2017 Results

2014-2017 Business Plan Successfully Delivered

A Strong Bank,
Delivering Growth

February 6, 2018

INTESA SANPAOLO

FY17: 2014-2017 Business Plan Successfully Delivered

€3.4bn cash dividends, €10bn cumulative for the 2014-2017 Business Plan horizon

Common Equity[(1)] ratio at 14.0%, 13.0% after IFRS9 First Time Adoption (FTA), well above regulatory requirements

NPL coverage raised to 57% after IFRS9 FTA

€13bn NPL deleveraging since 30.9.15 at no cost to Shareholders, coupled with the lowest NPL inflow since ISP was created

€7.3m stated Net income including €3.5bn public cash contribution offsetting the impact on ISP's capital ratios of the acquisition of certain assets of the two former Venetian banks

€3.8bn Net income[(2)] (+23% vs FY16), the highest since 2007

Best year ever for Commissions (€2.1bn in Q4, the best quarter ever)

(1) Pro-forma fully loaded Basel 3 (31.12.17 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks and the expected absorption of DTA on losses carried forward)
(2) Excluding public cash contribution to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios and contribution to the P&L of the operations of the two former Venetian banks

2014-2017 Business Plan Successfully Delivered

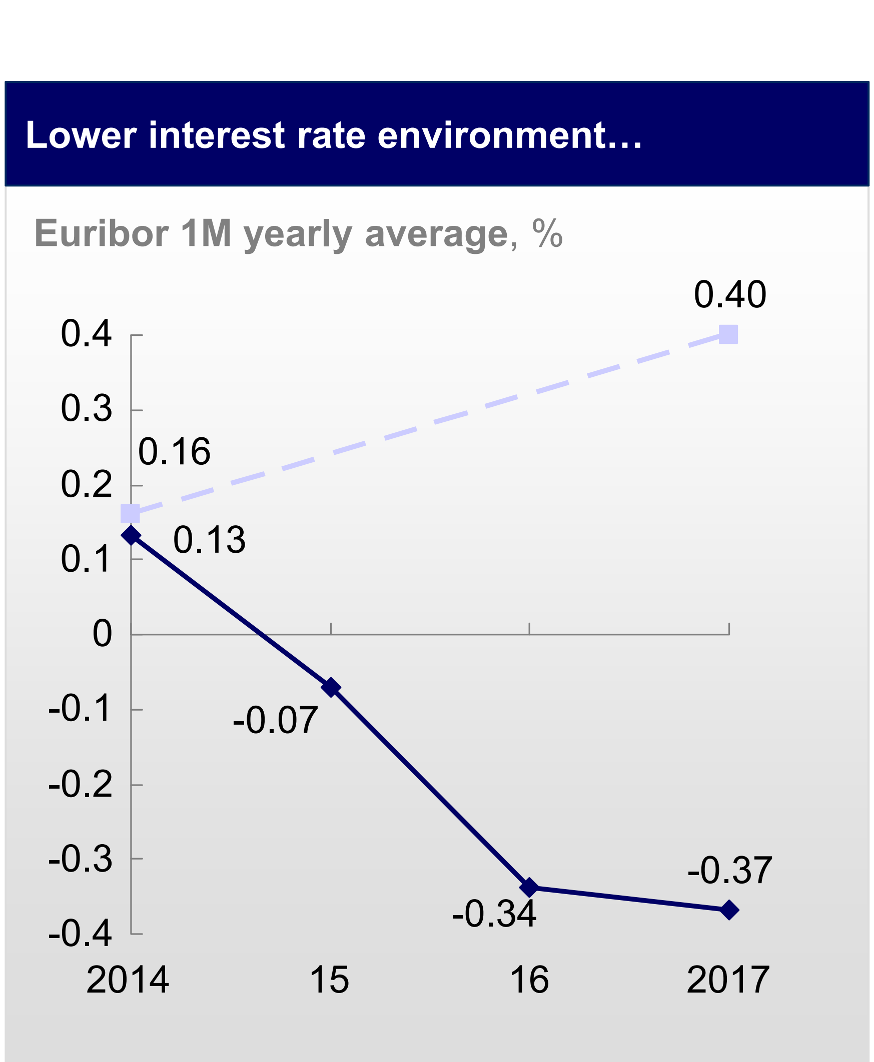
In spite of a challenging macroeconomic environment…

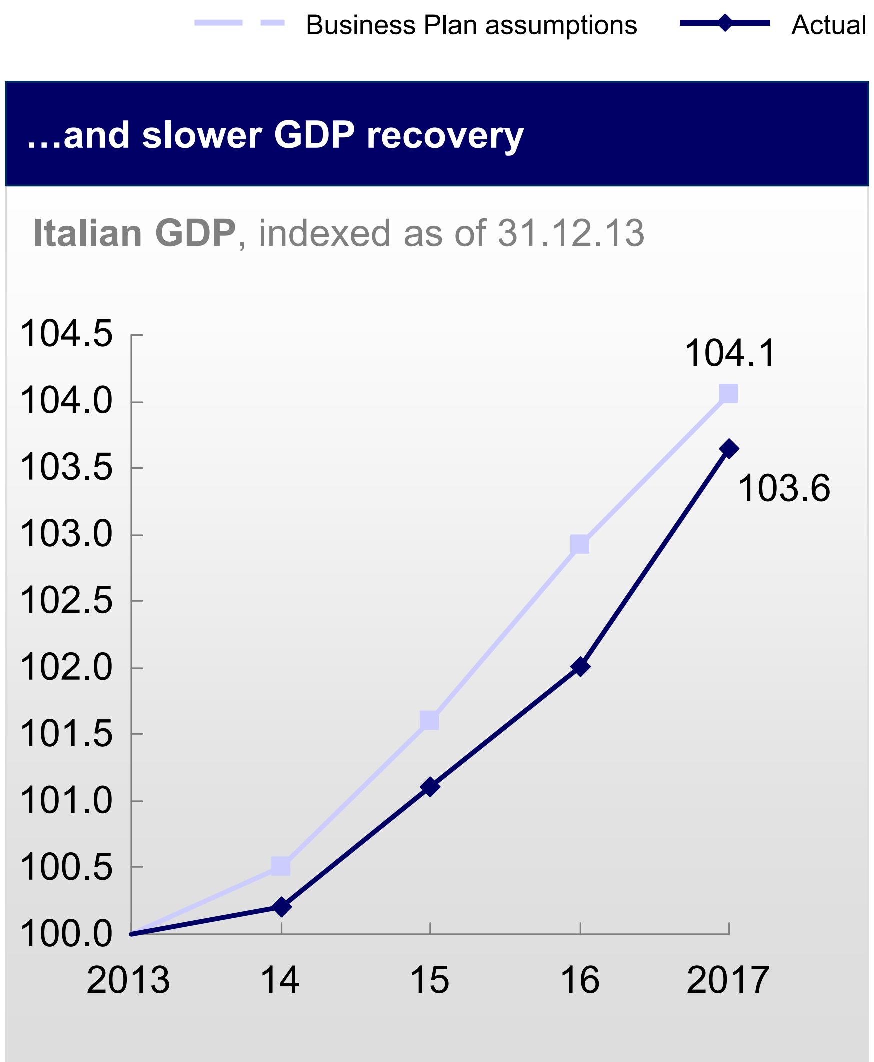
- **Lower interest rates** vs 2014-2017 Business Plan assumptions
- **GDP recovery slower** than expected

…ISP delivered excellent results

- **Unique, efficient and resilient business model** setting a new industry standard
- **Leading capital position** and **solid balance sheet** further strengthened
- **€10bn cash dividend commitment** fully delivered

Lower Interest Rate Environment and Slower GDP Recovery vs 2014-2017 Business Plan Assumptions

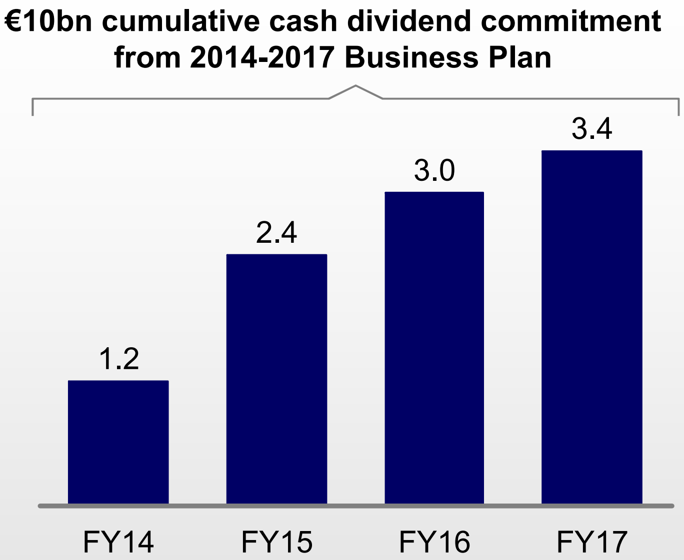




2014-2017 Business Plan Dividend Commitment Delivered while Strengthening the Capital Position

Cash dividend evolution

€ bn

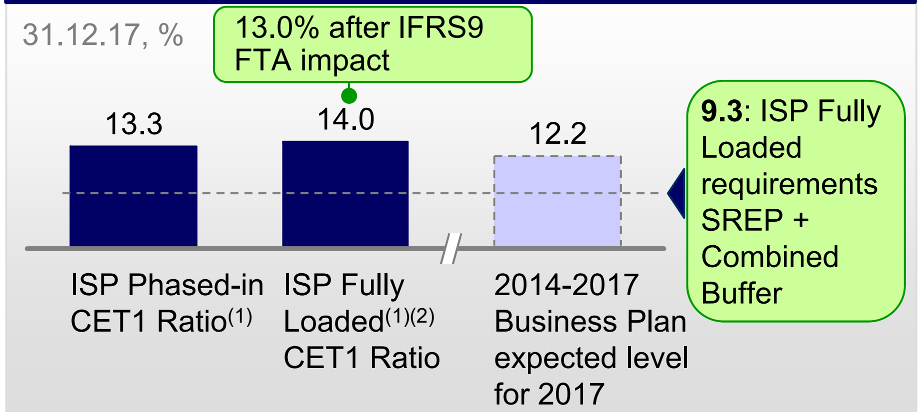


	FY14	FY15	FY16	FY17
DPS ordinary €	0.07	0.14	0.18	0.20
DPS saving €	0.08	0.15	0.19	0.21

Rewarding Shareholders with sustainable cash dividends remains a management priority

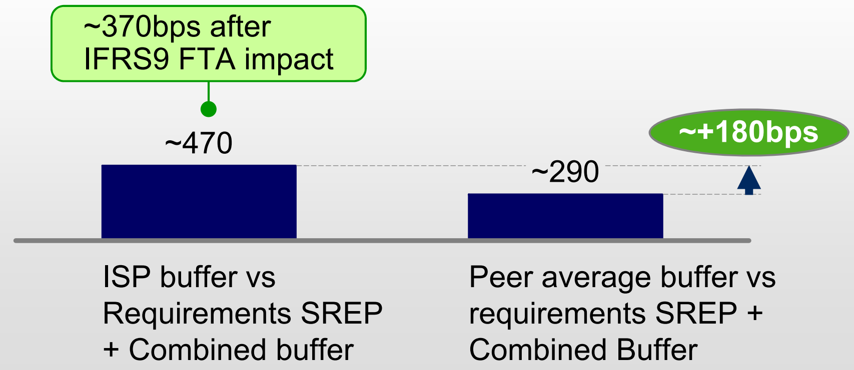
ISP CET1 Ratios vs requirements SREP + Combined Buffer

31.12.17, %



Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer(3)(4)

31.12.17, Bps



(1) Including components related to the acquisition of the operations of the two former Venetian banks and public cash contribution to offset the impact of the acquisition of the operations of the two former Venetian banks on ISP's capital ratios
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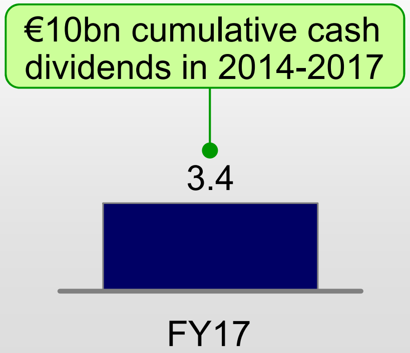
(3) Calculated as the difference between the Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer; only top European banks that have communicated their SREP requirement
(4) Sample: BBVA, Deutsche Bank, ING, Nordea and Santander as of 31.12.17; BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, Société Générale and UniCredit as of 30.9.17. Data may not be fully comparable due to different estimates hypothesis. Source: Investors' Presentations, Press Releases, Conference Calls and Financial Statements

All Stakeholders Benefit from Our Strong Performance…

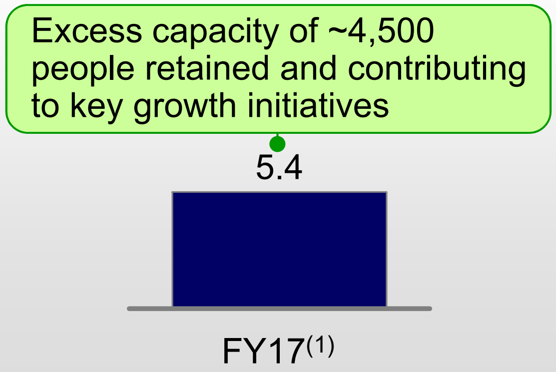
Shareholders

Cash dividends, € bn



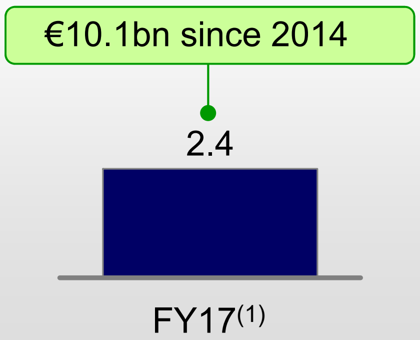
Employees

Personnel expenses, € bn



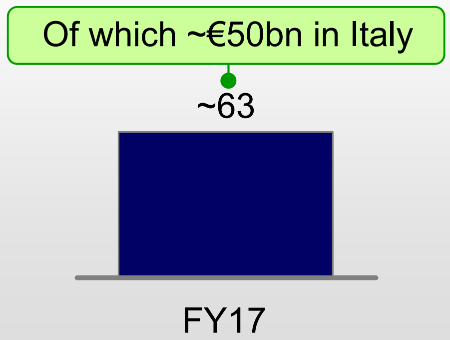
Public Sector

Taxes(2), € bn



Households and Businesses

Medium/Long-term new lending, € bn



~73,000 Italian companies helped to get back to performing status(3) since 2014

(1) Excluding contribution of the operations of the two former Venetian banks
(2) Direct and indirect
(3) Deriving from Non-performing loans outflow

…with ISP Overdelivering on Its Business Plan Promises

€ bn	Contribution to the economy 2014-2017	Our promise 2014-2017	Our delivery 2014-2017
Shareholders	**Cash dividends**	10	10
Households and Businesses	**MLT new lending to the real economy**	~170	~200
Employees	**Personnel expenses**	~21	~21
Suppliers	**Purchases and investments**	~10	~11
Public Sector	**Taxes(1)**	~10	~10

(1) Direct and indirect

FY17: Highlights

- **€3.4bn cash dividends** (four times higher than FY13)
- Strong economic performance:
  - €3,813m Net income[1] (+23% vs FY16), the highest since 2007
  - Double-digit increase in Gross income[1] (+14% vs FY16)
  - Best year ever for Commissions (€2.1bn in Q4, the best quarter ever), coupled with strong acceleration in AuM Net Inflows (+61%[2] vs FY16)
  - Continued strong cost management with C/I ratio at 50.9%[3] and lowest ever Administrative expenses
- Best-in-class capital position with a further strengthened balance sheet:
  - €13bn[2] NPL deleveraging vs 30.9.15, the lowest NPL stock since 2012, coupled with an increasing coverage ratio (51.1% vs 48.8% as at 31.12.16) and the lowest NPL inflow since ISP was created
  - ~€3bn Stage 3 IFRS9 FTA with a further increase in NPL coverage (57%), facilitating NPL de-risking
  - Common Equity[4] ratio increased to 14.0%, 13.0% after IFRS9 FTA
  - Best-in-class leverage ratio: 6.4%
  - Strong liquidity position and funding capability with LCR and NSFR well above 100% and €171bn of liquid assets, of which €98bn unencumbered eligible

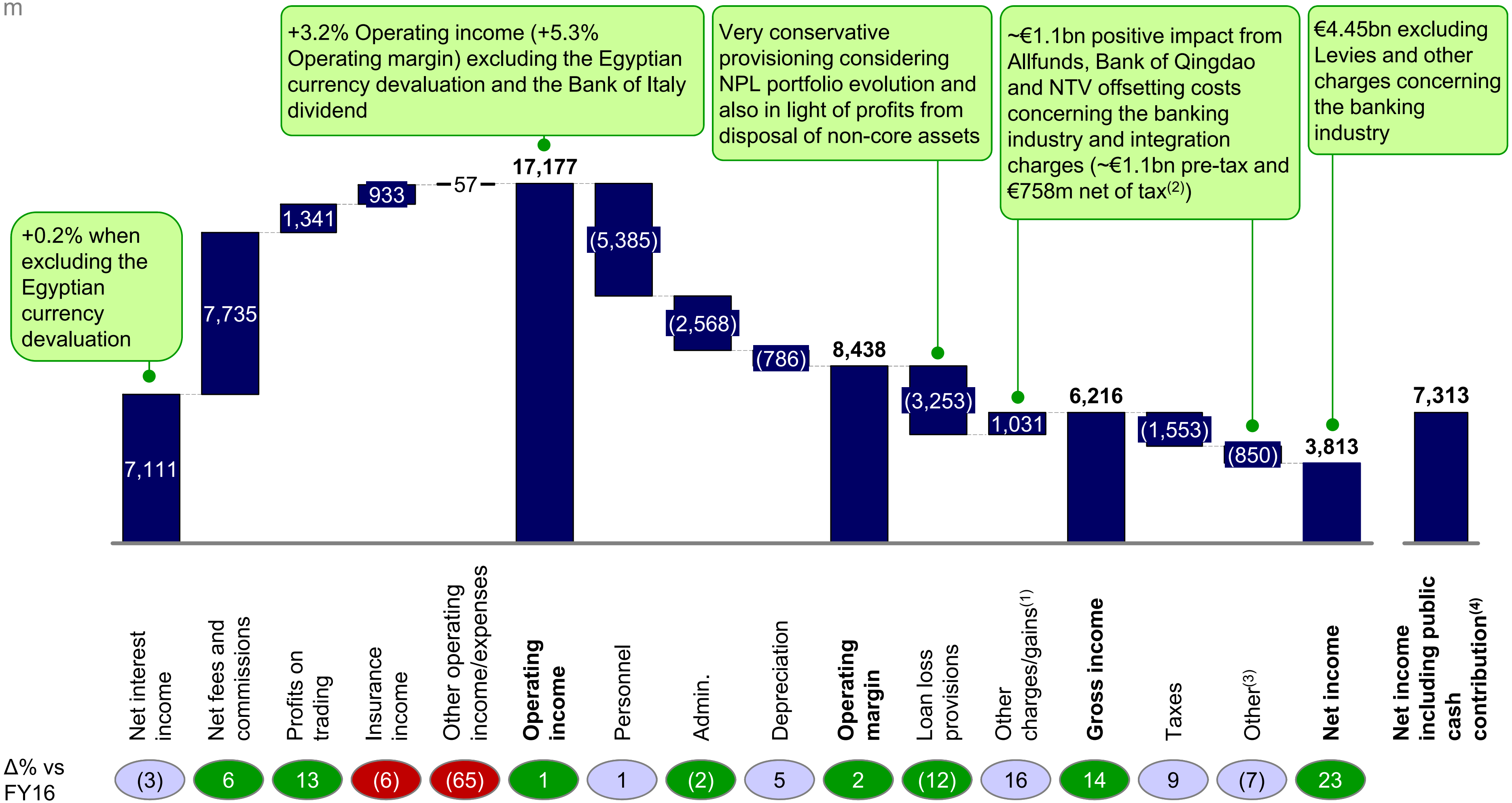
(1) Excluding public cash contribution to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios and contribution to the P&L of the operations of the two former Venetian banks
(2) Excluding components related to the acquisition of the operations of the two former Venetian banks
(3) Excluding contribution to the P&L of the operations of the two former Venetian banks
(4) Pro-forma fully loaded Basel 3 (31.12.17 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks and the expected absorption of DTA on losses carried forward)

Contents

FY17: €3.8bn Net Income, the Highest since 2007

FY17 P&L (excluding public cash contribution and the contribution of the operations of the two former Venetian banks)

€ m



(1) Net provisions and net impairment losses on other assets, Other income (expenses), Income (Loss) from discontinued operations

(2) Including charges for the Resolution Fund: €163m pre-tax (€114m net of tax), charges for the Atlante Fund stake write-down: €449m pre-tax (€301m net of tax), charges for Deposit Guarantee Scheme: €121m pre-tax (€84m net of tax), extraordinary charges for the Voluntary Deposit Guarantee Scheme: €154m pre-tax (€103m net of tax) and integration charges: €172m pre-tax (€121m net of tax)

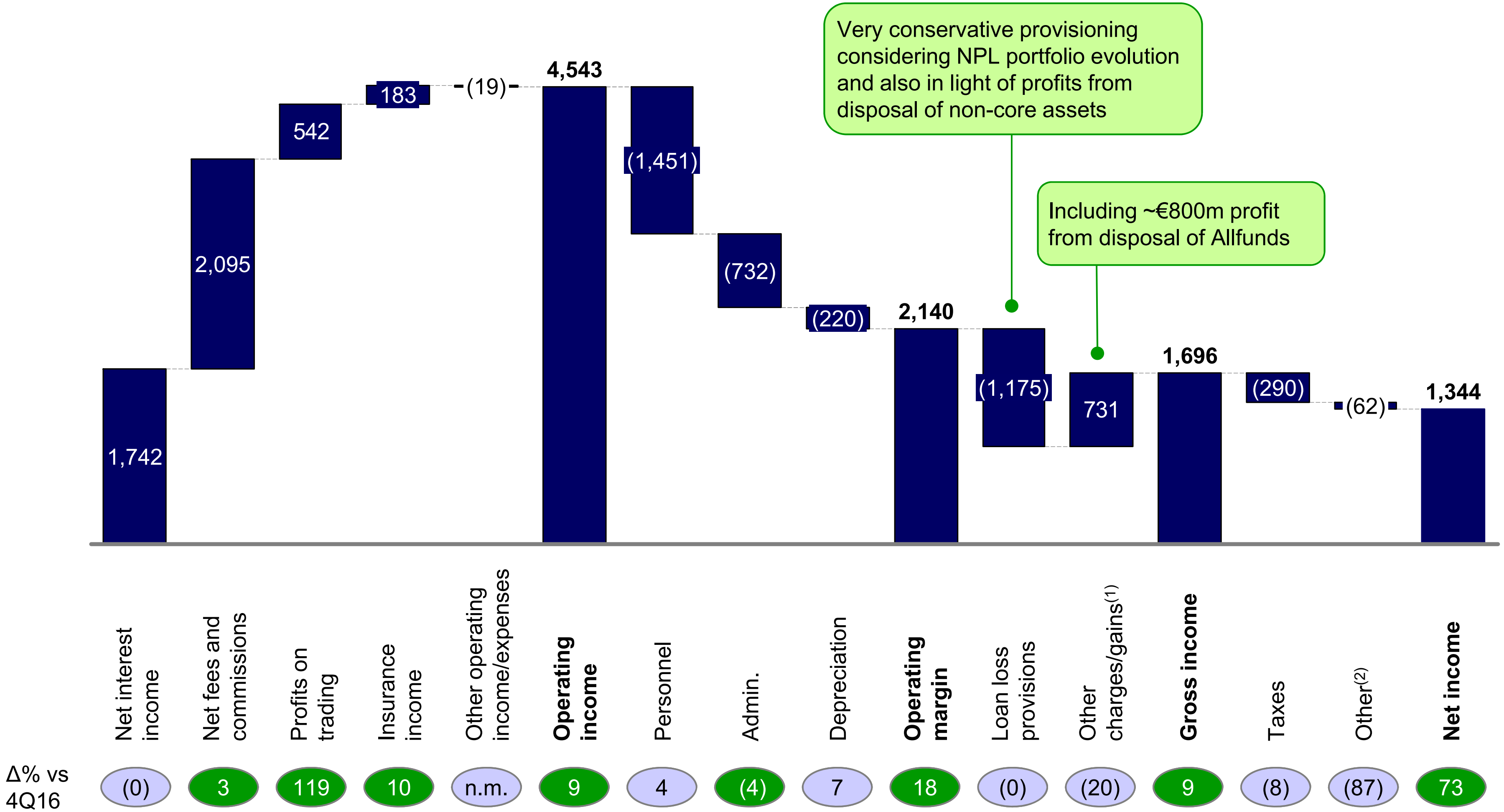
(3) Charges (net of tax) for integration and exit incentives, Effect of purchase price allocation (net of tax), Levies and other charges concerning the banking industry (net of tax), Impairment (net of tax) of goodwill and other intangible assets, Minority interests

