

**PRESS RELEASE**

**INTESA SANPAOLO ACQUIRES TOTAL CONTROL OF BANCA ITB**

*Turin - Milan, 19 December 2016* – Intesa Sanpaolo has today finalised the acquisition of total control of Banca ITB for a cash consideration of €153 million. Intesa Sanpaolo already owns 10% of Banca ITB's capital.

Established in 2008, Banca ITB was the first online bank in Italy to operate in the payment system sector. This bank exclusively serves the network of licensed points of sales that distribute postage stamps, postmarks, tax and similar stamps and carry out certain payment and collection services. In 2015, Banca ITB generated revenues of around €38 million and a net income of around €8.5million, recorded total assets of around €228 million and shareholders' equity of around €33 million, with a Core Tier 1 ratio of 25.8% and a Return On Equity of 30%.

ITB adopts a fee-based business model (fees contribute over 95% of revenues), based on a high volume of transactions and a lean operating structure. With no branch network, ITB operates through an indirect distribution network which is more granular than that of the major traditional banks and offers more flexible opening times in terms of both days and hours. The network consists of around 20,000 points of sales (a market share of 40%) which constitute ITB's regular customer base.

Banca ITB's products and services target two categories of customers:

- the aforementioned points of sales, to which the bank offers traditional banking services (current accounts, deposit accounts and short/medium-term loans), and solutions automating the order and related payment cycle;
- private citizens, on behalf of whom the bank carries out payment and collection services – including all types of bills, telephone recharging, prepaid cards, social security service (*INPS*) vouchers – through cooperation with the points of sales and via its own IT platform.

The integration of Banca ITB into the Intesa Sanpaolo Group, and its allocation to the Banca dei Territori Division, is in line with the strategic objectives set out in the Group's 2014-2017 Business Plan as part of the initiatives of the New Growth Bank. This is consistent with the development of a multichannel bank, as well as the Banca 5<sup>®</sup> model which focuses on customers who rarely use banking products and services. It will enable Intesa Sanpaolo:

- to leverage on the current network of around 20,000 points of sales with agreements with Banca ITB, to acquire and expand the customer base not covered to date by the Banca 5<sup>®</sup> model;
- to create a “network of proximity” focused on *instant banking*, in addition to, and with costs lower than, the current branch network which will be increasingly focused on advisory and value-added services;
- to implement a business model which could be replicated both in Italy and abroad, by means of other non-banking distribution networks, leveraging on an IT platform to be replicated and product expertise.

The main areas of synergy deriving from the integration of ITB include the cross-selling of products to customers who already bank with Intesa Sanpaolo and who use these points of sales, the acquisition of a new clientele that uses the points of sales' network representing around 25 million potential customers (of these, 12 million are customers of points of sales which are Banca ITB partners), the development of new products and services which target the points of sales, and cost synergies deriving from a leaner structure (points of sales) than that of the bank branches.

Intesa Sanpaolo was assisted in the transaction by PwC Legal as legal consultant.

*Information for the press:*

**Intesa Sanpaolo**

Rapporti con i Media Banca dei Territori e Media locali

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