

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 Intesa Sanpaolo Bank Luxembourg 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

INTESA SANPAOLO BANK LUXEMBOURG 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 prospectus dated 18 December 2017 (the "**Prospectus**"), as supplemented by the supplement date 14 February 2018 prepared by Intesa Sanpaolo S.p.A. ("**Intesa Sanpaolo**"), Intesa Sanpaolo Bank Ireland p.l.c. ("**INSPIRE**") and Intesa Sanpaolo Bank Luxembourg S.A. (previously known as Société Européenne de Banque S.A.) ("**Intesa Luxembourg**"), 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 10 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.

Purpose of the Supplement

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) updating the front cover of the Prospectus; (ii) updating the "Important Information" section of the Prospectus; (iii) updating the "Form of Final Terms" section of the Prospectus; (iv) updating the "Subscription and Sale" section of the Prospectus; (v) incorporating by reference in the Prospectus the audited consolidated annual financial statements of the Intesa Sanpaolo Group as at 31 December 2017, the audited annual financial statements of

Intesa Sanpaolo Bank Ireland p.l.c. as at 31 December 2017 and the audited annual financial statements of Intesa Sanpaolo Bank Luxembourg S.A. as at 31 December 2017; (vi) incorporating by reference in the Prospectus the press release entitled "Intesa Sanpaolo: Consolidated Results as at 30 June 2018"; (vii) incorporating by reference in the Prospectus the press release entitled "Intesa Sanpaolo and Intrum reach a strategic agreement in respect of Non-Performing Loans"; (viii) updating the section of the Prospectus entitled "Description of Intesa Sanpaolo S.p.A. – Share Capital"; (ix) updating the section of the Prospectus entitled "Description of Intesa Sanpaolo S.p.A. – Intesa Sanpaolo in 2018 - Highlights"; (x) updating the section of the Prospectus entitled "Description of Intesa Sanpaolo S.p.A. – Principal Shareholders", and (xi) updating the section of the Prospectus entitled "General Information" – No significant change and no material adverse change". 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.

The date of this Supplement is 13 August 2018.

Each of Intesa Sanpaolo, INSPIRE and Intesa Luxembourg 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.

FRONT COVER

The paragraph below is inserted on the front cover of the Prospectus as a new paragraph replacing the paragraph beginning "Amounts payable under the Notes may be calculated by reference to either EURIBOR, EONIA or LIBOR, as specified in the relevant Final Terms":

"Interest amounts payable under the Notes may be calculated by reference to EURIBOR, or to LIBOR, in each case as specified in the relevant Final Terms. As at the date of this Prospectus, EURIBOR is provided and administered by the European Money Markets Institute ("**EMMI**"), and LIBOR is provided and administered by ICE Benchmark Administration Limited ("**ICE**"). At the date of this Prospectus, ICE is authorised as a benchmark administrator, and included on, whereas EMMI is not included on, the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**").

As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence)."

IMPORTANT INFORMATION

The paragraphs below are inserted on pages 4-5 of the Prospectus as new paragraphs after the paragraph ending "but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.":

“PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

The applicable Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**").

The relevant Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.”

FORM OF FINAL TERMS

The paragraph below is inserted on page 99 of the Prospectus as a new paragraph after the paragraph ending "(by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.":

“[Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Regulation 3(b) of the Securities and Futures (Capital Markets Products) Regulations 2018 (the "**SF (CMP) Regulations**") that the Notes are "prescribed capital markets products" (as defined in the SF (CMP) Regulations) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]”

SUBSCRIPTION AND SALE

The paragraph below is inserted on page 196 of the Prospectus as a new paragraph replacing the paragraph starting "Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge,":

"Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell the Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA")) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA."

INFORMATION INCORPORATED BY REFERENCE

The information set out below supplements the section of the Prospectus entitled "Information Incorporated by Reference" on pages 45 to 48 of the Prospectus.