(4) Including public cash contribution to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios. €7,316m Stated Net income including the H2 contribution of the two former Venetian banks to consolidated P&L, with ~€200m of net operating losses offset by PPA (mainly DTA)

Note: figures may not add up exactly due to rounding

4Q17: Net Income Driven by Solid Operating Performance

4Q17 P&L (excluding the contribution of the operations of the two former Venetian banks)
€ m



(1) Net provisions and net impairment losses on other assets, Other income (expenses), Income (Loss) from discontinued operations
(2) Charges (net of tax) for integration and exit incentives, Effect of purchase price allocation (net of tax), Levies and other charges concerning the banking industry (net of tax), Impairment (net of tax) of goodwill and other intangible assets, Minority interests
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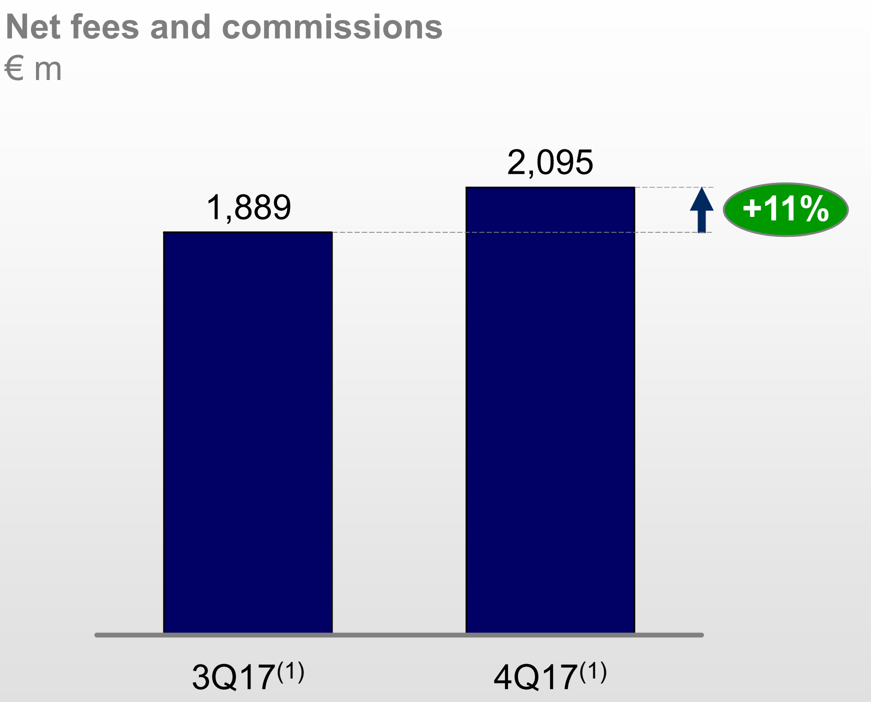
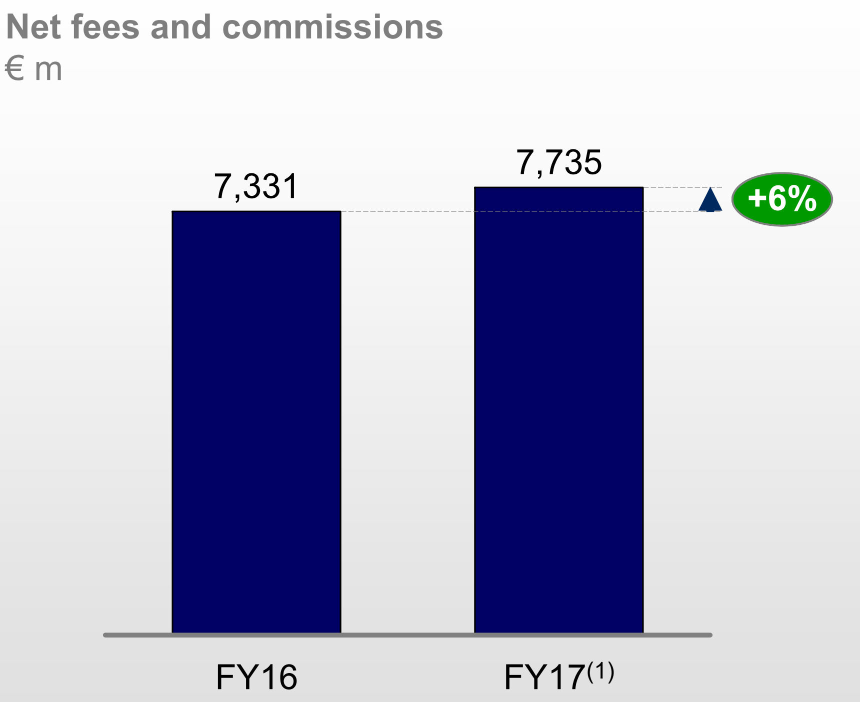
All-time High Performance in Commissions…

Quarterly comparison



Yearly comparison

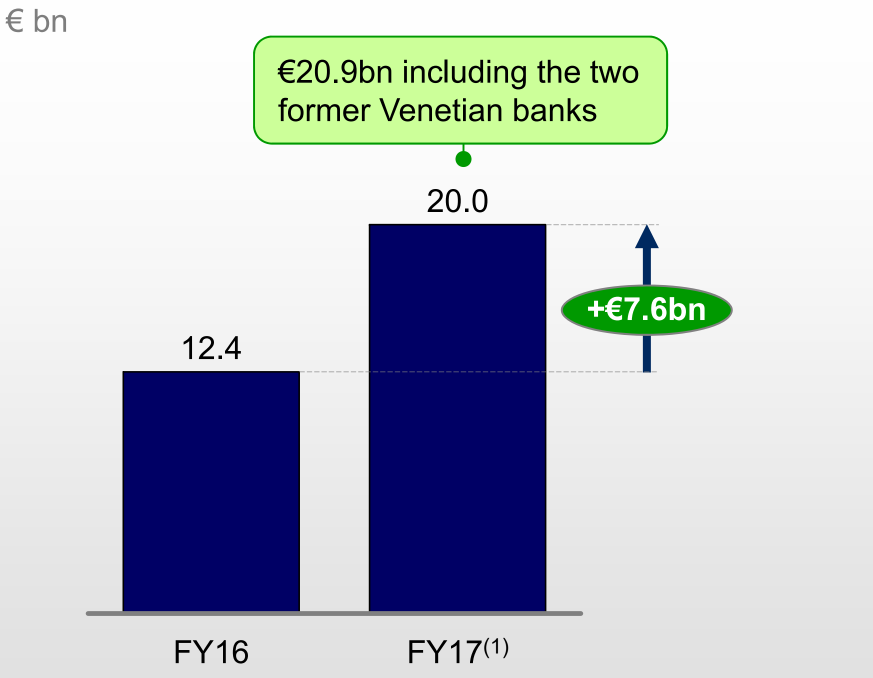


- **4Q17, best quarter ever**
- **Yearly contribution of Net fees and commissions to Operating income above the 2014-2017 Business Plan target (45% vs 43%)**

(1) Excluding contribution to the P&L of the operations of the two former Venetian banks

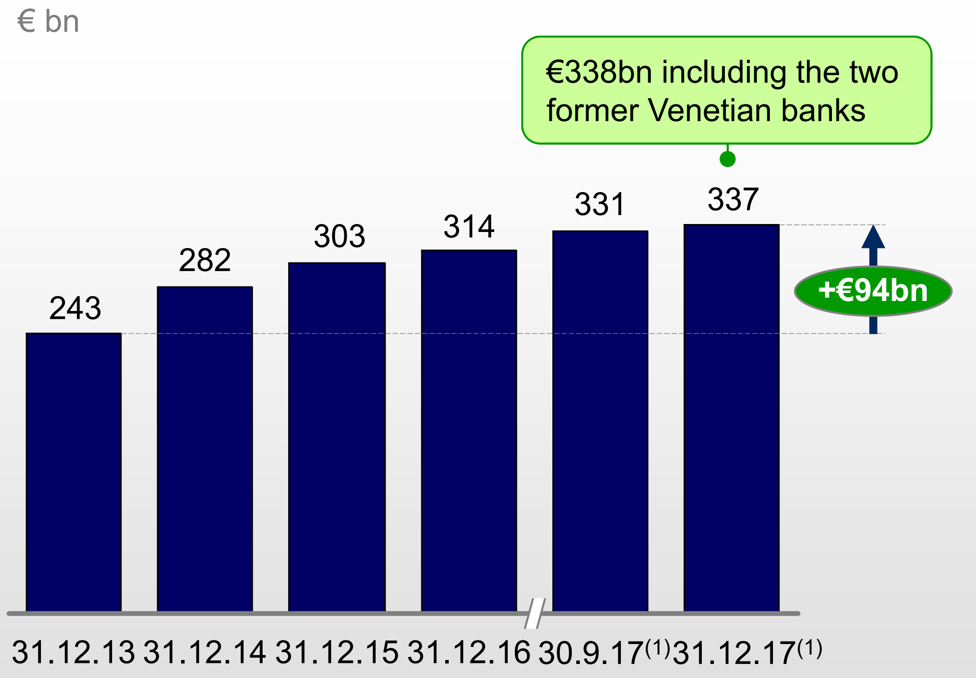
…Driven by Strong Growth in Assets Under Management: Increase of €23bn in 2017

AuM Net Inflows



- €93bn of Net inflows into AuM since 2013, well above the 2014-2017 Business Plan target

Assets under Management(2)



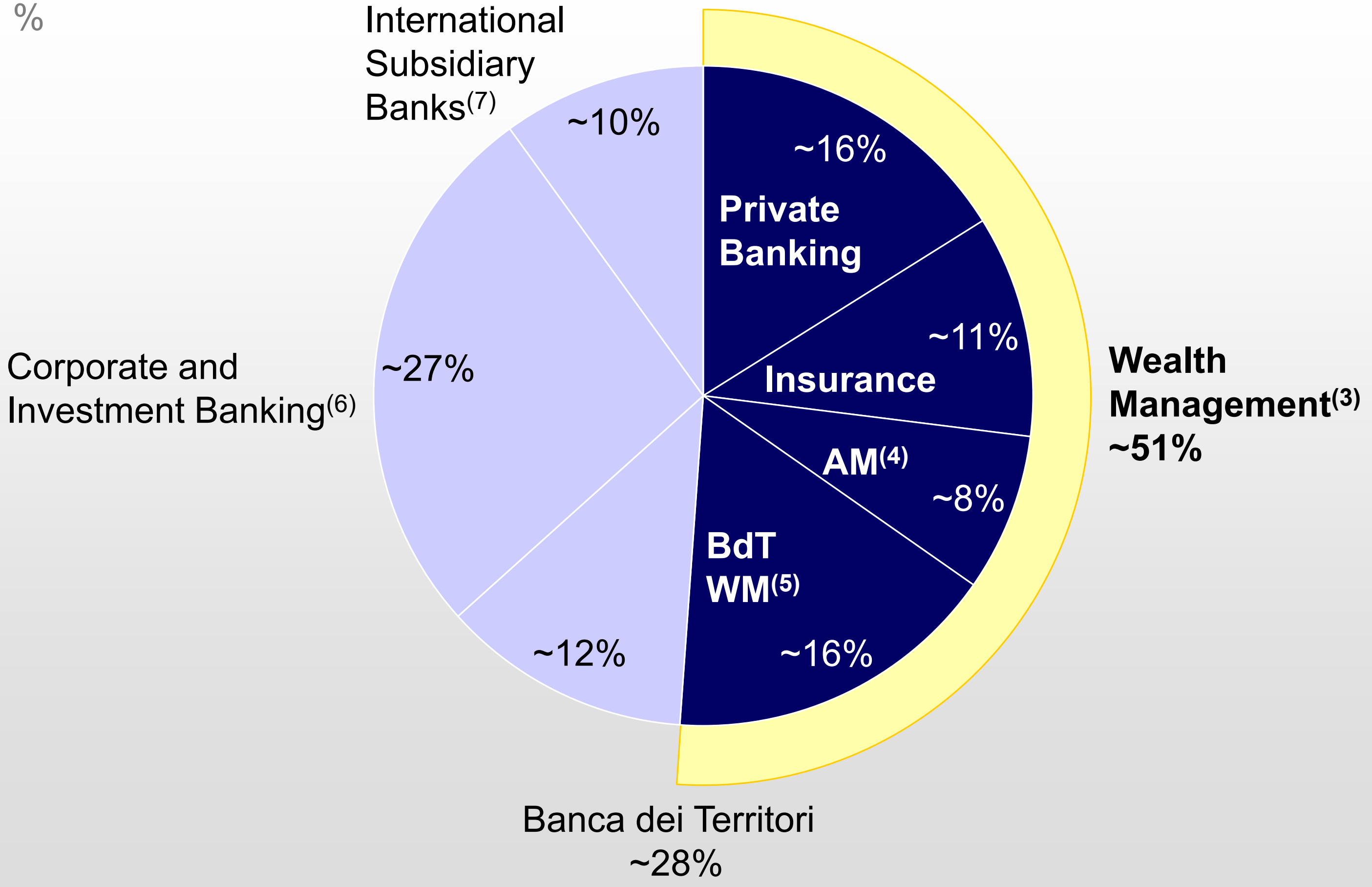
- AuM increase of ~€6bn in 4Q17
- AuM/Indirect deposits(2)(3) up to 67% (vs 59% as of 31.12.13)

(1) Excluding components related to the acquisition of the operations of the two former Venetian banks
(2) 2013, 2014, 2015 and 2016 data not restated
(3) Sum of Assets under Management (AuM) and Assets under Administration (AuA)
Note: figures may not add up exactly due to rounding

ISP: A Successful Wealth Management Company

Gross income breakdown(1)(2)

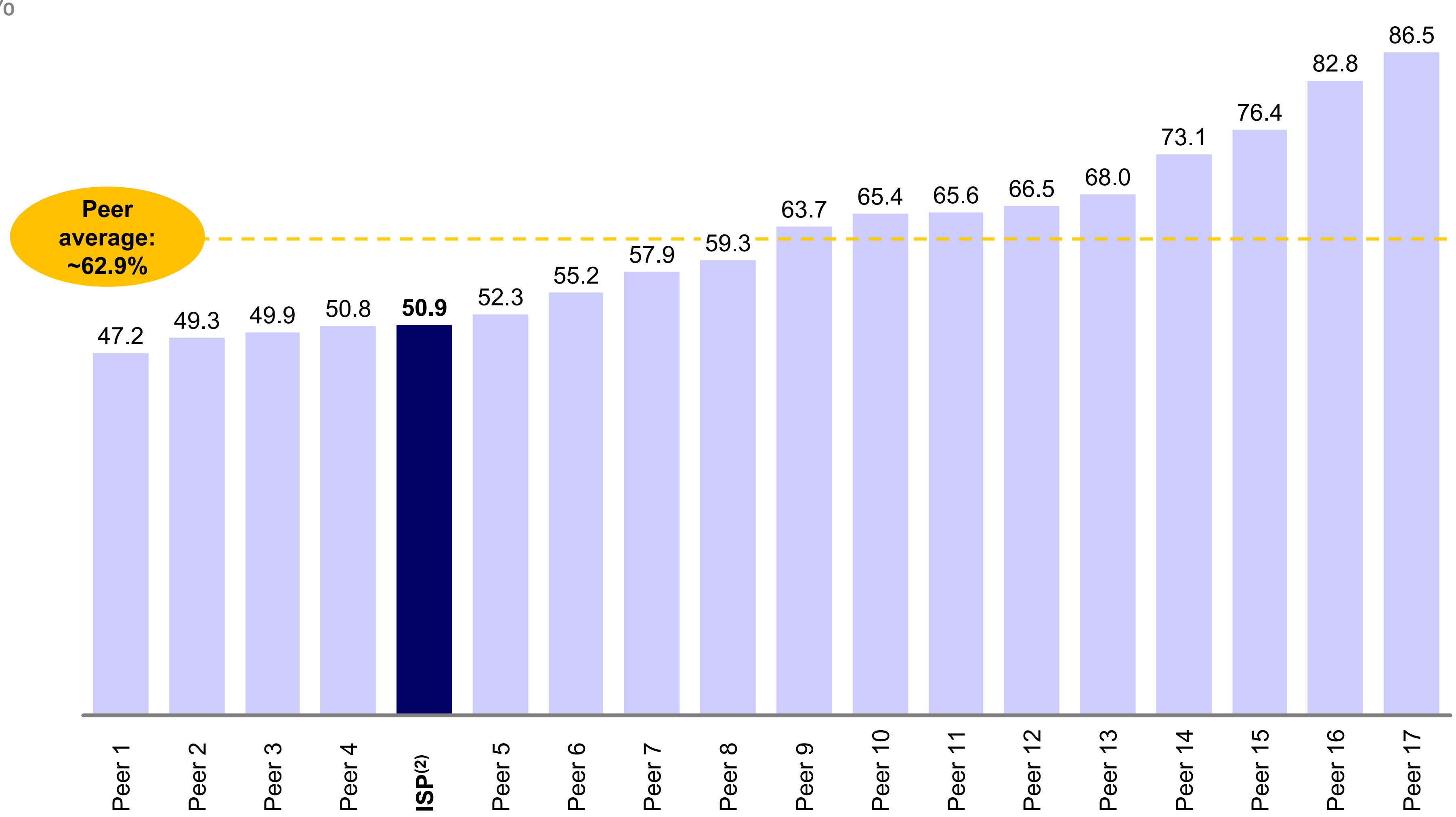
FY17, %



(1) Excluding Corporate Centre and positive impact from Bank of Qingdao and NTV
(2) Excluding contribution to the P&L of the operations of the two former Venetian banks
(3) Private Banking includes Fideuram, Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Bank (Suisse) and Sirefid; Insurance includes Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo Vita; Asset Management includes Eurizon; BdT WM includes ~€2,059m revenues from WM products included in Banca dei Territori (applying a C/I of 35.2%)
(4) Asset Management
(5) Banca dei Territori Wealth Management
(6) Excluding positive impact from NTV
(7) Excluding positive impact from Bank of Qingdao
Note: figures may not add up exactly due to rounding

Among the Leaders in Europe for Cost/Income

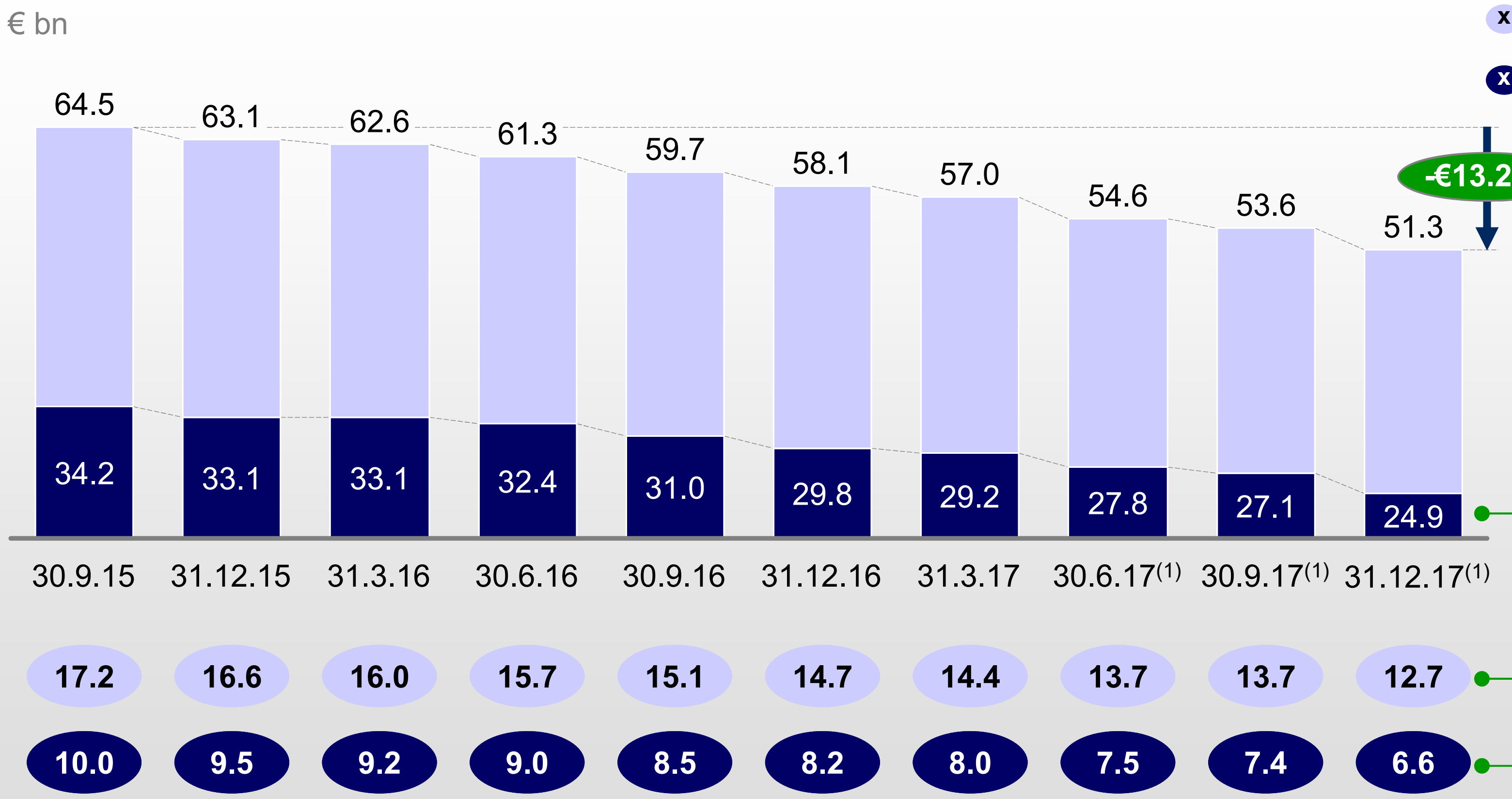
Cost/Income(1)
%



(1) Sample: BBVA, Deutsche Bank, ING, Nordea, Santander and UBS as of 31.12.17; Barclays, BNP Paribas, BPCE, Commerzbank, Crédit Agricole S.A., Credit Suisse, HSBC, Lloyds Banking Group, Société Générale, Standard Chartered and UniCredit as of 30.9.17
(2) Excluding contribution to the P&L of the operations of the two former Venetian banks

€13bn NPL Deleveraging since 30.9.15 at No Cost to Shareholders

NPL stock



€21.9bn after IFRS9 FTA (5.9% Net NPL ratio)

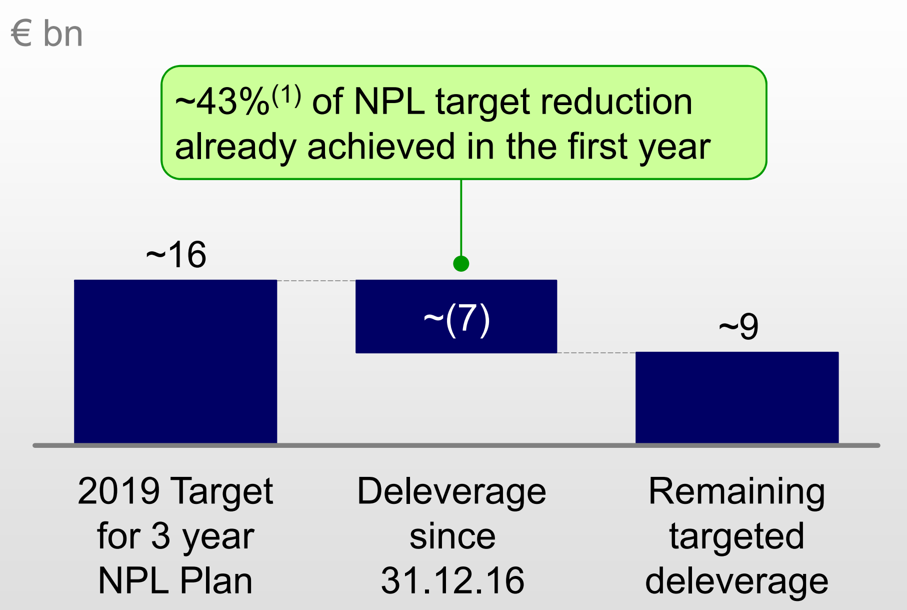
Gross NPL ratio at 11.9% and Net NPL ratio at 6.2% (5.5% after IFRS9 FTA) including the two former Venetian banks

