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. and by Société Européenne de Banque S.A., as Guarantor and

INTESA SANPAOLO BANK IRELAND p.l.c.

(incorporated with limited liability in Ireland under registration number 125216)

as Issuer

and

SOCIÉTÉ EUROPÉENNE DE BANQUE S.A.

(incorporated as a public limited liability company (société anonyme) in the Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B13859)

as Issuer

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

This Prospectus Supplement ("**Supplement**") is supplemental to and must be read in conjunction with the base prospectus dated 30th October, 2012, as supplemented by the supplement dated 29th January, 2013 (the "**Prospectus**") prepared by Intesa Sanpaolo S.p.A. ("**Intesa Sanpaolo**"), Intesa Sanpaolo Bank Ireland p.l.c. ("**INSPIRE**") and Société Européenne de Banque S.A. ("**SEB**", together with Intesa Sanpaolo and INSPIRE 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, as amended (the "**Luxembourg Act**") 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 and Article 13, paragraph 1, of the Luxembourg Act for the purposes of (i) incorporating by reference in the Prospectus the press release relating to the annual financial statements of Intesa Sanpaolo as at and for the year ended 31st December, 2012, dated 12th March, 2013, (ii) updating the section of the Prospectus entitled "Overview of the Financial Information of the Intesa Sanpaolo Group", (iii) updating the section of the Prospectus entitled "Description of Intesa Sanpaolo S.p.A. – Legal Risks", (iv) updating the section of the Prospectus entitled "Description of Intesa Sanpaolo S.p.A. – Tax litigation" (v) updating the section of the Prospectus entitled "Description of Intesa Sanpaolo S.p.A. – Share Capital and (vi) updating the section of the Prospectus entitled "Description of Intesa Sanpaolo S.p.A. – Principal Shareholders. Copies of this Supplement and the documents incorporated by reference will be available without charge (i) 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 Luxembourg Act, 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, such period expiring at the close of business on 4th April, 2013.

The date of this Supplement is 2nd April, 2013.

Each of Intesa Sanpaolo, INSPIRE and SEB 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.

INFORMATION INCORPORATED BY REFERENCE

The information set out below supplements the section of the Prospectus entitled "Information Incorporated by Reference" on pages 33 to 35 of the Prospectus.

The press release issued by Intesa Sanpaolo on 12th March, 2013 and entitled “Intesa Sanpaolo: Consolidated Results at December 31st 2012” (the “**Press Release**”) having previously been published and filed with the CSSF, is incorporated by reference in and forms part of this Supplement and shall, by virtue of this Supplement, be deemed to be incorporated in, and form part of, the Prospectus.

For ease of reference, the table below sets out page references for specific items of information contained in the Press Release.

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

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

OVERVIEW OF THE FINANCIAL INFORMATION OF THE INTESA SANPAOLO GROUP

The information set out below supplements the section of the Prospectus entitled "Overview of the Financial Information of the Intesa Sanpaolo Group." on pages 132 – 140 of the Prospectus.

Audited Consolidated Annual Financial Statements

The annual financial information below as at and for the years ended 31st December, 2011 and 31st December, 2012 has been derived from the audited consolidated annual financial statements of the Intesa Sanpaolo Group as at and for the year ended 31st December, 2012 (the "**2012 Annual Financial Statements**") that include comparative figures as at and for the year ended 31st December, 2011.

INTESA SANPAOLO

CONSOLIDATED ANNUAL STATEMENT OF INCOME FOR THE YEAR ENDED 31/12/2012

The annual financial information below includes comparative figures as at and for the year ended 31st December 2011.

	2012 Audited	**2011 Audited**
	(in millions of €)	
Interest and similar income	19,700	19,149
Interest and similar expense	-8,418	-7,762
Interest margin	**11,282**	**11,387**
Fee and commission income	6,641	6,298
Fee and commission expense	-1,511	-1,278
Net fee and commission income	**5,130**	**5,020**
Dividend and similar income	507	542
Profits (Losses) on trading	549	-204
Fair value adjustments in hedge accounting	-8	-8
Profits (Losses) on disposal or repurchase of:	1,348	753
a) loans	*-3*	*-16*
b) financial assets available for sale	*270*	*590*
c) investments held to maturity	*-14*	*-1*
d) financial liabilities	*1,095*	*180*
Profits (Losses) on financial assets and liabilities designated at fair value	1,294	-210
Net interest and other banking income	**20,102**	**17,280**
Net losses/recoveries on impairment	-4,521	-5,021
a) loans	*-4,308*	*-4,229*
b) financial assets available for sale	*-161*	*-776*
c) investments held to maturity	*1*	*-2*
d) other financial activities	*-53*	*-14*
Net income from banking activities	**15,581**	**12,259**
Net insurance premiums	5,660	9,260
Other net insurance income (expense)	-8.145	-10,016
Net income from banking and insurance activities	**13,096**	**11,503**
Administrative expenses	-9,085	-9,839
a) personnel expenses	*-5,570*	*-6,223*
b) other administrative expenses	*-3,515*	*-3,616*
Net provisions for risks and charges	-258	-222
Net adjustments to/recoveries on property and equipment	-469	-381
Net adjustments to/recoveries on intangible assets	-710	-723
Other operating expenses (income)	486	494
Operating expenses	**-10,036**	**-10,671**
Profits (Losses) on investments in associates and	-123	-207

