

**PRESS RELEASE**

**INTESA SANPAOLO HAS RECEIVED A BINDING OFFER FROM INTRUM FOR A STRATEGIC PARTNERSHIP IN RESPECT OF NON-PERFORMING LOANS**

*Turin - Milan, 16 April 2018* – With reference to today’s news in the press, Intesa Sanpaolo communicates that the Bank has received a binding offer from Intrum to form a strategic partnership in respect of non-performing loans (NPLs), involving the two transactions outlined below.

- The creation of a leading servicer in the Italian NPL market, through the integration of the Italian NPL platforms of Intesa Sanpaolo and Intrum, with the following features:
  - around Euro 40 billion serviced;
  - 51% of the new platform to be held by Intrum and 49% to be held by Intesa Sanpaolo;
  - a 10-year contract for the servicing of Intesa Sanpaolo bad-loan portfolios (“*sofferenze*”), with terms and conditions in line with market standards;
  - major commercial development plans of the new platform in the domestic market;
  - around 1,000 employees involved, including around 600 people from the Intesa Sanpaolo Group in respect of whom, should the transaction be entered into, discussion will be held with the Trade Unions also with the aim of enabling the partnership to further enhance the human resources concerned.
- Disposal and securitisation of a sizeable bad-loan portfolio of the Intesa Sanpaolo Group – a landmark transaction for the Italian market – amounting to Euro 10.8 billion of gross book value at a price in line with the carrying value already reckoned for the portion of the Group’s bad loans which has disposability features, taking into account the sale scenario. The capital of the securitisation vehicle would be structured as follows, in order to obtain the full accounting and regulatory derecognition of the portfolio at the closing date (expected in November 2018):
  - a Senior Tranche equivalent to 60% of the portfolio price, to be underwritten by a pool of leading banks;
  - Junior and Mezzanine Tranches equivalent to the remaining 40% of the portfolio price, to be underwritten by a vehicle (51%) - to be participated by Intrum and one or more co-investors, but however to act as a single investor for governance purposes - and by Intesa Sanpaolo (49%).

The offer envisages a valuation of around Euro 0.5 billion for the servicing platform of Intesa Sanpaolo and around Euro 3.1 billion for the bad-loan portfolio to be securitised. This would generate a net capital gain of around Euro 400 million in Intesa Sanpaolo’s consolidated income statement.

The offer will be submitted to the Board of Directors of Intesa Sanpaolo convened for 17 April 2018.