9 consecutive quarters of NPL reduction

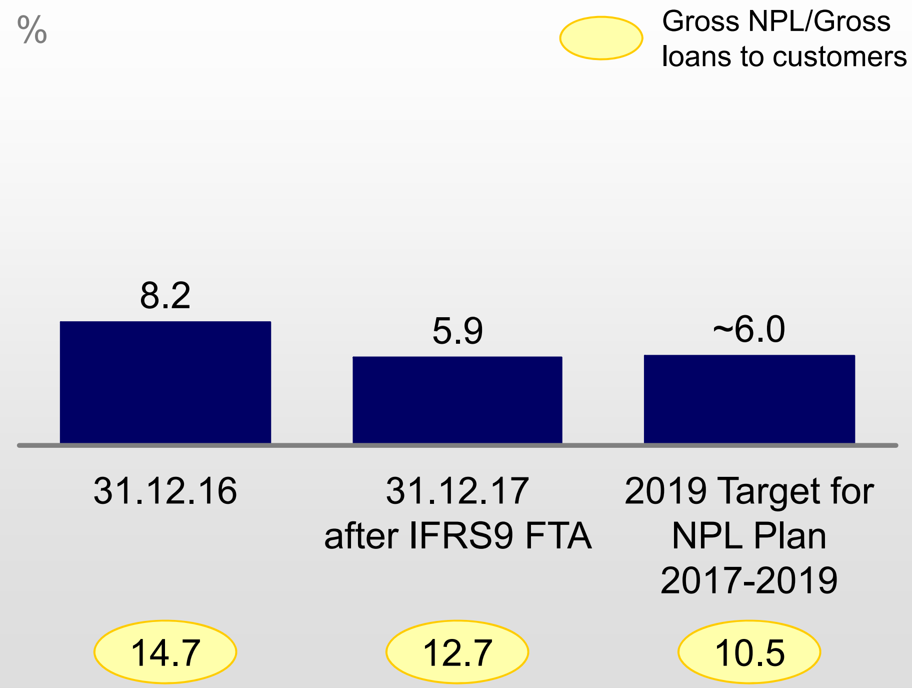
(1) Excluding contribution of the two former Venetian banks

2019 Net NPL Ratio Target Already Achieved, with Tailwinds for the New Business Plan

Gross NPL deleveraging[1]



Net NPL/Net Loans to Customers[1]

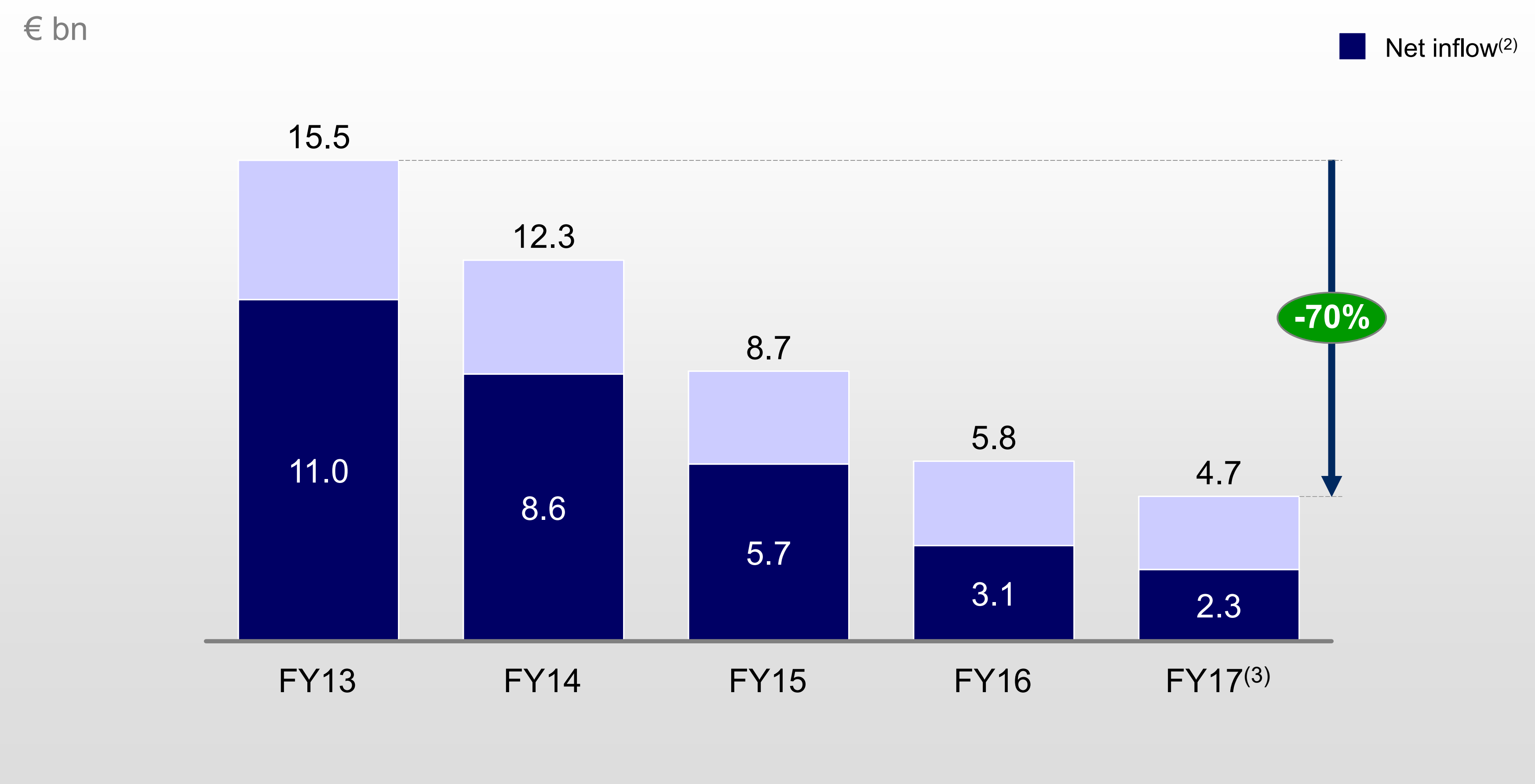


- **Well ahead vs 2017-2019 NPL Plan thanks to accelerated deleveraging and IFRS9 FTA**
- **Our now fully and up and running "NPL recovery machine" gives ISP a strong tailwind for the new Business Plan**

(1) Excluding contribution of the two former Venetian banks
Note: IFRS9 FTA preliminary figures

Lowest NPL Inflow since 2007

Gross NPL inflow[1] from performing loans



(1) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans
(2) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans minus outflow from NPL into performing loans
(3) Including contribution of the two former Venetian banks

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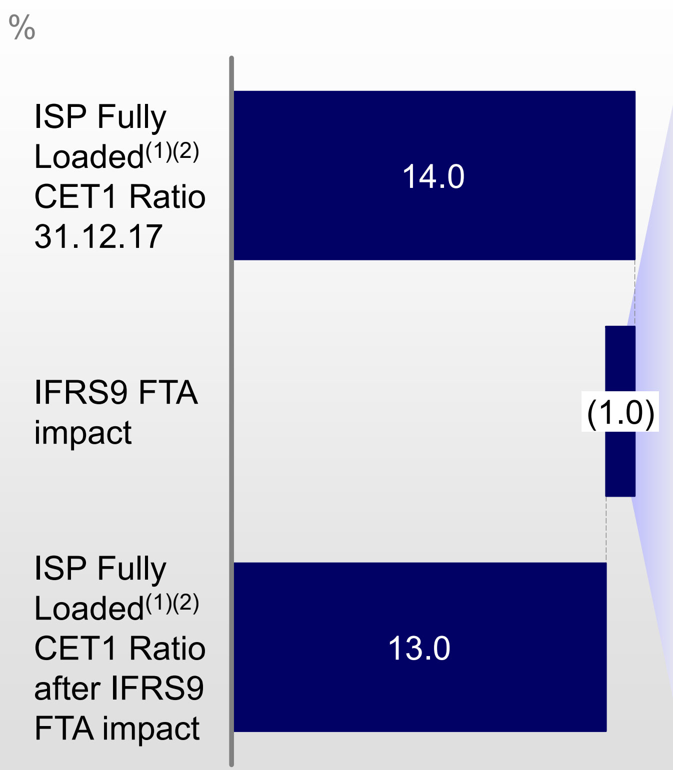
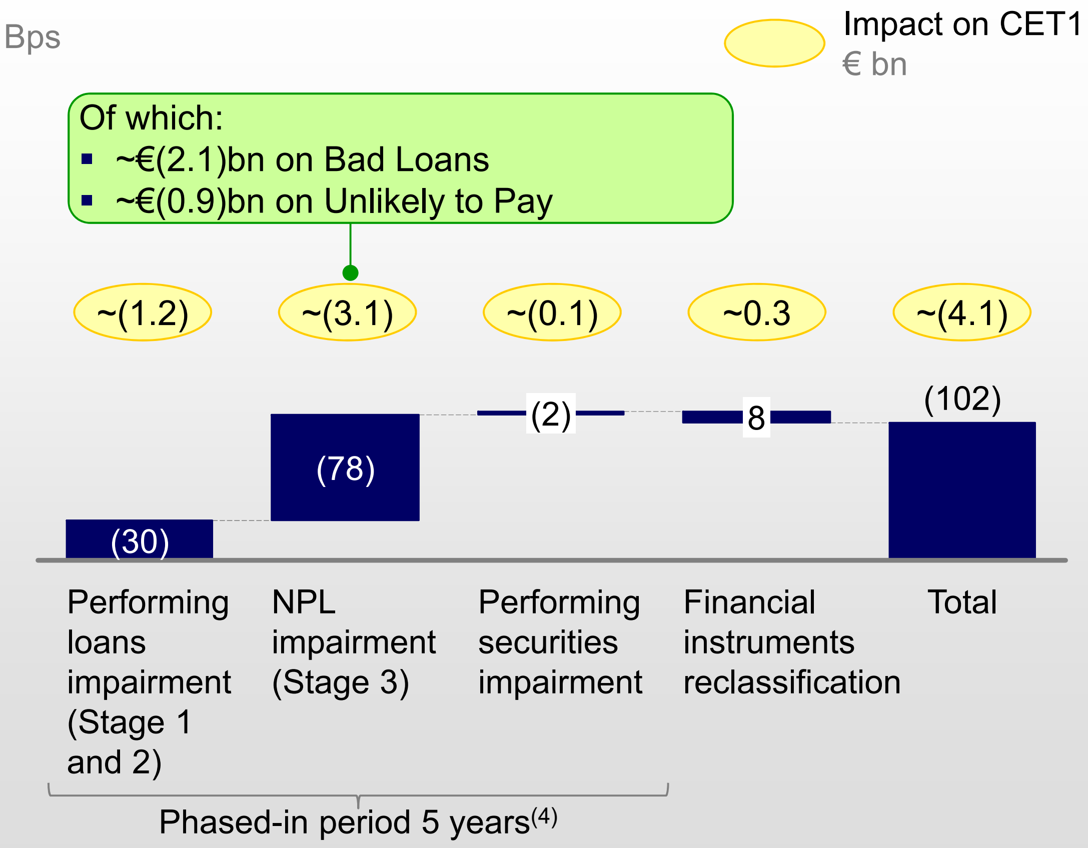
Solid Capital Base Confirmed even after IFRS9 FTA…

Impact of IFRS9 FTA on Fully Loaded CET1 Ratio



13.3% Phased-in CET1 Ratio[1], 13.0% considering IFRS9 FTA and 2018 transitional rules impact

Details of IFRS9 FTA impact on Fully Loaded CET1 Ratio[3]



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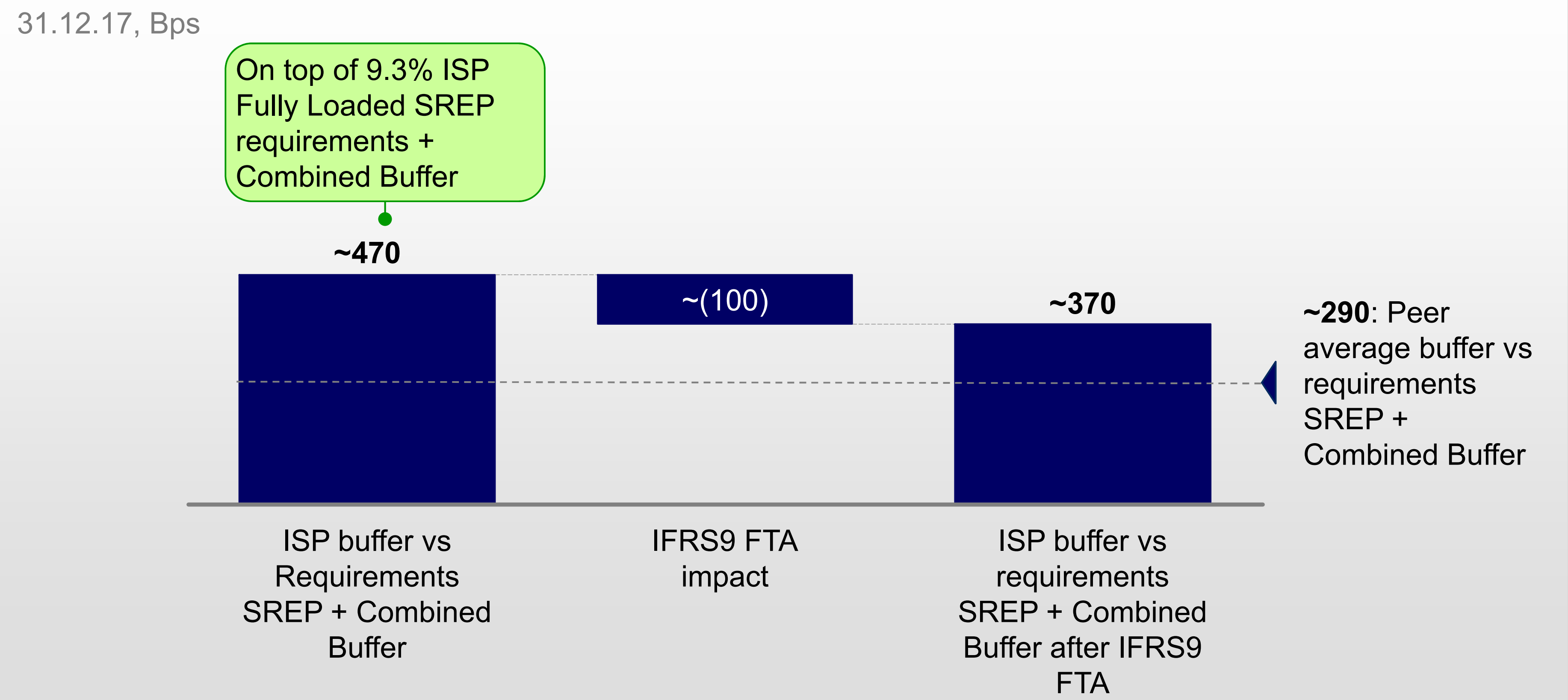
(3) Preliminary figures. €bn figures: pre-tax; bps figures: net of tax
(4) Phased-in period - 2018: 5%; 2019: 15%; 2020: 30%; 2021: 50%; 2022: 75%
Note: IFRS9 FTA preliminary figures; figures may not add up exactly due to rounding

…Well Above Capital Requirements

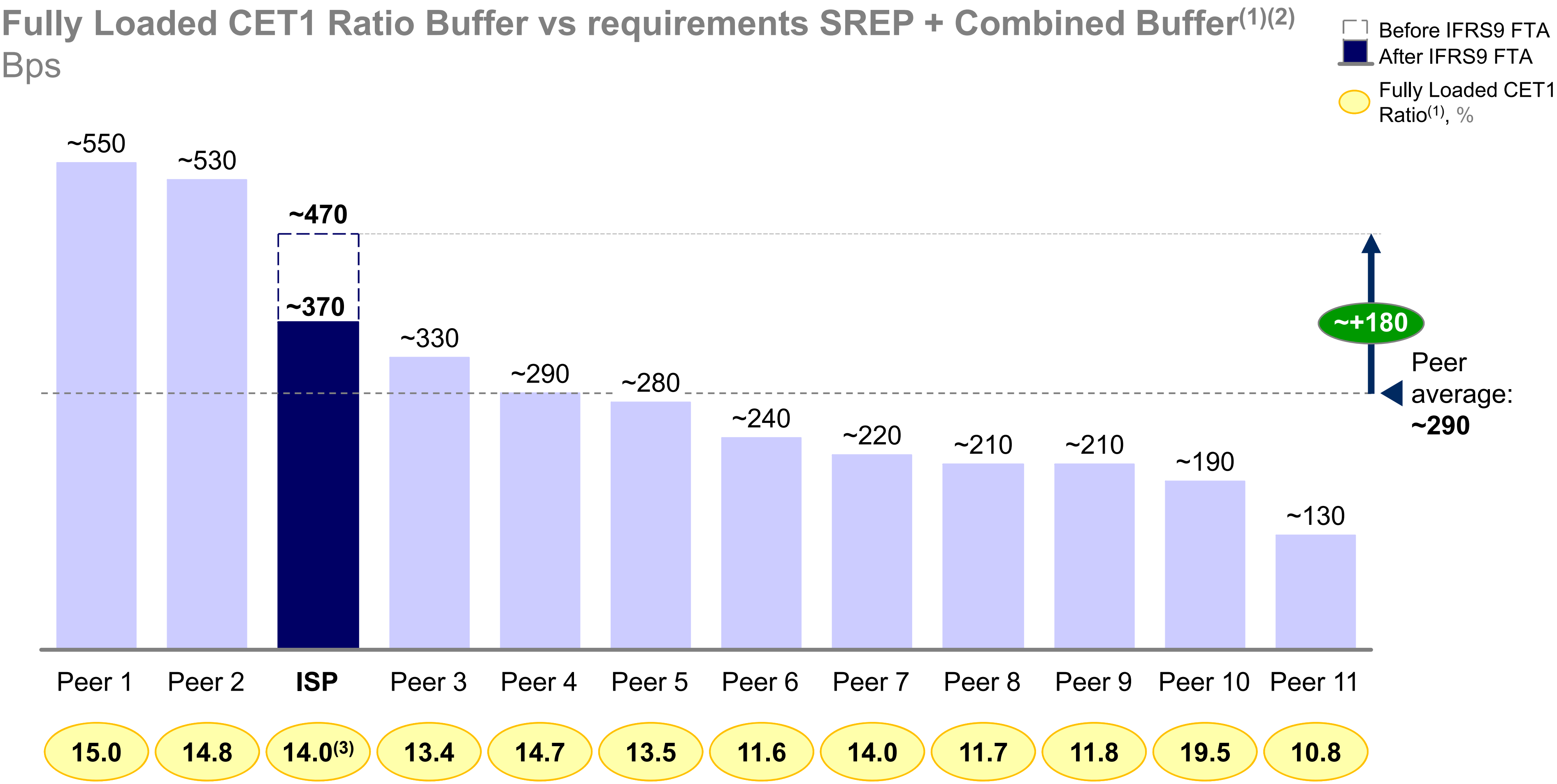
Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer(1)(2)



~€13bn excess capital due to internal capital management, ~€10bn considering IFRS9 FTA

(1) Calculated as the difference between the Fully Loaded CET1 ratio vs requirements SREP + Combined Buffer; only top European banks that have communicated their SREP requirement
(2) Sample: BBVA, Deutsche Bank, ING, Nordea and Santander as of 31.12.17; BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, Société Générale and UniCredit as of 30.9.17. Data may not be fully comparable due to different estimates hypothesis. Source: Investors' Presentations, Press Releases, Conference Calls and Financial Statements
Note: IFRS9 FTA preliminary figures

Best-in-Class Excess Capital, Coupled with Low Leverage



Outstanding leverage ratio at 6.4% (Fully Loaded at 6.1%)

(1) Sample: BBVA, Deutsche Bank, ING, Nordea and Santander as of 31.12.17; BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, Société Générale and UniCredit as of 30.9.17. Data may not be fully comparable due to different estimates hypothesis. Source: Investors' Presentations, Press Releases, Conference Calls and Financial Statements
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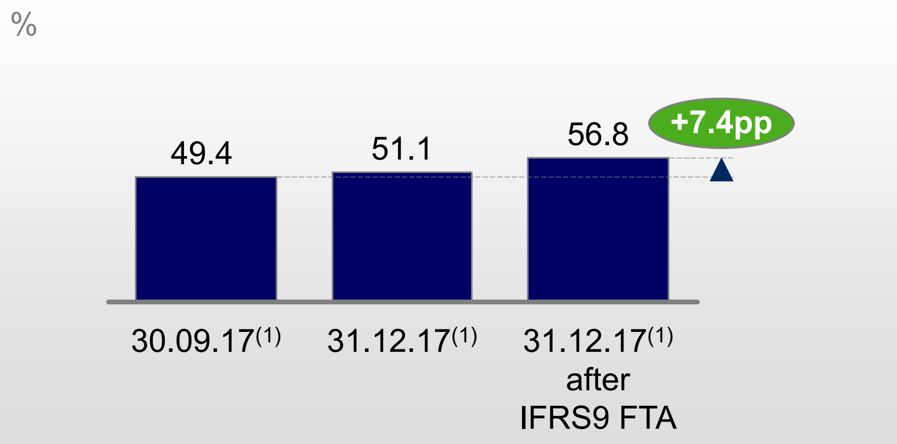
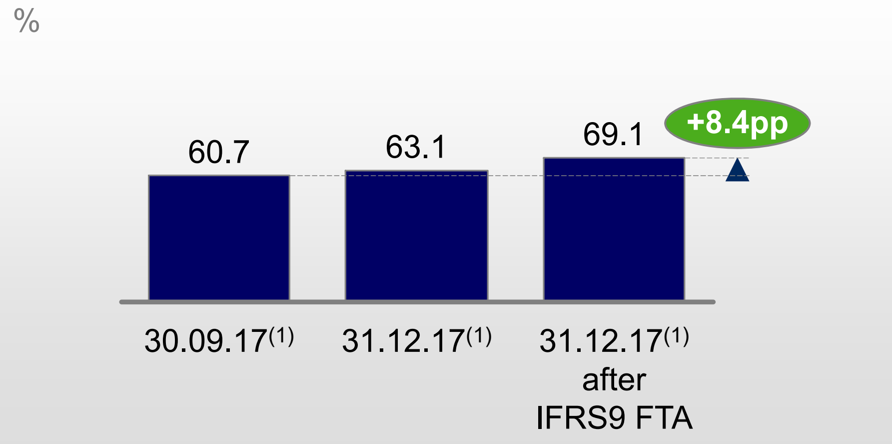
Increased Coverage a Key Enabler for NPL De-risking

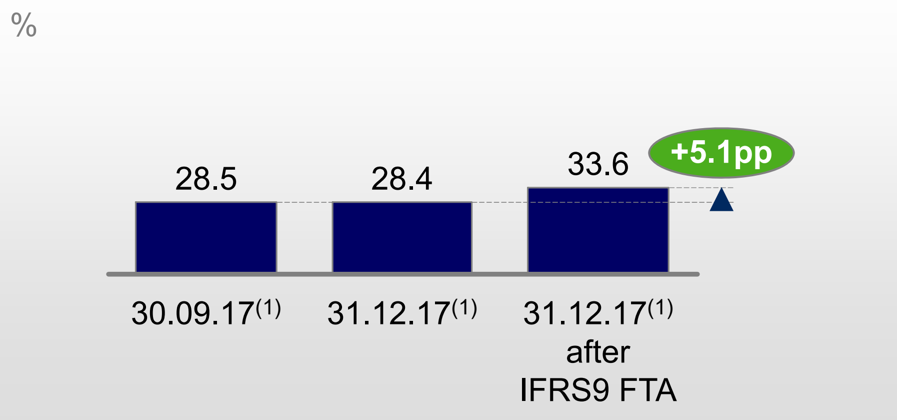
NPL coverage ratio



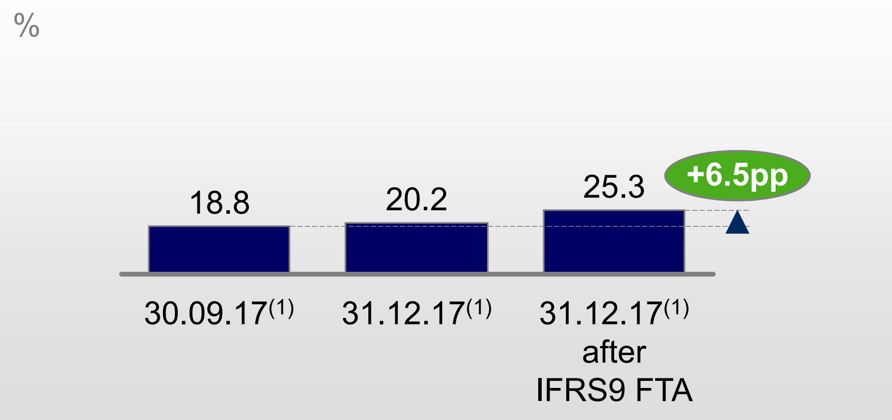
Bad Loans coverage ratio



Unlikely to Pay coverage ratio



Past Due coverage ratio



(1) Including components related to the acquisition of certain operations of the two former Venetian banks
Note: IFRS9 FTA preliminary figures

