

**PRESS RELEASE**

**INTESA SANPAOLO: ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING**

*Turin - Milan, May 8<sup>th</sup> 2014* – At the Ordinary and Extraordinary Shareholders' Meeting of Intesa Sanpaolo held today, the resolutions detailed below were passed.

Ordinary part

1) **Integration of the Legal Reserve; coverage of the loss for 2013; distribution of part of the Extraordinary Reserve to shareholders.**

The Legal Reserve has been integrated up to one-fifth of the share capital at the date of the Shareholders' Meeting, using the Share premium reserve, for a total of 716,993.27 euro.

The loss for 2013 has been covered using the Share premium reserve, for a total of 3,913,087,268.23 euro.

Distribution from the Extraordinary Reserve has been approved for a total of 822,044,844.10 euro, deriving from a unit amount of five euro cents on each of the 15,508,406,321 ordinary shares and five euro cents on each of the 932,490,561 savings shares; no distribution will be made to the treasury shares which the Bank may hold at the record date. This assignment of reserves shall be subject to the same tax regime as the distribution of dividends, and shall be made as of May 22<sup>nd</sup> 2014 (with detachment of the coupon on May 19<sup>th</sup> and record date on May 21<sup>st</sup>). The dividend yield is 2% per ordinary share and 2.4% per savings share based on today's stock price.

2) **Remuneration, Investment Plan and own shares.**

a) **Report on Remuneration: resolution pursuant to art. 123-ter, paragraph 6, of Legislative Decree no. 58/1998.**

The shareholders approved the Intesa Sanpaolo Report on Remuneration, with specific reference to the following sections: Section I, 1 - "Procedures for the adoption and implementation of the remuneration policies" and 5 - "Remuneration policy for employees and other staff not bound by an employment agreement", only with regard to General Managers and Key Managers.

b) **Proposal for approval of the disclosure document drawn up in accordance with art. 84-bis of CONSOB Regulation no. 11971 of May 14<sup>th</sup> 1999, as subsequently amended and integrated, concerning the Investment Plan based on financial instruments of Intesa Sanpaolo S.p.A..**

The shareholders approved the investment plan based on financial instruments, named *Leveraged Employee Co-Investment Plan ("Lecoip")*, which is addressed to employees and to the individuals considered "risk takers" within the Intesa Sanpaolo Group, as described in the disclosure document, drawn up in accordance with article 84-bis of CONSOB Regulation no. 11971 of May 14<sup>th</sup> 1999 as subsequently amended and integrated, and in the additional information relating to the disclosure document requested by Consob and made public on May 7<sup>th</sup> 2014.

The *Lecoip* is an instrument of broad-based shareholding which the Intesa Sanpaolo Group, at the time that it launches the 2014-2017 Business Plan, will offer to all its employees, as key enablers in the achievement of the Business Plan's objectives. Employees, who have been assigned without charge Intesa Sanpaolo ordinary shares purchased on the market, will be offered a multi-year investment opportunity (Investment Plan) having the same time horizon as the Business Plan. Alternatively, employees may freely dispose of the shares that have been assigned to them. The Investment Plan provides for the assignment to employees of new ordinary shares of Intesa Sanpaolo deriving from a free share capital increase, as well as employees' subscription to new ordinary shares of Intesa Sanpaolo deriving from a share capital increase reserved for employees, at a discounted issue price.

c) **Purchase and disposal of own shares.**

The shareholders authorised the purchase of own shares on the market pursuant to art. 2357 of the Italian Civil Code, to be allotted, without charge, to the Intesa Sanpaolo Group employees and finalised to the implementation of a broad-based shareholding plan for employees in the context of the remuneration policies referred to in item 2 b), in accordance with the following terms:

