

**PRESS RELEASE**

**INTESA SANPAOLO LAUNCHES HYBRID INSTRUMENT ISSUE**

*Torino, Milano, 23 September 2010* – Intesa Sanpaolo has launched today a €1 billion Tier 1 Hybrid Instrument targeted at international markets.

It is a perpetual instrument redeemable by the Issuer starting from the 10<sup>th</sup> year after the issue date.

The instrument will be redeemable at the option of the Issuer after five years from the relevant issue date, if the implementation of the new CRDII Directive so allows, and on each interest payment date falling in the subsequent fifth year (each a “reset date”).

The Issuer will pay a 9.5% fixed rate coupon payable in arrear on 1 June of each year from and including 1 June 2011 up to and including 1 June 2016 (first short coupon from and including 1 October 2010 up to but excluding 1 June 2011).

The coupon is equal to the five-year midswap rate calculated on the issue date, plus an additional margin of 757 basis points. Such margin is fixed for the total life of the Notes.

In case the early redemption option scheduled for 1 June 2016 and next reset date is not exercised, a new fixed-rate coupon will be calculated by adding the initial spread to the five-year midswap rate to be determined on the refixing date.

The new annual coupon calculated on the basis of the above criteria will remain fixed for the next five years (until the next reset date).

In addition to the above mentioned five-year call options, in case 75% or more of the amount of the Notes is no longer eligible to qualify as regulatory Tier 1 capital for the issuer, the issuer may early redeem the notes at 102% of their principal amount starting from 1 January 2013 (“Regulatory Call”).

The re-offer price is 100%.

Settlement is due on or about 1 October 2010.

Minimum denomination of the bond issue is Euro 50 thousand and multiple.

The bond is not offered to the Italian retail market; it is distributed to international institutional investors and financial institutions. It will be listed on the Luxembourg Stock Exchange and, as usual, traded in the Over-the-counter.

Banca IMI, BofA Merrill Lynch, HSBC, Morgan Stanley and Société Générale act as joint lead managers for the placement of the bond.

The ratings assigned to Intesa Sanpaolo’s senior long-term debt are: Aa2 by Moody’s, A+ by Standard & Poor’s and AA- by Fitch.

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