

**PRESS RELEASE**

**INTESA SANPAOLO: CLARIFICATION OVER TASSARA**

*Turin - Milan, November 4<sup>th</sup> 2013* – At Consob’s request, Intesa Sanpaolo herein provides clarification with reference to the approval by its Management Board of the term-sheet amending the agreements existing between Carlo Tassara S.p.A. and the lending banks, which was made public via a press release on October 1<sup>st</sup> 2013.

- The implementation of the transaction included in the term-sheet is subject to each lending bank expressing a favourable decision. To date, certain lending banks, as far as is known, have not yet completed their preparatory and decision-making processes;
- as regards the criteria for the allocation of PFIs (participatory debt financial instruments) for an overall amount of €650 million - which the lending banks are requested to subscribe to by using a portion of their existing loans to the company - the term-sheet sets out the following points:
  - a) firstly, the use of all loans related to unsecured credit lines,
  - b) secondly, with respect to the difference between €650 million and the entire exposure of unsecured loans, the amount of the PFIs shall be broken down pro-rata on the basis of the loans related to guaranteed lines only for the portion (for each line) exceeding the value of the asset held as collateral. The value of the asset held as collateral shall be determined on the basis of the average value of the last six months prior to the execution of the amending agreements.

Should any further conversion occur, reference shall be made only to the criterion under aforementioned point b), and the date for determining the portion shall be that of each further conversion;

- in accordance with the criteria described above, and taking into consideration the quotations available as at September 30<sup>th</sup> 2013, the PFI portion to be allocated to Intesa Sanpaolo is estimated at approximately €445 million. As a result, the amount of the Bank’s outstanding loans, to be repaid through the Tassara Group’s asset disposal plan, would be approximately €675 million. These figures are indicative since the exact amount of the loan portion to be converted shall be determined, as specified, on the day of execution, if any, of the amending agreements;
- the term-sheet does not provide for new additional collateral for the lending banks, without prejudice to that already held by each bank;
- Intesa Sanpaolo’s adjustments to its overall exposure to the Tassara Group amounted to €430 million as at June 30<sup>th</sup> 2013, based on a conservative provisioning policy;
- since the transaction should make it possible to better enhance the assets under disposal, Intesa Sanpaolo deems, at this time, that its outstanding loans of approximately €675 million can be fully recovered and that the current level of €430 million of adjustments are adequate, as of today, to cope with possible losses on its approximately €445 million of PFIs.

For the Intesa Sanpaolo Group, the net exposure to the Tassara Group constitutes 0.1% of total assets and 1.4% of consolidated shareholders’ equity. The facility granted to the Tassara Group constitutes 0.3% of total facilities of approximately €420 billion granted by the Intesa Sanpaolo Group to the Italian economy, which correspond to nearly one third of the GDP; two thirds of these facilities are made up of credit lines to households and small and medium-sized businesses.