**PROSPECTUS SUPPLEMENT**

**INTESA SANPAOLO S.p.A.**
*(incorporated as a società per azioni in the Republic of Italy)*

***as Issuer and, in respect of Notes issued by Intesa Sanpaolo Bank Ireland p.l.c., as Guarantor and***

**INTESA SANPAOLO BANK IRELAND p.l.c.**
*(incorporated with limited liability in Ireland under registration number 125216)*

***as Issuer***

**€70,000,000,000**
**Euro Medium Term Note Programme**

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This Prospectus Supplement ("**Supplement**") is supplemental to and must be read in conjunction with the Prospectus dated 22nd December, 2010, as supplemented by the prospectus supplements dated 22nd March, 2011 and 18th April, 2011 (together, the "**Prospectus**") prepared by Intesa Sanpaolo S.p.A. ("**Intesa Sanpaolo**") and Intesa Sanpaolo Bank Ireland p.l.c. ("**INSPIRE**" and, together with Intesa Sanpaolo, the "**Issuers**") in connection with their €70,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority pursuant to the Luxembourg Law on Prospectuses for Securities dated 10th July, 2005 (the "**Prospectus Law**"), which implements Directive 2003/71/EC (the "**Prospectus Directive**"). In addition, the Issuers have requested that the CSSF send a certificate of approval pursuant to Article 18 of the Prospectus Directive, together with a copy of this Supplement, to the Central Bank of Ireland in its capacity as competent authority in Ireland.

This Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive for the purposes of (i) incorporating by reference in the Prospectus the press release relating to the unaudited half-yearly financial statements of Intesa Sanpaolo as at and for the six months ended 30th June, 2011, (ii) updating the section of the Prospectus entitled "Description of Intesa Sanpaolo S.p.A.", (iii) updating the section of the Prospectus entitled "Italian Taxation" and (iv) updating the section of the Prospectus entitled "Ireland Taxation".

Each of the Issuers accept responsibility for the information contained in this Supplement and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of such 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 Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Prospectus. To the extent that there is any inconsistency between (i) any statement in this Supplement, including any statement incorporated by reference into the Prospectus by this Supplement, and (ii) any other statement in or incorporated by reference into the Prospectus, the statements in this Supplement will prevail.

Copies of this Supplement will be available (i) without charge from the offices of the Listing Agent in Luxembourg and (ii) on the website of the Luxembourg Stock Exchange at *www.bourse.lu*.

In accordance with Article 13, paragraph 2 of the Prospectus Law, investors who have already agreed to purchase or subscribe for securities to which the Prospectus relates before this Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the publication of this Supplement, to withdraw their acceptances.

The date of this Supplement is 25th August, 2011.

## INFORMATION INCORPORATED BY REFERENCE

The information set out below supplements the section of the Prospectus entitled "Information Incorporated by Reference" on pages 37 to 39 of the Prospectus.

The press release dated 5th August, 2011 (the "**Press Release**"), having previously been published and filed with the CSSF, shall be incorporated by reference in and form part of this Supplement.

For ease of reference, the table below sets out page references for specific items of information contained in the Press Release. Any information not listed in the cross-reference table but included in the document incorporated by reference is given for information purposes only.

The Press Release will be published on the Luxembourg Stock Exchange website at www.bourse.lu.

| | | |
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**NO SIGNIFICANT CHANGE AND NO MATERIAL ADVERSE CHANGE**

The paragraph entitled "No significant change and no material adverse change" on page 231 of the Prospectus shall be deemed deleted and replaced with the following paragraph:

"Save as disclosed in this Prospectus, since 31st December, 2010 there has been no material adverse change in the financial position or situation or the prospects of the Issuers and, since 30th June, 2011 in the case of Intesa Sanpaolo and since 31st December, 2010 in the case of INSPIRE, there has been no significant change in the financial position of the Intesa Sanpaolo Group."

## DESCRIPTION OF INTESA SANPAOLO S.p.A.

*The information set out below supplements the section of the Prospectus entitled "Description of Intesa Sanpaolo S.p.A." beginning on page 152 of the Prospectus and, more specifically: (i) replaces the paragraph sub-heading "Share Capital" on page 154 of the Prospectus, (ii) replaces the paragraph and table under the sub-heading "Principal Shareholders" on page 166 of the Prospectus; and (iii) supplements the sub-section entitled "Recent Events" on pages 171-180 of the Prospectus.*

### (i) Share Capital

At 30th June, 2011 Intesa Sanpaolo's issued and paid-up share capital amounted to €8,545,561,614.72, divided into 16,433,772,336 shares with a nominal value of €0.52 each, in turn comprising 15,501,281,775 ordinary shares and 932,490,561 non-convertible saving shares. Since 30th July, 2011 there has been no change to Intesa Sanpaolo's share capital.

