
Report of the Board of Directors

Ordinary part - Item 3 on the agenda

Own shares:

a) Authorisation to purchase own shares for annulment with no reduction of the share capital.

Distinguished Shareholders,

you have been called to this Ordinary Shareholders' Meeting to discuss and resolve on a proposal to purchase own shares, aimed at reducing the number of ordinary shares issued by Intesa Sanpaolo, without reducing the share capital, as explained in detail below.

More specifically, this proposal concerns the purchase of own shares for a quantity not exceeding 1,000,000,000 ordinary shares and, in any case, for a maximum total outlay of 1.7 billion euro, with annulment of the shares purchased.

The purchase of own shares now proposed will be executed subject to the approval of the proposed resolution submitted in the extraordinary part of this Shareholders' Meeting – the related authorisation from the Supervisory Authority having been received on 11 March 2024 – and specifying that the purchased shares will be annulled, without reducing the share capital.

Reasons for the proposal

You are reminded that in line with the 2022-2025 Business Plan approved by the Board of Directors on 4 February 2022, Intesa Sanpaolo completed its first buyback programme on 4 April 2023, annulling a total of 1,694,636,974 shares, equal to 8.5% of the share capital outstanding when the programme was launched.

Intesa Sanpaolo has demonstrated over the years the ability to generate sustainable value for all its stakeholders, deriving from its solid capital base and strong liquidity position, its resilient and well-diversified business model, its strategic flexibility in managing operating costs and from its asset quality, even in complex external scenarios or volatile market conditions.

In consideration of the above, the transaction hereby proposed is based on the following assumptions.

At the end of 2023, the Intesa Sanpaolo Group had a solid capital position with ample buffers against the regulatory requirements and well above the target stated in the 2022-25 Business Plan.

The CET1 ratio stood at 13.7% at the end of 2023 and is estimated to stand, at the end of 2025, at over 14% following the Basel IV impacts, at over 15% including the absorption of DTAs.

The Group's capital strength and careful risk management are also reflected in the results achieved in the latest EBA stress test.

The capital target (12%) can be met even in the case of deviations from the plan baseline scenario that may, for example, result from an increase in the BTP-Bund spread or lower-than-expected GDP growth. Indeed, the multi-scenario analyses conducted in the preparation of the 2024 Budget show that alternative "adverse" scenarios (IFRS9) have impacts that do not jeopardise compliance with the target level.

Even in a stress scenario with severity 1/25 (ICAAP) the Group would maintain compliance with the capital target.

In light of the aforementioned results and outlook, the Board of Directors has decided to submit a proposal to the Shareholders' Meeting, in addition to the usual proposal for the distribution of dividends, for a purchase

of own shares for a number not exceeding 1,000,000,000 shares and in any case for a maximum total outlay of 1.7 billion euro.

Subject and duration of the proposal

In line with the aims specified above, it is proposed that the Shareholders' Meeting authorise the purchase of own shares, to be carried out even partially and/or in instalments, by 25 October 2024 up to a maximum number of 1,000,000,000 ordinary Intesa Sanpaolo shares without nominal value (equal to approximately 5.47% of the share capital as at the date of this Report), with a maximum total outlay of 1.7 billion euro.

In this regard, it should be noted that as at the date of this Report, Intesa Sanpaolo's share capital amounts to 10,368,870,930.08 euro and is divided into 18,282,798,989 ordinary shares without nominal value.

If the authorisation proposal is approved, the own shares purchased will subsequently be annulled, subject to the approval of the proposal made in the extraordinary part of this Meeting, without reducing the share capital, taking into account the lack of nominal value of the Intesa Sanpaolo shares. For further information regarding this proposed annulment, please refer to the specific Board of Directors' report on the agenda for the extraordinary part of this meeting.

These decisions are separate and independent from the other resolution proposals on the agenda of this Meeting concerning the purchase and disposal of own shares to serve the Incentive Plans and for market operations, as described in points 3b) and 3c) below of the agenda for the ordinary part of the Shareholders' Meeting.

It should be noted, in any case, that the maximum total number of Intesa Sanpaolo ordinary shares for which purchase authorisation is requested pursuant to Article 2357 of the Italian Civil Code is within the legal limits, representing, inter alia, a portion lower than a fifth of the share capital, also considering any shares owned by subsidiaries and the further proposals for resolution submitted to this Shareholders' Meeting.

The own shares shall be purchased within the limits of distributable income and available reserves as per the latest approved financial statements at the time the purchases are carried out and will entail a reduction of the shareholders' equity by an equal amount, through the recording of a specific caption in the liabilities, with a negative sign, as required by law.

