INTESA SANPAOLO

PRESS RELEASE

INTESA SANPAOLO: ATTENTION OF THE ECB TO NPLs OF EUROPEAN BANKS

Turin - Milan, 18 January 2016 – With reference to recent news in the press concerning the ECB's attention to the high levels of non-performing loans held by European banks and, specifically, by Italian banks, Intesa Sanpaolo - at the request of Consob - provides the following information:

- Intesa Sanpaolo has not received to date any specific communication from the ECB concerning this issue;
- as at 30 September 2015, gross doubtful loans of the Intesa Sanpaolo Group amounted to 38,968 million euro and related adjustments were 24,484 million euro, with a cash coverage ratio of 62.8%. As a result, net doubtful loans amounted to 14,484 million euro, with a net doubtful loans to total loans ratio of 4.2%. Adding collateral (around 30 billion euro) to the cash coverage, the total doubtful loan coverage ratio was 140%;
- as regards the Group's total NPLs, their total coverage ratio adding collateral to the cash coverage was 140% as well;
- Intesa Sanpaolo's capital ratios as at 30 September 2015 on a consolidated basis - net of 1.5 billion euro dividends accrued for the first nine months of 2015 - were as follows, versus a *SREP* capital requirement the Bank has meet as of 1 January 2016 equal to 9.5% in terms of Common Equity Tier 1 ratio:
  - 13.4% in terms of Common Equity Tier 1 ratio (1) and
  - 17.3% in terms of Total Capital ratio (1),

  calculated by applying transitional arrangements for 2015, and
  - 13.4% in terms of pro-forma Common Equity Tier 1 ratio and
  - 16.7% in terms of pro-forma Total Capital ratio,

  calculated on a fully loaded basis (2);
- Intesa Sanpaolo's leverage ratio as at 30 September 2015 on a consolidated basis was as follows:
  - 6.9% calculated by applying transitional arrangements for 2015, and
  - 6.5% calculated on a fully loaded basis.

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(1) Includes the 9M 2015 net income after the deduction of accrued dividends.

(2) Estimated by applying the fully loaded parameters to the financial statements as at 30 September 2015 considering the total absorption of deferred tax assets (DTAs) related to the goodwill realignment, the expected absorption of DTAs on losses carried forward, the announced distribution of reserves of insurance companies, and including the effect of the Danish compromise (under which insurance investments are risk weighted instead of being deducted from capital, with a benefit of six basis points for the Common Equity Tier 1 ratio and nil for the Total Capital ratio).

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