- the purchase, in one or more tranches, relates to ordinary shares with a nominal value of euro 0.52 each, up to a maximum number of 54,097,875 ordinary shares, representing around 0.3% of the ordinary share capital and total share capital (comprising ordinary shares and savings shares) of Intesa Sanpaolo;
- the purchase of shares will be carried out in compliance with provisions included in articles 2357 and following of the Italian Civil Code, within the limits of distributable income and available reserves as reported in the financial statements most recently approved. Pursuant to art. 132 of Legislative Decree no. 58 of February 24<sup>th</sup> 1998 and art. 144-bis of CONSOB Regulation no. 11971/99 and subsequent amendments, purchases will be carried out on the regulated markets in accordance with trading methods laid down in market rules, in full accordance with the regulatory requirements as to equality of treatment among shareholders, the measures preventing market abuse, as well as the market practices permitted by CONSOB; by the date the group-level programme of purchases begins, which will be disclosed to the market as required by regulation, the subsidiaries will have activated the procedure for seeking equivalent authorisation at their shareholders' meetings, or from the bodies with jurisdiction over such matters within their structures;
- following the shareholders' authorisation at today's Meeting, effective for a maximum period of 18 months, the purchase will be made at a price identified on a case-by-case basis, net of accessory charges, with a maximum and minimum price determined using the following criteria: the minimum purchase price will not be lower than the reference price of the share in the trading session prior to that of the particular purchase transaction, less 10 per cent; the maximum purchase price will not be higher than the reference price of the share in the trading session prior to that of the particular purchase transaction, plus 10 per cent;
- furthermore, pursuant to article 2357 ter of the Italian Civil Code, the Shareholders' Meeting authorised the disposal on the regulated market of own ordinary shares exceeding the broad-based shareholding plan's requirements under the same conditions as applied to the purchases and at a price no lower than the reference price of the share in the trading session prior to that of the particular sale transaction, less 10 per cent. Alternatively, these shares may be retained to service possible future incentive plans.

## Extraordinary part

1) **Proposal for amendment of Article 5 (Share capital) of the Articles of Association, in relation to the Investment Plan based on financial instruments referred to under ordinary part 2 b) above.**

The shareholders approved the amendment to art. 5 (Share capital) of the Articles of Association in connection with the investment plan based upon financial instruments and addressed to employees and to the individuals considered “*risk takers*” within the Intesa Sanpaolo Group, referred to under ordinary part 2 b) above. The amendment consists in establishing that the Extraordinary Shareholders’ Meeting may resolve upon the allocation of profits to the employees of the Company or its subsidiaries by issuing financial instruments in accordance with the applicable legislation in force at the relevant times.

2) **Proposal to authorise the Management Board to increase the share capital pursuant to art. 2349, paragraph 1, and art. 2441, paragraph 8, of the Italian Civil Code for the purpose of implementing the Investment Plan based on financial instruments referred to under ordinary part 2 b) above, and consequent amendment of Article 5 (Share capital) of the Articles of Association.**

The shareholders granted delegated powers, pursuant to art. 2443 of the Italian Civil Code, to the Management Board of Intesa Sanpaolo for:

- a share capital increase, pursuant to art. 2349, paragraph 1, of the Italian Civil Code, for an amount of up to 53,101,088.56 euro, through the issuance of up to 102,117,478 Intesa Sanpaolo ordinary shares;
- a share capital increase – in one or more tranches, and on one or more occasion by February 28<sup>th</sup> 2018 – for an amount of up to 213,073,650.40 euro, made in absence of a rights offering and in favour of employees of the Intesa Sanpaolo Group pursuant to article 2441, paragraph 8, of the Italian Civil Code, through the issuance of up to 409,757,020 Intesa Sanpaolo ordinary shares, at a price that incorporates a discount from the market price of ordinary shares of Intesa Sanpaolo, as calculated as the average of the prices recorded during the 30 days preceding the issue date.

Assuming all Group employees adhere to the Investment Plan, the total number of ordinary shares to be issued in the free share capital increase and in the capital increase for consideration is estimated to be equal to a maximum number representing around 3.3% of the ordinary share capital and 3.1% of the total share capital of Intesa Sanpaolo.

Amendments to the Articles of Association approved at the Shareholders’ Meeting are subject to prior release from the Bank of Italy of the verification necessary to start procedures for entry in the company register. This is in accordance with article 56 of legislative decree 385/1993.

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