	2012 Audited	2011 Audited
	(in millions of €)	
companies subject to joint control		
Valuation differences on property, equipment and intangible assets measured at fair value	-	-
Goodwill impairment	-	-10,338
Profits (Losses) on disposal of investments	30	171
Income (Loss) before tax from continuing operations	**2,967**	**-9,542**
Taxes on income from continuing operations	-1,313	1,415
Income (Loss) after tax from continuing operations	**1,654**	**-8,127**
Income (Loss) after tax from discontinued operations	-	-
Net income (loss)	**1,654**	**-8,127**
Minority interests	-49	-63
Parent company's net income (loss)	**1,605**	**-8,190**
Basic EPS - Euro	0.10	-0.56
Diluted EPS - Euro	0.10	-0.56

INTESA SANPAOLO

CONSOLIDATED ANNUAL BALANCE SHEET AS AT 31/12/2012

Assets	**31/12/2012 Audited**	**31/12/2011 Audited**
	(in millions of €)	
Cash and cash equivalents	5,301	4,061
Financial assets held for trading	63,546	59,963
Financial assets designated at fair value through profit and loss	36,887	34,253
Financial assets available for sale	97,209	68,777
Investments held to maturity	2,148	2,621
Due from banks	36,533	35,865
Loans to customers	376,625	376,744
Hedging derivatives	11,651	10,248
Fair value change of financial assets in hedged portfolios (+/-)	73	137
Investments in associates and companies subject to joint control	2,706	2,630
Technical insurance reserves reassured with third parties	13	15
Property and equipment	5,530	5,536
Intangible assets of which:	14,719	15,041
- goodwill	*8,681*	*8,689*
Tax assets	12,563	14,702
a) current	*2,730*	*2,379*
b) deferred	*9,833*	*12,323*
- of which convertible into tax credit (Law no. 214/2011)	5,984	*6,511*
Non-current assets held for sale and discontinued operations	25	26
Other assets	7,943	8,602
Total assets	**673,472**	**639,221**

INTESA SANPAOLO GROUP

CONSOLIDATED ANNUAL BALANCE SHEET AS AT 31/12/2012

Liabilities and Shareholders' Equity	**31/12/2012 Audited**	**31/12/2011 Audited**
	(in millions of €)	
Due to banks	73,352	78,644
Due to customers	218,051	197,165
Securities issued	159,307	160,245
Financial liabilities held for trading	52,195	48,740
Financial liabilities designated at fair value through profit and loss	27,047	22,653
Hedging derivatives	10,776	8,576
Fair value change of financial liabilities in hedged portfolios (+/-)	1,802	1,686
Tax liabilities	3,494	4,064
a) current	*1,617*	*689*
b) deferred	*1,877*	*3,375*
Liabilities associated with non-current assets held for sale and discontinued operations	-	-
Other liabilities	18,039	13,963
Employee termination indemnities	1,207	1,338
Allowances for risks and charges	3,343	3,628
a) post employment benefits	*416*	*402*
b) other allowances	*2,927*	*3,226*
Technical reserves	54,660	50,761
Valuation reserves	-1,399	-3,298
Redeemable shares	-	-
Equity instruments	-	-
Reserves	9,941	13,843
Share premium reserve	30,934	36,143
Share capital	8,546	8,546
Treasury shares (-)	-14	-4
Minority interests (+/-)	586	718
Net income (loss)	1,605	-8,190
Total Liabilities and Shareholders' Equity	**673,472**	**639,221**

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. – Share Capital" on page 109 of the Prospectus.

Share Capital

As at 22nd March, 2013, Intesa Sanpaolo's issued and paid-up share capital amounted to €8,545,681,412.32, divided into 16,434,002,716 shares with a nominal value of €0.52 each, in turn comprising 15,501,512,155 ordinary shares and 932,490,561 non-convertible savings shares. Since 2nd January, 2013, there has been no change to Intesa Sanpaolo's share capital.

The information set out below supplements the section of the Prospectus entitled "Description of Intesa Sanpaolo S.p.A. – Principal Shareholders" on page 121 of the Prospectus.

Principal Shareholders

As at 22nd March, 2013, the shareholder structure of Intesa Sanpaolo was composed as follows (holders of shares exceeding 2 per cent.).

