9M18 Results

Solid Performance

A Strong Bank for
a Digital World

November 6, 2018

INTESA SANPAOLO

Solid First Nine Months

€3.0bn Net income, the best 9M since 2008 (+26% vs 9M17 pro-forma(1))

~€3.4bn pro-forma Net income including capital gain from the Intrum agreement (~90% of the €3.8bn FY17 Net income(1) already achieved)

Best ever 9M for Commissions and best 9M Operating income since 2008

Cost/Income down to 50.5%, with a decrease of more than 3% YoY in Operating costs, leading to a 13% growth in Operating margin

€26.1bn NPL deleveraging since the peak of September 2015(2) (€1.1bn in Q3), at no cost to shareholders

Common Equity(3) ratio up to 13.7%, well above regulatory requirements even under the EBA stress test adverse scenario and despite the widened sovereign bond spread

Strong commitment to Corporate Social Responsibility through a variety of initiatives already activated

Firmly on track to deliver 2018 Net income higher than the €3.8bn 2017 Net income(1) and 2018-2021 Business Plan targets

(1) Management data including the contribution of the two former Venetian banks – excluding 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 – and the Morval Group consolidation
(2) Including Intrum agreement
(3) Pro-forma fully loaded Basel 3 (30.9.18 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, the expected distribution of reserves of insurance companies and the expected absorption of DTA on losses carried forward)

ISP Remains a Top Performing Delivery Machine Built upon a Very Resilient and Well-diversified Business Model

	Delivery machine at work on Business Plan priorities	A very resilient and well-diversified business model
Significant de-risking	**53%** of targeted 2018-2021 NPL deleveraging already achieved in 9M18	Best-in-class **credit recovery** and **NPL deal making capabilities** (at no cost to shareholders)
Cost reduction	Costs down by **more than 3%** YoY	High **strategic flexibility in managing costs**
Revenue growth	Revenues up by **more than 4%** YoY	A **Wealth Management and Protection company** (with ~€1tn in Customer Financial Assets) driven by a **client-centric approach**, with financial market activities **naturally hedging** volatility impact on fee-based business

Sustainable profitability coupled with a strong liquidity and capital position

Strongly Committed and Well on Track to Deliver Our Business Plan Targets Despite a Challenging Environment

	Business Plan CAGR 17-21 %	9M18 vs 9M17 pro-forma[1] %
Operating income	+4.0%	+4.3%
Operating costs	(0.9)%	(3.2)%
Operating margin	+9.1%	+13.2%
Loan loss provisions	(14.7)%	(18.5)%
Gross income	+13.5%	+19.0%
Net income	+12.1%	+26.1%

- **Common Equity[2] ratio at 13.7% vs 13.1% estimated in the Business Plan for 2021**
- **53% of 2018-2021 Business Plan NPL deleveraging target already achieved**

(1) Management data including the contribution of the two former Venetian banks – excluding 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 – and the Morval Group consolidation

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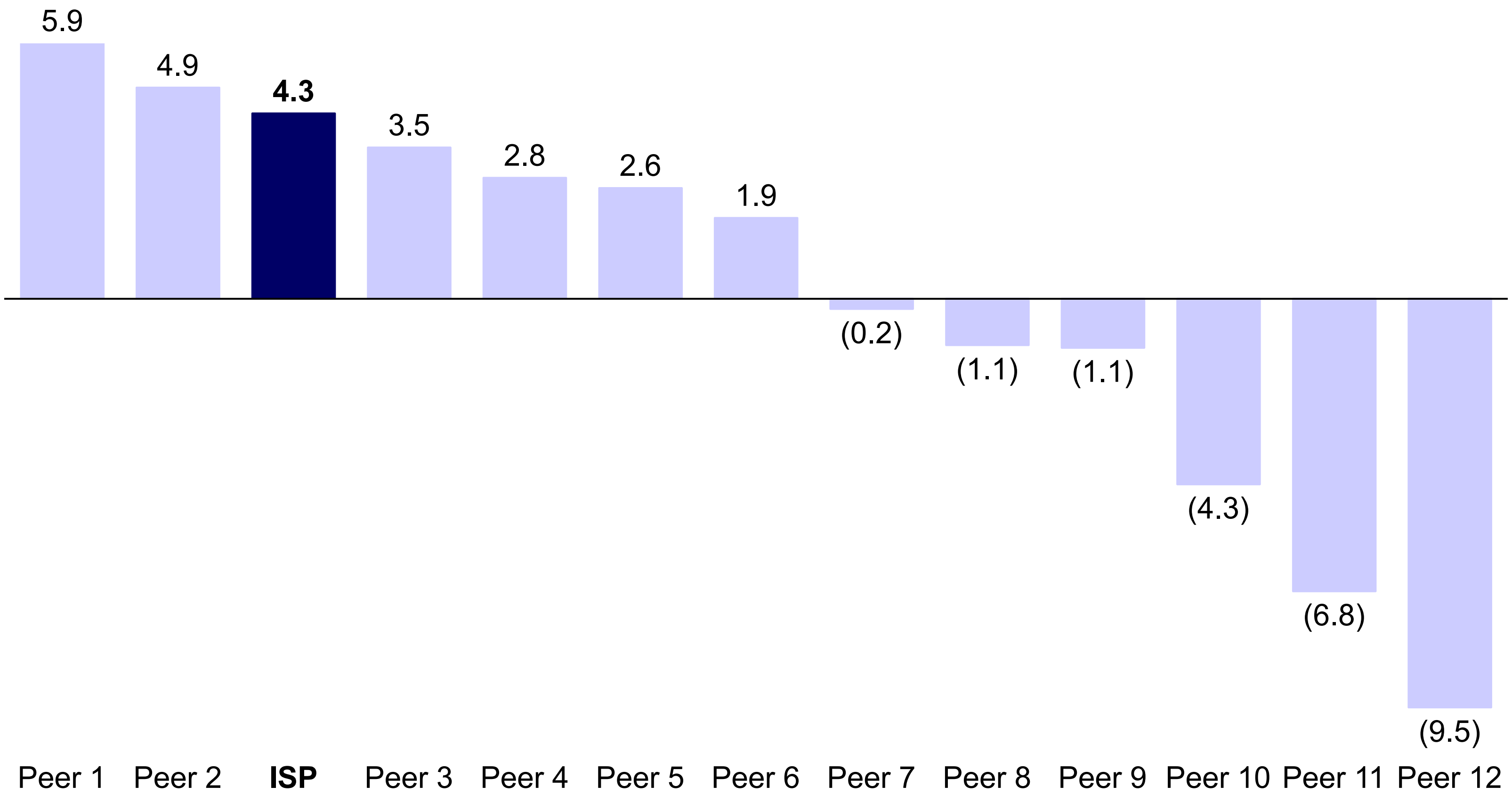
Top-Tier Operating Income Growth in Europe

Δ YoY Operating income(1)
%

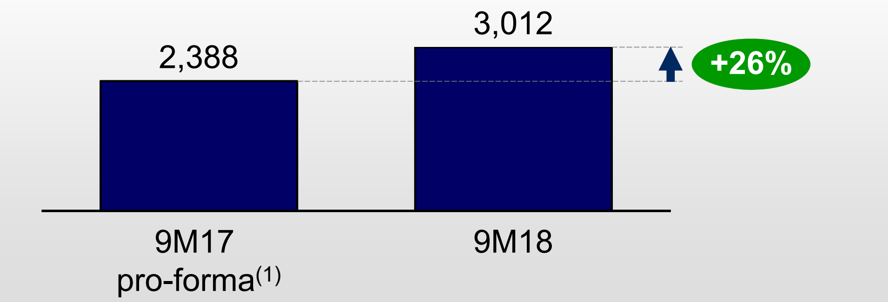


Leader in the Eurozone for Operating income growth

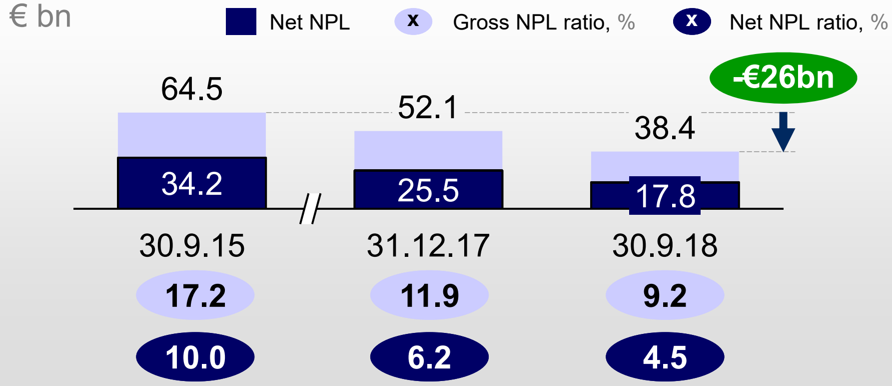
(1) Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, ING Group, Lloyds Banking Group, Nordea, Santander, Standard Chartered and UBS (30.9.18 data); only top European banks that have communicated their 9M18 results

9M: Excellent Performance Delivered

Net income

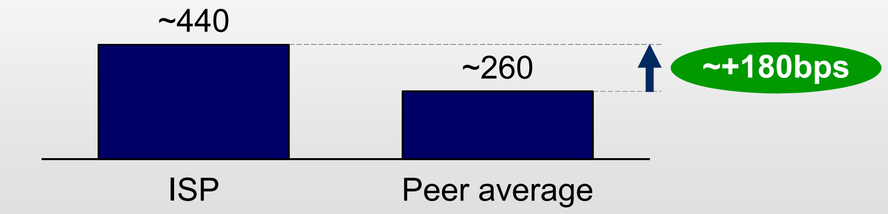


NPL stock



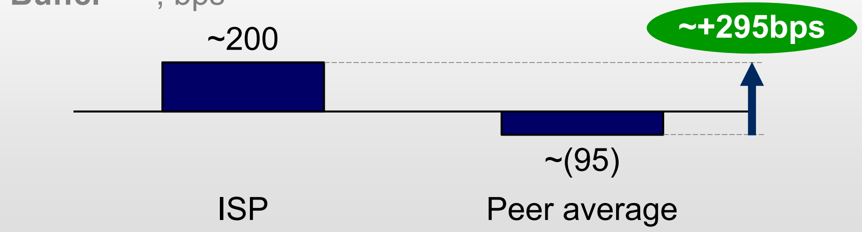
Excess capital

Pro-forma Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer[2][3], 30.9.18, bps



Excess capital under EBA stress test adverse scenario

Pro-forma 2020 Fully Loaded CET1 Ratio Buffer under adverse scenario vs requirements SREP + Combined Buffer[4][5], bps

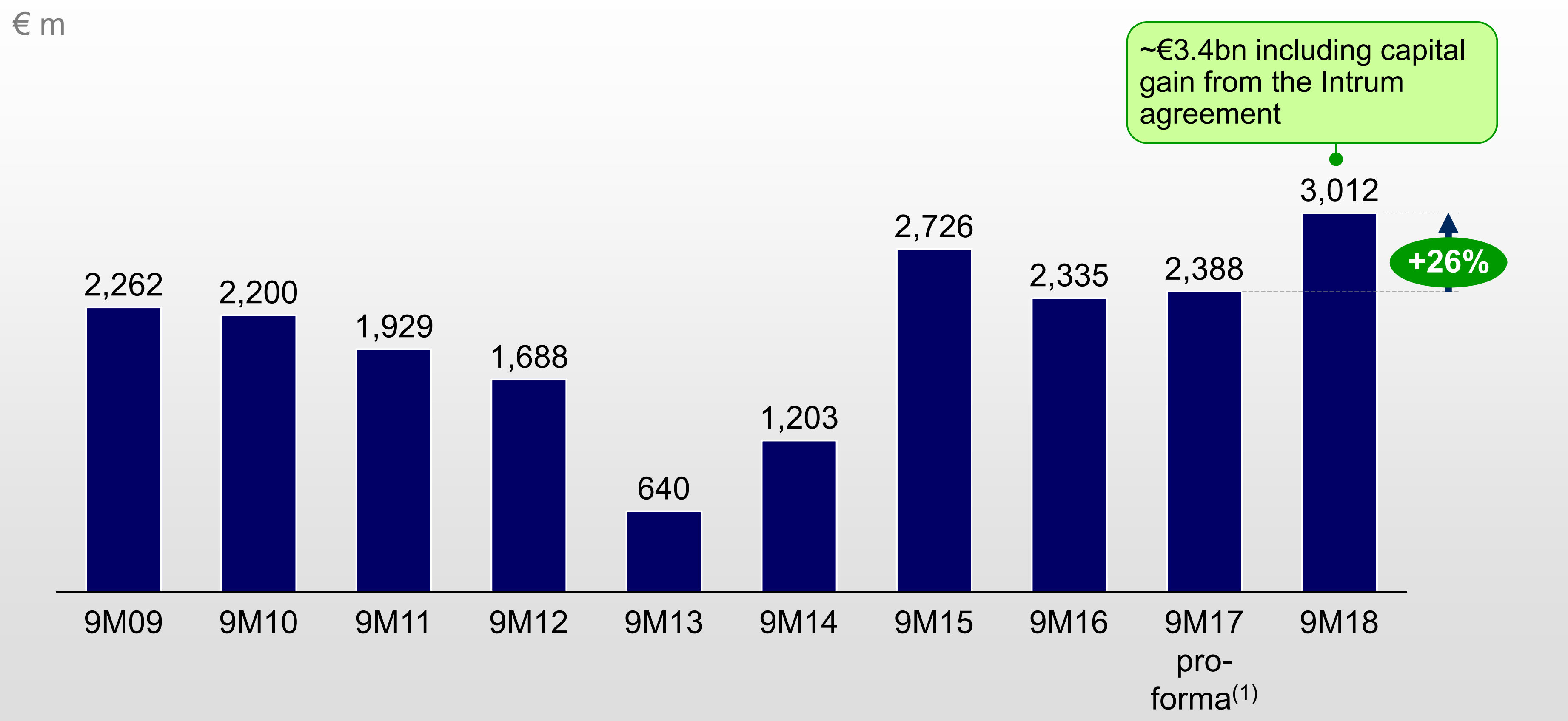


ISP CET1 ratios already including ~45bps impact deriving from the widened sovereign bond spread[6]

(1) Management data including the contribution of the two former Venetian banks – excluding 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 – and the Morval Group consolidation
(2) Sample: BBVA, BNP Paribas, Deutsche Bank, ING Group, Nordea and Santander (30.9.18 data); BPCE, Commerzbank, Crédit Agricole Group, Société Générale and UniCredit (30.6.18 data). Source: Investors' Presentations, Press Releases, Conference Calls, Financial Statements
(3) Calculated as the difference between the pro-forma Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer; only top European banks that have communicated their SREP requirement
(4) Sample: BBVA, BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, Deutsche Bank, ING Group, Nordea, Santander, Société Générale and UniCredit
(5) Calculated as the difference between the pro-forma Fully Loaded CET1 Ratio under the EBA stress test adverse scenario vs requirements SREP + Combined Buffer; only top European banks that have communicated their SREP requirement
(6) 10y BTP-Bund spread: from 129bps as of 31.3.18 to 238bps as of 30.6.18 and 268bps as of 30.9.18

Best 9M Net Income since 2008

Net income



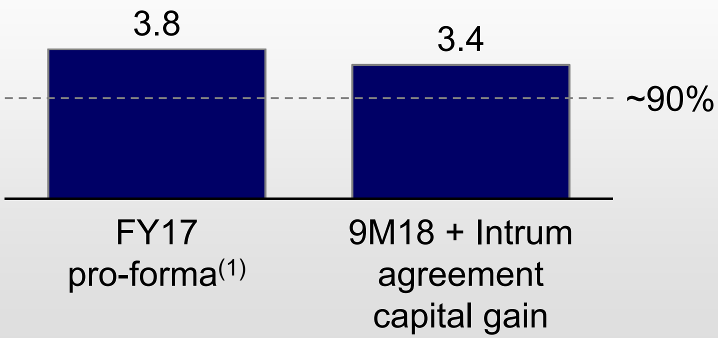
Firmly on track to deliver 2018 Net income higher than 2017:
~90% of the €3.8bn FY17 Net income[1] already achieved in 9M[2]

(1) Management data including the contribution of the two former Venetian banks – excluding 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 – and the Morval Group consolidation
(2) Including capital gain from the Intrum agreement

All Stakeholders Benefit from Our Excellent Performance

Shareholders

Net income, € bn

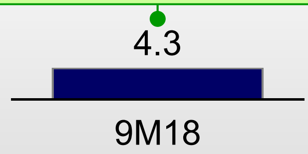


2018 payout ratio 85%

Employees

Personnel expenses, € bn

Excess capacity of ~5,000 people being reskilled and redeployed to priority initiatives



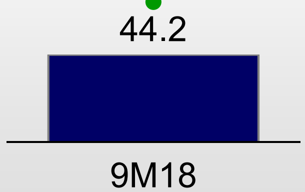
Public Sector

Taxes[2], € bn

Households and Businesses

Medium/Long-term new lending, € bn

Of which €36.6bn in Italy



~13,000 Italian companies helped to get back to performing status[3] in 9M (~86,000 since 2014)

(1) Management data including the contribution of the two former Venetian banks – excluding 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 – and the Morval Group consolidation
(2) Direct and indirect
(3) Deriving from Non-performing loans outflow

ISP: Supporting Italy through a World-class Reference Model on Social and Cultural Responsibility

Initiatives to **reduce child poverty** and multiple **partnerships in the making to support people in need**, delivering:

~8,500 meals/day (>80% of 2018-21 Business Plan commitment)

~3,000 dormitory beds/month (~50% of BP commitment)

~3,000 medicines/month (100% of BP commitment)

Supported families impacted by earthquakes and natural disasters **by forgiving or allowing *moratoria* of mortgages** on destroyed properties (>€15m in 9M18, in addition to ~€90m subsidised loans granted in 9M18 and more than €140m granted in 2015-2017)

Supported families and businesses affected by Genoa bridge collapse with a €4.5m plafond for unilateral mortgage forgiveness and €50m plafond for reconstruction

Activated **7 "Start-up Initiatives"** in 9M18, with participation of **~520 start-ups**

Circular Economy credit Plafond for a total amount of **€5bn** already launched and opening of the **first Italian laboratory** for the **Circular Economy** dedicated to Corporate Clients

ISP Fund for Impact (~€1.25bn lending capacity) **designed** with launch planned for 4Q18

Almost 330,000 visitors to ISP "Gallerie d'Italia" museums and **10 major exhibitions** held in 9M18

140 artworks from our corporate collection on loan in 9M18 to Italian and international museums and more than 100 art historians currently working at "Gallerie d'Italia"

9M18: Highlights

- Excellent economic performance driven by high quality earnings:
  - €3,012m Net income, the best 9M since 2008 (+26% vs 9M17 pro-forma[1]), €833m in Q3
  - ~€3.4bn pro-forma Net income including ~€400m additional capital gain from the Intrum agreement to be booked by year-end
  - Best 9M Operating income in the last decade (+4% vs 9M17 pro-forma[1]), with best ever 9M for Commissions (second best ever Q3) and Net interest income increasing in Q3
  - Strong decrease in Operating costs (more than -3% vs 9M17 pro-forma[1]) with C/I ratio down to 50.5%, leading to a 13% growth in Operating margin
  - Strong reduction in Loan loss provisions (-19% vs 9M17 pro-forma[1]), with annualised cost of risk down to 57bps (vs 81bps in FY17 pro-forma[1]), coupled with further strengthened coverage, up 20bps in Q3
- Best-in-class capital position with balance sheet further strengthened:
  - €26.1bn NPL deleveraging vs the peak of September 2015, leading to the lowest Gross NPL stock since 2011 (lowest Net since 2009)
  - Common Equity[2] ratio up to 13.7%, well above regulatory requirements even under EBA stress test adverse scenario, and despite widened sovereign bond spread
  - Best-in-class leverage ratio: 6.2%

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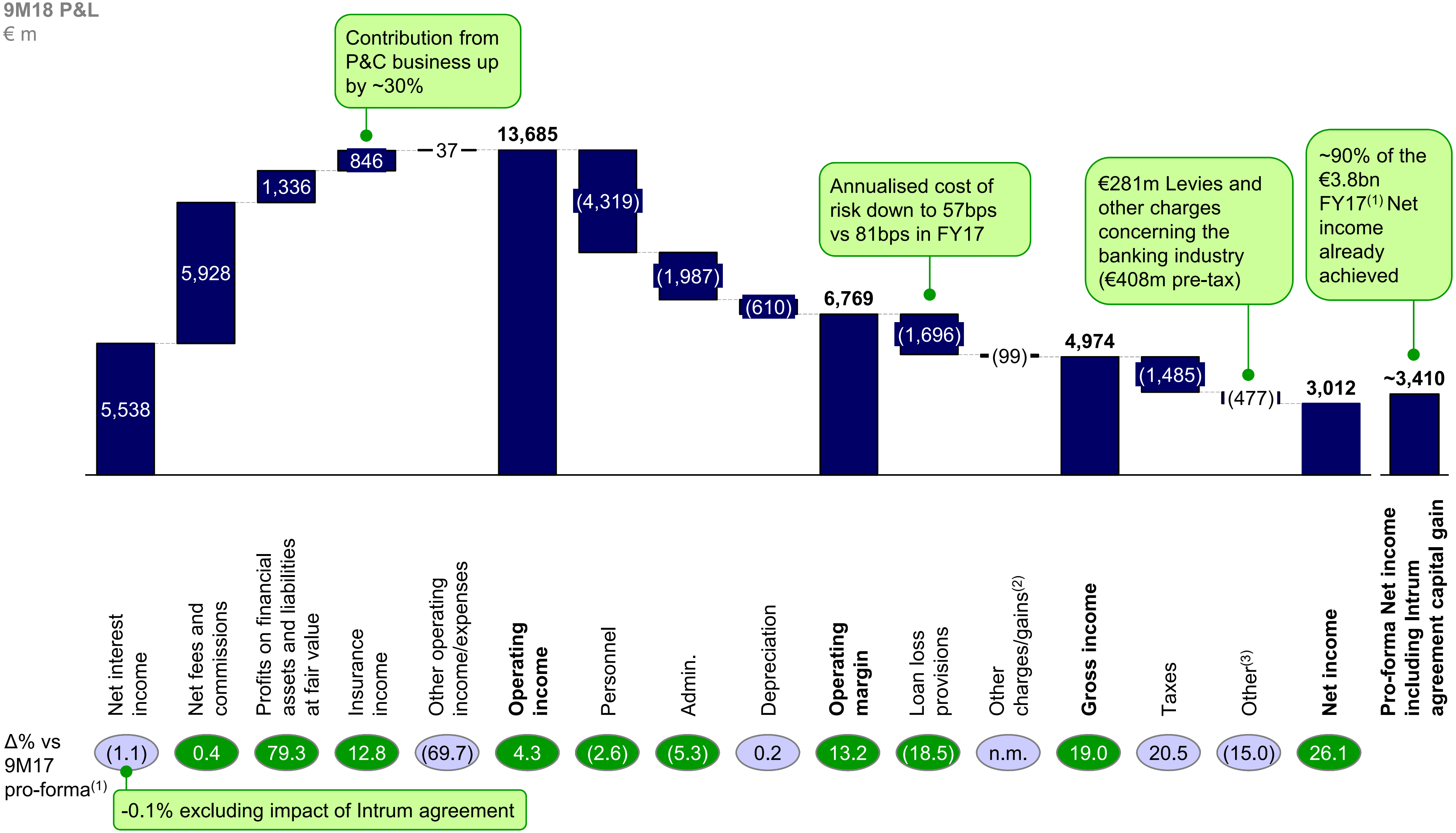
9M18: Strong Growth in Profitability Driven by Growth in Revenues and Reduction in Operating Costs and Loan Loss Provisions

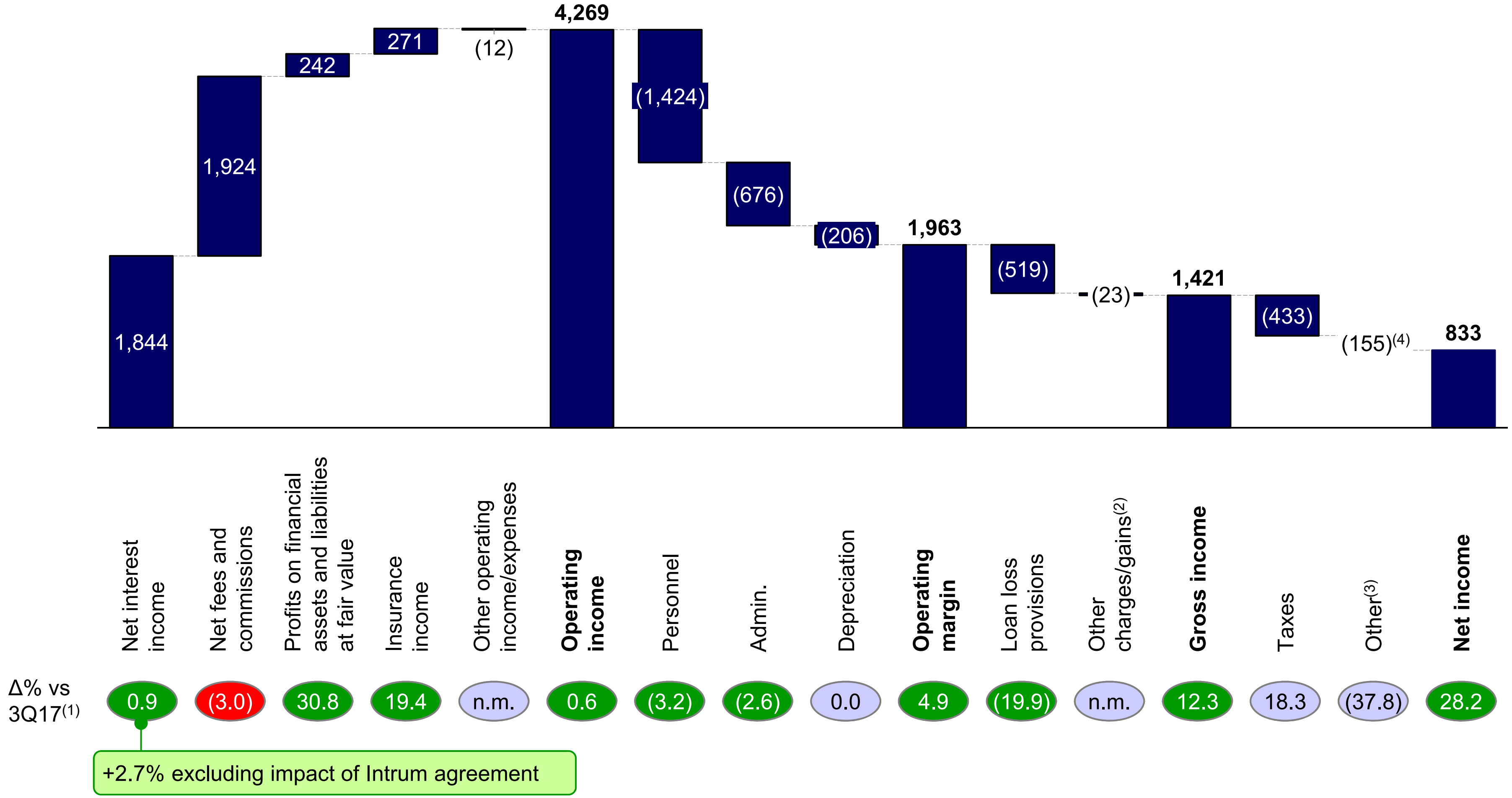
9M18 P&L
€ m



Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks – excluding 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 – and the Morval Group consolidation
(2) Net provisions and net impairment losses on other assets, Other income (expenses), Income (Loss) from discontinued operations
(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

