



PRESS RELEASE

INTESA SANPAOLO: DISPOSAL AND STATE-GUARANTEED (GACS) SECURITISATION OF A BAD-LOAN PORTFOLIO OF THE PARENT COMPANY

Turin - Milan, 18 December 2020 – Intesa Sanpaolo has today finalised a securitisation of a bad-loan portfolio of the Parent Company, which was previously sold to a vehicle under Law 130/99, worth around €4.3 billion gross and around €1.2 billion net. This securitisation complies with the regulatory requirements for bearing a State guarantee (*GACS*).

The securitisation vehicle has today issued senior notes equivalent to 81% of the portfolio price and subordinated notes for the remaining 19%.

The senior notes have been fully underwritten, and will be retained, by Intesa Sanpaolo. These notes, which have received an investment grade rating from DBRS Morningstar (BBB), Moody's (Baa2) and Scope Ratings (BBB), are expected to bear a *GACS* by the first quarter of 2021.

The subordinated notes, underwritten by Intesa Sanpaolo as well, will be sold to the tune of 95% to third-party investors with Intesa Sanpaolo retaining the remaining 5% in compliance with current regulatory requirements in order to obtain full accounting and regulatory derecognition of the portfolio at the date of finalisation of the notes sale, which is expected to take place by the end of 2020.

The transaction, which envisages a disposal price of the portfolio - also taking the disposal price of the notes into account - in line with the carrying value, enables Intesa Sanpaolo, one year early, to exceed its 2018-2021 Business Plan target of halving, at no extraordinary cost to shareholders, gross NPLs to €26.4 billion and the gross NPL ratio to 6% in the four years. Considering the Intesa Sanpaolo Group's figures as at the end of September 2020 excluding UBI Banca, the finalisation of the notes sale results in gross NPLs at €24.6 billion and gross NPL ratio at 5.9%.

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