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	700,092,011	4.516%
Ente C.R. Firenze	514,655,221	3.320%
Assicurazioni Generali S.p.A.	488,202,063	3.149%
Fondazione C.R. in Bologna	313,656,442	2.023%

The information set out below replaces the section of the Prospectus entitled "Description of Intesa Sanpaolo S.p.A. – Legal Risks" on pages 121 – 128 of the Prospectus in its entirety.

Legal Risks

Legal risks are thoroughly and individually analysed by both the Intesa Sanpaolo and the individual Intesa Sanpaolo Group companies concerned. Provisions are made to the allowances for risks and charges when there are legal obligations that are likely to result in a financial outlay and where the amount of the disbursement may be reliably estimated.

The issues recording certain developments during the 2012 financial year are described below.

Litigation regarding compound interest

With regards to the dispute relating to compound interest in particular, after March 1999, the Italian Supreme Court (*Corte di Cassazione*) reversed its stance and found the quarterly capitalisation of interim interest payable on current accounts to be unlawful, on the grounds that the relevant clauses in bank contracts do not integrate the contract with a "regulatory" standard practice, but merely with a "commercial" practice, and therefore such clauses are not adequate to derogate from the prohibition of compound interest pursuant to Art. 1283 of the Italian Civil Code.

The subsequent Legislative Decree 342 of 1999 confirmed the legitimacy of interim capitalisation of interest on current accounts, as long as interest is calculated with the same frequency on deposits and loans. From April 2000 (the date on which this regulation came into effect), quarterly capitalisation of both interest income and expense was applied to all current accounts.

Therefore the dispute on this issue concerns only those contracts which were stipulated before the indicated date.

In the judgment no. 24418 handed down by its Joint Divisions (*Sezioni unite*) on 2nd December, 2010, the Supreme Court (*Corte di Cassazione*) again made its voice heard on the matter, finding any form of capitalisation of interest to be unlawful and further ruling that the ten-year term of prescription applicable to account-holders' entitlement to reimbursement of unduly paid interest begins to run on the date the account is closed, if the account had an overdraft facility and the facility's limit was respected, or on the date on which deposits were made to cover part or all of previous interest debits if the account was drawn beyond such limits or did not have an overdraft facility.

Although the application of such principles is limited to contracts entered into prior to 2000, it is not deemed possible to prepare a general, a *priori* estimate of the impact that this judgment may have on ongoing litigation, given that a case-by-case assessment is instead required.

With Law Decree 225 of 29th December, 2010, enacted, with amendments, pursuant to Law 10/2011, the legislator set forth an official interpretation, establishing that the term of prescription of rights arising from account entries begins to run on the date of the entry itself and thus, for compound interest, on the date of each individual account debit.

The constitutionality of this regulation was subsequently challenged. The Constitutional Court ruling of 2nd April, 2012 accepted the exception, repealing the aforementioned provision. Based on the effective date of the prescription, the legislative principles pronounced by the Joint Divisions (*Sezioni unite*) of the Supreme Court (*Corte di Cassazione*) in 2010 are once again applicable.

These principles have not always been uniformly applied by courts in the first and second instances. However, though with varying effectiveness based on the specific cases, they have contributed to a general decrease in the claims for restitution put forward by account holders.

The overall number of pending cases is not insignificant in absolute terms, and is the subject of constant monitoring. The risks related to these disputes are covered by specific, adequate provisions to the allowances for risks and charges.

Class action by Codacons

Regarding the Codacons class action, it should be remembered that on 5th January, 2010, Codacons, acting on behalf of a single account holder, served Intesa Sanpaolo with a writ of summons for a class-action suit pursuant to art. 140-bis of Legislative Decree 206/2005 (Consumer Code).

The suit, brought before the Court of Turin, seeks a finding that the new fee structure introduced by the bank to replace the overdraft charges is unlawful and, accordingly, a sentence ordering the bank to provide compensation for the alleged damages, which may also be determined on an equitable basis, suffered by the claimant (who has quantified them at 1,250 euro) and all other customers in the same class who elect to participate in the initiative.

On 4th June, 2010 the Court of Turin filed an order stating the inadmissibility of such class action. The order was appealed before the Turin Court of Appeal, which in an order filed on 25th October, 2010 rejected the appeal. Codacons challenged this last decision by appeal brought before the Supreme Court (*Corte di Cassazione*), which by ruling no. 9772 filed on 14th June, 2012 rejected the appeal as inadmissible.

Class action by Altroconsumo

With reference to the Altroconsumo class action, on 17th November, 2010, the association Altroconsumo, acting on behalf of three account holders, served Intesa Sanpaolo with a writ of summons for a class-action suit pursuant to art. 140-bis of Legislative Decree 206/2005 (Consumer Code).

The suit originally sought a finding that application of overdraft charges and the new fee for overdrawing accounts without credit facilities in place is unlawful. It also sought an inquiry into whether the "threshold rate" set out in Law 108/96 (usury) has been exceeded and a judgment combining the restitution of any amounts collected by the bank in excess of that threshold. The claim had been quantified at a total of 456 euro in connection with the three accounts cited in the suit.