Contents

2014-2017 Business Plan Delivered Thanks to the Contributions of All Our People

Business Plan successfully delivered…

In spite of a challenging macroeconomic environment…

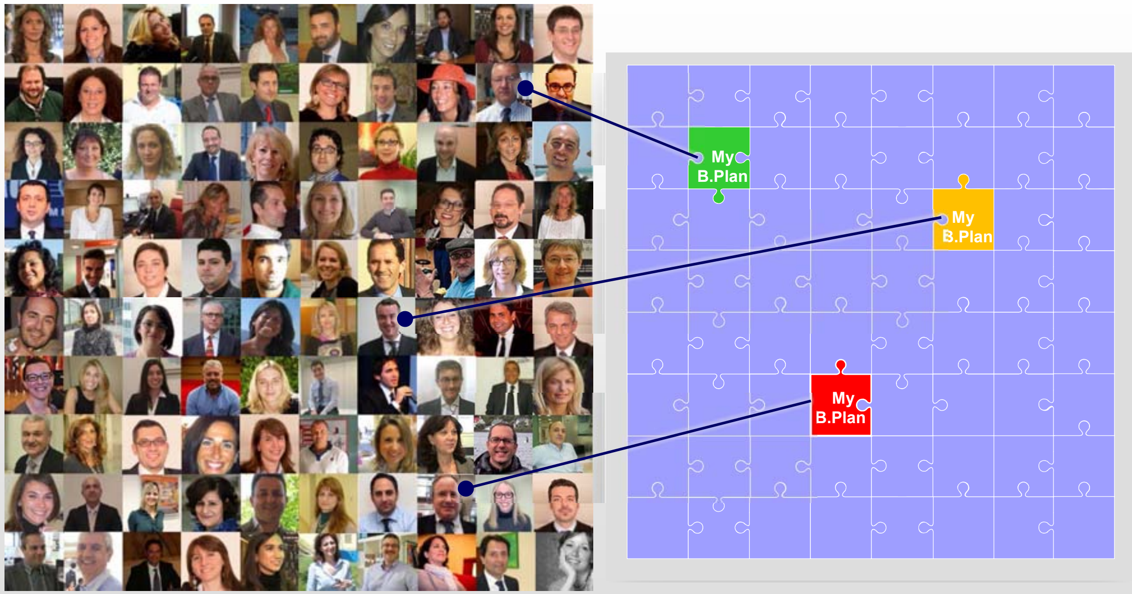
- **Lower interest rates** vs 2014-2017 Business Plan assumptions
- **GDP recovery slower** than expected

…ISP delivered excellent results

- **Unique, efficient and resilient business model** setting a new industry standard
- **Leading capital position** and **solid balance sheet** further strengthened
- **€10bn cash dividend commitment** fully delivered

DELIVERED

…thanks to the contributions of all our people…



…who are ready for the new Business Plan

ISP Outlook for 2018

Growth in Operating income and continued cost management…

… leading to Operating margin growth

Decline in cost of risk…

… triggering further growth in Gross income

Growth in Net income vs 2017

2017 Results

Detailed Information

2017: Key P&L Figures

€ m

	Including the two former Venetian banks(1)	Excluding the two former Venetian banks(1)
Operating income	17,443	17,177
Operating costs	(9,210)	(8,739)
Cost/Income ratio	52.8%	50.9%
Operating margin	8,233	8,438
Gross income (loss)(2)	9,457	9,716
Net income(2)	7,316	7,313
Net income excluding the public cash contribution	3,816	3,813

Methodological note: "former Venetian banks" means operations of Banca Popolare di Vicenza, Veneto Banca and its Romanian branches (included in the P&L since 30.6.17), Banca Nuova, Banca Apulia, Veneto Banka DD (Croatia), Veneto Banka Sh.a (Albania), Servizi Bancari and SEC Servizi (included in the P&L since 30.9.17), unless otherwise stated.
Data excluding the two former Venetian banks are management data
(1) Including/excluding components related to the acquisition of operations of the two former Venetian banks
(2) Including public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios

2017: Key Balance Sheet Figures

€ m

	Including the two former Venetian banks[1]
Loans to Customers	410,746
Customer Financial Assets[2]	943,228
of which Direct Deposits from Banking Business	423,474
of which Direct Deposits from Insurance Business and Technical Reserves	152,403
of which Indirect Customer Deposits	518,443
- Assets under Management	*337,998*
- Assets under Administration	*180,445*

(1) Including components related to the acquisition of operations of the two former Venetian banks
(2) Net of duplications between Direct Deposits and Indirect Customer Deposits

Contents

2017: Net Income at €3.8bn, the Highest since 2007

€ m

	2016	2017		Δ%
	Restated [A]	(incl. the two former Venetian banks[1]) [B]	(excl. the two former Venetian banks[1]) [C]	[C] / [A]
Net interest income	7,294	7,264	7,111	(2.5)
Net fee and commission income	7,331	7,843	7,735	5.5
Income from insurance business	995	933	933	(6.2)
Profits (Losses) on trading	1,190	1,311	1,341	12.7
Other operating income (expenses)	165	92	57	(65.5)
Operating income	**16,975**	**17,443**	**17,177**	**1.2**
Personnel expenses	(5,323)	(5,670)	(5,385)	1.2
Other administrative expenses	(2,630)	(2,730)	(2,568)	(2.4)
Adjustments to property, equipment and intangible assets	(749)	(810)	(786)	4.9
Operating costs	**(8,702)**	**(9,210)**	**(8,739)**	**0.4**
Operating margin	**8,273**	**8,233**	**8,438**	**2.0**
Net adjustments to loans	(3,708)	(3,304)	(3,253)	(12.3)
Net provisions and net impairment losses on other assets	(422)	(218)	(215)	(49.1)
Other income (expenses)	355	4,746	4,746	n.m.
Income (Loss) from discontinued operations	952	0	0	(100.0)
Gross income (loss)	**5,450**	**9,457**	**9,716**	**78.3**
Taxes on income	(1,428)	(1,481)	(1,553)	8.8
Charges (net of tax) for integration and exit incentives	(150)	(300)	(121)	(19.3)
Effect of purchase price allocation (net of tax)	(112)	327	(51)	(54.5)
Levies and other charges concerning the banking industry (net of tax)	(559)	(649)	(637)	14.0
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	n.m.
Minority interests	(90)	(38)	(41)	(54.4)
Net income	**3,111**	**7,316**	**7,313**	**135.1**
Net income excluding the public cash contribution[2]	**3,111**	**3,816**	**3,813**	**22.6**

€6,216m (+14%) excluding public cash contribution[2]

€4,450m (+21%) excluding Levies and other charges concerning the banking industry[3]

Note: figures may not add up exactly due to rounding differences. 2016 data restated to reflect Banca ITB (rebranded Banca 5) consolidation

(1) Including/excluding components related to the acquisition of operations of the two former Venetian banks. H2 contribution of the two former Venetian banks to the consolidated P&L equal to ~€200m of net operating losses offset by PPA (mainly DTA)

(2) €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios

(3) €935m pre-tax (€637m net of tax) of which charges for the Resolution Fund: €163m pre-tax (€114m net of tax), charges for the Atlante Fund stake write-down: €449m pre-tax (€301m net of tax), charges for Deposit Guarantee Scheme: €121m pre-tax (€84m net of tax), extraordinary charges for the Voluntary Deposit Guarantee Scheme: €154m pre-tax (€103m net of tax)

Q4 vs Q3: Net Income Driven by Solid Operating Performance

€ m

	3Q17		4Q17		Δ%
	(incl. the two former Venetian banks(1)) [A]	(excl. the two former Venetian banks(1)) [B]	(incl. the two former Venetian banks(1)) [C]	(excl. the two former Venetian banks(1)) [D]	[D] / [B]
Net interest income	1,807	1,749	1,837	1,742	(0.4)
Net fee and commission income	1,946	1,889	2,146	2,095	10.9
Income from insurance business	227	227	183	183	(19.4)
Profits (Losses) on trading	182	208	538	542	160.6
Other operating income (expenses)	11	4	9	(19)	n.m.
Operating income	**4,173**	**4,077**	**4,713**	**4,543**	**11.4**
Personnel expenses	(1,440)	(1,310)	(1,606)	(1,451)	10.8
Other administrative expenses	(680)	(620)	(834)	(732)	18.1
Adjustments to property, equipment and intangible assets	(202)	(192)	(234)	(220)	14.6
Operating costs	**(2,322)**	**(2,122)**	**(2,674)**	**(2,403)**	**13.2**
Operating margin	**1,851**	**1,955**	**2,039**	**2,140**	**9.5**
Net adjustments to loans	(643)	(646)	(1,229)	(1,175)	81.9
Net provisions and net impairment losses on other assets	(23)	(25)	(135)	(130)	420.0
Other income (expenses)	72	72	861	861	n.m.
Income (Loss) from discontinued operations	0	0	0	0	n.m.
Gross income (loss)	**1,257**	**1,356**	**1,536**	**1,696**	**25.1**
Taxes on income	(343)	(374)	(249)	(290)	(22.5)
Charges (net of tax) for integration and exit incentives	(20)	(20)	(227)	(48)	140.0
Effect of purchase price allocation (net of tax)	(26)	(26)	364	(14)	(46.2)
Levies and other charges concerning the banking industry (net of tax)	(192)	(179)	3	2	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	0	n.m.
Minority interests	(26)	(26)	1	(2)	(92.3)
Net income	**650**	**731**	**1,428**	**1,344**	**83.9**

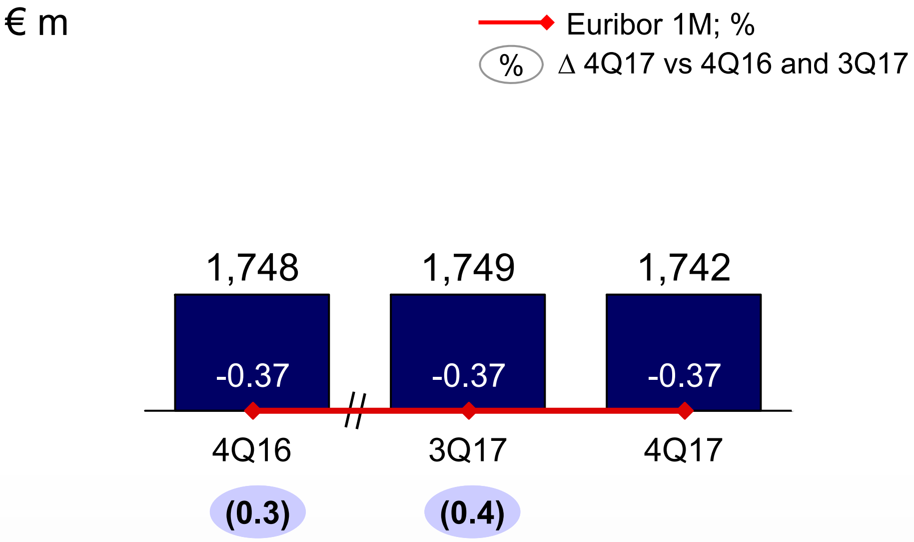
Note: figures may not add up exactly due to rounding differences

(1) Including/excluding components related to the acquisition of operations of the two former Venetian banks. H2 contribution of the two former Venetian banks to the consolidated P&L equal to ~€200m of net operating losses offset by PPA (mainly DTA)

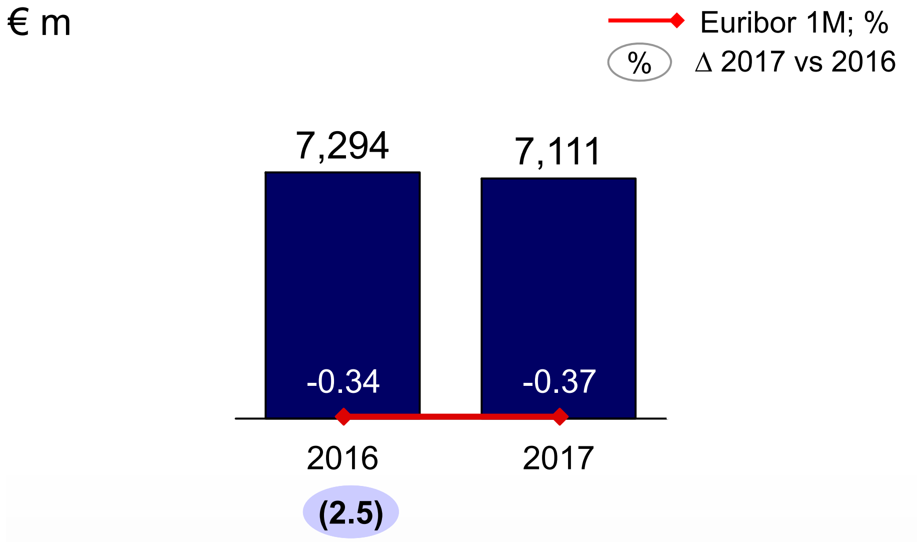
Net Interest Income: Impacted by All-Time Low Interest Rates

Data excluding components related to the acquisition of operations of the two former Venetian banks

Quarterly Analysis	Yearly Analysis



- 3.9% growth in average Performing loans to customers vs 4Q16
- 4.1% growth in average Direct deposits from banking business vs 4Q16



- **+0.2% when excluding the impact from the Egyptian currency devaluation**
- ~€410m growth in the commercial component
- Decrease due to active management of securities portfolio, Egyptian currency devaluation and lower contribution from core deposit hedging
- 3.5% growth in average Performing loans to customers, +4.2% excluding the Capital Light Bank
- 4.6% growth in average Direct deposits from banking business

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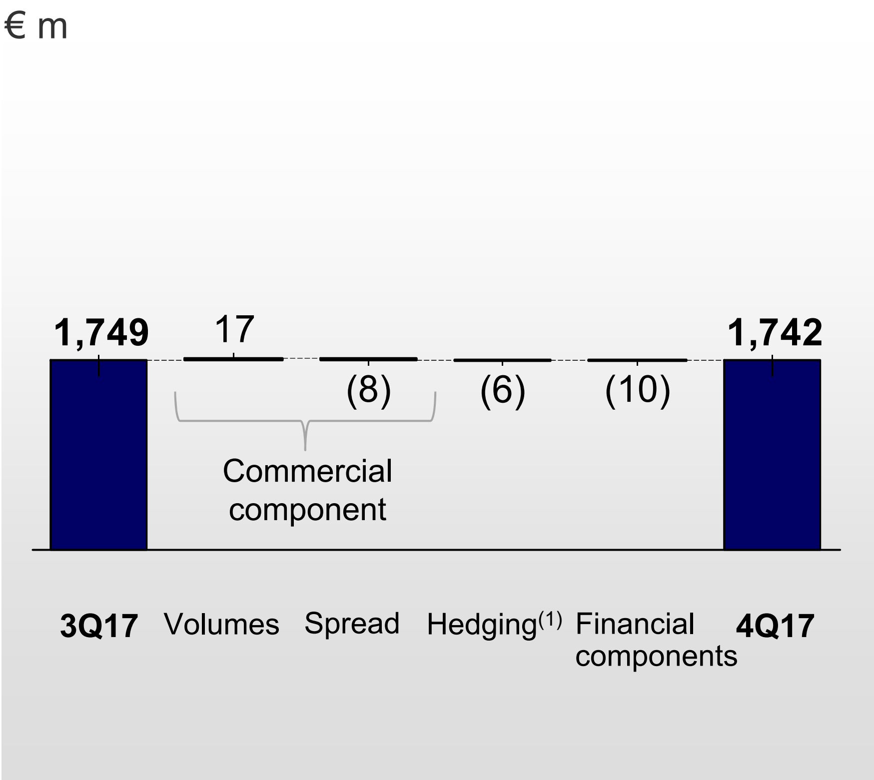
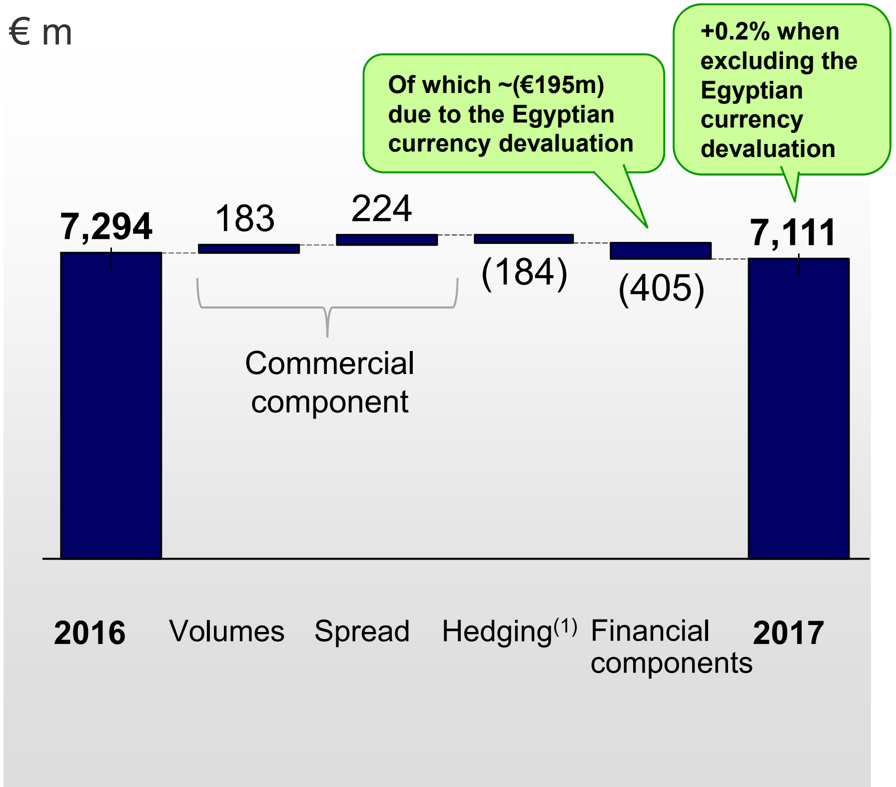
Net Interest Income: Increase in the Commercial Component

Data excluding components related to the acquisition of operations of the two former Venetian banks

Quarterly Analysis



Yearly Analysis



Note: figures may not add up exactly due to rounding differences
(1) ~€426m benefit from hedging on core deposits in 2017, of which ~€96m in 4Q17

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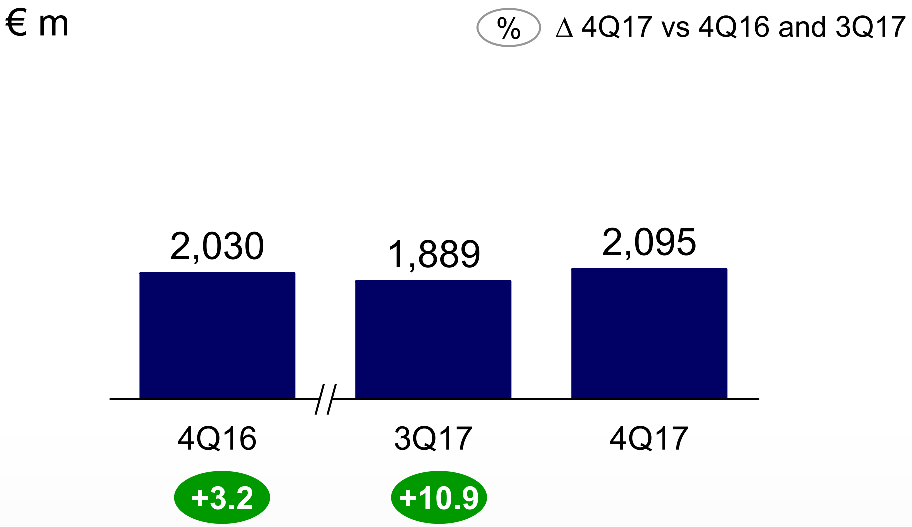
Net Fee and Commission Income: All-time High Performance

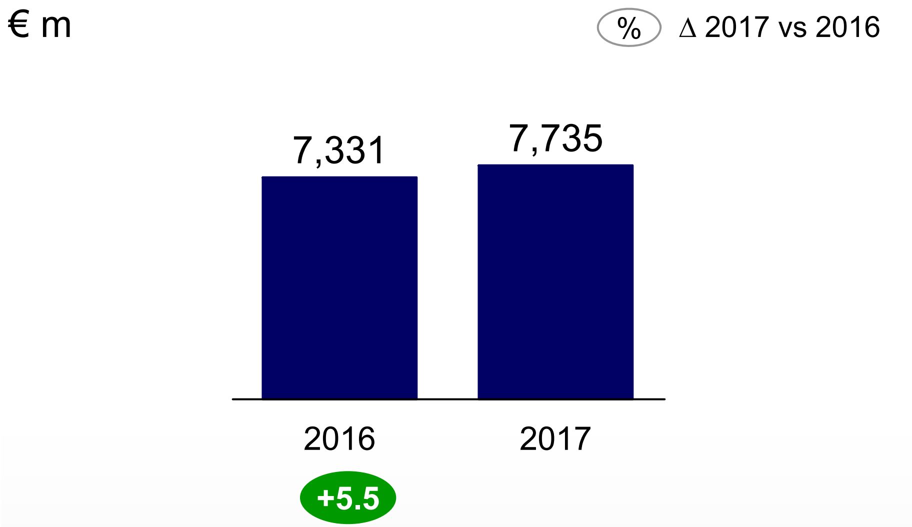
Data excluding components related to the acquisition of operations of the two former Venetian banks

Quarterly Analysis



- **Q4, the best quarter ever**
- **Increase vs 4Q16 mainly due to the growth in commissions from Management, dealing and consultancy activities (+12.4%; +€143m)**
- **€5.8bn increase in AuM stock in Q4**

Yearly Analysis



- **FY17, the best year ever**
- **Strong growth in commissions from Management, dealing and consultancy activities (+12.1%; +€511m) owing mainly to Dealing and placement of securities, AuM and insurance products**
- **~€23bn increase in AuM stock on a yearly basis**

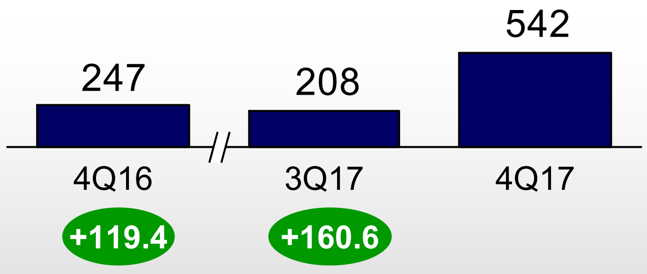
Profits on Trading: Very Solid Performance

Data excluding components related to the acquisition of operations of the two former Venetian banks

Quarterly Analysis

€ m

% Δ 4Q17 vs 4Q16 and 3Q17

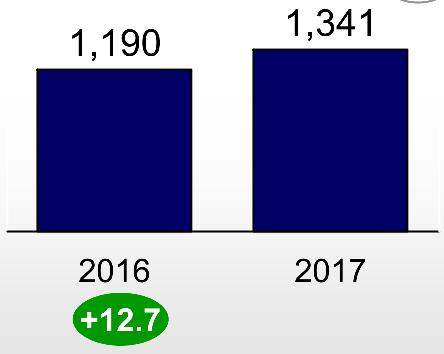


- **Strong growth in customer driven activity in Q4**

Yearly Analysis

€ m

% Δ 2017 vs 2016



- **Increase mainly due to customer driven activity**

Contributions by Activity

	4Q16	3Q17	4Q17	2016	2017
Customers	**117**	**118**	**251**	**456**	**637**
Capital markets & Financial assets AFS	**39**	**22**	**167**	**214**	**226**
Trading and Treasury	**83**	**63**	**120**	**501**[1]	**450**[2]
Structured credit products	**8**	**5**	**3**	**19**	**28**

Note: figures may not add up exactly due to rounding differences
(1) Of which €121m Bank of Italy dividend
(2) Of which €10m Bank of Italy dividend

Operating Costs: Lowest Ever Administrative Costs

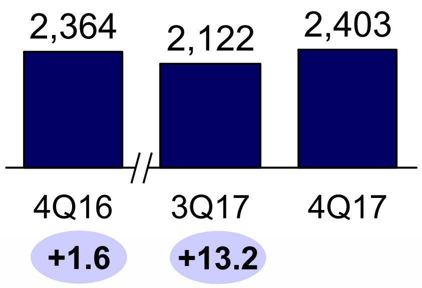
Data excluding components related to the acquisition of operations of the two former Venetian banks

