INTESA SANPAOLO

# PRESS RELEASE

# INTESA SANPAOLO: CAPITAL INCREASE

*Torino, Milano, 6 April 2011* – The Intesa Sanpaolo Management Board and Supervisory Board, which met under the chairmanship of Andrea Beltratti and Giovanni Bazoli respectively, approved - each within the scope of its competences - the Group's **2011-2013/2015 Business Plan**. As part of that, the Boards decided to propose **a capital increase** with pre-emptive rights for a total maximum amount **of 5 billion euro** at the Extraordinary Shareholders' Meeting convened for 9-10 May 2011.

## 1. Capital Increase

A share capital increase will be proposed at the Extraordinary Shareholders' Meeting for a total maximum amount of 5 billion euro inclusive of share premium, in divisible form, to be executed within 31 December 2011, through the issuance of book entry ordinary shares, with a nominal value of 0.52 euro each, to be offered with pre-emptive rights to the shareholders owning ordinary shares and to owners/holders of savings shares of the Company, pursuant to Article 2441, paragraphs 1, 2 and 3 of the Italian Civil Code.

The proposal to be submitted to the Shareholders' Meeting provides that the issue price (inclusive of share premium) of the new ordinary shares and consequently of the maximum number of ordinary shares to be issued and the ratio of the new shares to be offered through pre-emptive rights shall be determined by the Management Board close to the launch of the rights issue, according to market practices.

## 2. Reasons for destination of the share capital increase

The share capital increase is aimed at strengthening the capitalisation of the Intesa Sanpaolo Group and at the same time ensuring that the Group has the possibility to position itself favourably in the market and exploit opportunities arising out of future economic growth.

As at 31 December 2010, the Group had the following capital ratios: Core Tier 1 Ratio equal to 7.9%, Tier 1 Ratio equal to 9.4% and Total Capital Ratio equal to 13.2%. On the basis of the estimated effects of the new legislation, the capital position is already compliant with Basel III requirements: in fact, in accordance with the current provisions of such regulations, capitalisation must include a Common Equity Ratio Target equal to at least 4.5%, to which must be added a Capital Conservation buffer of 2.5%, necessary to maintain full availability with respect to each strategic and operational decision; the minimum level of 7% therefore offers the possibility to maintain the necessary decisional power.

However, the Intesa Sanpaolo Group foresees to be able to adequately face the competitive marketplace and future economic uncertainties, legislative developments and business conditions with a Common Equity Ratio higher than the minimum requirement of 7% in order not to limit the growth prospects and the profitability of the Group.

The increase of the capital ratios resulting from this capital increase, equal to approximately 150 bps with respect to the results of the financial statements as at 31 December 2010, would allow the Group to strengthen its business plan and face the relevant economic conditions with a stronger capital position.

Through the consolidation of its capitalisation the Intesa Sanpaolo Group should additionally strengthen its competitive position within the Italian and European financial markets. Moreover, the availability of adequate capital resources is a requirement for the Intesa Sanpaolo Group in order to further increase its market share in the relevant markets, finance the organic growth and ensure increased flexibility with respect to the Group's strategy and pay out policy.

The share capital increase shall also ensure the flexibility in the administration of the existing regulatory capital instruments of Tier 1 and Lower Tier 2.

## 3. Period for the execution of the transaction

Subject to the issuance of the relevant authorisations by the competent authorities, it is expected that the rights issue will be completed by July 2011.

## 4. Joint Bookrunners

Banca IMI and BofA Merrill Lynch will act as Joint Global Coordinators and Joint Bookrunners. Credit Suisse, Deutsche Bank, Goldman Sachs International and Morgan Stanley, which will act as Joint Bookrunners, have entered into a commitment to underwrite the shares, at standard terms and conditions for this type of transaction, for up to a maximum amount of 5 billion euro. Commerzbank, BNP Paribas, Citi, UniCredit Corporate & Investment Banking, Banco Santander, HSBC Bank plc. will act as Co-Bookrunners.

## 5. Indications of interest from the Shareholders

As of the date hereof, the Company has not received any indication of interest to subscribe the share capital increase from any of its Shareholders.

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In accordance with current regulations, the report of the Management Board on the proposed capital increase, including proposals to the Extraordinary Shareholders' Meeting, will be made available to the public, within the deadlines provided, at the Company's registered office, at the office of Borsa Italiana S.p.A. and on the Company website.


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