PRESS RELEASE

INTESA SANPAOLO MUST CONTINUE TO SATISFY THE CAPITAL REQUIREMENT SET BY THE ECB LAST YEAR, WHICH THE BANK COMFORTABLY MEETS

Turin - Milan, 25 November 2020 – Following the communication received from the ECB in relation to the Supervisory Review and Evaluation Process (SREP), Intesa Sanpaolo announces that the Bank, on a consolidated basis, must continue to meet the capital requirement that was established last year.

The overall capital requirement the Bank has to meet in terms of Common Equity Tier 1 ratio is 8.44% under the transitional arrangements for 2020 and 8.63% 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%, of which 0.844% is Common Equity Tier 1 ratio applying the regulatory amendment introduced by the ECB and effective from 12 March 2020;
- additional requirements, entirely in terms of Common Equity Tier 1 ratio, relating to:
  - a Capital Conservation Buffer of 2.5% on a fully loaded basis from 2019,
  - an O-SII Buffer (Other Systemically Important Institutions Buffer) of 0.56% under the transitional arrangements for 2020 and 0.75% on a fully loaded basis in 2021,
  - a Countercyclical Capital Buffer of 0.032% under the transitional arrangements for 2020 and 0.037% on a fully loaded basis in 2021 [(1)].

Intesa Sanpaolo's capital ratios as at 30 September 2020 on a consolidated basis - net of around €2.3 billion dividends accrued in the first nine months of 2020 - were as follows:

• 14.7% in terms of Common Equity Tier 1 ratio [(2) (3)]
• 19.6% in terms of Total Capital ratio [(2) (3)]
calculated by applying the transitional arrangements for 2020, and
• 15.2% in terms of pro-forma Common Equity Tier 1 ratio calculated on a fully loaded basis [(2) (4)]
• 20.6% in terms of pro-forma Total Capital ratio calculated on a fully loaded basis [(2) (4)].

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(1) Calculated taking into account the exposures as at 30 September 2020 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 2020-2021, where available, or to the latest update of the reference period (requirement was set at zero per cent in Italy for 2020).

(2) After the deduction of accrued dividends, equal to 75% of net income for the first nine months of the year excluding the negative goodwill, and the coupons accrued on the Additional Tier 1 issues.

(3) Excluding the mitigation of the impact of the first time adoption of IFRS 9, capital ratios are 14% for the Common Equity Tier 1 ratio and 19.2% for the Total Capital ratio.

(4) Estimated by applying the fully loaded parameters to the financial statements as at 30 September 2020, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285 million covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, the expected absorption of DTAs on losses carried forward and on the sale of the going concern to BPER Banca in relation to the acquisition of UBI Banca, and the expected distribution of the 9M 2020 net income of insurance companies.

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