### (ii) Principal Shareholders

As of 30th June, 2011, the shareholder structure of Intesa Sanpaolo was composed as follows (holders of shares exceeding 2%).

| **Shareholders** | **Ordinary shares** | **% of ordinary shares** |
|---|---|---|
| Compagnia di San Paolo | 1,506,372,075 | 9.718% |
| Fondazione Cariplo | 767,029,267 | 4.948% |
| Fondazione C.R. Padova e Rovigo | 750,092,011 | 4.839% |
| Crédit Agricole S.A. | 592,000,000 | 3.819% |
| Assicurazioni Generali S.p.A. | 590,924,220 | 3.812% |
| Ente C.R. Firenze | 514,655,221 | 3.320% |
| BlackRock Inc. (1) | 376,688,882 | 2.430% |
| Fondazione C.R. in Bologna | 313,656,442 | 2.023% |

(1) Fund Management (as per declaration of 12th July 2010)

(iii) **Recent Events**

**INTESA SANPAOLO: SUPERVISORY BOARD**

On 20th July, 2011, Intesa Sanpaolo published a press release, the full text of which is set out below:

"Intesa Sanpaolo announces that, in accordance with article 23.9 of the Articles of Association, Professor Eugenio Pavarani has joined the Supervisory Board in substitution of Professor Ferdinando Targetti. Professor Pavarani already served on the Supervisory Board in the years 2007-2008-2009."

**INTESA SANPAOLO: NEW REMUNERATION POLICIES OF THE GROUP**

On 20th July, 2011, Intesa Sanpaolo published a press release, the full text of which is set out below:

"Today, the Intesa Sanpaolo Supervisory Board - upon proposal of the Management Board - approved the Group's new remuneration policies. These policies adopt by the deadline of 31 July 2011 the regulations recently issued by the Bank of Italy[1] on this matter.

These policies include the new incentive system (hereafter, also the "System") intended for a part of the Management staff and the so-called "risk takers" of the Intesa Sanpaolo Group. The System replaces the long-term incentive Plan approved last year, in the light of the relevant changes that took place in national and international regulations.

The previous Plan already met, to a large extent, the criteria provided for in the new regulations, among which incentives linked to actual medium-term value creation and the appropriate balancing between fixed and variable components. The most significant difference between the proposed System and the previous Plan regards the introduction of shares - explicitly required by the Bank of Italy - as part of the variable component of remuneration.

The proposed System is fully compliant with recent provisions, specifically as regards:

– the identification of "most relevant staff", whose decisions significantly affect the Bank's risk profile. To these persons specific remuneration rules apply in terms of variable component payments;

– the appropriate balance between the fixed and variable component of remuneration;

– the structure of the variable component, of which:

  a. at least 40% (up to a maximum of 60% for directors who hold executive offices, key senior managers and managers responsible for main business lines, corporate functions or geographical areas) must be subject to deferred payment systems for a period of at least three years;

  b. at least 50% must be paid in shares or share-based financial instruments; this percentage applies in the same proportion to the deferred variable component as well as to the non-deferred component (the so-called "up-front");

– a specific retention mechanism (for no less than two years for the up-front component and a shorter period for the deferred component) with respect to the financial instruments under letter b.

The proposed System falls under the category of financial instrument-based remuneration plan pursuant to Article 114-bis, paragraph 1 of Legislative Decree 58 of 24 February 1998. Moreover, in accordance with Article 84-bis of the Issuers' Regulation issued by Consob, the System is to be considered as being of "particular importance" since it addresses, inter alia, top and senior executives who have regular access to privileged information and have the power to make management decisions which may affect the Group's

[1] "Provisions regarding remuneration and incentive policies and practices in banks and banking groups" published on the Official Journal of the Republic of Italy on 7 April 2011

evolution and outlook.

The Informational Document will be made public at the Company's Registered office and at Borsa Italiana and published on the Company's website group.intesasanpaolo.com in accordance with Article 84-bis of the Issuers' Regulation. The main characteristics of the System are shown below.

**Recipients**

The System is addressed to the "most relevant staff", as defined by the Supervisory Provisions. They have been identified by the Supervisory and the Management Boards, within their respective competencies, and include Chief Executive Officer Corrado Passera, General Managers Gaetano Micciché and Marco Morelli, other Top Managers[2], Managers of internal control functions at Group level[3], Managers responsible for the main corporate departments and business units. The "most relevant staff" also include employees, defined by regulations as "risk takers", who may take relevant risks for the Group, for example the managers in charge of the main units of Banca IMI. According to current estimations the "most relevant staff" are made up of a total of around 120 employees.

Recipients include Managers who have regular access to privileged information and have the power to make management decisions which may affect the issuer's evolution and outlook.

Moreover, the Company has decided that the System is for the benefit of a larger number of recipients (so-called "enlarged perimeter") than those identifiable by merely applying current regulatory provisions, with the aim of spreading a sustainability-oriented culture within the Group by actually linking remuneration with long-lasting effectiveness and stability of results and capital base.

To recipients included in the "enlarged perimeter", represented by about 780 other employees, specific ways are provided which defer the remuneration variable component. The use of share-based instruments will instead be limited, also in terms of amount, to employees included in the Top Executive Group (around 80 managers) who, due to the business under their responsibility, are not included among the "most relevant staff".

**Plan rationale**

Long-term incentive plans are designed, in general terms, to retain managers and support their motivation to achieve the company's multi-year targets. Where they include financial instrument-based remuneration, they also favour alignment of interest between employees and shareholders, via the managers' direct participation in corporate risk.

