
Report of the Board of Directors

Ordinary Part - Item 4 on the agenda

Own shares:

- a) Authorisation to purchase own shares for the annulment of a maximum number of 2,615,384,615 own shares

Distinguished Shareholders,

You have been called to this Shareholders' Meeting to discuss and resolve on a proposal to purchase own shares, aimed at reducing the number of ordinary shares issued by Intesa Sanpaolo, without reducing the share capital, as explained in detail below.

More specifically, this proposal concerns the purchase of own shares not exceeding 2,615,384,615 and, in any case, for a maximum total outlay of 3,400 million euro, equivalent to the amount of profits for financial year 2019 that were not distributed as dividends in light of the recommendations made at the time by the European Central Bank. The proposed purchase of own shares will be carried out subject to approval of the proposed resolution under item 1 on the agenda of the extraordinary part of this Meeting and to related authorisation being received from the Supervisory Authority, for the purpose of annulling said shares.

Rationale for the proposal

In this regard, it should be recalled that on 27 March 2020, the Supervisory Authority, in view of the economic impacts of the COVID-19 pandemic, had recommended that credit institutions refrain from distributing dividends and purchasing own shares aimed at remunerating shareholders, at least until 1 October 2020. This recommendation was extended until 1 January 2021 by measure dated 27 July 2020. Subsequently, by recommendation dated 15 December 2020, valid until 30 September 2021, the Supervisory Authority had urged significant credit institutions to exercise the utmost prudence when making decisions regarding the distribution of dividends or the purchase of own shares aimed at remunerating shareholders, and had set specific quantitative limitations for such decisions. Accordingly, the general restrictions in this area resulting from the COVID-19 pandemic ended on 30 September 2021.

Intesa Sanpaolo has demonstrated over the years the ability to generate sustainable value for all its stakeholders, deriving from its solid capital base and strong liquidity position, its resilient and well-diversified business model, its strategic flexibility in managing operating costs and from the quality of its assets, even in difficult external scenarios, such as the COVID-19 emergency.

On 4 February 2022, the Board of Directors of Intesa Sanpaolo approved the 2022-2025 Business Plan. Over its time horizon, the Plan envisages that the Bank will continue to generate value for all its stakeholders, in particular for its Shareholders, and contribute to the country's economic, social and environmental development.

As regards to the objective of sustainable value creation and distribution, the Plan foresees that an amount of more than 22 billion euro will be distributed to the Shareholders for the period 2021-2025, of which more than 6.6 billion euro already in 2022, including the "share buy-back" plan aimed at annulling own shares covered by this Report. With regard to this last point, the transaction hereby proposed is based on the following assumptions.

Based on the results as at 31 December 2021, after deducting 1,932 million euro of reserves distributed in October 2021 from the shareholders' equity and 1,399 million euro of interim dividends for the financial year 2021 paid out in November 2021, and considering the distribution of 1,533 million euro as remaining dividends for 2021, at consolidated level the fully-loaded Common Equity Tier 1 ratio is 14% and the pro-forma fully-loaded Common Equity Tier 1 ratio is 15.2%. These values are higher than those set in the 2018-2021 Business Plan (12% and 13.1%, respectively).

Approximately half of the increase over the expected levels of the previous Plan is attributable to the non-payment of the dividend related to 2019 profits of approximately 3.4 billion euro, in compliance with the aforementioned recommendations issued by the Supervisory Authorities in 2020 in response to the COVID-19 emergency.

The aforementioned balance sheet results have been accompanied by a steady improvement in the Group's risk profile and its asset quality, with the stock of NPLs decreasing from the 2015 peak of 64.5 billion euro to 10.5 billion euro in 2021, taking into account the disposals planned for 2022.

With the new 2022-2025 Business Plan, the Board of Directors approved and communicated to the market a target Common Equity Tier 1 ratio above 12% at consolidated level, taking into account the purchase of own shares that is the subject of this Report.

In light of the aforementioned results and outlook, the Board of Directors decided to submit to the Shareholders' Meeting, in addition to the usual proposal for the distribution of dividends, also a transaction for the purchase of own shares, for an amount equal to the amount of the 2019 dividends not distributed to the Shareholders due to the recommendations made by the European Central Bank.

Subject and duration of the proposal

In line with the aims specified above, it is proposed that the Shareholders' Meeting authorise the purchase of own shares, to be carried out even partially and/or in instalments, foreseeably by 31 December 2022, and in any case by the ex-right date of dividends for the financial year ended 31 December 2022 and up to a maximum number of 2,615,384,615 ordinary Intesa Sanpaolo shares without nominal value (equal to approximately 13.5% of the share capital as at the date of this Report), with a maximum total outlay of 3,400 million euro.

In this regard, it should be noted that as at the date of this Report, Intesa Sanpaolo's share capital amounts to 10,084,445,147.92 euro and is divided into 19,430,463,305 ordinary shares without nominal value.

If the authorisation proposal is approved, the own shares purchased will subsequently be annulled, subject to the approval of the proposal made under item 1 of the extraordinary part of this Meeting and the requisite authorisation of the Supervisory Authorities, without reducing the share capital, taking into account that the Intesa Sanpaolo shares have no nominal value. For further information regarding this proposed annulment, please refer to the specific Board of Directors' report under item 1 on the agenda for the extraordinary part of this meeting.

These decisions are separate and independent from the other proposed resolutions on the agenda of this Meeting concerning the purchase and disposal of own shares to service the Incentive Plans and for market operations, as described under items 4b) and 4c) below on the agenda for the ordinary part of the Shareholders' Meeting.

