2018 Results

All Commitments Fully Delivered, Balance Sheet Further Strengthened

A Strong Bank for a Digital World

February 5, 2019

INTESA SANPAOLO

Fully Delivering on All Our Commitments, While Further Strengthening the Balance Sheet

€4,050m Net income, the highest since 2007 (+6.1% vs FY17 pro-forma[(1)])

€3.4bn cash dividends, equal to 10% dividend yield[(2)] and 85% payout ratio

Operating costs down 3.6%, leading to 4.8% growth in Operating margin

Cost/Income down to 53.0%

€28bn NPL deleveraging since the September 2015 peak (€15.6bn in FY18 and €1.9bn in Q4), at no cost to shareholders; the lowest Net NPL stock since 2009

More than 60% of targeted 2018-2021 NPL deleveraging already achieved in FY18, coupled with a strong increase in NPL coverage (up to 54.5% at 31.12.18 from 51.1% at 31.12.17) and the lowest ever NPL inflow

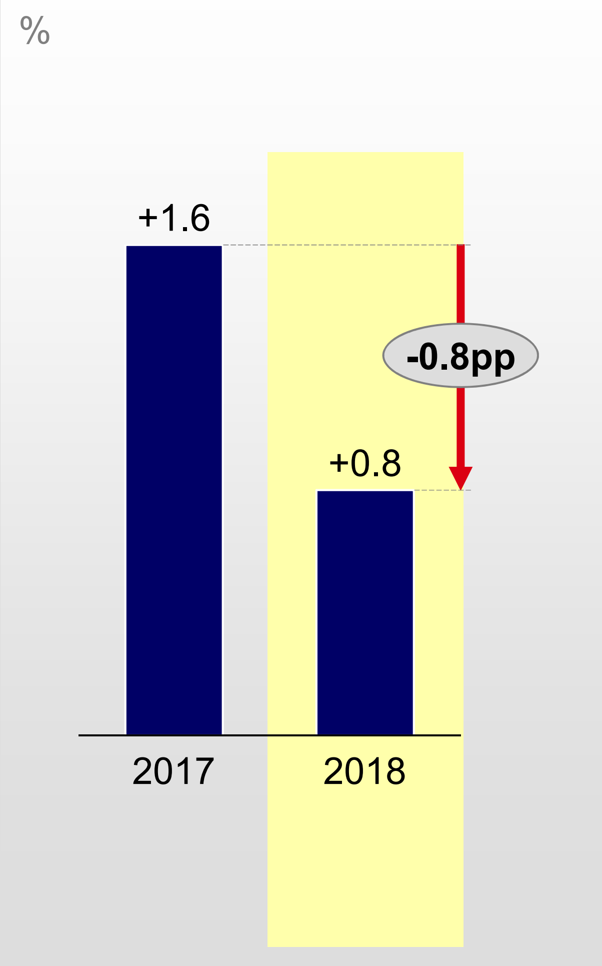
Common Equity[(3)] ratio up to 13.6%, well above regulatory requirements even under the EBA stress test adverse scenario and despite the widened sovereign bond spread

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

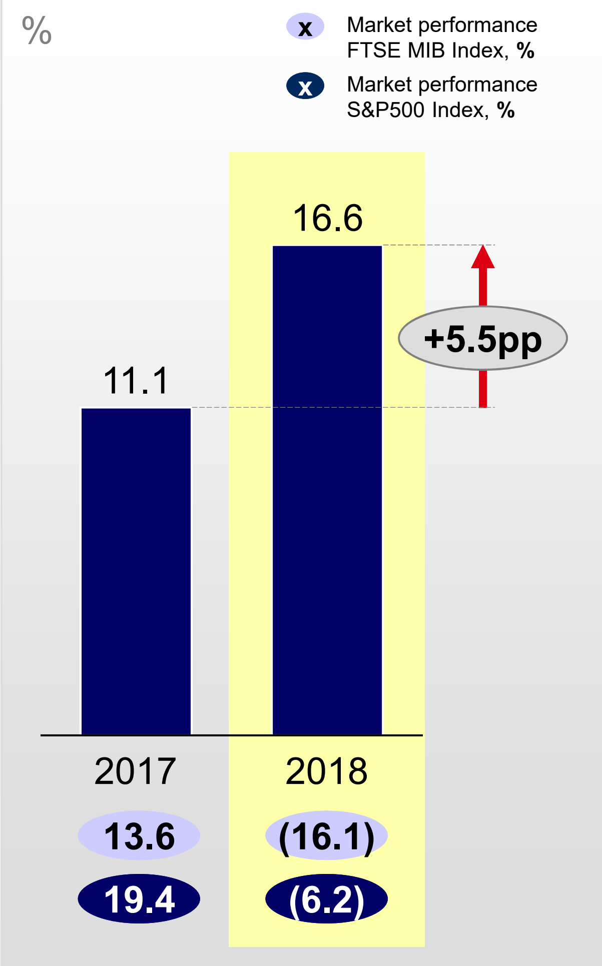
(1) Management data including the contribution of the two former Venetian banks – excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios – and the Morval Group consolidation
(2) Based on ordinary shares price at 4.2.19
(3) Pro-forma fully loaded Basel 3 (31.12.18 financial statements considering the total absorption of DTA related to IFRS 9 FTA, 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)

Despite a Challenging Environment…

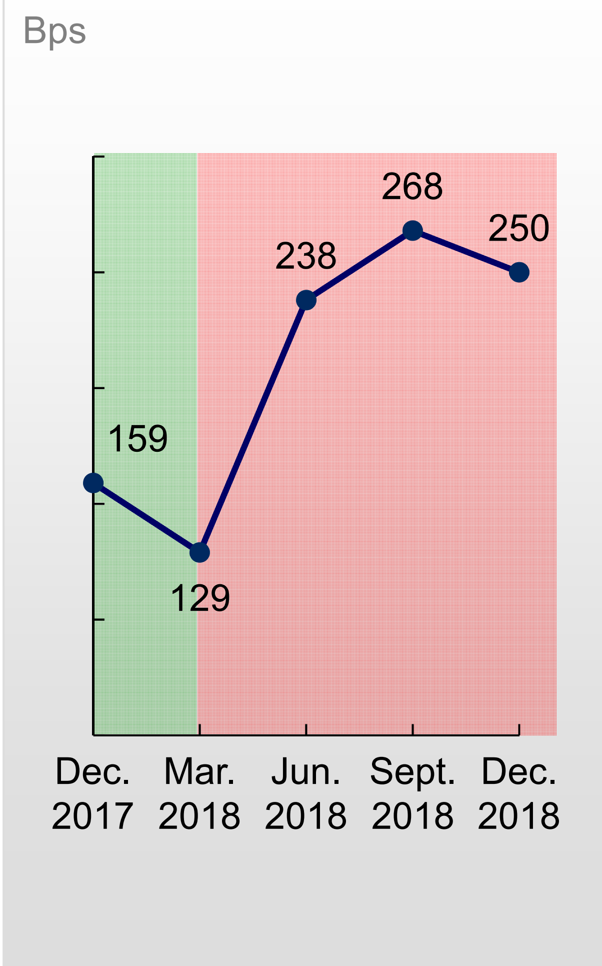
Italian GDP YoY growth(1)



Market volatility(2)



10-year BTP-Bund spread(3)



(1) Source: Bank of Italy
(2) Chicago Board Options Exchange (CBOE) Volatility Index; source: Bloomberg
(3) Source: Bloomberg

… 2018 Commitments Fully Delivered

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)]

DELIVERED

What we delivered

FY18 results vs FY17 pro-forma[(1)]

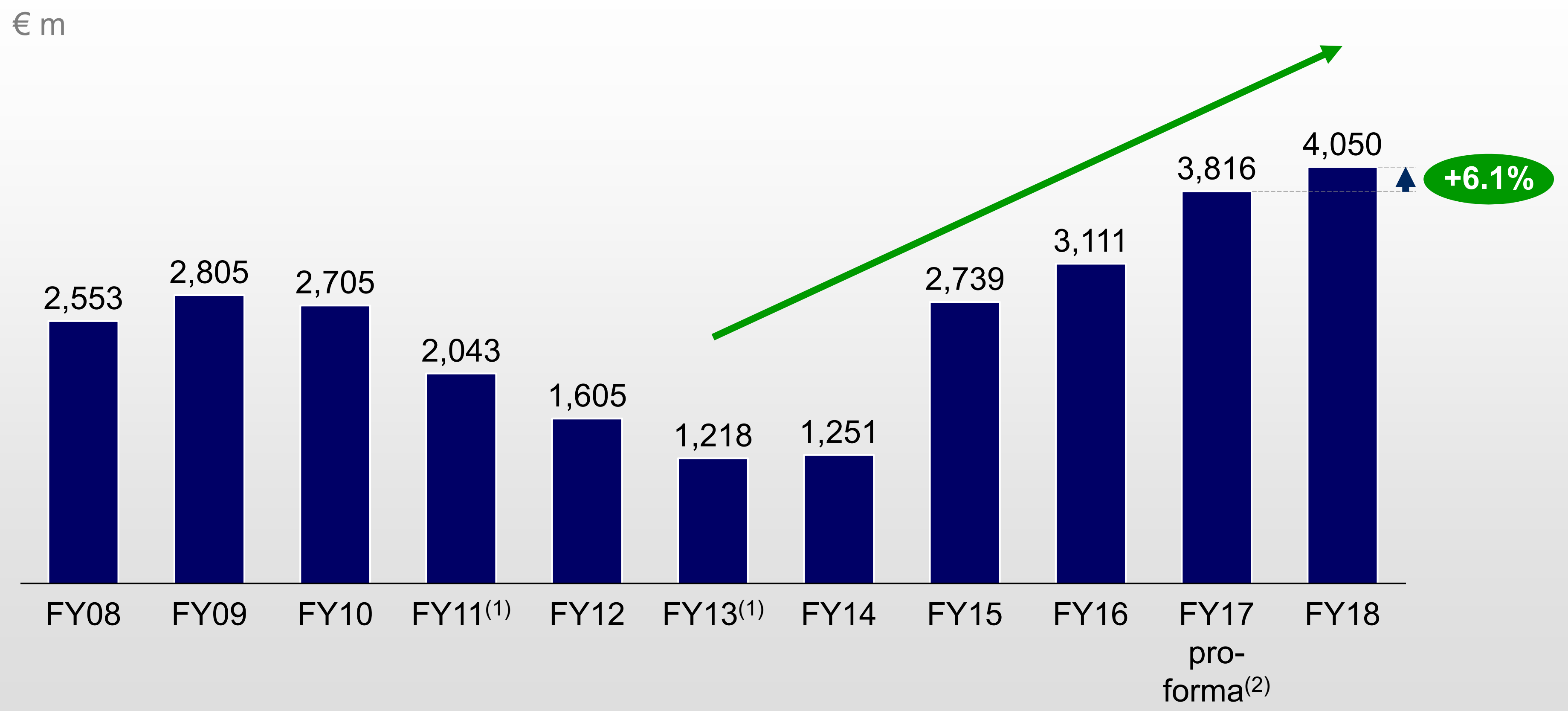
Operating income	+0.2%
Operating costs	(3.6)%
Operating margin	+4.8%
Loan loss provisions	(27.7)%
Gross income	+11.0%
Net income	+6.1%

€3.4bn cash dividends, equivalent to 85% payout ratio

(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

The Best Net Income of the Past Decade…

Net income

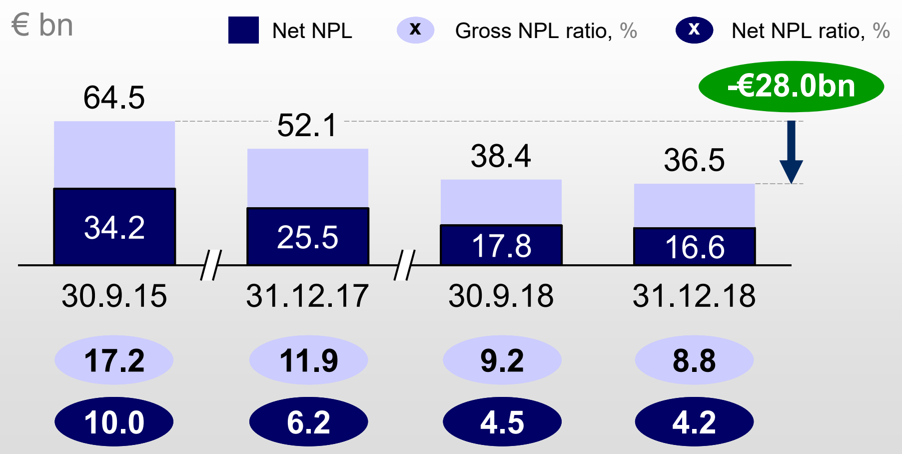


5 consecutive years of Net income growth

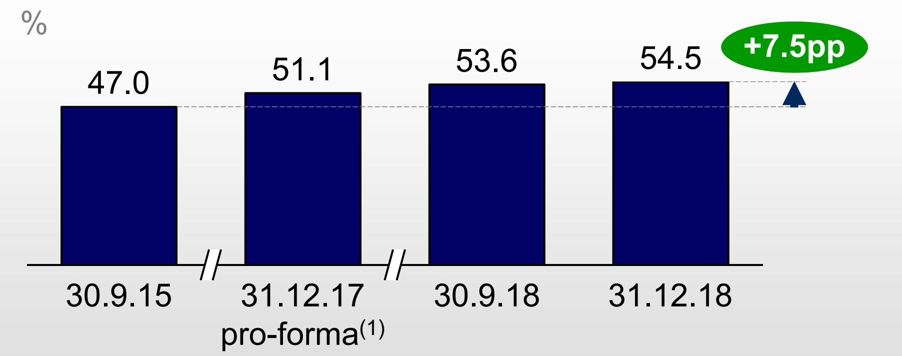
(1) Excluding goodwill and intangible assets impairment
(2) Management data including the contribution of the two former Venetian banks – excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios – and the Morval Group consolidation

… Coupled with Further Strengthening of the Balance Sheet

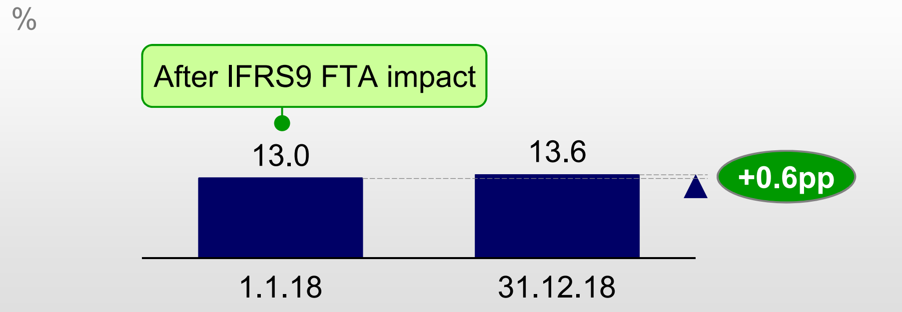
NPL stock



NPL coverage ratio

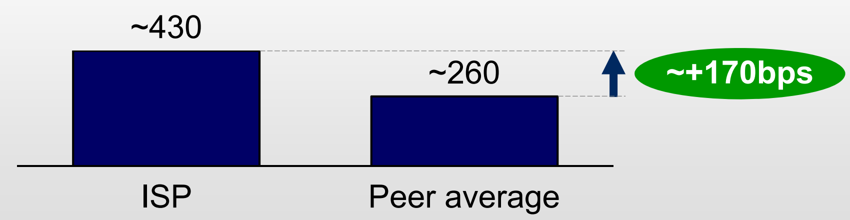


ISP Fully Loaded(2) CET1 Ratio



Excess capital

Pro-forma Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer(3)(4), 31.12.18, bps



ISP CET1 ratios already include ~30bps impact deriving from the widened sovereign bond spread(5)

(1) Including components related to the acquisition of certain operations of the two former Venetian banks
(2) Pro-forma fully loaded Basel 3 (31.12.18 financial statements considering the total absorption of DTA related to IFRS 9 FTA, 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)
(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, Deutsche Bank and Santander (31.12.18 data); BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, ING Group, Nordea, Société Générale and UniCredit (30.9.18 data). Source: Investor Presentations, Press Releases, Conference Calls, Financial Statements
(5) 10y BTP-Bund spread: from 129bps at 31.3.18 to 250bps at 31.12.18

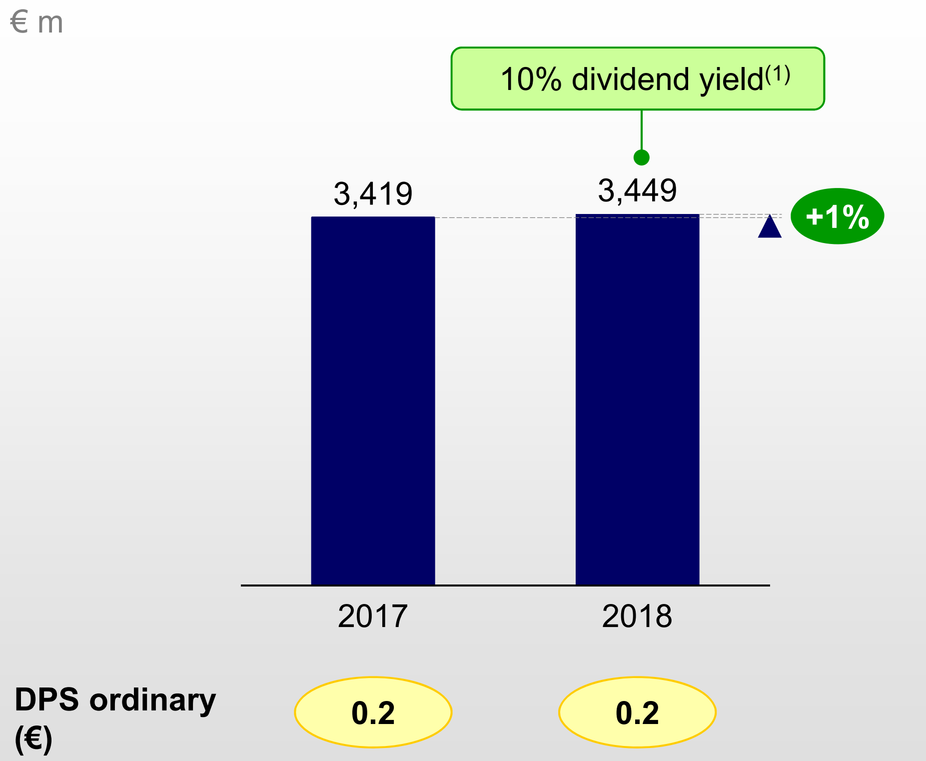
ISP Continues to Be a Top Performing Delivery Machine Built on a Very Resilient and Well-diversified Business Model