1. The audited consolidated annual financial statements of the Intesa Sanpaolo Group as at end for the year ended 31 December 2017, as shown in the Intesa Sanpaolo Group 2017 annual report;
2. the audited annual financial statements of INSPIRE as at end for the year ended 31 December 2017, as shown in the 2017 annual report of INSPIRE;
3. the audited annual financial statements of Intesa Luxembourg as at end for the year ended 31 December 2017, as shown in the 2017 annual report of Intesa Luxembourg;

having previously been published and filed with the CSSF, are incorporated by reference in and forms part of this Supplement and shall, by virtue of this Supplement, be deemed to be incorporated by reference in, and for part of, the Prospectus.

Cross- reference list

The following table shows where the information required under Annex IX of Commission Regulation (EC) No. 809/2004 can be found in the above-mentioned documents.

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The Intesa Sanpaolo Group 2017 Annual Report is published on the Intesa Sanpaolo website (www.intesasanpaolo.com).

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4. The press release entitled "Intesa Sanpaolo: Consolidated Results as at 30 June 2018" (the "2018 Half-Year Results Press Release") is incorporated by reference and forms part of this Supplement and shall, by virtue of this Supplement, be deemed to be incorporated by reference 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.

1.	Reclassified consolidated statement of income	Page 20
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3.	Reclassified consolidated balance sheet	Page 23
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5.	Breakdown of financial highlights by business area	Page 25

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

The Issuers confirm that the figures contained in the 2018 Half-Year Results Press Release are substantially consistent with the final figures to be published in the next interim unaudited financial statements. The interim unaudited results as at and for the 6 months ended 30 June 2018 have been compiled on the basis of the same accounting principles and standards utilized for the preparation of the consolidated financial statements of Intesa Sanpaolo as at and for the year ended 31 December 2017 in all material respects.

5. The press release entitled "Intesa Sanpaolo and Intrum reach a strategic agreement in respect of Non-Performing Loans" (the "NPL Press Release") is incorporated by reference in its entirety and forms part of this Supplement and shall, by virtue of this Supplement, be deemed to be incorporated by reference in, and form part of, the Prospectus.

The section on page 115 of the Prospectus entitled "Description of Intesa Sanpaolo S.p.A. – Share Capital" shall be deleted in its entirety and replaced by the following:

"Share Capital

As of 7 August 2018, Intesa Sanpaolo's issued and paid-up share capital amounted to €9,084,056,582.12 divided into 17,506,639,140 ordinary shares without nominal value."

The section on page 128 of the Prospectus entitled "Intesa Sanpaolo in 2018 - Highlights" shall be supplemented by the insertion of the headings and paragraphs here below:

"Intesa Sanpaolo: Meeting of Ordinary Shareholders and Special Meeting of Savings Shareholders

On 27 April 2018, Intesa Sanpaolo published a press release with the following wording:

"The Meeting of Ordinary Shareholders and the Special Meeting of Savings Shareholders were held today.

At the Meeting of Ordinary Shareholders, the resolutions detailed below were passed.

Ordinary part

1. Item 1 on the agenda: **2017 financial statements a) Approval of the Parent Company's 2017 financial statements b) Allocation of net income for the year and distribution to shareholders of dividend and part of the Share Premium Reserve.** The Shareholders approved the Parent Company's 2017 financial statements. The Shareholders also adopted a resolution to distribute €1,353,639,567.85 as dividends on the net income for the year (corresponding to 8 euro cents on each of the 15,859,786,585 ordinary shares and 9.1 euro cents on each of the 932,490,561 savings shares) and €2,065,450,088.96 as a reserve assignment from the Share Premium Reserve (corresponding to 12.3 euro cents on each ordinary share and savings share) for a total amount of €3,419,089,656.81. The reserve assignment will be subject to the same tax regime as the distribution of dividends. Dividends not distributed in respect of any own shares the Bank holds at the record date shall be allocated to the extraordinary reserve. The dividend payment will take place from 23 May 2018 (with coupon presentation on 21 May and record date on 22 May). The dividend yield is 6.4% per ordinary share and 6.5% per savings share based on today's stock price.

