



**STATEMENT BY CARLO MESSINA, CEO OF INTESA SANPAOLO
Nine-month results to 30 September 2017**

Milan, 7 November 2017 - The nine-month results for 2017 show solid performance, fully in line with the €3.4 billion full-year dividend target.

With the distribution of €10 billion in cash dividends over the four years of the current Business Plan, the consistent and sustainable remuneration of our shareholders remains a strategic priority.

Organic net income was €2.5 billion. Excluding charges incurred to support the wider Italian banking system, net profit was €3.1 billion. Considering the public contribution of €3.5 billion - which served exclusively to offset the impact on capital ratios deriving from the acquisition of certain assets and liabilities of Banca Popolare di Vicenza and Veneto Banca - together with the capital gain of €800 million from the sale of the Allfunds stake - which will be booked in the fourth quarter - net income comes to €6.7 billion.

Common Equity stands at 13.4%, showing solid and increasing capitalization, at levels far above the regulatory requirements set for even the most adverse scenarios and far higher than the average of our competitors.

Intesa Sanpaolo reinforced its position as a successful wealth management company, with over 50% of gross income generated by this area of activity. The first nine months of the year were the best ever in terms of commissions since the creation of Intesa Sanpaolo. Net inflows to assets under management reached nearly €15 billion during the first nine months, a result that places us at the top in Europe. Assets under management, amounting to €331 billion, have grown by €88 billion since the beginning of the current Business Plan.

At the end of September, the total amount of financial assets managed by Intesa Sanpaolo on behalf of customers reached nearly €1 trillion. This is an impressive sum, and a concrete sign of the confidence placed in the Bank. We will continue to make these resources available for growth in our country.

We are one of the most efficient banks in Europe with a cost/income ratio of 50.2%. The active management of the non-performing loans portfolio is producing significant results: over the past two years, the stock of non-performing loans was reduced by €11 billion, bringing the stock to the lowest level since 2012. New inflows are at their lowest since 2007.

We achieved these significant results without placing any additional burden on our shareholders.

The third quarter of 2017 reflects the impact of the incorporation of the two former Veneto banks. The P&Ls of these two banks still show strong imbalances, even after the disposal of the impaired loans from the balance sheet: operating costs are twice the revenues, and quarterly gross income for the two banks is a negative €100 million.

We place great emphasis on quickly resolving this situation and bringing them back to profitability. We are acting both on the revenue side - in particular by developing asset management activities - and on the cost side, thanks to the agreement reached with unions for staff reductions and downsizing of the branch network. We will bring the migration process forward to December. The clients of these banks can rely on the service quality and the solidity of one of the best banks in Europe, just as can all the people who have become part of our Group.

Intesa Sanpaolo is the accelerator of growth in Italy's real economy: in the first nine months of 2017, We extended €36 billion in medium- and long-term credit, an increase of 5%. We expect to provide €50 billion for the whole 2017.

At the end of the year, we will complete our 2014-2017 Business Plan: we will have achieved our goals thanks to the decisive contribution of each of the Bank's Divisions. The merit goes to all of our people. They have done a great job that has allowed us to achieve challenging results in a market context that was much more difficult than expected.

Our Bank has become a benchmark in the European banking sector, combining revenue growth with attention to costs and focusing investments on digital to improve service quality and efficiency. Our business model is characterized by resilience based on balance sheet strength and high-quality revenue mix. We will further develop this model through the new Business Plan that we will present at the beginning of 2018, confirming Intesa Sanpaolo's place among the best banks in Europe.