INTESA SANPAOLO

PRESS RELEASE

INTESA SANPAOLO: RESULTS AS AT 31 MARCH 2009

- **Consolidated net income for first quarter 2009: 1.1 billion euro compared with 1.7 billion euro in first quarter 2008 (-38.5%) and negative 1.2 billion euro of fourth quarter 2008.**
- **Consolidated adjusted(*) net income for the quarter: 644 million euro, -48.4% compared with 1,248 million euro in first quarter 2008 and +82.4% compared with 353 million euro in fourth quarter 2008.**
- **Operating income: 4,136 million euro, -11.1% compared with 4,653 million euro in first quarter 2008 and +4.1% compared with 3,974 million euro in fourth quarter 2008.**
- **Operating costs: 2,314 million euro, -3.7% compared with 2,403 million euro in first quarter 2008 and -14.3% compared with 2,699 million euro in fourth quarter 2008.**
- **Operating margin: 1,822 million euro, -19% compared with 2,250 million euro in first quarter 2008 and +42.9% compared with 1,275 million euro in fourth quarter 2008.**
- **Income before tax from continuing operations: 1 billion euro compared with 1.9 billion in first quarter 2008 (-47%) and negative 2.1 billion of fourth quarter 2008.**
- **Capital ratios as at 31 March 2009: Tier 1 ratio at 7.2%.**

Torino, Milano, 14 May 2009 – The Management Board of Intesa Sanpaolo met today chaired by Enrico Salza and approved the consolidated interim statement as at 31 March 2009(1).

Again in the first quarter of 2009, the Intesa Sanpaolo Group kept on implementing the lines of action which marked its management policy - especially during the international financial market crisis started in the second half of 2007 - **prioritising liquidity, solidity, low risk profile and sustainable profitability**.

The results for this quarter, therefore, are based on **management policies for the medium term** ensuring in particular:

- **to defend net interest income effectively from the pressure of a sharp decline in interest rates;**
- **to achieve further, significant reductions in operating costs;**
- **to preserve a low risk profile and limit adjustments to loans.**

Accordingly, the first quarter of 2009 closed with **consolidated net income** of 1,075 million euro. This compares with the 1,749 million euro of the first quarter 2008 (-38.5%) and the negative 1,228 million euro of the fourth quarter 2008.

Consolidated adjusted(*) net income was 644 million euro, down 48.4% on the 1,248 million euro of the first quarter of 2008 but nearly double the 353 million euro of the fourth quarter of 2008.

(*) Methodological note on calculation of the adjusted net income on page 8.

(1) Methodological note on the scope of consolidation on page 7.

The income statement for the first quarter of 2009

The consolidated income statement for the first quarter of 2009(2) registered **operating income** of 4,136 million euro, down 11.1% compared with the first quarter of 2008 and up 4.1% on the fourth quarter of 2008.

As part of it, in the first quarter 2009 **net interest income** was 2,687 million euro, down 4% compared with the 2,798 million euro of the first quarter of 2008 and down 7% compared with the fourth quarter of 2008. The net interest income performance reflected the sharp decline in interest rates - the impact of which was, however, effectively contained through an active pricing policy and partial hedging - combined with the Group's strategy aimed at prioritising a stronger liquidity position in the still highly uncertain economic environment.

Net fee and commissions, 1,255 million euro, decreased by 22.9% compared with 1,627 million euro in the first quarter of 2008 and by 2.4% with respect to the fourth quarter of 2008. In comparison with the first quarter of 2008, commissions on commercial banking activities decreased by 11.8% and commissions on management, dealing and consultancy services (which include portfolio management, distribution of insurance products, placement of securities, etc.) declined by 39.2%, also as a result of a commercial policy marked by the placement of Group bonds and a near elimination of the placing of products with up-front fees. In comparison with the fourth quarter of 2008, commissions on commercial banking activities decreased by 5.8% while commissions on management, dealing and consultancy services rose by 0.5%.

Profits on trading were positive 107 million euro (recording a negative impact of 79 million euro from the financial market crisis on structured credit products). This figure compares with the positive balance of 40 million euro of the first quarter of 2008 (negative impact of 120 million euro from the financial market crisis on structured credit products) and the negative balance of 354 million euro of the fourth quarter of 2008 (negative impact of 376 million euro from the financial market crisis on structured products). Without the IAS reclassification of the financial assets held for trading into loans and receivables and financial assets available for sale, this item would have recorded a negative pre-tax impact of 81 million euro (related to structured credit products).

Income from insurance business amounted to 64 million euro compared with the 79 million euro of the first quarter of 2008 and the 171 million euro of the fourth quarter of 2008.