Q3: Solid Contribution to 9M18 Results, with Net Income in Excess of €830m

3Q18 P&L
€ m



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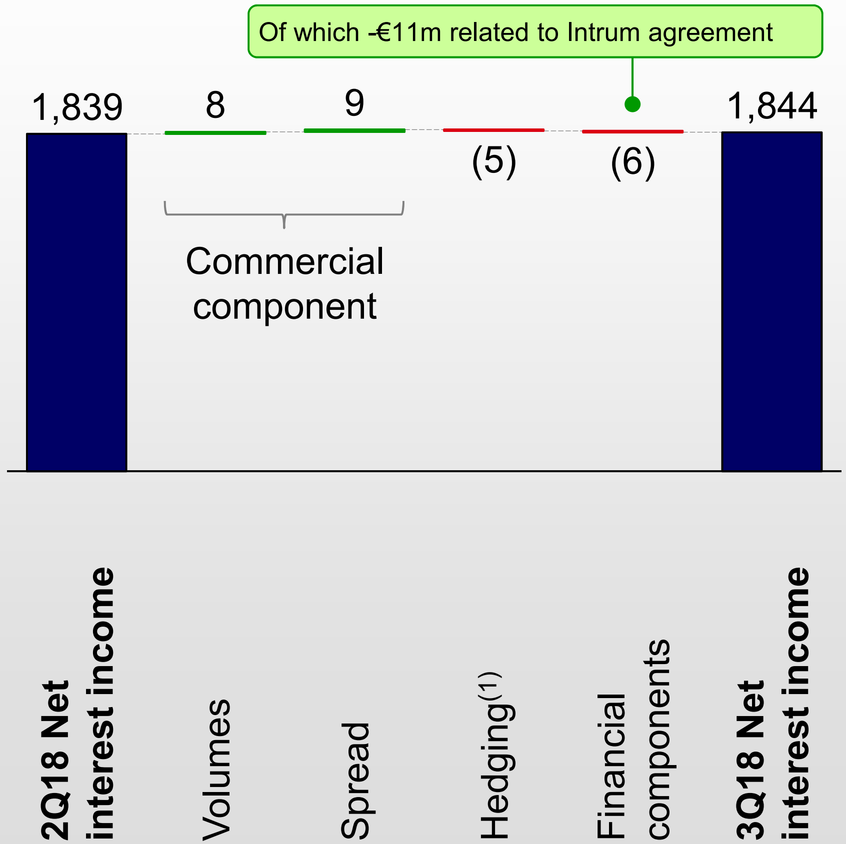
(3) Charges (net of tax) for integration and exit incentives, Effect of purchase price allocation (net of tax), Levies and other charges concerning the banking industry (net of tax), Impairment (net of tax) of goodwill and other intangible assets, Minority interests

(4) Including €81m of Levies and other charges concerning the banking industry (€120m pre-tax)

Increase in Net Interest Income from Commercial Component Despite Continuing Low Market Rates

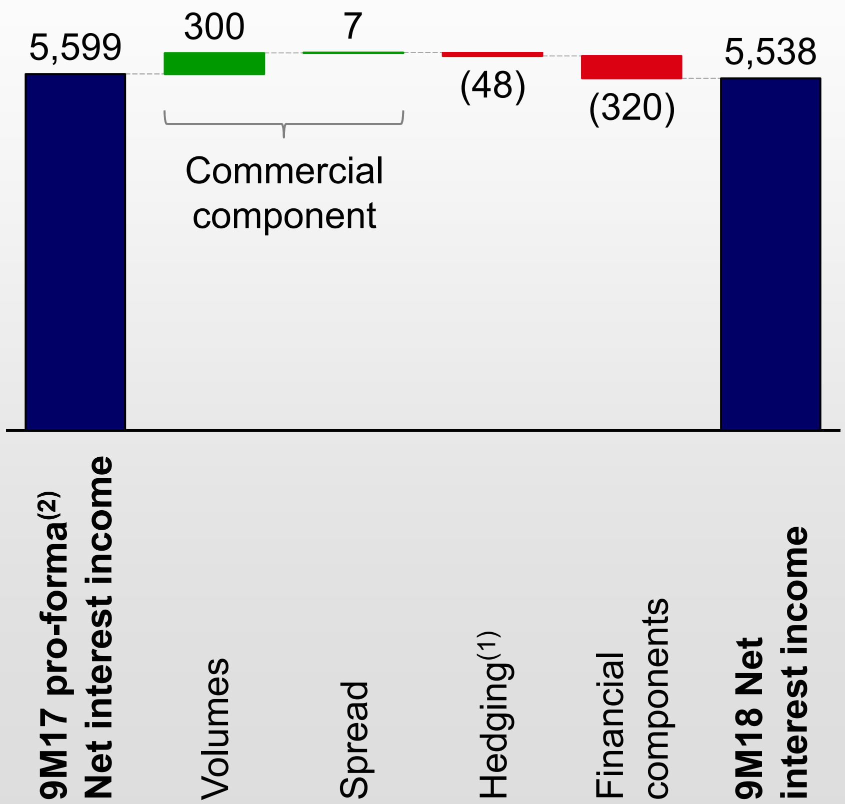
Quarterly comparison

Net interest income, Δ 3Q18 vs 2Q18
€ m



Yearly comparison

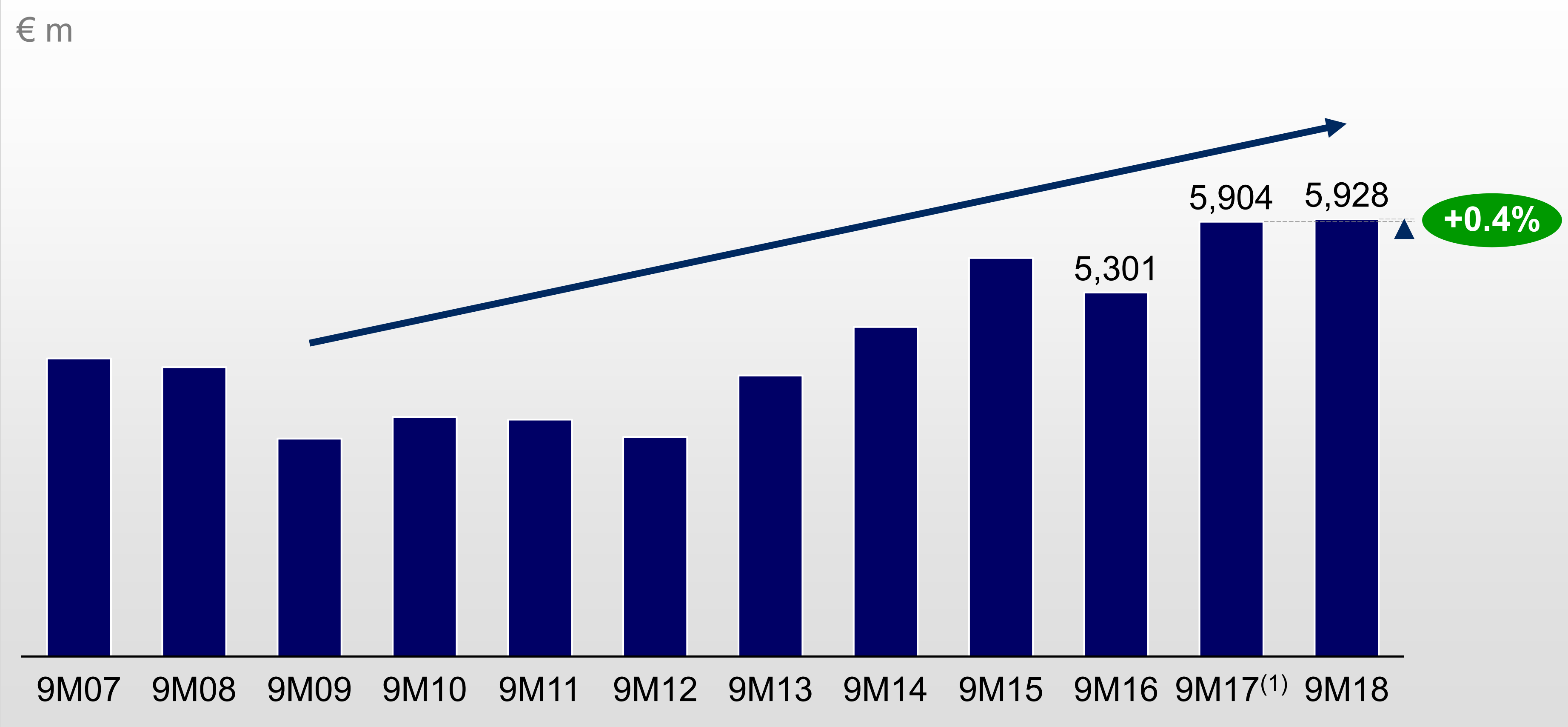
Net interest income, Δ 9M18 vs 9M17 pro-forma(2)
€ m



Note: figures may not add up exactly due to rounding
(1) €283m benefit from hedging on core deposits in 9M18, of which €89m in 3Q18
(2) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation

Best 9M Ever for Commissions, Despite a Very Challenging Environment

Net fees and commissions

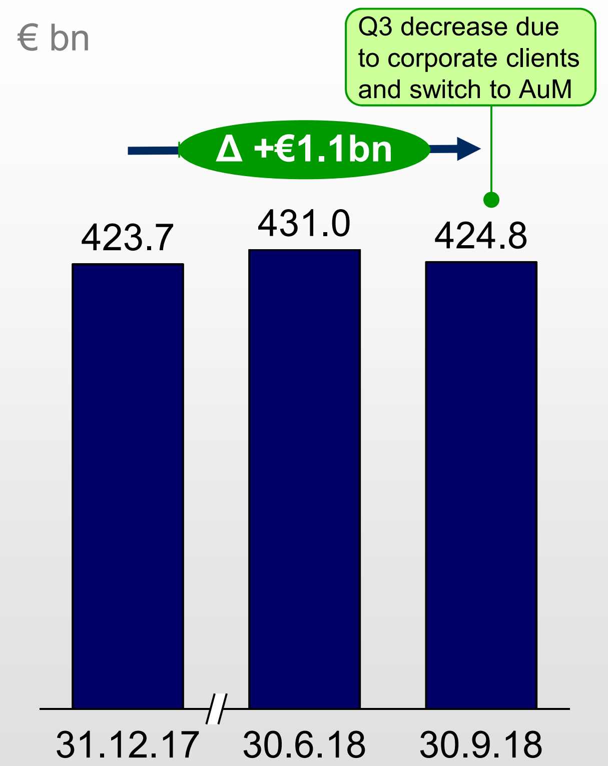


Second best Q3 ever

(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation

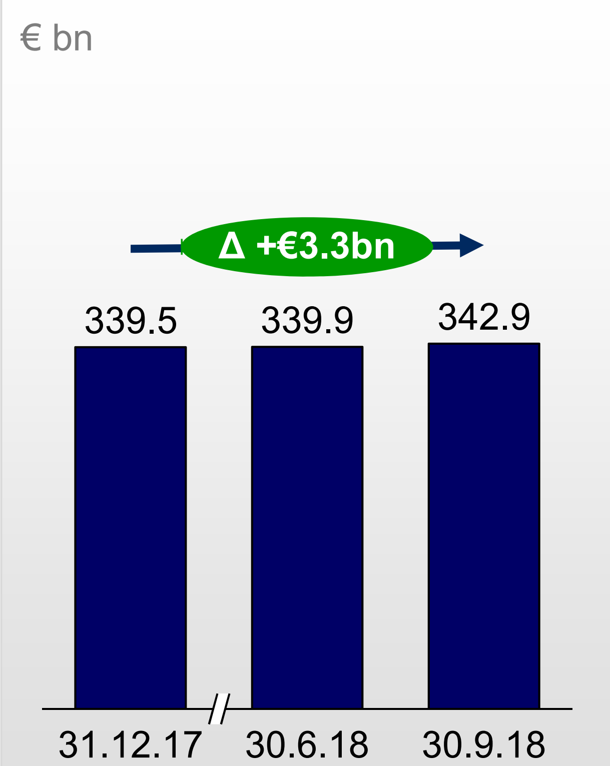
~€1 Trillion in Customer Financial Assets, with Growth in Assets Under Management Despite a Challenging Environment

Direct deposits



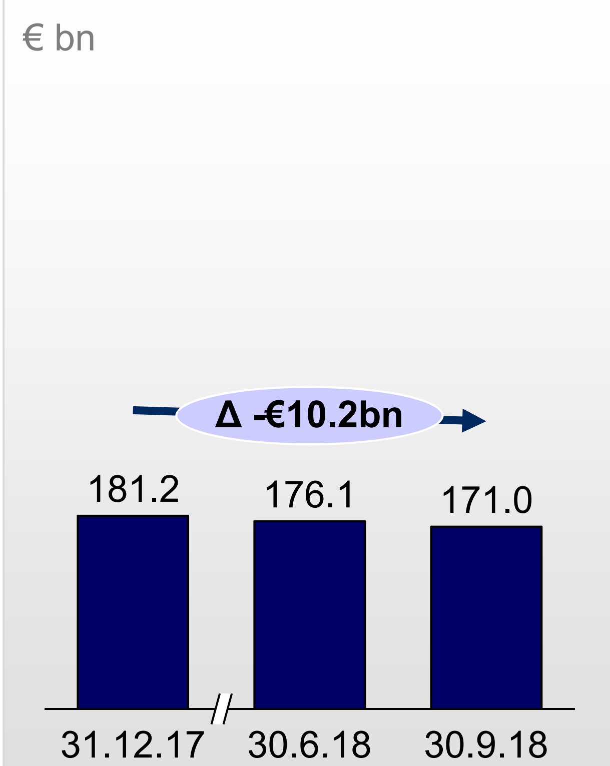
+€11.5bn in household sight deposits in 9M18 (+€1.4bn in 3Q18)

Assets under Management



+€9bn in AuM Net inflows in 9M18 (+€2.7bn in Q3), more than offsetting negative market performance[(1)]

Assets under Administration



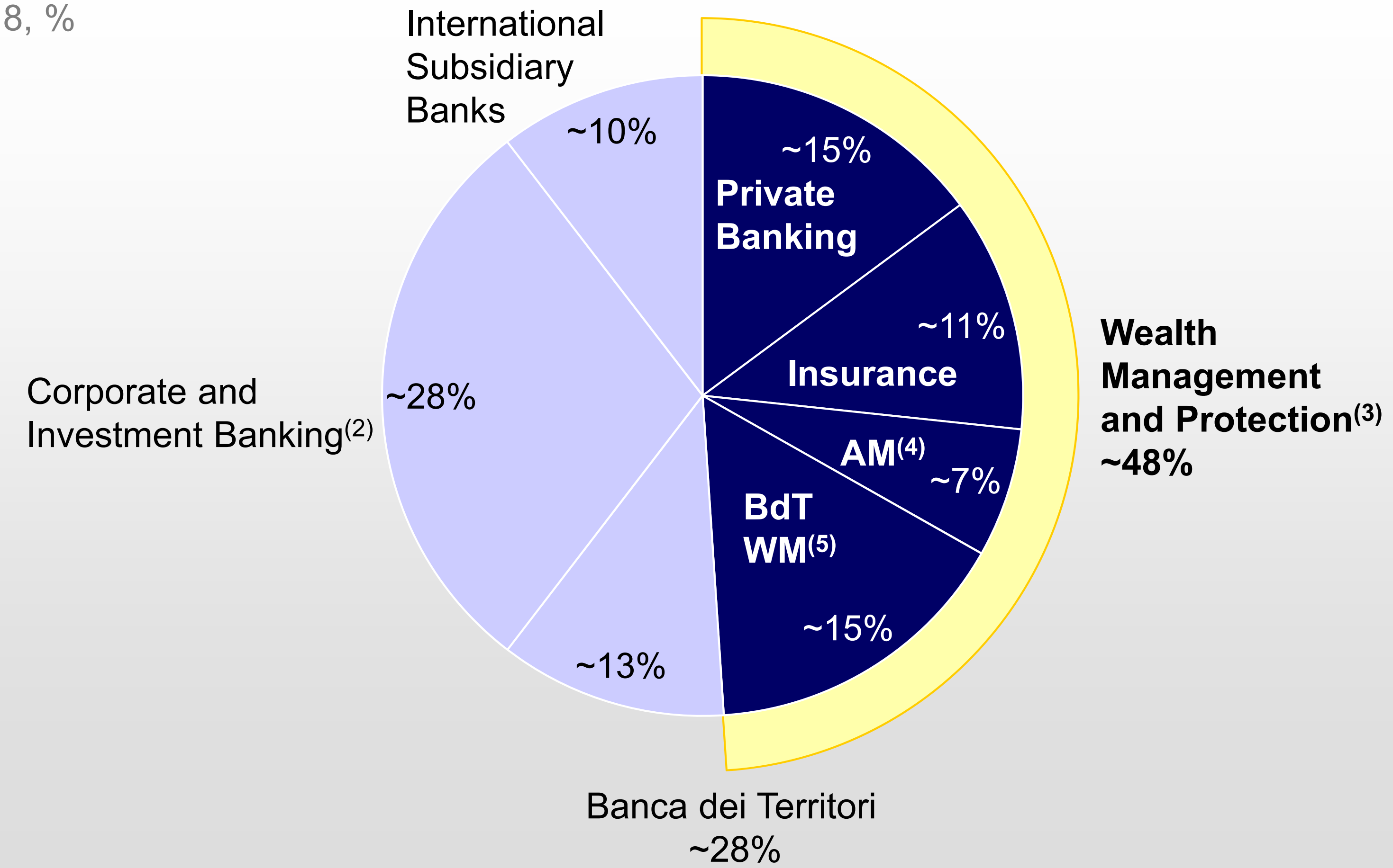
9M18 reduction in AuA mainly due to market performance

Note: figures may not add up exactly due to rounding
(1) FTSE MIB Index down by 4.2% in 3Q18 (-5.2% in 9M18) and increased volatility (Chicago Board Options Exchange Volatility Index) at 15.1% in 9M18 vs 11.1% in 2017
Source: Bloomberg

ISP is an Established, Successful Wealth Management and Protection Company

Gross income breakdown(1)

9M18, %



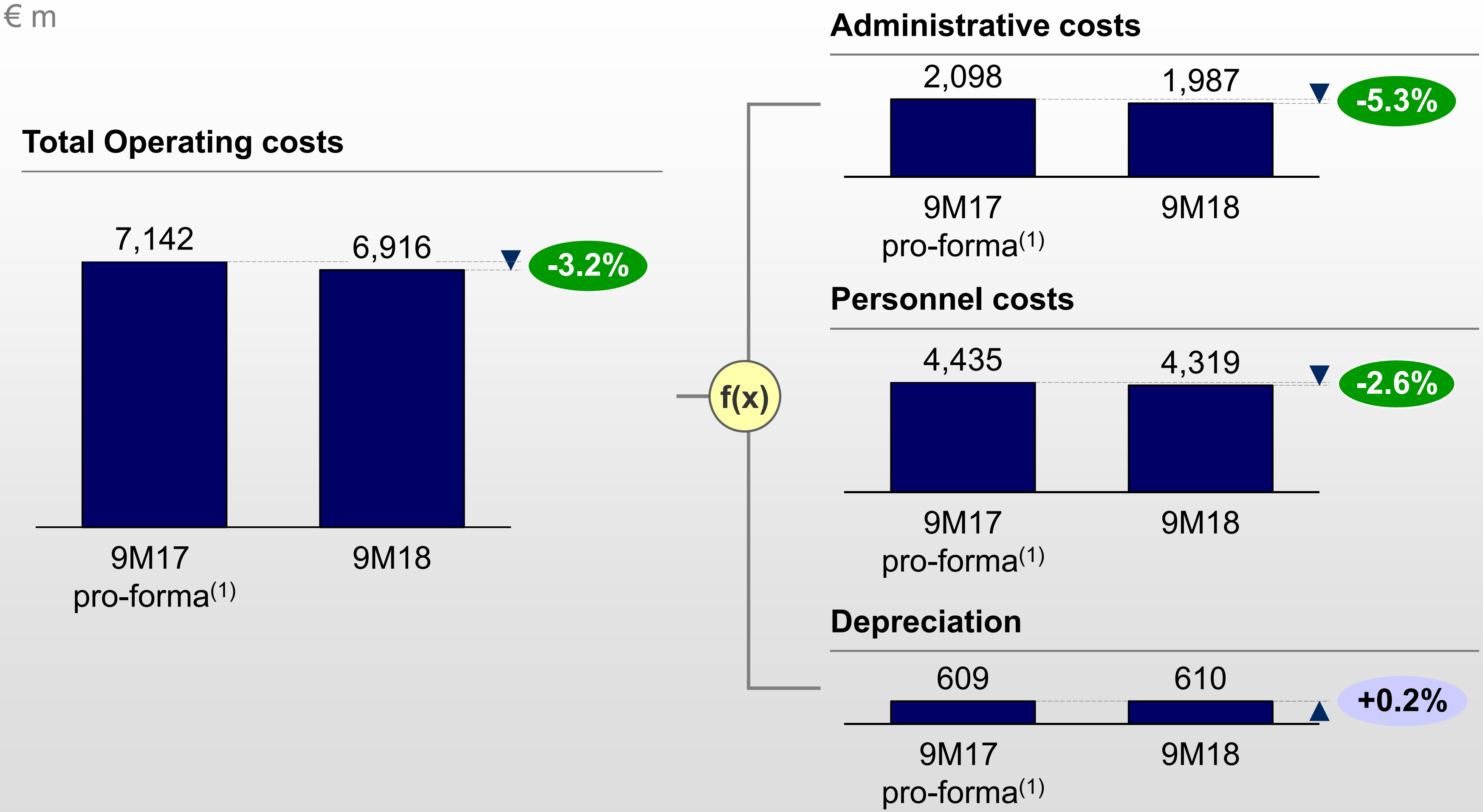
Note: figures may not add up exactly due to rounding

(1) Excluding Corporate Centre and positive impact from NTV
(2) Excluding positive impact from NTV
(3) Private Banking includes Fideuram, Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Bank (Suisse), Morval Group and Siref Fiduciaria; Insurance includes Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo Vita; Asset Management includes Eurizon; BdT WM includes ~€1,565m revenues from WM products included in Banca dei Territori (applying a C/I of 35%)
(4) Asset Management
(5) Banca dei Territori Wealth Management

Strong Reduction in Operating Costs while still Investing for Growth

Operating costs

€ m

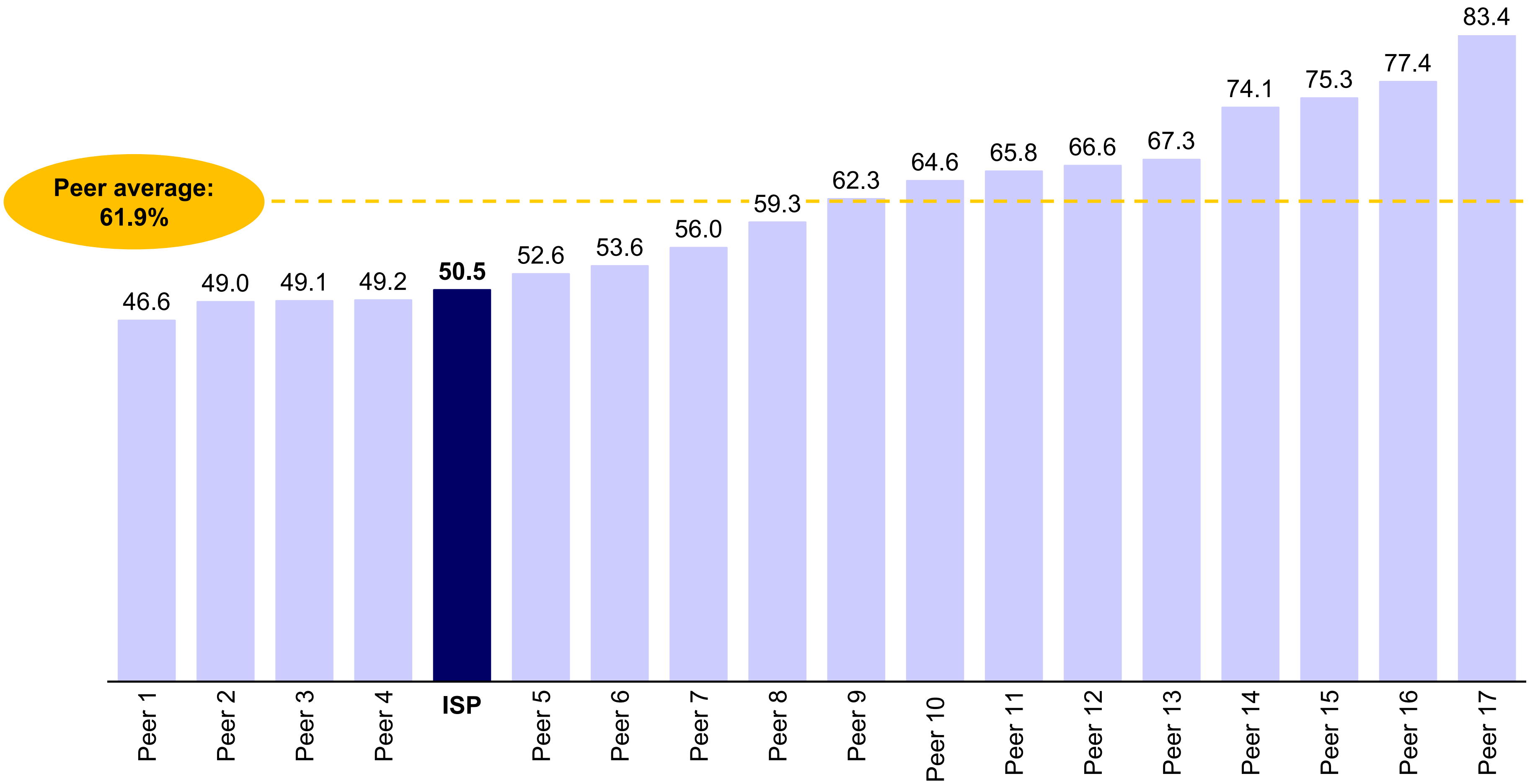


Cost/Income down to 50.5%

(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation

Top-Tier Cost/Income Ratio in Europe

Cost/Income(1)
%



(1) Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, ING Group, Lloyds Banking Group, Nordea, Santander, Standard Chartered and UBS (30.9.18 data); BPCE, Commerzbank, Crédit Agricole SA, Société Générale and UniCredit (30.6.18 data)

