

PRESS RELEASE

INTESA SANPAOLO FINALISES SALE OF SETEFI AND INTESA SANPAOLO CARD TO ADVENT, BAIN CAPITAL AND CLESSIDRA

Turin - Milan, 15 December 2016 – Intesa Sanpaolo today finalised 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 cash consideration of €1,035 million. 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.

The finalisation of the transaction represents a positive contribution of around €860 million to the Intesa Sanpaolo Group's consolidated net income for the fourth quarter of 2016.

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

The Intesa Sanpaolo Group's consolidated net income for the fourth quarter of 2016 includes two further non-recurring impacts:

- a positive impact of around €260 million deriving from a transaction to realise the value of a portfolio of real-estate assets used in operations. The portfolio consists of properties totalling around 130,000 square meters and has a carrying value of around €170 million;
- a negative impact of US\$235 million deriving from a final settlement reached with the New York State Department of Financial Services (a New York State banking supervisor) in relation to a civil penalty imposed on the Bank following a public supervisory action related to certain weaknesses and deficiencies in the anti-money laundering controls, policies, and procedures of the Bank's New York branch. As previously disclosed, the supervisory action was initiated in 2007 and the Bank was also subject to a criminal investigation initiated in 2008 by the New York District Attorney's Office and the Department of Justice into the methods used by the Bank for clearing through the United States payments in dollars to/from countries subject to U.S. economic sanctions in the years from 2001 to 2008. The criminal investigation was concluded in 2012, when both law enforcement agencies determined to terminate their investigation and not to take any action against the Bank.