

PRESS RELEASE

INTESA SANPAOLO SIGNS AGREEMENT FOR SALE OF SETEFI AND INTESA SANPAOLO CARD TO ADVENT, BAIN CAPITAL AND CLESSIDRA

Turin - Milan, 2 May 2016 – Intesa Sanpaolo has entered into a sale-and-purchase agreement in respect of the sale of the total share capital of its subsidiaries Setefi and Intesa Sanpaolo Card to a wholly owned subsidiary of Mercury UK Holdco Limited (Mercury) for a countervalue of €1,035 million in cash. Mercury, which already owns Istituto Centrale delle Banche Popolari Italiane (ICBPI), is controlled by a consortium composed of Advent, Bain Capital and Clessidra. Setefi and Intesa Sanpaolo Card carry out processing activities relating to payment instruments and operate, respectively, in Italy and in the other Countries where the Group has a presence.

The agreement provides for a ten-year service contract, the commitment by Intesa Sanpaolo to use the processing services provided by Setefi and Intesa Sanpaolo Card and specific undertakings regarding the maintenance of a high service quality.

The transaction will enable the Intesa Sanpaolo Group:

- to focus on the core activities of issuing and acquiring relating to payment instruments, following the recent partial demerger of Setefi in favour of its Parent Company, with the aim of maximising effectiveness of commercial activities and optimising relationships with Group clients;
- to adequately enhance, by way of this disposal, the non-core processing activities, also taking into account that growing investment needs and economies of scale are necessary in order to operate efficiently in this sector;
- to further strengthen the technological platform by entering into a partnership with players of proven experience in the payment sector in Italy and Europe.

In 2015, the activities involved in this disposal generated an operating income of around €170 million, an operating margin of around €80 million and a net income of around €60 million.

The finalisation of the transaction is expected to take place by the end of the year and is subject only to the customary regulatory authorisations being received. It will generate a net capital gain of around €895 million for the Intesa Sanpaolo Group's consolidated income statement in 2016.

The Intesa Sanpaolo Group has been assisted in the transaction by UBS Investment Bank as financial advisor and by Studio Pedersoli as legal consultant.