2. Item 2 on the agenda: **Increase in the compensation of the Independent Auditors for the assignment of the statutory audit.** The Shareholders approved the proposal regarding the updating of the economic terms and conditions currently set out for the assignment of the statutory audit granted to KPMG S.p.A., resulting in an increase - for each of the financial years 2017-2020 - of €140,000, as a result of the increased activities deriving from the entry into force of Legislative Decree no. 135/2016 and Regulation EU no. 537/2014.
3. Item 3 on the agenda: **Remuneration and own shares.**
- a) **2018 remuneration policies for employees and other staff not bound by an employment agreement and for certain categories governed by an agency contract.** The Shareholders approved the remuneration policies for 2018, as described in the Report on Remuneration, Section I, 4 “Remuneration policy for employees and staff not bound by an employment agreement” and Section I, 5 “Remuneration policy for certain categories governed by an agency contract”. The Shareholders also voted in favour of the procedures for the adoption and implementation of the remuneration policies, as described in the Report on Remuneration, Section I, 1 “Procedures for adoption and implementation of the remuneration policies”.
- b) **Confirmation of the increase in the cap on the variable-to-fixed remuneration to all Risk Takers that are not part of the Corporate Control Functions.** The Shareholders approved the proposal to confirm the increase in the cap on the variable-to-fixed remuneration from 1:1 to 2:1 to the population identified as Risk Takers not belonging to the Corporate Control Functions.
- c) **Approval of the 2017 Annual Incentive Plan based on financial instruments.** The Shareholders approved the share-based Incentive Plan for 2017 covering Risk Takers who accrue a bonus in excess of the so-called “materiality threshold”, and those Managers or Professionals who are not Risk Takers and accrue “relevant bonuses”. The Plan provides for the free assignment of Intesa Sanpaolo ordinary shares to be purchased on the market.
- d) **Authorisation to purchase and dispose of own shares to service the 2017 Annual Incentive Plan.** The Shareholders authorised the purchase and disposal of own shares to ensure implementation of the Incentive Plan. In accordance with this authorisation:
- Intesa Sanpaolo ordinary shares will be purchased, in one or more tranches, up to a maximum number and a maximum percentage of the Intesa Sanpaolo share capital calculated by dividing the comprehensive amount of approximately €40,000,000 by the official price recorded today by the Intesa Sanpaolo share. As the official price recorded today by the Intesa Sanpaolo ordinary shares was €3.153, the maximum number of shares to be purchased on the market to meet the total requirement of the aforementioned Incentive Plan of the Intesa Sanpaolo Group as a whole amounts to 12,686,330. This represents around 0.08% of the ordinary share capital and of the total share capital (comprising ordinary shares and savings shares);
 - the purchase of shares will be executed in compliance with the provisions included in Articles 2357 and following of the Italian Civil Code, within the limits of distributable income and available reserves, as determined in the financial statements most recently approved. Pursuant to Article 132 of Legislative Decree no. 58 of 24 February 1998 and Article 144-*bis* of the Issuers’ Regulation and subsequent amendments, purchases will be executed on

regulated markets in accordance with trading methods laid down in market rules, in full accordance with the regulatory requirements as to equality of treatment among shareholders, the measures preventing market abuse, as well as the market practices permitted by CONSOB. By the date the Group-level purchase programme begins – disclosure of which will be made to the market as required by the regulations – the subsidiaries will have completed the procedure for seeking equivalent authorisation at their shareholders' meetings, or from the bodies with jurisdiction over such matters within their structures;

