



SPAFID CONNECT

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Diffusione presunta

Oggetto : Intesa Sanpaolo: proposal for mandatory conversion of savings shares into ordinary shares

Testo del comunicato

Vedi allegato.

The securities of Intesa Sanpaolo S.p.A. have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. There will be no such public offering of shares of Intesa Sanpaolo S.p.A. in the United States.



PRESS RELEASE

INTESA SANPAOLO: PROPOSAL FOR MANDATORY CONVERSION OF SAVINGS SHARES INTO ORDINARY SHARES

Turin - Milan, 6 February 2018 – The Board of Directors of Intesa Sanpaolo hereby announces that today it has resolved, concurrently with the approval of the 2018-2021 Business Plan, to submit to the Shareholders' Meeting a proposal for the mandatory conversion of savings shares of Intesa Sanpaolo into ordinary shares of Intesa Sanpaolo, on the basis of a conversion ratio of 1.04 ordinary shares per each savings share, without any payment of cash adjustments (the “**Conversion**”) and along with the concurrent removal from the Articles of Association of the nominal value indication with regard to the Bank's shares.

Therefore, the Board of Directors has called the Extraordinary Shareholders' Meeting, on single call, to take place on 27 April 2018, at the New Headquarters in Turin, with entrance in Corso Inghilterra no. 3, at 10:00 of 27 April 2018, in order to resolve upon the following item of the agenda:

1. Mandatory conversion of savings shares into ordinary shares and concurrent removal of the indication of nominal value for the shares of Intesa Sanpaolo from the Articles of Association. Amendment of Articles 5 and 29 and removal of Article 30 of the Articles of Association. Pertinent and consequent resolutions.

The Board of Directors has also called the Special Meeting of Savings Shareholders, on single call, to take place on 27 April 2018, at the New Headquarters in Turin, with entrance in Corso Inghilterra no. 3, at 16:00 of 27 April 2018 and in any case at the end of the Meeting of Ordinary Shareholders, in order to resolve upon the following item of the agenda:

1. Approval, pursuant to Article 146, paragraph 1, letter b) of Legislative Decree no. 58 of 24 February 1998, of the resolutions of the Extraordinary Shareholders' Meeting concerning the mandatory conversion of the Company's savings shares into ordinary shares of the same Company, as well as the removal of the indication of the nominal value of the shares from the Articles of Association and the relative amendments to the Articles of Association. Pertinent and consequent resolutions.

The effectiveness of the Conversion, should it receive the approval of the Extraordinary Shareholders' Meeting, will be conditioned upon:

- a) the approval of the Conversion by the Special Savings Shareholders' Meeting;
- b) the authorisations of the European Central Bank required under the current legal and regulatory framework, for the purposes of the amendments to the Articles of Association, the inclusion of the ordinary shares that are issued in connection with the Conversion in the CET 1 and the possible purchase by the Company of own shares at the end of the liquidation procedure relating to withdrawing shareholders; and

- c) the amount owed to those who elect to exercise the withdrawal right not exceeding Euro 400 million at the end of the pre-emption and pre-emptive rights offering period concerning any offer to the Intesa Sanpaolo shareholders of the shares held by the withdrawing savings shareholders pursuant to Art. 2437-*quater*, par. 1 and 2 of the Italian Civil Code.

The conversion ratio has been set by the Board of Directors on the basis of, *inter alia*, the report of an independent expert and includes an implied premium on the savings shares' price equal to:

- 3.4% in relation to the last stock exchange closing price of 5 February 2018;
- 3.3% in relation to the average price registered in the past month;
- 4.4% in relation to the average price registered in the past 3 months.

Since the resolution approving the Conversion implies an amendment to the Company's Articles of Association regarding voting and participation rights, the savings shareholders who do not take part in the approval of the related resolution of the Special Savings Shareholders' Meeting will be entitled to exercise the right of withdrawal pursuant to Art. 2437, par. 1 (g) of the Italian Civil Code (the "**Withdrawal Right**"). The liquidation value of each savings share was calculated in accordance with Art. 2437-*ter* of the Italian Civil Code and set by the Board of Directors at Euro 2.74, equal to the arithmetic average of closing prices of the savings shares on the market in the six months prior to the date of publication of the notice of call of the Special Savings Shareholders' Meeting (6 February 2018). The Articles of Association do not derogate from the abovementioned legal criteria.

