

PRESS RELEASE**THE MANAGEMENT OF INTESA SANPAOLO COMPLETES ASSESSMENT OF POSSIBLE INDUSTRIAL COMBINATIONS WITH ASSICURAZIONI GENERALI AND SEES NO OPPORTUNITIES FULFILLING CRITERIA SET FOR THE GROUP'S GROWTH OPTIONS**

Turin - Milan, 24 February 2017 – The management of Intesa Sanpaolo has completed its assessment of options relating to possible industrial combinations with Assicurazioni Generali. In the light of the analyses on the insurance group carried out on the basis of information currently available to the public, the management sees no opportunities that fulfil the criteria - in terms of creation and distribution of value for the Bank's shareholders, in keeping with the objective of maintaining a leadership position in capital adequacy - against which it examines options for the Group's internal and external growth on a regular basis.

Intesa Sanpaolo will improve the creation and distribution of value for its shareholders organically, while maintaining a leadership position in capital adequacy, through action lines that will drive the next Business Plan and will be in continuity with the 2014-2017 Business Plan – the commitment made in the 2014-2017 Business Plan to distribute 10 billion euro of cumulative cash dividends in the four years covered by the Plan has been confirmed – among which:

- further significant growth in wealth management, also considering the high switch potential stemming from other financial assets currently held by customers, with around 30 billion euro of retail bonds maturing in the 2017-2019 period, over 30 billion euro of deposit flow into the Banca dei Territori Division and the Private Banking Division since the last quarter of 2015, and over 150 billion euro of outstanding assets held under administration;
- a significant development of the non-life insurance business, raising the product penetration with the customer base to the same level as the life insurance business, through appropriate actions in synergy with the bank networks;
- a strong boost to cross-selling, with the creation of the first “proximity bank” in Italy following the recent acquisition of Banca ITB, focused on instant banking through a lean network of around 20,000 points of sale representing around 25 million potential customers (of these, around 12 million are already Banca ITB customers);
- new initiatives to expand the multichannel and digital bank, which already has around 6.4 million customers with around 80% of products available via multichannel platforms, digitalisation involving all branches with 100% paperless transactions for the priority products, and the “Online Branch” with around 26,000 products sold in 2016;
- a high sensitivity of the net interest income to an interest rate increase, which is already affecting the longest-maturity part of the market yield curve, with around 1.1 billion euro of net interest income growth following 100 basis points of parallel upward shift in the market yield curve;
- maintaining an excellent level of cost/income ratio, with high efficiency as a result of the continuous cost management;
- a significant improvement in the asset quality and the cost of risk, including through adequate investments in dedicated human resources and technologies, with a reduction of the NPL to total customer loan ratio, with no extraordinary transactions, which, to date, is expected to return in 2019 to the levels of 2011, namely to 10.5% gross of adjustments and 6% net, from 14.7% and 8.2%, respectively, at year-end 2016.