	Delivery machine at work on Business Plan priorities	A very resilient and well-diversified business model
Significant de-risking	▪ **61%** of targeted 2018-2021 NPL deleveraging already achieved in FY18 ▪ Cost of risk down to **61bps** (81bps in 2017)	Best-in-class **credit recovery** and **NPL deal making capabilities** (at no cost to shareholders)
Cost reduction	▪ Strong cost reduction (down **3.6%** YoY)	High **strategic flexibility in managing costs**
Revenue growth	▪ **Resilient** revenues (+0.2% YoY) despite a challenging environment	A **Wealth Management and Protection company** driven by a **client-centric approach**, with financial market activities **naturally hedging** the impact of volatility on fee-based business

Sustainable profitability coupled with strong liquidity and capital position

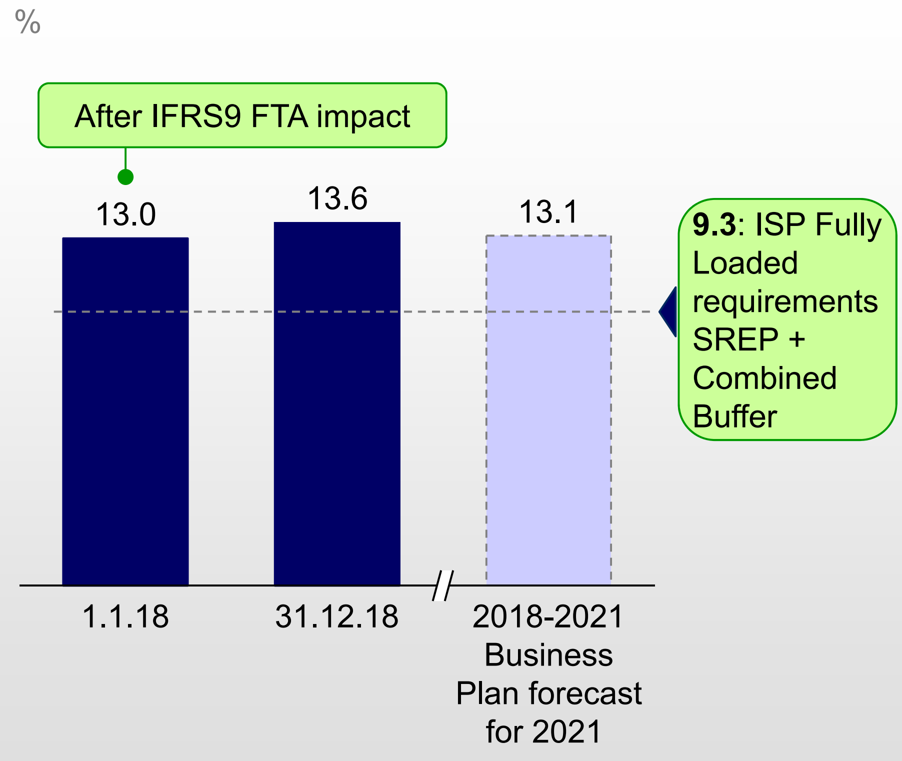
€3.4bn Cash Dividends Delivered while Strengthening Capital

Cash dividend evolution



Rewarding shareholders with sustainable cash dividends remains a management priority

ISP Fully Loaded[2] CET1 Ratio



(1) Based on ordinary shares price at 4.2.19
(2) Pro-forma fully loaded Basel 3 (31.12.18 financial statements considering the total absorption of DTA related to IFRS 9 FTA, 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)

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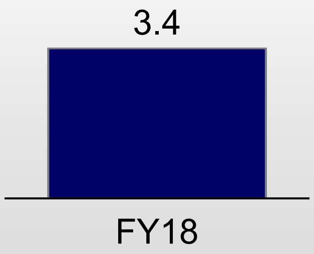
All Stakeholders Benefit from Our Excellent Performance

Shareholders

Cash dividends, € bn

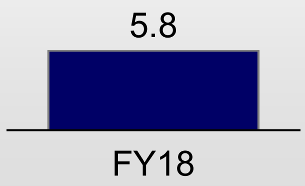


2018 payout ratio: 85%

Employees

Personnel expenses, € bn

Excess capacity of ~5,000 people being reskilled (with ~1,000 already redeployed to priority initiatives)



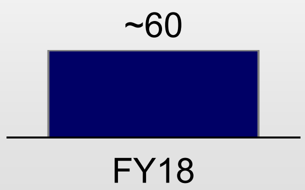
Public Sector

Taxes[(1)], € bn

Households and Businesses

Medium/Long-term new lending, € bn

Of which ~€50bn in Italy



~20,000 Italian companies helped to return to performing status[(2)] in FY18 (~93,000 since 2014)

(1) Direct and indirect
(2) 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 **to support people in need**, delivering:

~9,000 meals/day (>90% of 2018-21 Business Plan commitment)

~7,900 dormitory beds/month (~130% of BP commitment)

~4,000 medicine prescriptions/month (~130% of BP commitment)

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

Supported families affected by earthquakes and natural disasters **by forgiving or allowing *moratoria* of mortgages** on destroyed properties (>€15m in 2018, in addition to ~€200m subsidised loans granted in 2018 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

Launched **7 "Start-up Initiatives"** in 2018, with participation of **~520 start-ups** and involving more than **770 potential investors**

Activated the **€5bn Circular Economy credit Plafond**

Opening of the **first Italian laboratory** for the **Circular Economy** dedicated to Corporate clients

500,000 visitors to ISP "*Gallerie d'Italia*" museums and **14 major exhibitions** held in 2018

140 artworks from our corporate collection on loan in 2018 to Italian and international museums and more than 100 art historians currently working at "*Gallerie d'Italia*"

ISP Fund for Impact launched in 4Q18 (~€1.25bn lending capacity)

Launched **"*Per Merito*"**, first line of credit without collateral dedicated to all Italian university students, studying in Italy or abroad

Launched partnership with **Generation**, a global project to **reduce youth unemployment**, aimed at **training and introducing 5,000 young people to the Italian labour market** over the next three years

ISP Recognised in the Main Sustainability Indexes and Rankings

The only Italian bank listed in the **Dow Jones Sustainability Indexes (World and Europe)** and in the **CDP Climate Change A List 2018**

The only Italian bank listed in the **2019 "Global 100 Most Sustainable Corporations in the World Index" by Corporate Knights**

FY18: Highlights

- Solid economic performance:
  - €4,050m Net income, the best since 2007 (+6.1% vs FY17 pro-forma[(1)]), €1,038m in Q4
  - Strong decrease in Operating costs (-3.6% vs FY17 pro-forma[(1)]) with C/I ratio down to 53.0%, leading to 4.8% growth in Operating margin
  - Strong reduction in Loan loss provisions (-27.7% vs FY17 pro-forma[(1)]), with cost of risk down to 61bps (vs 81bps in FY17 pro-forma[(1)]), coupled with increased coverage, up 3.4pp in FY18 (+0.9pp in Q4), and the lowest ever NPL inflow
  - Double-digit growth in Gross income (+11.0% vs FY17 pro-forma[(1)])
- Best-in-class capital position with balance sheet further strengthened:
  - €28bn NPL deleveraging vs the September 2015 peak (€15.6bn in FY18, of which €1.9bn in Q4), well ahead of the 2018-2021 Gross NPL Business Plan target
  - The lowest Net NPL stock since 2009 and the lowest Net NPL ratio since 2008
  - Common Equity[(2)] ratio up to 13.6%, well above regulatory requirements even under EBA stress test adverse scenario, and despite widened sovereign bond spread
  - Best-in-class leverage ratio: 6.3%
  - Strong liquidity position: LCR and NSFR well above 100%

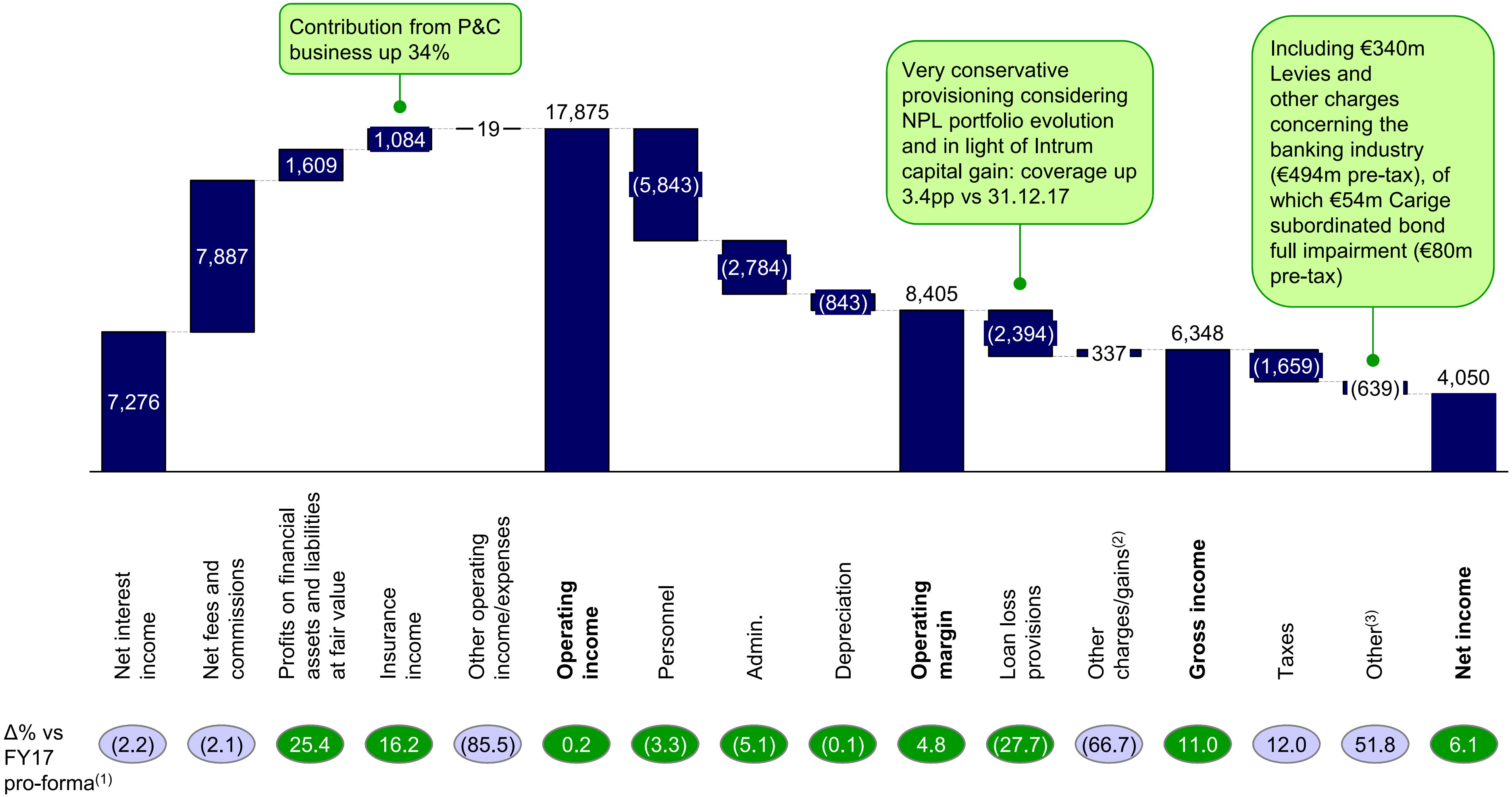
(1) Management data including the contribution of the two former Venetian banks – excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios – and the Morval Group consolidation

(2) Pro-forma fully loaded Basel 3 (31.12.18 financial statements considering the total absorption of DTA related to IFRS 9 FTA, 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

FY18: Growth in Profitability Driven by Reduction in Operating Costs and Loan Loss Provisions in a Challenging Environment for Revenues

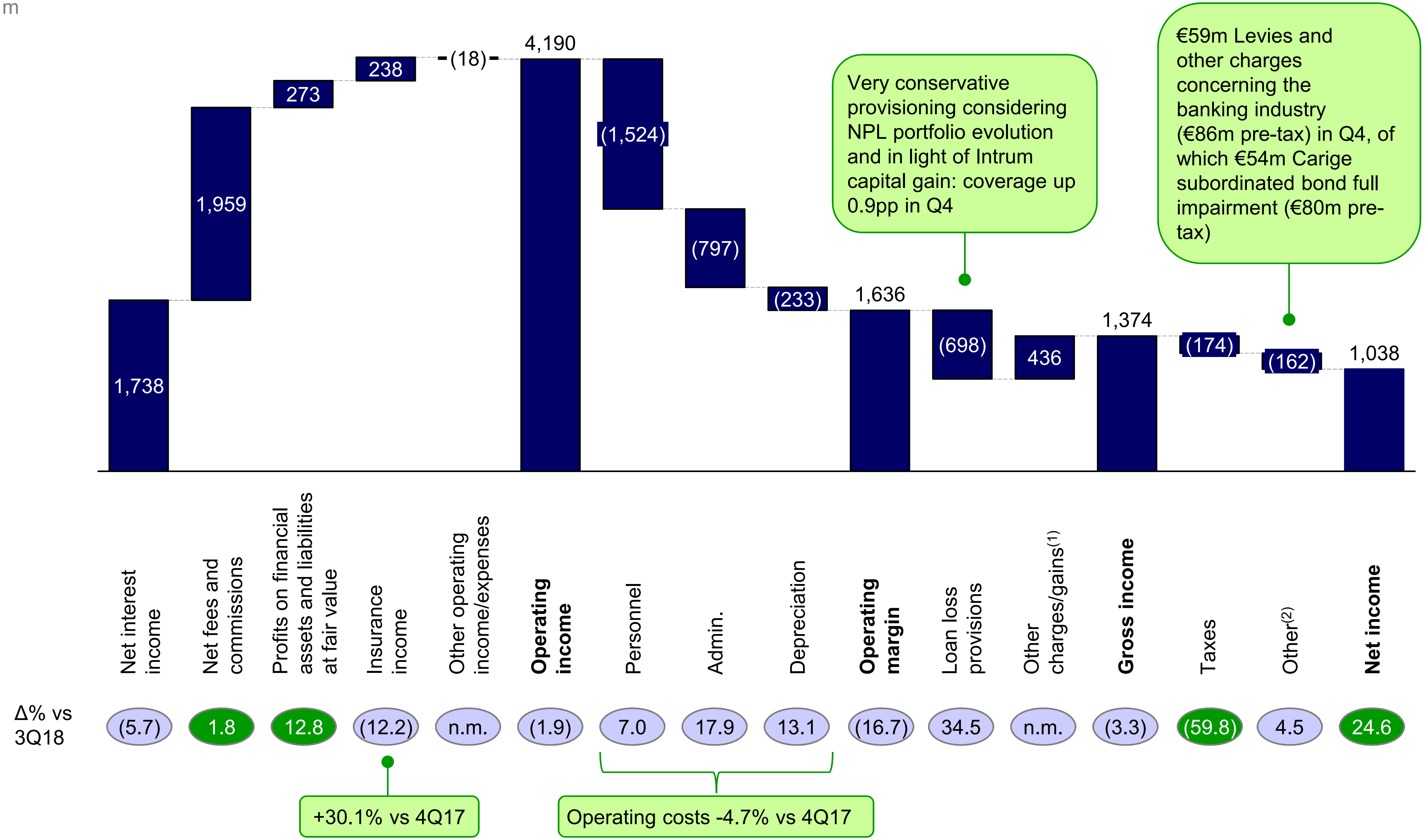
FY18 P&L
€ m



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

Q4: Solid Contribution to FY18 Results, with €1bn Net Income, Coupled with Strong Provisioning and Strengthened Buffers