Should any of the aforesaid savings shareholders exercise the Withdrawal Right, it will be necessary to liquidate their shareholdings in accordance with the liquidation procedure provided under Art. 2437-*quater* of the Italian Civil Code. In the context of said liquidation procedure, the Company may be required to repurchase the shares from the withdrawing shareholders that are not purchased by the other shareholders or possibly placed on the market at their liquidation value. For this reason, the Board of Directors will propose among the items on the agenda for the Extraordinary Shareholders' Meeting set for 27 April 2018 also the authorisation of the sale of shares that may be purchased in the light of this procedure, in order to allow the Company to liquidate an investment which would be otherwise fully deducted from shareholders' equity and CET 1 (*Common Equity Tier 1*) due to their quality as own shares. The maximum amount of shares which are the subject matter of said authorisation will be equal to the number of ordinary shares resulting from the Conversion which will be purchased by the Company at the end of the possible liquidation process in connection with the shares remaining at the end of the pre-emption/pre-emptive offer.

The documentation concerning the abovementioned proposals of shareholder meeting resolutions will be made publicly available in accordance with the provisions set out in the current legal framework.

Please note that:

- the ordinary shares that will be issued to service the Conversion will bear regular dividend rights;
- it is foreseen that the date of effectiveness of the Conversion – where the relevant conditions have been fulfilled – shall fall after the ex-right date of dividends relating to the financial year ended 31 December 2017 (set for 21 May 2018); said dividend shall therefore be distributed to both ordinary and savings shareholders in accordance with the Articles of Association in place prior to the Conversion (Art. 29.3 of the Articles of Association);

- the withdrawal procedure will commence and will conclude after the ex-right date of the dividends relating to the financial year ended 31 December 2017, and the savings shareholders who exercise the Withdrawal Right – as well as those who do not exercise such right – will receive such privileged dividend in accordance with Art. 29.3 of the Articles of Association currently in force.

The Conversion will be directed at all holders of savings shares.

The effective date of the Conversion shall be agreed with Borsa Italiana S.p.A. and made publicly available on the website of the Company and in at least one national daily newspaper, in accordance with Art. 72, par. 5, of the Issuers' Regulation – CONSOB resolution no. 11971/1999. With same notice, the Company will provide details on the modalities of assignment of the ordinary shares resulting from the conversion ratio and on the management of any fractions of shares resulting from the conversion ratio. On the same date, the savings shares shall be revoked from listing on the *Mercato Telematico Azionario*, organised and managed by Borsa Italiana S.p.A., and the ordinary shares resulting from the Conversion will be listed on the *Mercato Telematico Azionario*, organised and managed by Borsa Italiana S.p.A..

The Conversion is aimed at rationalising and simplifying the capital structure of Intesa Sanpaolo, as well as simplifying the Company's corporate governance by aligning all shareholder rights. Furthermore, with respect to the capital requirements provided under the supervisory regulations, it is worth noting that the nominal value of the savings shares – unlike that of ordinary shares – is not included in the CET 1 (*Common Equity Tier 1*) but is included in Additional Tier 1 capital. Therefore, assuming a scenario in which all savings shares are converted, the CET 1 ratio of the Intesa Sanpaolo Group would register – on the basis of the figures as at 31 December 2017 and all other terms being equal – an increase equal to 18 bps. Such increase would instead be equal to 3 bps if withdrawals entail the Company to incur the maximum costs provided in the conditions upon which the effectiveness of the Conversion is subject and should the ordinary shares remaining post-Conversion (and therefore purchased by the Company) not be sold.

Should all of the savings shares be converted into ordinary shares, the voting rights of the ordinary shareholders will be diluted by approximately 5.8%. In the instance of maximum costs being incurred by the Company following the exercise of withdrawal rights (without placement of the shares purchased in the context of the abovementioned liquidation procedure on the market), said dilution will instead be equal to approximately 4.9%.

The economic dilution, following the increase in the total number of shares due to the conversion ratio of 1.04 ordinary shares per each savings share, will be equal to approximately 0.2% in the case of all of the savings shares being converted into ordinary shares, while the Conversion would be accretive by approximately 0.7% in the case of maximum costs being incurred by the Company following the exercise of withdrawal rights without placement of the shares purchased on the market.

In relation to the Conversion, Morgan Stanley is acting as the financial advisor of Intesa Sanpaolo S.p.A. and White & Case LLP as legal advisors.

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