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Vedi allegato.

INTESA SANPAOLO

PRESS RELEASE

INTESA SANPAOLO: DIVIDEND POLICY

Turin - Milan, 31 March 2020 – The Board of Directors of Intesa Sanpaolo, at its meeting today, decided to **suspend the proposal regarding the cash distribution to shareholders of around 3.4 billion euro**, **equal to 19.2 euro cents per share**, on the agenda of the Ordinary Shareholders' Meeting convened for 27 April 2020, and passed a resolution to propose the allocation to reserves of net income for the financial year 2019 (1) at the upcoming Ordinary Shareholders' Meeting. This is in compliance with the **recommendation of the European Central Bank** dated 27 March 2020 on **dividend policy in the aftermath of the COVID-19 epidemic**.

The proposal will also be published and the related report of the Board of Directors will be made available, in accordance with the terms and provisions provided by law.

The proposal, if approved at the Meeting, will translate into a **further strengthening of the Intesa Sanpaolo Group's solid capital position**. With reference to 31 December 2019, **the pro-forma fully loaded Common Equity Tier1 ratio increases from 14.1%** (around 4.6 percentage points above the SREP requirement comprising the combined buffer and with capital exceeding the requirement by over 13 billion euro) **to 15.2%**, around 5.8 percentage points above the SREP requirement comprising the combined buffer and with **capital exceeding the requirement by over 16.5 billion** euro (2). The wide margin in respect of the requirement does not take into account the new regulatory measures introduced by the ECB and effective from 12 March 2020, which allow banks to operate below the combined buffer and establish the partial use of capital instruments that do not qualify as CET1 to meet the Pillar 2 requirement. Taking into account the latter measure and the concurrent revisions of the Countercyclical Capital Buffer by the competent national authorities of the countries where the Group operates, the aforementioned amount of the **Group's CET1 capital exceeding the requirement would increase to around 19 billion euro**.

The European Central Bank has specified that it will consider whether to extend its recommendation on dividend policy beyond 1 October 2020. Subject to the indications that will be given by the ECB in respect of this and the Group's solid capital position being preserved in respect of the evolution of the context following the COVID-19 epidemic, the Board of Directors of **Intesa Sanpaolo intends to convene an Ordinary Shareholders' Meeting after 1 October 2020 to execute the distribution of part of the reserves to shareholders by the end of the financial year 2020**, also in view of the **support to the financial situation of households and to the contributions granted by the foundations, which is particularly necessary in the aftermath of the COVID-19 epidemic**.

Also thanks to its solid capital position, the Intesa Sanpaolo Group has prioritised, and will continue to **prioritise**, **the generation of benefits to all its stakeholders**, from the support provided to the real and social economy to value creation and distribution to shareholders, confirming its role as a reference model in terms of sustainability and social responsibility:

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(1) After the allocation of 12,500,000.00 euro to the Allowance for charitable, social and cultural contribution.

(2) When excluding the expected absorption of deferred tax assets (DTAs), fully loaded from 13%, around 3.6 percentage points above the SREP requirement comprising the combined buffer and with capital exceeding the requirement by over 10 billion euro, to 14.1%, around 4.6 percentage points above the SREP requirement comprising the combined buffer and with capital exceeding the requirement by over 13.5 billion euro. Taking into account the new measures in respect to the Pillar 2 and the Countercyclical Capital Buffer, the capital exceeding the requirement would increase to over 16 billion euro.