4Q18 P&L
€ m



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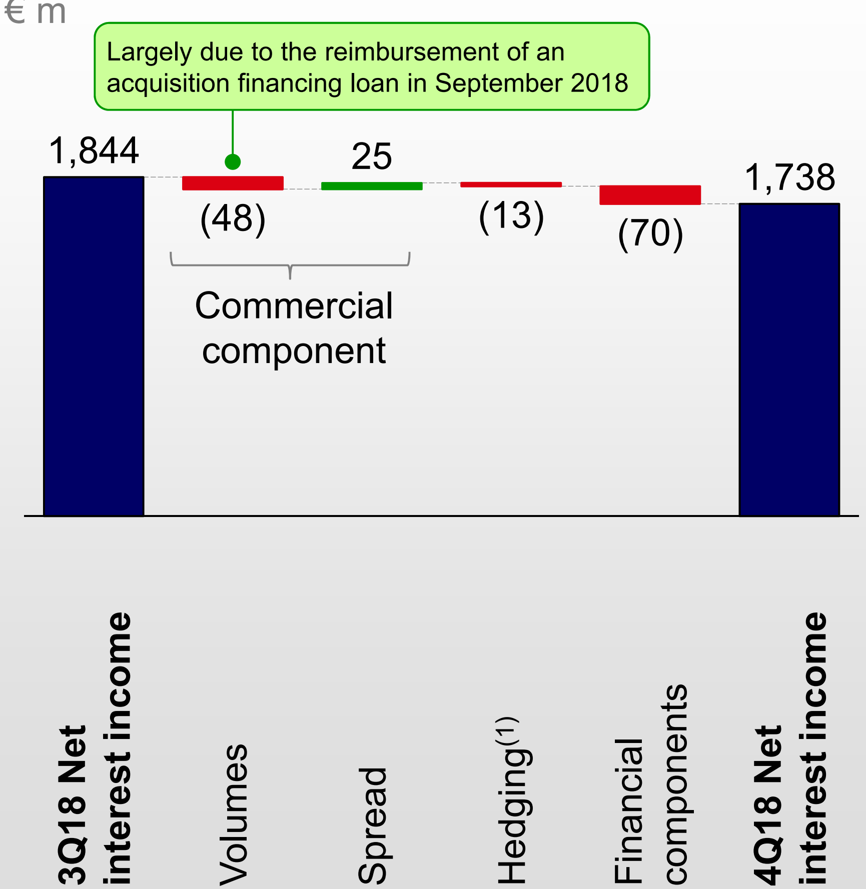
(1) Net provisions and net impairment losses on other assets, Other income (expenses), Income (Loss) from discontinued operations
(2) Charges (net of tax) for integration and exit incentives, Effect of purchase price allocation (net of tax), Levies and other charges concerning the banking industry (net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

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

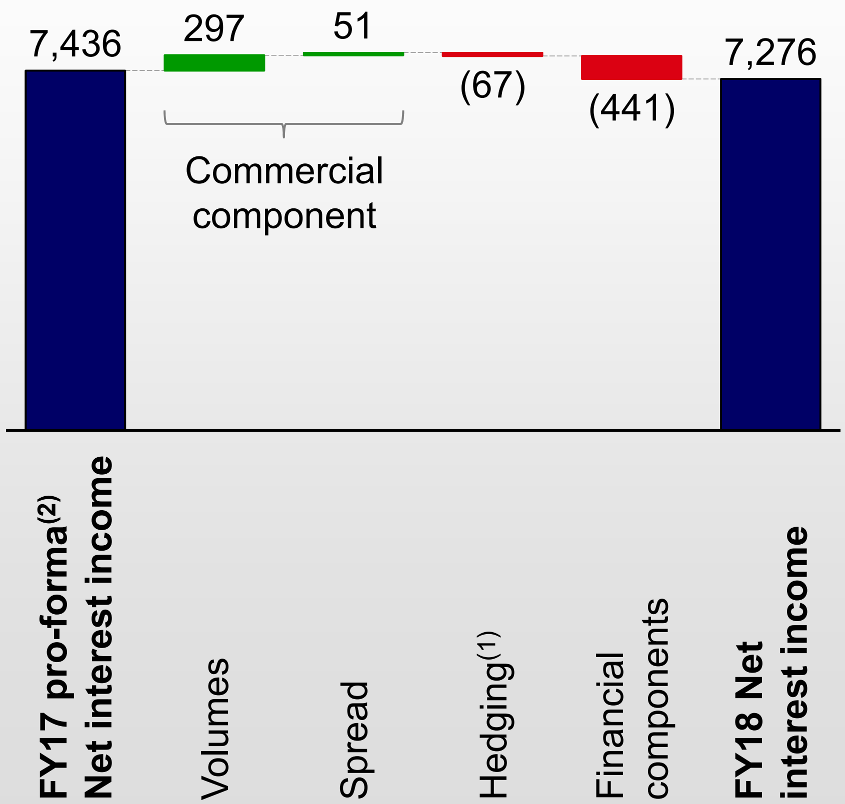
Quarterly comparison

Net interest income, Δ 4Q18 vs 3Q18
€ m



Yearly comparison

Net interest income, Δ FY18 vs FY17 pro-forma(2)
€ m

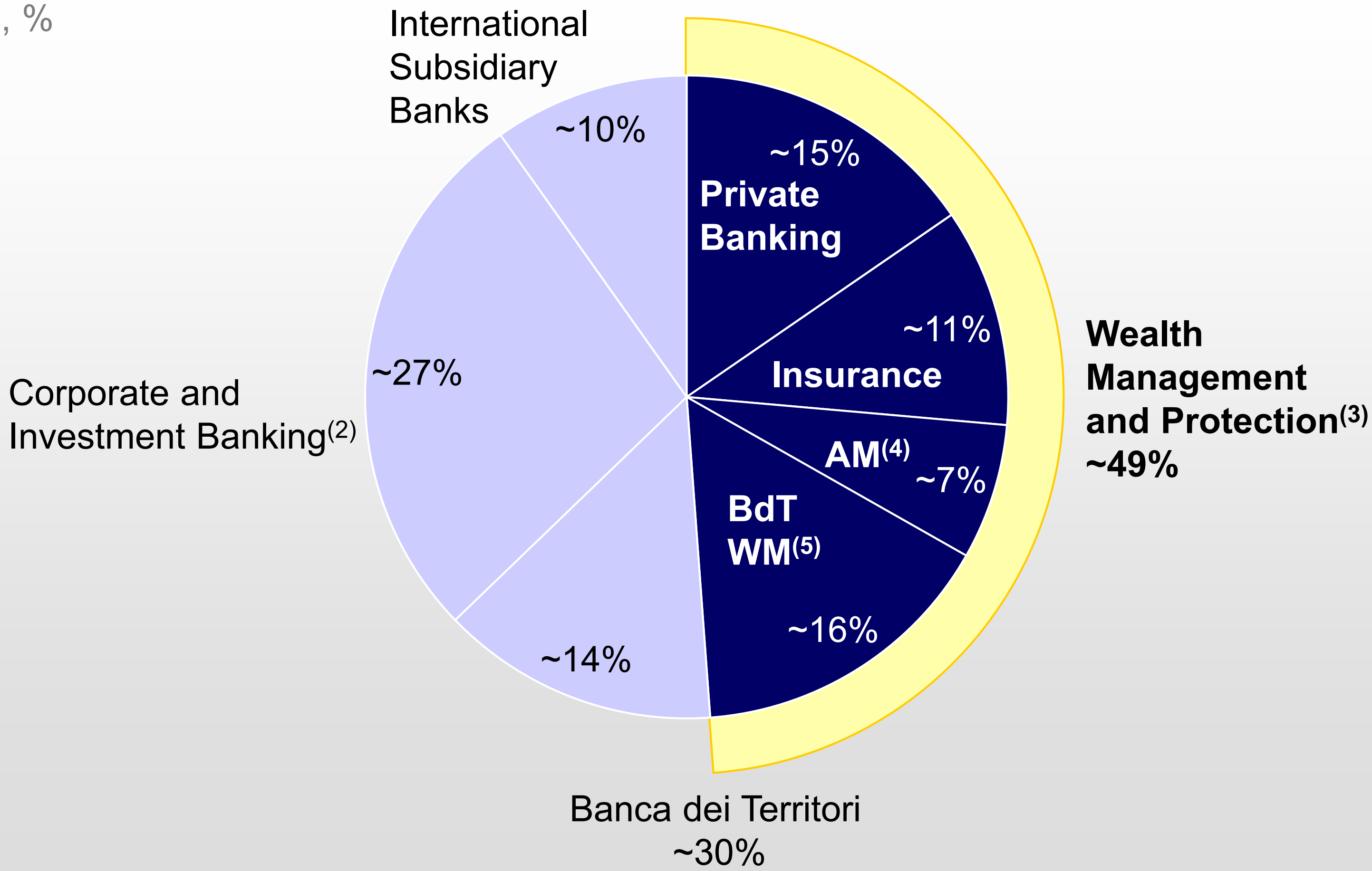


Note: figures may not add up exactly due to rounding
(1) €359m benefit from hedging on core deposits in FY18, of which €76m in 4Q18
(2) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation

ISP is a Successful Wealth Management and Protection Company

Gross income breakdown(1)

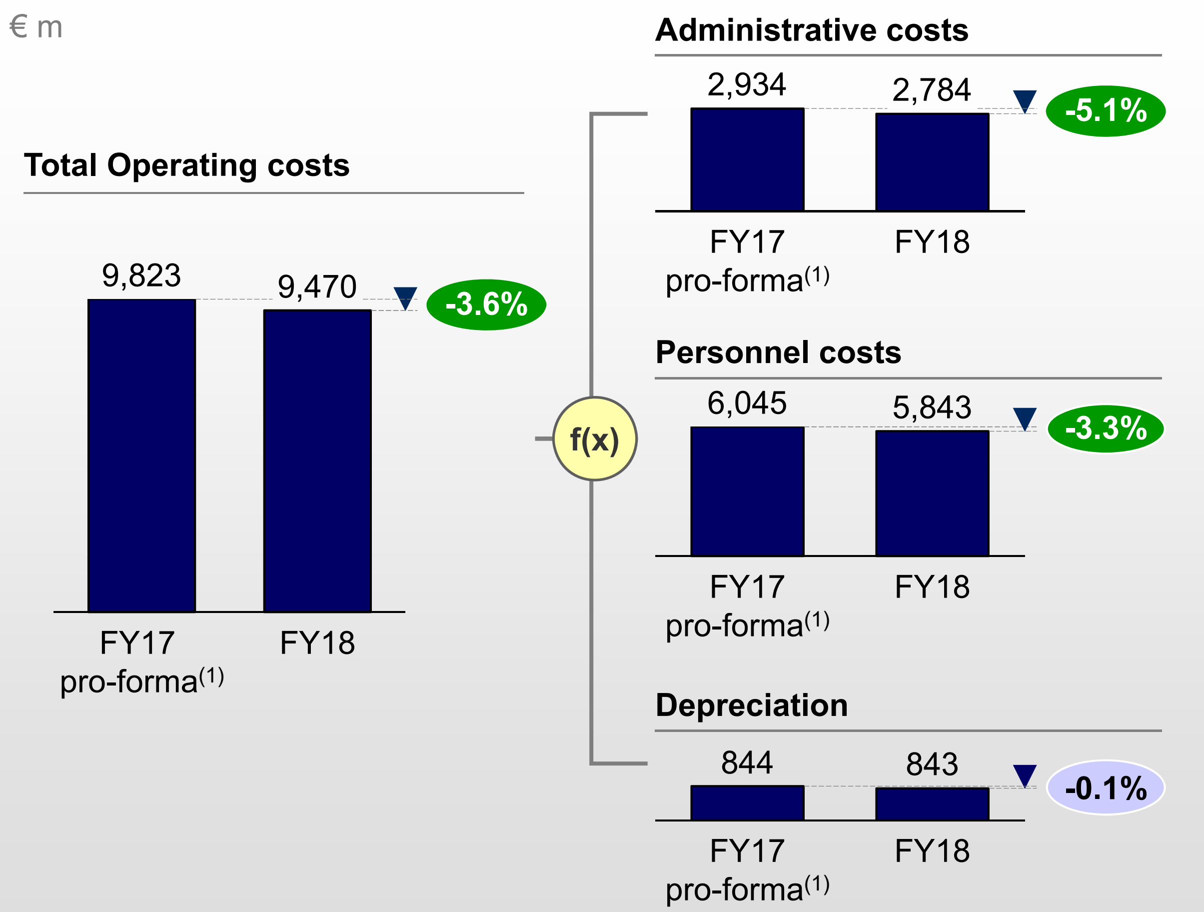
FY18, %



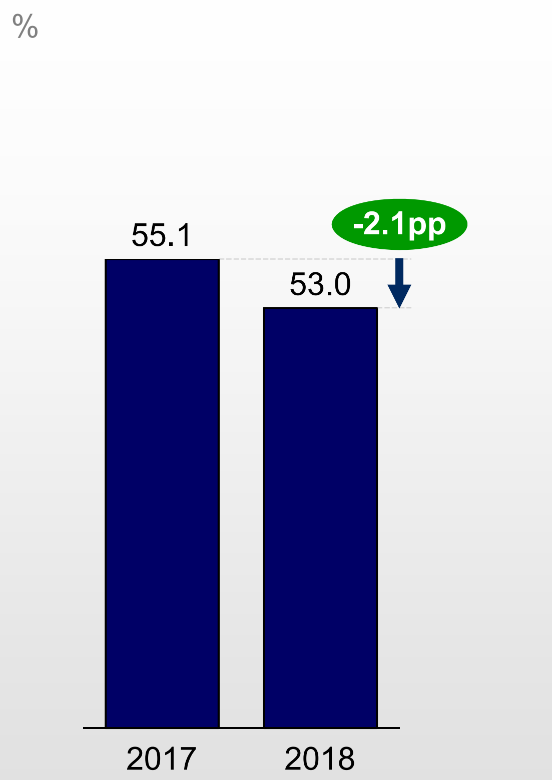
Note: figures may not add up exactly due to rounding
(1) Excluding Corporate Centre and positive impact from NTV
(2) Excluding positive impact from NTV
(3) Private Banking includes Fideuram, Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Bank (Suisse), Morval Group and Siref Fiduciaria; Insurance includes Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo Vita; Asset Management includes Eurizon; BdT WM includes €2,000m revenues from WM products included in Banca dei Territori (applying a C/I of ~35%)
(4) AM = Asset Management
(5) BdT WM = Banca dei Territori Wealth Management

Strong Reduction in Operating Costs while Investing for Growth

Operating costs



Cost/Income



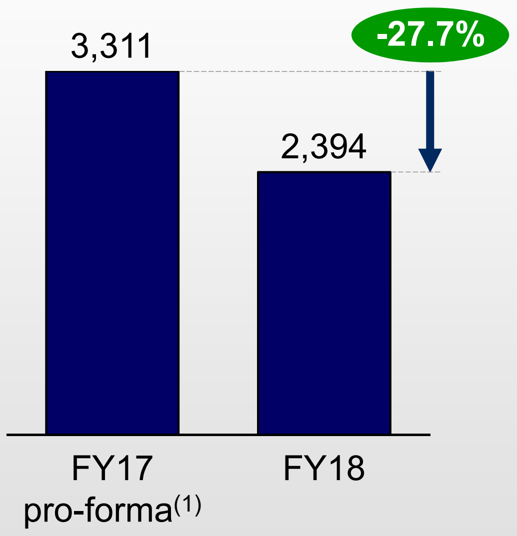
- **€353m cost reduction in 2018, while continuing to invest for growth**
- **~4,900 headcount reduction in 2018[2]**
- **Over 4,000 additional exits by June 2020 already agreed with labour unions**
- **ISP maintains high strategic flexibility in managing costs and remains a Cost/Income leader in Europe**

(1) Management data including the contribution of the two former Venetian banks and the Morval Group consolidation
(2) Including the sale of the NPL servicing platform to Intrum

Strong Reduction in Loan Loss Provisions and Cost of Risk Coupled with a Significant Increase in NPL Coverage

Loan loss provisions

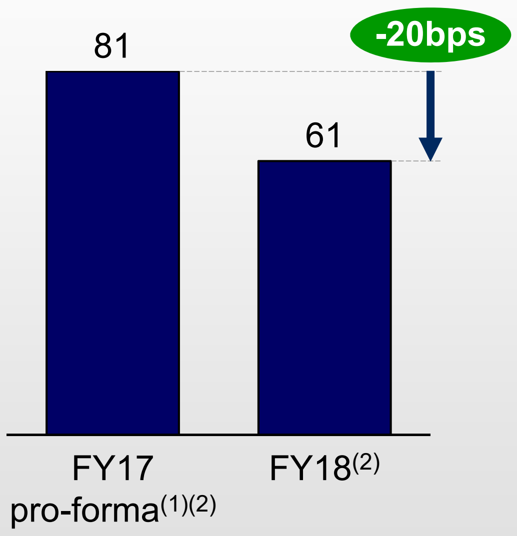
€ m



Lowest LLPs since 2007 despite increased NPL coverage

Cost of risk

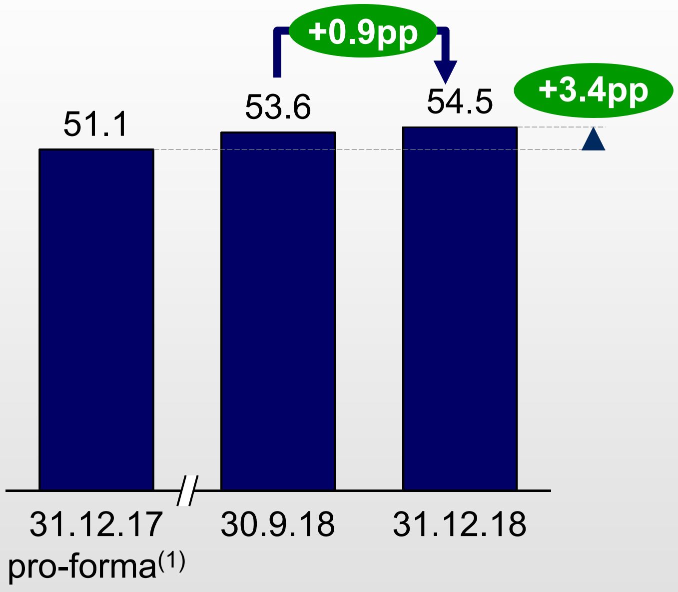
bps



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

NPL coverage ratio

%



Increased NPL coverage will facilitate 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