Quarterly Analysis

% Δ 4Q17 vs 4Q16 and 3Q17

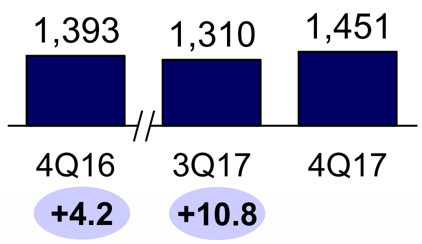
Operating Costs

€ m



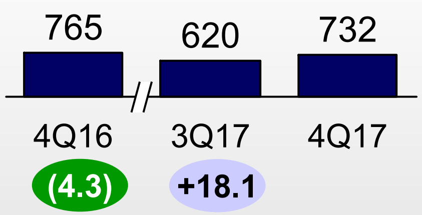
Personnel Expenses

€ m



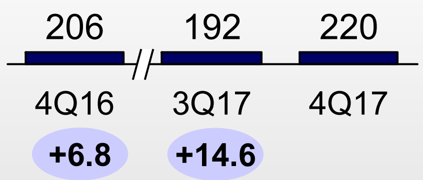
Other Administrative Expenses

€ m



Adjustments

€ m



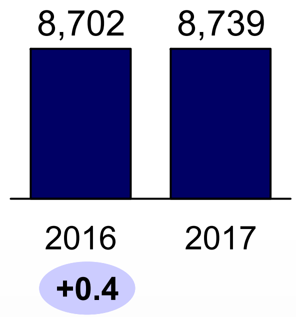
- **4.3% decrease in Other Administrative Expenses vs 4Q16**
- **Increase in Other Administrative Expenses vs 3Q17 due to seasonal effects at year-end and advertising costs**
- **Personnel expenses up vs 3Q17 due to incentives to trigger growth**

Yearly Analysis

% Δ 2017 vs 2016

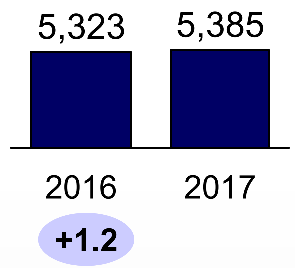
Operating Costs

€ m



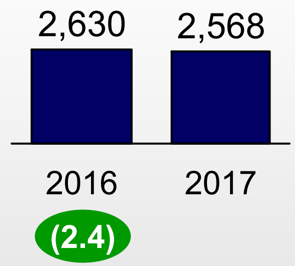
Personnel Expenses

€ m



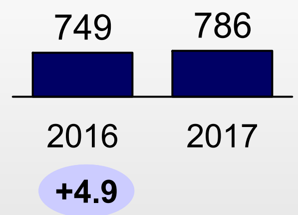
Other Administrative Expenses

€ m



Adjustments

€ m



- **2.4% decrease in Other Administrative Expenses, the lowest level ever**
- **Almost stable Operating costs**
- **Cost/Income ratio at 50.9% (vs 51.3% in FY16)**

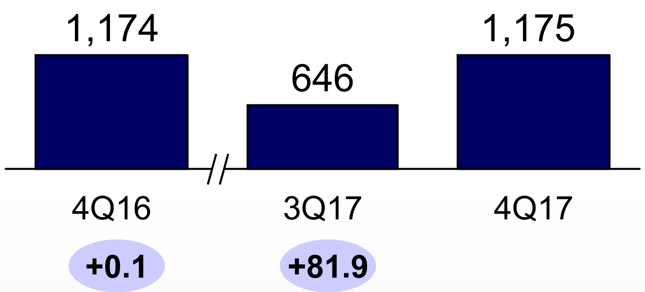
Net Adjustments to Loans: Cost of Credit Down, Coupled with Increased Coverage and Strong Reduction in NPL Stock and Inflow

Data excluding components related to the acquisition of operations of the two former Venetian banks

Quarterly Analysis

€ m

% Δ 4Q17 vs 4Q16 and 3Q17

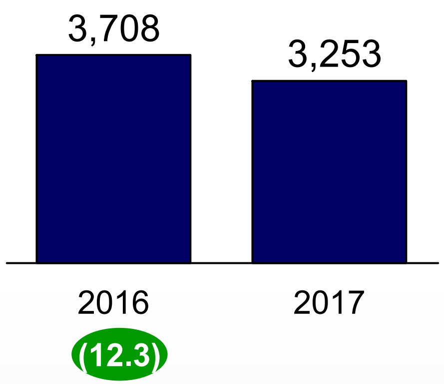


- **Very conservative provisioning in Q4 also taking into account profits from disposal of non-core assets**
- **Ninth consecutive quarterly reduction in NPL stock**
- **€13bn NPL deleveraging vs 30.9.15 (more than €2bn decrease in Q4)**

Yearly Analysis

€ m

% Δ 2017 vs 2016



- **Cost of credit down to 79bps(1) (vs 102bps in FY16)**
- **2017 saw the lowest inflow of NPL from Performing loans since ISP was created (2007)**
- **Strong decline in NPL inflow (-19% gross and -25% net)**
- **Non-performing loans cash coverage up to 51.1%(2) (vs 48.8% as of 31.12.16), 56.8% after IFRS9 FTA(3)**

(1) Calculated excluding the two former Venetian banks' contribution to the P&L and including their loans
(2) Including components related to the acquisition of operations of the two former Venetian banks
(3) IFRS9 FTA preliminary data

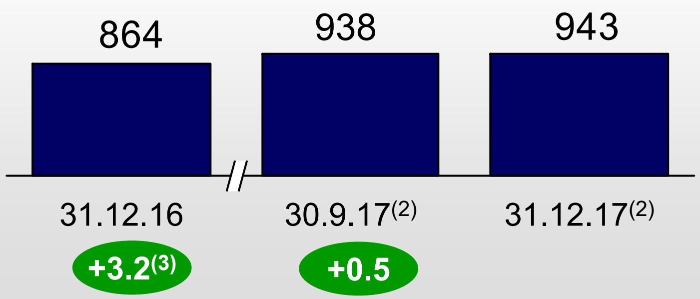
Contents

Strong Growth in Customer Financial Assets Driven by AuM

% Δ 31.12.17 vs 31.12.16 and 30.9.17

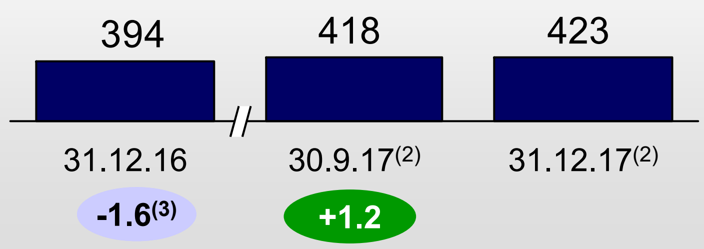
Customer Financial Assets[1]

€ bn



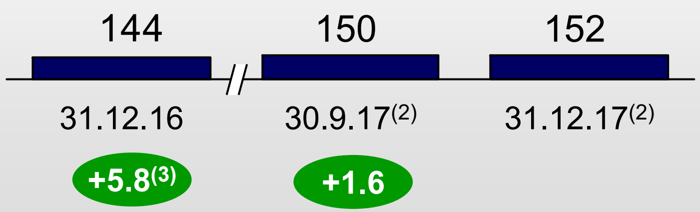
Direct Deposits from Banking Business

€ bn



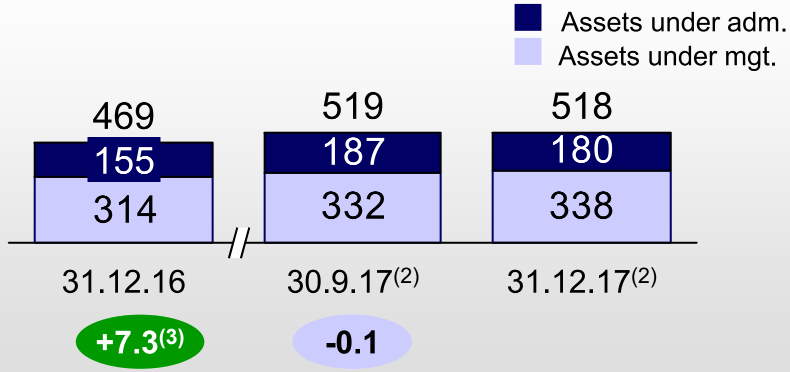
Direct Deposits from Insurance Business and Technical Reserves

€ bn



Indirect Customer Deposits

€ bn



Note: figures may not add up exactly due to rounding differences

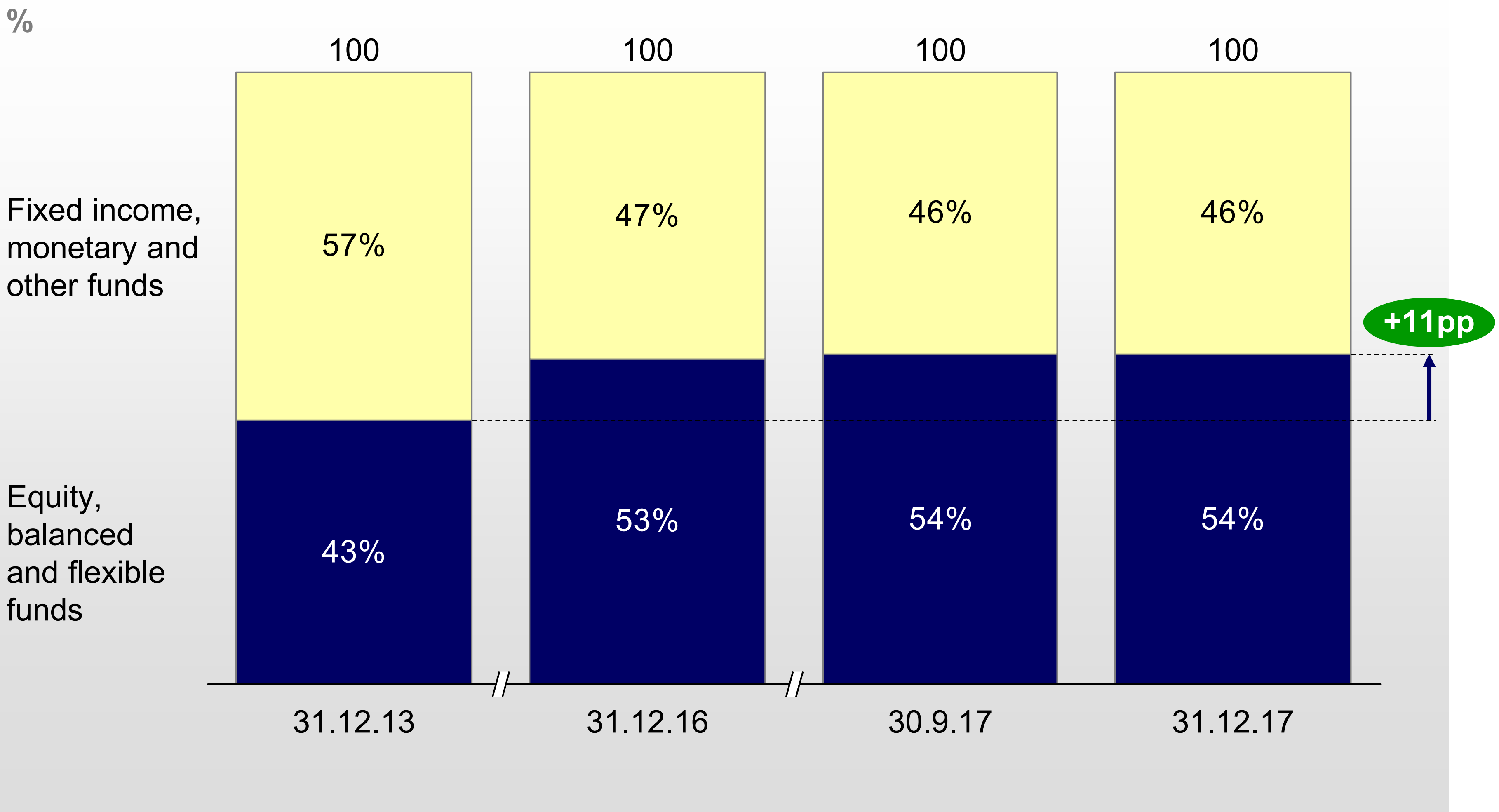
(1) Net of duplications between Direct Deposits and Indirect Customer Deposits

(2) Data including the two former Venetian banks

(3) Data excluding the two former Venetian banks

Mutual Funds Mix

Mutual funds mix



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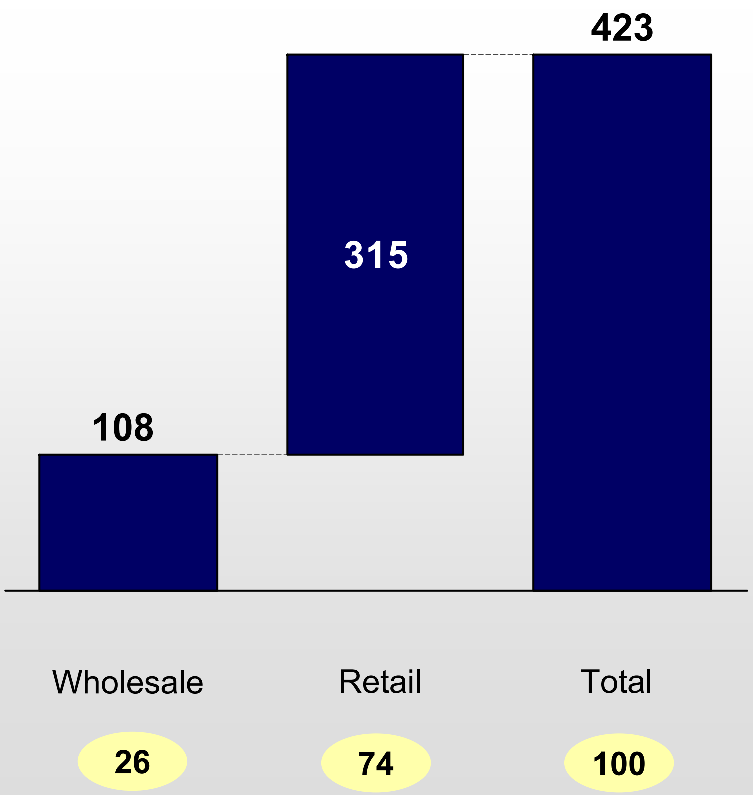
Stable and Reliable Source of Funding from Retail Branch Network

Breakdown of Direct Deposits from Banking Business

€ bn as of 31.12.17; % Percentage of total



	Wholesale	Retail
Current accounts and deposits	9	280
Repos and securities lending	21	-
Senior bonds	43	13(1)
Covered bonds	12	-
EMTN puttable	-	-
Certificates of deposit + Commercial papers	11	-
Subordinated liabilities	11	2
Other deposits	1	20(2)

Placed with Private Banking clients

Retail funding represents 74% of Direct deposits from banking business

Note: figures may not add up exactly due to rounding differences
(1) ~30% placed with Private Banking clients
(2) Including Certificates

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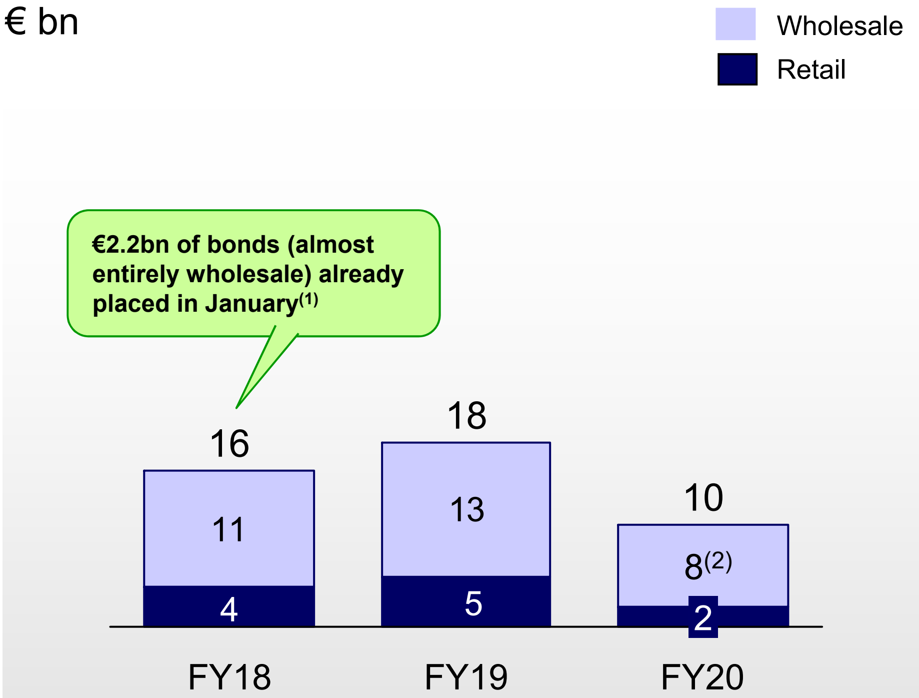
Strong Funding Capability: Broad Access to International Markets

2018-2020 MLT Bond Maturities



ISP Main Wholesale Issues

2015

- €6.5bn of eurobonds (of which €2.25bn of covered bonds) and $1bn Additional Tier 1 placed. On average 80% demand from foreign investors; targets exceeded by 210%

2016

- $1.5bn subordinated Tier 2, €1.25bn Additional Tier 1 and €1.25bn of covered bonds placed. On average 88% demand from foreign investors; targets exceeded by 168%

2017

- €2bn Additional Tier 1, €2.5bn senior unsecured eurobond, €1bn of covered bonds, €500m green bond and $2.5bn senior unsecured placed. On average 83% demand from foreign investors; targets exceeded by 167%
  - January: €1.25bn Additional Tier 1 issue and €1bn 7y senior unsecured eurobond issue
  - April: €1.5bn 5y senior unsecured eurobond issue
  - May: €750m Additional Tier 1 issue
  - June: €1bn 10y covered bonds backed by residential mortgages and inaugural €500m 5y senior unsecured green bond, first Italian bank to debut as a "green" issuer
  - July: $2.5bn senior unsecured issue equally split between 5y and 10y tranches

2018

- January: $2.5bn triple-tranche senior unsecured issue split between $1bn 5y, $1bn 10y and $500m 30y tranches. On average 99% demand from foreign investors; targets exceeded by 316%

Note: data including the two former Venetian banks. Figures may not add up exactly due to rounding differences
(1) Data as of 31.1.18
(2) Net of government-guaranteed senior notes issued by the former Venetian banks repurchased during the liability management transaction executed in January

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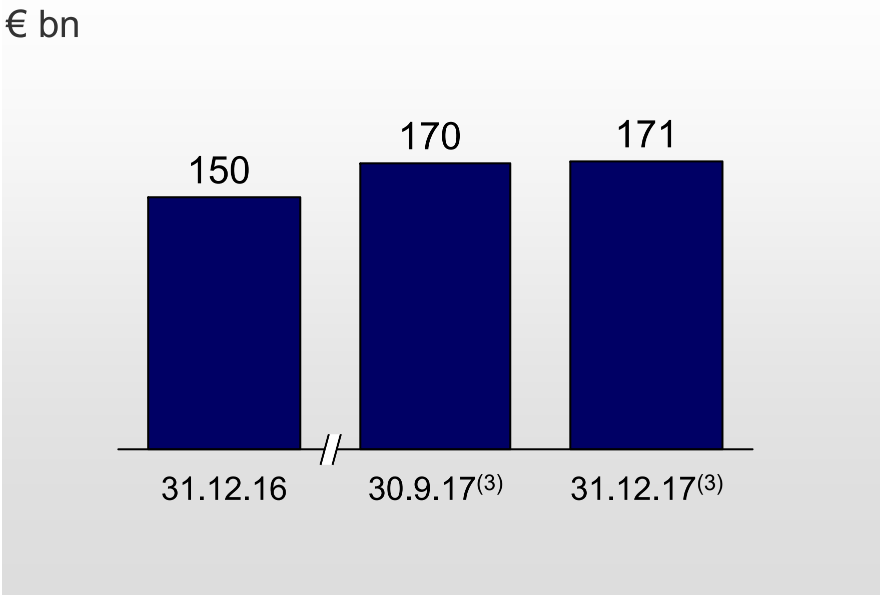
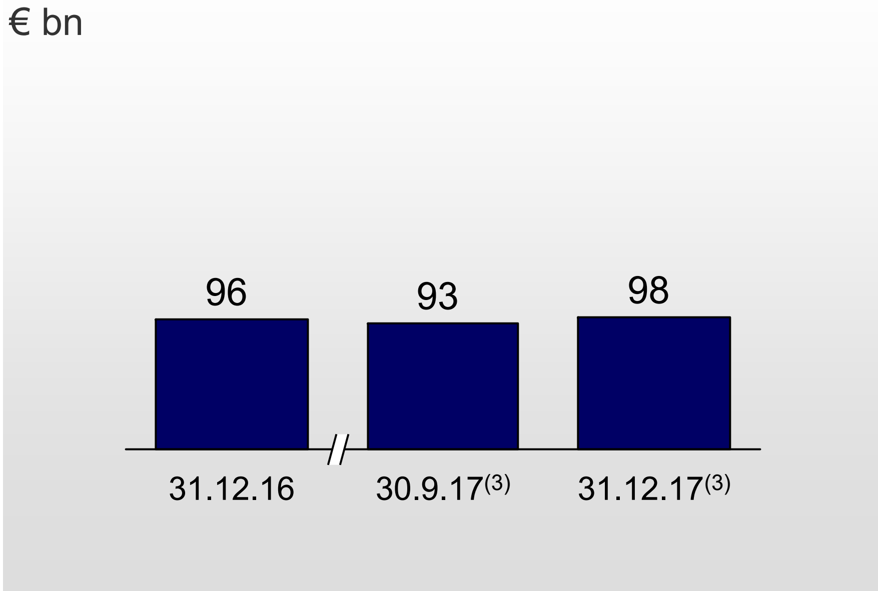
High Liquidity: LCR and NSFR Well Above Basel 3 Requirements for 2018

Liquid assets[1]



Unencumbered eligible assets with Central Banks[2] (net of haircuts)



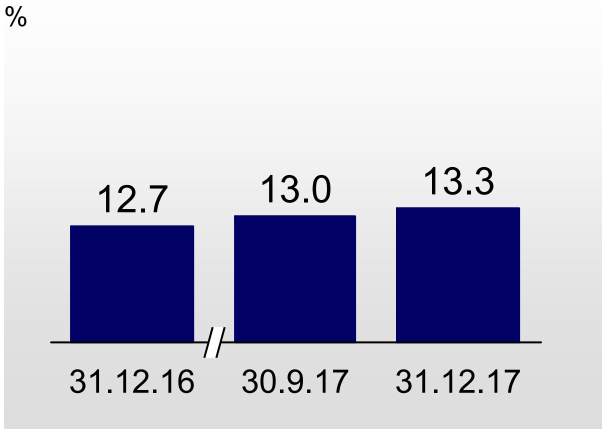
- **TLTRO II: ~€57bn[4]**
- **Loan to Deposit ratio[3][5] at 97%**

(1) Stock of own-account eligible assets (including assets used as collateral and excluding eligible assets received as collateral) and cash & deposits with Central Banks
(2) Eligible assets freely available (excluding assets used as collateral and including eligible assets received as collateral) and cash & deposits with Central Banks
(3) Including components related to the acquisition of operations of the two former Venetian banks
(4) In June 2016: ~€36bn against a repayment of the €27.6bn borrowed under TLTRO I, in September 2016: ~€5bn, in December 2016: ~€3.5bn and in March 2017: €12bn. ~€64bn including components related to the acquisition of operations of the two former Venetian banks
(5) Loans to Customers/Direct Deposits from Banking Business

Solid and Increased Capital Base

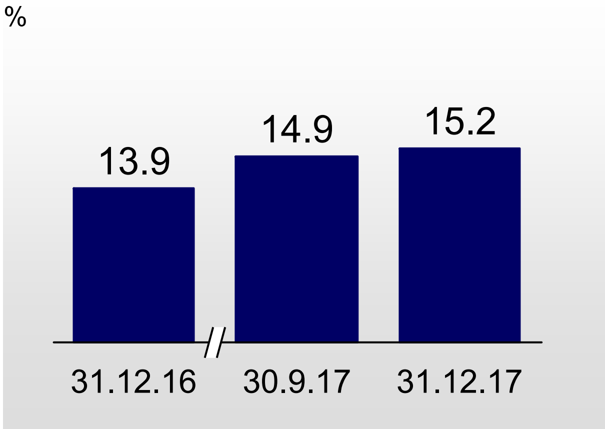
Phased-in Common Equity Ratio

After dividends (€3.4bn in 2017)



