INTESA SANPAOLO

PRESS RELEASE

INTESA SANPAOLO: SHARE-BASED LONG-TERM INCENTIVE PLAN

Torino, Milano, 12 April 2010 – At meetings held today, the Intesa Sanpaolo Management Board chaired by Enrico Salza and the Supervisory Board chaired by Giovanni Bazoli resolved - within their respective competencies - to propose for approval at the Ordinary Shareholders' Meeting called for 28-30 April 2010 a Share-based Long-term Incentive Plan based on financial instruments (hereinafter, also "LTI Plan"), intended for a part of the Management staff of the Intesa Sanpaolo Group and designed to facilitate achievement of the multi-year targets that will be set out in the new Business Plan.

The proposed Incentive Plan involves payment to recipients of a deferred variable compensation, the amount of which shall be determined on the basis of the performance of Intesa Sanpaolo ordinary shares and therefore belongs to the category of financial instrument-based compensation plan pursuant to Article 114-bis, paragraph 1 of Legislative Decree 58 of 24 February 1998. In accordance with the provisions of Article 84 bis of the Issuers' Regulation, the characteristics of the Incentive Plan – based on the information available at the time of approval of the proposal – are illustrated in detail in a specific Information Document, which is an integral part of the Report of the Management Board on item 7. of the agenda of the Ordinary Shareholders' Meeting called for 28-30 April 2010, available as of today at the Company's Registered office, at Borsa Italiana S.p.A. as well as on the website group.intesasanpaolo.com.

In this regard, the new LTI Plan is to be considered as being of "particular importance" since it addresses, inter alia, top and senior executives who have regular access to privileged information and have the power to make management decisions which may affect the Group's evolution and outlook. In the light of the fact that the LTI plan does not provide for the award of securities, but only the payment of monetary compensation linked to the performance of listed shares, the Information Document does not contain information strictly pertaining to mechanisms involving the award of shares and/or options.

Intesa Sanpaolo's whole remuneration policy, which this Plan is a part of, rests on a merit-base principle also consistent with the Group's sustainability strategies, so as to ensure that remuneration goes hand in hand with effective and stable results and with the level of capital base. As to the variable component, this policy also provides for the adoption of specific mechanisms and incentive systems linked to the achievement of both annual budget targets and, on a multi-year horizon, sound and prudent management and stronger capital base. The proposed Plan strengthens the connection between compensation of the Group's Management and the delivery of sustainable performance and other indicators over time, and implements the recommendations and guidelines issued on this subject by international bodies and the Bank of Italy.

Recipients

The LTI Plan is addressed to the Chief Executive Officer, the General Managers, Key Managers and, more in general, the Top and Senior Management of Intesa Sanpaolo and its subsidiaries, including the International Subsidiary Banks, coming to an approximate total of about 180-200 individuals at present.

No name list of the intended recipients is available at the time this proposal is submitted for approval, since they are to be identified by subsequent decisions of the Supervisory Board and the Management Board, each within the scope of its competencies.

However, recipients include managers who have regular access to privileged information and have the power to make management decisions which may affect the issuer's evolution and outlook.

The Plan is also for the benefit of the Manager responsible for preparing the Company's financial reports (Law 262/2005) and managers of the internal control functions, whose performance is measured by specific indicators, in compliance with the provisions issued by the Bank of Italy.

Plan rationale

Long-term incentive plans are designed, in general terms, to retain managers and support their motivation to achieve the company's multi-year targets. Where they include financial instrument-based compensation, they also favour alignment of interest between management and shareholders, via the managers' direct participation in corporate risk. Under this approach, the plans are an integral component of the Intesa Sanpaolo Group Management staff compensation system, fully in line with its investment in human capital development, in the framework of a policy targeting sustainable long-term development and accountability vis-à-vis all stakeholders.

The proposed LTI Plan is therefore the most suitable instrument to incentivise its recipients to achieve specific multi-year targets that will be identified - in the framework of the new Business Plan that will be reviewed by the Bank's new corporate Bodies - via specific indicators that fully reflect the Group's long-term profitability, appropriately adjusted so as to take into account all current and prospective risks, cost of capital, liquidity and capital base levels needed to carry out planned activities.

Characteristics of the financial instruments to be awarded

The Plan provides for the award to the abovementioned recipients of equity-related instruments, for which disbursement in more tranches of a one-off deferred cash payment incentive is envisaged, the amount of which is related to the percent difference between the TSR (Total Shareholder Return, an indicator that measures the value created by a company for its shareholders, calculated using the following formula: (Final share price – Initial share price + Dividends paid out over the period) / Initial share price) of Intesa Sanpaolo ordinary share and that recorded by a significant sample of peers or by a qualified stock market index for the sector identified by the competent corporate bodies within the major European financial groups.

The theoretical amount of the incentive payable at the end of the period is linked to the level of the fixed pay component. To ensure consistency with the regulators' guidelines on the value of the deferred variable component, assuming the Plan's targets are fully achieved and the TSR differential is equal to zero, such amount may reach a level equivalent to maximum no. 2 GAP (Gross Annual Pay) of each recipient.

Furthermore, in full harmony with the criterion of symmetry between the amount of bonuses paid and actual corporate performance, the amount of the incentive payable, without prejudice to the provisions made for the Manager responsible for preparing the Company's financial reports and the Managers of internal control functions, will be linked to the degree of achievement of the three-year corporate targets; therefore, if the targets are only partially achieved, there will be a consequent reduction in the bonus awarded, while if the targets are exceeded, the bonus will be increased accordingly.

The aforementioned amount will be increased by 40% in the event of a positive difference between the company TSR and that of peers equal to or greater than 40 percentage points and, similarly, will decrease by 40% if the company TSR is at least 40 percentage points lower than that of peers. Linear interpolation is used for intermediate situations.

Accrual of the incentives under the LTI Plan is subject to the achievement of minimum performance targets identified following approval of the new Business Plan and verified at the end of a multi-year period.

Actual disbursement of the above amounts shall also be conditional on verification of the continuity of results during the payment period and on the recipient being an employee of a Group company at the time of such disbursement.

In light of the criteria, parameters and characteristics of the LTI Plan, it is possible to estimate a total company cost for the three-year period from a minimum of 0 euro (performance target not achieved) to a maximum of approximately 198 million euro (targets widely exceeded and the company TSR higher than the peers' figure by at least 40 percentage points).

Assignment of financial instruments in the above terms is consistent with the requirements established by the Bank of Italy in note of 28 October 2009 on "Compensation and incentive systems" implementing the standards drawn up by the Financial Stability Board.

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The financial instruments described above will be awarded to the LTI Plan's recipients after the Business Plan has been drawn up so as to supply them with a single communication setting out all the components of the incentive system, including parameters as well as structure and performance indicators that will be established by the Supervisory Board upon proposal of the Management Board.

All detailed information concerning the plan implementation will be duly disclosed to the market as soon as the assignment phase is completed.

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