INTESA SANPAOLO

PRESS RELEASE

INTESA SANPAOLO COMFORTABLY MEETS THE CAPITAL REQUIREMENT SET BY THE ECB

Turin - Milan, 12 December 2016 – 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 2017, 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 7.25% under the transitional arrangements for 2017 and 9.25% 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 1.25% under the transitional arrangements for 2017 and 2.5% on a fully loaded basis in 2019, and an O-SII Buffer (Other Systemically Important Institutions Buffer) of zero under the transitional arrangements for 2017 and 0.75% on a fully loaded basis in 2021.

Intesa Sanpaolo's capital ratios as at 30 September 2016 on a consolidated basis - net of around €2,250 million dividends accrued for the first nine months of the year - were as follows:
• 12.8% in terms of Common Equity Tier 1 ratio (1)
• 17.2% in terms of Total Capital ratio (1)
calculated by applying the transitional arrangements for 2016, and
• 13% in terms of pro-forma Common Equity Tier 1 ratio calculated on a fully loaded basis (2)
• 16.9% in terms of pro-forma Total Capital ratio calculated on a fully loaded basis (2).

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(1) After deduction of accrued dividends, assumed equal to the net income for the first nine months of the year minus accrued coupons on Additional Tier 1 issues.
(2) Estimated by applying the fully loaded parameters to the financial statements as at 30 September 2016, considering the total absorption of deferred tax assets (DTAs) related to the goodwill realignment and adjustments to loans, the expected absorption of DTAs on losses carried forward, and the effect of the Danish compromise (under which insurance investments are risk weighted instead of being deducted from capital, with a benefit of 14 basis points for the Common Equity Tier 1 ratio and four basis points for the Total Capital ratio).

Investor Relations
+39.02.87943180
investor.relations@intesasanpaolo.com

Media Relations
+39.02.87962326
stampa@intesasanpaolo.com