- in accordance with the authorisation obtained at the Shareholders' Meeting today, which is effective for up to 18 months, purchases will be executed at a price identified on a case-by-case basis, net of accessory charges, within a minimum and maximum price range. This price will be determined using the following criteria: the minimum purchase price will not be lower than the reference price of the share recorded in the stock market session on the day prior to each single purchase transaction, less 10%; the maximum purchase price will not be higher than the reference price the share recorded in the stock market session on the day prior to each single purchase transaction, plus 10%. At any rate, the purchase price will not be higher than the higher of the price of the last independent trade and the highest current independent bid on the market;
 - pursuant to Article 2357-ter of the Italian Civil Code, the Shareholders authorised the disposal on the regulated market of own ordinary shares exceeding the Incentive Plan's requirements under the same conditions as those applied to the purchases and at a price no lower than the reference price of the share in the stock market session on the day prior to each single particular transaction, less 10%. Alternatively, these shares may be retained to service possible future incentive plans and/or possible remuneration granted the event of early termination of the employment relationship (Severance).
- e) **Approval of the 2018-2021 POP (Performance Call Option) Long-term Incentive Plan for Top Management, Risk Takers and Key Managers.** The Shareholders approved the 2018-2021 POP (Performance Call Option) Long-term Incentive Plan for Top Management, Risk Takers and Key Managers in Italy.
- f) **Approval of the 2018-2021 LECOIP 2.0 Long-term Incentive Plan for all employees that are not recipients of the POP Plan.** The Shareholders approved a plan based on financial instruments called Leveraged Employee Co-Investment Plan - LECOIP 2.0. This Plan is open to all employees, meaning by that all Professionals and Managers in Italy, with the exception of Top Management, Risk Takers and Key Managers, who are eligible to take part in the POP Plan.

Extraordinary part

1. Item 1 on the agenda: **Mandatory conversion of savings shares into ordinary shares and concurrent removal of the indication of nominal value for the shares of Intesa Sanpaolo from the Articles of Association. Amendment of Articles 5 and 29 and removal of Article 30 of the Articles of Association. Pertinent and consequent resolutions.**
Shareholders:

- approved the mandatory conversion of the outstanding savings shares – following the cancellation of 61 savings shares by an authorised intermediary, with the reduction of said shares

to no. 932,490,500 – into no 969,790,120 ordinary shares of the Company, the latter to consist in newly issued shares, with regular economic rights and having the same features of the ordinary shares outstanding at the date of the conversion, at a conversion ratio, equal to no. 1.04 ordinary shares for each savings share with concurrent removal of the indication of the nominal value of all of the shares of Intesa Sanpaolo S.p.A. outstanding as at the relative date of effectiveness of the conversion, pursuant to Articles 2328 and 2346 of the Italian Civil Code, so that the corporate share capital remains unchanged and divided into only ordinary shares;

- provided that the mandatory conversion of the savings shares in accordance with the above (and therefore also the effectiveness of any withdrawals that may be exercised by the savings shareholders entitled thereto and of the cancellation of the 61 savings shares) take place subject to:

- (i) the approval of the mandatory conversion, along with the relative amendments to the Articles of Association, pursuant to Article 146, paragraph 1, letter b) of Legislative Decree no. 58 of 1998 by the special meeting of the savings shareholders;

- (ii) the authorisations of the European Central Bank required under the current legal and regulatory framework, for the purposes of the amendments to the Articles of Association, the inclusion of the ordinary shares that are issued in connection with the conversion in the CET 1 and the possible purchase by the Company of own shares at the end of the liquidation procedure relating to withdrawing shareholders; and

- (iii) the amount owed to those who elect to exercise the withdrawal right not exceeding €400 million at the end of the pre-emption and pre-emptive rights offering period concerning any offer to the Intesa Sanpaolo shareholders of the shares held by the withdrawing savings shareholders pursuant to Article 2437-*quater*, paragraphs 1 and 2 of the Italian Civil Code;

- approved the amendment to Articles 5, with sole regard to paragraph 5.1, and 29 of the Company's Articles of Association;

- granted powers and mandate to the Board of Directors and to the Chairman of the Board of Directors and the Chief Executive Officer, severally and with full power to sub delegate, to carry out all actions deemed necessary or appropriate to fully implement the above resolutions, including without limitation, (i) to define any additional terms and conditions of the Mandatory Conversion, including, *inter alia*, the date on which such conversion will be effective upon agreement with Borsa Italiana S.p.A., which must fall after the ex-right date of dividends relating to the financial year ended 31 December 2017; (ii) to define the terms and conditions of the procedure relating to the exercise of the right of withdrawal to which savings shareholders are entitled pursuant to Article 2437, paragraph 1, letter g) of the Italian Civil Code; (iii) to carry out the liquidation process of the savings shares which are the subject matter of the withdrawal process, also purchasing if necessary such shares using the available reserves; and (iv) to carry out any other formality and actions in relation to the overall number of outstanding shares as at the date of effectiveness of the conversion and to obtain the necessary authorisations for the above resolutions and, generally, any other authorisation to fully implement the resolutions, together with any necessary power thereof, with no exclusion and exemption, including the power to fulfil any requests made by the relevant Supervisory Authorities as well as to proceed with the deposit and the registration with the Company Register of the updated Articles of Association with the approved amendments thereto;