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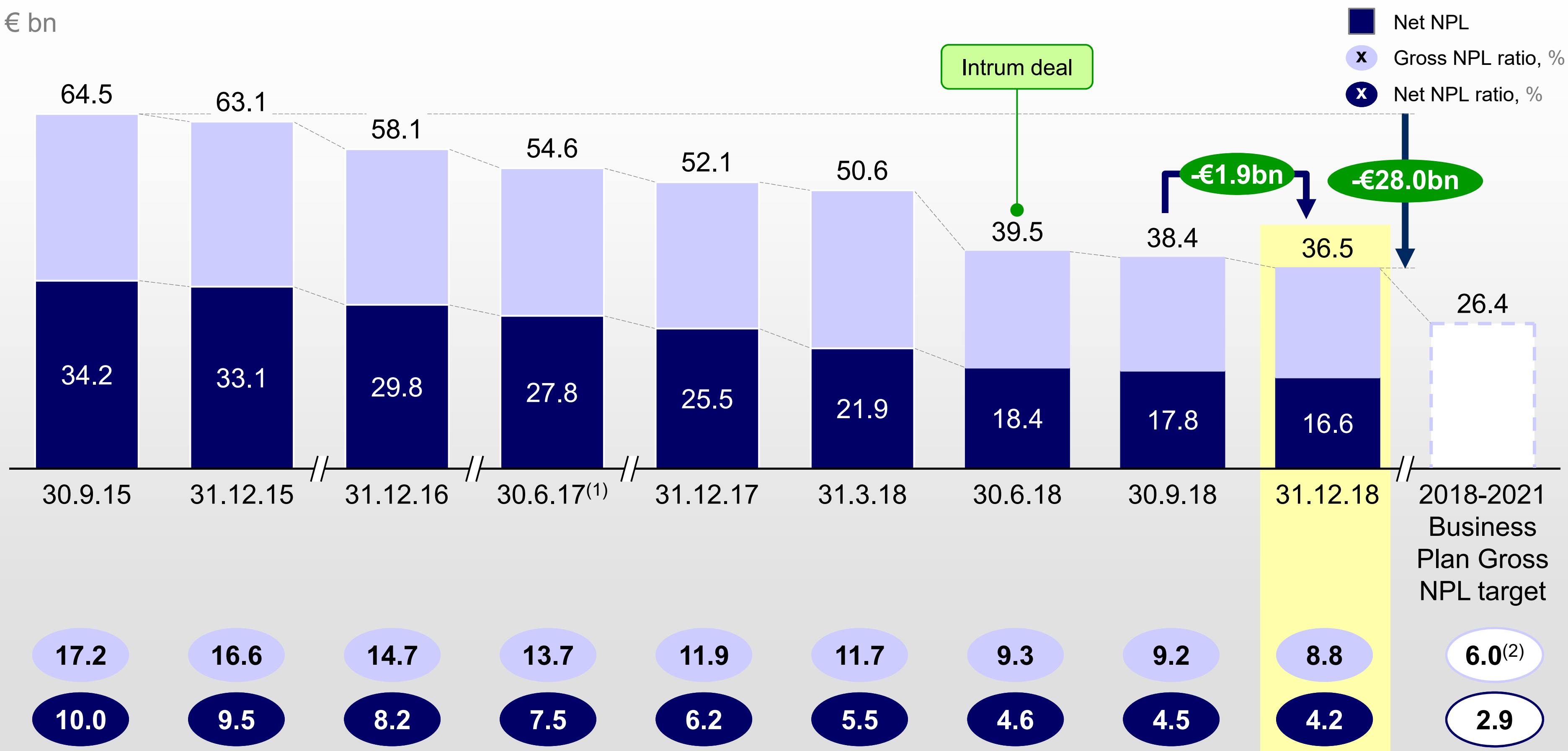
Contents

More than 60% of 2018-2021 Business Plan NPL Deleveraging Target Already Achieved at No Cost to Shareholders…

NPL stock



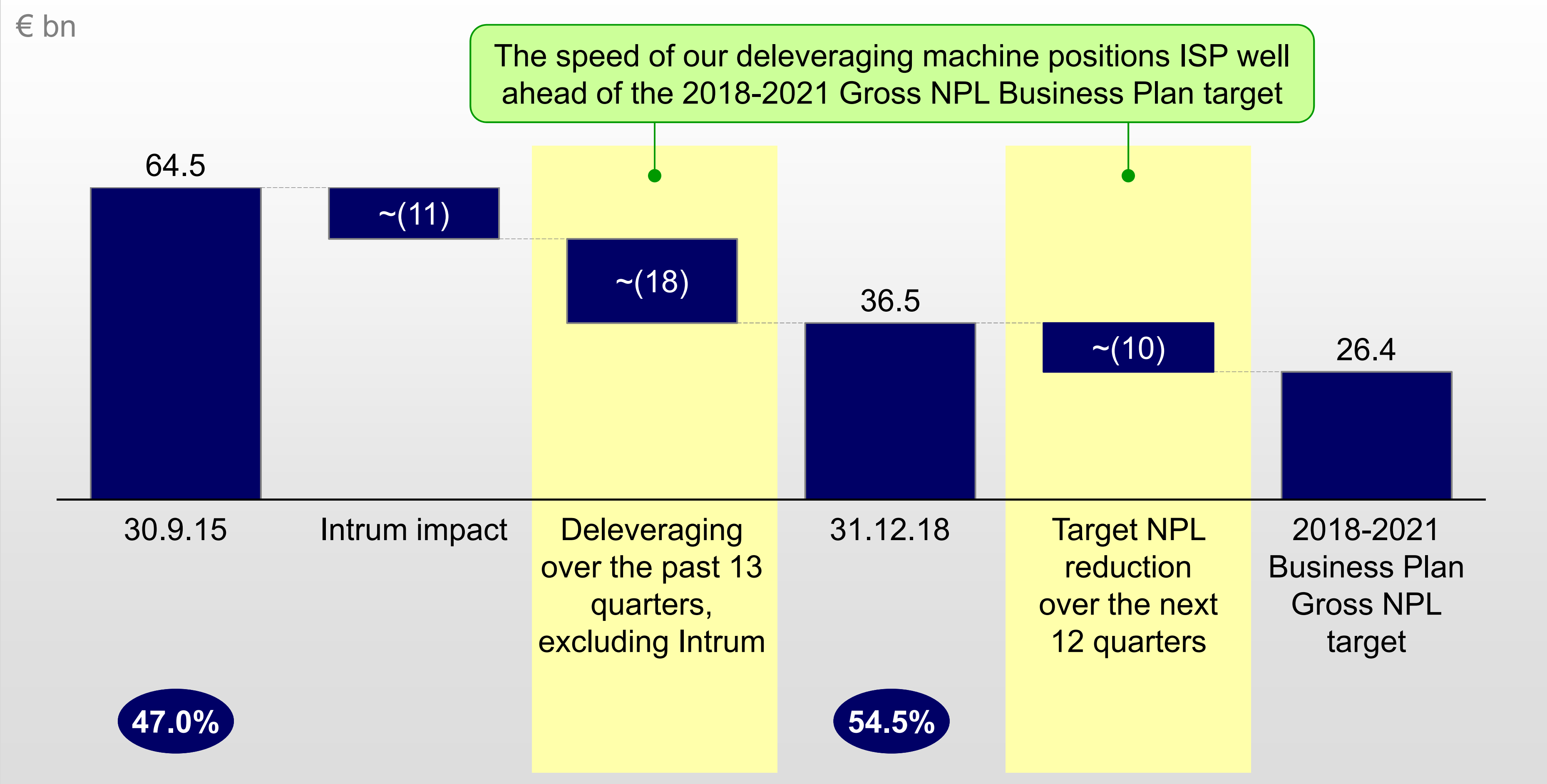
- **13 consecutive quarters of NPL reduction**
- **Lowest Gross NPL stock since 2010 (lowest Net NPL stock since 2009)**
- **Net NPL ratio down to 4.2%, the lowest since 2008**

(1) Excluding the contribution of the two former Venetian banks
(2) Equal to 5% based on EBA definition

… with a Positive Outlook for the Delivery of 2021 Target Ahead of Schedule

NPL coverage ratio, %

Gross NPL stock



Note: figures may not add up exactly due to rounding

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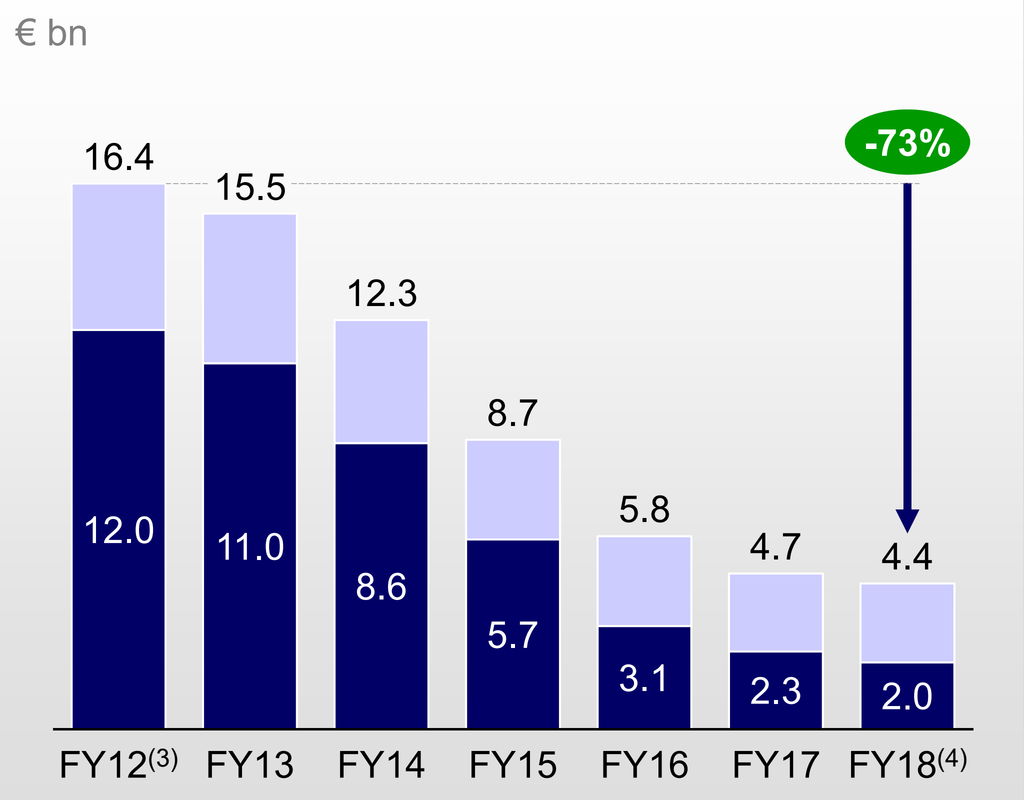
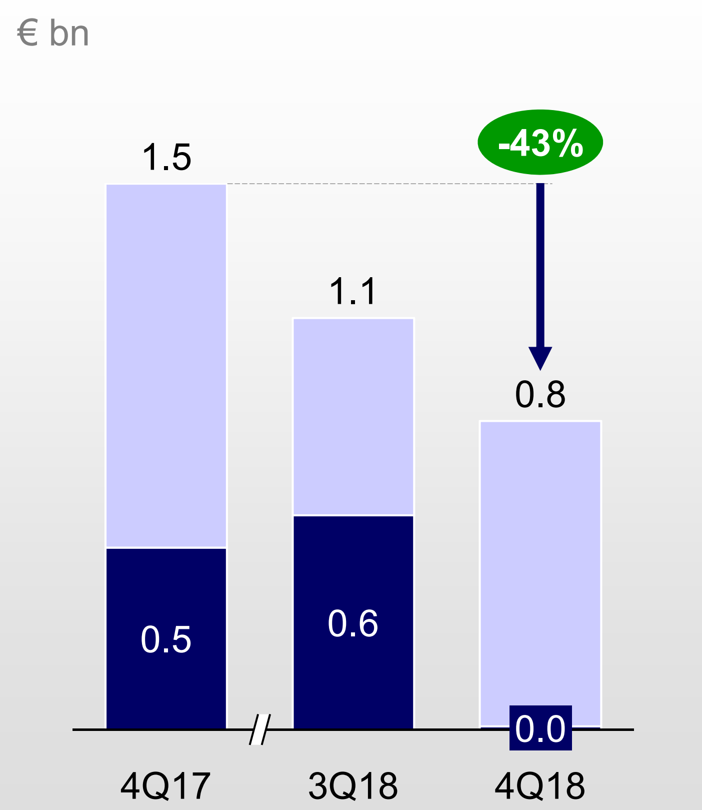
NPL Inflow at Historical Low, with a Strong Decrease on a Quarterly Basis

Net Inflow[2]

FY 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

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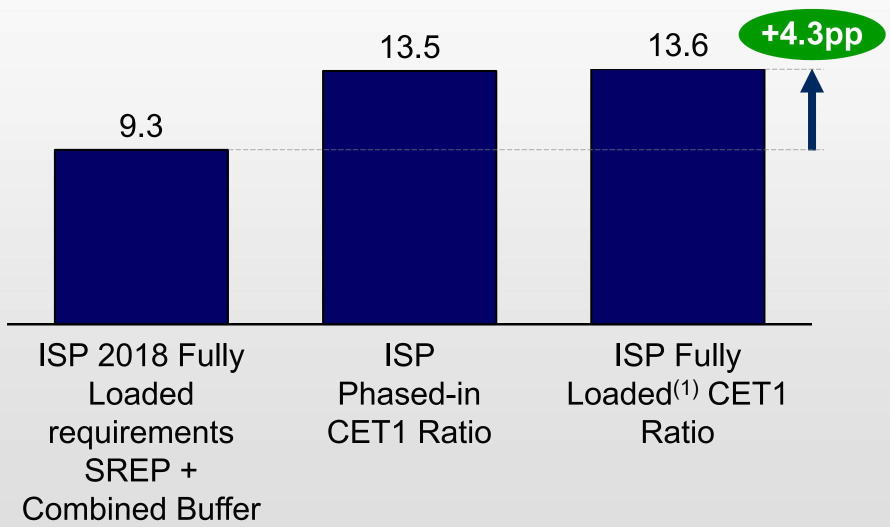
Solid and Increased Capital Base, Well Above Regulatory Requirements

ISP CET1 Ratios vs requirements SREP + Combined Buffer

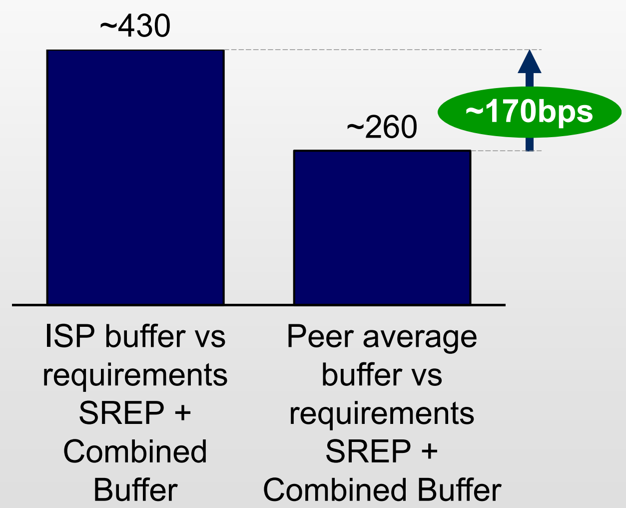
31.12.18, %



- **ISP CET1 Ratios already include ~30bps impact deriving from the widened sovereign bond spread(2)**
- **Launched process of recognition of the Danish Compromise**

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

31.12.18, bps



Excess capital due to internal capital management with €13.4bn cash dividends paid over the past 5 years

Note: figures may not add up exactly due to rounding

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(2) 10y BTP-Bund spread: from 129bps at 31.3.18 to 250bps at 31.12.18

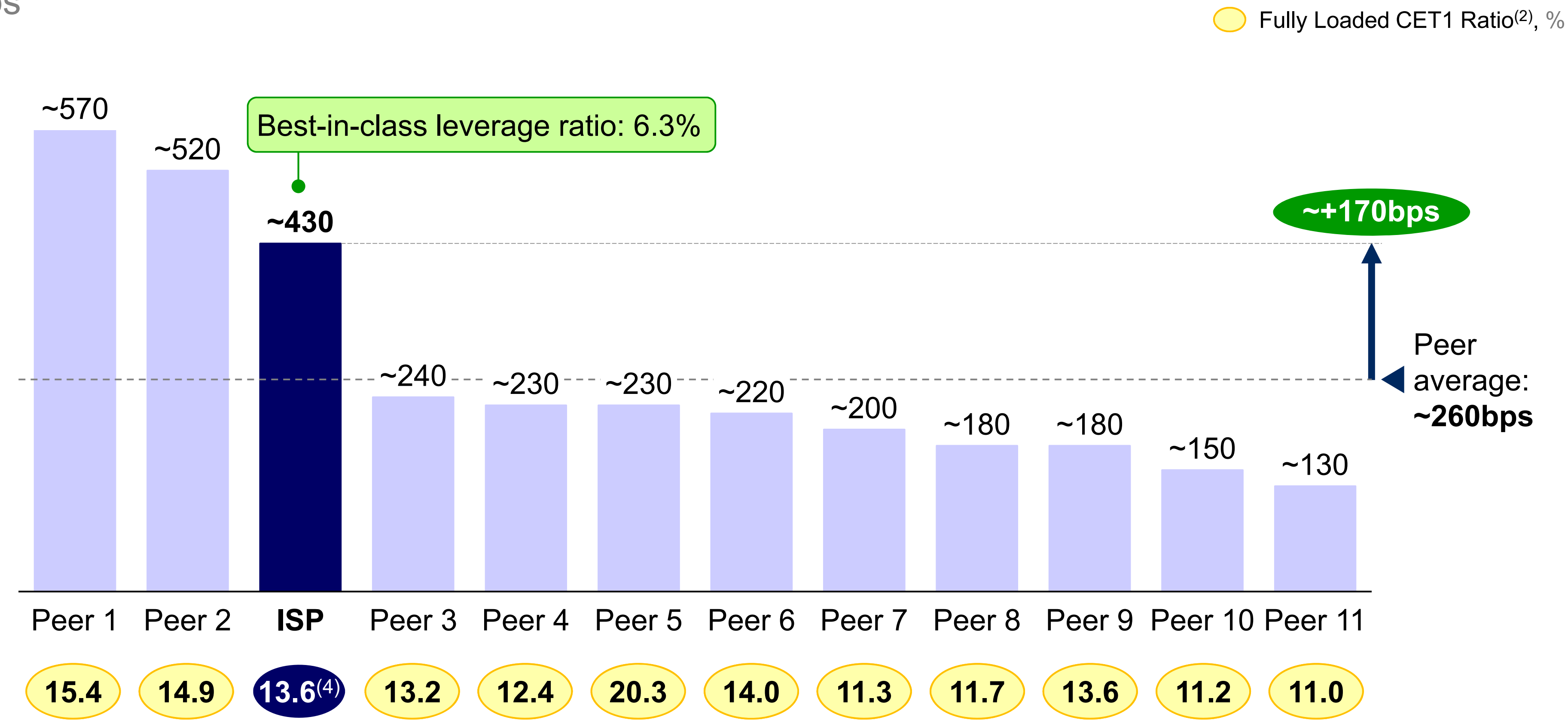
(3) Calculated as the difference between the Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer; only top European banks that have communicated their SREP requirement

