

**PRESS RELEASE**

**INTESA SANPAOLO PARTICIPATES IN THE ATLANTE FUND TO REACH STRUCTURAL SOLUTION FOR NPLs OF ITALIAN BANKING SYSTEM**

*Turin - Milan, 15 April 2016* – At meetings held today, the Management Board and the Supervisory Board of Intesa Sanpaolo, within their respective remits, authorised the participation of the Bank in an operation to seek a structural solution to the significant size of non-performing loans (“sofferenze”) in the Italian banking system. This size derives from the serious recession which has hit the Country’s economy, as well as from lengthy procedures for the recovery of these loans which have led NPL investors to offer significantly discounted purchasing prices.

Under the operation, Intesa Sanpaolo will participate in the creation of an alternative investment fund called Atlante which will be managed by Quaestio Capital Management, an autonomous asset management company (SGR). The Bank will contribute up to a maximum of €800m-€1bn to Atlante, which will have a total capital endowment of €4bn-€6bn supplied by banks and private-sector investors.

The creation of Atlante will:

- allow Italian banks to deconsolidate a significant amount of NPLs from their balance sheets at values consistent with non-speculative market yields;
- ensure a positive outcome of the capital increases required by the Supervisory Authorities for banks that are going to face objective difficulties in the short term due to their high level of NPLs.

At least 30% of Atlante’s funds, plus amounts not used to support capital actions at banks identified by 30 June 2017, will be reserved for the purchase of junior tranches issued by securitisation vehicles of NPLs, conferred by various banks that may include Intesa Sanpaolo, as well as other related assets.

In addition, the non-performing portfolio which will be included in this operation may benefit from the value creation deriving from a best-in-class Servicer able to exploit the economies of scale and scope of a multi-bank portfolio, as well as from applying logics and competences in the style of a Real Estate Owned Company (REOCO) in the proactive management of real estate collateral.

A comprehensive structural solution to the NPLs of the banking system may be reached through the introduction of measures, announced by the government, aimed at halving the NPL recovery time, bringing this into line with the European average.

The strengthened solidity of our Country’s banks, resulting from this solution, will allow them to provide more support to the real economy, increasing lending availability to households and businesses. It will also dispel the unfavourable perception of the market as to the stability of the banking system, which is detrimental to the savings of Italian people.

*Investor Relations*  
+39.02.87943180  
[investor.relations@intesasnpaolo.com](mailto:investor.relations@intesasnpaolo.com)

*Media Relations*  
+39.02.8792326  
[stampa@intesasnpaolo.com](mailto:stampa@intesasnpaolo.com)

[group.intesasnpaolo.com](http://group.intesasnpaolo.com)