Following approval by the Shareholders' Meeting, an unavailability constraint will be placed on a part of the available reserves identified in the "Extraordinary Reserve" for an amount equal to the maximum total outlay authorised. Moreover, on the basis of the purchases made by virtue of the Shareholders' Meeting resolution authorising the transactions, an amount equal to the value of the purchases actually made will be allocated to a specific negative component of shareholders' equity ("Own shares" item), for as long as the own shares are held in portfolio.

It is understood that the purchase transactions – if authorised by the Shareholders' Meeting – shall be assessed by the Board of Directors, who will have the power to further delegate the execution of each single purchase transaction.

Execution of purchase transactions and consideration

The purchase transactions will be carried out in accordance with the methods referred to in Article 132 of the Consolidated Law on Finance, Article 144-bis of the Issuers' Regulation, Article 5 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 and Articles 2, 3, and 4 of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016.

The purchases will be made on the regulated market Euronext Milan managed by Borsa Italiana S.p.A. on which the ordinary Intesa Sanpaolo shares are traded, in accordance with the operating procedures established in the regulations for the organisation and management of the market – pursuant to Article 144-bis(b) of the Issuers' Regulation – with a daily limit that will take into account the volumes traded on that market, in full compliance with the measures for preventing market abuse and the related market practices permitted by Consob.

In particular, the purchase will take place in cash at a price identified on a case by case basis, net of standard ancillary costs, within the range of a minimum and maximum price to be determined using the following criteria:

- the minimum purchase price cannot be lower than the reference price the share recorded in the stock market session on the day prior to each single purchase transaction, decreased by 10%;
- the maximum purchase price cannot be higher than the reference price the share recorded in the stock market session on the day prior to each single purchase transaction, increased by 10%, without prejudice to the above-mentioned maximum total outlay of 1.7 billion euro.

In any case, the price may not exceed the higher between the price of the last independent transaction and the highest current independent bid on the market.

Without prejudice to the above, the Company shall in any case operate in compliance with the further operating limits provided for by the laws and regulations in force and applicable from time to time (including the regulations and other rules issued by the European Union), as well as the stricter limits established internally and any additional requirements issued by the competent Supervisory Authorities.

The Company will disclose the own shares purchase transactions in compliance with the applicable law and regulations in force from time to time.

Distinguished Shareholders, you are therefore hereby invited to approve the proposed authorisation for the purchase of own shares in the terms set out below.

“The Ordinary Shareholders’ Meeting, having examined the explanatory report of the Board of Directors – on item 3a) of the agenda – prepared pursuant to Article 125-ter of Legislative Decree No. 58 of 24 February 1998 (the “Consolidated Law on Finance”) and Article 73 of the CONSOB Regulation adopted by Resolution No. 11971 of 14 May 1999 (the “Issuers Regulation”), as well as Annex 3A, Scheme 4, of said Regulation and the proposal contained therein, hereby resolves

1. to authorise the Board of Directors, pursuant to Articles 2357 et seq. of the Italian Civil Code and 132 of the Consolidated Law on Finance, to carry out purchase transactions, even partial and/or in tranches, of the Company’s ordinary shares for the purposes and in the manner set out in the above-mentioned explanatory report; the authorisation is granted for a maximum number of ordinary Intesa Sanpaolo shares corresponding to a maximum overall outlay of 1.7 billion euro and, in any case, not exceeding 1,000,000,000 Intesa Sanpaolo ordinary shares, with execution by 25 October 2024;
2. to authorise the Board of Directors to carry out purchases of Intesa Sanpaolo ordinary shares pursuant to the decision under item 1), in the following manner: (i) the purchases must be made at the price that will be identified from time to time in compliance with any applicable national and EU regulatory requirements, without prejudice to the fact that the purchase price may not be more than 10% below or above the reference price of the Intesa Sanpaolo share registered on the regulated market Euronext Milan managed by Borsa Italiana S.p.A. the day before the execution of each individual purchase transaction; (ii) the purchase transactions will be carried out in line with the provisions of Article 132 Consolidated Law on Finance, Article 144-bis, paragraph 1, letter b) of the Issuers’ Regulation and with any other legislative and regulatory provisions (including the regulations and other rules of the European Union) applicable and in force from time to time;
3. to authorise the Board of Directors, which may delegate this power to the Managing Director and CEO, to carry out the own shares purchase transactions and make any necessary accounting entries or postings, using the Extraordinary Reserve, on the basis of the resolutions mentioned in items 1) and 2) above, in any case in full compliance with current legislation and the limits set out therein.”

14 March 2024

For the Board of Directors
The Chair – Gian Maria Gros-Pietro

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