(4) Sample: BBVA, Deutsche Bank and Santander (31.12.18 data); BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, ING Group, Nordea, Société Générale and UniCredit (30.9.18 data). Source: Investor Presentations, Press Releases, Conference Calls, Financial Statements

Best-in-Class Excess Capital

Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer(1)(2)(3)

bps



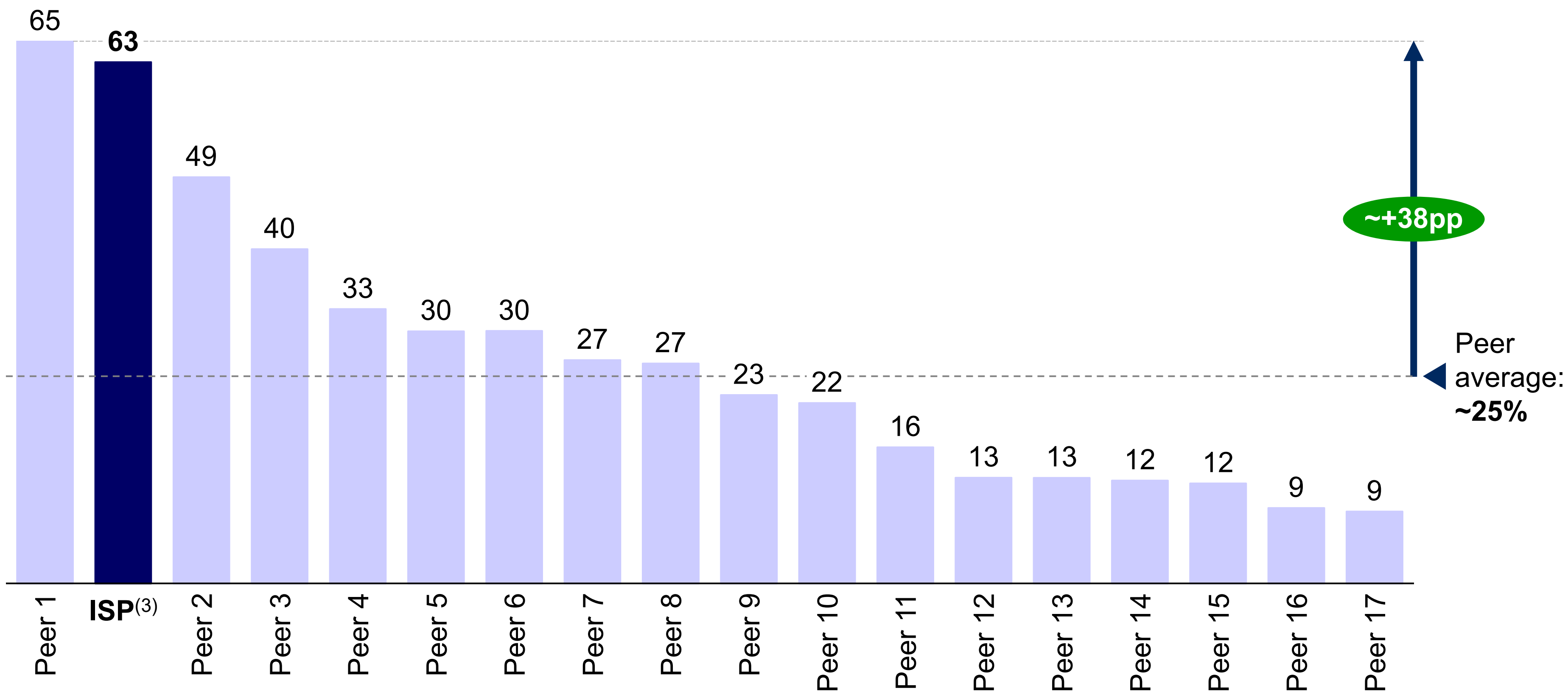
ISP is a clear winner of the EBA stress test

(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, Deutsche Bank and Santander (31.12.18 data); BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, ING Group, Nordea, Société Générale and UniCredit (30.9.18 data). Source: Investor Presentations, Press Releases, Conference Calls, Financial Statements
(3) Including estimated benefit from the Danish Compromise. Estimated average benefits for the French banks equal to ~40bps
(4) Pro-forma fully loaded Basel 3 (31.12.18 financial statements considering the total absorption of DTA related to IFRS 9 FTA, 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)

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

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

%



€175bn in total financial liquid assets with LCR and NSFR well above 100%

(1) Fully Loaded CET1. Sample: BBVA, Deutsche Bank, Santander and UBS (31.12.18 data); Barclays, BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, Credit Suisse, HSBC, ING Group, Lloyds Banking Group, Nordea, Société Générale, Standard Chartered and UniCredit (30.9.18 data)

(2) Total illiquid assets include Net NPL, Net repossessed assets, Level 2 assets and Level 3 assets. Sample: BBVA, Deutsche Bank, Santander and UBS (Net NPL 31.12.18 data); Barclays, BPCE, Commerzbank, Crédit Agricole Group, Credit Suisse, HSBC, ING Group, Nordea, Société Générale, Standard Chartered and UniCredit (Net NPL 30.9.18 data); BNP Paribas and Lloyds Banking Group (Net NPL 30.6.18 data); Net repossessed asset 31.12.18 data and Level 2 assets and Level 3 assets 30.6.18 data (BBVA 31.12.17 data); Crédit Agricole Group Net NPL data estimated

(3) 57% including the effect of Real Estate and Art, Culture and Historical Heritage portfolio revaluation

Contents

Our Business Plan Initiatives: Significant De-risking

Key highlights of Significant De-risking initiatives

1A	**Carve-out of a state-of-the-art recovery platform**	▪ **Finalised strategic partnership with Intrum** on NPLs, involving ~1,000 people (of which ~600 were ISP employees): – **51%** of the new platform **held** by **Intrum** and **49%** by **Intesa Sanpaolo** ✔ – **~€40bn** of **gross NPLs serviced** ✔ ▪ **Carve-out of the recovery platform completed on December 3rd**, with successful transition and platform up and running ✔
1B	**Readiness for future NPL disposals at book value**	▪ **Disposal** of a **bad loan portfolio of ~€10.8bn of gross book value** through the Intrum partnership, at **no cost to shareholders** (valuation of ~€3.1bn in line with book value for the portion of bad loans classified as disposable) ✔
1C	**Creation of "Pulse" for retail early delinquency**	▪ **Created an internal unit** dedicated to **early delinquency management:** – Involving **~200 FTEs**(1) (target of ~1,000 FTEs by 2021) ✔ – **Delivering better results than those of the branches** in terms of recoveries and fewer outflows to riskier classes ✔ ▪ **Expansion of the new retail process to the entire Group perimeter** underway ✔ ▪ Activation of the new **Early Warning System** for pre-emptive identification of deteriorating positions ✔
1D	**Proactive credit portfolio management**	▪ New **Credit Transformation** unit (**"Restructuring Farm 2.0"**) within CLO Area in place since May 2018 ✔ ▪ New **Active Credit Portfolio Steering** unit within CFO Area in place since April 2018, with significant transactions already finalised ✔ ▪ **Consolidation of the full credit value chain** (from underwriting to NPL management) within CLO Area since December 2018 ✔ ▪ Definition of **new credit strategy framework** aimed at driving lending activities towards **sectors with best risk/return profile** ✔

(1) Operators and remediation specialists

Our Business Plan Initiatives: Cost Reduction

Key highlights of Cost reduction initiatives	
2A Workforce reduction and renewal	▪ **~5,000 voluntary exits** at 31.12.18[(1)] ✓ ▪ **~450 professionals hired** in FY18 ✓ ▪ **Proactive HR "In-placement"** in progress, resulting in **~1,000 people** already being reskilled and redeployed to priority initiatives ✓ ▪ Deployment of the **new flexible banking contract "*Lavoro Misto*"** underway ✓ ▪ **43 agreements with Labour Unions** signed ✓
2B Branch strategy	▪ **Branch optimisation** underway, with **462 Retail branches closed** in 2018 ✓ ▪ **Banca 5 expanded in terms of network** (~3,000 tobacconist shops already operative with the new commercial model, ~17,000 with advanced machines to service clients), **products** and **client base** (~31,000 app downloads, ~24,500 cards issued); **cash withdrawal available** in all Banca 5 outlets for ISP clients ✓ ▪ **Renewal of ~190 Retail branches** (target of 1,000), with welcome areas and co-working spaces ✓ ▪ Project **"Cash desk service evolution"** ongoing: **50%** of **branches** with cash desk **closing at 1PM** and **~10%** of the branches **fully dedicated to advisory services** ✓
2C Optimisation of real estate	▪ Ongoing optimisation of real estate presence in Italy, with a **reduction of ~322,000 sqm** at 31.12.2018 (of which ~304,000 sqm from branch reduction) ✓ ▪ **566 rental agreements renegotiated** ✓
2D Reduction of legal entities	▪ **Merger of Banco di Napoli, Banca Nuova, CR del Friuli Venezia Giulia, CR del Veneto and CR di Forlì e della Romagna** into the parent company **completed** ✓ ▪ Merger process for the remaining **7 legal entities** underway, with **5 already approved by the ISP Board of Directors** (Banca CR Firenze, CR di Pistoia e della Lucchesia, Carisbo, Banca Prossima, Banca Apulia) ✓
2E Reduction in administrative expenses	▪ Creation of a dedicated Group-level unit to manage costs (**Chief Cost Management Officer**) ✓ ▪ **Full centralisation of procurement function** and consolidation of supplier relationships well underway ✓ ▪ Completion of the **migration of ICT systems of the two former Venetian Banks** ✓

(1) Including ~1,500 voluntary exits in 4Q17

Our Business Plan Initiatives: Revenue Growth (1/3)

3A Key highlights of Revenue growth initiatives – P&C Insurance

Product strategy

- Strong focus on **Retail/SME non-motor offer** through:
  - **Insurance Digital Wallet ("*XME Protezione*")**, with 150,000 contracts sold since its full commercialisation in July 2018
  - Enhancement of **SME offering** with 18,000 contracts sold in 2018 (+55% vs 2017), also thanks to the commercialisation of "***Tutela Business Manifattura***" since July 2018
  - Rollout of **additional services** for **"*XME Salute*"**

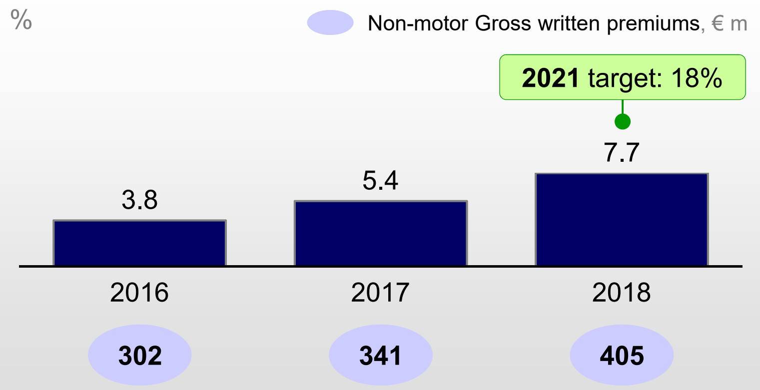
Distribution strategy

- Enhancement of **commercial reach and effectiveness** in Banca dei Territori branches through:
  - Introduction of **~220 P&C specialists**
  - Dedicated **training plan** (**~30,000** employees obtained **IVASS certificate** and **~9,000 completed advanced training** in 2018)
  - **Rebranding of ISP branches** as "*Banca Assicurazione*"
  - **Communication initiatives** (via newspaper, TV, internet)

Post-sales and claim management

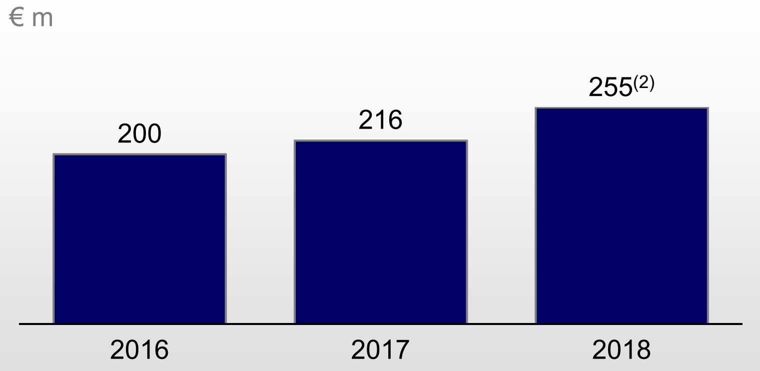
- High standard of **settlement time** (**3-5 days** below market average[1] in motor over the past two years)
- Strengthening of the organisational structure with regard to **post-sales and claim management**

Non-motor insurance penetration of ISP client base



~96% growth vs FY17 in Gross written premiums in **Home and Health insurance segments**

P&C Insurance contribution to ISP Group's Revenues



Combined ratio at ~73% in 2018, ~20pp lower than Italian market average

(1) Source: ANIA (the national association of insurance companies). Ref. Claims: motor third-party insurance, double signature accident report – considering only claims occurred and filled during the year
(2) €112m in Net fees and commissions and €143m in Income from Insurance business

Our Business Plan Initiatives: Revenue Growth (2/3)

Key highlights of Revenue growth initiatives

3B Private Banking

- Completion of the **acquisition of Banque Morval Group** and of the **integration process with ISPB Suisse** with the **creation of ISPB (Suisse) Morval** at the beginning of February 2019; ongoing **strengthening of international branches** ✔
- **Strengthening staff** to support expansion in international markets ✔
- Hired **~280 Private bankers and Financial advisors**, of which 25 abroad ✔
- Completed **feasibility study** including definition of strategic options and business cases for **Digital Bank** ✔

3C Asset Management

- **Product range enhanced** with flexible or capital-protection and currency diversification solutions for Banca dei Territori, and multi-strategy, multi-asset products for the Private Banking Division and investment solutions leveraging ESG criteria ✔
- Signed **agreement with Poste Italiane** for the distribution of ISP financial products ✔
- **Commercial office** in **Switzerland** opened. **Representative office** in **Madrid** opened and awaiting the establishment of a branch. Strengthening of **sales footprint in Germany** completed ✔
- **Strengthening positioning in Institutional business** through the growth of the **Foundation segment** ✔
- **Joint development with Banca dei Territori of the advanced advisory platform "*Valore Insieme*"** for Retail and Personal clients (~26,000 contracts and more than €9bn of AuM) ✔

Our Business Plan Initiatives: Revenue Growth (3/3)

Key highlights of Revenue growth initiatives	
3D **SMEs and Corporates**	▪ **~60 people hired** to strengthen coverage and increase skills in the **C&IB international business** ✔ ▪ New **Originate-to-Share** model and related processes approved by the Board of Directors and already implemented ✔ ▪ New **Global Strategic Coverage Unit** to identify and promote new opportunities for Corporate clients, focused on international growth and strategic deals (with special reference to Investment Banking and Structured Finance products) ✔ ▪ New **dedicated unit in Banca IMI** focused on **Corporate Finance** offering for **BdT clients** ✔ ▪ New **Sales & Marketing Mid Corporate / SMEs** unit set up ✔ ▪ Renewal of the **"Impresa 4.0" initiative** focused on increasing lending towards capital expenditures supported by fiscal benefits ✔ ▪ Launch of the **digital invoicing service "*Digifattura*"** ✔ ▪ New **platform "*Dialogo industriale*"** completed and distributed to the network ✔
3E **International Banks**	▪ Continued **expansion** of the **hub approach**: – **Integration of the Bank in Bosnia into the Croatian Bank Group** completed ✔ – **Action Plan** for the development of the **Slovenian bank** in execution ✔ – **New governance model in Central Europe** defined and first set of actions ongoing ✔ – **Strategic partnership between Slovakia-Czech Republic and Hungary formalised** ✔ ▪ **Adoption** of the **core banking system target ongoing in Serbia** and **under analysis in Slovakia and Czech Republic** ✔ ▪ **CRM system launched in Slovakia** for the corporate and SME segment ✔ ▪ Pilot initiative to adopt the Group's **target distribution model in Slovakia, Croatia, Serbia and Hungary** completed (38 branches already on the target distribution model) ✔ ▪ **Expansion of digital functionalities and services** continuing in Croatia, Hungary and Egypt and already completed in Albania ✔
3F **Wealth Management in China**	▪ **Type 1 license ("Dealing in securities") obtained** from Hong Kong Monetary Authority to enable the distribution of mutual funds by Eurizon Capital (HK) Ltd ✔ ▪ Finalised **target operating model** and **product offering of Yi Tsai** ✔