- authorised the Board of Directors to sell the Company's own shares that may be bought as a consequence of rights of withdrawal being exercised, at the end of the liquidation process pursuant to

Article 2437-*quater* of the Italian Civil Code, without limitation, for a consideration which shall not be lower than the share reference price on the trading day preceding each sale with a 10% discount, specifying that the disposal may be carried out on the market or off the market, as spot and/or forward transactions.

2. Item 2 on the agenda: **Mandate to the Board of Directors to increase the share capital pursuant to Article 2443, as well as Article 2349, paragraph 1, and Article 2441, paragraph 8 of the Italian Civil Code for the purposes of implementing the 2018-2021 LECOIP 2.0 Long-term Incentive Plan based on financial instruments, referred to under item 3f) of the ordinary part, and consequent amendment of Article 5 (Share Capital) of the Articles of Association.**

The Shareholders granted powers, pursuant to Article 2443 of the Italian Civil Code, to the Board of Directors of Intesa Sanpaolo to carry out:

- a share capital increase without payment, in one or more tranches, by 27 October 2019, pursuant to Article 2349, paragraph 1 of the Italian Civil Code, for a maximum amount of €400,000,000 (inclusive of share premium) with the issuance of up to 170,000,000 ordinary shares of Intesa Sanpaolo;
- a share capital increase with payment, in one or more tranches, by 27 October 2019, for a maximum amount of €1,200,000,000 (inclusive of share premium, and net of discount), excluding option rights in favour of the employees of the Intesa Sanpaolo Group, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, with the issuance of up to 555,000,000 ordinary shares of Intesa Sanpaolo. The share issue price will be inclusive of a discount from the market price of ordinary shares of Intesa Sanpaolo, calculated as the average of market prices observable in the 30-day period immediately prior to the issue date.

The determination of the maximum number of ordinary shares to be issued shall depend on the issue price, which shall be determined by the Board of Directors. Assuming all employees adhere to the Professional Plan and the Manager Plan, the two share capital increases would have a dilutive effect of 3.5% on the ordinary share capital of Intesa Sanpaolo on the assumption that the share price is €3, and of 4.4% on the assumption that the maximum amount of shares per the Shareholders' Meeting resolution is issued in a stress scenario at an price of €2.4. Assuming, in addition, that all savings shares are converted into ordinary shares, the dilutive effect would be equal to around 4.1% of the total share capital post-conversion of the savings shares.

As regards the amendments to the Articles of Association approved at the Shareholders' Meeting, the European Central Bank has already released the verification, required under Article 56 of Legislative Decree 385/1993, that is needed to start procedures for entry in the Company Register.

The Special Meeting of Savings Shareholders, which followed the Meeting of Ordinary Shareholders, resolved on the only item on the agenda, in accordance with Article 146, paragraph 1, letter b) of Legislative Decree no. 58 of 24 February 1998, and approved, to the extent of its responsibility, the resolution passed in the extraordinary session, item 1 on the agenda, of the Meeting of Ordinary Shareholders, as reported above."

Intesa Sanpaolo: Assignment and Subscription of Ordinary Shares Reserved For Employees Under The 2018-2021 Lecoip 2.0 Long-Term Incentive Plan

On 11 July 2018, Intesa Sanpaolo published a press release with the following wording:

"Intesa Sanpaolo hereby communicates the number of Intesa Sanpaolo ordinary shares that have been assigned to the Group's employees and Intesa Sanpaolo ordinary shares that have been subscribed to by the Group's employees, as well as the corresponding number of Certificates issued by J.P. Morgan, *i.e.* the financial instruments, representative of the abovementioned shares, that the Group's employees receive under the 2018-2021 LECOIP 2.0 Long-term Incentive Plan. The Plan, which is based on financial instruments, was approved at the Shareholders' Meeting of 27 April 2018 and has already been disclosed to the market.