Under this approach, the plans are an integral component of the remuneration system of the Intesa Sanpaolo Group involving Management staff, key resources and strategic professionals, fully in line with its investment in human capital development, in the framework of a policy targeting sustainable long-term development and accountability vis-à-vis all stakeholders. They are instruments to incentivise recipients to achieve yearly and multi-year targets identified by the Bank's competent functions among those indicators that better reflect the Group's long-term profitability, taking into account risks, cost of capital, liquidity and capital base levels needed

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[2] As at today's approval and in accordance with criteria set out in IAS 24, the Top Management includes, in addition to the Chief Executive Officer and the General Managers, the Manager responsible for preparing the company's financial reports, the Managers in charge of the Business Units, the corporate centre activities, the Head Office departments reporting directly to the CEO and the Chairman of the Management Board, the Head of the General Secretariat of the Supervisory Board and the Head of Strategic Transactions and Special Projects.

[3] Under the existing corporate structure, Managers of internal control functions are the Manager responsible for preparing the company's financial reports, the Chief Risk Officer, the Manager in charge of the Internal Auditing Head Office Department, the Manager in charge of the Human Resources Head Office Department, the Manager in charge of the Compliance Head Office Department, the Manager in charge of the Risk Management Head Office Department and the Manager in charge of the Anti money-laundering function. The first 4 managers, while remaining in the group of Top Managers, are responsible for "Control Functions" in application of the specific rules on incentives introduced by the new Supervisory Provisions.

to carry out planned activities.

The revision of the mechanisms in force to date within the Group and the adoption of the proposed System have become necessary to implement the new Supervisory Provisions which require, among other things, that intermediaries adopt incentive mechanisms with specific characteristics.

Moreover, the proposed incentive system enables simplifying the mechanisms of human resources management by unifying in a single tool both the short and long-term incentive plans previously in force.

The System is effective from 2011 and applies to the 2011-2013 three-year period of the Business Plan. It is understood that any changes in the external conditions, including further amendments to national and international regulations as may occur in the future on the subject of remuneration will be adopted in the System to the extent possible without substantially changing its purpose and structure.

All detailed information on Plan implementation, as provided for in Annex 3A, Schedule 7, of the Issuers' Regulation will be duly disclosed to the market on completion of the assignment phase.

**Characteristics of financial instruments to be awarded**

The System provides for a bonus, for each year of the 2011-2013 period, to the abovementioned recipients, of 50% cash and 50% Intesa Sanpaolo ordinary shares. The latter will be purchased on the MTA market (Mercato Telematico Azionario) in accordance with relevant authorisation which will be granted at the Shareholders' Meeting.

60% of the overall bonus due (percentage reduced to 40% for the Chief Executive Officer, Top Managers and other Managers covering specific positions) shall be awarded to recipients the year following the reference period (so-called up-front quota) in the percentage of payment in cash and shares as described above.

The remaining part will be paid out pro-rata in the subsequent three years as follows: the first third of the instalment will be paid cash, the second will be allocated in shares and the last in cash and shares in equal part.

As set out in the Supervisory Provisions, each instalment paid in shares is subject to a two-year retention for the up-front quota and a one-year retention for the deferred quotas; the retention period starts from the date of accrual of the incentives under the System.

Allocation of shares to which recipients have become eligible will occur only at the end of the retention period shown above and is subject to the recipient being an employee of a Group company. Exception is made for consensual retrenchment agreements which will be fully governed by implementation rules.

As the previous short and long-term incentive plans have been unified in a single system, the overall amount of target bonus to which recipients are theoretically eligible for each year is basically equal to the amount of the yearly target bonus plus the yearly quota envisaged in the long-term incentive Plan approved at the Shareholders' Meeting of 30 April 2010, with a reduction of around 10% for the "most relevant staff". This aims at implementing the new regulatory provisions with no potential further costs for the income statement.

More in detail, the "most relevant staff" shall be awarded an annual bonus, including the deferred quota and the quota paid in shares, corresponding, as a rule, to around 60% of the remuneration pay mix if they fully achieve the targets assigned. In the light of guidelines of regulatory bodies, Managers of internal control functions, even if included in the group of Top Managers, may benefit from a variable component having the same characteristics of that attributed to the "most relevant staff", of a lesser amount and equal to about 40% of the remuneration pay mix.

The incentive mechanism involving the "most relevant staff" also applies to recipients included in the "enlarged perimeter", with the exception of simplified deferral timeframe (the deferred quota is paid in a single instalment after two years) and bonus disbursement. As a rule, the deferred quota would be paid entirely in shares to the Top Executive Group and entirely in cash to the remaining employees; the up-front quota would instead be paid exclusively in cash to all the recipients included in the "enlarged perimeter".

In full harmony with the criterion of symmetry between the amount of the bonuses paid and actual corporate performance, the amount of the incentive, without prejudice to the provisions made for the Manager responsible for preparing the Company's financial reports and Managers of internal control functions, will be linked to the degree of achievement of the yearly and multi-year corporate targets, which are verified after the approval of the draft financial statements by the competent corporate bodies; therefore, if the targets are only partially achieved, there will be a consequent reduction in the bonus, while if the targets are exceeded, the incentive will be increased accordingly.

Accrual of the overall bonus to be awarded for each year is subject to the achievement of Group performance targets, measured by the EVA® indicator or other similar indicator. It is also subject to a minimum threshold being exceeded, both at Group and Division/Business Unit level, with respect to a specific synthetic indicator shown below which is also used to quantify the incentive.