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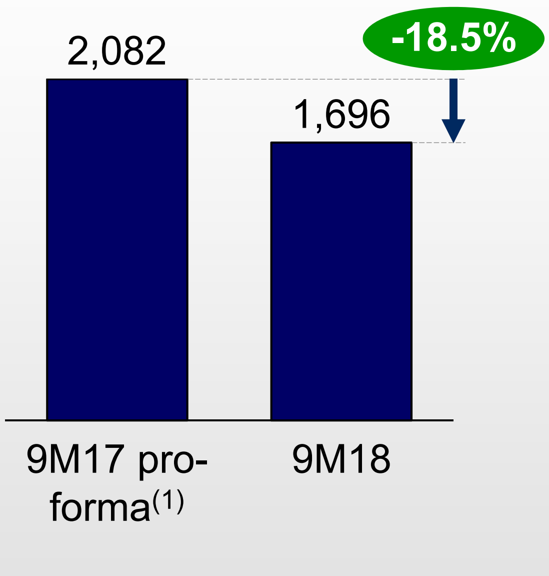
Significant Reduction in Loan Loss Provisions and Cost of Risk Coupled with Increased NPL Coverage

Loan loss provisions

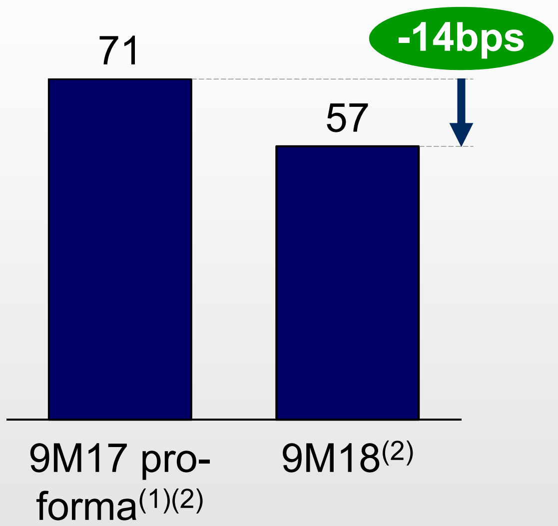
€ m



Lowest 9M LLPs since 9M08

Cost of risk

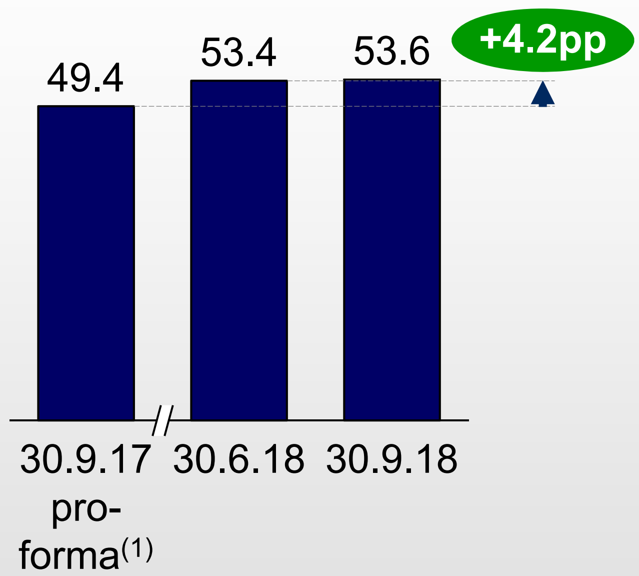
bps



Well on track to deliver on our 2018-21 Business Plan Cost of risk target (41bps)

NPL coverage ratio

%

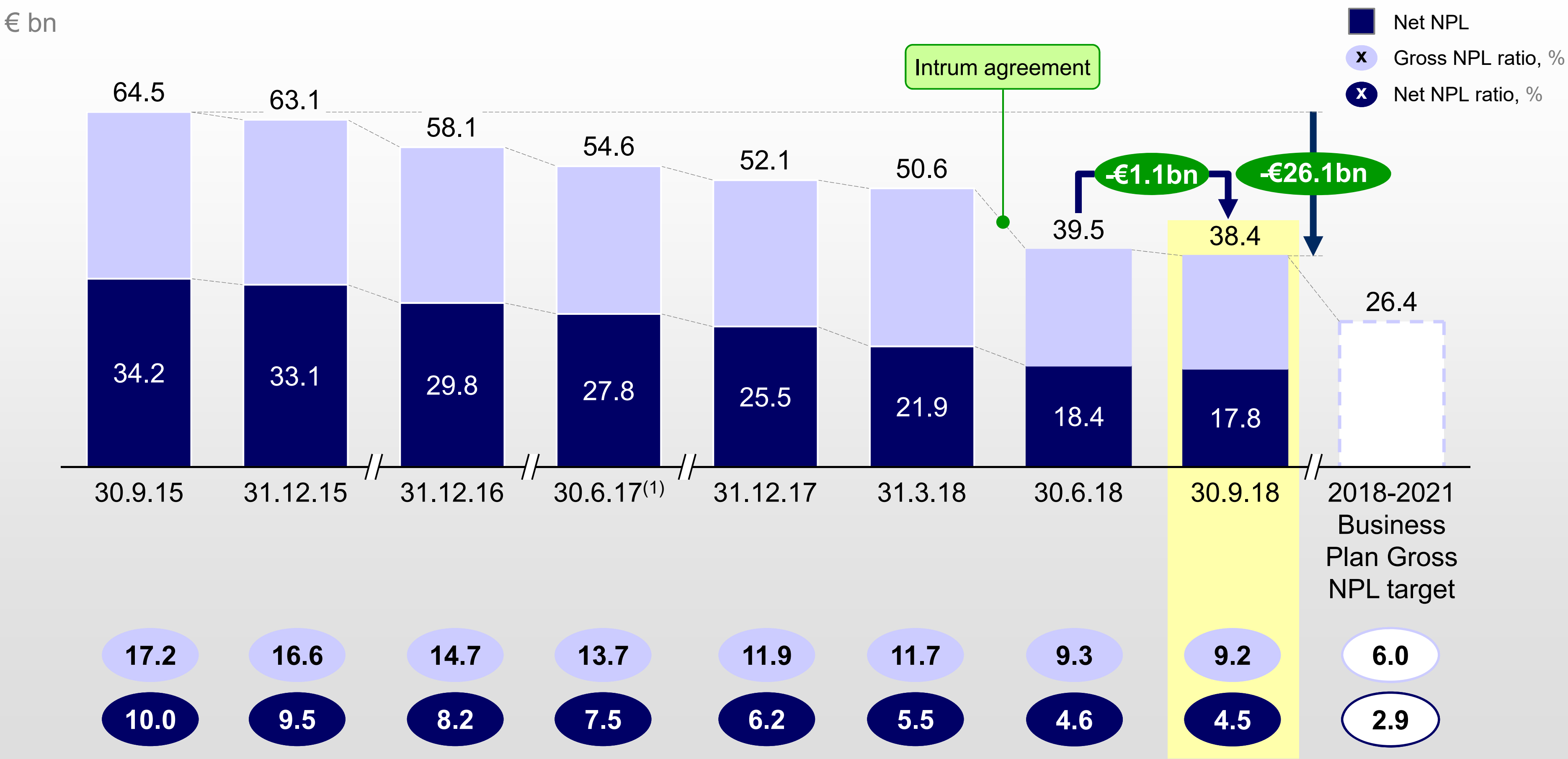


NPL coverage consistent with our Business Plan de-risking strategy

(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation
(2) Annualised

Strong NPL Reduction at No Cost to Shareholders…

NPL stock



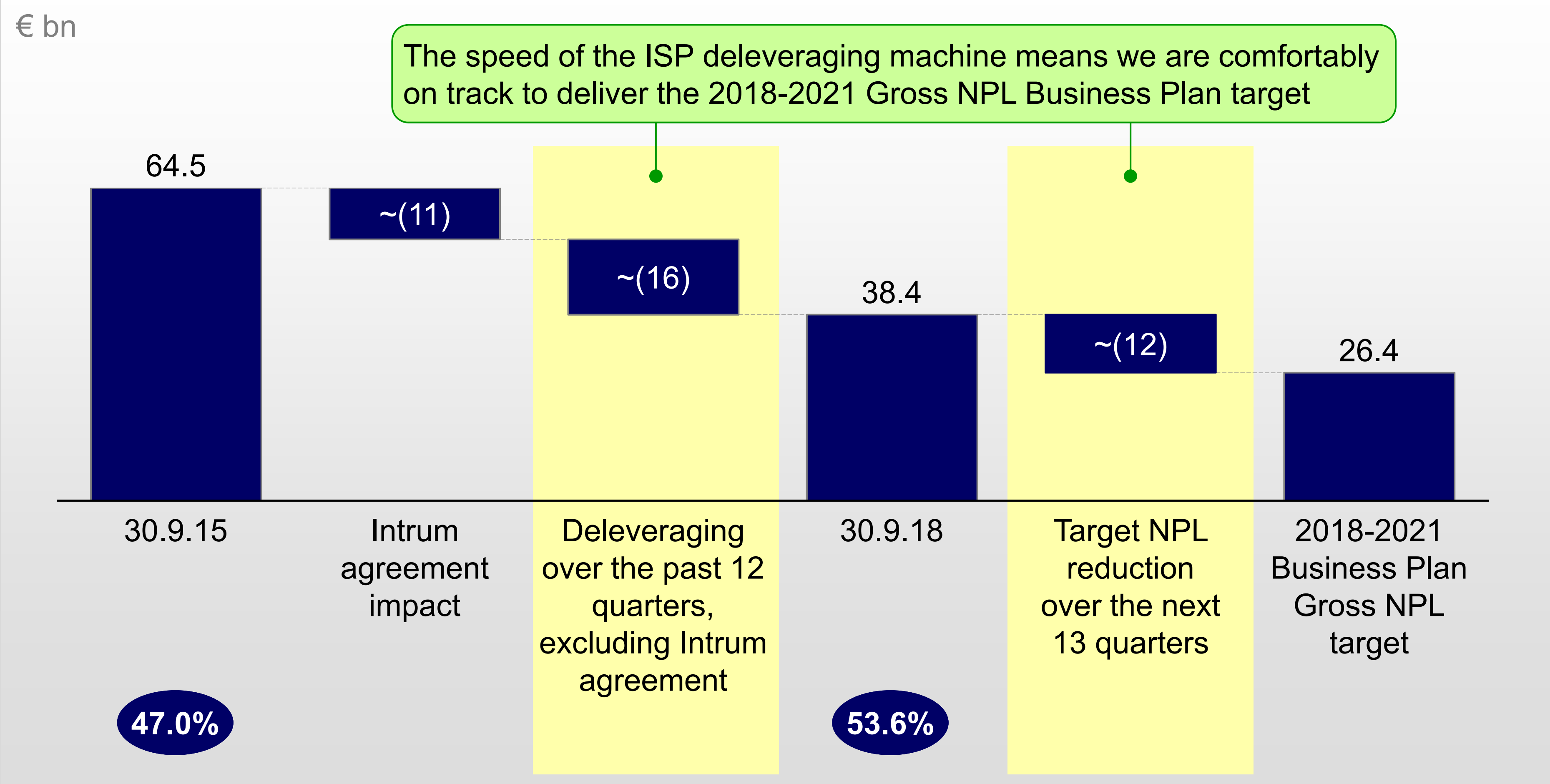
- **12 consecutive quarters of NPL reduction and Gross NPL ratio down to 9.2% (Net NPL ratio at 4.5%)**
- **53% of 2018-2021 Business Plan NPL deleveraging target already achieved**

(1) Excluding the contribution of the two former Venetian banks

… with Positive Outlook for the Delivery of 2018-2021 Business Plan NPL Deleveraging Target

x NPL coverage ratio, %

Gross NPL stock



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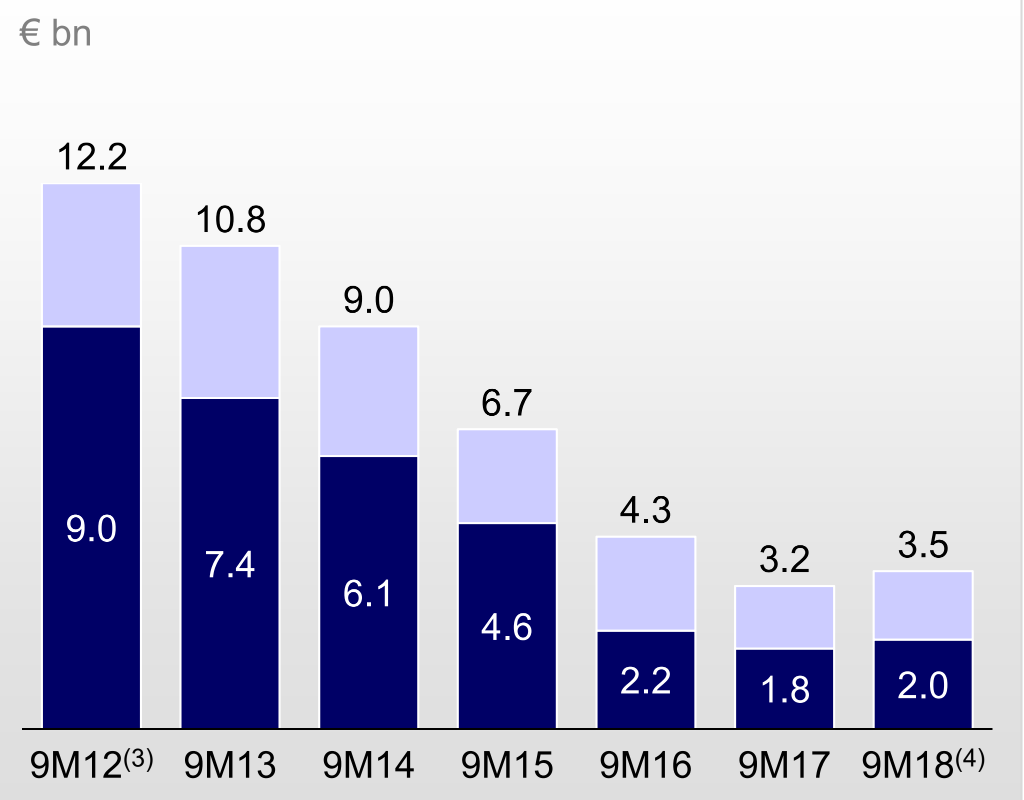
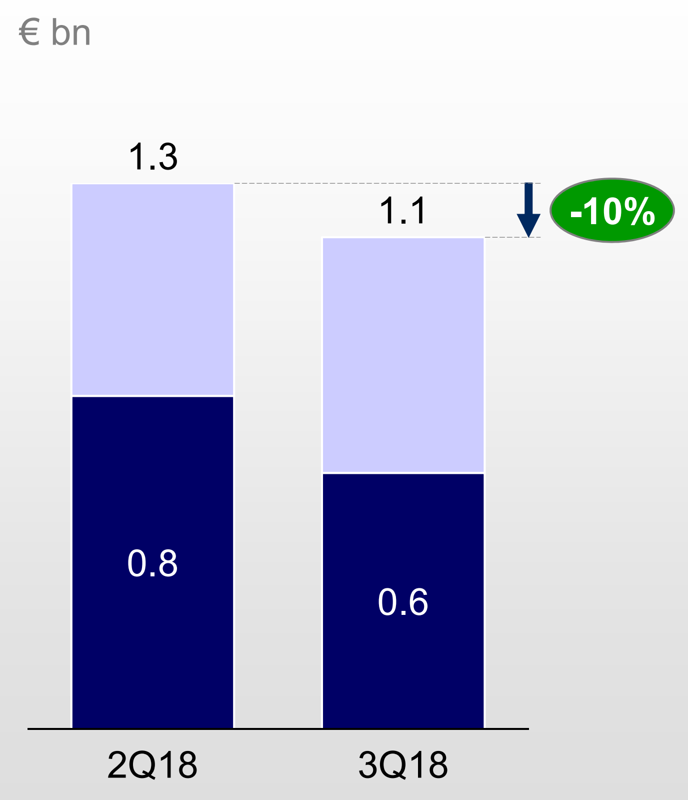
NPL Inflow Close to Historical Low, with a Decrease on a Quarterly Basis

Net inflow(2)

9M NPL Gross inflow(1) from performing loans



Quarterly NPL Gross inflow(1) from performing loans

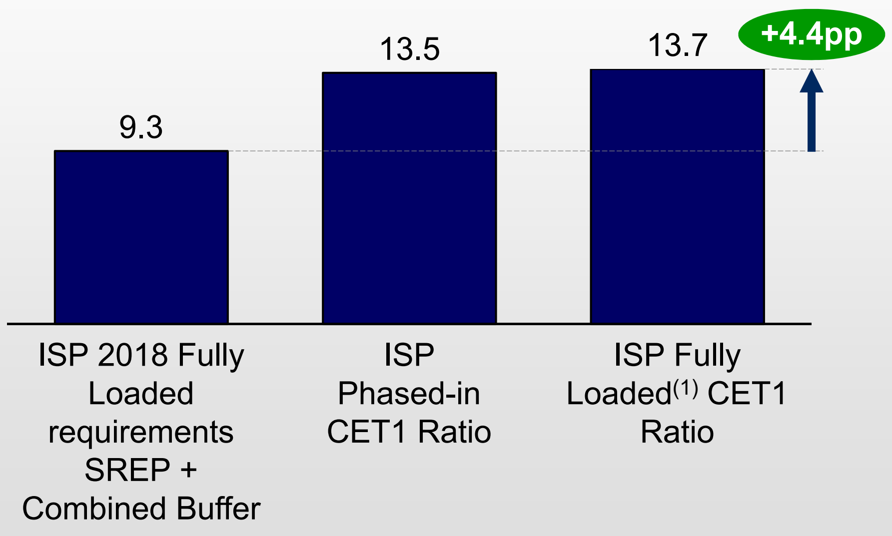


(1) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans
(2) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans minus outflow from NPL into performing loans
(3) 2012 figures recalculated to take into consideration the regulatory changes to Past Due classification criteria introduced by the Bank of Italy (90 days since 2012 vs 180 days up until 31.12.11)
(4) Including the contribution of the two former Venetian banks

Solid and Increased Capital Base, Well Above Regulatory Requirements

ISP CET1 Ratios vs requirements SREP + Combined Buffer

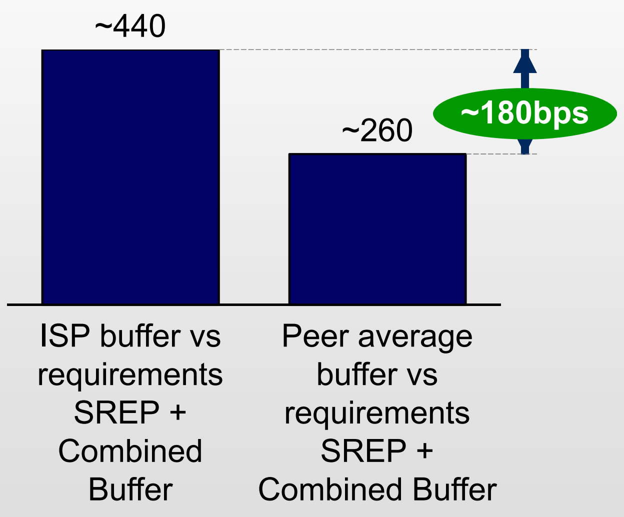
30.9.18, %



ISP CET1 Ratios already including ~45bps impact deriving from the widened sovereign bond spread[2]

Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer[3][4]

30.9.18, bps



Excess capital due to internal capital management with €10bn cash dividends paid in the past 4 years

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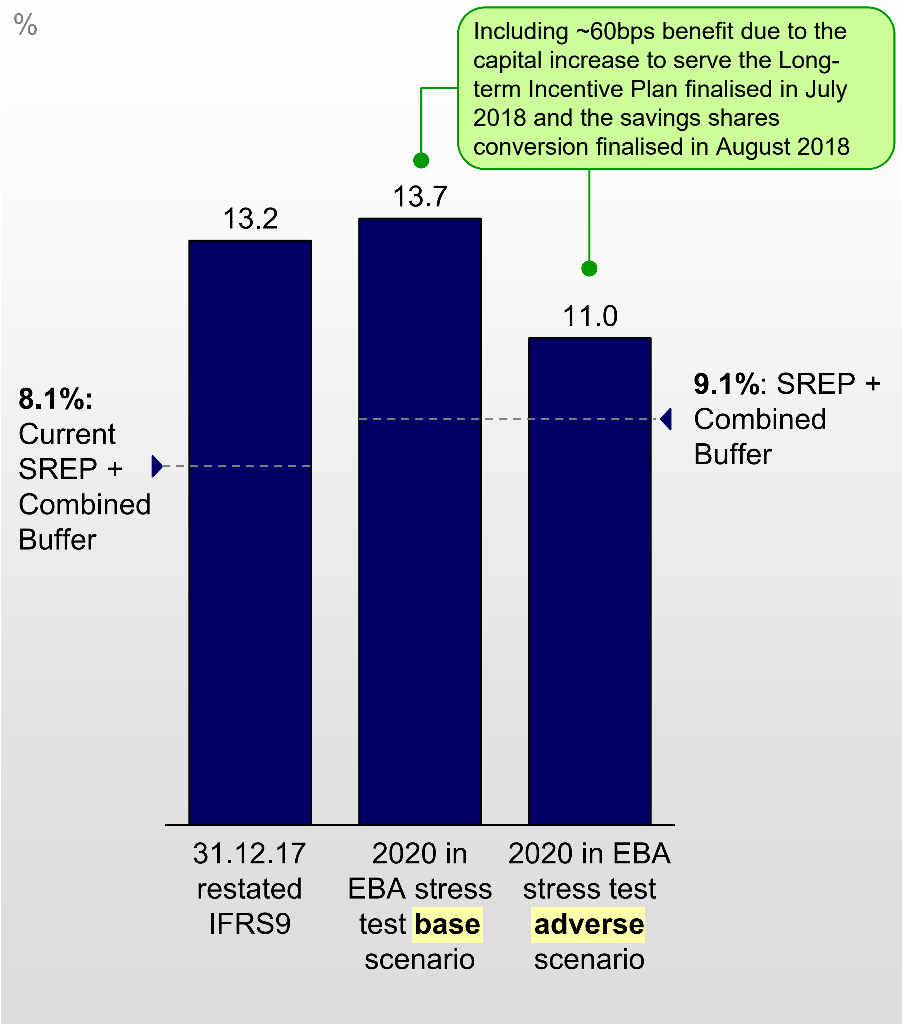
(2) 10y BTP-Bund spread: from 129bps as of 31.3.18 to 238bps as of 30.6.18 and 268bps as of 30.9.18

(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

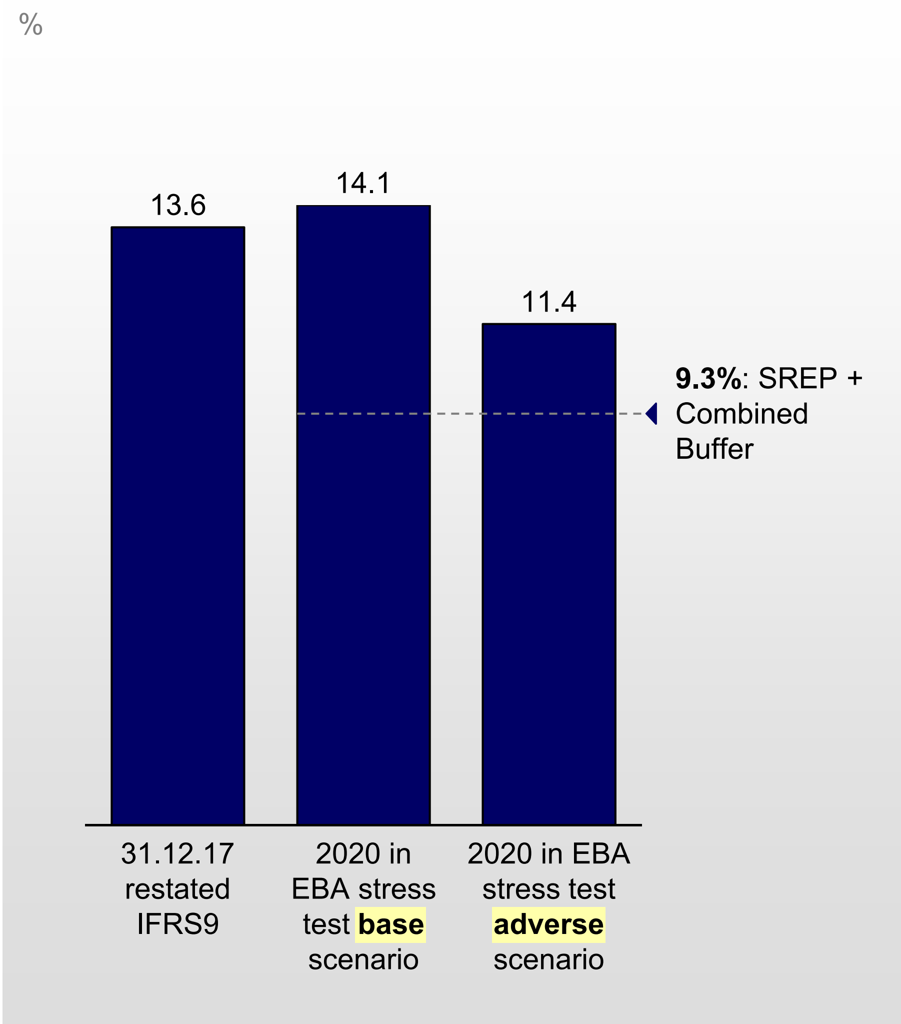
(4) Sample: BBVA, BNP Paribas, Deutsche Bank, ING Group, Nordea and Santander (30.9.18 data); BPCE, Commerzbank, Crédit Agricole Group, Société Générale and UniCredit (30.6.18 data). Source: Investors' Presentations, Press Releases, Conference Calls, Financial Statements

Capital Position well above Regulatory Requirements even in the EBA Stress Test Adverse Scenario

Phased-in CET1 Ratio



Pro-forma Fully Loaded CET1 Ratio(1)