Operating costs amounted to 2,314 million euro, down 3.7% from the first quarter of 2008, as a result of decreases in personnel expenses (-4%) and adjustments (-18.2%) and a rise in administrative costs (+0.7%) due to the intra-group VAT, despite initiatives aimed at limiting the impact. The decline was 14.3% compared with the fourth quarter of 2008, also attributable to seasonal effects, driven by reductions in personnel expenses by 3%, administrative costs by 26.5% and adjustments by 30.5%.

As a result, **operating margin** was 1,822 million euro, down 19% from 2,250 million euro in the first quarter of 2008 and up 42.9% from the fourth quarter of 2008. The cost/income ratio stood at 55.9% in the first quarter of 2009, 51.6% in the first quarter of 2008 and 67.9% in the fourth quarter of 2008.

Both the first quarter of 2009 and the first quarter of 2008 saw no **goodwill impairment** while goodwill impairment of 1,065 million euro was registered in the fourth quarter of 2008.

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(2) During the preparation of the interim statement as at 30 September 2008, in the wake of the global financial crisis certain amendments to international accounting standards were introduced and adopted by the European Commission. In short, in accordance with these amendments it is possible to reclassify - in specific circumstances considered to be rare - unquoted financial instruments, or no longer quoted, in an active market and no longer held for trading or available for sale: in particular, out of the category "fair value through profit and loss" into the categories "available-for-sale" or "the held-to-maturity" or "loans and receivables" and out of the category "available-for-sale" into the category "loans and receivables". The Group, largely basing on the prices as at 1 July 2008, reclassified financial assets held for trading of 4,213 million euro into loans and receivables and of 165 million euro into financial assets available for sale. If this reclassification had not been made, the profits/losses on trading for the first quarter of 2009 would have recorded a negative pre-tax impact of 81 million euro (459 million euro in full-year 2008). The Group also reclassified financial assets available for sale of 5,858 million euro into loans and receivables. Had these reclassifications not been made, a negative pre-tax impact of 828 million euro would have been recorded directly in the shareholders' equity as at 31 March 2009 (with a positive impact of 34 million euro in the first quarter of 2009).

Net **provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 809 million euro compared with the 353 million euro of the first quarter of 2008 and the 2,061 million euro of the fourth quarter of 2008. Net provisions for risks and charges amounted to 69 million euro (33 million euro in the first quarter of 2008 and 164 million euro in the fourth quarter of 2008). Net adjustments to loans were 733 million euro (312 million euro in the first quarter of 2008 and 999 million euro in the fourth quarter of 2008). Net impairment losses on other assets were 7 million euro (8 million euro in the first quarter of 2008 and 898 million euro in the fourth quarter of 2008, the latter including 908 million euro impairment to financial assets available for sale).

Profits/losses on investments held to maturity and on other investments had a zero balance. It was positive 13 million euro for the first quarter of 2008 and negative 208 million euro for the fourth quarter of 2008 (the amount for the fourth quarter of 2008 included an 89 million euro capital gain made on the disposal of Centrale dei Bilanci and 326 million euro impairment losses pertaining to investments carried at equity).

Income before tax from continuing operations was positive 1,013 million euro. This item was positive 1,910 for the first quarter of 2008 and negative 2,059 million euro for the fourth quarter of 2008.

Consolidated net income was positive 1,075 million euro - a figure which compares with the 1,749 million euro positive balance of the first quarter of 2008 and the 1,228 million euro negative balance of the fourth quarter of 2008 - after accounting for:

- tax credit of 165 million euro, which included a 511 million euro benefit from the release of deferred taxes relating to detaxation of intangibles with a finite life and brand name;
- integration charges (net of tax) of 48 million euro;
- charges from purchase cost allocation (net of tax) of 95 million euro;
- income after tax from discontinued operations of 65 million euro, inclusive of net capital gains of 63 million euro made on the disposal of CR Orvieto and 17 branches;
- a minority interest of 25 million euro.

Excluding the main non-recurring items, net income was 644 million euro in the first quarter of 2009, 1,248 million euro in the first quarter of 2008 and 353 million euro in the fourth quarter of 2008.

Balance sheet as at 31 March 2009

As regards the consolidated balance sheet figures, as at 31 March 2009 **loans to customers** reached 387 billion euro, up 7.8% above the figure as at 31 March 2008 (up 5.5% excluding the reclassification in the third quarter of 2008 of financial assets into loans and receivables and up 6.7% taking into account the average volumes instead of those at the end of period) and down 1.9% below the figure as at 31 December 2008. Total **non-performing loans** (doubtful, substandard/restructured and past due) - net of adjustments - amounted to 12,446 million euro, up 8% with respect to the 11,524 million euro as at 31 December 2008. In detail, doubtful loans increased from 3,968 to 4,235 million euro, with an incidence of 1.1% on total loans (1% as at year-end 2008) and coverage of 69% (70% as at year-end 2008). Total coverage was 125% taking into account **guarantees and collateral** to doubtful loans in addition to specific provisions. Substandard/restructured loans increased from 5,690 to 6,484 million euro and loans past due declined from 1,866 to 1,727 million euro.