By order of 28th April, 2010, the Court of Turin declared the suit inadmissible. Following the complaint filed by the plaintiffs, the Turin Court of Appeal, by order of 16th September, 2011, overturned the previous order, declaring the suit admissible as limited solely to account overdraft charges applied effective 16th August, 2009. Intesa Sanpaolo appealed against this ruling before the Court of Cassation, which is expected to pronounce upon the underlying reasons for the appeal.

In parallel, the class action was re-opened before the Court which by order filed on 15th June, 2012 established the advertising terms and methods for the joinder of class action participants, setting the date of the hearing for continuation of the proceedings as 14th March, 2013.

As at 28th January, 2013, the deadline for submission of applications for joinder, there were only 102 participants. Given the low number of participants and resulting low financial amounts, the potential risk linked to the class action may be deemed immaterial.

With respect to the merits of the dispute, which will be examined only after the aforementioned hearing, it is believed that Intesa Sanpaolo has valid arguments in support of the legitimacy of the account overdraft charge.

Other judicial and administrative proceedings

The criminal investigation instigated by the New York District Attorney's Office and the Department of Justice aimed at verifying the methods used for the clearing through the United States of payments in dollars to/from countries embargoed by the US government in the years from 2001 to 2008, an update on which has been provided each year in the notes to the consolidated financial statements, was concluded in Intesa Sanpaolo's favour on 19th June, 2012.

On 3rd April, 2012, Intesa Sanpaolo was notified that the Department of Justice had decided to drop the proceedings, having found no sufficient evidence to justify the infliction of any criminal sanctions. A little more than two and a half months later, and for the same reasons, the New York District Attorney's Office decided to close the investigation.

As regards the transactions in question (the handling of bank transfers in dollars through the SWIFT interbank payments service, cleared through US banks), Intesa Sanpaolo remains subject to assessments still in progress by the OFAC (Office of Foreign Assets Control), the authority of the United States Department of the Treasury responsible for foreign exchange control, which could impose a relatively small fine, which is already covered by suitable provisions.

Banca Infrastrutture Innovazione e Sviluppo and Municipality of Taranto litigation

Banca Infrastrutture Innovazione e Sviluppo ("**BIIS**"), as the successor to Banca OPI, was involved in a case pending before the Court of Taranto brought by the Municipality of Taranto in relation to the subscription in May 2004 by Banca OPI of a 250 million euro bond issued by the Municipality.

In its judgment of 27th April, 2009, the Court declared the invalidity of the operation, ordering BIIS to reimburse, with interest, the partial repayments of the loan made by the Municipality of Taranto ("**Municipality**")**.** The latter was ordered to reimburse, with interest, the loan granted. Lastly, the Court ordered compensation for damages in favour of the Municipality, to be calculated by separate proceedings.

The Municipality and BIIS jointly agreed not to enforce the judgment.

On 20th April, 2012 the Court of Appeal, without prejudice to the findings of the separate proceedings regarding the alleged damages, partially reformulated the first instance ruling by ordering that:

- BIIS reimburse the sums paid by the Municipality, plus legal interest;
- the Municipality reimburse BIIS for the sums disbursed in execution of the bond loan, less amounts already repaid, plus legal interest and currency appreciation corresponding with the difference between the net rate of return on government bonds and the reasonable assessment of legal interest; and
- BIIS reimburse the Municipality for first instance legal costs, compensated against those for the appeal.

Intesa Sanpaolo, which succeeded BIIS in the proceedings following the well-known corporate operations, shall file an appeal against this judgment before the Italian Supreme Court (*Corte di Cassazione*).

In the meantime, the insolvency procedure entity for the Municipality informed BIIS that the Municipality's debt to the bank for the repayment of the 250 million euro bond had been added to "the insolvency procedures' list of debts". The fact that the Municipality's debt to BIIS has been included in the insolvency procedure's "list of debts" instead of in the "rebalanced financial statements" does not, in and of itself, have consequences for BIIS's right to repayment of its loan to the Municipality and, accordingly, on the position's risk profile. BIIS nonetheless appealed the judgment before the Regional Administrative Court of Puglia, which found the appeal inadmissible, ruling that the dispute fell within the jurisdiction of the civil courts and establishing – albeit on an incidental basis – that the appealed judgment was devoid of dispositional content and was thus incapable of undermining BIIS's credit claims.

Intesa Sanpaolo and the Municipality have met repeatedly to assess the possibility of an amicable settlement to the pending litigation, however, such settlement could not be reached due to the intervention of the insolvency procedure entity, which claimed its own jurisdiction over managing the debt in question. In order to ascertain the illegitimacy of including Intesa Sanpaolo's receivable in the insolvency procedures' list of debts and the lack of jurisdiction of the extraordinary liquidator, BIIS thus filed an extraordinary appeal to the president of the Republic of Italy, which is still pending.