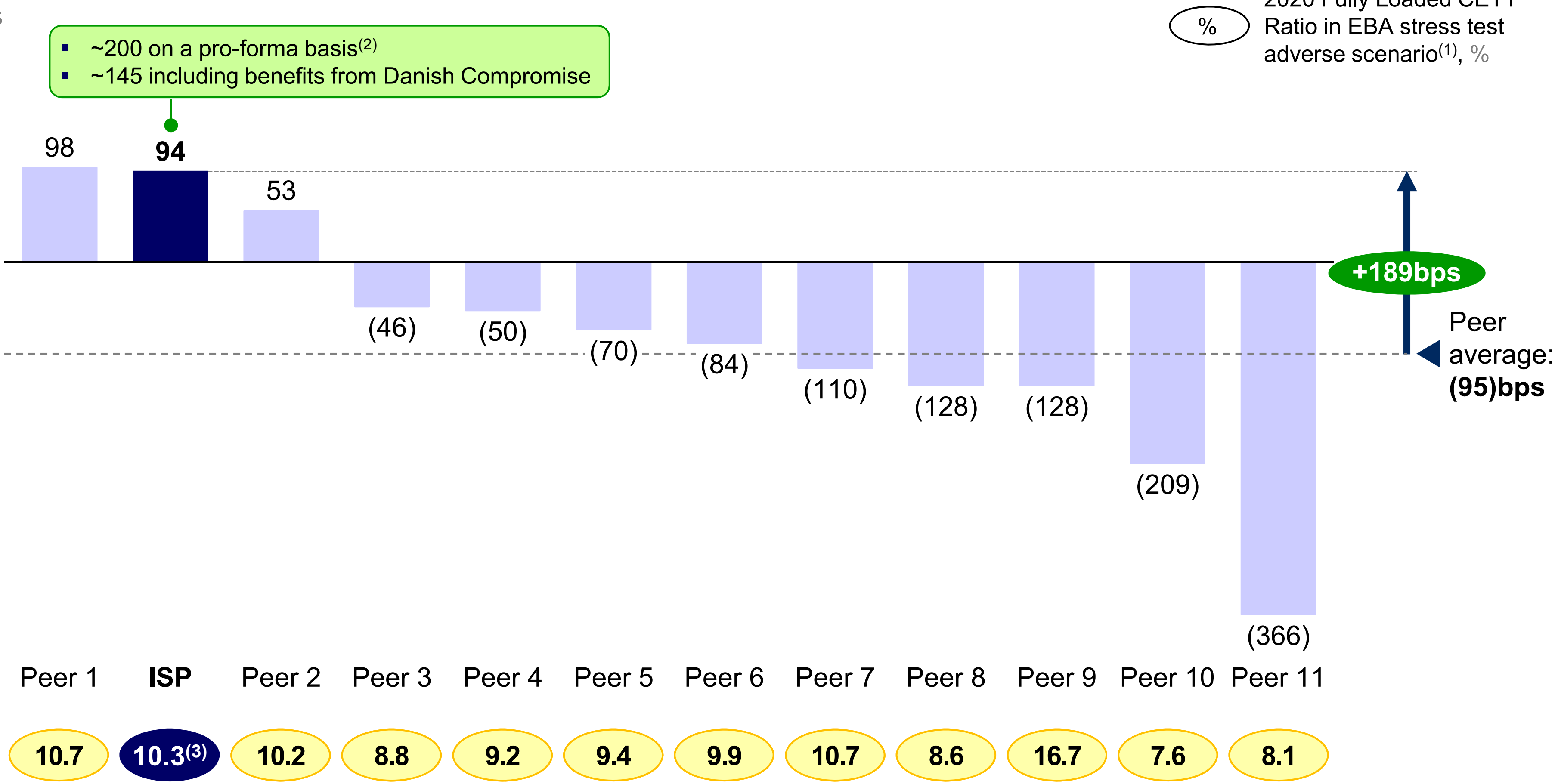


(1) Pro-forma fully loaded Basel 3 (1.1.18 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward, the capital increase to serve the Long-term Incentive Plan finalised in July 2018 and the savings shares conversion finalised in August 2018)

ISP is a Clear Winner of the EBA Stress Test

2020 Fully Loaded CET1 Ratio buffer in EBA stress test adverse scenario vs requirements SREP + Combined Buffer

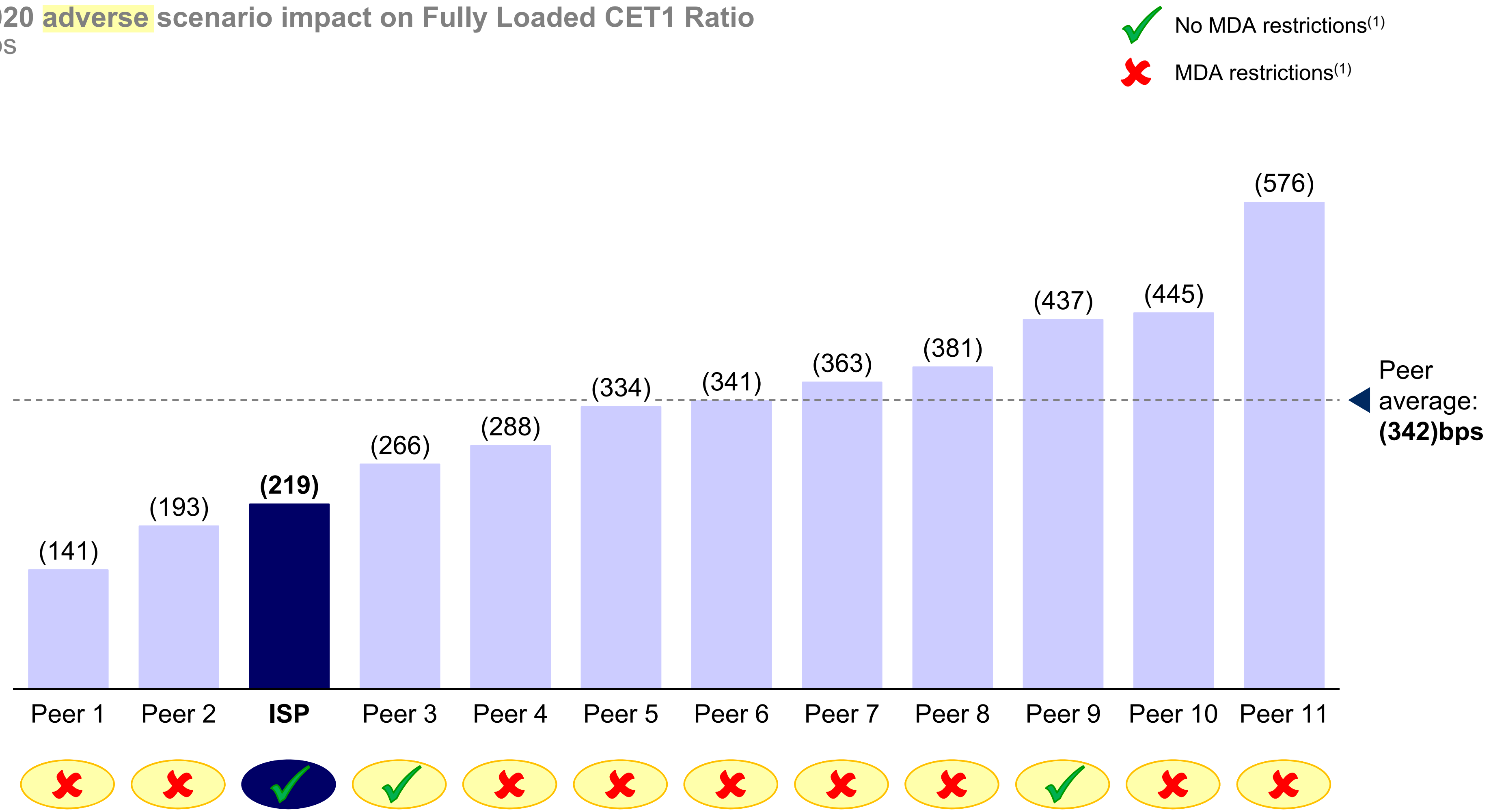
bps



(1) Sample: BBVA, BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, Deutsche Bank, ING, Nordea, Santander, Société Générale and UniCredit
(2) 11.4% pro-forma Fully Loaded Basel 3 CET1 Ratio (1.1.18 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, the expected absorption of DTA on losses carried forward, the capital increase to serve the Long-term Incentive Plan finalised in July 2018 and the savings shares conversion finalised in August 2018)
(3) Including the capital increase to serve the Long-term Incentive Plan finalised in July 2018 and the savings shares conversion finalised in August 2018

ISP Business Model Reduces the Adverse Scenario Impact

2020 adverse scenario impact on Fully Loaded CET1 Ratio
bps

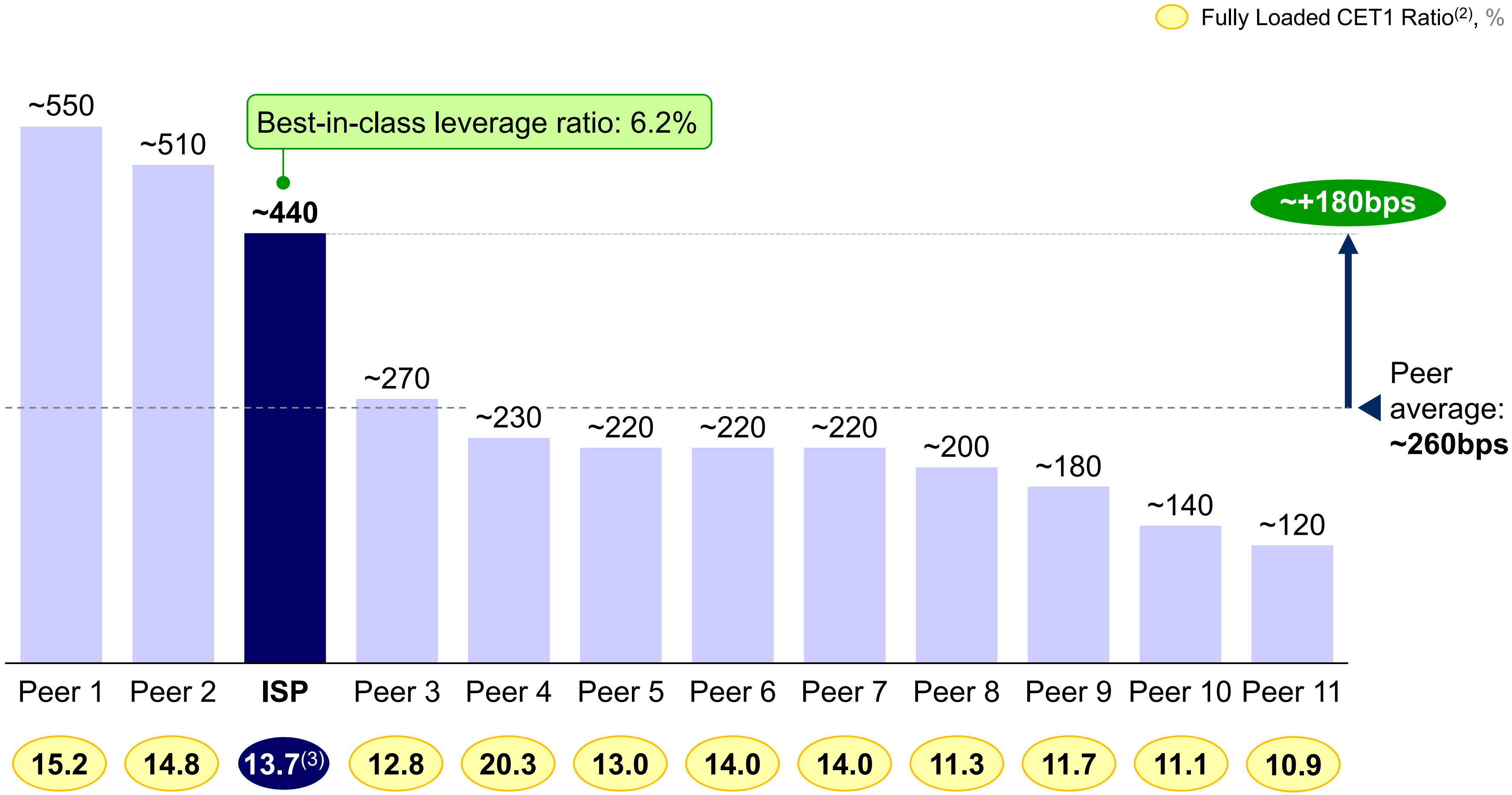


(1) Restrictions on dividend/AT1 coupon payments

Best-in-Class Excess Capital

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

bps



(1) Calculated as the difference between the Fully Loaded CET1 ratio vs requirements SREP + Combined Buffer (for the French banks the counter-cyclical buffer is estimated on the Pillar 3 2017); only top European banks that have communicated their SREP requirement

(2) Sample: BBVA, BNP Paribas, Deutsche Bank, ING Group, Nordea and Santander (30.9.18 data); BPCE, Commerzbank, Crédit Agricole Group, Société Générale and UniCredit (30.6.18 data). Source: Investors' Presentations, Press Releases, Conference Calls, Financial Statements

(3) Pro-forma fully loaded Basel 3 (30.9.18 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, the expected distribution of reserves of insurance companies and the expected absorption of DTA on losses carried forward)

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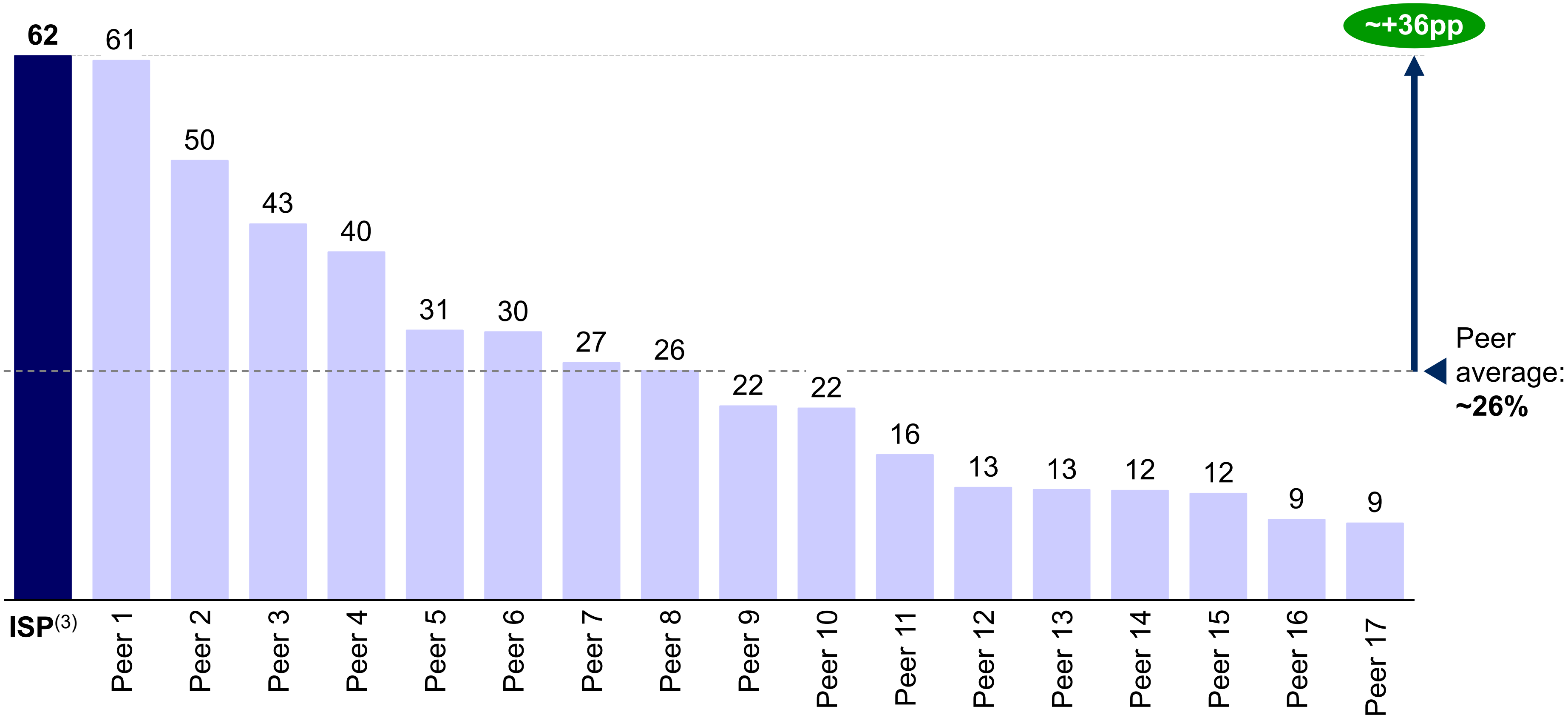
Best-in-Class Risk Profile in Terms of Illiquid Assets

Fully Loaded CET1(1)/Total illiquid assets(2)

%



€173bn of liquid assets with LCR and NSFR well above 100%

(1) Fully Loaded CET1. Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, ING Group, Lloyds Banking Group, Nordea, Santander, Standard Chartered and UBS (30.9.18 data); BPCE, Commerzbank, Crédit Agricole Group, Société Générale and UniCredit (30.6.18 data)

(2) Total illiquid assets include Net NPL, Net repossessed assets, Level 2 assets and Level 3 assets. Sample: BBVA, Barclays, Deutsche Bank, Credit Suisse, Nordea, HSBC, ING Group, Santander, Standard Chartered and UBS (Net NPL 30.9.18 data); BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, Lloyds Banking Group, Société Générale and UniCredit (Net NPL 30.6.18 data); Net repossessed asset 30.9.18 data and Level 2 assets and Level 3 assets 30.6.18 data (BBVA and BPCE 31.12.17 data); Crédit Agricole Group Net NPL data estimated

(3) 56% including the effect of Real Estate and Art, Culture and Historical Heritage portfolio revaluation

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[(1)] CONFIRMED

Firmly on track to deliver 2018 Net income higher than 2017: ~90% of the €3.8bn FY17 Net income[(1)] already achieved in 9M

(1) Management data including the contribution of the two former Venetian banks – excluding 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 – and the Morval Group consolidation

Italian Economy: Solid Fundamentals Coupled with a Positive Trend

Solid fundamentals…

Households
Wealth of Italian households at €10.5tn, of which €4.2tn of financial assets

Corporates
Manufacturing companies with 2017 indicators better than pre-crisis level:
- Profitability: Gross operating margin at ~9.4%
- Capitalisation: Equity/Total liabilities at ~40%

Government
Stock of **public assets** of ~€1.0tn(1):
- ~€0.6tn(1) of financial assets
- ~€0.3tn(1) of Real Estate
- ~€0.1tn(1) of other non financial assets

… with a positive trend

Employment
Unemployment at 10.1% in September, one of the lowest levels of the past 10 years, with **employment and activity rates** close to a 15-year high

Consumer Confidence
Consumer confidence was not affected by the recent turmoil in financial markets, as shown by the rise in September

Business Confidence
Business confidence remains close to a 10-year high (particularly in the construction sector)

Industrial Production
Industrial production grew by 1.8% YoY on average in the first 8 months of the year

Investment Cycle
Gross fixed investments grew by 6.2% YoY in Q2 (the strongest increase since 2002)

Trade Surplus
Trade surplus (net of energy) hit a new high in the first 8 months of 2018

Real Estate
Recovery in **residential real estate transactions**, ongoing since 2015 (+5.6% YoY in Q2)

Italian GDP projected to grow about 1% in 2018 and 2019

(1) As of 2016; not including infrastructure, natural resources, cultural heritage
Source: Consensus Economics, Bank of Italy, ISTAT, "*Analisi dei Settori Industriali*", Intesa Sanpaolo - Prometeia, October 2018

Solid First Nine Months

€3.0bn Net income, the best 9M since 2008 (+26% vs 9M17 pro-forma[1])

~€3.4bn pro-forma Net income including capital gain from the Intrum agreement
(~90% of the €3.8bn FY17 Net income[1] already achieved)

Best ever 9M for Commissions and best 9M Operating income since 2008

Cost/Income down to 50.5%, with a decrease of more than 3% YoY in Operating costs, leading to a 13% growth in Operating margin

€26.1bn NPL deleveraging since the peak of September 2015[2] (€1.1bn in Q3), at no cost to shareholders

Common Equity[3] ratio up to 13.7%, well above regulatory requirements even under the EBA stress test adverse scenario and despite the widened sovereign bond spread

Strong commitment to Corporate Social Responsibility through a variety of initiatives already activated

Firmly on track to deliver 2018 Net income higher than the €3.8bn 2017 Net income[1] and 2018-2021 Business Plan targets

(1) Management data including the contribution of the two former Venetian banks – excluding 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 – and the Morval Group consolidation
(2) Including Intrum agreement
(3) Pro-forma fully loaded Basel 3 (30.9.18 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, the expected distribution of reserves of insurance companies and the expected absorption of DTA on losses carried forward)

9M18 Results

Detailed Information

Key P&L and Balance Sheet Figures

€ m

	9M18
Operating income	13,685
Operating costs	(6,916)
Cost/Income ratio	50.5%
Operating margin	6,769
Gross income (loss)	4,974
Net income	3,012

	30.9.18
Loans to Customers (+4.8%(1) average loans 9M18 vs 9M17)	395,422
Customer Financial Assets(2)	939,628
of which Direct Deposits from Banking Business	424,848
of which Direct Deposits from Insurance Business and Technical Reserves	152,368
of which Indirect Customer Deposits	513,878
- Assets under Management	*342,865*
- Assets under Administration	*171,013*
RWA	275,944

Note: figures may not add up exactly due to rounding
(1) Average Performing loans to customers excluding the loan granted to the former Venetian banks in compulsory administrative liquidation
(2) Net of duplications between Direct Deposits and Indirect Customer Deposits

Contents

9M vs 9M: Best 9M Net Income since 2008

€ m

	9M17 pro-forma[(1)] [A]	9M17[(2)] [B]	9M18 [C]	Δ% [C] / [A]
Net interest income	5,599	5,428	5,538	(1.1)
Net fee and commission income	5,904	5,714	5,928	0.4
Income from insurance business	750	750	846	12.8
Profits on financial assets and liabilities at fair value	745	778	1,336	79.3
Other operating income (expenses)	122	83	37	(69.7)
Operating income	**13,120**	**12,753**	**13,685**	**4.3**
Personnel expenses	(4,435)	(4,077)	(4,319)	(2.6)
Other administrative expenses	(2,098)	(1,902)	(1,987)	(5.3)
Adjustments to property, equipment and intangible assets	(609)	(576)	(610)	0.2
Operating costs	**(7,142)**	**(6,555)**	**(6,916)**	**(3.2)**
Operating margin	**5,978**	**6,198**	**6,769**	**13.2**
Net adjustments to loans	(2,082)	(2,075)	(1,696)	(18.5)
Net provisions and net impairment losses on other assets	(100)	(83)	(111)	11.0
Other income (expenses)	3,885	3,885	12	(99.7)
Income (Loss) from discontinued operations	0	0	0	n.m.
Gross income (loss)	**7,681**	**7,925**	**4,974**	**(35.2)**
Taxes on income	(1,232)	(1,233)	(1,485)	20.5
Charges (net of tax) for integration and exit incentives	(73)	(73)	(66)	(9.6)
Effect of purchase price allocation (net of tax)	(37)	(37)	(108)	191.9
Levies and other charges concerning the banking industry (net of tax)	(681)	(652)	(281)[(4)]	(58.7)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	n.m.
Minority interests	230	(42)	(22)	n.m.
Net income	**5,888**	**5,888**	**3,012**	**(48.8)**
Net income excluding the public cash contribution[(3)]	**2,388**	**2,388**	**3,012**	**26.1**

+19% excluding public cash contribution[(3)] booked in 9M17

~€3.4bn pro-forma including Intrum agreement capital gain

Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks (and their subsidiaries) and the Morval Group consolidation
(2) Including the contribution of the two former Venetian banks since 30.6.17 (excluding their subsidiaries) and the Morval Group consolidation since 1.1.17
(3) 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
(4) €408m pre-tax (€281m net of tax) of which charges for the Resolution Fund: €198m pre-tax (€138m net of tax), charges for the Deposit Guarantee Scheme: €139m pre-tax (€95m net of tax) - our estimated commitment for the year fully funded - and ~€80m pre-tax (€53m net of tax) additional contribution for the National Resolution Fund

Q3 vs Q2: €833m Net Income

€ m

	2Q18	3Q18	Δ%
Net interest income	1,839	1,844	0.3
Net fee and commission income	1,991	1,924	(3.4)
Income from insurance business	281	271	(3.6)
Profits on financial assets and liabilities at fair value	472	242	(48.7)
Other operating income (expenses)	21	(12)	n.m.
Operating income	**4,604**	**4,269**	**(7.3)**
Personnel expenses	(1,455)	(1,424)	(2.1)
Other administrative expenses	(651)	(676)	3.8
Adjustments to property, equipment and intangible assets	(200)	(206)	3.0
Operating costs	**(2,306)**	**(2,306)**	**0.0**
Operating margin	**2,298**	**1,963**	**(14.6)**
Net adjustments to loans	(694)	(519)	(25.2)
Net provisions and net impairment losses on other assets	(35)	(25)	(28.6)
Other income (expenses)	8	2	(75.0)
Income (Loss) from discontinued operations	(1)	0	(100.0)
Gross income (loss)	**1,576**	**1,421**	**(9.8)**
Taxes on income	(508)	(433)	(14.8)
Charges (net of tax) for integration and exit incentives	(16)	(31)	93.8
Effect of purchase price allocation (net of tax)	(26)	(38)	46.2
Levies and other charges concerning the banking industry (net of tax)	(83)	(81)[1]	(2.4)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(16)	(5)	(68.8)
Net income	**927**	**833**	**(10.1)**

Note: figures may not add up exactly due to rounding
(1) €120m pre-tax

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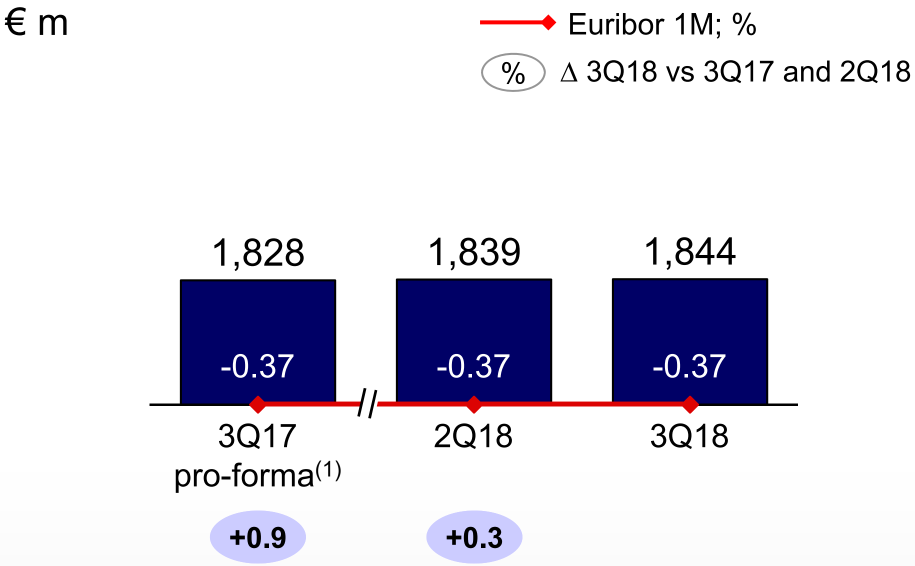
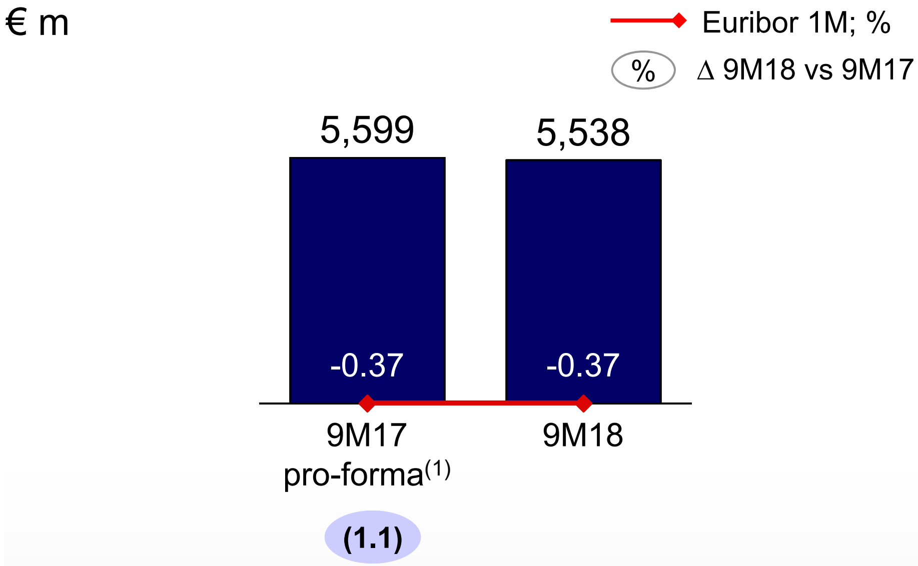
Net Interest Income: Impacted by All-Time Low Interest Rates