In fact, the value of the bonus payable, including the deferred quota and that payable in shares, is linked to the degree of achievement of a specific synthetic indicator made up of targets of i) profitability (e.g. operating income), ii) efficiency (e.g. cost/income), iii) risk containment (e.g. loan adjustments), iv) sustainability, having taken into account risks and cost of capital (e.g. EVA®) and v) quality, fairness in the relationship with customers and containment of legal and reputational risks (e.g. customer satisfaction, audit report, etc.)[(4)]. A cumulative greatest weighting is given to economic targets in the composition of the quoted synthetic indicator (around 20/25% each), while an overall weighting of maximum 10% is given to qualitative indicators.

In addition, each deferred quota is subject to an *ex post* correction mechanism - the so-called "malus condition" - which provides that the relevant amount paid and the number of shares allocated, if any, may be curtailed with respect to the degree of achievement, in the year to which the quota pertains, of specific targets which measure long-lasting sustainability of value creation (EVA®) and the compliance with the maximum risk level the Group can sustain both in terms of capital base (considering as reference the level of the Core Tier 1 or Common Equity) and specific levels of liquidity (through indicators similar to the Net Stable Funding Ratio of Basel III, which enable monitoring the structural trend of liquidity in the medium-long term).

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(4) As regards Managers of internal control functions, without prejudice to the Group gateways being exceeded, the incentive accrued is strictly defined, in accordance with Supervisory Provisions, taking as reference qualifying indicators which are specific of their respective functions."

**INTESA SANPAOLO PASSES THE EU-WIDE STRESS TEST**

On 15th July, 2011, Intesa Sanpaolo published a press release, an extract of which is set out below:

"Intesa Sanpaolo was subject to the 2011 EU-wide stress test conducted by the European Banking Authority (EBA), in cooperation with the Bank of Italy, the European Central Bank (ECB), the European Commission (EC) and the European Systemic Risk Board (ESRB).

Intesa Sanpaolo notes the announcements made today by the EBA and the Bank of Italy on the EU-wide stress test and fully acknowledges the outcomes of this exercise.

The EU-wide stress test, carried out across 90 banks covering over 65% of the EU banking system total assets, seeks to assess the resilience of European banks to severe shocks and their specific solvency to hypothetical stress events under certain restrictive conditions.

The assumptions and methodology were established to assess banks' capital adequacy against a 5% Core Tier 1 capital benchmark and are intended to restore confidence in the resilience of the banks tested. The adverse stress test scenario was set by the ECB and covers a two-year time horizon (2011-2012). The stress test has been carried out using a static balance sheet assumption as at December 2010. The stress test does not take into account future business strategies and management actions and is not a forecast of Intesa Sanpaolo profits.

As a result of the assumed shock, the estimated consolidated Core Tier 1 capital ratio of Intesa Sanpaolo would change to **8.9%** under the adverse scenario in 2012 compared to **7.9%** as of end of 2010. This result **incorporates the effects of the Capital Increase fully committed up to 30 April 2011 and fully subscribed within 22 June 2011** and does not take into account future mitigating actions planned by Intesa Sanpaolo.

Details on the results observed for Intesa Sanpaolo:

The EU-wide stress test requires that the results and weaknesses identified, which will be disclosed to the market, are acted on to improve the resilience of the financial system. Following completion of the EU-wide stress test, the results determine that Intesa Sanpaolo meets the capital benchmark set out for the purpose of the stress test. The bank will continue to ensure that appropriate capital level must be maintained."

**INTESA SANPAOLO SELLS 4% EQUITY STAKE IN PRADA**

On 24th June, 2011, Intesa Sanpaolo published a press release, the full text of which is set out below:

"Today Intesa Sanpaolo sold 102,246,610 Prada shares, representing about 4% of the latter's capital. The sale was priced at HK$ 39.5 per share for a total amount of around 360 million euro and was made in the context of Prada's initial public offering on the Hong Kong stock exchange. The Bank now retains 25,588,240 shares, constituting 1% of Prada's capital.

As a result, the Intesa Sanpaolo Group will record a positive contribution of around 255 million euro to its net income and of about 8 basis points to its Core Tier 1 ratio in the second quarter of 2011."

**INTESA SANPAOLO: THE 5 BILLION EURO CAPITAL INCREASE FULLY SUBSCRIBED**

On 22nd June, 2011, Intesa Sanpaolo published a press release, the full text of which is set out below:

"Intesa Sanpaolo announces that the Rights Offering in connection with the Bank's 5 billion euro capital increase has been completed today with the full subscription of the Bank's new ordinary shares ("New Shares"). The capital increase was approved at the Extraordinary Shareholders' Meeting of 10 May 2011.

During the Subscription Period - which ran from 23 May 2011 until 10 June 2011 - 12,756,471,903 Rights were exercised to subscribe for a total of 3,644,706,258 New Shares, accounting for 99.80% of total New Shares under the offering, for an aggregate amount of 4,989,602,867.20 euro.