Customer financial assets were 972 billion euro (after netting referring to items included in both direct and indirect customer deposits), down 4.6% with respect to 31 March 2008 and down 1.1% to 31 December 2008, due to the performance of indirect customer deposits. Under customer financial assets, **direct customer deposits** amounted to 436 billion euro, up 10.9% on 31 March 2008 and up 1.2% on year-end 2008 while indirect customer deposits reached 561 billion euro, down 14.1% with respect to 31 March 2008 and down 2.8% to year-end 2008. **Assets under management** totalled 208 billion euro, down 18.8% with respect to 31 March 2008 and down 2.9% from year-end 2008. As for bancassurance, in the first quarter of 2009 new business for life policies amounted to 1.6 billion euro. Assets under administration and in custody amounted to 353 billion euro, down 11% on 31 March 2008 and down 2.8% on 31 December 2008.

Capital ratios as at 31 March 2009 have been calculated without reckoning any dividend distribution since, while confirming resumption of dividend payment on ordinary shares, it is too early to quantify the size. Applying the Basel 2 foundation approach, capital ratios are: 6.4% for the Core Tier 1 ratio (6.3% as at 31 December 2008, 7.2% for the Tier 1 ratio (7.1% at year-end 2008) and 10.5% for the total capital ratio (10.2% at year-end 2008).

Taking into account expected benefits from the 4 billion euro Tremonti Bonds issue, **pro-forma** capital ratios would be 7.4% for the Core Tier 1 ratio, 8.2% for the Tier 1 ratio and 11.5% for the total capital ratio.

A **further bolstering** of capital ratios is expected from:
- the application of Basel 2 advanced, with a potential benefit - subject to the Bank of Italy's approval and estimated on the basis of the current economic situation - of about 0.25% for the Core Tier 1 ratio achievable in the 2009-2010 period,
- capital management actions on non-core assets of a total book value in the region of 9.5 billion euro, with a potential release of approximately 5 billion euro currently deducted from the Core Tier 1 capital and approximately 15 billion euro of risk-weighted assets, with a related benefit of about 1.5%.

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As fully detailed when disclosing results for 2007 and 2008, Intesa Sanpaolo is only indirectly exposed to the US subprime mortgage crisis through structured credit products which have been negatively affected by the dramatic decline in prices since the fourth quarter of 2007 with impact on profits on trading, mainly in terms of write-downs, as commented upon previously in the income statement section. The Group had a **gross and net risk exposure** to structured credit products with underlying **US subprime** of 27 million euro as at 31 March 2009. Full and in-depth information concerning structured credit products held by the Group, with particular reference to its exposure in the financial crisis, is included as usual in the Interim Statement as at 31 March 2009 approved by the Management Board as well as in the specific slides made available to the market.

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As at 31 March 2009, the Intesa Sanpaolo Group's **operating structure** had a total network of 8,318 branches - of which 6,354 are in Italy and 1,964 abroad - with 108,757 employees, 81 lower than at 31 December 2008.

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<u>Breakdown of results by business area</u>

The **Banca dei Territori** Division comprises:

- retail customers: households (individual customers with financial assets up to 100,000 euro), personal (individual customers with financial assets between 100,000 euro and one million euro), small businesses (enterprises with a turnover under 2.5 million euro and with loan facilities under one million euro);
- SME customers: SMEs with a turnover between 2.5 and 150 million euro;
- Private customers: individual customers with financial assets exceeding one million euro.

Operations with individual and SME customers are performed through the Parent Company Intesa Sanpaolo and the network banks Banca di Credito Sardo, Banca di Trento e Bolzano, Banco di Napoli, Carifirenze, Casse del Centro, Cassa dei Risparmi di Forlì e della Romagna, Cassa di Risparmio del Veneto, Cassa di Risparmio in Bologna, Cassa di Risparmio di Venezia, Cassa di Risparmio del Friuli Venezia Giulia and Banca dell'Adriatico. Intesa Sanpaolo Private Banking is the Group company which serves private customers. To serve non-profit entities Banca Prossima was set up, operational since November 2007 through the Group's branches, with regional centres and a team of specialists. This Division also includes Mediocredito Italiano, the Group company specialised in industrial credit, insurance companies EurizonVita, Sud Polo Vita, Intesa Vita and Intesa Previdenza, fiduciary service company SIREFID, and Setefi, the company specialised in management of electronic payment systems.