- **for shareholders, that in the 2014-2018 five-year period** benefitted from cash dividends of 13.4 billion euro, of which around **five billion euro paid out to the shareholder base comprising households and foundations**. **This has enabled the foundations that are part of the shareholder base to contribute more than half of the funds granted by all Italian banking foundations**.
- **for households and enterprises**, **that from 2014 to 2019** received around **260 billion** euro of **medium/long-term new lending. Over the same period, around 112,000 Italian companies were helped return from non-performing to performing status, safeguarding around 560,000 jobs**.
- **for the Group's people**, **who from 2014 to 2019 received over 32 billion euro in salaries**. Over the eight years of the **2014-2017 and 2018-2021 Business Plans, an excess capacity of more than 10,000 people was redeployed**.
- **for the community**, that in the first two years of the 2018-2021 Business Plan benefitted, in particular, from:
  - **initiatives to reduce child poverty and support to people in need** delivering around 8.7 million meals, around 519,000 dormitory beds, around 131,000 medicine prescriptions and around 103,000 items of clothing;
  - **support provided to families affected by earthquakes, natural disasters and the flooding emergency in Venice and surroundings and to families and business affected by the Genoa bridge collapse**, by forgiving mortgages and granting moratoria of mortgages on damaged properties and providing subsidised loans;
  - **launch of the Fund for Impact enabling lending of around 1.2 billion euro to categories that otherwise would have difficulties in accessing credit, despite their potential**, with the launch of the first line of credit without collateral dedicated to all Italian university students studying in Italy or abroad (*Per Merito*) and initiatives to support working mothers and people over the age of 50 who have lost their jobs or have difficulties in accessing pension schemes;
  - **Circular Economy credit plafond of 5 billion** euro for the four-year period of the Plan, to support sustainable development, **launch of the first Sustainability Bond** (of 750 million euro) focused on the circular economy, **Circular Economy Lab** for implementing open innovation projects*;*
  - **evaluation and acceleration of start-ups**;
  - **"Giovani e Lavoro" program**, in partnership with Generation, aimed at training and **introducing 5,000 young people to the Italian labour market** over a three-year period, which has already involved over 1,000 companies and over 700 students, with 80% successful job applications for graduates;
  - **launch of P-Tech** in partnership con IBM, aiming at **training young professionals in the field of new digital jobs**;
  - over one million visitors to **"Gallerie d'Italia", the Group's museums**, and over 150,000 students participating in free educational initiatives;
- with regard to the **COVID-19 epidemic**, Intesa Sanpaolo has been implementing several initiatives. Specifically, the Bank has provided **loans of 15 billion euro in immediate support to Italian enterprises**, **a credit plafond of two billion euro for enterprises and professionals associated with Confcommercio** aimed at ensuring the management of urgent payments and immediate liquidity needs, **the suspension of loan instalments for households and enterprises directly or indirectly affected by the emergency**, **donations including** 100 million euro fund in support to healthcare priorities, the use of its crowfunding platform ForFunding for fundraising to strengthened healthcare initiative, the contribution of 350,000 euro to accelerate the construction of a field hospital in Bergamo and 50,000 euro to alleviate the needs of health care entities and families in the most delicate phases of medical treatments, the allocation of one million euro from its Fund for charitable contributions (equal to 16% of the total capacity) to medical research projects on the virus, and has **extended, for free, health protection of the Group's Insurance Division** to its policy holders who have been infected by the virus.

With regard to the COVID-19 epidemic, **Managing Director and CEO Carlo Messina** has informed the Board of Directors that he **will allocate one million euro** of the bonus received under the 2019 Incentive Plan **to donations in support of specific healthcare initiatives** and **the 21 top managers reporting directly to him will allocate a total of around five million** euro of their respective bonuses received under the 2019 Incentive Plan **to similar donations**; the **Board of Directors**, who has appreciated and shared the management decision, **will contribute by making a specific donation**. Furthermore, **all the Group's employees can make donations** when receiving their bonuses to support specific healthcare initiatives **through a dedicated platform**.

With reference to **the voluntary public exchange offer for all UBI Banca ordinary shares**, the proposal to grant power to the Board of Directors for the execution of the share capital increase to service the offer is confirmed on the agenda of the Extraordinary Shareholders' Meeting convened for 27 April 2020. **The strategic rationale for the transaction takes on even stronger significance in the aftermath of the COVID-19 epidemic**, specifically in respect of cost synergies, the increase of the NPL coverage ratio, and the reduction of unlikely-to-pay loans and bad loans. This is due to smaller banks' limited possibilities to leverage efficiency and risk profile reduction to face a negative economic scenario and prevent social impacts, vis-à-vis the strengthening of the combined Group's role as an engine of sustainable and inclusive growth and a reference model in terms of sustainability and social responsibility.

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