The shareholders Compagnia di San Paolo, Fondazione Cassa di Risparmio di Padova e Rovigo, Fondazione Cariplo, Ente Cassa di Risparmio di Firenze, Fondazione C.R. in Bologna, Fondazione Cassa di Risparmio di Udine e Pordenone, Fondazione Cassa di Risparmio della Spezia, Fondazione Cassa di Risparmio di Gorizia, Fondazione Cassa di Risparmio di Forlì, Fondazione Cassa di Risparmio di Pistoia e Pescia, respecting their commitments, exercised all the Rights allocated to the quota pertaining to them to subscribe for 907,751,838 New Shares corresponding to 24.857% of the capital increase.

The 25,351,025 Rights that had not been exercised at the end of the Subscription Period were sold by Intesa Sanpaolo through Banca IMI on the Stock Exchange, pursuant to Article 2441, paragraph 3, of the Italian Civil Code. These were all sold on 15 June 2011 during the first day of the Rights Auction and subsequently exercised by today to subscribe for a total of 7,243,150 New Shares, equal to 0.20% of the New Shares on offer, for an aggregate amount of 9,915,872.35 euro.

Therefore, the Rights Offering closed today with the full subscription of the 3,651,949,408 New Shares on offer, corresponding to a total amount of 4,999,518,739.55 euro, with no need for the underwriting syndicate to intervene."

**INTESA SANPAOLO: REMAINING 25% STAKE IN FINDOMESTIC SOLD TO BNP PARIBAS**

On 22nd June, 2011, Intesa Sanpaolo published a press release, the full text of which is set out below:

"Intesa Sanpaolo and BNP Paribas have today signed an agreement for the sale of the former's remaining 25% stake in Findomestic to the BNP Paribas Group for an amount of 629 million euro. Intesa Sanpaolo currently holds the stake through its subsidiary Banca CR Firenze.

Finalisation of the transaction is expected by the end of this week and is not subject to regulatory approval.

As a result, the Intesa Sanpaolo Group will record a positive contribution of around 130 million euro to its net income and of about 11 basis points to its Core Tier 1 ratio in the second quarter of 2011.

BNP Paribas will take full control of Findomestic through its subsidiary BNP Paribas Personal Finance."

**INTESA SANPAOLO: CONSOB AUTHORISES PUBLICATION OF PROSPECTUS FOR THE 5 BILLION EURO CAPITAL INCREASE**

On 18th May, 2011, Intesa Sanpaolo published a press release, the full text of which is set out below:

" Today, Consob has authorised the publication of the Prospectus relating to the offering with pre-emptive rights to shareholders owning ordinary shares and to owners/holders of savings shares and admission to trading on Mercato Telematico Azionario (MTA), the Italian automated screen-based system managed by of Borsa Italiana S.p.A., of Intesa Sanpaolo ordinary shares resulting from the capital increase of a maximum amount of 5 billion euro ("the Offering"). The capital increase was resolved upon at the Extraordinary Shareholders' Meeting of 10 May 2011.

According to the timetable of the Offering, rights may be exercised from 23 May 2011 until the close of business on 10 June 2011 ("Subscription Period"). Any rights not exercised will be forfeited by the holders without compensation. Shareholders may trade their rights on MTA from the start of business on 23 May 2011 until the close of business on 3 June 2011. Results of the Offering at the end of the Subscription Period will be announced in a press release within five days from the end of the Subscription Period.

Within the month following the end of the Subscription Period, any rights not exercised will be offered on the MTA for at least five trading days pursuant to article 2441, third paragraph of the Italian Civil Code. The number of rights not exercised to be offered on the MTA and dates of the rights auction will be announced by way of a notice within the day before the Rights Auction commences.

Final results of the Rights Offering will be announced through a press release within five days from the subscription of shares at the end of the Rights Auction.

The issue price (inclusive of share premium) of the new ordinary shares and, consequently, the maximum number of ordinary shares to be issued and the subscription ratio will be determined by the Management Board to be held tomorrow, 19 May 2011, and disclosed to the market on the same day by way of a press release.

The Prospectus will be made available within the terms provided for by law at the Issuer's Registered office, in Torino, Piazza San Carlo 156, and at Borsa Italiana in Milano, Piazza degli Affari 6, and will also be published on the Issuer's website group.intesasanpaolo.com and on the website of Borsa Italiana S.p.A.. "

**INTESA SANPAOLO: ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING**

On 10th May, 2011, Intesa Sanpaolo published a press release, the full text of which is set out below:

"The Ordinary and Extraordinary Shareholders' Meeting was held today chaired by Giovanni Bazoli and resolved upon the following items:

Ordinary part

1. the allocation of an 8 euro cent gross dividend on each of the 11,849,332,367 outstanding ordinary shares and a 9.1 euro cent gross dividend on each of the 932,490,561 outstanding savings shares, for a total disbursement of 1,032,803,230.41 euro. The dividend will be payable starting from 26 May 2011 (with coupon presentation on 23 May). The ratio between the dividend per share and the Intesa Sanpaolo stock price of yesterday, 9 May, returns a dividend yield of 3.8% for ordinary shares and 4.8% for savings shares;

2. the appointment of KPMG S.p.A. as independent auditor for financial years 2012-2020;