In December 2008, the Bank approved a project for strengthening this Division further: the aim is to improve the effectiveness of local commercial actions, while maintaining strict cost control. Following the reorganisation, the territorial structure comprises 8 Regional Departments coordinating 22 Areas/Network Banks, designed to ensure optimum geographical coverage and homogeneous size in terms of number of branches and staff allocation.

In the first quarter of 2009, the Banca dei Territori Division registered operating income of 2,584 million euro, down 14.8% compared with the 3,034 million euro of the same period of 2008, accounting for 62% of consolidated operating income (65% in the first quarter of 2008). Operating costs fell 4.4% from 1,577 to 1,507 million euro and led to an operating margin of 1,077 million euro, a 26.1% decline with respect to the 1,457 million euro of the first quarter of 2008, with the cost/income ratio at 58.3% (52% in the same period of 2008). Net provisions and adjustments moved from 270 to 396 million euro. Income before tax from continuing operations, amounting to 681 million euro, decreased 42.7% with respect to the 1,188 million euro of the first quarter of 2008. Net income totalled 399 million euro, a 12.1% decrease on the 454 million euro of the first quarter of 2008.

The **Eurizon Capital** business unit is the company in growing synergies with the Banca dei Territori Division specialised in providing collective and individual asset management products to the Group's internal banking networks. The company is also focused on strengthening its presence in the open market segment through specific distribution agreements with other networks and institutional investors. Eurizon Capital controls the subsidiaries Eurizon Capital (Luxembourg) and Eurizon Alternative Investments which promote and manage, respectively, funds incorporated under Luxembourg law and alternative funds. The Intesa Sanpaolo Group also has a presence in the asset management sector in China where the Group owns a 49.9% stake in Penghua Fund Management, an asset management company.

In the first quarter of 2009, Eurizon Capital registered operating income of 68 million euro, down 32.7% with respect to the 101 million euro of the first quarter of 2008, accounting for 2% of the Group's consolidated figure (the same as in the first quarter of 2008). With operating costs of 30 million euro, down 26.8% on the 41 million euro of the first quarter of 2008, operating margin amounted to 38 million euro, down 36.7% on the 60 million euro of the same period of 2008 and up 1.5% compared with the fourth quarter of 2008. The cost/income ratio increased from 40.6% in first quarter 2008 to 44.1% in first quarter 2009. Income before tax from continuing operations amounted to 38 million euro, down by 35.6% from the 59 million euro of the first quarter of 2008. Net income was 17 million euro, down 32% compared with the 25 million euro of the first quarter of 2008.

The **Corporate & Investment Banking** Division includes:

- the Corporate Relations Department, which manages relations with large and mid-corporates (the latter with a turnover exceeding 150 million euro) in Italy, and develops activities in support of international trade;
- the International Network Department, which is responsible for foreign branches, representative offices and international subsidiaries specialised in corporate banking (Société Européenne de Banque, Intesa Sanpaolo Bank Ireland and ZAO Banca Intesa). This Department has the mission of developing and managing the foreign corporate segment as well as providing specialised assistance and support to Italian corporate internationalisation and export;
- the Financial Institutions Department, which is responsible for relations with Italian and foreign financial institutions, management of transactional services related to payment systems, custody and settlement of securities as custodian and correspondent bank;
- Banca IMI, which is in charge of carrying out investment banking activity, that is the creation of products of structured finance and M&A consultancy services to the Group's clients, and the capital markets activities for the Group's clients and institutional operators in market making activities;
- the Merchant Banking Department, which operates in the private equity area also through the Private Equity International (PEI) and IMI Investimenti companies.

This Division also comprises the activities of Leasint, Mediofactoring and proprietary trading.

In the first quarter of 2009, operating income of the Corporate & Investment Banking Division totalled 838 million euro, up 35.4% with respect to the 619 million euro of the same period of 2008 - accounting for 20% of the Group's consolidated figure (the contribution was 13% in the first quarter of 2008). Operating costs, 226 million euro, decreased by 3.4% from the 234 million euro of the same period of 2008. As a result, operating margin, 612 million euro, rose by 59% with respect to the 385 million euro of the first quarter of 2008, with the cost/income ratio down to 27% from 37.8% in the first quarter of 2008. Net provisions and adjustments rose from 27 to 177 million euro. Income before tax from continuing operations, 435 million euro, grew 21.5% on the 358 million euro of the same period of 2008. Net income amounted to 289 million euro, a 20.4% increase on the 240 million euro of the first quarter of 2008.

The **Public Finance** business unit is responsible for customers in government, public entities, local authorities, public utilities, general contractors, public and private healthcare structures and for developing activities related to lending and day-to-day banking operations, project financing, securitisations and financial advisory, with the aim of promoting cooperation between public and private entities and supporting initiatives and investment projects in large infrastructures, healthcare, research and public utilities in general. This business unit performs its activities through Banca Infrastrutture Innovazione e Sviluppo.

