

PRESS RELEASE

INTESA SANPAOLO: LONG-TERM INCENTIVE PLANS

Turin - Milan, 8 June 2018 – At its meeting today, the Board of Directors of Intesa Sanpaolo decided to launch the Bank's Long-term Incentive Plans, which are based on financial instruments. The Plans, detailed as follows, were approved at the Shareholders' Meeting held on 27 April 2018:

- the 2018-2021 POP (Performance-based Option Plan) Long-term Incentive Plan reserved for the Top Management, Risk Takers and Key Managers of the Group in Italy;
- the 2018-2021 LECOIP (Leveraged Employee Co-Investment Plan) 2.0 Long-term Incentive Plan reserved for employees who are Professionals and Managers of the Group in Italy, with the exception of the Top Management, Risk Takers and Key Managers, who are beneficiaries of the POP Plan.

Specifically, the Board decided to exercise its powers, granted by the shareholders at the aforementioned Meeting, to carry out a capital increase, for the benefit of the Group employees, in order to implement the 2018-2021 LECOIP 2.0 Long-term Incentive Plan. The capital increase will be:

- without payment, for a maximum amount of €400,000,000 (inclusive of share premium) through the issue of a maximum number of 170,000,000 Intesa Sanpaolo ordinary shares;
- with payment, with the exclusion, pursuant to Article 2441, Paragraph 8, of the Italian Civil Code, of the option right, for a maximum amount (inclusive of share premium), net of a discount at issue, of €1,200,000,000, through the issue of a maximum number of 555,000,000 Intesa Sanpaolo ordinary shares and applying a maximum discount of 18.5% to the stock market price calculated as the average of the prices recorded in the 30 days prior to the issue date.

The launch of the 2018-2021 Long-term Incentive Plans and, therefore, that of the capital increase to serve the LECOIP 2.0 Plan, are expected to take place on 11 July 2018.

Following the decision taken by its Board of Directors in respect of the 2018-2021 POP Long-term Incentive Plan, Intesa Sanpaolo today stipulated a novation agreement (*accollo liberatorio*) with J.P. Morgan. Under the terms of this agreement, Intesa Sanpaolo transfers to J.P. Morgan the obligation to deliver to the Intesa Sanpaolo Group employees any ordinary shares that may be due when the POP options expire, and J.P. Morgan thereby takes on all the volatility risks associated with the Plan.

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