Extraordinary part

1. the approval of the proposal to change the following Articles of Association 7 (Shareholders' Meeting), 8 (Convocation), 9 (Right to attend and vote in the Shareholders' Meeting), 11 (Validity of resolutions) and repeal articles 34 (First appointments) and 37 (Final Provision), in accordance with the legislation on shareholders' rights and the procedures governing transactions with related parties, and for the purpose of text updating;

2. the approval of the proposal of a share capital increase, for consideration, of a total maximum amount of 5 billion euro, inclusive of the share premium, in divisible form, to be executed within 31 December 2011, through the issuance of book entry ordinary shares, with a nominal value of 0.52 euro each, to be offered with pre-emptive rights to the shareholders owning ordinary shares and to owners/holders of savings shares of the Company, pursuant to Article 2441, paragraphs 1, 2 and 3 of the Italian Civil Code. The issue price (inclusive of the share premium) of the new ordinary shares and consequently of the maximum number of ordinary shares to be issued and the ratio of the new shares to be offered through pre-emptive rights shall be determined by the Management Board at a time close to the starting date of the rights issue in accordance with market practices."

## SUMMARY FINANCIAL INFORMATION OF THE INTESA SANPAOLO GROUP

This information supplements and modifies the section of the Prospectus entitled "*Overview Of The Financial Information of the Intesa Sanpaolo Group*" on pages 181-190 of the Prospectus.

**Intesa Sanpaolo: results as at 30th June, 2011**

On 5th August, 2011, Intesa Sanpaolo issued a press release announcing details of the Intesa Sanpaolo Group's consolidated financial results as at and for the six months ended 30th June, 2011. Such press release, having previously been published and having been filed with the CSSF, shall be incorporated by reference in and form part of this Supplement.

The financial information contained in the press release is not derived directly from the Intesa Sanpaolo Group's consolidated half-yearly financial statements and has been re-classified and restated in order to be presented on a basis which the Issuers believe is more consistent with previous year results. For financial information directly derived from the consolidated half-yearly financial statements of the Intesa Sanpaolo Group as at and for the six months ended 30th June, 2011, see "Summary Financial Information of the Intesa Sanpaolo Group" below.

**Summary Financial Information of the Intesa Sanpaolo Group**

The financial information set out below 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, 2011 (the "**2011 Half-Yearly Financial Statements**"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as implemented in the European Union by Regulation (EC) No. 1606/2002.

As at the date of this Supplement, the 2011 Half-Yearly Financial Statements are available in Italian. The Issuers confirm that this Supplement does not contain any information that is inconsistent with the information contained in the 2011 Half-Yearly Financial Statements and that there is no information contained in the 2011 Half-Yearly Financial Statements but not contained (or incorporated by reference) in this Supplement which is capable of affecting the assessment of the Notes issued under the Programme.

The financial information below forms only a part of the 2011 Half-Yearly Financial Statements and has been translated from the original Italian. Each of the Issuers confirms that such translation is correct, accurate and not misleading, and accepts responsibility accordingly.

**Declaration of the Officer Responsible for Preparing Intesa Sanpaolo's Financial Reports**

Pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance[4], the officer responsible for preparing Intesa Sanpaolo's financial reports, Ernesto Riva, declares that the accounting information contained in this Supplement corresponds to the company's documentary results, books and accounting records.

[4] Legislative Decree No. 58 of 24th February, 1998, as amended and supplemented from time to time.

**INTESA SANPAOLO**
**CONSOLIDATED BALANCE SHEETS**
**AS AT 30/06/2011 AND 31/12/2010**

**Assets**

| | *30/06/2011 (unaudited)* | *31/12/2010 (audited)* |
|---|---|---|
| | *(in millions of Euro)* | |
| Cash and cash equivalents | 4,252 | 4,758 |
| Financial assets held for trading | 60,555 | 71,899 |
| Financial assets designated at fair value through profit and loss | 36,303 | 35,549 |
| Financial assets available for sale | 68,991 | 61,612 |
| Investments held to maturity | 2,856 | 3,839 |
| Due from banks | 43,194 | 42,737 |
| Loans to customers | 372,361 | 379,235 |
| Hedging derivatives | 5,058 | 7,377 |
| Fair value change of financial assets in hedged portfolios (+/-) | 61 | 92 |
| Investments in associates and companies subject to joint control | 2,694 | 2,716 |
| Technical insurance reserves re-assured with third parties | 22 | 27 |
| Property and equipment | 5,391 | 5,455 |
| Intangible assets of which: | 25,343 | 25,990 |
| *- goodwill* | *18,891* | *19,217* |
| Tax assets | 7,826 | 8,733 |
| *a) current* | *1,923* | *2,759* |
| *b) deferred* | *5,903* | *5,974* |
| Non-current assets held for sale and discontinued operations | 38 | 75 |
| Other assets | 9,728 | 8,663 |
| **Total assets** | **644,673** | **658,757** |