In the first quarter of 2009, operating income of this business unit amounted to 115 million euro, up 79.7% compared with the 64 million euro of the same period of 2008, representing 3% of consolidated operating income (1% in the first quarter of 2008). With operating costs of 20 million euro, down 4.8% from the 21 million euro of the same period of 2008, operating margin doubled to 95 million euro from the 43 million euro of the first quarter of 2008 and the cost/income ratio improved from 32.8% to 17.4%. Income before tax from continuing operations doubled, too, reaching 92 million euro from 45 million euro in the same period of 2008 as did net income which was 54 million euro from 27 million euro in the first quarter of 2008.

The **International Subsidiary Banks** Division is responsible for activities in foreign markets where the Group is operational through commercial banking subsidiaries and associates. The Division provides guidelines, coordination and support to subsidiaries abroad mainly active in retail banking. It is responsible for defining the Group's development strategy related to its direct presence abroad, as well as exploring and analysing new growth opportunities in markets where the Group already has a presence, and in new markets. This Division also coordinates operations of international subsidiary banks and their relations with the Parent Company's head office departments and the Corporate & Investment Banking Division's branches and offices abroad. The Division is made up of the three following Departments which are in charge of the different geographical areas of the Group's international presence:

- the CEE & SEE Banking Area which includes the banking subsidiaries in Central-Eastern Europe, Banka Koper in Slovenia, VUB Banka in Slovakia, CIB Bank in Hungary, and in South-Eastern Europe, Privredna Banka Zagreb in Croatia, Banca Intesa Beograd in Serbia, Intesa Sanpaolo Banka Bosna i

Hercegovina in Bosnia and Herzegovina, Intesa Sanpaolo Bank Albania and Intesa Sanpaolo Bank Romania;
- the CIS Banking Area, which includes the subsidiary KMB Bank in the Russian Federation and Pravex-Bank in Ukraine;
- the South Mediterranean & Asia Banking Area, in charge of developing, in particular, relations in the Mediterranean basin where the Group has a presence through Bank of Alexandria.

In the first quarter of 2009, operating income of the International Subsidiary Banks Division totalled 541 million euro with a 3.8% increase from the 521 million euro of the same period of 2008, accounting for 13% of the Group's consolidated figure (11% in the first quarter of 2008). Excluding foreign exchange effects, operating income would be up by 10%. Operating costs grew 2.5% from 278 to 285 million euro due to the extension of the commercial network. As a result, operating margin rose by 5.3% from 243 to 256 million euro and the cost/income ratio moved from 53.4% to 52.7%. Excluding foreign exchange effects, operating margin would be up by 10%. Net provisions and adjustments rose from 45 to 159 million euro. Income before tax from continuing operations, 98 million euro, halved compared with 200 million euro in the same period of 2008. Net income was 81 million euro, halved compared with the figure of the first quarter of 2008 (165 million euro).

The **Banca Fideuram** business unit, through its network of private bankers, performs asset gathering activities serving customers with medium to high savings potential. This business unit posted operating income of 153 million euro, down 5% from 161 million euro in the first quarter of 2008, 4% of the Group's figure (the same as in the first quarter of 2008). With operating costs of 79 million euro, down 6% compared with the 84 million euro of the first quarter of 2008, operating margin, amounting to 74 million euro, decreased 3.9% on the 77 million euro of the same period of 2008, with the cost/income ratio down to 51.6% from 52.2%, while almost doubling the figure of the fourth quarter of 2008. After net provisions and adjustments of 11 million euro, income before tax from continuing operations amounted to 63 million euro, down 10% on the 70 million euro of the first quarter of 2008. Net income was 28 million euro, in line with the 29 million euro of the first quarter of 2008.

The 2009 outlook

The Bank's performance in the first quarter of 2009 reflected the effective ongoing implementing of the steps for 2009 featured in the market presentation of the 2008 results. **Defence of spreads** and selective **loan growth** have been counteracting the pressure on **net interest income** from a low interest rate environment. In particular, customer spread is being managed through an active pricing policy and partial hedging against declining interest rates, the latter bringing forward full benefits starting from the second quarter of the year. Substantial reduction in **operating costs** continues also due to the moves put in place to limit the effects of non-deductible intra-group VAT. Risk management preserves a low risk profile and leads to net loan adjustments which - albeit at high levels - register a trend not particularly marked in comparison to the macroeconomic environment. In light of both the effects produced in this quarter by the aforementioned steps and the contribution to the income statement from intangibles detaxation, **consolidated net income** for the year should not be much lower than that recorded in 2008.