Our Business Plan Initiatives: Empowered People and Digital Transformation

Key highlights of Empowered People and Digital Transformation initiatives

A Empowered People

- **More than 80% of ISP's People participated** in the capital increase reserved for employees under the 2018-2021 LECOIP 2.0 Long-term Incentive Plan
- **People Care structure activated**: mapping of internal offer, employee needs, national and international benchmarking
- **Completed** the **2nd edition of the International Talent Program** with the identification of **additional 120 new talents** to be trained
- **9.1m training hours delivered** (+38% vs 2017), supported by **~250 new digital Learning Objects** (~3,000 total Learning Objects) and a new **learning platform** for SMEs and Corporate Clients
- Defined the new Group **banding** and **titling system**, now aligned to international best practices
- **~11,500 people adhering to "smart working"**, ~3,500 more vs 31.12.17
- Set-up of the **"Diversity and Inclusion" structure** within the COO Area at the end of 2018, with the purpose of increasing and enhancing the heritage of ISP's People in terms of multiculturality, different experiences and characteristics

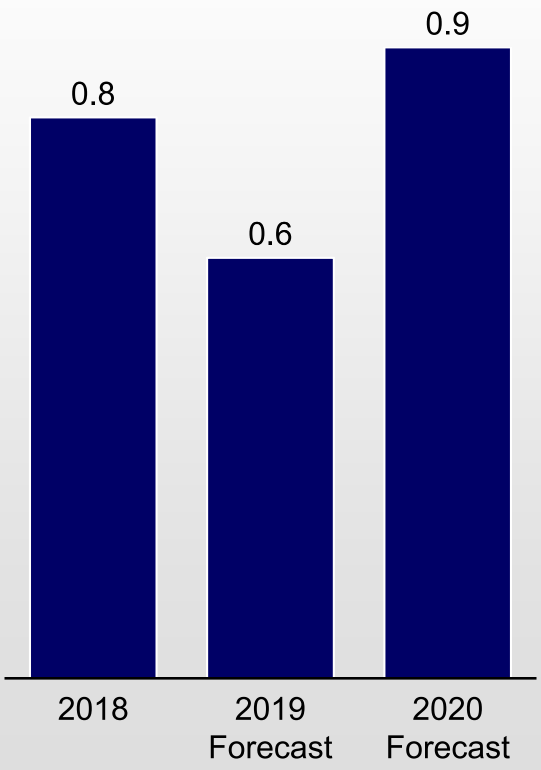
B Digital Transformation

- **More than doubled sales through digital channels at ~5% of total sales** (vs 2% in 2017)
- Enhanced Data Lake access through the **Big Data Engine Programme** (~65% of data usable vs 50% as of FY17) and usage for new Anacredit reporting
- Further **strengthening of ISP position as multichannel bank**. Key results and initiatives:
  - The **leading multichannel bank** in Italy, with **~85%** of **products** available via **multichannel platforms** and an **expanded product offering** (e.g., *XME Conto / Conto Up! / Salvadanaio / Protezione*, *Prestiti Personali New*)
  - **~8.3m multichannel clients** (vs 7.3m at 31.12.17), of which **~3.2m using the new app** at least once in 2018 and **~2m have activated OkeySmart**, the new OTP software simpler and safer than physical key and compliant with PSD2 Directive
  - **~47,800 products sold by the Online Branch** in 2018
  - **28 remote Relationship Managers** in the Online Branch already in place, with **~2,000 clients served**
- Further **strengthening of ISP position in digital banking**. Key results and initiatives:
  - **~18% of activities digitalised** (vs 10% at 31.12.17)
  - **~15.7m paperless transactions** in FY18 and ~40m since the start of the initiative
  - **End-to-end redesign and digitalisation of selected high-impact processes**, including retail collection ("Pulse"), Corporate proactive credit, cheque dematerialisation
  - **Digital transformation for C&IB clients** ongoing, including **digitalisation of the Corporate credit process** both in origination and management phase
- **17 legal entities already integrated into ISP Cybersecurity Model**
- **Introduction of new innovative product/service solutions for clients** (e.g., Apple pay, Milan Metro contactless payment, SME electronic invoicing) **and for internal process optimisation** (e.g., blockchain for secured authentication)

Italian Economy: Solid Fundamentals Will Minimise the Impact of an Expected Slowdown

Despite an expected economic slowdown…

Italian GDP YoY growth, %



… fundamentals remain solid

Households

- **Wealth of Italian households** at €10.5tn, of which €4.2tn in financial assets
- **Low** level of **indebtedness**

Corporates

- **Manufacturing companies** with indicators better than pre-crisis level:
  - Profitability: Gross operating margin at ~9.4%
  - Capitalisation: Equity/Total liabilities at ~40%
- **Italian companies well positioned to cope with a domestic economic slowdown**:
  - **Export-oriented companies**, highly diversified in terms of industry and size, have become powerhouses over the past few years (trade surplus, net of energy, hit a new high in the first 11 months of 2018 at €74bn)
  - **Domestic-oriented companies** will benefit from resilient consumption driven by expansionary fiscal policy

Government

- Stock of **assets owned by Public Sector entities** of ~€1.0tn[1]:
  - ~€0.6tn[1] of financial assets
  - ~€0.3tn[1] of Real Estate
  - ~€0.1tn[1] of other non-financial assets

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

ISP Outlook for 2019

Growth in Operating income

Continued cost reduction

Decrease in cost of risk

Net income up vs 2018

80% payout ratio in 2019

Strong and sustainable value creation and distribution while maintaining a solid capital position

Fully Delivering on All Our Commitments, While Further Strengthening the Balance Sheet

€4,050m Net income, the highest since 2007 (+6.1% vs FY17 pro-forma(1))

€3.4bn cash dividends, equal to 10% dividend yield(2) and 85% payout ratio

Operating costs down 3.6%, leading to 4.8% growth in Operating margin

Cost/Income down to 53.0%

€28bn NPL deleveraging since the September 2015 peak (€15.6bn in FY18 and €1.9bn in Q4), at no cost to shareholders; the lowest Net NPL stock since 2009

More than 60% of targeted 2018-2021 NPL deleveraging already achieved in FY18, coupled with a strong increase in NPL coverage (up to 54.5% at 31.12.18 from 51.1% at 31.12.17) and the lowest ever NPL inflow

Common Equity(3) ratio up to 13.6%, 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

(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) Based on ordinary shares price at 4.2.19
(3) Pro-forma fully loaded Basel 3 (31.12.18 financial statements considering the total absorption of DTA related to IFRS 9 FTA, 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)

2018 Results

Detailed Information

Key P&L and Balance Sheet Figures

€ m

	2018
Operating income	17,875
Operating costs	(9,470)
Cost/Income ratio	53.0%
Operating margin	8,405
Gross income (loss)	6,348
Net income	4,050

	31.12.18
Loans to Customers (+3.8%[1] average loans 2018 vs 2017)	393,550
Customer Financial Assets[2]	911,696
of which Direct Deposits from Banking Business	415,082
of which Direct Deposits from Insurance Business and Technical Reserves	149,358
of which Indirect Customer Deposits	495,809
- Assets under Management	*330,593*
- Assets under Administration	*165,216*
RWA	276,446

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

2018: Net Income at €4,050m, the Highest since 2007

€ m

	2017 pro-forma[1] [A]	2017[2] [B]	2018 [C]	Δ% [C] / [A]
Net interest income	7,436	7,265	7,276	(2.2)
Net fee and commission income	8,057	7,867	7,887	(2.1)
Income from insurance business	933	933	1,084	16.2
Profits on financial assets and liabilities at fair value	1,283	1,316	1,609	25.4
Other operating income (expenses)	131	92	19	(85.5)
Operating income	**17,840**	**17,473**	**17,875**	**0.2**
Personnel expenses	(6,045)	(5,687)	(5,843)	(3.3)
Other administrative expenses	(2,934)	(2,738)	(2,784)	(5.1)
Adjustments to property, equipment and intangible assets	(844)	(811)	(843)	(0.1)
Operating costs	**(9,823)**	**(9,236)**	**(9,470)**	**(3.6)**
Operating margin	**8,017**	**8,237**	**8,405**	**4.8**
Net adjustments to loans	(3,311)	(3,304)	(2,394)	(27.7)
Net provisions and net impairment losses on other assets	(234)	(217)	(187)	(20.1)
Other income (expenses)	4,746	4,746	524	(89.0)
Income (Loss) from discontinued operations	0	0	0	n.m.
Gross income (loss)	**9,218**	**9,462**	**6,348**	**(31.1)**
Taxes on income	(1,481)	(1,482)	(1,659)	12.0
Charges (net of tax) for integration and exit incentives	(300)	(300)	(120)	(60.0)
Effect of purchase price allocation (net of tax)	327	327	(157)	n.m.
Levies and other charges concerning the banking industry (net of tax)	(678)	(649)	(340)[4]	(49.9)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	n.m.
Minority interests	230	(42)	(22)	n.m.
Net income	**7,316**	**7,316**	**4,050**	**(44.6)**
Net income excluding the public cash contribution[3]	**3,816**	**3,816**	**4,050**	**6.1**

+11% excluding public cash contribution[3] booked in FY17

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) and their subsidiaries (since 30.9.17) 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) €494m pre-tax (€340m net of tax) of which charges for the Resolution Fund: €198m pre-tax (€138m net of tax), charges for the Deposit Guarantee Scheme: €225m pre-tax (€154m net of tax) of which €80m pre-tax (€54m net of tax) Carige subordinated bond full impairment; ~€80m pre-tax (€53m net of tax) additional contribution for the National Resolution Fund

Q4 vs Q3: €1,038m Net Income

€ m

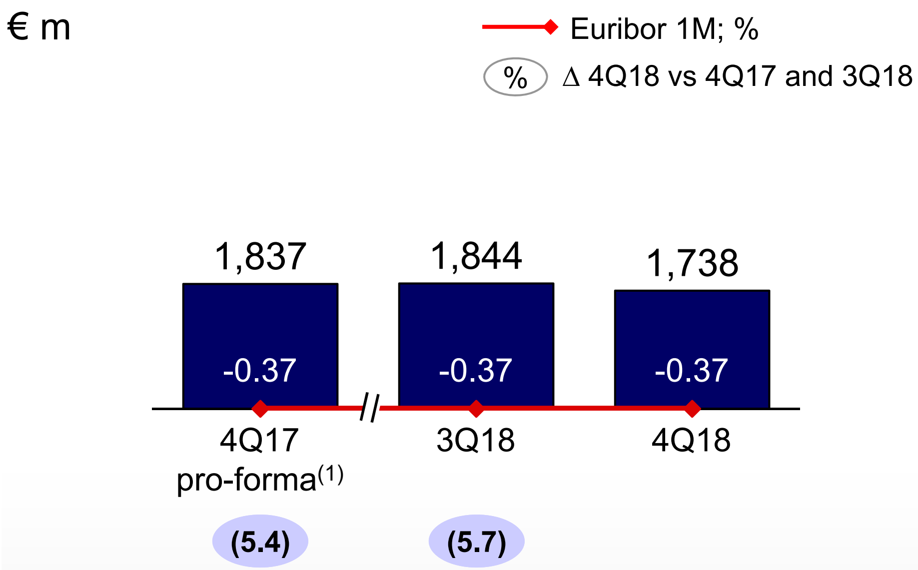
	3Q18	4Q18	Δ%
Net interest income	1,844	1,738	(5.7)
Net fee and commission income	1,924	1,959	1.8
Income from insurance business	271	238	(12.2)
Profits on financial assets and liabilities at fair value	242	273	12.8
Other operating income (expenses)	(12)	(18)	50.0
Operating income	**4,269**	**4,190**	**(1.9)**
Personnel expenses	(1,424)	(1,524)	7.0
Other administrative expenses	(676)	(797)	17.9
Adjustments to property, equipment and intangible assets	(206)	(233)	13.1
Operating costs	**(2,306)**	**(2,554)**	**10.8**
Operating margin	**1,963**	**1,636**	**(16.7)**
Net adjustments to loans	(519)	(698)	34.5
Net provisions and net impairment losses on other assets	(25)	(76)	204.0
Other income (expenses)	2	512	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**1,421**	**1,374**	**(3.3)**
Taxes on income	(433)	(174)	(59.8)
Charges (net of tax) for integration and exit incentives	(31)	(54)	74.2
Effect of purchase price allocation (net of tax)	(38)	(49)	28.9
Levies and other charges concerning the banking industry (net of tax)	(81)	(59)[1]	(27.2)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(5)	0	(100.0)
Net income	**833**	**1,038**	**24.6**

(4.7)% vs 4Q17

Note: figures may not add up exactly due to rounding
(1) €86m pre-tax almost entirely due to Carige subordinated bond full impairment

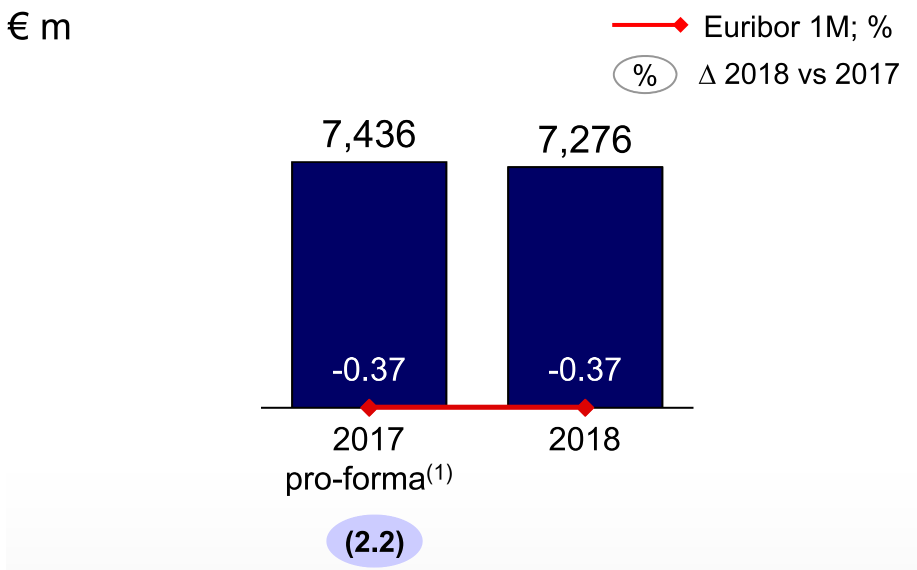
Net Interest Income: Impacted by All-Time Low Interest Rates

Quarterly Analysis



- Decrease vs Q3 mainly due to financial components

Yearly Analysis

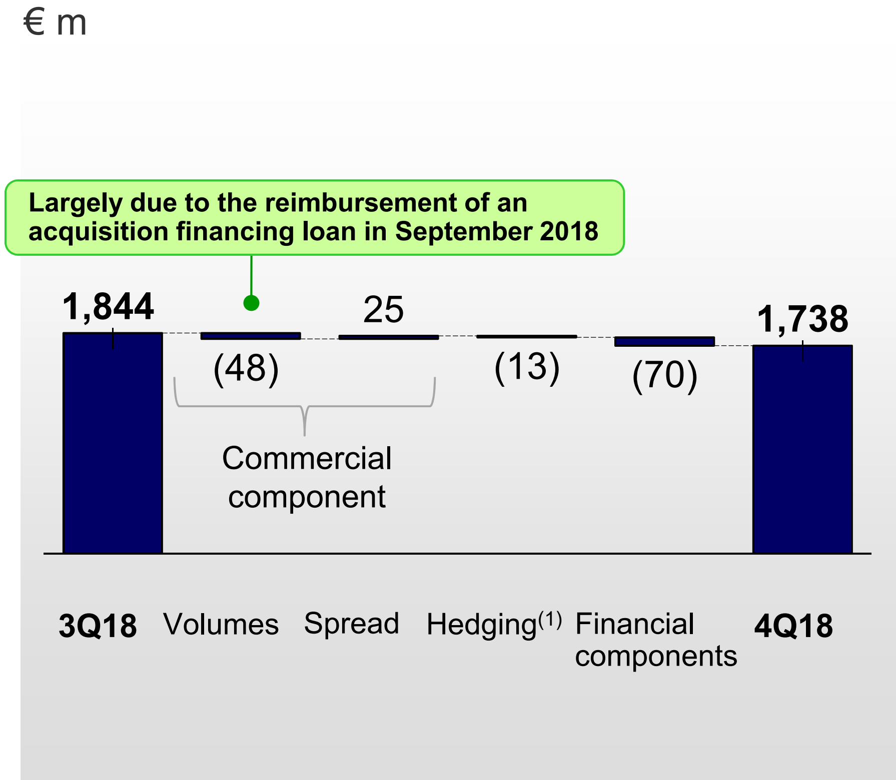


- ~€350m growth in the commercial component
- Decrease due to active management of securities portfolio, NPL reduction and lower contribution from core deposit hedging
- 3.8% growth in average Performing loans to customers[2]
- 2.8% growth in average Direct deposits from banking business

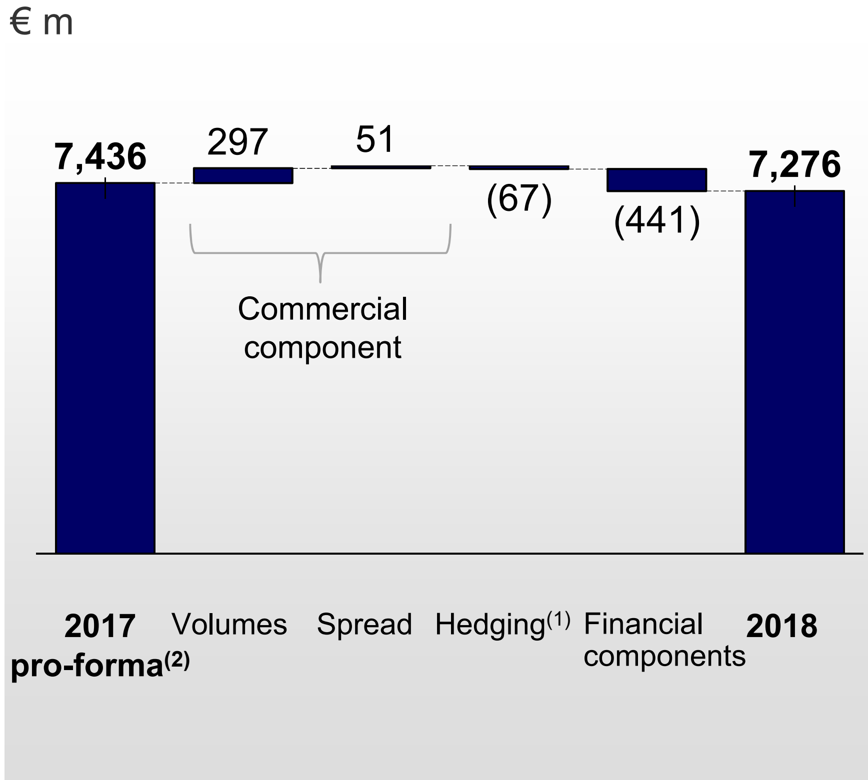
(1) Management data including the contribution of the two former Venetian banks (and their subsidiaries) and the Morval Group consolidation
(2) Excluding the loan granted to the former Venetian banks in compulsory administrative liquidation