Intesa Sanpaolo has also initiated additional civil proceedings before the Court of Rome, for a ruling on its lack of liability for damages to the Municipality.

These events are also connected to criminal proceedings before the Court of Taranto, against several executives of Banca OPI and Sanpaolo IMI, among others, in which the preliminary hearing judge has ruled that the Municipality may file an appearance as civil claimant in the criminal proceedings. The defendants are charged with indirect abuse of office, a crime which is not significant for the purposes of Legislative Decree 231/2001. In these proceedings BIIS (now Intesa Sanpaolo) has been charged with civil liability. On the remote possibility that Intesa Sanpaolo is sentenced to pay some form of compensation, the amount is expected to be extremely low, given that, in the opinion of Intesa Sanpaolo's legal counsel, the Municipality did not suffer any damages.

In November 2006, the Piemonte Regional Government issued two bond loans with bullet repayments for a total of 1,856 million euro, of which 430 million euro in bonds were subscribed by the former Banca OPI, now BIIS (the remainder subscribed by two leading international financial institutions). Under the terms of these issues and in compliance with law, the Regional Government finalised two derivative financial instrument transactions subscribed by the former Banca OPI for a notional amount of 628 million euro, together with the other two lending banks.

At the beginning of 2011, the Regional Government launched verification and comparison proceedings with the banks concerned to assess the financial and legal profiles of the swap transactions. Despite the clarifications provided concerning the technical and regulatory appropriateness of the contracts, the Regional Government subsequently launched self-protection proceedings for revocation of all the administrative documents underlying the derivative contracts (finalised between the Regional Government and the banks), which ended in January 2012 with the cancellation thereof.

The banks appealed against said measure before the Piemonte Regional Administrative Court which, with judgment of 21st December, 2012, ruled that it did not have jurisdiction to decide on the matter, recognising the jurisdiction, provided by the contract, of the UK civil courts and thus, in substance, denying the effectiveness of the self-protection measure.

Back in August 2011, the banks petitioned the High Court of Justice of England and Wales to ascertain the validity and correctness of the contracts entered into with the Regional Authorities. The

High Court of Justice of England and Wales, which had jurisdiction over the matter, accepted the requests in July 2012.

The most suitable measures to take will be assessed in relation to further developments, considering that to date the Regional Government has not complied with the netting payment of the swap contracts since May 2012, despite the fact that BIIS repeatedly demanded such payments.

Litigation regarding investment services

The Intesa Sanpaolo Group policy on management of complaints and lawsuits on financial instruments sold sets out a case-by-case assessment, with particular attention paid to the suitability of the investment with respect to the position of the single investor.

Disputes relating to the Parmalat and Cirio bonds have always remained at modest levels (also as a result of the customer care tools implemented by Intesa Sanpaolo in order to reduce the negative impact on customers) and are now coming to an end.

There is a general decrease in disputes concerning Argentinean bonds, due to a significant reduction in the number of disputes which have arisen over the last few years.

As in other legal risk assessment procedures, provisions to account for a dispute are authorised on an individual basis after reviewing the specific circumstances that apply to particular cases.

The same criteria are applied to the assessment of risk relating to litigation concerning bonds issued by companies belonging to the Lehman Brothers Group. The related dispute, which is limited in extent, is covered by appropriate allowances that reflect the specific nature of each case. The judgments in these cases in relation to Intesa Sanpaolo, with the exception of single isolated precedent subject to appeal, have all been favourable to Intesa Sanpaolo.

As part of a system-wide initiative, the Intesa Sanpaolo Group oversaw and secured the establishment of proof of debt in the insolvency procedures pending in various foreign countries for its customers who hold the aforementioned bonds, at no cost to its customers.

Disputes concerning derivatives have remained substantially stable compared to 2011, at insignificant levels. The related risks are constantly monitored and subject to appropriate provisions to allowances for risks and charges.

Cirio Group default

In November 2002, the Cirio Group defaulted on the repayment of a loan issued on the Euro market. This event led to a cross default on all its existing issues. In April 2007, ten companies of the Cirio Group in extraordinary administration notified Intesa Sanpaolo and Banca Caboto, as well as five other banks, considered to be severally liable, of the filing of a claim for the reimbursement of alleged damages deriving from:

- the worsening of the default of the Cirio Group, from the end of 1999 to 2003, favoured also by the issue in the 2000-2002 period of 6 bond issues; the damages thereof are quantified – adopting three different criteria – with the main criteria in 2,082 million euro and, with the control criteria, in 1,055 million euro or 421 million euro;

- the impossibility by the extraordinary administration procedures of undertaking bankruptcy repeal, for undetermined amounts, in the event that the default of Cirio Group companies was not postponed in time; and

- the payment of fees of 9.8 million euro for the placement of the various bond issues.

In a judgment filed on 3rd November, 2009, the Court of Rome found the Cirio Group's claims to be unfounded on the merits and therefore rejected said claims on the grounds of a lack of a causal relationship between the actions of the banks named defendants in the suit and the claimed damage event.