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For consistency purposes, the income statement data for 2008 were restated following the change in the scope of full consolidation which was determined mainly by the acquisition of control of Pravex-Bank which entered the scope of full consolidation in the income statement of the third quarter of 2008. For the first and second quarters of 2008 the relevant items were consolidated line by line and their contribution to net income was recorded under minority interests.

Still for consistency purposes, the balance sheet data for the first quarter of 2008 were restated consolidating line by line the items relating to Pravex-Bank, the control of which was acquired in June 2008.

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The adjusted net income was calculated excluding the main non-recurring items listed below:

in the first quarter 2009: 1) 511 million euro fiscal benefit from the release of deferred taxes relating to detaxation of intangibles with a finite life and brand name, recorded under taxes on income from continuing operations, 2) 68 million euro integration charges and related tax savings, which resulted in net integration charges of 48 million euro, 3) 95 million euro charges from purchase cost allocation, net of tax and 4) 83 million euro capital gains made on the disposal of CR Orvieto and 17 branches and related taxes, which resulted in a net capital gain of 63 million euro under income after tax from discontinued operations;

in the first quarter 2008: 1) 444 million euro integration charges and related tax savings, which resulted in net integration charges of 321 million euro, 2) 131 million euro charges from purchase cost allocation, net of tax and 3) 1,372 million euro capital gains deriving from the sale of 198 branches and related taxes, which resulted in a net capital gain of 953 million euro under income after tax from discontinued operations;

in the fourth quarter 2008: 1) 184 million euro conservative valuation on structured credit products under profits on trading and related tax savings, 2) one million euro write-back on the Lehman position under profits on trading, 3) 102 million euro expenses on expired bank drafts under other operating income/expenses and related tax savings, 4) 3,050 million euro impairments (broken down as follows: 1,065 million goodwill impairment, 908 million net impairment losses on other assets, 326 million losses on investments held to maturity and on other investments and 751 million effect of purchase cost allocation) and related tax savings, 5) 10 million euro adjustments to loans related to the exposure to Lehman and Icelandic banks and related tax savings, 6) 89 million euro capital gains on the disposal of Centrale dei Bilanci under profits on investments held to maturity and related taxes, 7) 1,629 million euro fiscal benefit from deferred taxes under taxes on income from continuing operations, 8) 255 million euro integration charges and related tax savings, which resulted in net integration charges of 182 million euro, 9) 135 million euro charges from purchase cost allocation net of tax.

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In order to present more complete information regarding the results generated in the first quarter of 2009, the reclassified consolidated income statement and the reclassified consolidated balance sheet included in the statement approved by the Management Board are attached. Please note that these statements and the quarterly statement have not been reviewed by the Auditing company.

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The manager responsible for preparing the company's financial reports, Ernesto Riva, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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This press release contains certain forward-looking statements and forecasts reflecting the Intesa Sanpaolo management's current views with respect to certain future events. The Intesa Sanpaolo Group's ability to achieve its projected results is dependent on many factors which are outside management's control. Actual results may differ materially from those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.
The following important factors could cause the Group's actual results to differ materially from those projected or implied in any forward-looking statements:

- the Group's ability to successfully integrate the employees, products, services and systems of the merger of Banca Intesa S.p.A. and Sanpaolo IMI S.p.A. as well as other recent mergers and acquisitions;
- the impact of regulatory decisions and changes in the regulatory environment;
- the impact of political and economic developments in Italy and other countries in which the Group operates;
- the impact of fluctuations in currency exchange and interest rates; and
- the Group's ability to achieve the expected return on the investments and capital expenditures it has made in Italy and in foreign countries.

The foregoing factors should not be construed as exhaustive. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Accordingly, there can be no assurance that the Group will achieve its projected results.

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Gruppo Intesa Sanpaolo

Reclassified consolidated statement of income

(in millions of euro)

	31.03.2009	31.03.2008	Changes	
			amount	%
Net interest income	2,687	2,798	-111	-4.0
Dividends and profits (losses) on investments carried at equity	-6	66	-72	
Net fee and commission income	1,255	1,627	-372	-22.9
Profits (Losses) on trading	107	40	67	
Income from insurance business	64	79	-15	-19.0
Other operating income (expenses)	29	43	-14	-32.6
Operating income	4,136	4,653	-517	-11.1
Personnel expenses	-1,399	-1,458	-59	-4.0
Other administrative expenses	-758	-753	5	0.7
Adjustments to property, equipment and intangible assets	-157	-192	-35	-18.2
Operating costs	-2,314	-2,403	-89	-3.7
Operating margin	1,822	2,250	-428	-19.0
Goodwill impairment	-	-	-	-
Net provisions for risks and charges	-69	-33	36	
Net adjustments to loans	-733	-312	421	
Net impairment losses on other assets	-7	-8	-1	-12.5
Profits (Losses) on investments held to maturity and on other investments	-	13	-13	
Income (Loss) before tax from continuing operations	1,013	1,910	-897	-47.0
Taxes on income from continuing operations	165	-608	773	
Merger and restructuring related charges (net of tax)	-48	-321	-273	-85.0
Effect of purchase cost allocation (net of tax)	-95	-131	-36	-27.5
Income (Loss) after tax from discontinued operations	65	970	-905	-93.3
Minority interests	-25	-71	-46	-64.8
Net income	1,075	1,749	-674	-38.5
Basic EPS - euro	0.08	0.14		
Diluted EPS - euro	0.08	0.14		