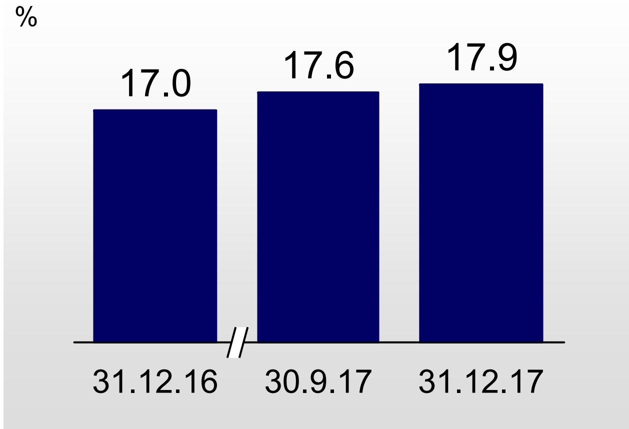
Phased-in Tier 1 Ratio

After dividends (€3.4bn in 2017)



Phased-in Total Capital Ratio

After dividends (€3.4bn in 2017)



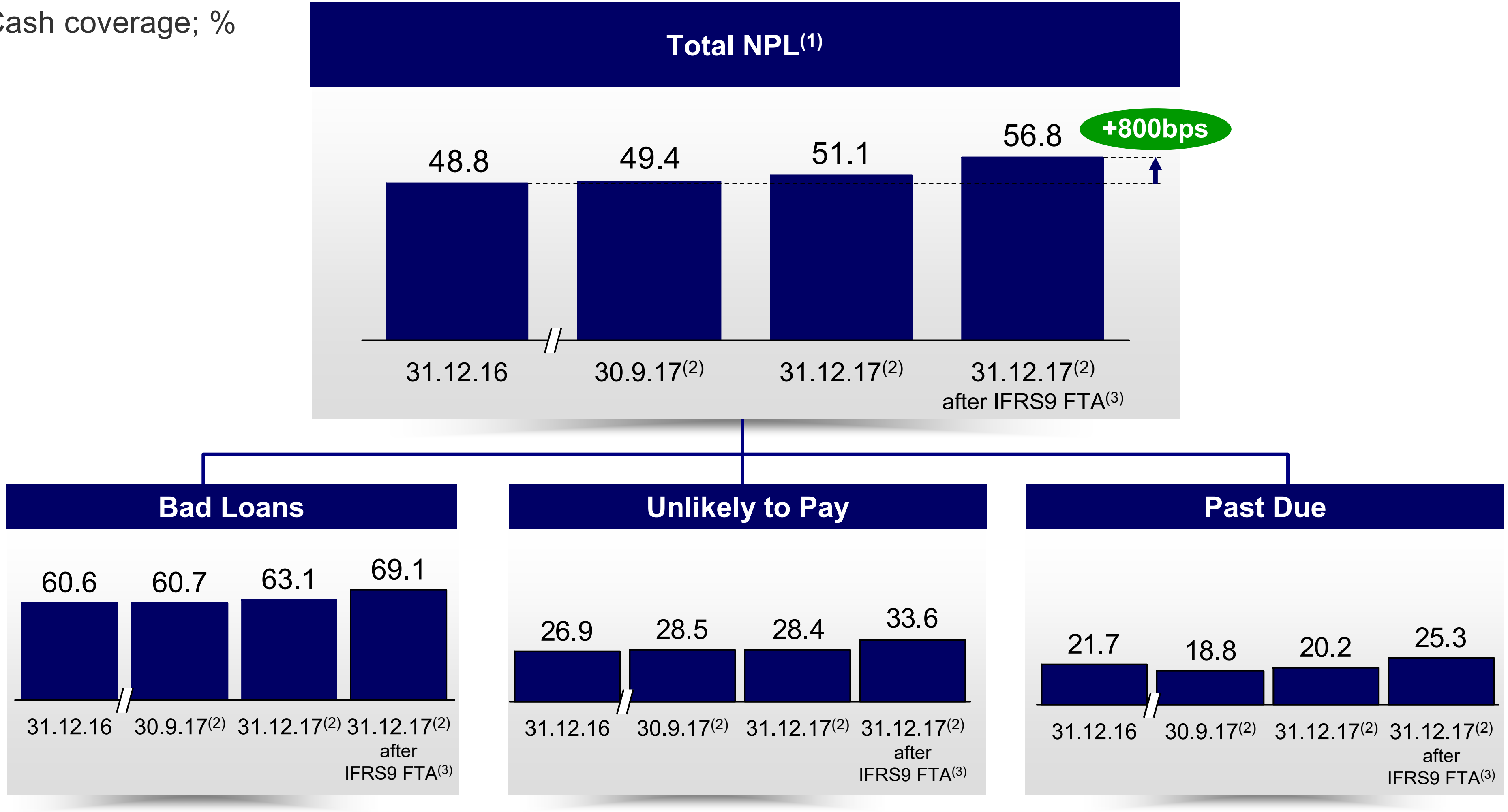
- **14.0% pro-forma fully loaded Common Equity ratio(1), 13.0% after IFRS9 FTA**
- **6.4% leverage ratio**

Note: Capital ratios and leverage ratio including the acquisition of certain assets of the two former Venetian banks
(1) Pro-forma fully loaded Basel 3 (31.12.17 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks and the expected absorption of DTA on losses carried forward)

Contents

Non-performing Loans: Sizeable and Significantly Increased Coverage

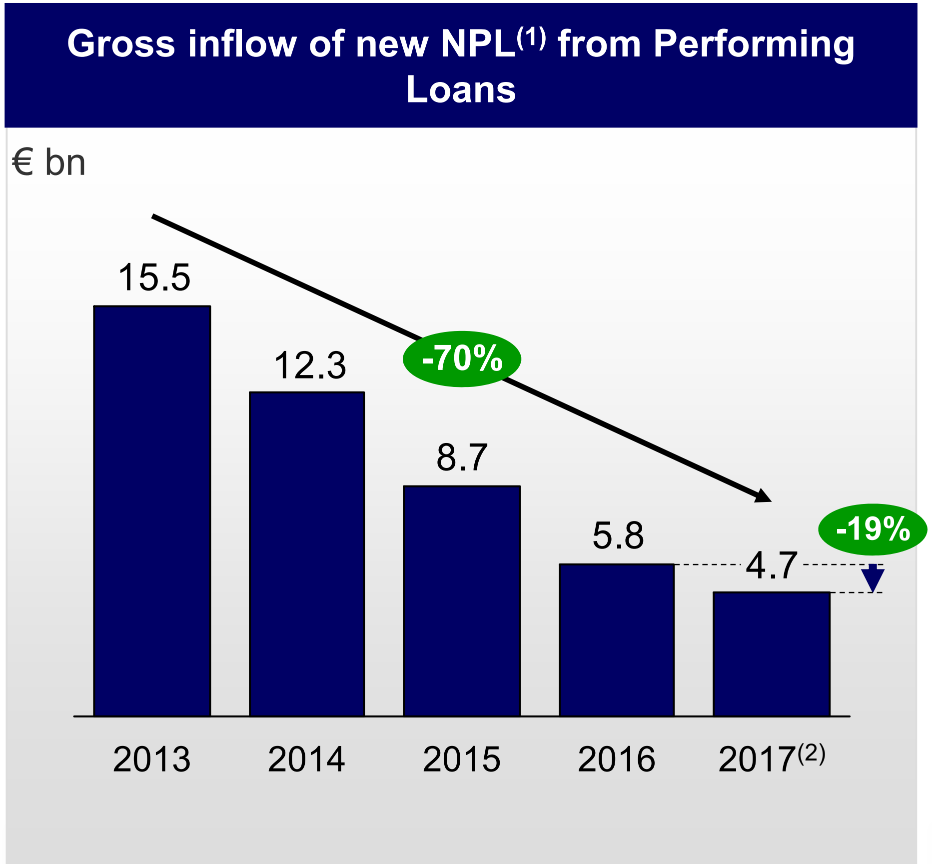
Cash coverage; %

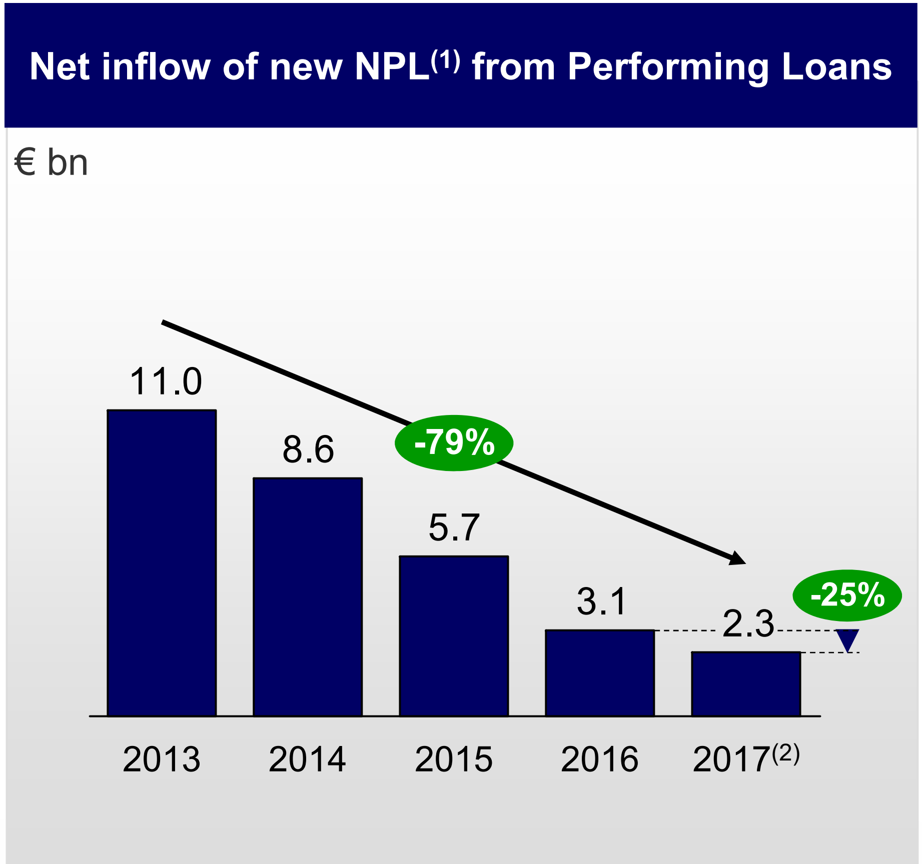


Bad Loans recovery rate[4] at ~127% in the period 2009 - 2017

(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)
(2) Including components related to the acquisition of operations of the two former Venetian banks
(3) IFRS9 FTA preliminary data
(4) Repayment on Bad Loans/Net book value

Non-performing Loans: Lowest Ever Inflow

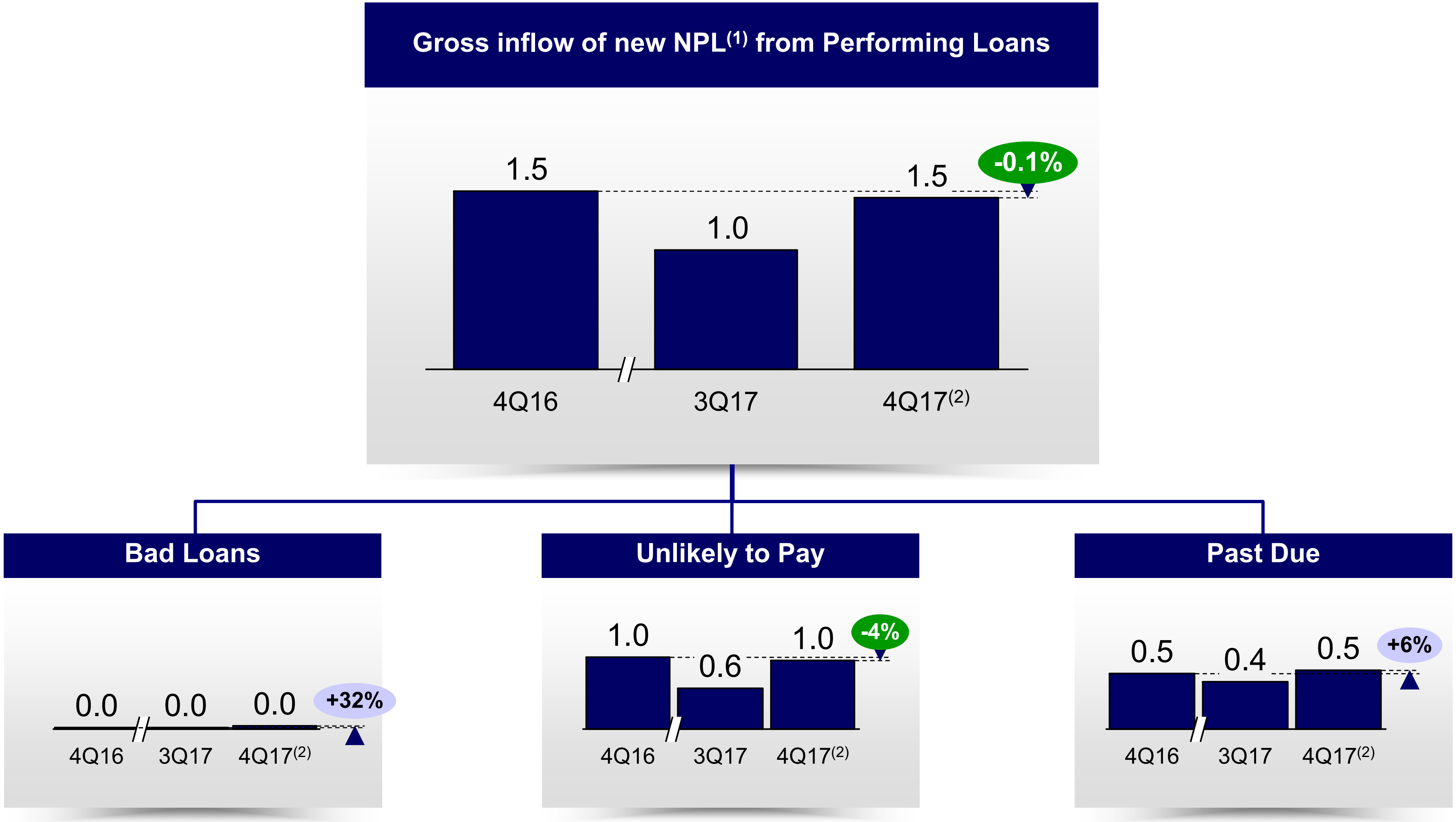




(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)
(2) Including components related to the acquisition of operations of the two former Venetian banks

Non-performing Loans: Lowest Q4 Gross Inflow since 2007

€ bn



Note: figures may not add up exactly due to rounding differences

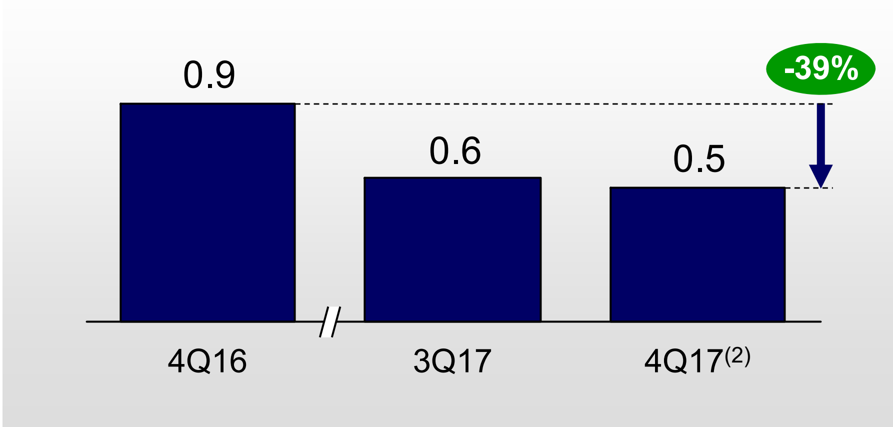
(1) Bad Loans (Sofferenze), Unlikely to pay (Inadempienze probabili) and Past Due (Scaduti e sconfinanti)

(2) Including components related to the acquisition of operations of the two former Venetian banks

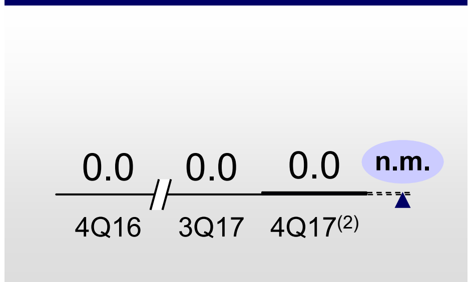
Non-performing Loans: Strong Decrease in Net Inflow vs 4Q16

€ bn

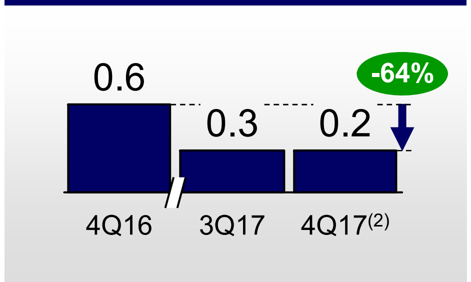
Net inflow of new NPL(1) from Performing Loans



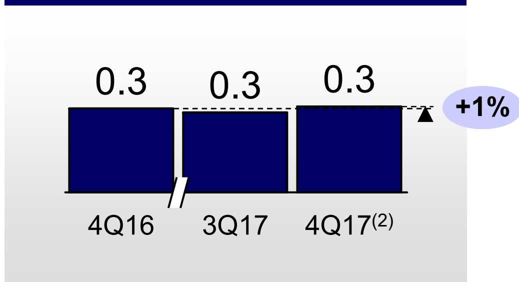
Bad Loans



Unlikely to Pay



Past Due

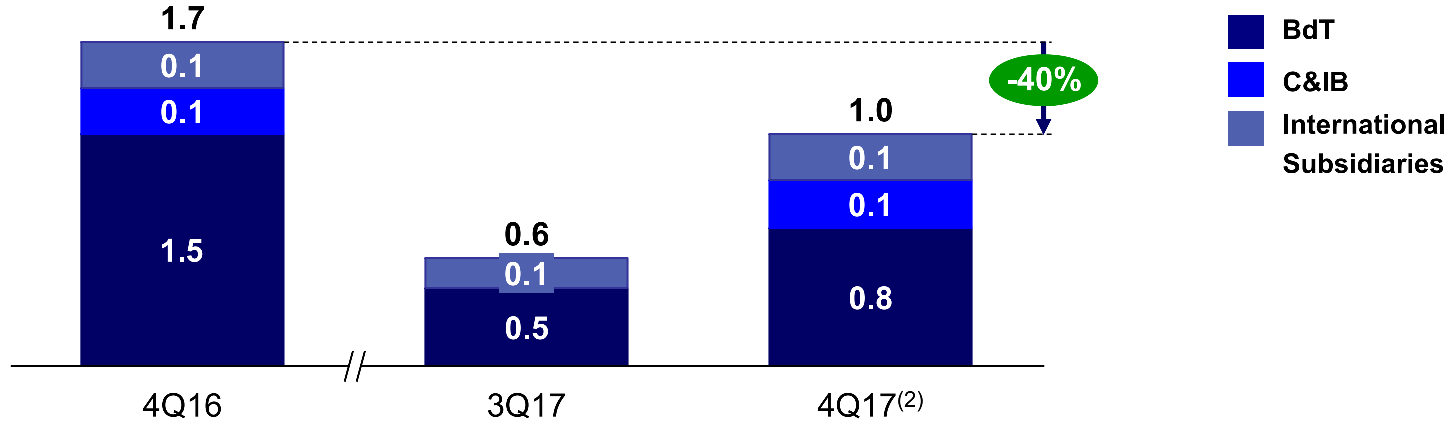


Note: figures may not add up exactly due to rounding differences
(1) Bad Loans (Sofferenze), Unlikely to pay (Inadempienze probabili) and Past Due (Scaduti e sconfinanti)
(2) Including components related to the acquisition of operations of the two former Venetian banks

New Bad Loans: Strong Decrease in Gross Inflow vs 4Q16

€ bn

Group's new Bad Loans(1) gross inflow



BdT's new Bad Loans(1) gross inflow

	4Q16	3Q17	4Q17(2)
Total	**1.5**	**0.5**	**0.8**
Mediocredito Italiano(3)	0.3	-	0.1
Households	0.3	0.1	0.1
SMEs	0.9	0.4	0.6

C&IB's new Bad Loans(1) gross inflow

	4Q16	3Q17	4Q17(2)
Total	**0.1**	**-**	**0.1**
Banca IMI(4)	-	-	-
Global Corporate	0.1	-	0.1
International	-	-	-
Financial Institutions	-	-	-

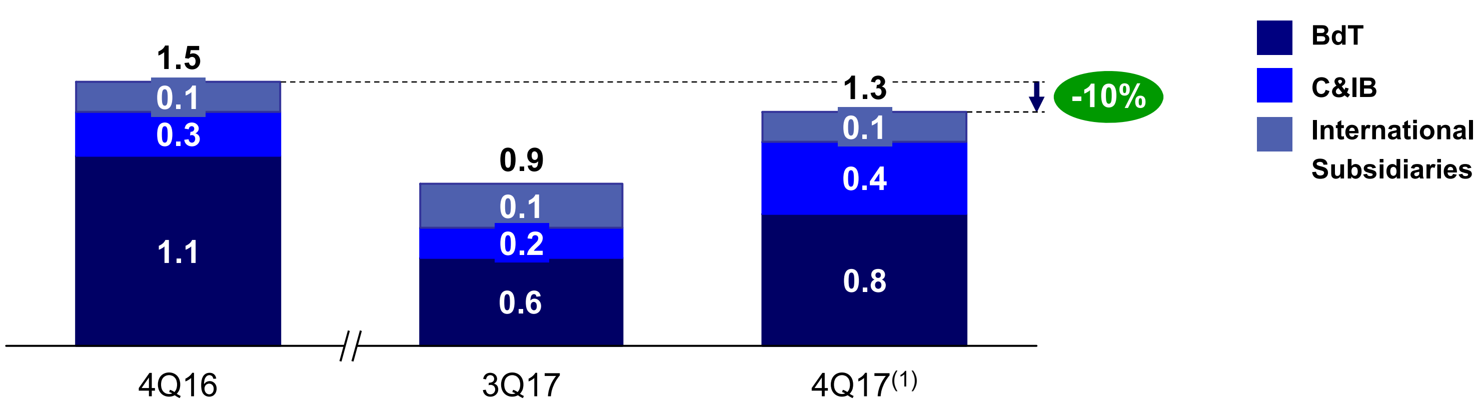
Note: figures may not add up exactly due to rounding differences
(1) *Sofferenze*
(2) Including components related to the acquisition of operations of the two former Venetian banks
(3) Industrial Credit, Factoring and Leasing
(4) Capital Markets and Investment Banking

INTESA SANPAOLO

New Unlikely to Pay: Decrease in Gross Inflow vs 4Q16

€ bn

Group's gross inflow of new Unlikely to Pay



BdT's gross inflow of new Unlikely to Pay

	4Q16	3Q17	4Q17[1]
Total	**1.1**	**0.6**	**0.8**
Mediocredito Italiano[2]	0.2	0.2	0.1
Households	0.2	0.2	0.3
SMEs	0.6	0.3	0.4

C&IB's gross inflow of new Unlikely to Pay

	4Q16	3Q17	4Q17[1]
Total	**0.3**	**0.2**	**0.4**
Banca IMI[3]	-	-	-
Global Corporate	0.2	0.2	0.4
International	-	-	-
Financial Institutions	-	-	-

Note: figures may not add up exactly due to rounding differences
(1) Including components related to the acquisition of operations of the two former Venetian banks
(2) Industrial Credit, Factoring and Leasing
(3) Capital Markets and Investment Banking

Non-performing Loans: Ninth Consecutive Quarterly Decline in Stock

Gross NPL			
€ bn	31.12.16	30.9.17[1]	31.12.17[1]
Bad Loans	37.8	35.3	34.2
- of which forborne	*2.4*	*2.6*	*3.0*
Unlikely to pay	19.7	18.5	17.4
- of which forborne	*9.3*	*8.8*	*8.1*
Past Due	0.6	0.5	0.5
- of which forborne	*0.1*	-	-
Total	**58.1**	**54.3**	**52.1**

