PRESS RELEASE

INTESA SANPAOLO COMFORTABLY MEETS THE CAPITAL REQUIREMENT SET BY THE ECB

Turin - Milan, 22 December 2017 – Intesa Sanpaolo has received notification of the ECB's final decision concerning the capital requirement that the Bank has to meet, on a consolidated basis, as of 1 January 2018, following the results of the Supervisory Review and Evaluation Process (SREP).

The overall capital requirement the Bank has to meet in terms of Common Equity Tier 1 ratio is 8.145% under the transitional arrangements for 2018 and 9.33% on a fully loaded basis.

This is the result of:

- a SREP requirement in terms of Total Capital ratio of 9.5% comprising a minimum Pillar 1 capital requirement of 8%, of which 4.5% is Common Equity Tier 1 ratio, and an additional Pillar 2 capital requirement of 1.5% made up entirely of Common Equity Tier 1 ratio;
- additional requirements, entirely in terms of Common Equity Tier 1 ratio, relating to:
  - a Capital Conservation Buffer of 1.875% under the transitional arrangements for 2018 and 2.5% on a fully loaded basis in 2019,
  - an O-SII Buffer (Other Systemically Important Institutions Buffer) of 0.19% under the transitional arrangements for 2018 and 0.75% on a fully loaded basis in 2021,
  - a Countercyclical Capital Buffer of 0.08% (1).

Intesa Sanpaolo's capital ratios as at 30 September 2017 on a consolidated basis - net of around €2.2 billion dividends accrued for the first nine months of the year - were as follows:

• 13% in terms of Common Equity Tier 1 ratio (2)
• 17.6% in terms of Total Capital ratio (2)
calculated by applying the transitional arrangements for 2017, and
• 13.4% in terms of pro-forma Common Equity Tier 1 ratio calculated on a fully loaded basis (2) (3)
• 17.8% in terms of pro-forma Total Capital ratio calculated on a fully loaded basis (2) (3).

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(1) Calculated taking into account the exposures as at 30 September 2017 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities and relating either to 2018-2019, where available, or to the latest update of the reference period (requirement was set at zero per cent in Italy for the fourth quarter of 2017).

(2) After the deduction of accrued dividends, assumed equal to the net income for the first nine months of the year minus the coupons accrued on the Additional Tier 1 issues and the non-taxable public cash contribution of €3.5bn offsetting the impact on the capital ratios of the acquisition of operations of Banca Popolare di Vicenza and Veneto Banca.

(3) Estimated by applying the fully loaded parameters to the financial statements as at 30 September 2017, considering the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, as well as to the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of operations of Banca Popolare di Vicenza and Veneto Banca, the expected absorption of DTAs on losses carried forward, the announced reserve distribution by insurance companies, and the effect of the Danish compromise (under which insurance investments are risk weighted instead of being deducted from capital, with no benefit for the Common Equity Tier 1 ratio and a benefit of six basis points for the Total Capital ratio as at 30 September 2017).

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