Figures restated where required by international accounting principles and considering the changes in the scope of consolidation.

Gruppo Intesa Sanpaolo

Quarterly development of the reclassified consolidated statement of income

(in millions of euro)

	2009	2008				
	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter	Average of the quarters
Net interest income	2,687	2,890	3,045	2,897	2,798	2,908
Dividends and profits (losses) on investments carried at equity	-6	30	13	29	66	35
Net fee and commission income	1,255	1,286	1,401	1,558	1,627	1,468
Profits (Losses) on trading	107	-354	17	244	40	-13
Income from insurance business	64	171	43	107	79	100
Other operating income (expenses)	29	-49	84	92	43	43
Operating income	4,136	3,974	4,603	4,927	4,653	4,539
Personnel expenses	-1,399	-1,442	-1,405	-1,441	-1,458	-1,437
Other administrative expenses	-758	-1,031	-793	-801	-753	-845
Adjustments to property, equipment and intangible assets	-157	-226	-200	-194	-192	-203
Operating costs	-2,314	-2,699	-2,398	-2,436	-2,403	-2,484
Operating margin	1,822	1,275	2,205	2,491	2,250	2,055
Goodwill impairment	-	-1,065	-	-	-	-266
Net provisions for risks and charges	-69	-164	-76	-45	-33	-80
Net adjustments to loans	-733	-999	-854	-401	-312	-642
Net impairment losses on other assets	-7	-898	-40	-3	-8	-237
Profits (Losses) on investments held to maturity and on other investments	-	-208	177	284	13	67
Income (Loss) before tax from continuing operations	1,013	-2,059	1,412	2,326	1,910	897
Taxes on income from continuing operations	165	1,617	-488	-701	-608	-45
Merger and restructuring related charges (net of tax)	-48	-182	-86	-68	-321	-164
Effect of purchase cost allocation (net of tax)	-95	-656	-148	-153	-131	-272
Income (Loss) after tax from discontinued operations	65	60	11	-5	970	259
Minority interests	-25	-8	-27	-41	-71	-37
Net income	**1,075**	**-1,228**	**674**	**1,358**	**1,749**	**638**

Figures restated where required by international accounting principles and considering the changes in the scope of consolidation.

Gruppo Intesa Sanpaolo

Reclassified consolidated balance sheet

(in millions of euro)

Assets	31.03.2009	31.12.2008	Changes	
			amount	%
Financial assets held for trading	78,862	61,080	17,782	29.1
Financial assets designated at fair value through profit and loss	20,218	19,727	491	2.5
Financial assets available for sale	32,493	29,083	3,410	11.7
Investments held to maturity	5,461	5,572	-111	-2.0
Due from banks	47,672	56,371	-8,699	-15.4
Loans to customers	387,486	395,189	-7,703	-1.9
Investments in associates and companies subject to joint control	3,340	3,230	110	3.4
Property, equipment and intangible assets	32,126	32,406	-280	-0.9
Tax assets	7,439	7,495	-56	-0.7
Non-current assets held for sale and discontinued operations	69	1,135	-1,066	-93.9
Other assets	24,138	24,845	-707	-2.8
Total Assets	639,304	636,133	3,171	0.5

Liabilities and Shareholders' Equity	31.03.2009	31.12.2008	Changes	
			amount	%
Due to banks	48,049	51,745	-3,696	-7.1
Due to customers and securities issued	411,113	405,778	5,335	1.3
Financial liabilities held for trading	48,749	45,870	2,879	6.3
Financial liabilities designated at fair value through profit and loss	25,151	25,119	32	0.1
Tax liabilities	4,568	4,461	107	2.4
Liabilities associated with non-current assets held for sale and discontinued operations	-	1,021	-1,021	
Other liabilities	25,845	26,368	-523	-2.0
Technical reserves	19,799	20,248	-449	-2.2
Allowances for specific purpose	5,452	5,469	-17	-0.3
Share capital	6,647	6,647	-	-
Reserves	43,697	41,166	2,531	6.1
Valuation reserves	-1,905	-1,412	493	34.9
Minority interests	1,064	1,100	-36	-3.3
Net income	1,075	2,553	-1,478	-57.9
Total Liabilities and Shareholders' Equity	639,304	636,133	3,171	0.5

Figures restated where required by international accounting principles and considering the changes in the scope of consolidation.