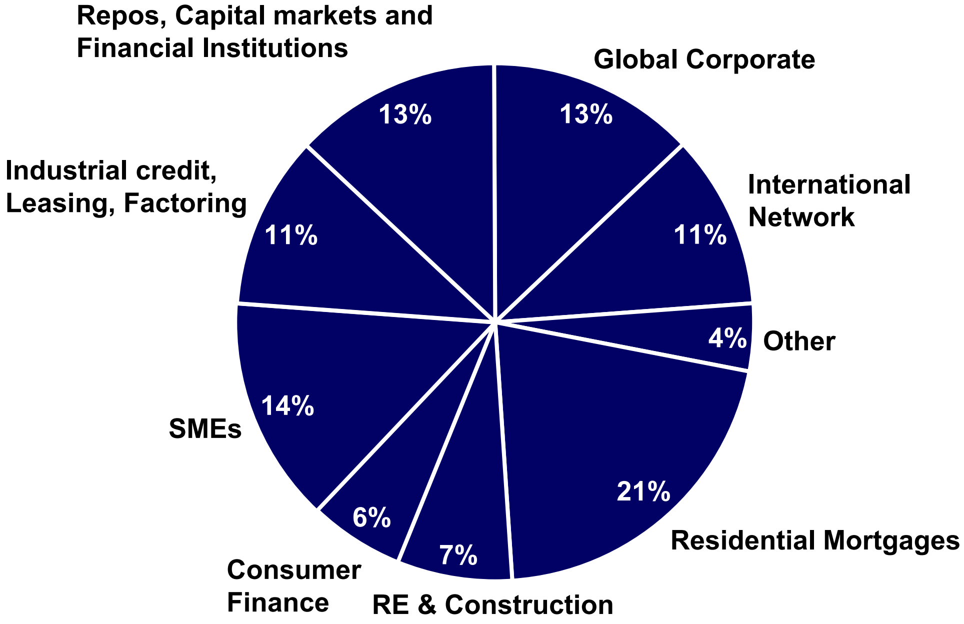
Net NPL				
€ bn	31.12.16	30.9.17[1]	31.12.17[1]	31.12.17[1] after IFRS9 FTA[2]
Bad Loans	14.9	13.9	12.6	10.5
- of which forborne	*1.1*	*1.1*	*1.3*	
Unlikely to pay	14.4	13.2	12.5	11.6
- of which forborne	*7.1*	*6.5*	*6.1*	
Past Due	0.4	0.4	0.4	0.4
- of which forborne	*0.1*	-	-	
Total	**29.8**	**27.5**	**25.5**	**22.5**

€13bn[3] NPL deleveraging vs 30.9.15 (more than €2bn decrease in Q4)

Note: figures may not add up exactly due to rounding differences
(1) Including components related to the acquisition of operations of the two former Venetian banks
(2) IFRS9 FTA preliminary data
(3) Excluding components related to the acquisition of operations of the two former Venetian banks

Loans to Customers: Well-diversified Portfolio

Breakdown by business area
(Data as of 31.12.17)



- **Low risk profile of residential mortgage portfolio**
  - Instalment/available income ratio at 33%
  - Average Loan-to-Value equal to 56%
  - Original average maturity equal to ~23 years
  - Residual average life equal to ~18 years

Breakdown by economic business sector

	30.9.17	31.12.17
Loans of the Italian banks and companies of the Group		
Households	**25.8%**	**25.5%**
Public Administration	**3.4%**	**3.0%**
Financial companies	**8.2%**	**9.5%**
Non-financial companies	**33.5%**	**33.8%**
of which:		
SERVICES	5.5%	5.8%
DISTRIBUTION	5.6%	5.7%
REAL ESTATE	3.9%	3.7%
UTILITIES	2.7%	2.9%
CONSTRUCTION	2.3%	2.2%
METALS AND METAL PRODUCTS	1.9%	1.9%
AGRICULTURE	1.6%	1.6%
FOOD AND DRINK	1.4%	1.4%
TRANSPORT	1.3%	1.4%
MECHANICAL	1.1%	1.0%
INTERMEDIATE INDUSTRIAL PRODUCTS	1.0%	1.0%
FASHION	0.9%	0.9%
ELECTROTECHNICAL AND ELECTRONIC	0.6%	0.6%
TRANSPORTATION MEANS	0.5%	0.5%
HOLDING AND OTHER	0.4%	0.5%
ENERGY AND EXTRACTION	0.4%	0.4%
BASE AND INTERMEDIATE CHEMICALS	0.4%	0.4%
INFRASTRUCTURE	0.4%	0.3%
MATERIALS FOR CONSTRUCTION	0.3%	0.3%
PUBLISHING AND PRINTING	0.3%	0.3%
FURNITURE	0.2%	0.2%
PHARMACEUTICAL	0.2%	0.2%
OTHER CONSUMPTION GOODS	0.2%	0.2%
NON-CLASSIFIED UNITS	0.1%	0.1%
MASS CONSUMPTION GOODS	0.1%	0.1%
WHITE GOODS	0.1%	0.1%
Rest of the world	**11.6%**	**11.6%**
Loans of international banks and companies of the Group	**10.0%**	**10.0%**
Non-performing loans	**7.0%**	**6.2%**
TOTAL	**100.0%**	**100.0%**

Note: data excluding the two former Venetian banks. Figures may not add up exactly due to rounding differences

Contents

Divisional Financial Highlights

Data excluding components related to the acquisition of operations of the two former Venetian banks

Data as of 31.12.17

	Divisions							
	Banca dei Territori	Corporate & Investment Banking	International Subsidiary Banks[1]	Private Banking[2]	Asset Management[3]	Insurance[4]	Corporate Centre / Others[5]	Total
Operating Income (€ m)	8,884	3,341	1,948	1,879	785	1,067	(727)	17,177
Operating Margin (€ m)	3,977	2,357	1,010	1,328	628	889	(1,751)	8,438
Net Income (€ m)	1,371	1,615	827	879	493	613	1,515[6]	7,313[6]
Cost/Income (%)	55.2	29.5	48.2	29.3	20.0	16.7	n.m.	50.9
RWA (€ bn)	87.0	78.5	30.9	10.1	0.9	0.0	79.3[7]	286.8[7]
Direct Deposits from Banking Business (€ bn)	175.3	111.9	35.5	30.6	0.0	0.0	70.1[7]	423.5[7]
Loans to Customers (€ bn)	196.8	109.4	28.6	9.6	0.4	0.0	65.9[7]	410.7[7]

Note: figures may not add up exactly due to rounding differences
(1) Excluding the Ukrainian subsidiary Pravex-Bank and the Hungarian “bad bank” which are included in the Capital Light Bank
(2) Fideuram, Intesa Sanpaolo Private Bank (Suisse), Intesa Sanpaolo Private Banking and Sirefid
(3) Eurizon
(4) Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo Vita
(5) Treasury Department, Central Structures, Capital Light Bank and consolidation adjustments
(6) Including public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
(7) Including components related to the acquisition of operations of the two former Venetian banks

Banca dei Territori: 2017 vs 2016

Data excluding components related to the acquisition of operations of the two former Venetian banks

€ m

	2016 Restated	2017	Δ%
Net interest income	4,596	4,499	(2.1)
Net fee and commission income	3,940	4,282	8.7
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	69	68	(1.4)
Other operating income (expenses)	20	35	75.0
Operating income	**8,625**	**8,884**	**3.0**
Personnel expenses	(3,040)	(3,034)	(0.2)
Other administrative expenses	(1,900)	(1,869)	(1.6)
Adjustments to property, equipment and intangible assets	(4)	(4)	0.0
Operating costs	**(4,944)**	**(4,907)**	**(0.7)**
Operating margin	**3,681**	**3,977**	**8.0**
Net adjustments to loans	(2,039)	(1,576)	(22.7)
Net provisions and net impairment losses on other assets	(57)	(73)	28.1
Other income (expenses)	109	0	(100.0)
Income (Loss) from discontinued operations	892	0	(100.0)
Gross income (loss)	**2,586**	**2,328**	**(10.0)**
Taxes on income	(710)	(909)	28.0
Charges (net of tax) for integration and exit incentives	(44)	(45)	2.3
Effect of purchase price allocation (net of tax)	(8)	(3)	(62.5)
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(12)	0	n.m.
Net income	**1,812**	**1,371**	**(24.3)**

+32% excluding the Setefi capital gain booked in 4Q16

+37% excluding the Setefi capital gain booked in 4Q16

Note: figures may not add up exactly due to rounding differences

Banca dei Territori: Q4 vs Q3

Data excluding components related to the acquisition of operations of the two former Venetian banks

€ m

	3Q17	4Q17	Δ%
Net interest income	1,127	1,116	(1.0)
Net fee and commission income	1,052	1,166	10.8
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	16	18	12.0
Other operating income (expenses)	7	5	(20.9)
Operating income	**2,203**	**2,306**	**4.7**
Personnel expenses	(747)	(785)	5.0
Other administrative expenses	(452)	(506)	11.8
Adjustments to property, equipment and intangible assets	(1)	(1)	3.4
Operating costs	**(1,201)**	**(1,292)**	**7.6**
Operating margin	**1,002**	**1,014**	**1.2**
Net adjustments to loans	(380)	(422)	11.2
Net provisions and net impairment losses on other assets	(25)	(42)	70.1
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**598**	**550**	**(8.1)**
Taxes on income	(234)	(213)	(8.6)
Charges (net of tax) for integration and exit incentives	(1)	(20)	n.m.
Effect of purchase price allocation (net of tax)	(1)	(0)	(99.0)
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**362**	**316**	**(12.7)**

Note: figures may not add up exactly due to rounding differences

Corporate and Investment Banking: 2017 vs 2016

€ m

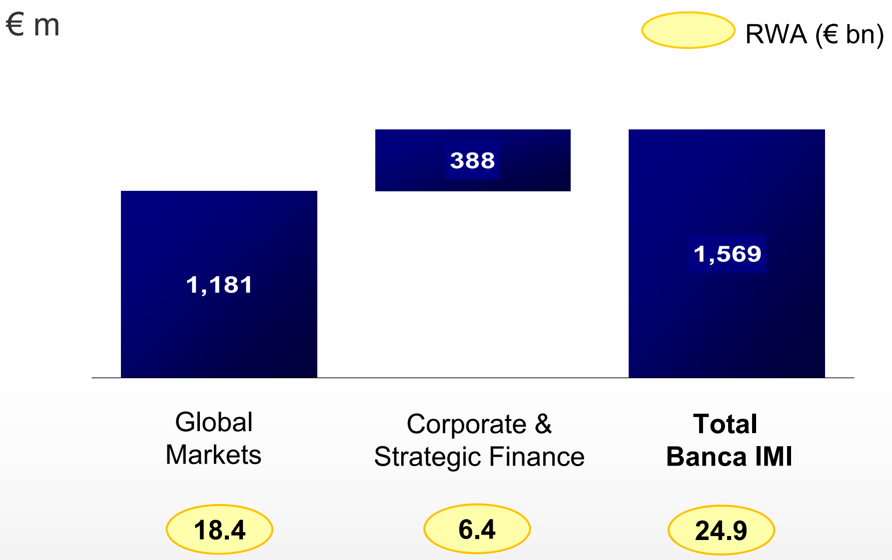
	2016 Restated	2017	Δ%
Net interest income	1,447	1,592	10.0
Net fee and commission income	1,111	925	(16.7)
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	808	805	(0.4)
Other operating income (expenses)	19	19	0.0
Operating income	**3,385**	**3,341**	**(1.3)**
Personnel expenses	(372)	(389)	4.6
Other administrative expenses	(582)	(593)	1.9
Adjustments to property, equipment and intangible assets	(3)	(2)	(33.3)
Operating costs	**(957)**	**(984)**	**2.8**
Operating margin	**2,428**	**2,357**	**(2.9)**
Net adjustments to loans	(333)	(154)	(53.8)
Net provisions and net impairment losses on other assets	(10)	(1)	(90.0)
Other income (expenses)	33	85	157.6
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**2,118**	**2,287**	**8.0**
Taxes on income	(664)	(665)	0.2
Charges (net of tax) for integration and exit incentives	(6)	(7)	16.7
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**1,448**	**1,615**	**11.5**

Note: figures may not add up exactly due to rounding differences

Banca IMI: A Significant Contribution to Group Results

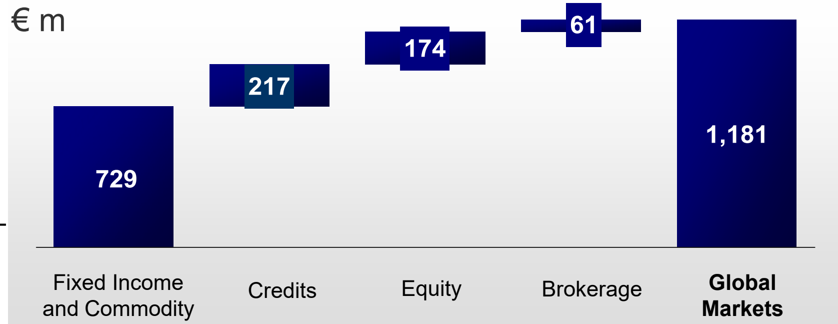
2017 Results

Banca IMI Operating Income[1]

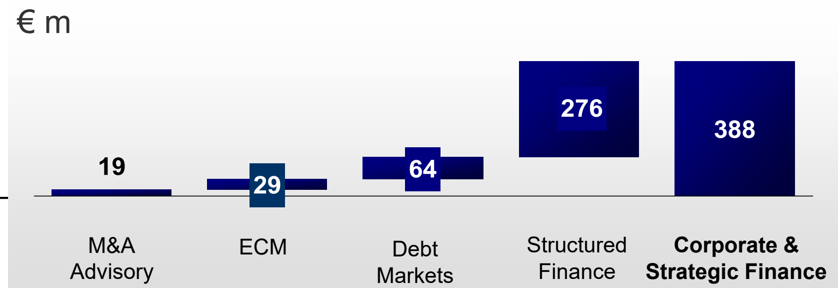


- ~71% of Operating income is customer driven
- 2017 average VaR at €59m
- Cost/Income ratio at 29.4%
- 2017 Net income at ~€670m

of which: Global Markets



of which: Corporate & Strategic Finance



Note: figures may not add up exactly due to rounding differences
(1) Banca IMI S.p.A. and its subsidiaries

Corporate and Investment Banking: Q4 vs Q3

€ m

	3Q17	4Q17	∆%
Net interest income	392	404	3.1
Net fee and commission income	206	250	21.4
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	143	284	99.2
Other operating income (expenses)	4	8	107.4
Operating income	**745**	**947**	**27.2**
Personnel expenses	(89)	(120)	34.5
Other administrative expenses	(143)	(165)	14.9
Adjustments to property, equipment and intangible assets	(1)	(0)	(85.3)
Operating costs	**(233)**	**(284)**	**22.0**
Operating margin	**512**	**663**	**29.5**
Net adjustments to loans	(10)	20	n.m.
Net provisions and net impairment losses on other assets	22	(0)	n.m.
Other income (expenses)	(20)	(4)	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**503**	**679**	**34.8**
Taxes on income	(152)	(207)	35.7
Charges (net of tax) for integration and exit incentives	(1)	(5)	594.9
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**350**	**467**	**33.3**

Note: figures may not add up exactly due to rounding differences

International Subsidiary Banks: 2017 vs 2016

€ m

	2016 Restated	2017	Δ%
Net interest income	1,428	1,346	(5.7)
Net fee and commission income	483	493	2.1
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	108	177	63.9
Other operating income (expenses)	(17)	(68)	n.m.
Operating income	**2,002**	**1,948**	**(2.7)**
Personnel expenses	(533)	(518)	(2.8)
Other administrative expenses	(341)	(338)	(0.9)
Adjustments to property, equipment and intangible assets	(88)	(82)	(6.8)
Operating costs	**(962)**	**(938)**	**(2.5)**
Operating margin	**1,040**	**1,010**	**(2.9)**
Net adjustments to loans	(221)	(208)	(5.9)
Net provisions and net impairment losses on other assets	(8)	8	n.m.
Other income (expenses)	71	196	176.1
Income (Loss) from discontinued operations	31	0	(100.0)
Gross income (loss)	**913**	**1,006**	**10.2**
Taxes on income	(179)	(162)	(9.5)
Charges (net of tax) for integration and exit incentives	(31)	(20)	(35.5)
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	3	n.m.
Net income	**703**	**827**	**17.6**

+9% excluding the impact from the Egyptian currency devaluation

+12% excluding the impact from the Egyptian currency devaluation

Note: figures may not add up exactly due to rounding differences. Excluding the Ukrainian subsidiary Pravex-Bank and the Hungarian "bad bank" which are included in the Capital Light Bank

International Subsidiary Banks: Q4 vs Q3

€ m

	3Q17	4Q17	∆%
Net interest income	337	341	1.1
Net fee and commission income	124	128	2.8
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	48	48	(0.2)
Other operating income (expenses)	(18)	(20)	(8.7)
Operating income	**492**	**498**	**1.1**
Personnel expenses	(126)	(143)	13.5
Other administrative expenses	(82)	(92)	12.8
Adjustments to property, equipment and intangible assets	(21)	(22)	6.1
Operating costs	**(228)**	**(257)**	**12.6**
Operating margin	**264**	**241**	**(8.8)**
Net adjustments to loans	(45)	(49)	10.4
Net provisions and net impairment losses on other assets	(0)	(7)	n.m.
Other income (expenses)	1	0	(25.9)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**220**	**185**	**(15.8)**
Taxes on income	(39)	(29)	(25.4)
Charges (net of tax) for integration and exit incentives	(5)	(7)	27.5
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	(0)	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	1	2	(114.7)
Net income	**176**	**151**	**(14.5)**

Note: figures may not add up exactly due to rounding differences. Excluding the Ukrainian subsidiary Pravex-Bank and the Hungarian “bad bank” which are included in the Capital Light Bank

Private Banking: 2017 vs 2016

€ m

	2016	2017	Δ%
Net interest income	175	171	(2.3)
Net fee and commission income	1,527	1,673	9.6
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	31	25	(19.4)
Other operating income (expenses)	7	10	42.9
Operating income	**1,740**	**1,879**	**8.0**
Personnel expenses	(292)	(315)	7.9
Other administrative expenses	(227)	(221)	(2.6)
Adjustments to property, equipment and intangible assets	(15)	(15)	0.0
Operating costs	**(534)**	**(551)**	**3.2**
Operating margin	**1,206**	**1,328**	**10.1**
Net adjustments to loans	6	8	33.3
Net provisions and net impairment losses on other assets	(44)	(36)	(18.2)
Other income (expenses)	0	8	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**1,168**	**1,308**	**12.0**
Taxes on income	(339)	(392)	15.6
Charges (net of tax) for integration and exit incentives	(35)	(33)	(5.7)
Effect of purchase price allocation (net of tax)	(84)	(4)	(95.2)
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**710**	**879**	**23.8**

Note: figures may not add up exactly due to rounding differences

Private Banking: Q4 vs Q3

€ m

	3Q17	4Q17	Δ%
Net interest income	42	40	(4.6)
Net fee and commission income	421	433	3.0
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	4	4	8.1
Other operating income (expenses)	4	(0)	n.m.
Operating income	**470**	**477**	**1.5**
Personnel expenses	(74)	(87)	17.7
Other administrative expenses	(55)	(59)	7.0
Adjustments to property, equipment and intangible assets	(4)	(4)	5.7
Operating costs	**(132)**	**(150)**	**12.9**
Operating margin	**338**	**327**	**(3.0)**
Net adjustments to loans	6	2	60.9
Net provisions and net impairment losses on other assets	(7)	(11)	58.4
Other income (expenses)	8	0	(100.0)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**345**	**318**	**(7.6)**
Taxes on income	(102)	(101)	(1.0)
Charges (net of tax) for integration and exit incentives	(6)	(14)	120.9
Effect of purchase price allocation (net of tax)	(4)	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	(0)	n.m.
Net income	**232**	**203**	**(12.6)**

Note: figures may not add up exactly due to rounding differences

Asset Management: 2017 vs 2016

€ m

	2016	2017	∆%
Net interest income	1	1	0.0
Net fee and commission income	567	718	26.6
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	11	3	(72.7)
Other operating income (expenses)	68	63	(7.4)
Operating income	**647**	**785**	**21.3**
Personnel expenses	(64)	(76)	18.8
Other administrative expenses	(76)	(80)	5.3
Adjustments to property, equipment and intangible assets	(1)	(1)	0.0
Operating costs	**(141)**	**(157)**	**11.3**
Operating margin	**506**	**628**	**24.1**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	1	0	(100.0)
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**507**	**628**	**23.9**
Taxes on income	(139)	(116)	(16.5)
Charges (net of tax) for integration and exit incentives	0	(1)	n.m.
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(11)	(18)	63.6
Net income	**357**	**493**	**38.1**

Note: figures may not add up exactly due to rounding differences

Asset Management: Q4 vs Q3

€ m

	3Q17	4Q17	Δ%
Net interest income	0	0	(3.9)
Net fee and commission income	175	222	26.9
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	4	(1)	n.m.
Other operating income (expenses)	8	9	15.2
Operating income	**186**	**230**	**23.5**
Personnel expenses	(16)	(27)	72.8
Other administrative expenses	(19)	(23)	19.8
Adjustments to property, equipment and intangible assets	(0)	(0)	8.8
Operating costs	**(35)**	**(50)**	**43.5**
Operating margin	**151**	**180**	**18.9**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	0	(0)	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**151**	**180**	**18.6**
Taxes on income	(31)	(30)	(2.3)
Charges (net of tax) for integration and exit incentives	0	(1)	n.m.
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(4)	(8)	113.6
Net income	**117**	**141**	**20.3**

Note: figures may not add up exactly due to rounding differences

Insurance: 2017 vs 2016

€ m

	2016	2017	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	0	0	n.m.
Income from insurance business	1,179	1,077	(8.7)
Profits (Losses) on trading	0	0	n.m.
Other operating income (expenses)	(7)	(10)	42.9
Operating income	**1,172**	**1,067**	**(9.0)**
Personnel expenses	(71)	(80)	12.7
Other administrative expenses	(100)	(95)	(5.0)
Adjustments to property, equipment and intangible assets	(2)	(3)	50.0
Operating costs	**(173)**	**(178)**	**2.9**
Operating margin	**999**	**889**	**(11.0)**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(12)	(2)	(83.3)
Other income (expenses)	21	0	(100.0)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**1,008**	**887**	**(12.0)**
Taxes on income	(315)	(248)	(21.3)
Charges (net of tax) for integration and exit incentives	(5)	(9)	80.0
Effect of purchase price allocation (net of tax)	(19)	(17)	(10.5)
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**669**	**613**	**(8.4)**

Note: figures may not add up exactly due to rounding differences

Insurance: Q4 vs Q3

€ m

	3Q17	4Q17	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	0	0	n.m.
Income from insurance business	264	214	(18.9)
Profits (Losses) on trading	0	0	n.m.
Other operating income (expenses)	(2)	(4)	(173.6)
Operating income	**262**	**210**	**(20.1)**
Personnel expenses	(18)	(23)	26.1
Other administrative expenses	(23)	(27)	16.3
Adjustments to property, equipment and intangible assets	(1)	(1)	47.4
Operating costs	**(42)**	**(51)**	**21.0**
Operating margin	**220**	**158**	**(28.0)**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(1)	(1)	(29.5)
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**219**	**158**	**(28.0)**
Taxes on income	(60)	(49)	(18.0)
Charges (net of tax) for integration and exit incentives	(2)	(5)	182.5
Effect of purchase price allocation (net of tax)	(5)	(3)	(42.1)
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**152**	**100**	**(34.0)**

Note: figures may not add up exactly due to rounding differences

Quarterly P&L Analysis

Data excluding components related to the acquisition of operations of the two former Venetian banks
€ m

