

**PRESS RELEASE**

**INTESA SANPAOLO: LONG-TERM INCENTIVE PLAN**

*Turin - Milan, 6 February 2018* – At its meeting today, the Board of Directors of Intesa Sanpaolo, alongside its approval of the Group’s 2018-2021 Business Plan, decided to submit a Long-term Incentive Plan for the approval of shareholders, who will be summoned to the Meeting scheduled for 27 April 2018. The Incentive Plan is based on Intesa Sanpaolo S.p.A. financial instruments and is reserved for all Group employees in Italy. The Incentive Plan is a tool facilitating a broad-based shareholding in the capital of the Bank, aimed at enhancing the role of employees as key enablers in the achievement of the Business Plan’s results.

The Incentive Plan consists of two systems:

- with regard to top management, risk takers and key managers, it provides for the assignment of equity call options on Intesa Sanpaolo ordinary shares (POP – Performance-based Option Plan);
- with regard to all the other Group employees, it provides for: i) the assignment of new ordinary shares of Intesa Sanpaolo deriving from a share capital increase without payment and, as an alternative choice for employees, ii) the opportunity to subscribe to an Investment Plan in a certain proportion to the number of shares received free of charge. This Incentive Plan is based on new Intesa Sanpaolo ordinary shares deriving from a capital increase with payment, reserved for employees and at a discounted issue price (LECOIP 2.0 – Leveraged Employee Co-Investment Plan).

In detail, the POP Incentive Plan stipulates that performance conditions must be applied for incentives to be actually awarded, in relation to specific key objectives to be achieved over the course of the Business Plan. It does not envisage any protection of the initial assignment to the employee.

The related documentation will be made available to shareholders and the public in accordance with regulations in force and within the period of time provided by law.

The Incentive Plan is subject to authorisations being received from the competent authorities.

Assuming all employees subscribe to the Incentive Plan, the total number of ordinary shares to be issued in the capital increase without payment and in the capital increase with payment is estimated to be equal to a maximum number representing around 3.5% of the ordinary share capital following the increase and 3.4% of the total share capital (comprising the ordinary shares and the savings shares) of Intesa Sanpaolo following the increase<sup>(1)</sup>.

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(1) Assuming a market share price of euro 3 and a subscription discount for the discounted shares of 11%. This is a provisional estimate, given that the impact will only be determined upon the assignment of the Incentive Plan.