The LECOIP 2.0 Plan provides for:

- the assignment, free of charge, to employees, of new Intesa Sanpaolo ordinary shares deriving from a capital increase without payment ("Free Shares"), for an amount equivalent to the Variable Result Bonus advance for 2018;
- the assignment, also free of charge, to employees, of additional new Intesa Sanpaolo ordinary shares deriving from the same capital increase without payment ("Matching Shares") and the subscription by employees to new Intesa Sanpaolo ordinary shares deriving from a capital increase with payment, reserved for employees, through the issue of shares at a discounted price ("Discounted Shares").

Certificates are divided into two categories, and have different characteristics according to whether they are reserved for Professionals or for Managers employed by the Group in Italy. Certificates reflect the terms of certain options that have Intesa Sanpaolo ordinary shares as their underlying instruments, and will allow subscribers to receive, at maturity, in the absence of trigger events, an amount in cash (or in Intesa Sanpaolo ordinary shares) that is equal to the original market value of the Free Shares and the Matching Shares with regard to Professionals and 75% of this value with regard to Managers, plus a portion of any appreciation, compared to the original market value, related to the amount of the Free Shares, Matching Shares and Discounted Shares.

Today, 25,147,152 Free Shares and 47,411,243 Matching Shares were assigned to the Group's employees, and 507.908.765 Discounted Shares were subscribed to by the Group's employees. The numbers were calculated on the basis of the arithmetic average of the Volume Weighted Average Price (VWAP) of the Intesa Sanpaolo ordinary shares recorded on each working day in the 30 calendar days preceding 11 July 2018, which is equal to 2.5416 euro. Consequently, a total number of 72,558,395 Certificates - corresponding to the abovementioned sum of Free Shares plus Matching Shares - were today assigned to the Group's employees. In detail:

Category	Number of Free Shares	Number of Matching Shares	Number of Discounted Shares	Number of Certificates
Professionals	25,147,152	29,680,708	383,795,020	54,827,860
Managers		17,730,535	124,113,745	17,730,535

Total	25,147,152	47,411,243	507,908,765	72,558,395
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Following the delegation of powers granted by the Shareholders' Meeting to the Board of Directors pursuant to Article 2443 of the Italian Civil Code, today:

- a share capital increase without payment was executed, pursuant to Article 2349, paragraph 1 of the Italian Civil Code, for an amount of 87,959,908.40 euro, through the issue of 169,153,670 Intesa Sanpaolo ordinary shares with a nominal value of 0.52 euro;
- a share capital increase with payment was executed, with the exclusion, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, of the option right, in favour of the Intesa Sanpaolo Group's employees, for an amount of 264,112,557.80 euro, through the issue of 507,908,765 Intesa Sanpaolo ordinary shares at a price of 2.1645 euro (applying a discount of 14.837% to the aforementioned arithmetic average of the VWAP recorded in the 30 calendar days preceding 11 July 2018), of which 0.52 euro of nominal value and 1.6445 euro of share premium.

The total number of shares issued in the capital increase with payment and the capital increase without payment represents 4.1% of the ordinary share capital and 3.9% of the total share capital (comprising ordinary shares and savings shares) of Intesa Sanpaolo after the capital increase.

The capital increase with payment leads to an increase in the Intesa Sanpaolo Group's consolidated shareholders' equity of 1,099 million euro, of which 264 million in share capital and 835 million in share premium reserve, and generates an increase in the Group's Common Equity Tier 1 ratio in the region of 40 basis points on the basis of the figures as at 31 March 2018."

Purchase of Intesa Sanpaolo Savings Shares Pursuant to Article 2437-Quater of the Italian Civil Code, Settlement of the Pre-Emption and Pre-Emptive Rights Offering and Effectiveness of the Mandatory Conversion.