The claimants appealed this judgment, proposing in that venue a stay of enforcement of the judgment to pay legal fees, firstly, and said petition was accepted by the Rome Court of Appeals. The lawsuit has been postponed to 27th January, 2016 for an evidentiary hearing.

Litigation regarding the sale of tax-collection companies

As part of the government's re-internalisation of tax collection operations, Intesa Sanpaolo sold to Equitalia S.p.A. (a tax collection company owned by the Italian government through two state entities "*Agenzia delle Entrate - Italian Revenue Agency*" and "*INPS*") the entire share capital of Gest Line and "ETR/ESATRI", companies which managed tax-collection activities in the respective areas of the former Sanpaolo IMI Group ("**Gest Line**") and the former Intesa Group ("**ETR/ESATRI**"), undertaking to indemnify the buyer against any out-of-period expenses associated with the collection activity carried out up to the moment of sale of the investment. The most significant portion of those out-of-period expenses consist in costs incurred for operations referring to events occurring prior to the sale, such as charges resulting from negative outcomes of litigation with taxpayers and tax authorities or labour law disputes, tax collection expenses not recovered due to events attributable to the former concessionaires (mainly expenses for unsuccessful administrative detentions). The above commitments were triggered not only by contractual guarantees, but also by a statute, which came into force in 2005, that directly transfers to the seller any payment obligation concerning tax collection activities conducted by the company sold prior to the sale thereof.

In particular, the litigation with tax authorities, almost completely referring to Gest Line, originates from the rejection, in administrative and then judicial court, of the applications for discharge and reimbursement of the assessed taxes not collected. The grounds provided for the rejection were irregularities charged to the concessionaire in conducting the tax collection activities. In a few cases, litigation regarding tax collection activities gave rise to rulings of lost tax revenue, promoted by the public prosecutors in the regional sections of the Court of Auditors with local jurisdiction. With regards to that complex litigation, although Gest Line and ETR/ESATRI availed themselves of the option afforded by Law 311/2004 to remedy irregularities deriving from the performance of collection activity by paying an amount determined according to the parameter of three euro per inhabitant served, some Regional Sections of the Court of Auditors, which were hearing the cases in question (for events taking place in the early 1990's) and later the Central Sections on appeal, have found that the amnesty statute does not apply to the circumstances at issue in the case. Finally, Law Decree 40 of 25th March, 2010 allowed parties that have sold their interests in collection agencies to settle on advantageous terms all proceedings pending at 26th May, 2010 in connection with collection activity conducted through 30th June, 1999 by paying 10.91 per cent. of the amounts at issue.

On 29th October, 2010, Intesa Sanpaolo opted to reach such an advantageous settlement, paying the indicated percentage of 10.91 per cent. by the stated terms. Following this, most of the pending proceedings have been declared discontinued, and Intesa Sanpaolo is awaiting the announcement of discontinuation of the remaining proceedings affected by the regulation in question.

Angelo Rizzoli Litigation

In September 2009, Angelo Rizzoli filed suit against Intesa Sanpaolo (as the successor of the former Banco Ambrosiano) and four other parties seeking to nullify for the transactions undertaken between

1977 and 1984 alleged to have resulted in a detrimental loss of the control that he would have exercised over Rizzoli Editore S.p.A. and claiming compensation in an amount ranging from Euro 650 to Euro 724 million according to entirely subjective damage quantification criteria.

Rizzoli's claims, in addition to being without foundation on the merits due to the lack of a breach of the provision that prohibits preferential collateral rights argued to have occurred in the transactions whereby Rizzoli Editore S.p.A. was transferred, are also inadmissible at a preliminary procedural level, as held by Intesa Sanpaolo in its motion of appearance, on the grounds that the Milan Court of Appeal had already decided the matter in its judgment of 1996, which has become *res judicata*, as well as that Rizzoli lacked an interest to sue due to prescription of claims for compensation or restitution and usucaption by third parties.

In a judgment filed on 11th January, 2012, the Court of Milan granted the preliminary objections of prescription and change into res judicata of the subject of the dispute and rejected the claims brought by Angelo Rizzoli, sentencing him to compensate Intesa Sanpaolo for expenses and frivolous litigation.

In February 2012 the plaintiff filed an appeal and, in relation to his request for suspension of the enforceability of the first instance ruling, the Court of Appeal granted the suspension of solely the frivolous litigation conviction. The lawsuit has been postponed to 21st October, 2014 for an evidentiary hearing.