Net Interest Income: Increase in the Commercial Component on a Yearly Basis

Quarterly Analysis



Yearly Analysis



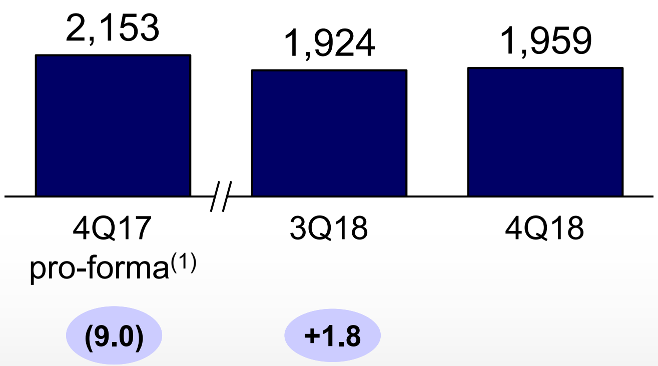
Note: figures may not add up exactly due to rounding
(1) €359m benefit from hedging on core deposits in 2018, of which €76m in 4Q18
(2) Management data including the contribution of the two former Venetian banks (and their subsidiaries) and the Morval Group consolidation

Net Fee and Commission Income: Increase vs Q3 despite the Challenging Environment

Quarterly Analysis

€ m

% Δ 4Q18 vs 4Q17 and 3Q18

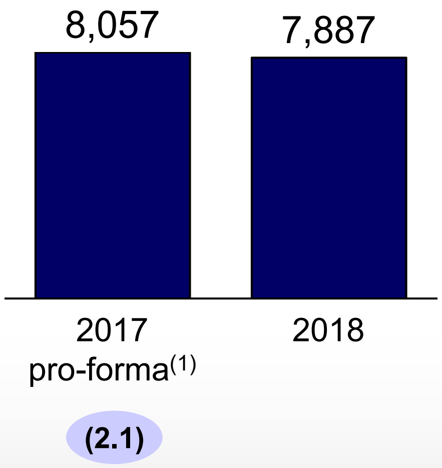


- **Increase in commissions from Commercial banking activities vs Q3 (+4.1%; +€25m)**

Yearly Analysis

€ m

% Δ 2018 vs 2017



- **Increase in commissions from Commercial banking activities (+4.3%; +€101m)**

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

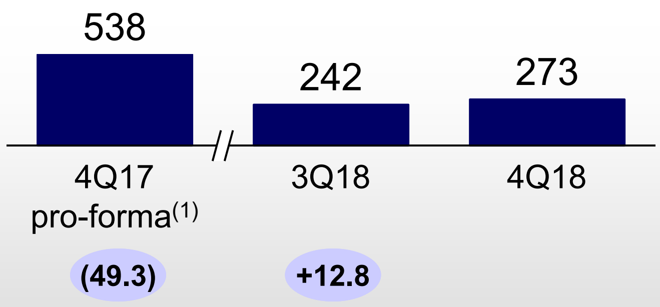
INTESA SANPAOLO

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

Quarterly Analysis

€ m

% Δ 4Q18 vs 4Q17 and 3Q18

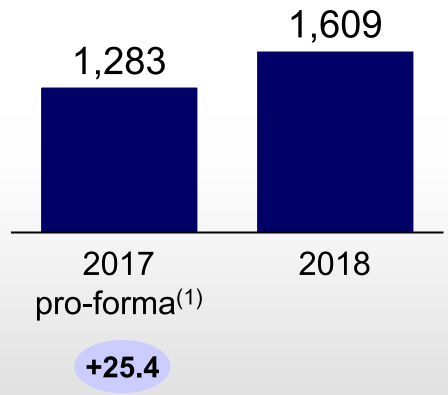


- **Increase vs Q3 due to strong growth in customer driven activity**

Yearly Analysis

€ m

% Δ 2018 vs 2017



- **Increase (+4.8%) even when excluding the NTV positive impact**

Contributions by Activity

	4Q17 pro-forma(1)	3Q18	4Q18	2017 pro-forma(1)	2018
Customers	**252**	**78**	**121**	**644**	**432**
Capital markets	**169**	**60**	**16**	**232**	**458**(2)
Trading and Treasury	**114**	**105**	**130**	**379**	**708**
Structured credit products	**3**	**(1)**	**6**	**28**	**10**

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

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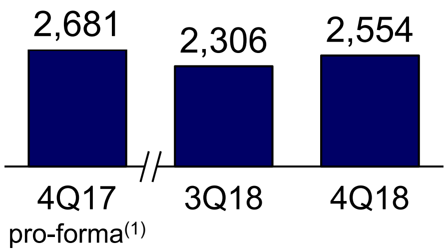
Operating Costs: Strong Decrease on a Yearly Basis

Quarterly Analysis

% Δ 4Q18 vs 4Q17 and 3Q18

Operating Costs

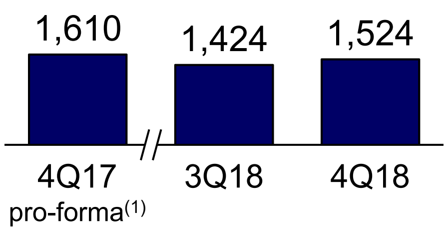
€ m



(4.7) +10.8

Personnel Expenses

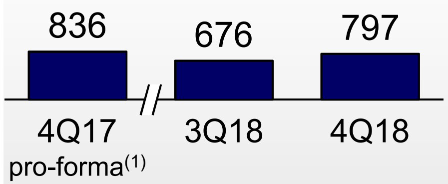
€ m



(5.3) +7.0

Other Administrative Expenses

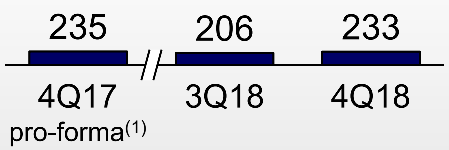
€ m



(4.7) +17.9

Adjustments

€ m



(0.9) +13.1

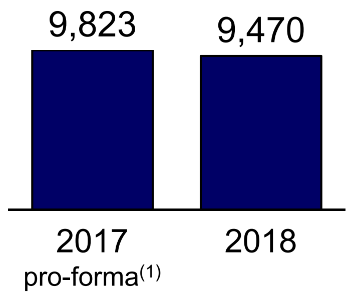
- **4.7% decrease in Operating Costs vs 4Q17**
- **Increase in Other Administrative Expenses vs Q3 due to seasonal effects at year-end and advertising**
- **Personnel expenses up vs Q3 due to incentives to trigger growth**

Yearly Analysis

% Δ 2018 vs 2017

Operating Costs

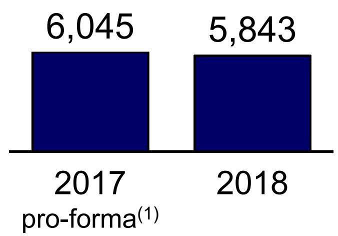
€ m



(3.6)

Personnel Expenses

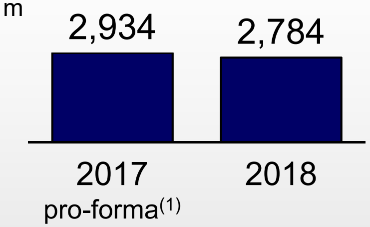
€ m



(3.3)

Other Administrative Expenses

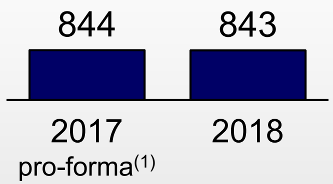
€ m



(5.1)

Adjustments

€ m



(0.1)

- **Cost/Income ratio down to 53.0% (vs 55.1% in FY17 pro-forma[1])**
- **~4,900 headcount reduction[2]**

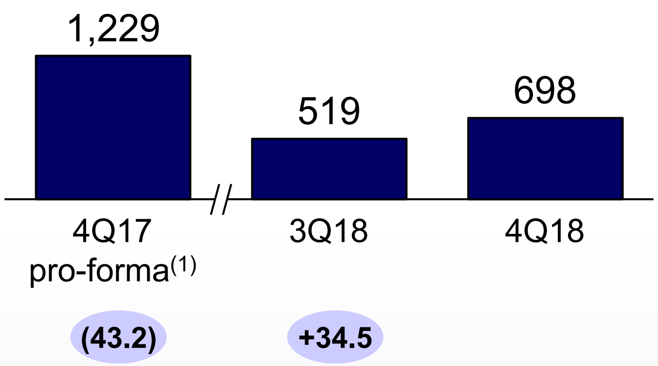
(1) Management data including the contribution of the two former Venetian banks (and their subsidiaries) and the Morval Group consolidation
(2) Including the sale of the NPL servicing platform to Intrum

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

Quarterly Analysis

€ m

% Δ 4Q18 vs 4Q17 and 3Q18

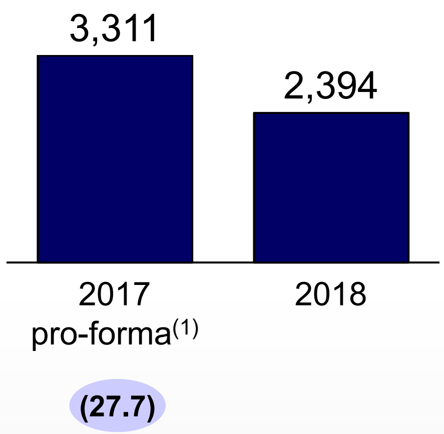


- **Thirteenth consecutive quarterly reduction in NPL stock**
- **4Q18, the lowest quarter ever for NPL inflow**
- **Very conservative provisioning in 4Q18 also in light of the Intrum capital gain**
- **NPL coverage up to 54.5% in 4Q18 (up 0.9pp vs 30.9.18)**
- **€1.9bn NPL deleveraging in 4Q18**

Yearly Analysis

€ m

% Δ 2018 vs 2017



- **Lowest Net adjustments to loans since 2007 coupled with NPL coverage up to 54.5% (up 3.4pp vs 31.12.17 pro-forma[1])**
- **Cost of credit down to 61bps (vs 81bps in FY17 pro-forma[1])**
- **Lowest ever NPL inflow**
- **€28bn NPL deleveraging since the peak of 30.9.15 (of which €15.6bn in FY18)**

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

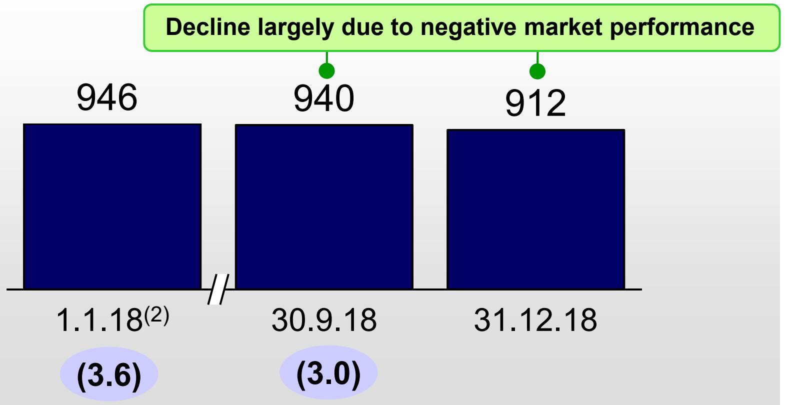
Contents

Customer Financial Assets Affected by Negative Market Performance

% Δ 31.12.18 vs 1.1.18 and 30.9.18

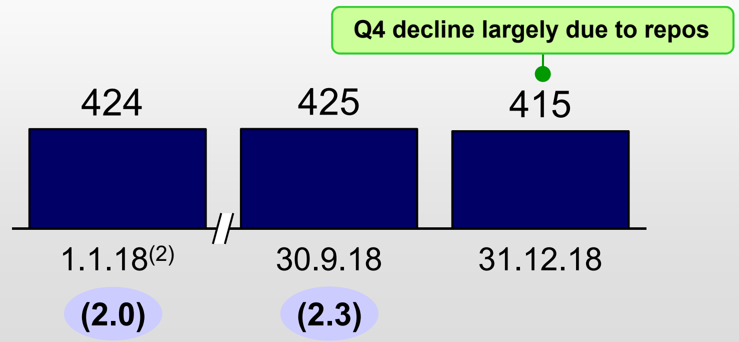
Customer Financial Assets[1]

€ bn



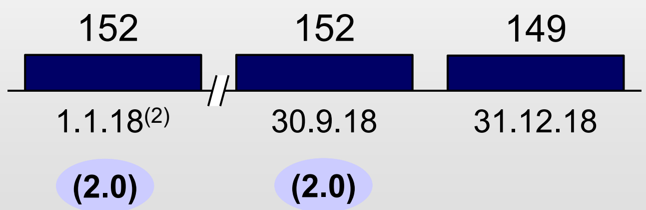
Direct Deposits from Banking Business

€ bn



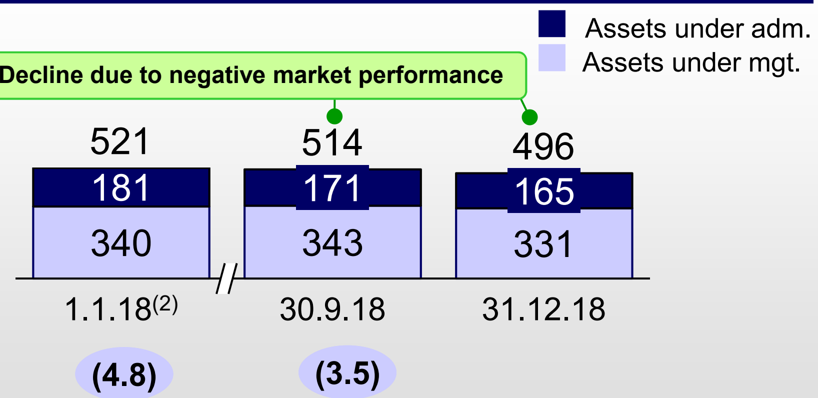
Direct Deposits from Insurance Business and Technical Reserves

€ bn



Indirect Customer Deposits

€ bn



- **+€8.3bn in AuM net inflows in FY18, partially offsetting negative market performance**

Note: figures may not add up exactly due to rounding
(1) Net of duplications between Direct Deposits and Indirect Customer Deposits
(2) Data restated to reflect the Morval Group consolidation

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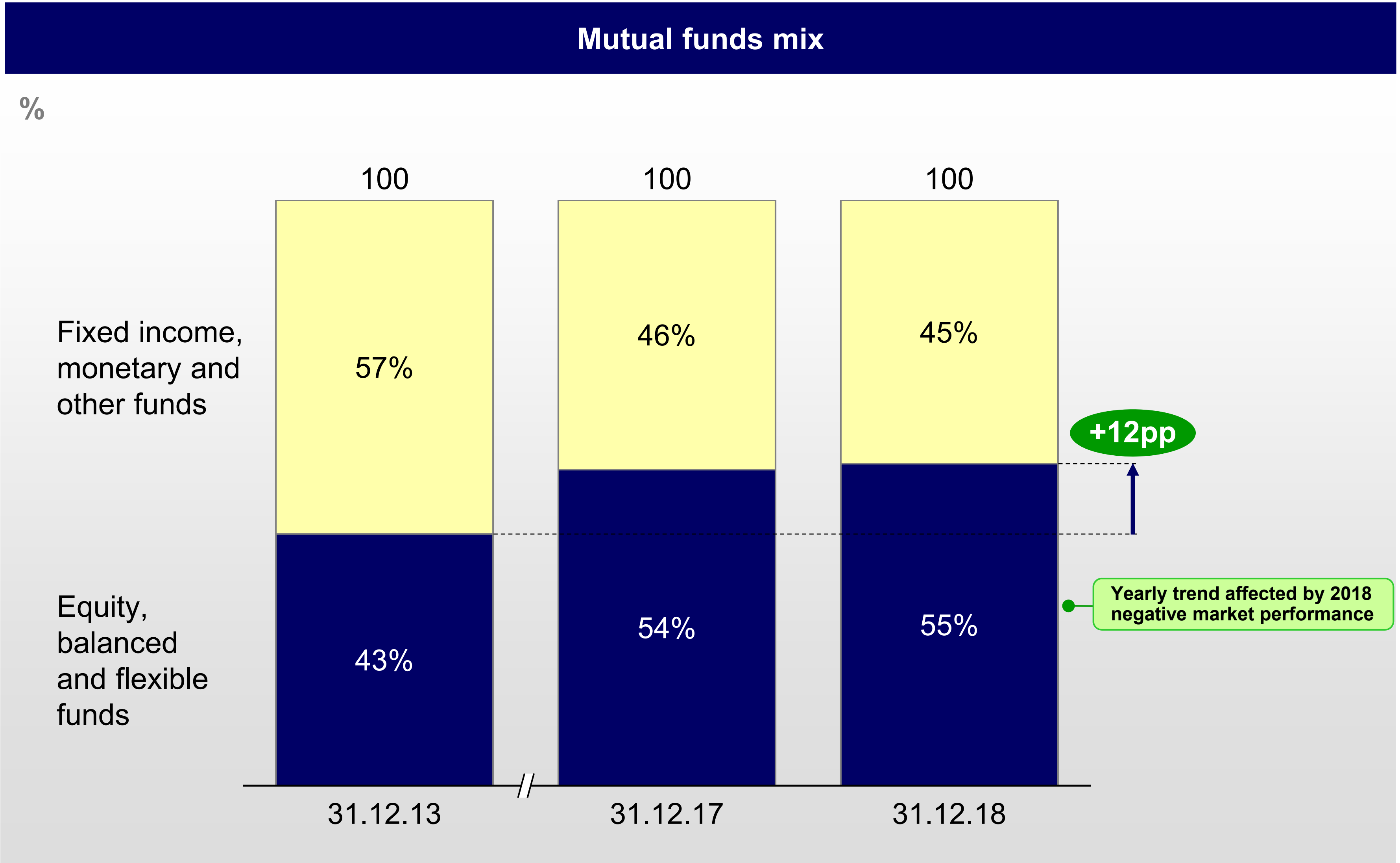
Mutual Funds Mix