Quarterly Analysis



- 2.7% growth vs 3Q17 and 0.9% vs 2Q18 when excluding the Intrum agreement impact
- Increase vs Q2 due to the commercial component

Yearly Analysis



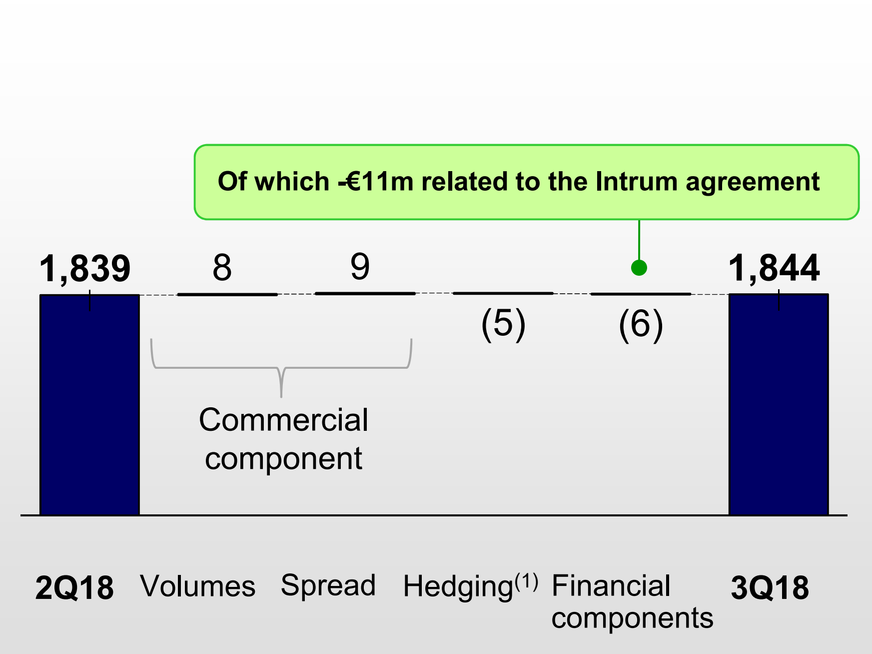
- Almost stable (-0.1%) when excluding the Intrum agreement impact
- ~€310m growth in the commercial component
- Decrease due to active management of securities portfolio and lower contribution from core deposit hedging
- 4.8%[2] growth in average Performing loans to customers
- 3.3% growth in average Direct deposits from banking business

(1) Management data including the contribution of the two former Venetian banks (and their subsidiaries) and the Morval Group consolidation
(2) Average Performing loans to customers excluding the loan granted to the former Venetian banks in compulsory administrative liquidation

Net Interest Income: Quarterly Increase due to the Commercial Component

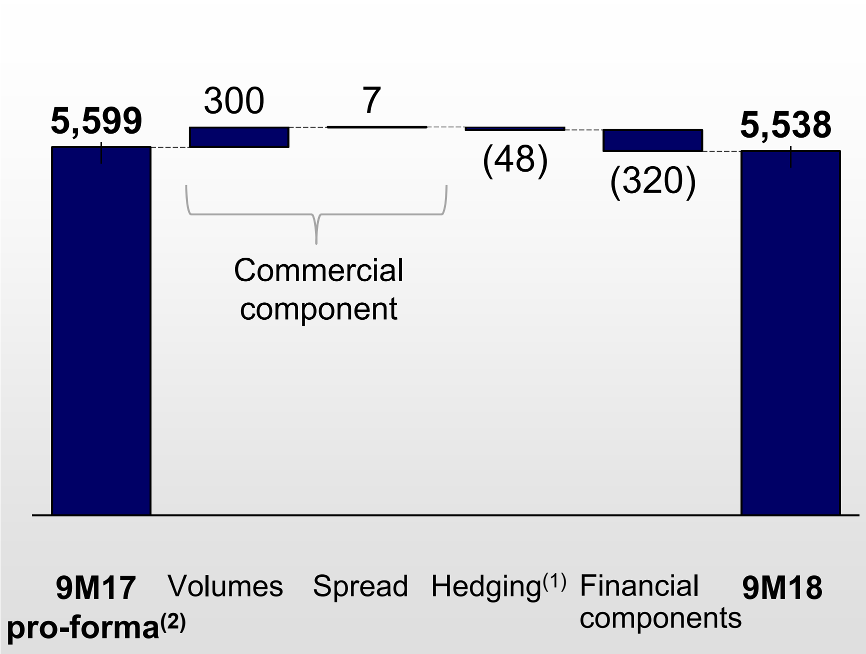
Quarterly Analysis

€ m



Yearly Analysis

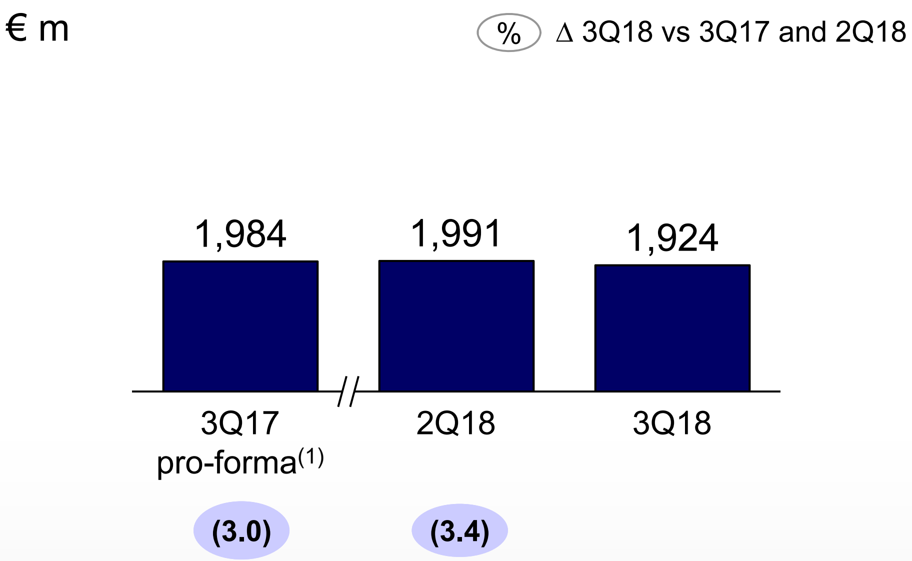
€ m



Note: figures may not add up exactly due to rounding
(1) €283m benefit from hedging on core deposits in 9M18, of which €89m in 3Q18
(2) Management data including the contribution of the two former Venetian banks (and their subsidiaries) and the Morval Group consolidation

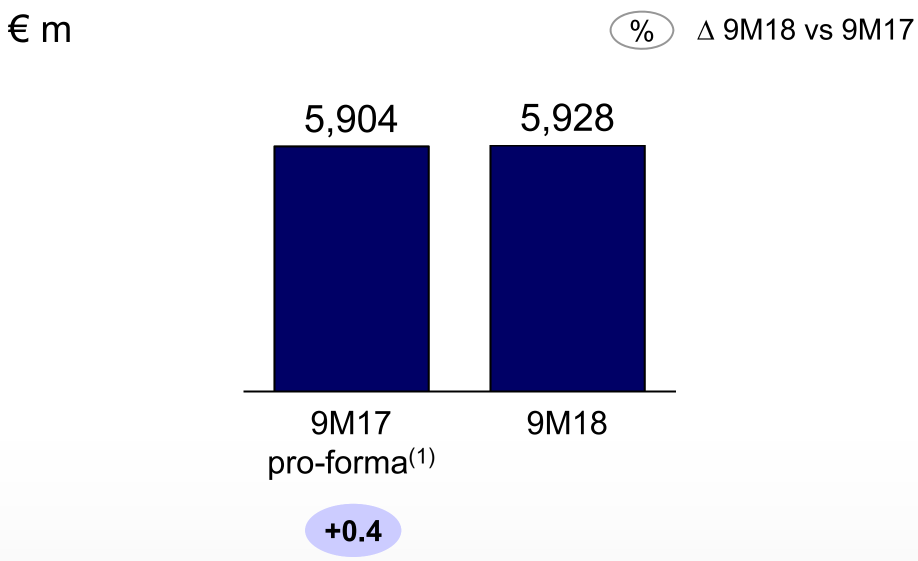
Net Fee and Commission Income: Best 9M Ever Despite the Challenging Environment

Quarterly Analysis



- Second best ever Q3
- Decrease vs 2Q18 largely due to the usual seasonal business slowdown in summer and difficult market conditions
- Increase vs 3Q17 in commissions from Commercial banking activities (+4.9%; +€28m)
- €2.7bn of AuM net inflows in 3Q18

Yearly Analysis



- Increase in commissions from Commercial banking activities (+4.4%; +€76m)
- €9.5bn increase in AuM stock on a yearly basis

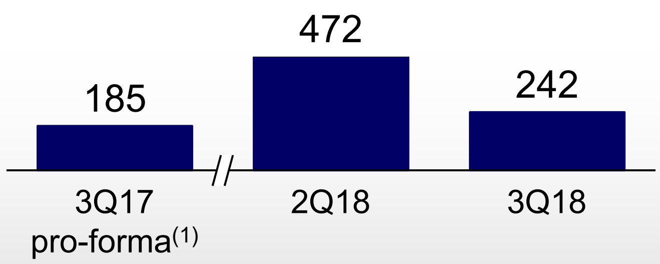
(1) Management data including the contribution of the two former Venetian banks (and their subsidiaries) and the Morval Group consolidation

Profits on Financial Assets and Liabilities at Fair Value: Excellent Performance

Quarterly Analysis

€ m

% Δ 3Q18 vs 3Q17 and 2Q18



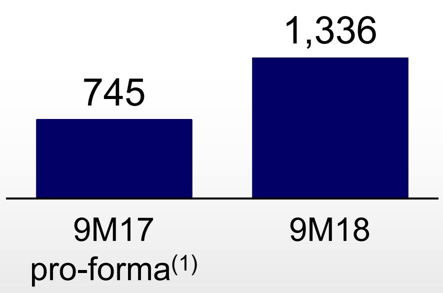
+30.8 (48.7)

- **Strong increase vs 3Q17 (+31%)**

Yearly Analysis

€ m

% Δ 9M18 vs 9M17



+79.3

- **Strong increase (+44%) even when excluding the NTV positive impact**

Contributions by Activity

	3Q17 pro-forma[1]	2Q18	3Q18	9M17 pro-forma[1]	9M18
Customers	**120**	**121**	**78**	**392**	**311**
Capital markets	**24**	**98**	**60**	**63**	**442[2]**
Trading and Treasury	**36**	**250**	**105**	**265**	**578**
Structured credit products	**5**	**3**	**(1)**	**25**	**4**

Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks (and their subsidiaries) and the Morval Group consolidation
(2) Including €264m NTV (Nuovo Trasporto Viaggiatori) positive impact

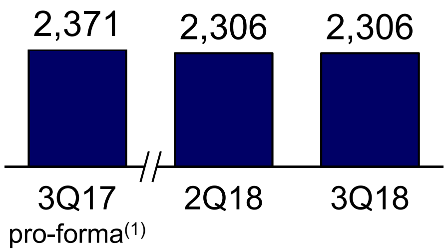
Operating Costs: Strong Decrease on a Yearly Basis

Quarterly Analysis

% Δ 3Q18 vs 3Q17 and 2Q18

Operating Costs

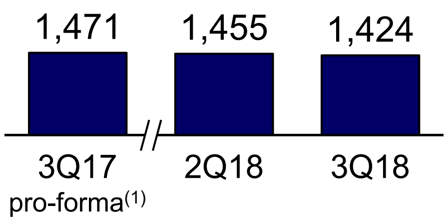
€ m



(2.7) -

Personnel Expenses

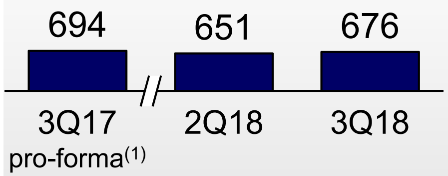
€ m



(3.2) (2.1)

Other Administrative Expenses

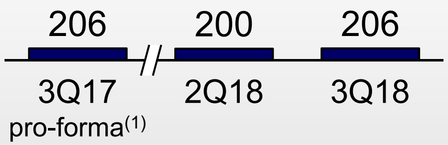
€ m



(2.6) +3.8

Adjustments

€ m



- +3.0

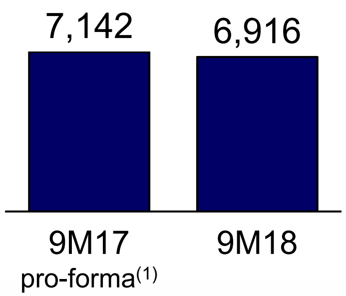
- **Strong decrease in Operating costs (-2.7%) vs 3Q17**
- **~1,480 headcount reduction in Q3**

Yearly Analysis

% Δ 9M18 vs 9M17

Operating Costs

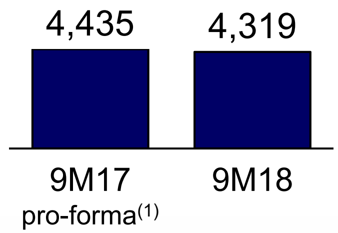
€ m



(3.2)

Personnel Expenses

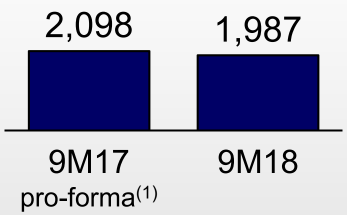
€ m



(2.6)

Other Administrative Expenses

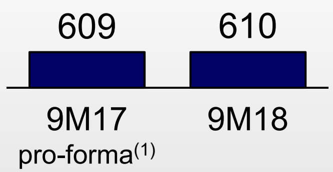
€ m



(5.3)

Adjustments

€ m



+0.2

- **Cost/Income ratio down to 50.5% (vs 55.1% in FY17 pro-forma[1] and vs 54.4% in 9M17 pro-forma[1])**
- **~4,840 headcount reduction**

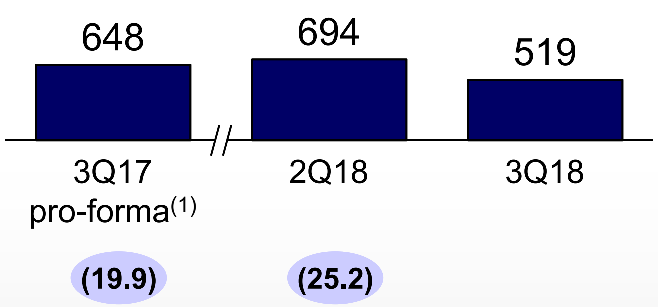
(1) Management data including the contribution of the two former Venetian banks (and their subsidiaries) and the Morval Group consolidation

Net Adjustments to Loans: Significant Yearly Reduction Coupled with Increased NPL Coverage

Quarterly Analysis

€ m

% Δ 3Q18 vs 3Q17 and 2Q18

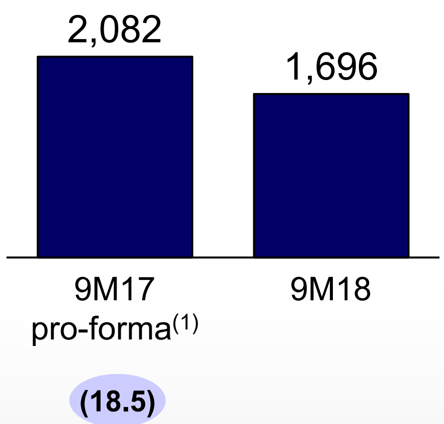


- **Twelfth consecutive quarterly reduction in NPL stock**
- **€1.1bn NPL deleveraging in Q3**
- **Non-performing loans cash coverage up to 53.6% in Q3 (vs 53.4% as of 30.6.18)**

Yearly Analysis

€ m

% Δ 9M18 vs 9M17



- **Lowest Net adjustments to loans since 9M08**
- **Annualised cost of credit down to 57bps (vs 81bps in FY17 pro-forma[1])**
- **Non-performing loans cash coverage up to 53.6% (vs 49.4% as of 30.9.17 pro-forma[1])**
- **€26.1bn[2] NPL deleveraging since the peak of 30.9.15**

(1) Management data including the contribution of the two former Venetian banks (and their subsidiaries) and the Morval Group consolidation
(2) Including the Intrum agreement

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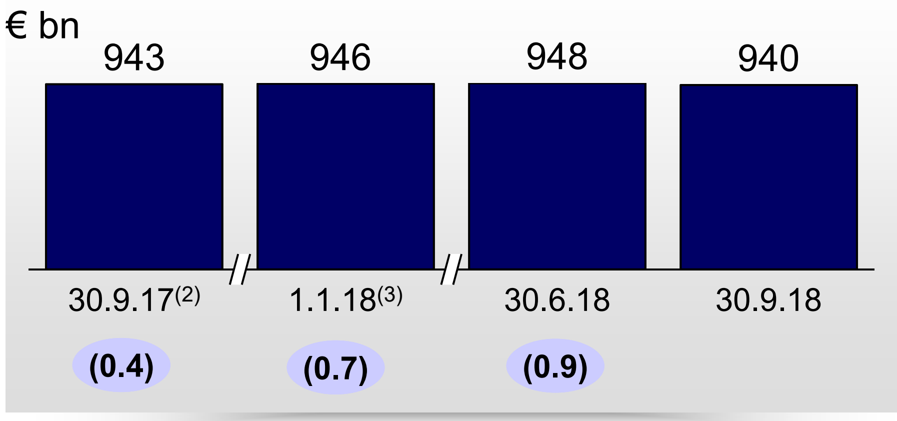
Contents

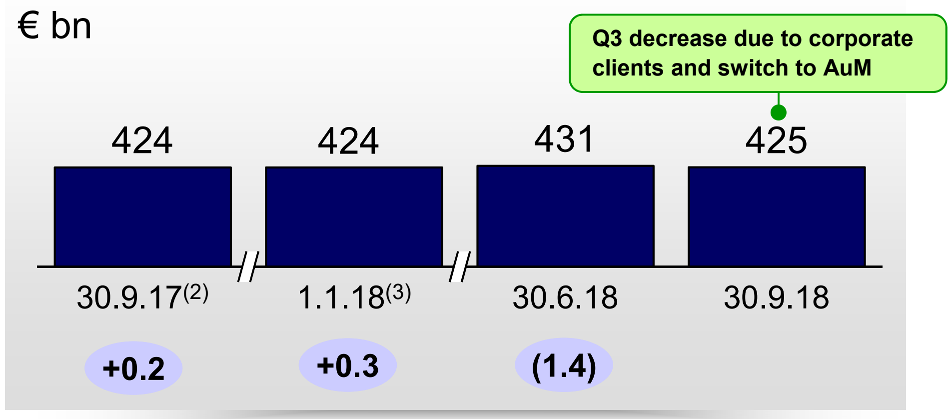
~€1 Trillion in Customer Financial Assets

% Δ 30.9.18 vs 30.9.17, 1.1.18, 30.6.18

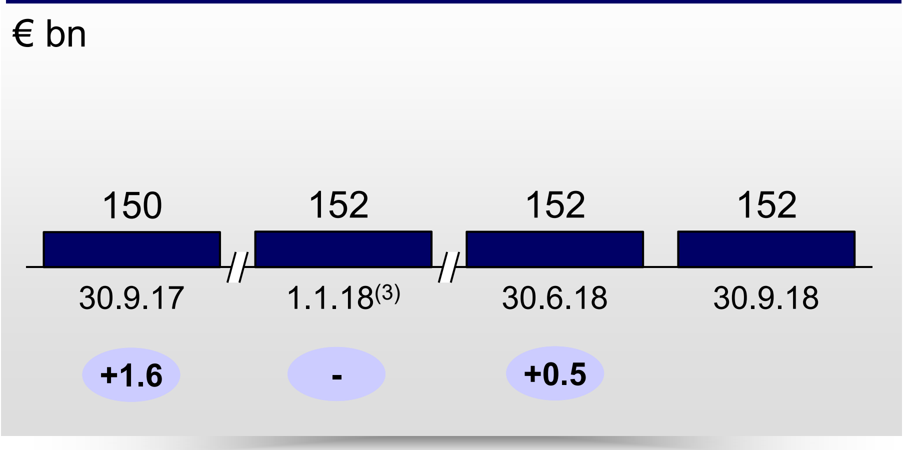
Customer Financial Assets[1]



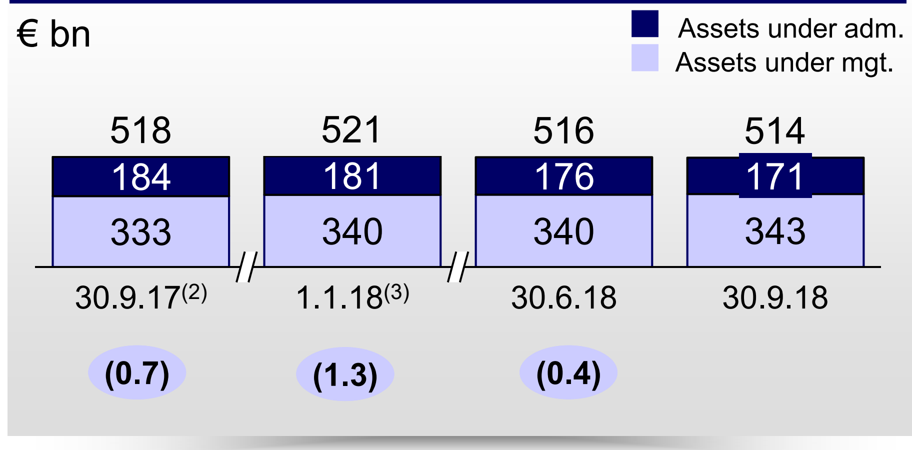
Direct Deposits from Banking Business



Direct Deposits from Insurance Business and Technical Reserves



Indirect Customer Deposits



Note: figures may not add up exactly due to rounding
(1) Net of duplications between Direct Deposits and Indirect Customer Deposits
(2) Management data including the contribution of the two former Venetian banks (and their subsidiaries) and the Morval Group consolidation
(3) Data restated to reflect the Morval Group consolidation

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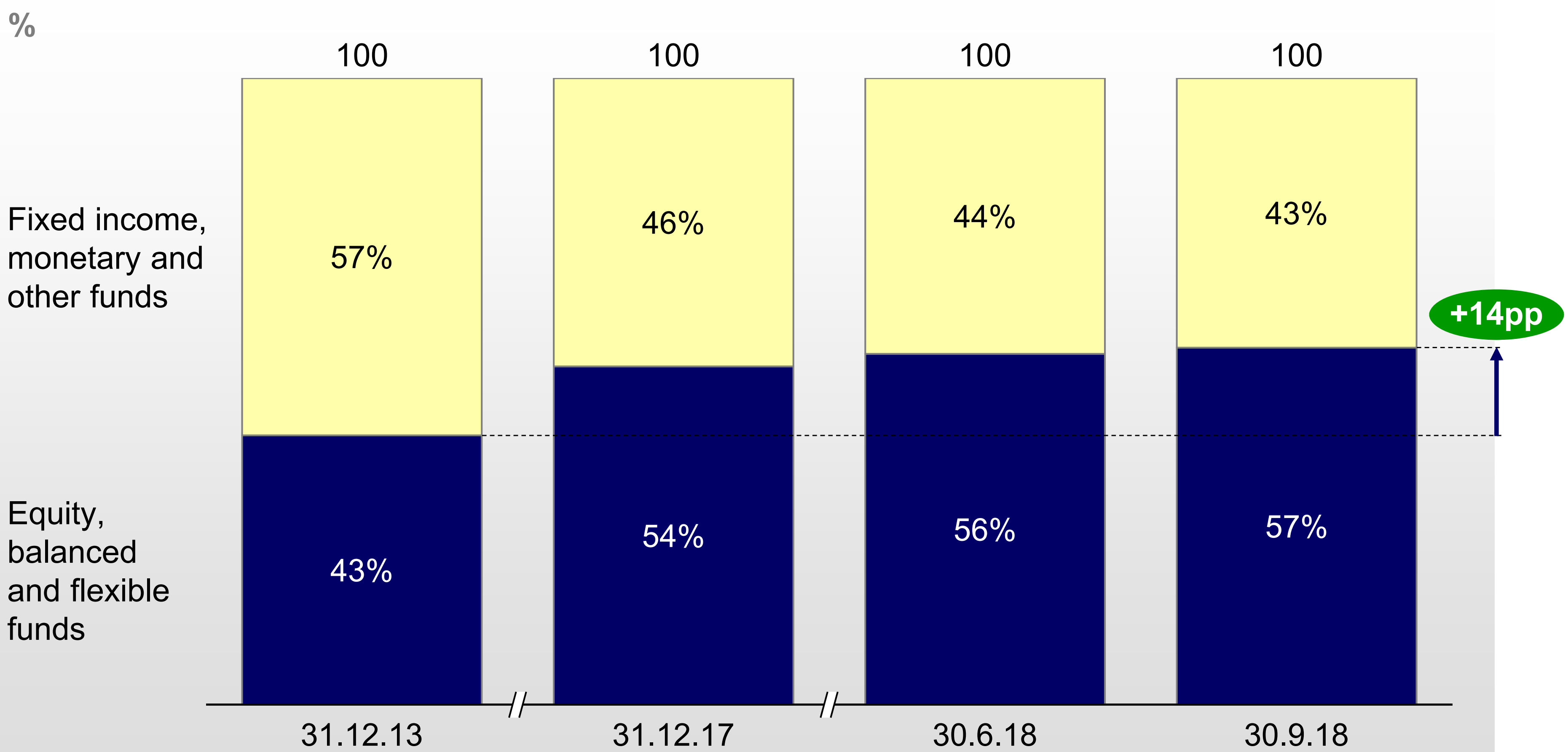
Mutual Funds Mix

