Italian law, may be identified as a block (in blocco) in accordance with Article 58 of the Banking Law) in accordance with the Portfolio Administration Agreement, subject to any pre-emption right of the Seller or the Additional Sellers (if any) pursuant to the relevant Master Transfer Agreement. The proceeds of any such sale shall be credited to the Relevant Investment Account and applied in accordance with the relevant Priorities of Payments."

TERMS AND CONDITIONS OF THE COVERED BONDS

The definition of "*Minimum Required Account Bank Rating*" included in Condition 2.1 "*Definitions*" of the Terms and Conditions, at page 169 of the Base Prospectus, is replaced by the following:

"Minimum Required Account Bank Rating means the short term rating as determined to be applicable or agreed by the Rating Agency from time to time with reference to any entity which acts in its capacity as Account Bank (or any institution guaranteeing its obligation on the basis of a guarantee satisfying the criteria of the Rating Agency), being, as at the date hereof, "P-3" by Moody's. "

GENERAL INFORMATION

Paragraph “*No significant change and no material adverse change*” on pages 243 of the Base Prospectus is replaced by the following:

No significant change and no material adverse change

There has been no material adverse change in the prospects of the Covered Bonds Guarantor and of the Issuer since the date of their last published audited annual financial statements in respect of the year ended on 31 December 2011. There has been no significant change in the financial and trading position of the Issuer since 30 June 2012.

Independent auditors

Reconta Ernst & Young S.p.A. (authorised and regulated by CONSOB and registered on the special register of accounting firms held by CONSOB) have audited and rendered unqualified audit reports on the accounts of the Issuer for the three years ended 31 December 2011. KPMG S.p.A. (authorised and regulated by CONSOB registered on the special register of accounting firms held by CONSOB) succeeded Reconta Ernst & Young S.p.A. as independent auditors of the Issuer with effect from 28 May 2012, having been appointed at the shareholders’ meeting of the Issuer held on 28 May 2012.

Reconta Ernst & Young S.p.A. (authorised and regulated by CONSOB and registered on the special register of accounting firms held by CONSOB) have audited and rendered unqualified audit reports on the accounts of the Guarantor for the three years ended 31 December 2011.

* * *

The paragraph “*Documents available for inspection*” on page 243 is replaced by the following:

Documents available for inspection

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

- (i) the Transaction Documents (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 Bond Guarantor’s memorandum of association and by-laws as of the date hereof;*
- (iv) the Issuer’s audited consolidated annual financial statements in respect of the years ending on 31 December 2010 and 31 December 2011;*
- (v) the Covered Bond Guarantor’s audited annual financial statements in respect of the years ending on 31 December 2010 and 31 December 2011;*
- (vi) a copy of this Base Prospectus together with any supplement thereto, if any, or further Base Prospectus;*

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

(viii) any Final Terms relating to Covered Bonds which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. In the case of any Covered Bonds (other than the 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;

(ix) the Issuer's unaudited condensed financial statements in respect of the half year 2012 and the auditors' review report thereon;

(x) the Covered Bond Guarantor's unaudited condensed financial statements in respect of the half year 2012 and the auditors' review report thereon.

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

After the date of issue of any Index-Linked Interest Covered Bonds, Equity-Linked Covered Bonds, Credit-Linked Covered Bonds or other variable-linked Covered Bonds, no additional information in relation to the underlying assets, index, securities, or other variable of such Covered Bonds will be provided by the Issuer.

GLOSSARY

The following definitions included in the section "Glossary" on page 245 of the Base Prospectus are replaced as follows:

"Eligible Investments means:

(a) Euro denominated securities having the minimum rating as determined by the parties in accordance with the applicable rating methodology to be applicable or agreed by the Rating Agency from time to time, being, as at the Programme Date, "P-1" by Moody's and which have a maturity of up to 30 calendar days or, if longer, which may be liquidated without loss within 30 days from a downgrade below "P-1" by Moody's and which qualify as Eligible Assets and/or Integration Asset; and/or

(b) reserve accounts, deposit accounts, and other similar accounts which qualifies as Integration Assets held with a bank having minimum ratings as determined by the parties in accordance with the applicable rating methodology to be applicable or agreed by the Rating Agency from time to time, being, as at the date hereof, "P-3" by Moody's,"

"Hedging Senior Payment means, on any relevant date, any interest and/or principal payment due under any Asset Swap or Liability Swap, as the case may be, including any termination payment arising out of a termination event, other than termination payments where the relevant Hedging Counterparty is the defaulting party or the sole affected party, but including, in any event, the amount of any termination payment due and payable to the relevant Hedging Counterparty in relation to the termination of the relevant swap transactions to the extent of any premium received (net of any costs reasonably incurred by the Covered Bond Guarantor to find a replacement swap counterparty), if any, by the Covered Bond Guarantor from a replacement swap counterparty in consideration for entering into swap transactions with the Covered Bond Guarantor on the same terms as the relevant Asset Swaps or Liability Swaps."

"Minimum Required Account Bank Rating means the short term rating as determined to be applicable or agreed by the Rating Agency from time to time with reference to the entity which acts in its capacity as Account Bank (or any institution guaranteeing its obligation on the basis of a guarantee satisfying the criteria of the Rating Agency), being, as at the date hereof, "P-3" by Moody's."

"Minimum Required Paying Agent Rating means the short term rating as determined to be applicable or agreed by the Rating Agency from time to time with reference to the entity which acts in its capacity as Paying Agent (or any institution guaranteeing its obligation on the basis of a guarantee satisfying the criteria of the Rating Agency), being, as at the date hereof, "P-3" by Moody's."