It should be noted, in any case, that the maximum total number of Intesa Sanpaolo ordinary shares for which purchase authorisation is requested pursuant to Article 2357 of the Italian Civil Code is within the legal limits, representing, inter alia, a portion lower than a fifth of the share capital, also considering any shares owned by subsidiaries and the further proposed resolutions submitted to this Shareholders' Meeting.

The purchase of own shares shall take place within the limits of the distributable income and available reserves reported in the latest financial statements approved at the time of the purchase transactions, it being understood that the purchases shall also be carried out within the limits and in compliance with the authorisations issued by the European Central Bank.

In particular, following approval by the Shareholders' Meeting and the requisite supervisory authorisations, a constraint will be placed on a part of the available reserves identified in the "Extraordinary Reserve" for an amount equal to the maximum total outlay authorised by the European Central Bank. Moreover, on the basis of the purchases made by virtue of the Shareholders' Meeting's resolution authorising the transactions, an amount equal to the value of the purchases actually made will be allocated to a specific negative component of shareholders' equity ("Treasury shares" item), for as long as the own shares are held in portfolio.

It is understood that the purchase transactions - if authorised by the Shareholders' Meeting - shall be assessed by the Board of Directors, who will have the power to further delegate the execution of each single purchase transaction, and shall be launched only after the requisite authorisations have been issued by the European Central Bank.

Execution of purchase transactions and consideration

The purchase transactions will be carried out in accordance with the methods referred to in Article 132 of the Consolidated Law on Finance, Article 144-bis of the Issuers Regulation, Article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 and Articles 2, 3, and 4 of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016.

The purchases will be made on the regulated market and on the multilateral trading facilities on which the ordinary Intesa Sanpaolo shares are traded, in accordance with the operating procedures established in the regulations for the organisation and management of the markets themselves - pursuant to Article 144-bis (b) of the Issuers' Regulation - with a daily limit that will take into account the volumes traded on each market, in full compliance with the legislation on the equality of shareholders, the measures to prevent market abuse and the related market practices permitted by Consob.

In particular, the purchase will take place in cash at a price identified on a case by case basis, net of standard ancillary costs, within the range of a minimum and maximum price to be determined using the following criteria:

- the minimum purchase price cannot be lower than the reference price the share recorded in the stock market session on the day prior to each single purchase transaction, decreased by 10%;
- the maximum purchase price cannot be higher than the reference price the share recorded in the stock market session on the day prior to each single purchase transaction, increased by 10%, without prejudice to the above-mentioned maximum total outlay of 3,400 million euro.

In any case, the price may not exceed the higher between the price of the last independent transaction and the current price of the highest offer for independent purchase in the trading venue where the purchase is made.

Without prejudice to the above, the Company shall in any case operate in compliance with the further operating limits provided for by the laws and regulations in force and applicable from time to time (including the regulations and other rules issued by the European Union), as well as the stricter limits established internally and any additional requirements issued by the competent Supervisory Authorities.

The Company will disclose the own shares purchase transactions in compliance with the applicable law and regulations in force from time to time.

Distinguished Shareholders, you are therefore hereby invited to approve the proposed authorisation for the purchase of own shares in the terms set out below.

"The Ordinary Shareholders' Meeting, having examined the explanatory report of the Board of Directors prepared pursuant to Article 125-ter of Legislative Decree No. 58 of 24 February 1998 (the "Consolidated Law on Finance") and Article 73 of the CONSOB Regulation adopted by Resolution No. 11971 of 14 May 1999 (the "Issuers Regulation"), as well as Annex 3A, Scheme 4, of said Regulation and the proposal contained therein, hereby resolves

1. to authorise the Board of Directors, pursuant to Articles 2357 et seq. of the Italian Civil Code and 132 of the Consolidated Law on Finance, to carry out purchase transactions, even partial

and/or in tranches, of the Company's ordinary shares, subject to the authorisation of the European Central Bank, for the purposes set out in the above-mentioned explanatory report; the authorisation is granted for a maximum number of ordinary Intesa Sanpaolo shares corresponding to a maximum overall outlay of 3,400 million euro and, in any case, not exceeding 2,615,384,615 ordinary Intesa Sanpaolo shares, until the ex right date of the dividend related to the financial statements for the year ending 31 December 2022;

2. to authorise the Board of Directors to carry out purchases of Intesa Sanpaolo ordinary shares pursuant to the decision under item 1), in the following manner: (i) the purchases must be made at the price that will be identified from time to time in compliance with any applicable national and EU regulatory requirements, without prejudice to the fact that the purchase price may not be more than 10% below or above the reference price of the Intesa Sanpaolo share registered on the MTA Market, organised and managed by Borsa Italiana S.p.A., the day before the execution of each individual purchase transaction; (ii) the purchase transactions will be carried out in line with the provisions of Article 132 Consolidated Law on Finance, Article 144-bis (1) (b) of the Issuers Regulation and with any other legislative and regulatory provisions (including the regulations and other rules of the European Union) applicable and in force from time to time;
3. to authorise the Board of Directors, which may delegate this power to the Managing Director and CEO, to carry out the own shares purchase transactions and make any necessary accounting entries or postings, drawing from the Extraordinary Reserve, on the basis of the resolutions mentioned under items 1) and 2) above, in any case in full compliance with current legislation and the limits set out therein”.

15 March 2022

For the Board of Directors
The Chairman – Gian Maria Gros-Pietro

This is an English translation of the original Italian document. In cases of conflict between the English language document and the Italian document, the interpretation of the Italian language document prevails.