Allegra Finanz AG

On 31st January, 2011, Allegra Finanz AG and 16 other international institutional investors filed a suit before the Court of Milan against several leading international financial institutions, including Intesa Sanpaolo and Eurizon Capital SGR (as the successor to Nextra). The claimants are seeking compensation in excess of €129 million as losses resulting from investments in bonds and shares issued by various Parmalat group companies. The plaintiffs claim that the banks knowingly and by various means concealed the financial state of the Parmalat group by means of transactions that prolonged its survival, with the effect of offloading the insolvency risk on investors. Intesa Sanpaolo's involvement in the proceedings relates to a private placement of €300 million by Parmalat Finance Corporation B.V. fully subscribed for by Nextra in June 2003, a transaction that, as stated by the claimants themselves, resulted in a settlement between Nextra and the Parmalat extraordinary administration procedure.

Intesa Sanpaolo raised a number of objections at a preliminary level and on the merits (including the lack of a causal relationship between the actions attributed to Nextra and the loss claimed by the claimants, considering their capacity as professional operators and the speculative nature of the investments undertaken).

After ruling on the various preliminary issues raised by the defendants (also declaring the proceedings against Eurizon Capital SGR to be dismissed), the judge initiated the preliminary investigation phase.

The claimants' claims are believed to be without foundation.

With order of 30th January, 2013, the judge rejected all the claimants' preliminary motions and postponed the proceedings to 16th September, 2014 for an evidentiary hearing.

Relations with the Giacomini Group

Starting from May 2012, certain media outlets published news of criminal investigations of members of the Giacomini family (which controls the industrial group of the same name) and other individuals in connection with possible illegal exportation of capital and other related offences.

In further detail, it was brought to light that the Public Prosecutor's Offices of Verbania and Novara have initiated investigations of possible tax offences committed by the Giacomini family and their advisors, and the Public Prosecutor's Office of Milan is investigating possible complicity in money-laundering by certain of the Giacominis' financial advisors and the CEO of the Luxembourg subsidiary, SEB, as well as the latter company itself pursuant to Legislative Decree no. 231/2001.

In regard to this matter, Intesa Sanpaolo has conducted internal inspection reviews to reconstruct the facts, including in reference to a loan disbursed by SEB in December 2008 in the amount of 129 million euro to Alberto Giacomini's family in the context of a family buy-out transaction. No significant irregularities have emerged so far in relation to this.

To date, the records of the investigating authorities of which Intesa Sanpaolo Group companies have been made aware do not permit an evaluation of the existence of liability, and thus of risks and charges.

Bank of Alexandria

In 2006 Sanpaolo IMI acquired from the Egyptian government an 80 per cent. investment in Bank of Alexandria, as part of the government privatisation programme launched in the 1990's. In 2011, two proceedings were initiated before the Administrative Court of Cairo, by two private entities against several members of the previous government, aimed at the cancellation of the administrative measure for privatisation and the resulting deed of purchase and sale, based on alleged irregularities in the administrative process and the alleged unfairness of the share transfer price.

Bank of Alexandria has intervened in both proceedings to fight the lawsuits, claiming the lack of jurisdiction of the administrative judge in the pre-trial proceedings and the groundlessness of the opponents' claims on the merits. Concerning the latter aspect, it has been inferred, with the support of suitable documentation, that the privatisation procedure was conducted correctly and - contrary to the opponents' allegations - in the form of public auction, with the participation of numerous international banks, as a result of which Intesa Sanpaolo was judged as the best bidder. The two proceedings, which are going forward at the same time and have been subject to numerous postponements and slowdowns, are currently in the preliminary investigation phase.

As things stand, and in consideration of the current phase of the proceedings, there are no critical issues in view with regards to the problems which are the focus of the disputes.

The lawsuits are constantly monitored by Intesa Sanpaolo, also in terms of possible developments of the reference scenario.

The information set out below replaces the section of the Prospectus entitled "Description of Intesa Sanpaolo S.p.A. – Tax litigation" on pages 128 – 129 of the Prospectus in its entirety.

Tax litigation

Overall tax litigation risks of the Intesa Sanpaolo Group are covered by adequate provisions to allowances for risks and charges.

Intesa Sanpaolo is a party to 174 litigation proceedings, in which a total of 790 million euro are at issue, including disputes in both administrative and judicial venues at various instances. The actual risks associated with these proceedings were quantified at 60 million euro at 31st December, 2012.

The Intesa Sanpaolo Group's other Italian companies within the scope of consolidation are parties to tax litigation proceedings in which a total of 378 million euro is at stake at that date, reflected by specific allowances of 36 million euro.

Pending international charges, totalling 4 million euro, are not material in amount when compared to the size of the company involved and the Intesa Sanpaolo Group. Specific provisions of adequate amount have been recognised to account for the risks associated with such charges.

In general, the checks conducted by the financial authorities in 2012 related to issues previously raised against other Italian banks, i.e. to charges which have now become ordinary in certain operating segments and, lastly, to the continuation of investigations launched in previous years concerning other tax years.