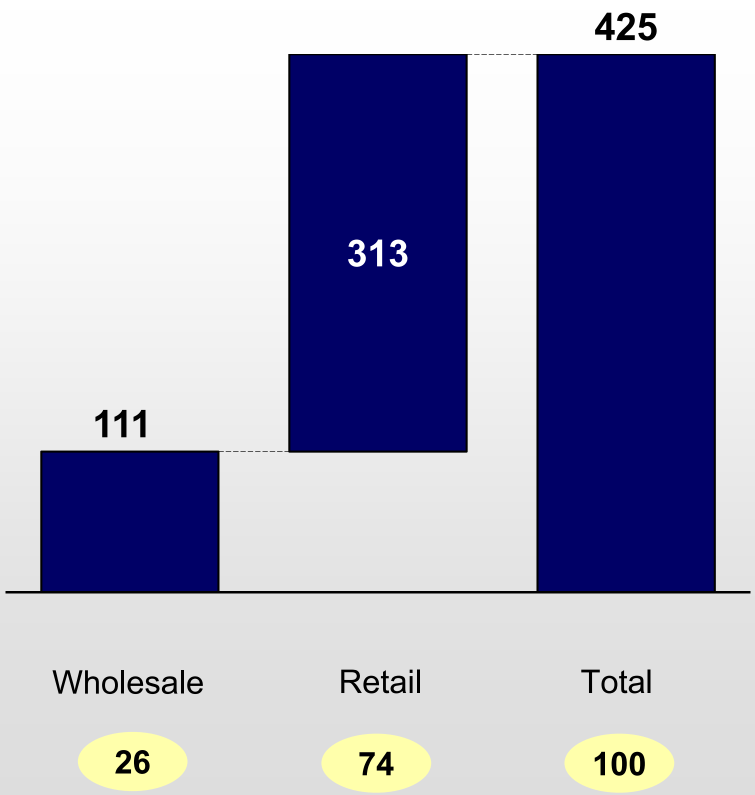
Mutual funds mix



Funding Mix

Breakdown of Direct Deposits from Banking Business

€ bn as of 30.9.18; % Percentage of total



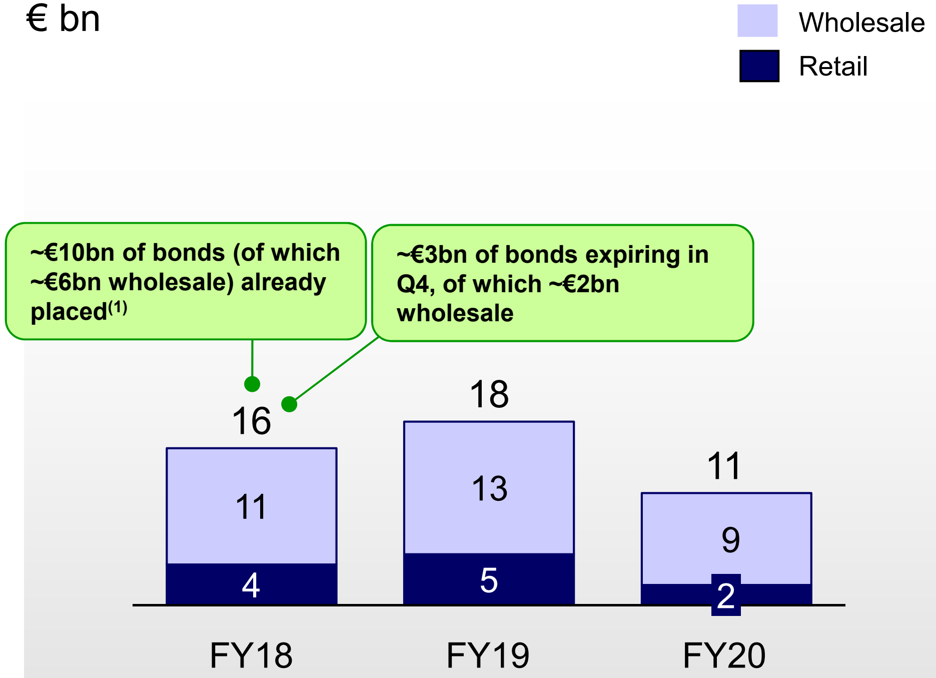
	Wholesale	Retail
Current accounts and deposits	8	284
Repos and securities lending	31	-
Senior bonds	40	11(1)
Covered bonds	12	-
EMTN puttable	1	-
Certificates of deposit + Commercial papers	10	-
Subordinated liabilities	9	2 (Placed with Private Banking clients)
Other deposits	-	16(2)

Retail funding represents 74% of Direct deposits from banking business

Note: figures may not add up exactly due to rounding
(1) 26% placed with Private Banking clients
(2) Including Certificates

Strong Funding Capability: Broad Access to International Markets

2018-2020 MLT Bond Maturities



ISP Main Wholesale Issues

2017

- €2bn Additional Tier 1, €2.5bn senior unsecured eurobond, €1bn 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

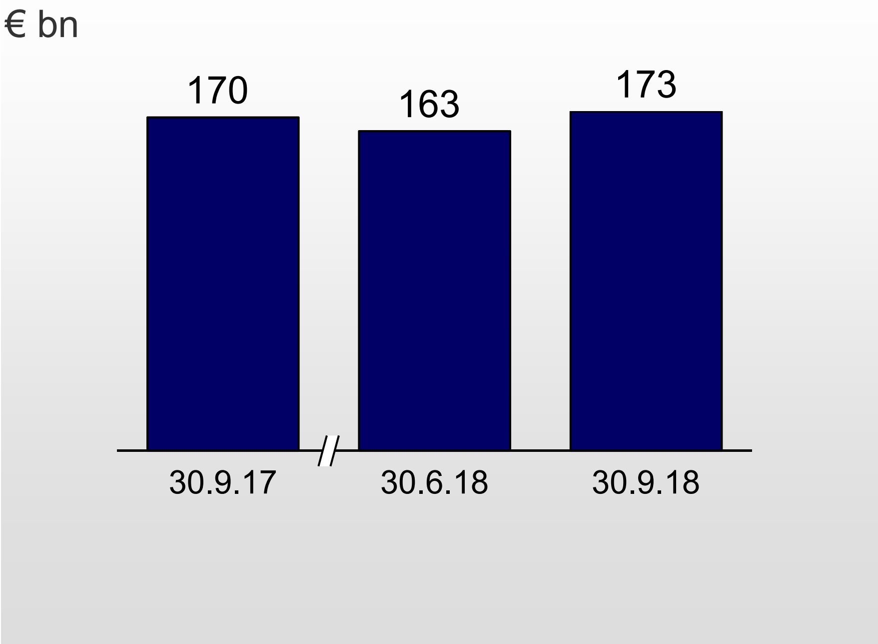
2018

- $2.5bn senior unsecured, JPY46.6bn senior unsecured, €2.25bn senior unsecured and €1bn covered bonds placed. On average 89% demand from foreign investors; targets exceeded by 137%
  - January: $2.5bn triple-tranche senior unsecured issue split between $1bn 5y, $1bn 10y and $500m 30y
  - February: inaugural senior unsecured Tokyo Pro-Bond for a total of JPY46.6bn, the first Pro-Bond transaction for an Italian issuer, split between 3y-5y-10y-15y tranches
  - March: €1.25bn 10y senior unsecured issue
  - July: €1bn 7y covered bonds backed by residential mortgages
  - August: €1bn 5y senior unsecured issue

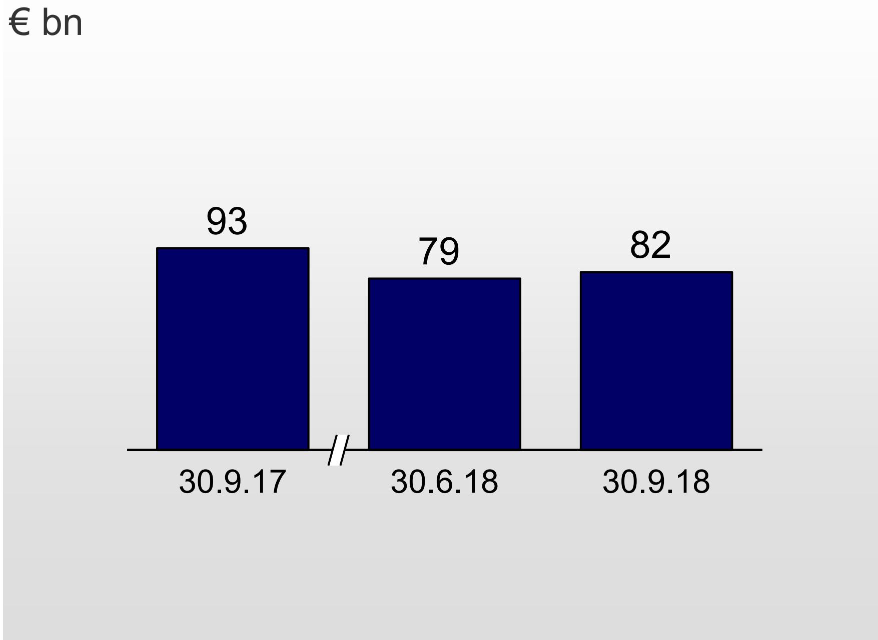
Note: figures may not add up exactly due to rounding
(1) Data as of 30.9.18

High Liquidity: LCR and NSFR Well Above Regulatory Requirements

Liquid assets[1]



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

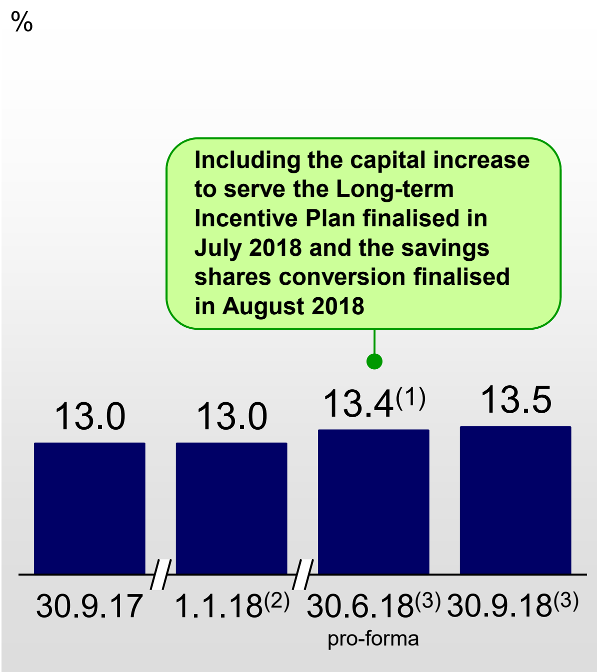


- **TLTRO II: €60.5bn[3]**
- **Loan to Deposit ratio[4] at 93%**

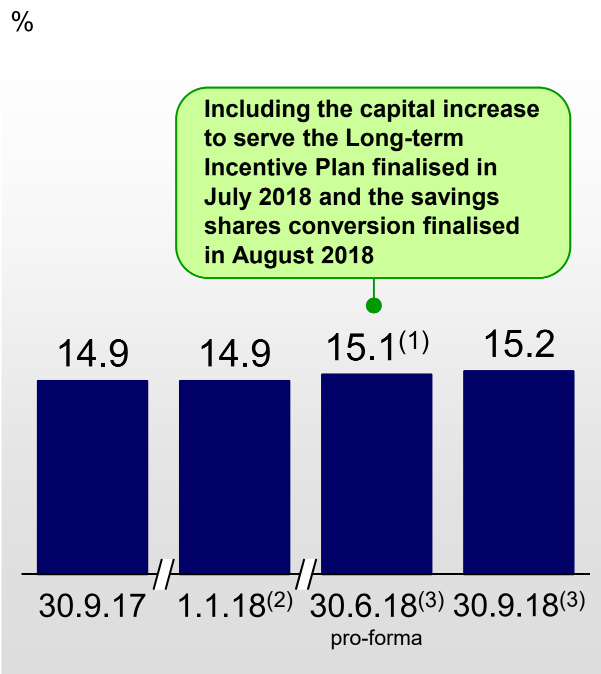
(1) Stock of own-account eligible assets (including assets used as collateral and excluding eligible assets received as collateral) and cash & deposits with Central Banks
(2) Eligible assets freely available (excluding assets used as collateral and including eligible assets received as collateral) and cash & deposits with Central Banks
(3) 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. Including the TLTRO II taken by the two former Venetian banks (~€7.1bn split between ~€6.8bn in June 2016 and €300m in December 2016). In 2Q18: ~€2.5bn mandatory early repayment related to the two former Venetian Banks
(4) Loans to Customers/Direct Deposits from Banking Business

Solid and Increased Capital Base

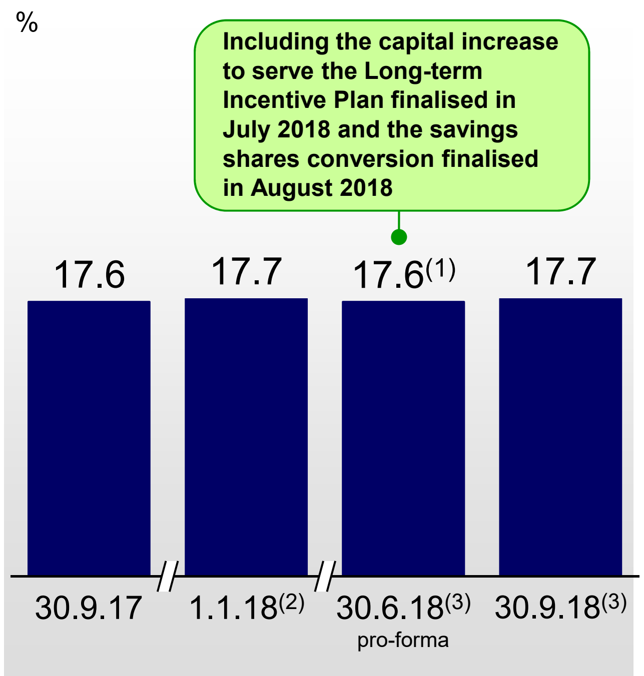
Phased-in Common Equity Ratio



Phased-in Tier 1 Ratio



Phased-in Total Capital Ratio



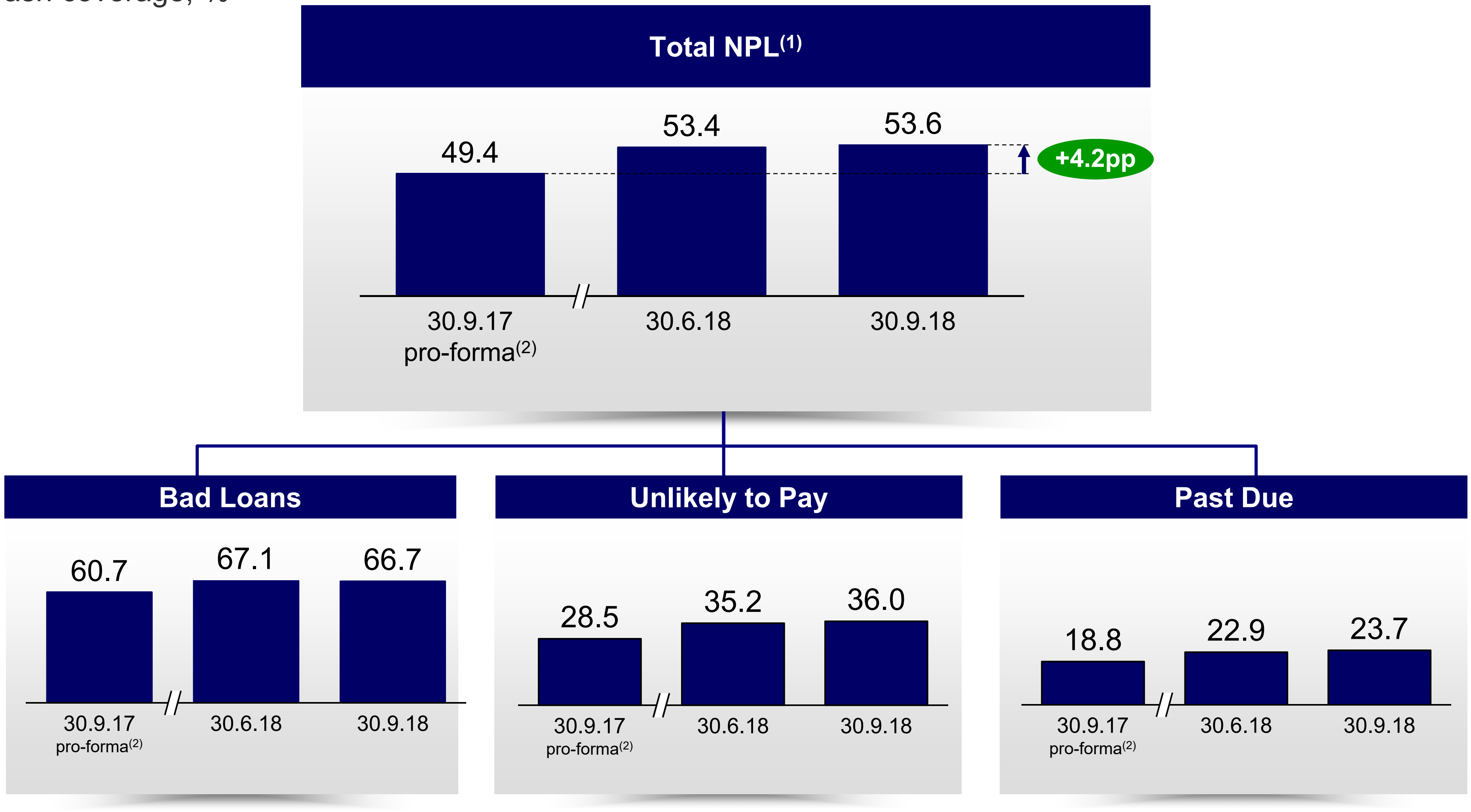
- **13.7% pro-forma fully loaded Common Equity ratio[4]**
- **6.2% leverage ratio**

(1) 12.8% Phased-in CET1 ratio; 14.6% Phased-in Tier 1 ratio; 17.1% Phased-in Total Capital ratio
(2) Considering IFRS9 FTA and 2018 transitional rules impact
(3) After the deduction of accrued dividends, assumed equal to 85% of the Net income for the period, and coupons accrued on the Additional Tier 1 issues
(4) Pro-forma fully loaded Basel 3 (30.9.18 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, the expected absorption of DTA on losses carried forward and the expected distribution of reserves of insurance companies)

Contents

Non-performing Loans: Sizeable and Increased Coverage

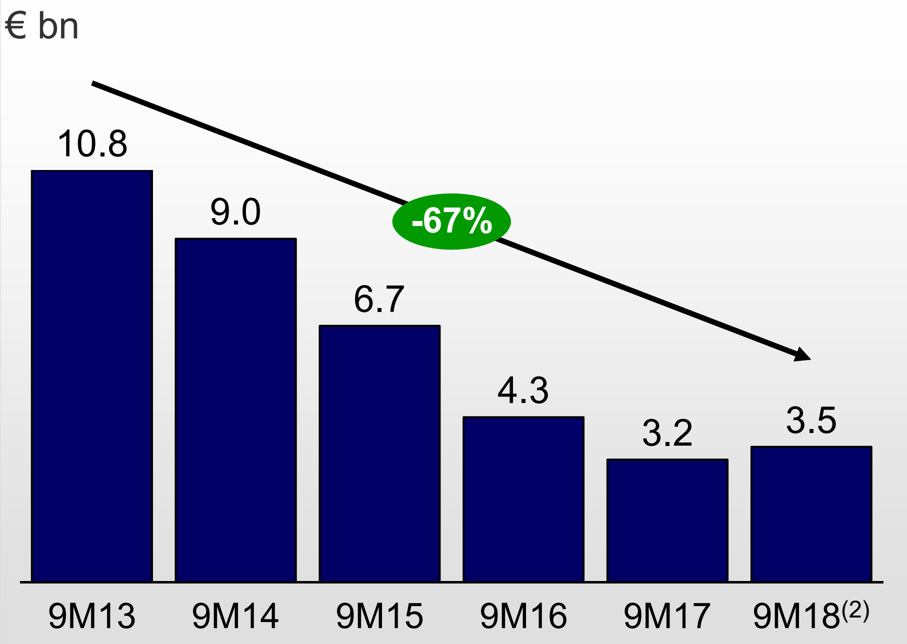
Cash coverage; %



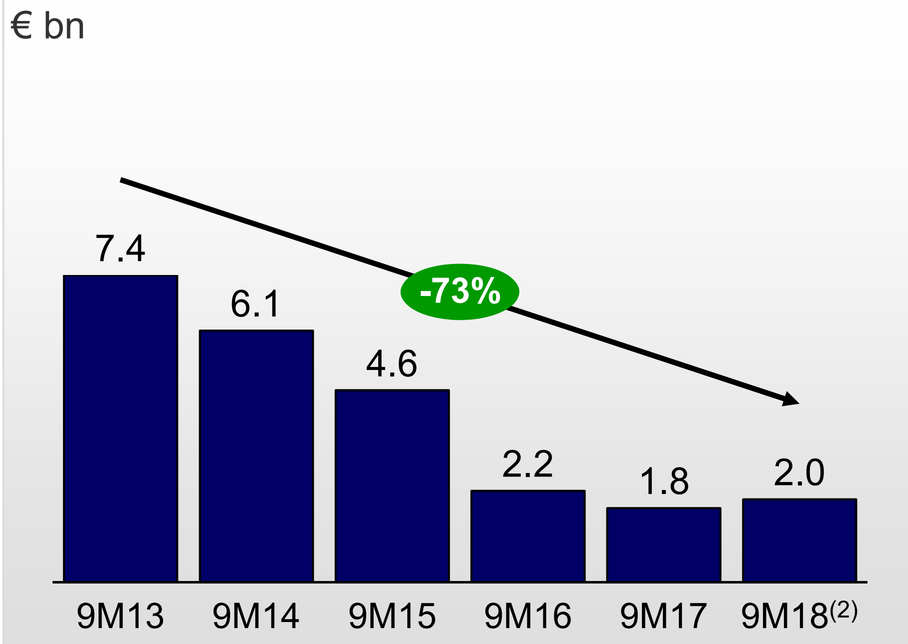
(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)
(2) Including the contribution of the two former Venetian banks

Non-performing Loans: Inflow Close to Historical Low

Gross inflow of new NPL(1) from Performing Loans



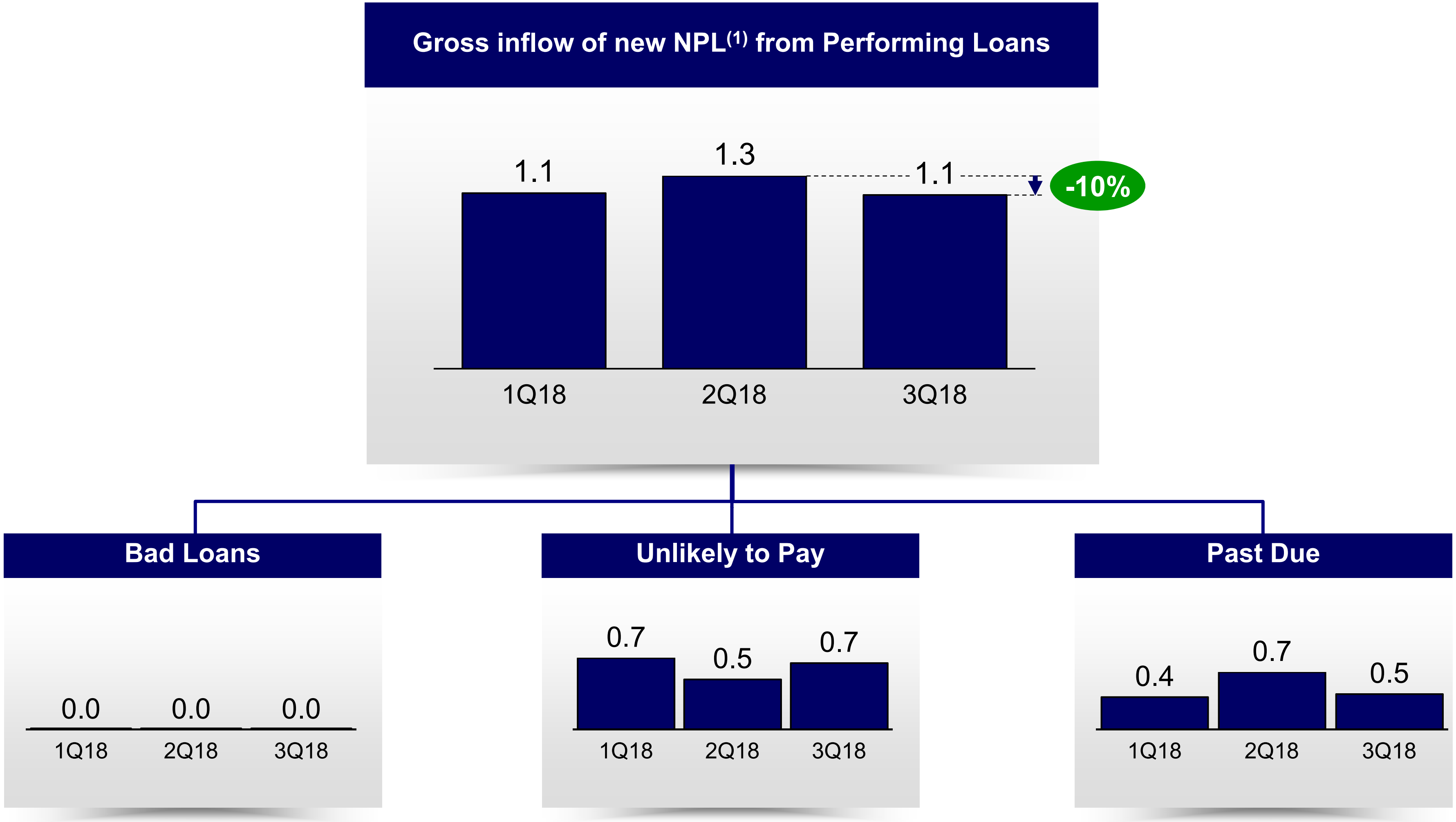
Net inflow of new NPL(1) from Performing Loans