On 1 August 2018, Intesa Sanpaolo published a press release with the following wording:

"Today, the Board of Directors of Intesa Sanpaolo S.p.A. ("**Intesa Sanpaolo**" or the "**Company**") resolved to proceed with the reimbursement through the purchase by the Company, pursuant to Article 2437-*quater*, paragraph 5 of the Italian Civil Code, of no. 14,962,024 savings shares of Intesa Sanpaolo following withdrawal that remained unsold (the "**Shares**") after the pre-emption and pre-emptive rights offering (the "**Offering**") which ended on 17 July 2018. This was in accordance with the resolution of the Special Meeting of savings shareholders of 27 April 2018 which approved the mandatory conversion of the Intesa Sanpaolo savings shares into ordinary shares (the "**Mandatory Conversion**") and the consequent amendments to the Company's Articles of Association.

Accordingly, the Shares will not be offered on the market, as permitted by Article 2437-*quater*, paragraph 4 of the Italian Civil Code. The Shares will be purchased by using available reserves of the Company at the liquidation value of the shares following withdrawal, set in accordance with the provisions under Article 2437-*ter*, paragraph 3 of the Italian Civil Code, of Euro 2.74 each, with settlement date on 3 August 2018.

In accordance with the resolutions taken by the Extraordinary Meeting of the ordinary shareholders of Intesa Sanpaolo on 27 April 2018, the Shares purchased by the Company will be subsequently sold at a price of no less than the reference price recorded by the share in the stock market session on the day prior to each single disposal transaction, decreased by ten per cent.

Furthermore, it should be noted that:

- the settlement of the Shares and related operations following the exercise of the pre-emption and pre-emptive rights under the Offering shall take place on 3 August 2018;
- the last trading date of the Intesa Sanpaolo savings shares shall be 6 August 2018;
- the Mandatory Conversion of savings shares into ordinary shares will become effective on 7 August 2018 and, therefore, from that date only Intesa Sanpaolo ordinary shares will be traded on the Mercato Telematico Azionario of Borsa Italiana; once the Mandatory Conversion of the no. 932,490,500 savings shares into ordinary shares becomes effective, the share capital of Intesa Sanpaolo, fully subscribed and paid-in, equal to Euro 9,084,056,582.12, will be composed of no. 17,506,639,140 ordinary shares without nominal value;
- any fractions resulting from the Mandatory Conversion of savings shares into ordinary shares will be managed by an intermediary appointed by the Company, with settlement in cash to be carried out by the beneficiaries' intermediaries."

The section on page 130 of the Prospectus entitled "Description of Intesa Sanpaolo S.p.A. – Principal Shareholders" shall be deleted in its entirety and replaced by the following:

"Principal Shareholders

As of 7 August 2018, the shareholder structure of Intesa Sanpaolo is composed as follows (holders of shares exceeding 3% ^(*)):

Shareholder Ordinary shares % of ordinary shares

Shareholder	Ordinary shares	% of ordinary shares
Compagnia di San Paolo	1,188,947,304	6.791%
Fondazione Cariplo	767,029,267	4.381%
JP Morgan Chase & Co. (**)	692,902,451	3.958%

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

(**) The aggregate investment of 7.353%, of which 4.190% with voting rights, disclosed by JPMorgan Chase & Co in form 120 B dated 16 July 2018, has been recalculated in 6.946%, of which 3.958% with voting rights, due to the change in Intesa Sanpaolo's share capital of 7 August 2018 as a result of the conversion of savings shares into ordinary shares. The disclosure was made in view of the positions held by JPMorgan Chase & Co in relation to the issue of LECOIP 2.0 Certificates, having as underlying instruments Intesa Sanpaolo ordinary shares, that the Intesa Sanpaolo Group's employees received under the 2018-2021 LECOIP 2.0 Long-term Investment Plan based on financial instruments."

The section on page 200 of the Prospectus entitled "General Information - No significant change and no material adverse change" is deleted in its entirety and replaced as follows:

"No significant change and no material adverse change

Save as disclosed in the Prospectus (which terms for the avoidance of doubt includes this Supplement), since 31 December 2017 there has been no material adverse change in the financial position or situation or the prospects of the Issuers and, since 30 June 2018 (in the case of Intesa Sanpaolo), 31 December 2017 (in the case of INSPIRE) or 31 December 2017 (in the case of Intesa Luxembourg), there has been no significant change in the financial position of the Intesa Sanpaolo Group."