For the year 2007, the Italian Revenue Agency – Regional Management of Piemonte (*Agenzia delle Entrate– Direzione Regionale del Piemonte*) served a notice of assessment to Intesa Sanpaolo in December 2012, relating to a series of transactions implemented for the purpose of capital strengthening by issuing preference shares through international subsidiaries (in the form of LLC) domiciled in Delaware (USA). The *Agenzia delle Entrate* alleges that the subordinated deposits in place between the international subsidiaries and Intesa Sanpaolo can be reclassified as loans, subject to 12.50 per cent. final withholding tax pursuant to the last paragraph of art. 26 of Italian Presidential Decree no. 600/1973. The claim related to this case amounts to 23 million euro in unpaid withholding taxes, in addition to 34 million euro in penalties and 4 million euro in interest. The claim of the financial authorities should be deemed unfounded.

With regards to the other Intesa Sanpaolo Group companies, the following disputes arose in 2012:

- in the last quarter of 2012, two new leasing tax audits, which objected to specific transactions previously censured at the related counterparties (reports of findings) were closed, and seven deeds of assessment deriving from said tax audits were notified. The subject of the disputes, common to the above cases, can substantially be attributed to issues concerning subjectively and/or objectively inexistent transactions, so-called nautical lease and the reclassification of contracts as loans, based on a different reading of the contractual clauses agreed and the re-weighting of the market values of leased assets. These disputes amount to a total of 77 million euro in greater taxes, penalties and interest;

- at the end of December 2012, the general tax audit of Intesa Sanpaolo Group Service for 2009 was closed, with the prospective of recovery of higher taxes, amounting to 11 million euro, plus penalties and interest, mainly based on breaches of the accruals principle, in relation to the division over time of several costs connected to contributions by Intesa Sanpaolo to said subsidiary and pertinence, regarding assets included in the business lines contributed to it.

In terms of the main outcomes of proceedings during the reporting period, the following is worth mentioning:

- for Intesa Sanpaolo:

(i) the favourable ruling received on the appeal on the matter of stamp duty in relation to the compulsory accounting figures for the years 2005 and 2006, which recognised the legitimacy of the preparation of a hard copy of the journal ledger for the daily totals of individual general ledger accounts and considered the computerised records to be absolutely irrelevant;

(ii) the favourable ruling received on the appeal on the matter of recognition of the tax relevance of loans deriving from repurchase agreements to the effect of calculation of the ceiling of deductibility of the write-down of loans in relation to 2003 and 2004;

(iii) the first instance rulings, all positive, issued in relation to the reclassifications by Agenzia delle Entrate of various contributions of branches and business lines and the subsequent sale of shares as a single case which gradually took shape, equivalent to the transfer of a business line; and

(iv) the negative first instance ruling (against both the Intsea Sanpaolo and Mediocredito Italiano) regarding the IRES tax recovery claimed by Agenzia delle Entrate in relation to the sale without recourse of loans to the company Castello Finance in 2005. An appeal was naturally filed against this ruling;

- for Intesa Sanpaolo Private Banking, the negative first instance ruling regarding the tax assessment of year 2005, which reclassified the costs incurred as remuneration for the provision of presentation services to customers as goodwill, based on the assumption that this is equivalent to a case of transfer of a business line;

- for Banca IMI, the negative ruling on appeal of the tax assessment for year 2003 concerning both the presumed loan on the quota of dividends distributed by an international subsidiary and not collected and the withholding tax obligation on the manufactured dividend paid to foreign banking counterparties.

Through recourse to dispute settlement mechanisms, in November 2012 Intesa Sanpaolo settled the dispute concerning "misuse of a right" involving structured finance transactions conducted in 2006 and 2007, with content fully equivalent to those conducted in 2005, which were equally settled in December 2011. Also in relation to this position, the decision to settle the litigation was taken, though fully convinced of the groundlessness of the claims, in consideration of the inappropriateness of nurturing litigations that are time-consuming and costly, with a sharp degree of randomness in the specific matter. In the case in point, the tax claim, amounting to 385 million euro (for taxes, withholding taxes and penalties) was settled with a payment of 44 million euro (plus interest).

Out of the total cases of tax litigation pending as at 31st December, 2012, at Intesa Sanpaolo Group level 188 million euro is posted to the balance sheet among assets, 163 million euro of which refers to Intesa Sanpaolo, representing the total amount paid by way of provisional tax collection.

For these tax litigation cases, provisions for risks and charges amount to 41 million euro at Intesa Sanpaolo Group level, of which 26 million euro for Intesa Sanpaolo.

In this regard, it is important to note that the provisional payments were made in compliance with specific legal provisions, which mandate such payments based on an automatic mechanism

completely unrelated to whether the related tax claims are actually founded and, thus, irrespective of the higher or lower level of risk of a negative outcome in the related proceedings. Thus, these payments were made solely based on the administrative deeds that set forth the related tax claim, which does not lose its effectiveness even when appealed, has no suspensive effect and does not add to the assessments of the actual risk of a negative outcome, which must be measured using the criteria set forth in IAS 37 for liabilities.