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
	Restated							
Net interest income	1,855	1,832	1,859	1,748	1,805	1,815	1,749	1,742
Net fee and commission income	1,687	1,858	1,756	2,030	1,855	1,896	1,889	2,095
Income from insurance business	332	239	258	166	283	240	227	183
Profits (Losses) on trading	228	467	248	247	226	365	208	542
Other operating income (expenses)	75	68	29	(7)	40	32	4	(19)
Operating income	**4,177**	**4,464**	**4,150**	**4,184**	**4,209**	**4,348**	**4,077**	**4,543**
Personnel expenses	(1,279)	(1,341)	(1,310)	(1,393)	(1,286)	(1,338)	(1,310)	(1,451)
Other administrative expenses	(597)	(641)	(627)	(765)	(583)	(633)	(620)	(732)
Adjustments to property, equipment and intangible assets	(178)	(179)	(186)	(206)	(186)	(188)	(192)	(220)
Operating costs	**(2,054)**	**(2,161)**	**(2,123)**	**(2,364)**	**(2,055)**	**(2,159)**	**(2,122)**	**(2,403)**
Operating margin	**2,123**	**2,303**	**2,027**	**1,820**	**2,154**	**2,189**	**1,955**	**2,140**
Net adjustments to loans	(694)	(923)	(917)	(1,174)	(695)	(737)	(646)	(1,175)
Net provisions and net impairment losses on other assets	(46)	(194)	(77)	(105)	(3)	(57)	(25)	(130)
Other income (expenses)	5	196	16	138	196	3,617 (1)	72	861
Income (Loss) from discontinued operations	20	28	23	881	0	0	0	0
Gross income (loss)	**1,408**	**1,410**	**1,072**	**1,560**	**1,652**	**5,012 (1)**	**1,356**	**1,696**
Taxes on income	(432)	(361)	(321)	(314)	(445)	(444)	(374)	(290)
Charges (net of tax) for integration and exit incentives	(13)	(38)	(16)	(83)	(12)	(41)	(20)	(48)
Effect of purchase price allocation (net of tax)	(29)	(27)	(26)	(30)	(6)	(5)	(26)	(14)
Levies and other charges concerning the banking industry (net of tax)	(102)	(11)	(69)	(377)	(282)	(178)	(179)	2
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	0	0	0	0	0
Minority interests	(26)	(72)	(12)	20	(6)	(7)	(26)	(2)
Net income	**806**	**901**	**628**	**776**	**901**	**4,337 (1)**	**731**	**1,344**
Net income excluding the public cash contribution	**806**	**901**	**628**	**776**	**901**	**837**	**731**	**1,344**

Note: figures may not add up exactly due to rounding differences. 2016 data restated to reflect Banca ITB (rebranded Banca 5) consolidation
(1) Including public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios

Net Fee and Commission Income: Quarterly Development Breakdown

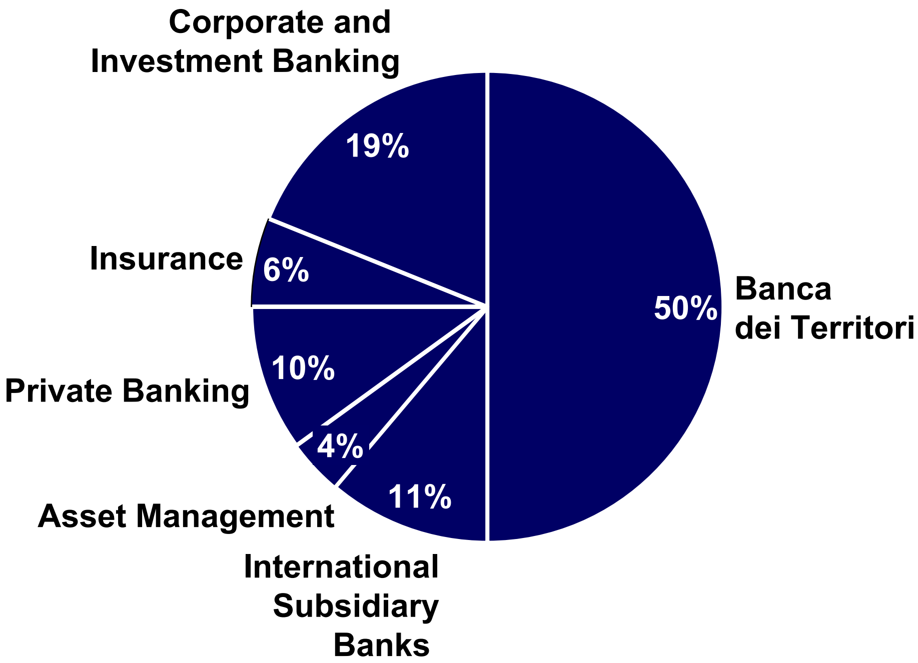
Data excluding components related to the acquisition of operations of the two former Venetian banks
€ m

Net Fee and Commission Income	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
	Restated							
Guarantees given / received	83	83	90	86	81	86	80	76
Collection and payment services	92	98	97	103	95	97	97	102
Current accounts	251	258	255	259	252	253	272	300
Credit and debit cards	90	94	98	94	83	92	90	98
Commercial banking activities	**516**	**533**	**540**	**542**	**511**	**528**	**539**	**576**
Dealing and placement of securities	91	153	137	143	176	182	142	213
Currency dealing	10	10	10	11	10	11	10	11
Portfolio management	493	512	504	546	539	560	568	637
Distribution of insurance products	327	362	335	362	373	366	380	385
Other	41	38	47	89	40	39	42	48
Management, dealing and consultancy activities	**962**	**1,075**	**1,033**	**1,151**	**1,138**	**1,158**	**1,142**	**1,294**
Other net fee and commission income	209	250	183	337	206	210	208	225
Net fee and commission income	**1,687**	**1,858**	**1,756**	**2,030**	**1,855**	**1,896**	**1,889**	**2,095**

Note: figures may not add up exactly due to rounding differences. 2016 data restated to reflect Banca ITB (rebranded Banca 5) consolidation

Market Leadership in Italy

2017 Operating Income Breakdown by business area[(1)]



Leader in Italy (data as of 31.12.17)

	Ranking	Market share[(2)] %
Loans	1	17.6
Deposits[(3)]	1	18.4
Life Premiums[(4)]	1	19.6
Asset Management[(5)]	1	20.1
Pension Funds[(4)]	1	21.9
Factoring	1	28.9

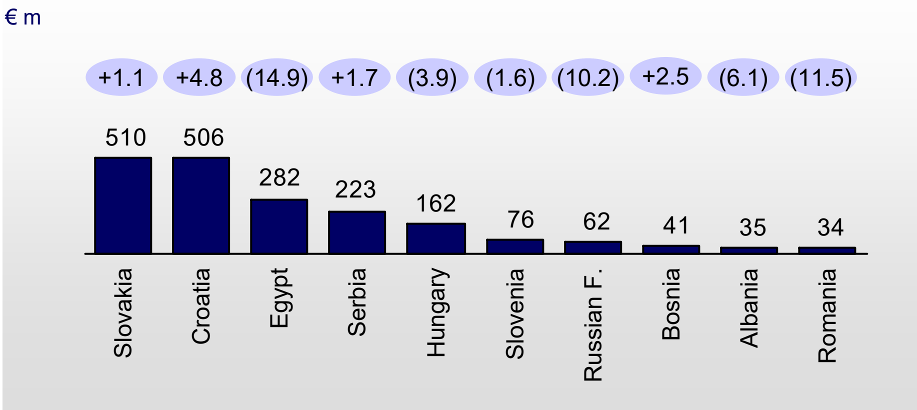
Note: figures may not add up exactly due to rounding differences
(1) Excluding Corporate Centre and components related to the acquisition of operations of the two former Venetian banks
(2) Including components related to the acquisition of operations of the two former Venetian banks
(3) Including bonds
(4) Data as of 30.9.17
(5) Mutual funds; data as of 30.9.17

International Subsidiary Banks: Key P&L Data by Country

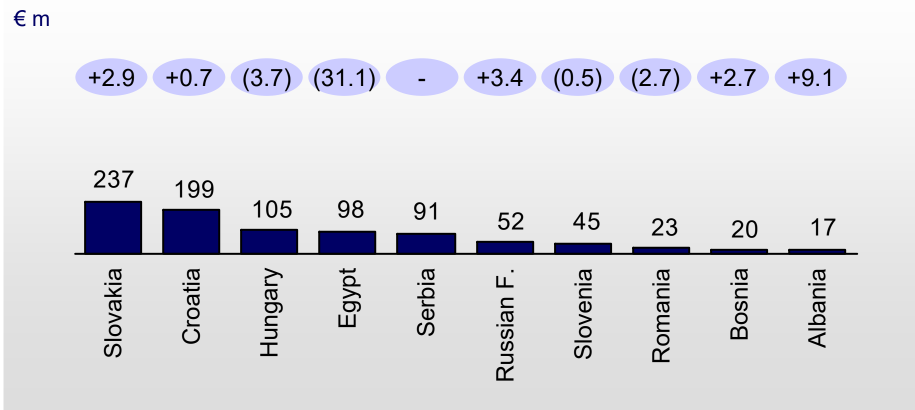
Data as of 31.12.17

(Δ% vs 2016)

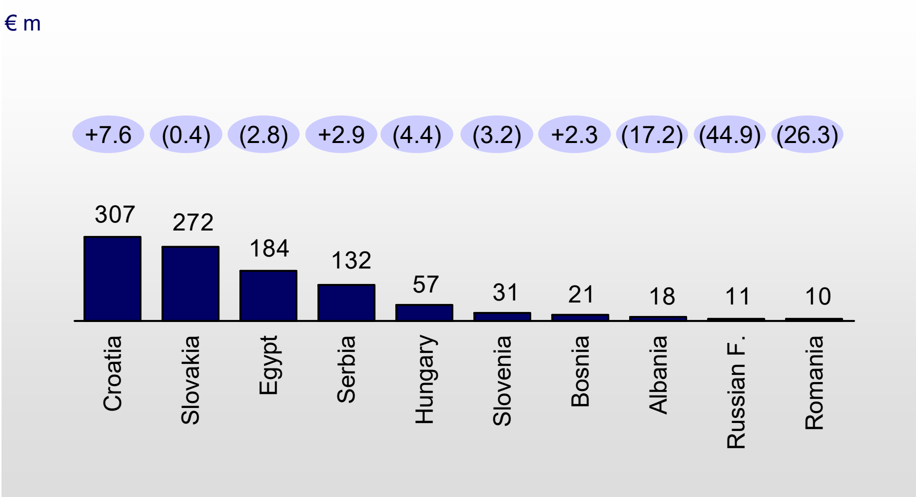
Operating Income



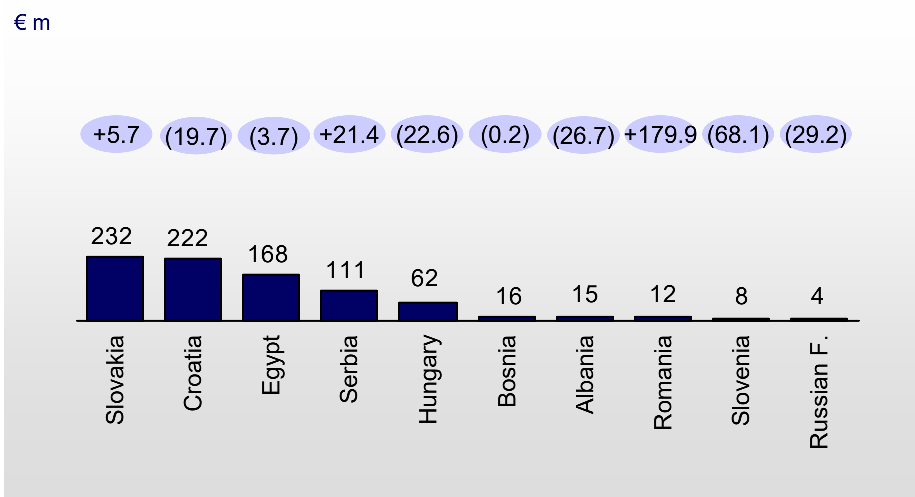
Operating Costs



Operating Margin



Gross Income



Note: excluding the Ukrainian subsidiary Pravex-Bank and the Hungarian ''bad bank'' included in the Capital Light Bank

International Subsidiary Banks by Country: 7% of the Group's Total Loans

Data as of 31.12.17

	Hungary(*)	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Russian F.	CEE Total	Egypt	Total
Oper. Income (€ m)	162	510	76	506	223	41	35	34	62	1,649	282	1,931
% of Group total	***0.9%***	***2.9%***	***0.4%***	***2.9%***	***1.3%***	***0.2%***	***0.2%***	***0.2%***	***0.4%***	***9.5%***	***1.6%***	***11.1%***
Net income (€ m)	41	175	4	167	99	13	12	9	0	521	122	643
% of Group total	***0.6%***	***2.4%***	***0.1%***	***2.3%***	***1.4%***	***0.2%***	***0.2%***	***0.1%***	***0.0%***	***7.1%***	***1.7%***	***8.8%***
Customer Deposits (€ bn)	3.8	12.4	2.0	8.1	3.5	0.7	1.0	0.7	0.5	32.6	3.0	35.6
% of Group total	***0.9%***	***2.9%***	***0.5%***	***1.9%***	***0.8%***	***0.2%***	***0.2%***	***0.2%***	***0.1%***	***7.7%***	***0.7%***	***8.4%***
Customer Loans (€ bn)	2.5	12.0	1.7	6.4	2.7	0.7	0.3	0.6	0.4	27.3	1.5	28.8
% of Group total	***0.6%***	***2.9%***	***0.4%***	***1.6%***	***0.7%***	***0.2%***	***0.1%***	***0.2%***	***0.1%***	***6.7%***	***0.4%***	***7.0%***
Total Assets (€ bn)	5.4	15.0	2.4	10.5	4.9	1.0	1.2	1.0	0.8	42.0	3.7	45.7
% of Group total	***0.7%***	***1.9%***	***0.3%***	***1.3%***	***0.6%***	***0.1%***	***0.1%***	***0.1%***	***0.1%***	***5.3%***	***0.5%***	***5.7%***
Book value (€ m)	707	1,553	278	1,633	1,006	135	138	120	183	5,753	357	6,110
- goodwill/intangibles	*31*	*80*	*4*	*19*	*22*	*2*	*4*	*4*	*8*	*174*	*7*	*181*

Note: figures may not add up exactly due to rounding differences. Excluding the Ukrainian subsidiary Pravex-Bank which is included in the Capital Light Bank
(*) Balance sheet figures incorporate the Hungarian "bad bank" which is included in the Capital Light Bank

International Subsidiary Banks by Country: Loans Breakdown and Coverage

Data as of 31.12.17

	Hungary(*)	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Russian F.	CEE Total	Egypt	Total
Performing loans (€ bn)	2.3	11.8	1.5	6.1	2.6	0.6	0.3	0.6	0.4	**26.3**	1.4	**27.8**
of which:												
Retail local currency	39%	58%	44%	34%	24%	27%	15%	18%	6%	**43%**	52%	**44%**
Retail foreign currency	0%	0%	0%	20%	27%	22%	12%	23%	0%	**9%**	0%	**8%**
Corporate local currency	31%	37%	55%	15%	3%	16%	20%	35%	81%	**29%**	29%	**29%**
Corporate foreign currency	30%	5%	1%	30%	46%	35%	53%	24%	13%	**19%**	19%	**19%**
Bad loans(1) (€ m)	28	123	22	70	53	6	5	14	21	**342**	1	**343**
Unlikely to pay(2) (€ m)	99	90	57	236	51	4	12	6	15	**570**	88	**658**
Performing loans coverage	1.8%	0.7%	0.8%	1.1%	0.8%	0.5%	3.6%	1.6%	1.7%	**1.0%**	2.1%	**1.0%**
Bad loans(1) coverage	69%	65%	70%	71%	58%	81%	38%	58%	68%	**66%**	98%	**68%**
Unlikely to pay(2) coverage	50%	42%	39%	38%	43%	33%	43%	45%	50%	**42%**	34%	**41%**
Cost of credit(3) (bps)	n.m.	51	122	134	82	68	3	n.m.	126	**52**	89	**54**

Note: figures may not add up exactly due to rounding differences. Excluding the Ukrainian subsidiary Pravex-Bank which is included in the Capital Light Bank

(*) Including the Hungarian "bad bank" which is included in the Capital Light Bank

(1) *Sofferenze*

(2) Including Past due

(3) Net adjustments to loans/Net customer loans

INTESA SANPAOLO

Common Equity Ratio as of 31.12.17: from Phased-in to Pro-forma Fully Loaded

	~€ bn	~bps
Transitional adjustments		
Reserve shortfall	(0.1)	(4)
Valuation reserves	0.1	2
Minorities exceeding requirements	(0.0)	(1)
DTA on losses carried forward[(1)]	1.3	43
Total	**1.2**	**41**
Deductions exceeding cap[(*)]		
Total	**(0.5)**	**(9)**
[(*)] as a memo, constituents of deductions subject to cap:		
- Other DTA[(2)]	1.5	
- Investments in banking and financial companies	0.9	
- Investments in insurance companies	4.8	
RWA from 100% weighted DTA[(3)]	**(8.7)**	**43**
Total estimated impact		**75**
Pro-forma fully loaded Common Equity ratio		**14.0%**

Note: figures may not add up exactly due to rounding differences
(1) Considering the expected absorption of DTA on losses carried forward (€1.4bn as of 31.12.17, of which €1.3bn from Aggregate Set of the two former Venetian banks)
(2) Other DTA: mostly related to provisions for risks and charges, considering the total absorption of €0.6bn DTA related to the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of operations of the two former Venetian banks. DTA related to goodwill realignment and adjustments to loans are excluded due to their treatment as credits to tax authorities
(3) Considering the total absorption of DTA convertible into tax credit related to goodwill realignment (€5.2bn as of 31.12.17) and adjustments to loans (€3.5bn as of 31.12.17)

Total Exposure(1) by Main Countries

€ m

	DEBT SECURITIES								LOANS
	Banking Business						Insurance Business (2)	Total	
	L&R	AFS	HTM	CFV	HFT	Total			
EU Countries	**9,675**	**51,266**	**876**	**445**	**3,134**	**65,396**	**60,969**	**126,365**	**399,937**
Austria	136	60			254	450	3	453	336
Belgium		347			115	462	197	659	514
Bulgaria							85	85	27
Croatia	100	665	2	220	76	1,063	99	1,162	6,472
Cyprus									266
Czech Republic	54					54		54	572
Denmark		36			15	51	30	81	87
Estonia									1
Finland		49			80	129	29	158	35
France	98	3,992		201	104	4,395	1,553	5,948	6,316
Germany	74	5,801			-680	5,195	1,445	6,640	4,709
Greece	13				24	37		37	307
Hungary	10	789	94		201	1,094	32	1,126	2,314
Ireland	39	528			251	818	173	991	416
Italy	8,285	22,718	353	12	1,438	32,806	52,174	84,980	326,020
Latvia		9				9		9	45
Lithuania		41				41		41	12
Luxembourg	224	45			83	352	28	380	3,143
Malta									1,145
The Netherlands	58	369			651	1,078	898	1,976	3,525
Poland	16	50			-5	61	31	92	1,086
Portugal	152				42	194	8	202	242
Romania		199			4	203	167	370	988
Slovakia		248	427		13	688		688	10,737
Slovenia		161				161	7	168	1,622
Spain	233	14,820			377	15,430	2,378	17,808	2,473
Sweden		104			91	195	5	200	181
United Kingdom	183	235		12		430	1,627	2,057	26,346
North African Countries		**748**				**748**		**748**	**1,801**
Algeria									12
Egypt		748				748		748	1,758
Libya									6
Morocco									14
Tunisia									11
Japan		**67**			**602**	**669**	**81**	**750**	**756**

Note: including components related to the acquisition of operations of the two former Venetian banks. Figures may not add up exactly due to rounding differences
(1) Exposure to sovereign risks (central and local governments), banks and other customers. Book Value of Debt Securities and Net Loans as of 31.12.17
(2) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

Exposure to Sovereign Risks[1] by Main Countries

€ m

	DEBT SECURITIES									LOANS
	Banking Business						Insurance Business [3]	Total	AFS Reserve [4]	
	L&R	AFS	HTM	CFV	HFT [2]	Total				
EU Countries	**6,304**	**47,797**	**782**	**220**	**-210**	**54,893**	**51,285**	**106,178**	**54**	**14,529**
Austria					217	217	1	218		
Belgium		303			16	319	5	324		
Bulgaria							63	63	1	
Croatia	6	665	2	220	76	969	91	1,060		977
Cyprus										
Czech Republic										
Denmark					10	10		10		
Estonia										
Finland		31			75	106	6	112	1	
France	98	3,399			-6	3,491	69	3,560	-5	6
Germany		5,507			-880	4,627	568	5,195	-11	
Greece					24	24		24		
Hungary		781			205	986	32	1,018	3	30
Ireland		178			-2	176	118	294	1	
Italy	6,031	21,367	353		-437	27,314	48,664	75,978	48	12,951
Latvia		9				9		9		45
Lithuania		41				41		41		
Luxembourg		30			20	50		50		
Malta										
The Netherlands		100			228	328	97	425	1	
Poland	16	50			-5	61	20	81		
Portugal					-32	-32		-32		25
Romania		199			4	203	167	370	-2	
Slovakia		176	427		13	616		616	2	128
Slovenia		157				157	7	164	4	251
Spain	153	14,713			279	15,145	1,277	16,422	12	116
Sweden		3			55	58		58		
United Kingdom		88			-70	18	100	118	-1	
North African Countries		**748**				**748**		**748**	**-1**	
Algeria										
Egypt		748				748		748	-1	
Libya										
Morocco										
Tunisia										
Japan					**514**	**514**		**514**		

Banking Business Government bond duration: ~5 years
Adjusted duration due to hedging: ~0.3 years

Note: including components related to the acquisition of operations of the two former Venetian banks. Figures may not add up exactly due to rounding differences
(1) Exposure to central and local governments. Book Value of Debt Securities and Net Loans as of 31.12.17
(2) Taking into account cash short positions
(3) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured
(4) Net of tax and allocation to insurance products under separate management; referred to all debt securities; almost entirely regarding sovereign risks

Exposure to Banks by Main Countries(1)

€ m

	DEBT SECURITIES								LOANS
	Banking Business						Insurance Business (2)	Total	
	L&R	AFS	HTM	CFV	HFT	Total			
EU Countries	**588**	**1,773**	**94**	**201**	**1,516**	**4,172**	**3,701**	**7,873**	**25,462**
Austria	126	27			31	184		184	125
Belgium		34			99	133	53	186	317
Bulgaria									1
Croatia	76					76		76	50
Cyprus									8
Czech Republic									
Denmark		17			1	18	2	20	76
Estonia									
Finland		18			4	22		22	
France		393		201	57	651	604	1,255	4,321
Germany	4	183			132	319	167	486	1,447
Greece									298
Hungary		11	94			105		105	34
Ireland		72			-2	70		70	137
Italy	300	551			952	1,803	1,663	3,466	7,556
Latvia									
Lithuania									6
Luxembourg	60				45	105	1	106	1,377
Malta									1,112
The Netherlands	22	188			118	328	335	663	210
Poland									204
Portugal									7
Romania									11
Slovakia		72				72		72	
Slovenia		3				3		3	4
Spain		51			22	73	287	360	863
Sweden		62			36	98	2	100	79
United Kingdom		91			21	112	587	699	7,219
North African Countries									**154**
Algeria									
Egypt									134
Libya									
Morocco									14
Tunisia									6
Japan		**28**			**40**	**68**	**57**	**125**	**17**

Note: including components related to the acquisition of operations of the two former Venetian banks. Figures may not add up exactly due to rounding differences
(1) Book Value of Debt Securities and Net Loans as of 31.12.17
(2) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

Exposure to Other Customers by Main Countries(1)

€ m

	DEBT SECURITIES								LOANS
	Banking Business						Insurance Business (2)	Total	
	L&R	AFS	HTM	CFV	HFT	Total			
EU Countries	**2,783**	**1,696**		**24**	**1,828**	**6,331**	**5,983**	**12,314**	**359,946**
Austria	10	33			6	49	2	51	211
Belgium		10				10	139	149	197
Bulgaria							22	22	26
Croatia	18					18	8	26	5,445
Cyprus									258
Czech Republic	54					54		54	572
Denmark		19			4	23	28	51	11
Estonia									1
Finland					1	1	23	24	35
France		200			53	253	880	1,133	1,989
Germany	70	111			68	249	710	959	3,262
Greece	13					13		13	9
Hungary	10	-3			-4	3		3	2,250
Ireland	39	278			255	572	55	627	279
Italy	1,954	800		12	923	3,689	1,847	5,536	305,513
Latvia									
Lithuania									6
Luxembourg	164	15			18	197	27	224	1,766
Malta									33
The Netherlands	36	81			305	422	466	888	3,315
Poland							11	11	882
Portugal	152				74	226	8	234	210
Romania									977
Slovakia									10,609
Slovenia		1				1		1	1,367
Spain	80	56			76	212	814	1,026	1,494
Sweden		39				39	3	42	102
United Kingdom	183	56		12	49	300	940	1,240	19,127
North African Countries									**1,647**
Algeria									12
Egypt									1,624
Libya									6
Morocco									
Tunisia									5
Japan		**39**			**48**	**87**	**24**	**111**	**739**

Note: including components related to the acquisition of operations of the two former Venetian banks. Figures may not add up exactly due to rounding differences

(1) Book Value of Debt Securities and Net Loans as of 31.12.17

(2) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

Disclaimer

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

* * *

This presentation includes certain forward looking statements, projections, objectives and estimates reflecting the current views of the management of the Company with respect to future events. Forward looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words "may," "will," "should," "plan," "expect," "anticipate," "estimate," "believe," "intend," "project," "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Company participates or is seeking to participate.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Group's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) 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.

All forward-looking statements included herein are based on information available to the Company as of the date hereof. The Company undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.