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

Non-performing Loans: Gross Inflow down in Q3

€ bn

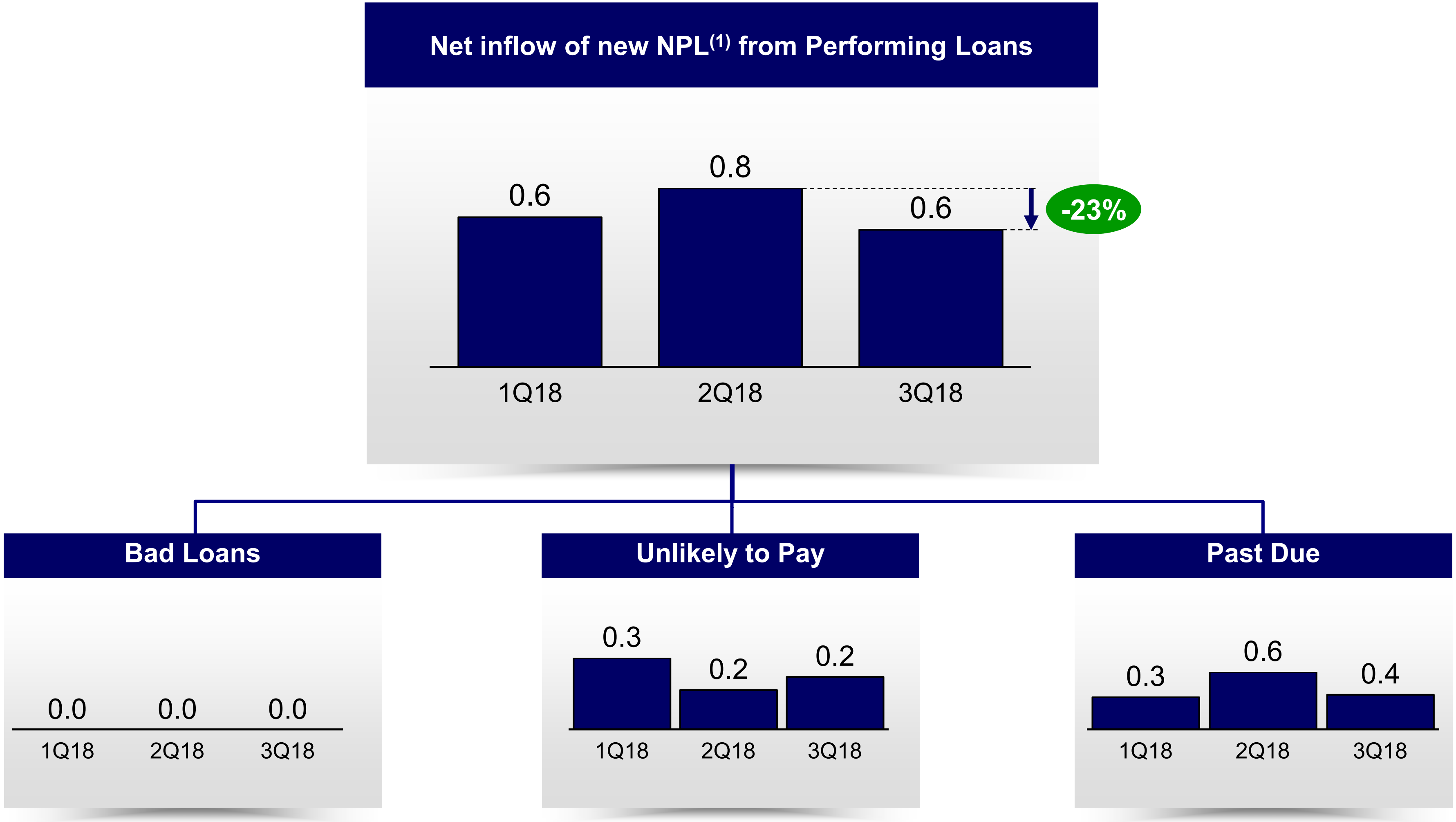


Note: figures may not add up exactly due to rounding

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

Non-performing Loans: Strong Decrease in Net Inflow in Q3

€ bn

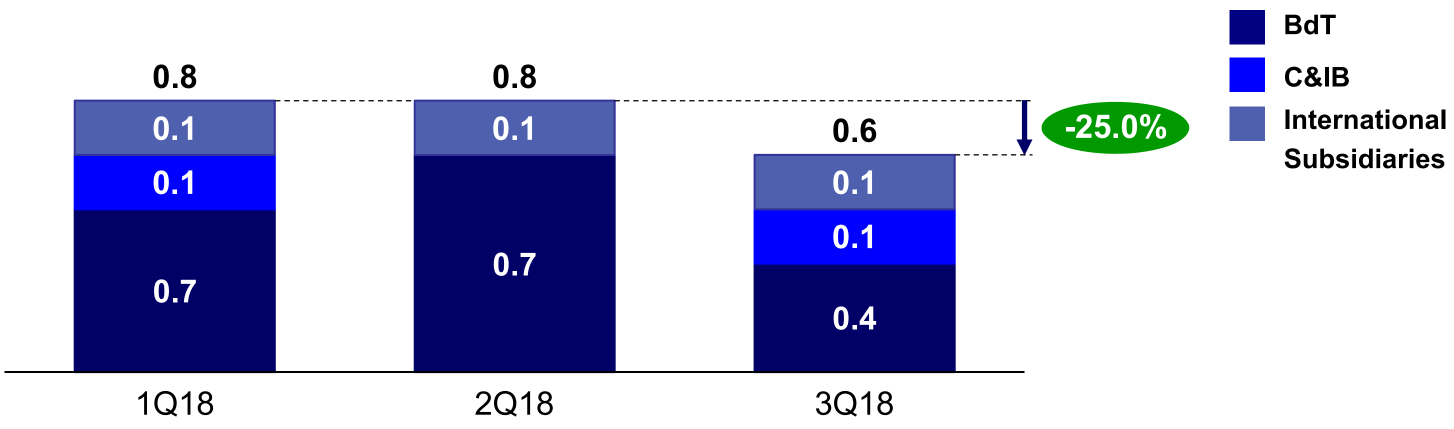


Note: figures may not add up exactly due to rounding
(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

New Bad Loans: Strong Decrease in Gross Inflow

€ bn

Group's new Bad Loans[1] gross inflow



BdT's new Bad Loans[1] gross inflow

	1Q18	2Q18	3Q18
Total	**0.7**	**0.7**	**0.4**
Mediocredito Italiano[2]	0.1	0.1	-
Households	0.2	0.2	0.1
SMEs	0.4	0.4	0.3

C&IB's new Bad Loans[1] gross inflow

	1Q18	2Q18	3Q18
Total	**0.1**	**-**	**0.1**
Banca IMI[3]	-	-	-
Global Corporate	0.1	-	0.1
International	-	-	-
Financial Institutions	-	-	-

Note: figures may not add up exactly due to rounding
(1) Sofferenze
(2) Industrial Credit, Factoring and Leasing
(3) Capital Markets and Investment Banking

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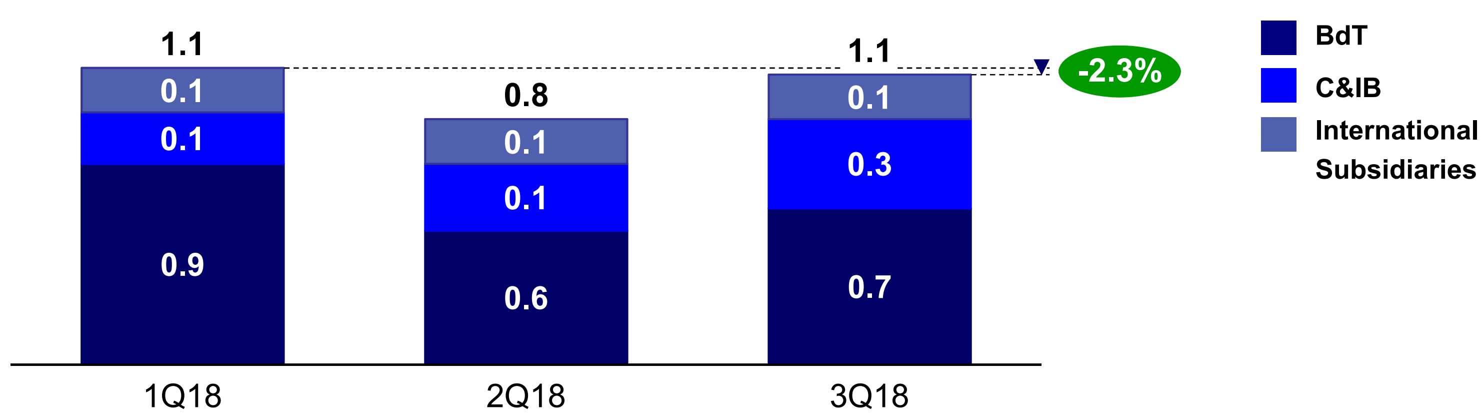
New Unlikely to Pay: Decrease in Gross Inflow vs 1Q18

€ bn

Group's gross inflow of new Unlikely to Pay



BdT's gross inflow of new Unlikely to Pay

	1Q18	2Q18	3Q18
Total	**0.9**	**0.6**	**0.7**
Mediocredito Italiano[(1)]	0.1	0.1	0.1
Households	0.3	0.2	0.2
SMEs	0.5	0.3	0.4

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

	1Q18	2Q18	3Q18
Total	**0.1**	**0.1**	**0.3**
Banca IMI[(2)]	-	-	-
Global Corporate	-	0.1	0.3
International	-	-	-
Financial Institutions	-	-	-

Note: figures may not add up exactly due to rounding
(1) Industrial Credit, Factoring and Leasing
(2) Capital Markets and Investment Banking

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Non-performing Loans: Twelfth Consecutive Quarterly Decline in Stock

Gross NPL

€ bn	30.9.17	31.12.17	30.6.18	30.9.18
Bad Loans	35.3	34.2	22.9	22.2
- of which forborne	*2.6*	*3.0*	*2.6*	*2.6*
Unlikely to pay	18.5	17.4	15.9	15.6
- of which forborne	*8.8*	*8.1*	*7.7*	*7.4*
Past Due	0.5	0.5	0.7	0.6
- of which forborne	-	-	-	
Total	**54.3**	**52.1**	**39.5**	**38.4**

Net NPL

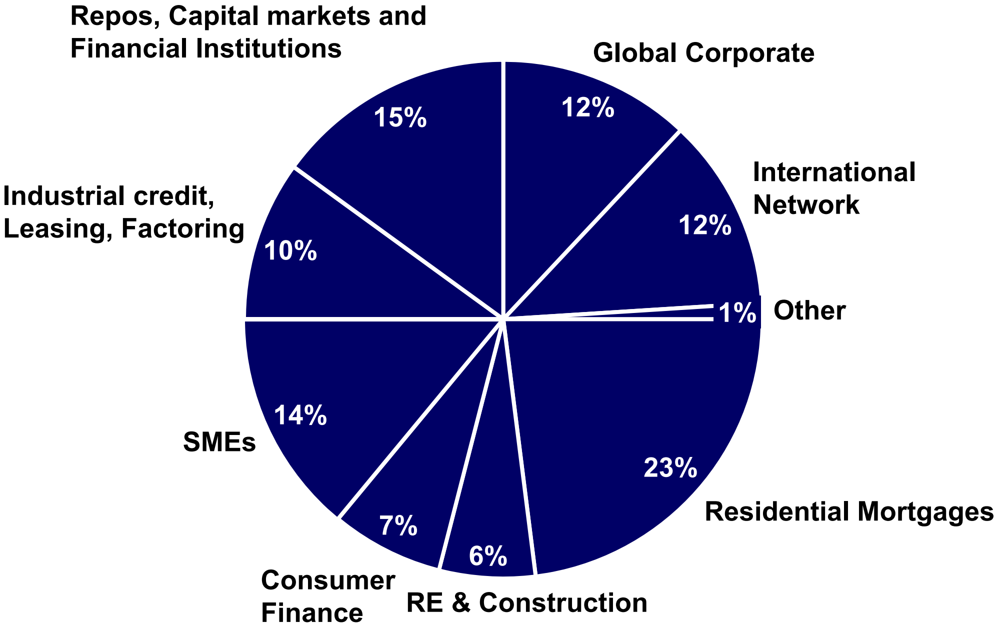
€ bn	30.9.17	31.12.17	30.6.18	30.9.18
Bad Loans	13.9	12.6	7.5	7.4
- of which forborne	*1.1*	*1.3*	*1.0*	*1.0*
Unlikely to pay	13.2	12.5	10.3	10.0
- of which forborne	*6.5*	*6.1*	*5.2*	*4.9*
Past Due	0.4	0.4	0.5	0.5
- of which forborne	-	-	-	-
Total	**27.5**	**25.5**	**18.4**	**17.8**

€26.1bn[(1)] deleveraging since the peak of 30.9.15 (-€1.1bn in Q3), leading to the lowest Gross NPL stock since 2011 (lowest Net since 2009)

Note: figures may not add up exactly due to rounding
(1) Including the Intrum agreement

Loans to Customers: Well-diversified Portfolio

Breakdown by business area
(Data as of 30.9.18)



- **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

	30.9.18
Loans of the Italian banks and companies of the Group	
Households	**28.4%**
Public Administration	**2.1%**
Financial companies	**11.4%**
Non-financial companies	**33.1%**
of which:	
SERVICES	5.9%
DISTRIBUTION	5.6%
REAL ESTATE	3.7%
UTILITIES	2.6%
CONSTRUCTION	2.1%
METALS AND METAL PRODUCTS	1.8%
AGRICULTURE	1.6%
FOOD AND DRINK	1.4%
TRANSPORT	1.3%
MECHANICAL	1.0%
INTERMEDIATE INDUSTRIAL PRODUCTS	1.0%
FASHION	0.9%
ELECTROTECHNICAL AND ELECTRONIC	0.7%
TRANSPORTATION MEANS	0.5%
HOLDING AND OTHER	0.4%
BASE AND INTERMEDIATE CHEMICALS	0.3%
ENERGY AND EXTRACTION	0.3%
MATERIALS FOR CONSTRUCTION	0.3%
PUBLISHING AND PRINTING	0.3%
INFRASTRUCTURE	0.3%
FURNITURE	0.2%
PHARMACEUTICAL	0.2%
OTHER CONSUMPTION GOODS	0.2%
NON-CLASSIFIED UNITS	0.2%
MASS CONSUMPTION GOODS	0.1%
WHITE GOODS	0.1%
Rest of the world	**10.0%**
Loans of international banks and companies of the Group	**10.5%**
Non-performing loans	**4.5%**
TOTAL	**100.0%**

Note: figures may not add up exactly due to rounding

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Divisional Financial Highlights

Data as of 30.9.18

	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)	7,035	2,936	1,450	1,413	545	885	(579)	13,685
Operating Margin (€ m)	3,038	2,177	728	985	432	754	(1,345)	6,769
Net Income (€ m)	1,171	1,514	525	670	342	540	(1,750)	3,012
Cost/Income (%)	56.8	25.9	49.8	30.3	20.7	14.8	n.m.	50.5
RWA (€ bn)	91.0	81.5	32.1	8.4	0.9	0.0	61.9	275.9
Direct Deposits from Banking Business (€ bn)	192.2	100.7	38.3	33.0	0.0	0.0	60.6	424.8
Loans to Customers (€ bn)	212.2	113.0	30.6	9.0	0.2	0.0	30.4	395.4

Note: contribution from the two former Venetian banks attributed to the pertaining Divisions. Figures may not add up exactly due to rounding
(1) Excluding the Russian subsidiary Banca Intesa included in C&IB
(2) Fideuram, Intesa Sanpaolo Private Bank (Suisse), Intesa Sanpaolo Private Banking, Morval Group and Siref Fiduciaria
(3) Eurizon
(4) Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo Vita
(5) Treasury Department, Central Structures, Capital Light Bank and consolidation adjustments

Banca dei Territori: 9M vs 9M

€ m

	9M17 Pro-forma[1]	9M18	Δ%
Net interest income	3,496	3,516	0.6
Net fee and commission income	3,392	3,426	1.0
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	49	56	14.3
Other operating income (expenses)	42	37	(11.9)
Operating income	**6,979**	**7,035**	**0.8**
Personnel expenses	(2,628)	(2,491)	(5.2)
Other administrative expenses	(1,583)	(1,502)	(5.1)
Adjustments to property, equipment and intangible assets	(5)	(4)	(20.0)
Operating costs	**(4,216)**	**(3,997)**	**(5.2)**
Operating margin	**2,763**	**3,038**	**10.0**
Net adjustments to loans	(844)	(1,114)	32.0
Net provisions and net impairment losses on other assets	(38)	(56)	47.4
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**1,881**	**1,868**	**(0.7)**
Taxes on income	(727)	(687)	(5.5)
Charges (net of tax) for integration and exit incentives	(25)	(8)	(68.0)
Effect of purchase price allocation (net of tax)	(3)	(2)	(33.3)
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	**1,126**	**1,171**	**4.0**

Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks (and their subsidiaries)

Banca dei Territori: Q3 vs Q2

€ m

	2Q18	3Q18	∆%
Net interest income	1,166	1,162	(0.3)
Net fee and commission income	1,145	1,093	(4.6)
Income from insurance business	0	0	200.6
Profits on financial assets and liabilities at fair value	20	18	(7.5)
Other operating income (expenses)	20	9	(53.9)
Operating income	**2,351**	**2,283**	**(2.9)**
Personnel expenses	(846)	(816)	(3.6)
Other administrative expenses	(484)	(503)	3.9
Adjustments to property, equipment and intangible assets	(0)	(1)	199.9
Operating costs	**(1,331)**	**(1,320)**	**(0.8)**
Operating margin	**1,020**	**963**	**(5.7)**
Net adjustments to loans	(440)	(311)	(29.2)
Net provisions and net impairment losses on other assets	(18)	(17)	(3.8)
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**563**	**635**	**12.7**
Taxes on income	(206)	(236)	14.8
Charges (net of tax) for integration and exit incentives	(2)	(4)	68.2
Effect of purchase price allocation (net of tax)	(1)	(0)	(54.7)
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	**354**	**394**	**11.2**

Note: figures may not add up exactly due to rounding

Corporate and Investment Banking: 9M vs 9M

€ m

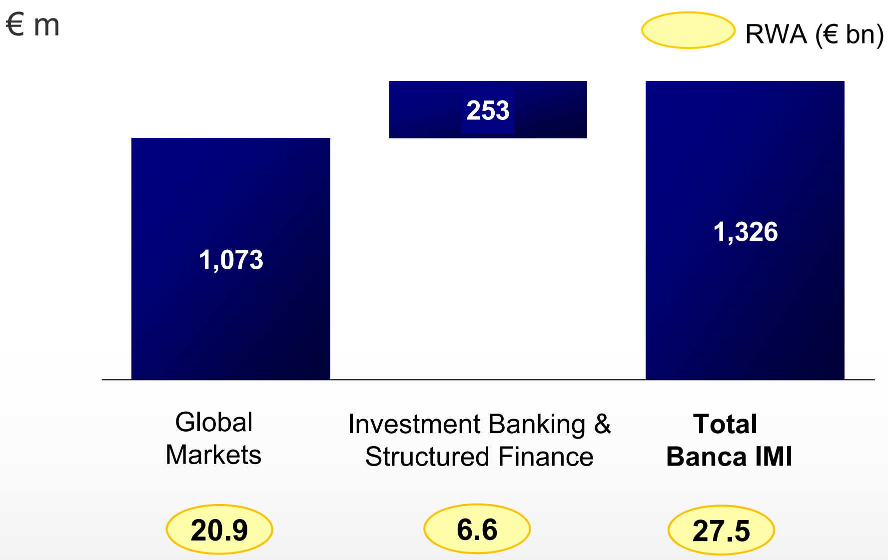
	9M17 Pro-forma[1]	9M18	Δ%
Net interest income	1,239	1,248	0.7
Net fee and commission income	685	668	(2.5)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	529	1,009	90.7
Other operating income (expenses)	9	11	22.2
Operating income	**2,462**	**2,936**	**19.3**
Personnel expenses	(292)	(298)	2.1
Other administrative expenses	(445)	(454)	2.0
Adjustments to property, equipment and intangible assets	(7)	(7)	0.0
Operating costs	**(744)**	**(759)**	**2.0**
Operating margin	**1,718**	**2,177**	**26.7**
Net adjustments to loans	(155)	(43)	(72.3)
Net provisions and net impairment losses on other assets	(2)	(6)	200.0
Other income (expenses)	89	2	(97.8)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**1,650**	**2,130**	**29.1**
Taxes on income	(475)	(612)	28.8
Charges (net of tax) for integration and exit incentives	(2)	(4)	100.0
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	**1,173**	**1,514**	**29.1**

Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks (and their subsidiaries)

Banca IMI: A Significant Contribution to Group Results

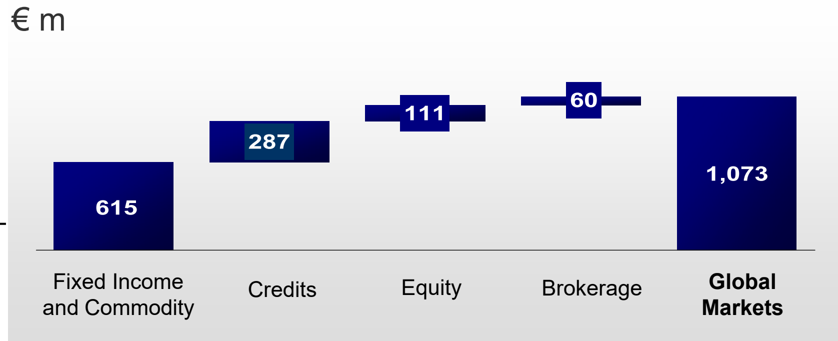
9M18 Results

Banca IMI Operating Income[1]

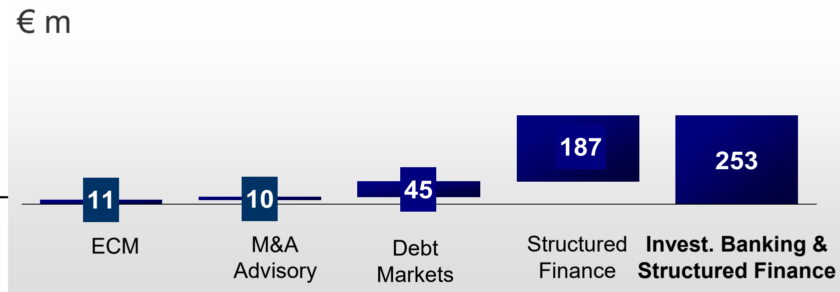


- **~57% of Operating income is customer driven**
- **9M average VaR at ~€56m**
- **Cost/Income ratio at 26%**
- **9M Net income at ~€602m**

of which: Global Markets



of which: Investment Banking & Structured Finance



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

Corporate and Investment Banking: Q3 vs Q2

€ m

	2Q18	3Q18	Δ%
Net interest income	414	432	4.4
Net fee and commission income	222	232	4.5
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	307	160	(47.9)
Other operating income (expenses)	2	7	215.9
Operating income	**945**	**830**	**(12.1)**
Personnel expenses	(100)	(97)	(3.5)
Other administrative expenses	(153)	(151)	(1.4)
Adjustments to property, equipment and intangible assets	(3)	(1)	(53.0)
Operating costs	**(256)**	**(249)**	**(2.9)**
Operating margin	**689**	**582**	**(15.6)**
Net adjustments to loans	13	(27)	n.m.
Net provisions and net impairment losses on other assets	1	(3)	n.m.
Other income (expenses)	0	2	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**703**	**553**	**(21.3)**
Taxes on income	(235)	(172)	(26.8)
Charges (net of tax) for integration and exit incentives	(2)	(2)	62.1
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	**466**	**378**	**(18.8)**

Note: figures may not add up exactly due to rounding

International Subsidiary Banks: 9M vs 9M

€ m

	9M17 Pro-forma(1)	9M18	Δ%
Net interest income	980	979	(0.1)
Net fee and commission income	364	389	6.9
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	127	140	10.2
Other operating income (expenses)	(43)	(58)	34.9
Operating income	**1,428**	**1,450**	**1.5**
Personnel expenses	(372)	(394)	5.9
Other administrative expenses	(260)	(266)	2.3
Adjustments to property, equipment and intangible assets	(60)	(62)	3.3
Operating costs	**(692)**	**(722)**	**4.3**
Operating margin	**736**	**728**	**(1.1)**
Net adjustments to loans	(103)	(55)	(46.6)
Net provisions and net impairment losses on other assets	5	(6)	n.m.
Other income (expenses)	208	5	(97.6)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**846**	**672**	**(20.6)**
Taxes on income	(134)	(135)	0.7
Charges (net of tax) for integration and exit incentives	(13)	(15)	15.4
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	3	(200.0)
Net income	**700**	**525**	**(25.0)**

+2% excluding positive effect of Bank of Qingdao reclassification in 9M17

+2% excluding positive effect of Bank of Qingdao reclassification in 9M17

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa included in C&IB
(1) Management data including the contribution of the two former Venetian banks (and their subsidiaries)

International Subsidiary Banks: Q3 vs Q2

€ m

	2Q18	3Q18	Δ%
Net interest income	324	337	3.9
Net fee and commission income	138	131	(4.9)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	53	37	(29.1)
Other operating income (expenses)	(20)	(22)	(7.7)
Operating income	**494**	**483**	**(2.2)**
Personnel expenses	(131)	(134)	2.0
Other administrative expenses	(90)	(90)	0.0
Adjustments to property, equipment and intangible assets	(20)	(21)	6.2
Operating costs	**(241)**	**(245)**	**1.6**
Operating margin	**253**	**238**	**(5.9)**
Net adjustments to loans	(37)	(31)	(15.4)
Net provisions and net impairment losses on other assets	12	(8)	n.m.
Other income (expenses)	0	4	886.5
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**229**	**203**	**(11.3)**
Taxes on income	(42)	(38)	(10.2)
Charges (net of tax) for integration and exit incentives	(5)	(7)	49.0
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	93.8
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	1	1	(27.0)
Net income	**183**	**159**	**(13.0)**

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa included in C&IB

Private Banking: 9M vs 9M

€ m

	9M17 Pro-forma(1)	9M18	Δ%
Net interest income	132	118	(10.6)
Net fee and commission income	1,270	1,270	0.0
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	26	20	(23.1)
Other operating income (expenses)	10	5	(50.0)
Operating income	**1,438**	**1,413**	**(1.7)**
Personnel expenses	(244)	(252)	3.3
Other administrative expenses	(172)	(169)	(1.7)
Adjustments to property, equipment and intangible assets	(11)	(7)	(36.4)
Operating costs	**(427)**	**(428)**	**0.2**
Operating margin	**1,011**	**985**	**(2.6)**
Net adjustments to loans	6	(2)	n.m.
Net provisions and net impairment losses on other assets	(24)	(12)	(50.0)
Other income (expenses)	8	11	37.5
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**1,001**	**982**	**(1.9)**
Taxes on income	(294)	(295)	0.3
Charges (net of tax) for integration and exit incentives	(19)	(17)	(10.5)
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	**684**	**670**	**(2.0)**

Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation

Private Banking: Q3 vs Q2

€ m

	2Q18	3Q18	Δ%
Net interest income	38	41	5.9
Net fee and commission income	420	413	(1.5)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	8	5	(36.9)
Other operating income (expenses)	0	2	794.1
Operating income	**466**	**461**	**(1.1)**
Personnel expenses	(81)	(85)	4.7
Other administrative expenses	(53)	(61)	13.5
Adjustments to property, equipment and intangible assets	(2)	(3)	11.4
Operating costs	**(137)**	**(148)**	**8.3**
Operating margin	**329**	**313**	**(5.0)**
Net adjustments to loans	0	(2)	n.m.
Net provisions and net impairment losses on other assets	(11)	0	n.m.
Other income (expenses)	1	2	300.0
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**320**	**313**	**(2.0)**
Taxes on income	(95)	(96)	1.6
Charges (net of tax) for integration and exit incentives	(6)	(8)	36.7
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	**219**	**209**	**(4.6)**

Note: figures may not add up exactly due to rounding

Asset Management: 9M vs 9M

€ m

	9M17	9M18	∆%
Net interest income	0	0	n.m.
Net fee and commission income	497	532	7.0
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	4	(8)	n.m.
Other operating income (expenses)	54	21	(61.1)
Operating income	**555**	**545**	**(1.8)**
Personnel expenses	(49)	(54)	10.2
Other administrative expenses	(58)	(59)	1.7
Adjustments to property, equipment and intangible assets	0	0	n.m.
Operating costs	**(107)**	**(113)**	**5.6**
Operating margin	**448**	**432**	**(3.6)**
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)	**448**	**432**	**(3.6)**
Taxes on income	(86)	(83)	(3.5)
Charges (net of tax) for integration and exit incentives	0	0	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	(10)	(7)	(30.0)
Net income	**352**	**342**	**(2.8)**

Note: figures may not add up exactly due to rounding

Asset Management: Q3 vs Q2

€ m

	2Q18	3Q18	Δ%
Net interest income	0	0	(0.9)
Net fee and commission income	176	172	(2.3)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	(6)	(1)	75.4
Other operating income (expenses)	9	5	(47.2)
Operating income	**179**	**175**	**(2.2)**
Personnel expenses	(18)	(17)	(6.1)
Other administrative expenses	(20)	(19)	(4.8)
Adjustments to property, equipment and intangible assets	(0)	(0)	0.8
Operating costs	**(39)**	**(36)**	**(5.4)**
Operating margin	**140**	**138**	**(1.3)**
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)	**140**	**138**	**(1.2)**
Taxes on income	(26)	(26)	(2.1)
Charges (net of tax) for integration and exit incentives	(0)	(0)	276.0
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	(2)	(2)	2.4
Net income	**111**	**110**	**(1.1)**