**INTESA SANPAOLO**
**CONSOLIDATED BALANCE SHEETS**
**AS AT 30/06/2011 AND 31/12/2010**

**Liabilities and Shareholders' Equity**

| | *30/06/2011 (unaudited)* | *31/12/2010 (audited)* |
|---|---|---|
| | *(in millions of Euro)* | |
| Due to banks | 49,665 | 52,860 |
| Due to customers | 211,341 | 221,064 |
| Securities issued | 176,036 | 179,983 |
| Financial liabilities held for trading | 38,215 | 45,045 |
| Financial liabilities designated at fair value through profit and loss | 24,729 | 26,144 |
| Hedging derivatives | 5,269 | 5,884 |
| Fair value change of financial liabilities in hedged portfolios (+/-) | 752 | 1,412 |
| Tax liabilities | 3,284 | 3,269 |
| *a) current* | *588* | *661* |
| *b) deferred* | *2,696* | *2,608* |
| Liabilities associated with non-current assets held for sale and discontinued operations | - | - |
| Other liabilities | 18,160 | 13,658 |
| Employee termination indemnities | 1,348 | 1,370 |
| Allowances for risks and charges | 3,014 | 3,280 |
| *a) post employment benefits* | *362* | *374* |
| *b) other allowances* | *2,652* | *2,906* |
| Technical reserves | 52,887 | 50,188 |
| Valuation reserves | -937 | -1,054 |
| Redeemable shares | - | - |
| Equity instruments | - | - |
| Reserves | 13,792 | 12,143 |
| Share premium reserve | 36,143 | 33,102 |
| Share capital | 8,546 | 6,647 |
| Treasury shares (-) | -11 | -10 |
| Minority interests (+/-) | 1,038 | 1,067 |
| Net income (loss) | 1,402 | 2,705 |
| **Total liabilities and shareholders' equity** | **644,673** | **658,757** |

**INTESA SANPAOLO**
**CONSOLIDATED STATEMENTS OF INCOME**
**FOR THE SIX MONTHS ENDED 30/06/2011 AND 30/06/2010**

| | *30/06/2011 (unaudited)* | *30/06/2010 (unaudited)* |
|---|---|---|
| | *(in millions of Euro)* | |
| Interest and similar income | 9,195 | 8,572 |
| Interest and similar expense | -3,627 | -3,389 |
| **Interest margin** | **5,568** | **5,183** |
| Fee and commission income | 3,176 | 3,212 |
| Fee and commission expense | -620 | -617 |
| **Net fee and commission income** | **2,556** | **2,595** |
| Dividend and similar income | 376 | 285 |
| Profits (Losses) on trading | 167 | 95 |
| Fair value adjustments in hedge accounting | -29 | -84 |
| Profits (Losses) on disposal or repurchase of: | 475 | 152 |
| *a) loans* | *12* | *-2* |
| *b) financial assets available for sale* | *457* | *153* |
| *c) investments held to maturity* | *-1* | - |
| *d) financial liabilities* | *7* | *1* |
| Profits (Losses) on financial assets and liabilities designated at fair value | -109 | 53 |
| **Net interest and other banking income** | **9,004** | **8,279** |
| Net losses/recoveries on impairment | -1,395 | -1,467 |
| *a) loans* | *-1,343* | *-1,419* |
| *b) financial assets available for sale* | *-86* | *-47* |
| *c) investments held to maturity* | *-1* | - |
| *d) other financial activities* | *35* | *-1* |
| **Net income from banking activities** | **7,609** | **6,812** |
| Net insurance premiums | 5,669 | 3,832 |
| Other net insurance income (expense) | -6,089 | -4,009 |
| **Net income from banking and insurance activities** | **7,189** | **6,635** |
| Administrative expenses | -4,520 | -4,594 |
| *a) personnel expenses* | *-2,792* | *-2,802* |
| *b) other administrative expenses* | *-1,728* | *-1,792* |
| Net provisions for risks and charges | -88 | -197 |
| Net adjustments to/recoveries on property and equipment | -182 | -194 |
| Net adjustments to/recoveries on intangible assets | -348 | -357 |
| Other operating expenses (income) | 236 | 252 |
| **Operating expenses** | **-4,902** | **-5,090** |
| Profits (Losses) on investments in associates and companies subject to joint control | -128 | 11 |
| Valuation differences on property, equipment and intangible assets measured at fair value | - | - |
| Goodwill impairment | - | - |
| Profits (Losses) on disposal of investments | 176 | 9 |
| **Income (Loss) before tax from continuing operations** | 2,335 | 1,565 |
| Taxes on income from continuing operations | -888 | -533 |
| **Income (Loss) after tax from continuing operations** | **1,447** | **1,032** |
| Income (Loss) after tax from discontinued operations | - | 691 |

| | *30/06/2011 (unaudited)* | *30/06/2010 (unaudited)* |
|---|---|---|
| | *(in millions of Euro)* | |
| **Net income (loss)** | **1,447** | **1,723** |
| Minority interests | -45 | -33 |
| **Parent company's net income (loss)** | **1,402** | **1,690** |
| | | |
| Basic EPS – Euro | 0.11 | 0.13 |
| Diluted EPS – Euro | 0.11 | 0.13 |

## ITALIAN TAXATION

*The information set out below supplements the section of the Prospectus entitled "Italian Taxation" beginning on page 198 of the Prospectus.*

**New tax regime of Notes held by Italian investment funds and SICAVs**

As of 1st July, 2011, if the investor in Notes issued by either Intesa Sanpaolo or INSPIRE is resident in Italy and is a fund or a SICAV and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the management result of the fund or the SICAV. The fund or SICAV will not be subject to taxation on such result, but a substitute tax or withholding tax of 12.5% will apply (subject to the change in rate described in the following paragraph), in certain circumstances, to distributions made in favour of unitholders or shareholders (the "**Collective Investment Fund Substitute Tax**").