Gruppo Intesa Sanpaolo

Quarterly development of the Reclassified consolidated balance sheet

(in millions of euro)

Assets	2009	2008			
	31/3	31/12	30/9	30/6	31/3
Financial assets held for trading	78,862	61,080	49,560	54,853	53,273
Financial assets designated at fair value through profit and loss	20,218	19,727	20,479	20,915	20,499
Financial assets available for sale	32,493	29,083	30,687	36,906	38,763
Investments held to maturity	5,461	5,572	5,763	5,976	5,709
Due from banks	47,672	56,371	75,160	71,077	69,881
Loans to customers	387,486	395,189	383,664	370,907	359,434
Investments in associates and companies subject to joint control	3,340	3,230	3,295	3,186	3,239
Property, equipment and intangible assets	32,126	32,406	34,947	34,844	33,103
Tax assets	7,439	7,495	4,159	4,158	3,766
Non-current assets held for sale and discontinued operations	69	1,135	3,973	4,327	4,186
Other assets	24,138	24,845	22,428	20,823	17,198
Total Assets	639,304	636,133	634,115	627,972	609,051

Liabilities and Shareholders' Equity	2009	2008			
	31/3	31/12	30/9	30/6	31/3
Due to banks	48,049	51,745	64,135	62,786	71,223
Due to customers and securities issued	411,113	405,778	406,647	392,328	366,401
Financial liabilities held for trading	48,749	45,870	27,946	29,831	29,988
Financial liabilities designated at fair value through profit and loss	25,151	25,119	25,837	26,512	26,905
Tax liabilities	4,568	4,461	3,998	4,040	4,929
Liabilities associated with non-current assets held for sale and discontinued operations	-	1,021	2,408	2,735	2,480
Other liabilities	25,845	26,368	24,054	29,821	27,023
Technical reserves	19,799	20,248	21,151	21,783	22,540
Allowances for specific purpose	5,452	5,469	6,064	6,531	6,601
Share capital	6,647	6,647	6,647	6,647	6,647
Reserves	43,697	41,166	41,098	41,109	41,154
Valuation reserves	-1,905	-1,412	-714	-299	-49
Minority interests	1,064	1,100	1,063	1,041	1,460
Net income	1,075	2,553	3,781	3,107	1,749
Total Liabilities and Shareholders' Equity	639,304	636,133	634,115	627,972	609,051

Figures restated where required by international accounting principles and considering the changes in the scope of consolidation.

Gruppo Intesa Sanpaolo

Breakdown of financial highlights and financial ratios by business area

Income statement (in millions of euro)	Banca dei Territori		Corporate & Investment Banking		Public Finance		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Operating income	2,584	3,034	838	619	115	64	541	521	68	101	153	161
Operating costs	-1,507	-1,577	-226	-234	-20	-21	-285	-278	-30	-41	-79	-84
Operating margin	1,077	1,457	612	385	95	43	256	243	38	60	74	77
Net income	399	454	289	240	54	27	81	165	17	25	28	29
Balance sheet (in millions of euro)	**Banca dei Territori**		**Corporate & Investment Banking**		**Public Finance**		**International Subsidiary Banks**		**Eurizon Capital**		**Banca Fideuram**	
	31.03.2009	31.12.2008	31.03.2009	31.12.2008	31.03.2009	31.12.2008	31.03.2009	31.12.2008	31.03.2009	31.12.2008	31.03.2009	31.12.2008
Loans to customers	188,543	192,950	110,543	112,837	39,783	38,830	29,531	29,847	-	-	1,764	1,802
Direct customer deposits	220,433	218,920	106,300	91,813	4,950	5,205	26,794	28,212	-	-	6,358	6,583
Profitability ratios (%)	**Banca dei Territori**		**Corporate & Investment Banking**		**Public Finance**		**International Subsidiary Banks**		**Eurizon Capital**		**Banca Fideuram**	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Cost / Income	58.3	52.0	27.0	37.8	17.4	32.8	52.7	53.4	44.1	40.6	51.6	52.2
ROE [(a)]	16.0	17.3	14.5	12.2	23.4	10.1	16.8	36.6	74.9	119.7	39.7	34.3
Economic Value Added (EVA) (in millions of euro)	279	591	97	65	32	3	12	93	24	40	41	44

Figures restated where required by international accounting principles, considering the changes in the scope of consolidation and in business unit constituents.

[(a)] Ratio between Net income and Allocated capital. Figure for the period is annualised.