Note: figures may not add up exactly due to rounding

Insurance: 9M vs 9M

€ m

	9M17	9M18	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	0	0	n.m.
Income from insurance business	863	893	3.5
Profits on financial assets and liabilities at fair value	0	0	n.m.
Other operating income (expenses)	(6)	(8)	33.3
Operating income	**857**	**885**	**3.3**
Personnel expenses	(57)	(58)	1.8
Other administrative expenses	(68)	(69)	1.5
Adjustments to property, equipment and intangible assets	(2)	(4)	100.0
Operating costs	**(127)**	**(131)**	**3.1**
Operating margin	**730**	**754**	**3.3**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(1)	(3)	200.0
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**729**	**751**	**3.0**
Taxes on income	(199)	(197)	(1.0)
Charges (net of tax) for integration and exit incentives	(4)	(2)	(50.0)
Effect of purchase price allocation (net of tax)	(14)	(12)	(14.3)
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	**512**	**540**	**5.5**

Note: figures may not add up exactly due to rounding

Insurance: Q3 vs Q2

€ m

	2Q18	3Q18	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	0	0	n.m.
Income from insurance business	299	267	(10.7)
Profits on financial assets and liabilities at fair value	0	0	n.m.
Other operating income (expenses)	(4)	(1)	67.4
Operating income	**295**	**266**	**(9.9)**
Personnel expenses	(20)	(18)	(10.1)
Other administrative expenses	(22)	(27)	20.9
Adjustments to property, equipment and intangible assets	(1)	(2)	42.6
Operating costs	**(43)**	**(46)**	**7.1**
Operating margin	**252**	**219**	**(12.8)**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(2)	(1)	(72.6)
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**250**	**219**	**(12.4)**
Taxes on income	(56)	(62)	9.1
Charges (net of tax) for integration and exit incentives	(1)	(1)	114.8
Effect of purchase price allocation (net of tax)	(4)	(4)	0.0
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	**189**	**152**	**(19.5)**

Note: figures may not add up exactly due to rounding

Quarterly P&L Analysis

€ m

	1Q17[1]	2Q17[1]	3Q17[1]	4Q17[1]	1Q18[2]	2Q18	3Q18
Net interest income	1,880	1,891	1,828	1,837	1,855	1,839	1,844
Net fee and commission income	1,928	1,992	1,984	2,153	2,013	1,991	1,924
Income from insurance business	283	240	227	183	294	281	271
Profits on financial assets and liabilities at fair value	211	349	185	538	622	472	242
Other operating income (expenses)	56	47	19	9	28	21	(12)
Operating income	**4,358**	**4,519**	**4,243**	**4,720**	**4,812**	**4,604**	**4,269**
Personnel expenses	(1,458)	(1,506)	(1,471)	(1,610)	(1,440)	(1,455)	(1,424)
Other administrative expenses	(675)	(729)	(694)	(836)	(660)	(651)	(676)
Adjustments to property, equipment and intangible assets	(201)	(202)	(206)	(235)	(204)	(200)	(206)
Operating costs	**(2,334)**	**(2,437)**	**(2,371)**	**(2,681)**	**(2,304)**	**(2,306)**	**(2,306)**
Operating margin	**2,024**	**2,082**	**1,872**	**2,039**	**2,508**	**2,298**	**1,963**
Net adjustments to loans	(696)	(738)	(648)	(1,229)	(483)	(694)	(519)
Net provisions and net impairment losses on other assets	(8)	(61)	(31)	(134)	(51)	(35)	(25)
Other income (expenses)	196	117[3]	72	861	2	8	2
Income (Loss) from discontinued operations	0	0	0	0	1	(1)	0
Gross income (loss)	**1,516**	**1,400[3]**	**1,265**	**1,537**	**1,977**	**1,576**	**1,421**
Taxes on income	(432)	(434)	(366)	(249)	(544)	(508)	(433)
Charges (net of tax) for integration and exit incentives	(12)	(41)	(20)	(227)	(19)	(16)	(31)
Effect of purchase price allocation (net of tax)	(6)	(5)	(26)	364	(44)	(26)	(38)
Levies and other charges concerning the banking industry (net of tax)	(296)	(193)	(192)	3	(117)	(83)	(81)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	0	0	0	0
Minority interests	131	110	(11)	0	(1)	(16)	(5)
Net income	**901**	**837[3]**	**650**	**1,428**	**1,252**	**927**	**833**

Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks (and their subsidiaries) and the Morval Group consolidation
(2) Data restated to reflect the Morval Group consolidation
(3) Excluding 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

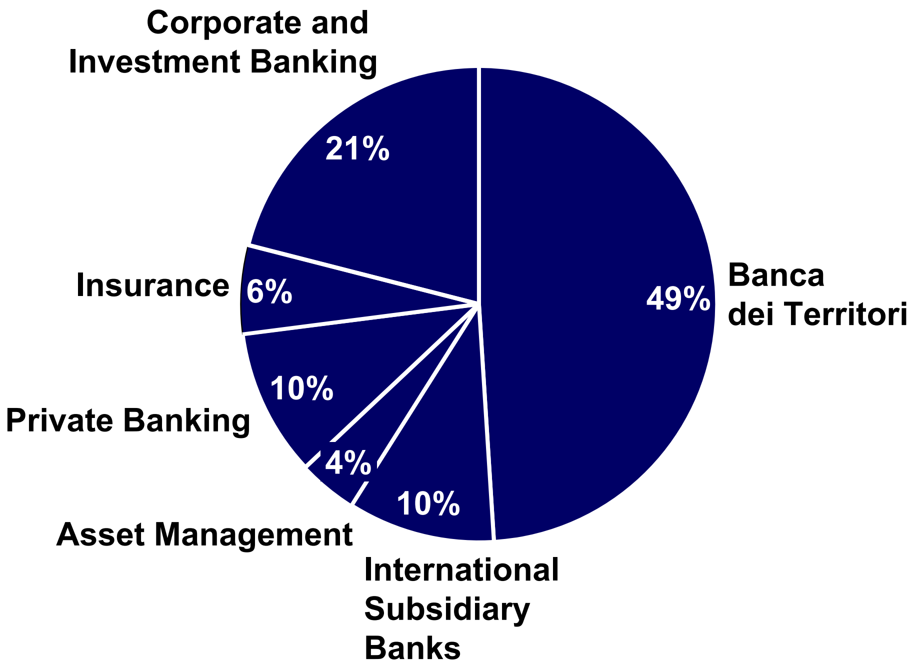
€ m

Net Fee and Commission Income	1Q17[1]	2Q17[1]	3Q17[1]	4Q17[1]	1Q18[2]	2Q18	3Q18
Guarantees given / received	56	77	60	59	59	72	75
Collection and payment services	97	99	109	113	92	117	108
Current accounts	295	303	309	334	319	313	308
Credit and debit cards	95	104	102	103	92	109	118
Commercial banking activities	**543**	**583**	**581**	**609**	**562**	**611**	**609**
Dealing and placement of securities	184	190	163	225	208	191	113
Currency dealing	10	11	11	11	12	13	12
Portfolio management	559	581	573	642	596	569	570
Distribution of insurance products	373	366	385	385	378	378	364
Other	43	42	45	52	46	38	46
Management, dealing and consultancy activities	**1,169**	**1,189**	**1,177**	**1,315**	**1,240**	**1,189**	**1,105**
Other net fee and commission income	216	221	226	229	211	191	210
Net fee and commission income	**1,928**	**1,992**	**1,984**	**2,153**	**2,013**	**1,991**	**1,924**

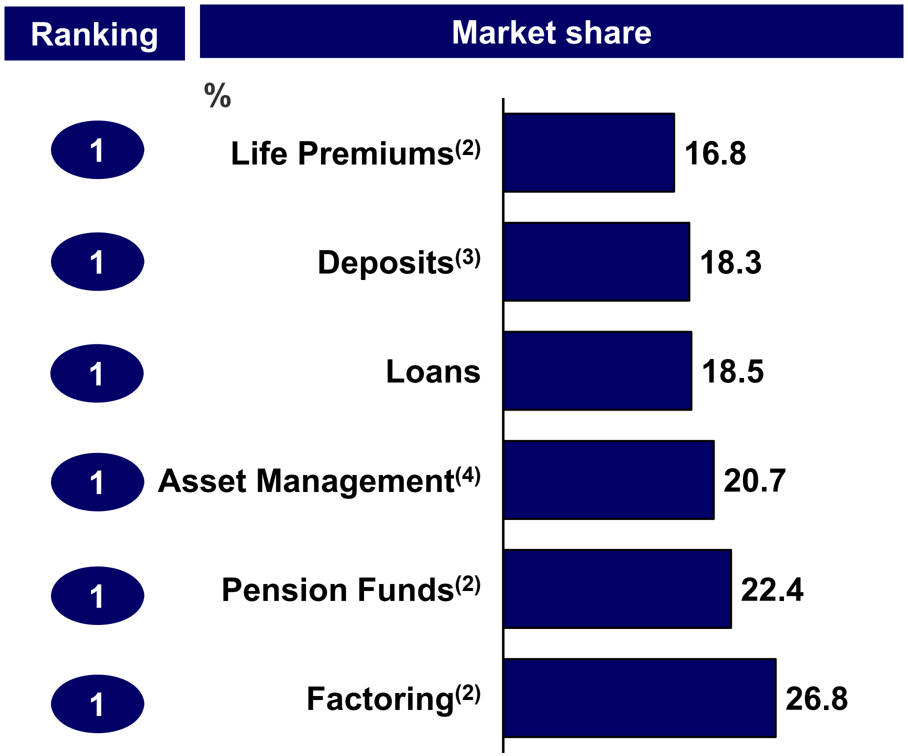
Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks (and their subsidiaries) and the Morval Group consolidation
(2) Data restated to reflect the Morval Group consolidation

Market Leadership in Italy

9M18 Operating Income Breakdown by business area[1]



Leader in Italy
(data as of 30.9.18)



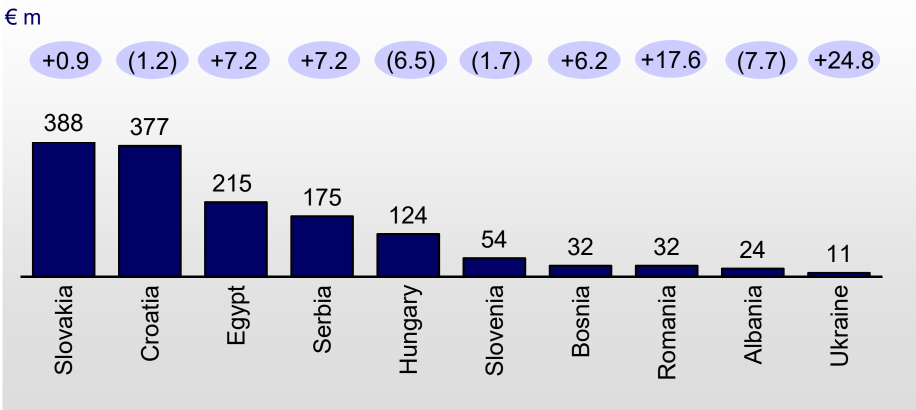
Note: figures may not add up exactly due to rounding
(1) Excluding Corporate Centre
(2) Data as of 30.6.18
(3) Including bonds
(4) Mutual funds; data as of 30.6.18

International Subsidiary Banks: Key P&L Data by Country

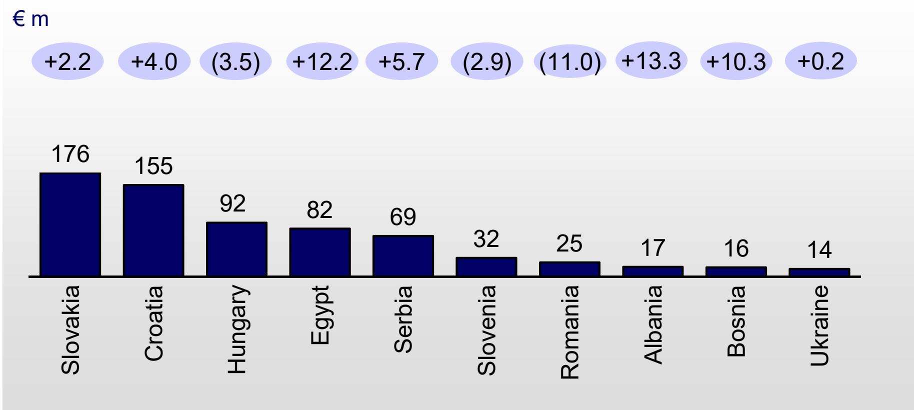
Data as of 30.9.18

(Δ% vs 9M17 pro-forma[1])

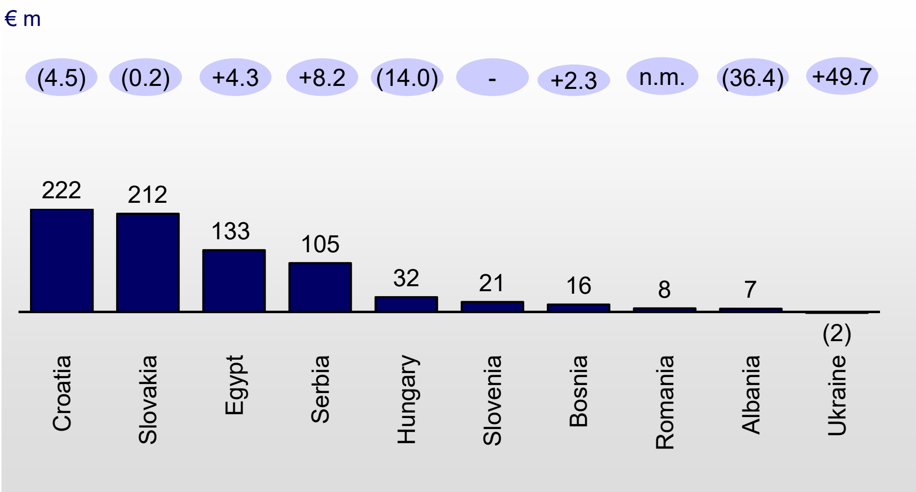
Operating Income



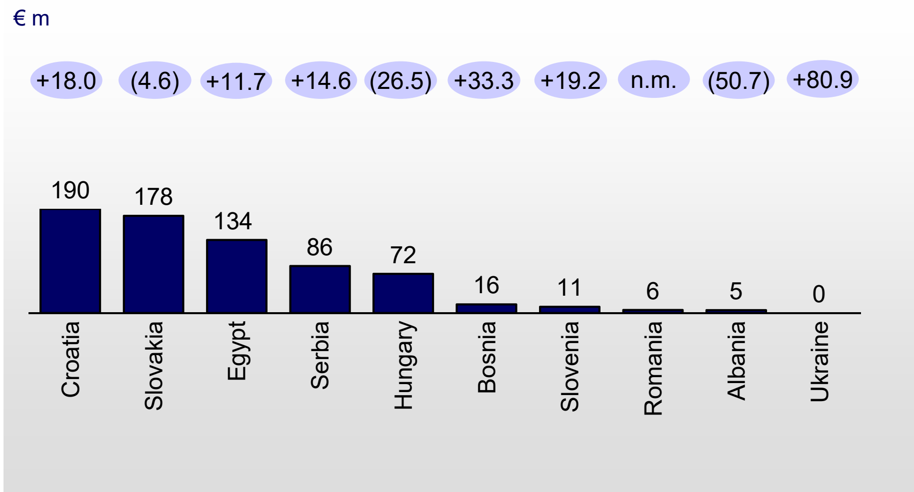
Operating Costs



Operating Margin



Gross Income



Note: excluding the Russian subsidiary Banca Intesa included in C&IB
(1) Management data including the contribution of the two former Venetian banks (and their subsidiaries)

International Subsidiary Banks by Country: ~8% of the Group's Total Loans

Data as of 30.9.18

	Hungary	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Ukraine	CEE Total	Egypt	Total
Oper. Income (€ m)	124	388	54	377	175	32	24	32	11	1,217	215	1,432
% of Group total	***0.9%***	***2.8%***	***0.4%***	***2.8%***	***1.3%***	***0.2%***	***0.2%***	***0.2%***	***0.1%***	***8.9%***	***1.6%***	***10.5%***
Net income (€ m)	48	132	7	143	72	14	3	4	(0)	424	98	522
% of Group total	***1.6%***	***4.4%***	***0.2%***	***4.8%***	***2.4%***	***0.5%***	***0.1%***	***0.1%***	***n.m.***	***14.1%***	***3.3%***	***17.3%***
Customer Deposits (€ bn)	4.0	13.2	2.1	8.7	3.5	0.7	1.2	0.9	0.1	34.2	3.7	37.9
% of Group total	***0.9%***	***3.1%***	***0.5%***	***2.0%***	***0.8%***	***0.2%***	***0.3%***	***0.2%***	***0.0%***	***8.1%***	***0.9%***	***8.9%***
Customer Loans (€ bn)	2.6	13.2	1.6	6.6	2.9	0.7	0.3	0.8	0.0	28.9	1.7	30.6
% of Group total	***0.7%***	***3.3%***	***0.4%***	***1.7%***	***0.7%***	***0.2%***	***0.1%***	***0.2%***	***0.0%***	***7.3%***	***0.4%***	***7.7%***
Total Assets (€ bn)	5.7	16.0	2.5	11.3	5.0	1.0	1.5	1.2	0.1	44.4	4.4	48.9
% of Group total	***0.7%***	***2.0%***	***0.3%***	***1.4%***	***0.6%***	***0.1%***	***0.2%***	***0.2%***	***0.0%***	***5.6%***	***0.6%***	***6.1%***
Book value (€ m)	725	1,510	275	1,659	951	134	164	179	62	5,658	382	6,040
- goodwill/intangibles	*28*	*80*	*3*	*19*	*24*	*1*	*4*	*3*	*2*	*164*	*6*	*170*

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa included in C&IB

INTESA SNNPAOLO

International Subsidiary Banks by Country: Loans Breakdown and Coverage

Data as of 30.9.18

	Hungary	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Ukraine	CEE Total	Egypt	Total
Performing loans (€ bn)	2.5	13.1	1.6	6.3	2.9	0.7	0.3	0.8	0.0	**28.3**	1.7	**29.9**
of which:												
Retail local currency	39%	59%	43%	36%	24%	30%	19%	17%	15%	**45%**	53%	**45%**
Retail foreign currency	0%	0%	0%	19%	27%	19%	14%	25%	5%	**8%**	0%	**8%**
Corporate local currency	26%	38%	56%	15%	6%	10%	15%	31%	29%	**28%**	25%	**28%**
Corporate foreign currency	36%	4%	1%	30%	44%	41%	53%	27%	51%	**19%**	21%	**19%**
Bad loans[1] (€ m)	18	118	9	70	36	4	8	12	0	**275**	2	**277**
Unlikely to pay[2] (€ m)	75	51	25	162	32	2	8	8	0	**363**	51	**414**
Performing loans coverage	1.5%	0.9%	1.1%	2.3%	1.4%	1.9%	5.9%	2.0%	0.0%	**1.5%**	2.2%	**1.5%**
Bad loans[1] coverage	73%	66%	87%	73%	66%	83%	47%	65%	n.m.	**70%**	97%	**72%**
Unlikely to pay[2] coverage	38%	51%	50%	47%	56%	75%	20%	27%	n.m.	**47%**	41%	**46%**
Annualised cost of credit[3] (bps)	n.m.	34	82	67	99	20	n.m.	33	n.m.	**28**	n.m.	**25**

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa included in C&IB
(1) *Sofferenze*
(2) Including Past due
(3) Net adjustments to loans/Net customer loans

Common Equity Ratio as of 30.9.18: from Phased-in to Pro-forma Fully Loaded

	~€ bn	~bps
Transitional adjustments		
Valuation reserves (IAS 19)	(0.1)	(4)
DTA on losses carried forward(1)	1.6	54
IFRS9 transitional adjustment	(3.0)	(105)
Total	**(1.5)**	**(56)**
Deductions exceeding cap(*)		
Total	**1.1**	**39**
(*) as a memo, constituents of deductions subject to cap:		
- Other DTA(2)	1.8	
- Investments in banking and financial companies	0.7	
- Investments in insurance companies(3)	4.4	
RWA from 100% weighted DTA(4)	**(8.6)**	**42**
Total estimated impact		**25**
Pro-forma fully loaded Common Equity ratio		**13.7%**

Note: figures may not add up exactly due to rounding
(1) Considering the expected absorption of DTA on losses carried forward (€1.4bn as of 30.9.18)
(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 expected distribution of reserves of insurance companies
(4) Considering the total absorption of DTA convertible into tax credit related to goodwill realignment (€5.4bn as of 30.9.18) and adjustments to loans (€3.3bn as of 30.9.18)

Total Exposure[1] by Main Countries

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business[2]	Total	
	AC	FVTOCI	FVTPL	Total			
EU Countries	**12,763**	**48,899**	**5,285**	**66,947**	**57,654**	**124,601**	**394,708**
Austria	45	23	127	195	4	199	759
Belgium	864	483	140	1,487	205	1,692	783
Bulgaria					78	78	27
Croatia	75	1,071	94	1,240	102	1,342	6,651
Cyprus							277
Czech Republic	19			19		19	696
Denmark		10	14	24	27	51	71
Estonia							1
Finland		67	78	145	31	176	240
France	330	3,403	390	4,123	1,601	5,724	5,902
Germany	71	7,289	858	8,218	1,316	9,534	6,853
Greece			80	80		80	781
Hungary	115	1,177	445	1,737	32	1,769	2,527
Ireland	27	506	113	646	163	809	319
Italy	10,295	20,258	1,639	32,192	48,980	81,172	323,971
Latvia		9		9		9	41
Lithuania		5	5	10		10	16
Luxembourg	192	98	137	427	24	451	4,167
Malta							792
The Netherlands	59	427	570	1,056	854	1,910	3,213
Poland	17	40	-10	47	41	88	1,076
Portugal	6		24	30	9	39	197
Romania		234		234	171	405	1,026
Slovakia		619	31	650		650	11,521
Slovenia	1	126		127	7	134	1,588
Spain	370	12,709	399	13,478	2,414	15,892	2,735
Sweden		84	104	188	2	190	140
United Kingdom	277	261	47	585	1,593	2,178	18,338
North African Countries		**1,029**		**1,029**	**14**	**1,043**	**1,926**
Algeria							8
Egypt		1,029		1,029	14	1,043	1,895
Libya							3
Morocco							11
Tunisia							9
Japan		**43**	**810**	**853**	**78**	**931**	**798**

Note: figures may not add up exactly due to rounding
(1) Exposure to sovereign risks (central and local governments), banks and other customers. Book Value of Debt Securities and Net Loans as of 30.9.18
(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	FVTOCI/AFS Reserve [4]	
	AC	FVTOCI	FVTPL[2]	Total				
EU Countries	**9,727**	**45,187**	**2,805**	**57,719**	**48,646**	**106,365**	**-656**	**13,010**
Austria			127	127	2	129		
Belgium		424	56	480	6	486	-1	
Bulgaria					61	61		
Croatia		1,071	94	1,165	92	1,257		1,114
Cyprus								
Czech Republic								
Denmark			2	2		2		
Estonia								
Finland		36	74	110	7	117		
France	305	2,779	83	3,167	115	3,282	-3	5
Germany		7,013	819	7,832	496	8,328	-24	
Greece			80	80		80		
Hungary		1,168	433	1,601	32	1,633	3	45
Ireland		203	1	204	112	316		
Italy	9,057	18,719	356	28,132	45,902	74,034	-578	11,411
Latvia		9		9		9		41
Lithuania		5	5	10		10		
Luxembourg		25		25		25		
Malta								
The Netherlands		138	297	435	89	524		
Poland	17	40	-10	47	30	77		
Portugal			-26	-26		-26		
Romania		234		234	171	405	-5	9
Slovakia		550	31	581		581		129
Slovenia		126		126	7	133	2	201
Spain	348	12,561	285	13,194	1,421	14,615	-49	55
Sweden			106	106		106		
United Kingdom		86	-8	78	103	181	-1	
North African Countries		**1,029**		**1,029**	**14**	**1,043**	**1**	
Algeria								
Egypt		1,029		1,029	14	1,043	1	
Libya								
Morocco								
Tunisia								
Japan			**771**	**771**		**771**		

Banking Business Government bond duration: 4.8 years
Adjusted duration due to hedging: 0.4 years

Note: figures may not add up exactly due to rounding
(1) Exposure to central and local governments. Book Value of Debt Securities and Net Loans as of 30.9.18
(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

Exposure to Banks by Main Countries[1]

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business[2]	Total	
	AC	FVTOCI	FVTPL	Total			
EU Countries	**406**	**2,094**	**1,053**	**3,553**	**3,474**	**7,027**	**26,417**
Austria	35	1		36		36	232
Belgium		32	83	115	51	166	495
Bulgaria							
Croatia	57			57		57	40
Cyprus							1
Czech Republic							1
Denmark			8	8	2	10	60
Estonia							
Finland		21	4	25		25	
France	5	441	256	702	643	1,345	4,021
Germany		227	54	281	156	437	1,752
Greece							772
Hungary	89	9		98		98	70
Ireland		75	7	82		82	42
Italy	138	765	431	1,334	1,490	2,824	8,167
Latvia							
Lithuania							3
Luxembourg	60	52	113	225		225	1,405
Malta							756
The Netherlands	22	189	20	231	268	499	310
Poland							160
Portugal							2
Romania							25
Slovakia		69		69		69	
Slovenia							2
Spain		88	49	137	278	415	381
Sweden		31	-2	29		29	88
United Kingdom		94	30	124	586	710	7,632
North African Countries							**81**
Algeria							
Egypt							64
Libya							
Morocco							11
Tunisia							6
Japan		**10**		**10**	**54**	**64**	**34**

Note: figures may not add up exactly due to rounding
(1) Book Value of Debt Securities and Net Loans as of 30.9.18
(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	
	AC	FVTOCI	FVTPL	Total			
EU Countries	**2,630**	**1,618**	**1,427**	**5,675**	**5,534**	**11,209**	**355,281**
Austria	10	22		32	2	34	527
Belgium	864	27	1	892	148	1,040	288
Bulgaria					17	17	27
Croatia	18			18	10	28	5,497
Cyprus							276
Czech Republic	19			19		19	695
Denmark		10	4	14	25	39	11
Estonia							1
Finland		10		10	24	34	240
France	20	183	51	254	843	1,097	1,876
Germany	71	49	-15	105	664	769	5,101
Greece							9
Hungary	26		12	38		38	2,412
Ireland	27	228	105	360	51	411	277
Italy	1,100	774	852	2,726	1,588	4,314	304,393
Latvia							
Lithuania							13
Luxembourg	132	21	24	177	24	201	2,762
Malta							36
The Netherlands	37	100	253	390	497	887	2,903
Poland					11	11	916
Portugal	6		50	56	9	65	195
Romania							992
Slovakia							11,392
Slovenia	1			1		1	1,385
Spain	22	60	65	147	715	862	2,299
Sweden		53		53	2	55	52
United Kingdom	277	81	25	383	904	1,287	10,706
North African Countries							**1,845**
Algeria							8
Egypt							1,831
Libya							3
Morocco							
Tunisia							3
Japan		**33**	**39**	**72**	**24**	**96**	**764**

Note: figures may not add up exactly due to rounding
(1) Book Value of Debt Securities and Net Loans as of 30.9.18
(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".

* * *

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