

## STATEMENT BY CARLO MESSINA, CEO OF INTESA SANPAOLO

### 2018 FULL-YEAR RESULTS

Milan, 5 February 2019 - We are very pleased with the results achieved in 2018: in the first year of the new Business Plan, Intesa Sanpaolo has again confirmed its ability to deliver on all its objectives, even in a more complex operating environment than expected.

Net income was €4.05 billion, the best result since 2007, with pro-forma growth of 6% versus 2017. We will propose to the Shareholders' Meeting the distribution of a total dividend amount of €3.4 billion, with a payout ratio of 85%. The ability to remunerate our shareholders significantly remains a priority.

We further strengthened our balance sheet thanks to the €16 billion reduction of the gross stock of impaired loans. We delivered this significant result - bringing the stock back to 2009 levels - at no cost to our shareholders. We achieved in just one year over 60% of the 4-year deleveraging target set in the Business Plan, while increasing coverage to 54.5%. This will facilitate further reductions of the stock of impaired loans, considering that, currently, the inflow of new NPLs is at historic lows.

In 2018, we confirmed our ability to generate sustainable profitability thanks to the positive results of all the Bank's divisions. Our resilient and well-diversified business model positions us as a successful wealth management and protection company, and enables us to face the volatility of financial markets from a position of greater strength.

The cost/income ratio stands at 53% and ranks us at the top of European banks for efficiency. We are very pleased to have achieved this result while investing significantly in digital, wealth management and employee training.

The Common Equity Tier 1 ratio in 2018 increased further and reached 13.6%, with an excess of 430 basis points versus regulatory requirements, despite the negative impact of about 30 basis points from the reduction in the value of our Italian sovereign bond holdings.

Intesa Sanpaolo is an engine for growth in the Country's real economy: medium- and long-term lending to households and businesses totaled €50 billion in Italy in 2018.

We confirm our ability to work alongside all those companies able to overcome conditions of temporary difficulty: in 2018, we helped about 20,000 companies to return to health, thus safeguarding over 100,000 jobs. Since 2014, the number of such companies has totaled 93,000: a significant number considering the positive impact on employment - over 450,000 jobs - and on related industries.

For Intesa Sanpaolo, the concept of value creation is interpreted broadly: being one of the most solid and profitable banks in Europe means being the engine of the social economy of our Country and promoting a large-scale program for economic inclusion and the fight against poverty.

The dividends distributed by Intesa Sanpaolo to the Bank Foundations that are part of our shareholding, which in turn use these dividends for charitable purposes, represented more than 50% of total charitable giving by all Italian Banking Foundations.

To help the most needy, we have launched important projects and partnerships to provide meals, beds and medicines, with some 3.5 million interventions for those who find themselves in particularly difficult conditions.

Our commitment to the Circular Economy was strengthened thanks to a dedicated €5 billion credit line and the launch of the first Italian CE laboratory dedicated to companies.

We are also promoters of significant cultural initiatives throughout the Country: this year about 500,000 visitors admired the permanent collections and the 14 exhibitions held at the Gallerie d'Italia of Intesa Sanpaolo in Milan, Vicenza and Naples.

We launched the first program under our Impact Fund, an unsecured loan aimed at the more than 1.6 million university students, convinced that investment in education is a key element for the Country's growth.

Training also plays a key role. That is why we have signed a partnership with Generation, a global project that aims to reduce youth unemployment, in which we are committed to training 5,000 young people in Italy to accompany them into the workplace.

We achieved these results thanks to our people in Italy and abroad: I want to thank them for the professionalism and responsibility with which they carry out their work, allowing us to continue to achieve all the objectives set in our Business Plan.