Similarly, capital gains on the Notes issued by either Intesa Sanpaolo or INSPIRE and realised by an Italian fund or SICAV as of 1st July, 2011 shall no longer be subject to tax in the hands of the fund or SICAV. The Collective Investment Fund Substitute Tax will apply in certain circumstances, to distributions by the fund or SICAV to unitholders or shareholders.

**New tax rate on interest and capital gains effective as from 1st January 2012**

Potential investors are advised that Law Decree No. 138 of 13th August, 2011 ("**Law Decree No. 138**") introduced a uniform 20 per cent. rate replacing the rate of all *imposta sostitutiva* and withholding taxes described in this section as applying at 12.5 or 27 per cent. including the Asset Management Tax. The newly implemented 20 per cent. rate (the "**New Rate**") will be effective provided that Law Decree No. 138 is converted by the Italian Parliament into law within 60 days from the issuance date. As at the date of this Supplement the Italian Parliament has not yet converted Law Decree No. 138. Upon converting Law Decree No. 138 into law, the Italian Parliament may amend the relevant provisions, also with retroactive effect.

The New Rate will apply on:

(i) interest accrued as of (or following) 1st January 2012 on Notes qualifying as *obbligazioni* or *titoli similari alle obbligazioni* issued by Intesa Sanpaolo with a maturity of no less than eighteen months;

(ii) interest payable as of (or following) 1st January 2012 on Notes qualifying as *obbligazioni* or *titoli similari alle obbligazioni* issued by Intesa Sanpaolo with a maturity of less than eighteen months and by INSPIRE with any maturity;

(iii) interest payable as of (or following) 1st January 2012 on Notes possibly qualifying as atypical securities; and

(iv) capital gains realised as of (or following) 1st January 2012.

The New Rate will apply to interest and capital gains arising from Notes issued by both Intesa Sanpaolo and INSPIRE, regardless their original maturity. The 20 per cent. surcharge applicable under the current legislation in the case of early redemption of Notes issued with original maturity in excess of 18 months and redeemed prior to the 18th month will no longer apply. Withholding taxes on payments made by the Guarantor may, in the cases specified in the "Italian Taxation", apply at the New Rate.

Exemptions that are currently available under the existing legislation are unaffected.

Furthermore, interest and capital gains accrued and realised by pension funds subject to the regime provided by Article 17 of Legislative Decree No. 252, will be included in the increased value of the managed assets and will continue to be subject to Pension Fund Tax at the 11 per cent. rate.

In relation to Notes qualifying as *obbligazioni* or *titoli similari alle obbligazioni* issued by INSPIRE with a maturity of less than eighteen months, the *imposta sostitutiva* will no longer apply to (i) Italian pension funds, (ii) Italian funds, and (iii) Italian SICAVs.

Capital losses realised before 1st January, 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

Under certain conditions, Law Decree No. 138 also provides for the possibility of certain categories of investors to recalculate the fiscal value of financial assets, including the Notes, according to the relevant market value registered on 31st December, 2011, paying a substitute tax calculated on the amount of the relevant capital gain. The implementation of these provisions is demanded to a Decree to be issued by the Ministry of Economy and Finance.

## IRELAND TAXATION

*The information set out below supplements the section of the Prospectus entitled "Ireland Taxation" beginning on page 212 of the Prospectus and, more specifically, replaces the paragraphs under the sub-heading "Section 246(3)(h) of the Taxes Act" on pages 213 to 214 of the Prospectus.*

*Section 246(3)(h) of the Taxes Act*

The obligation to withhold tax does not apply in respect of, *inter alia*, interest payments made by a company such as INSPIRE in the ordinary course of a trade or business carried on by it to a company resident in a relevant territory under the laws of that relevant territory provided that either:

(a) that relevant territory imposes a tax that generally applies to interest receivable in that relevant territory by companies from sources outside that relevant territory; or

(a) the interest is exempted from the charge to Irish income tax under a double tax treaty in effect with Ireland or would be so exempted if a double tax treaty signed by Ireland was in effect.

The interest must not relate to an Irish branch or agency of the recipient. A relevant territory for this purpose is a Member State of the European Union, other than Ireland, or not being such a Member State, a territory which has signed a double tax treaty with Ireland. The jurisdictions with which Ireland has signed a double tax treaty are as follows: Albania, Armenia, Australia, Austria, Bahrain, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Chile, China, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hong Kong, Hungary, Iceland, India, Israel, Italy, Japan, Republic of Korea, Kuwait, Latvia, Lithuania, Luxembourg, Macedonia, Malaysia, Malta, Mexico, Moldova, Montenegro, Morocco, the Netherlands, New Zealand, Norway, Pakistan, Poland, Portugal, Romania, Russia, Serbia, Singapore, the Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, the United Arab Emirates, the United Kingdom, the United States of America, Vietnam and Zambia.

Negotiations for new treaties are taking place with Argentina, Azerbaijan, Egypt, Panama, Saudi Arabia, Thailand, Tunisia, Ukraine and Uzbekistan.