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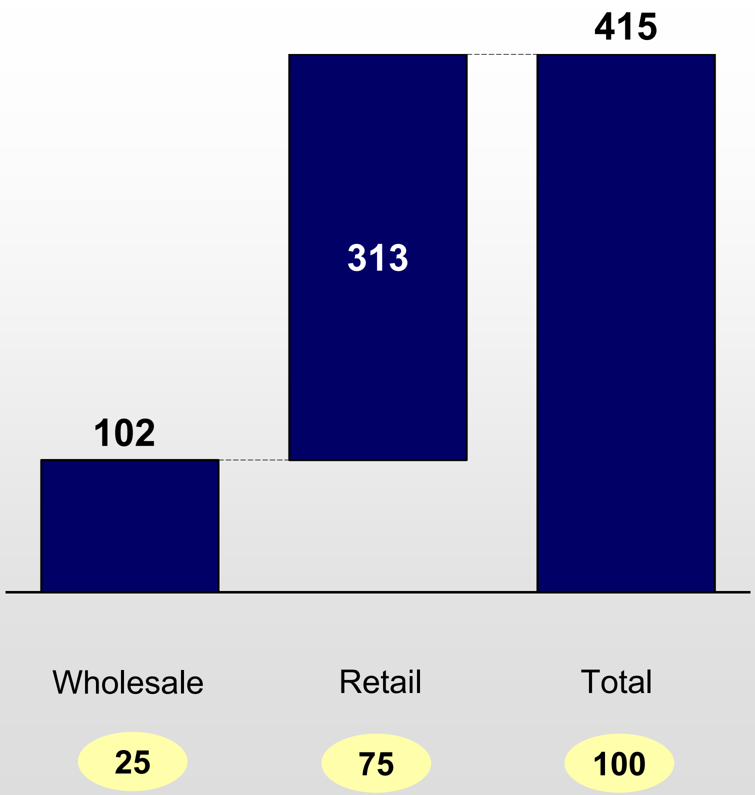
Funding Mix

Breakdown of Direct Deposits from Banking Business

€ bn; 31.12.18 — % Percentage of total



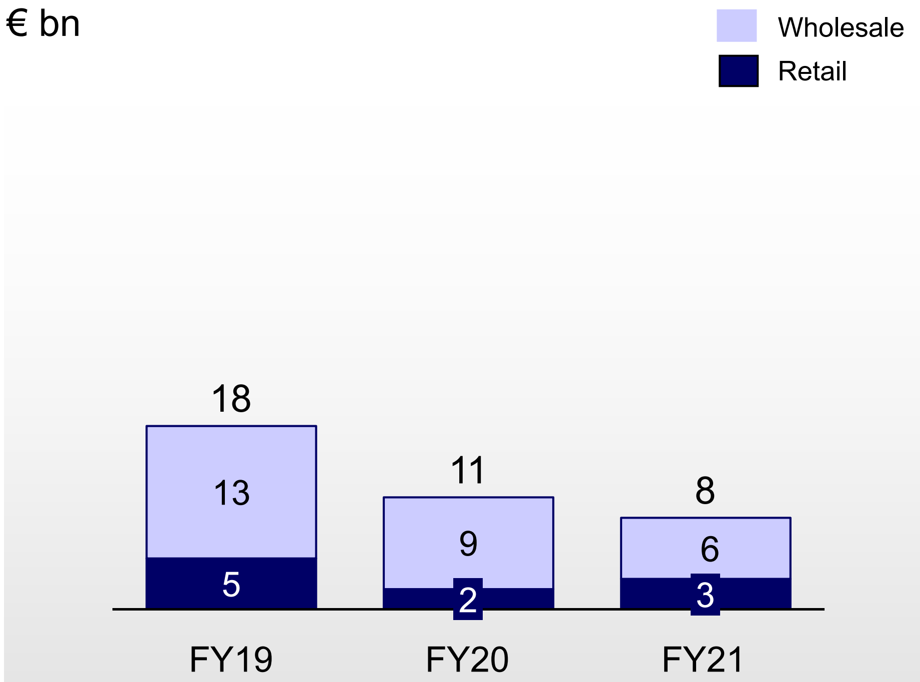
	Wholesale	Retail
Current accounts and deposits	8	283
Repos and securities lending	24	-
Senior bonds	38	11(1)
Covered bonds	12	-
EMTN puttable	2	-
Certificates of deposit + Commercial papers	9	-
Subordinated liabilities	9	2 (Placed with Private Banking clients)
Other deposits	1	17(2)

Retail funding represents 75% 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

2019-2021 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

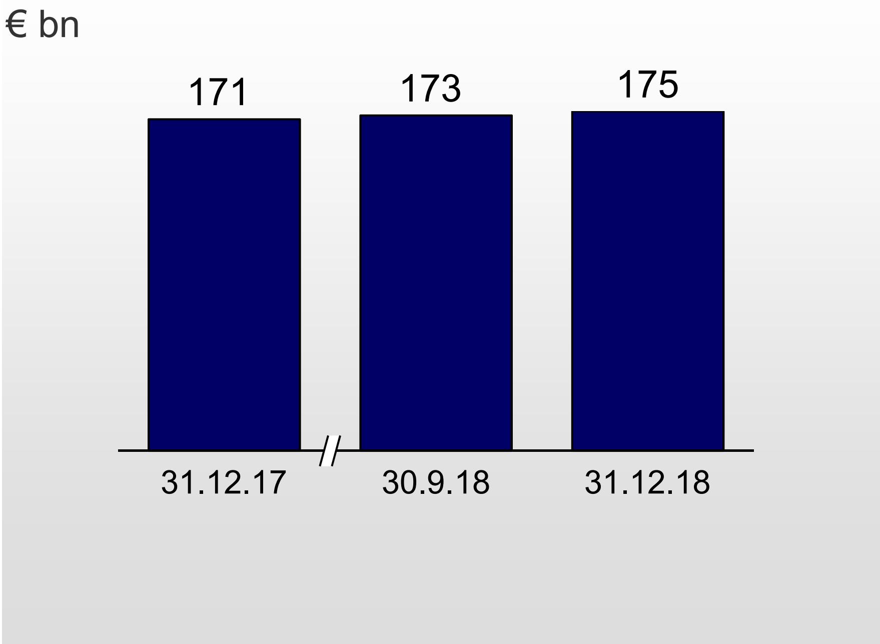
2018

- $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

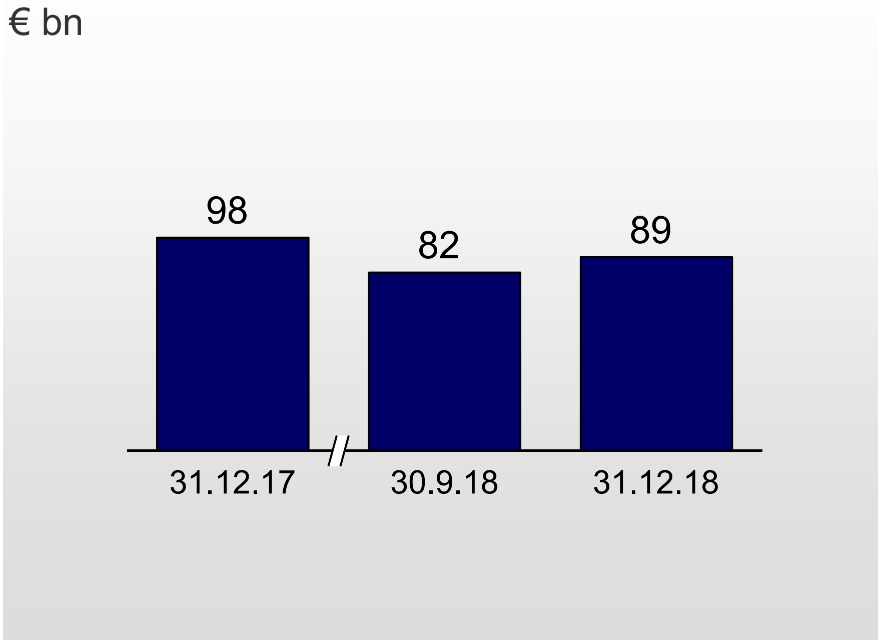
Note: figures may not add up exactly due to rounding

High Liquidity: LCR and NSFR Well Above Regulatory Requirements

Liquid assets(1)



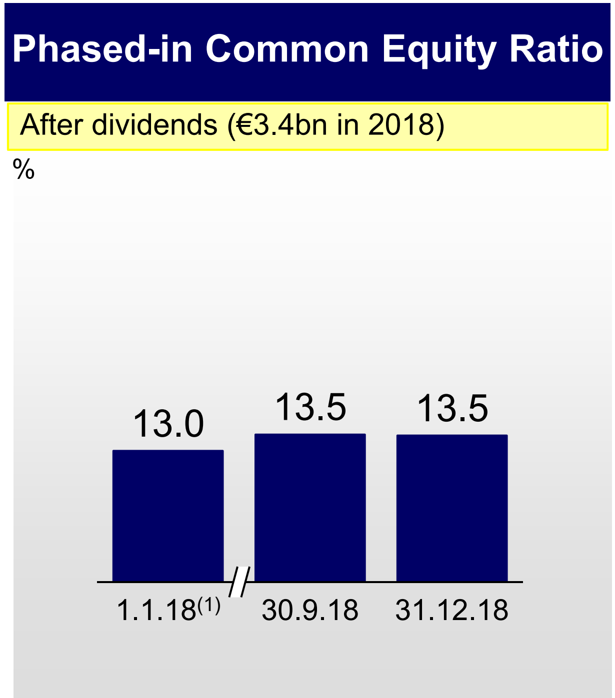
Unencumbered eligible assets with Central Banks(2) (net of haircuts)

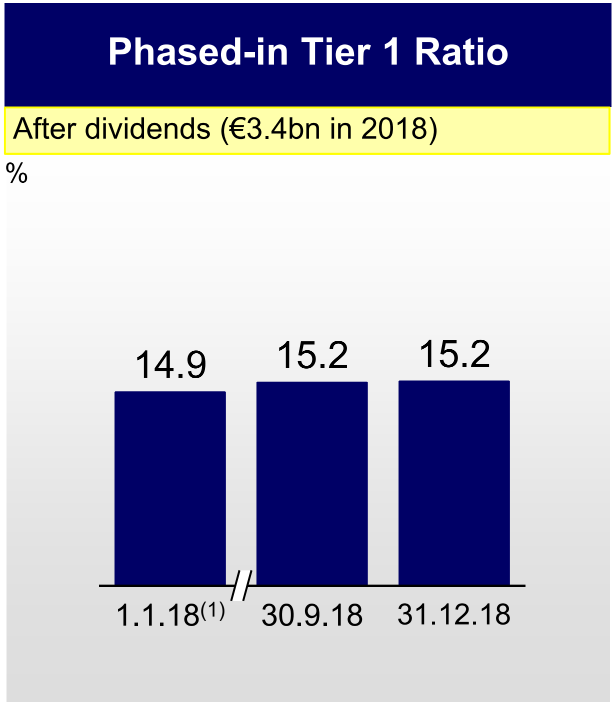


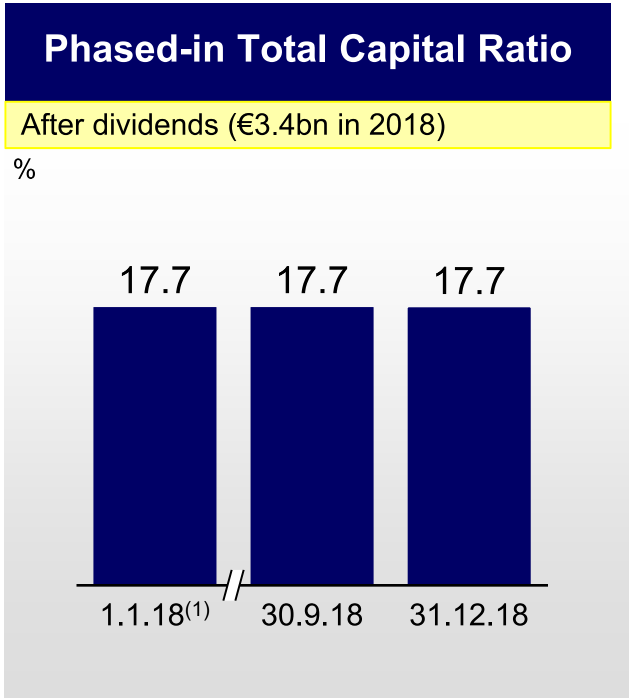
- **TLTRO II: €60.5bn(3)**
- **Loan to Deposit ratio(4) at 95%**

(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 Capital Base







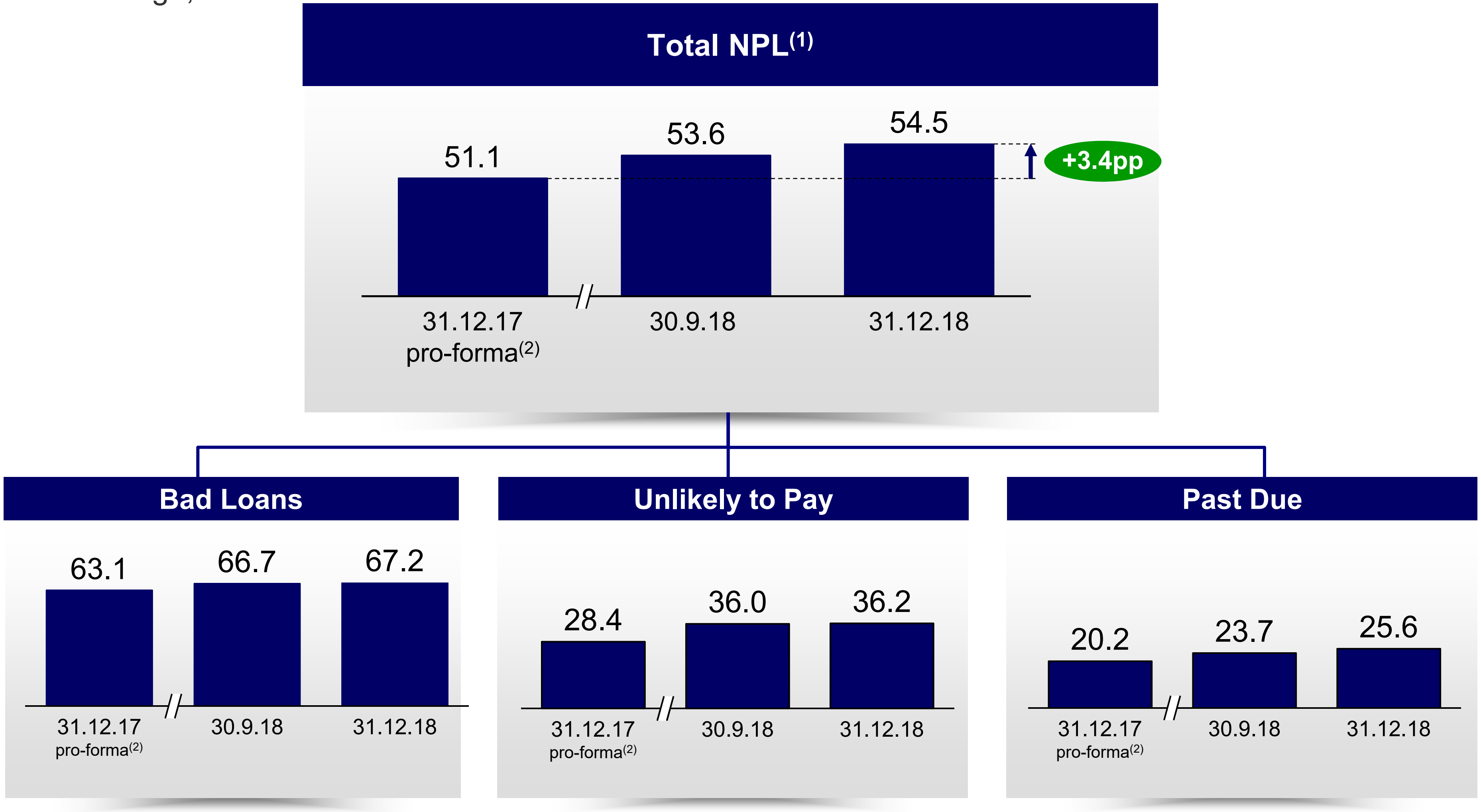
- **13.6% pro-forma fully loaded Common Equity ratio[(2)]**
- **6.3% leverage ratio**

(1) Considering IFRS9 FTA and 2018 transitional rules impact
(2) Pro-forma fully loaded Basel 3 (31.12.18 financial statements considering the total absorption of DTA related to IFRS9 FTA, 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

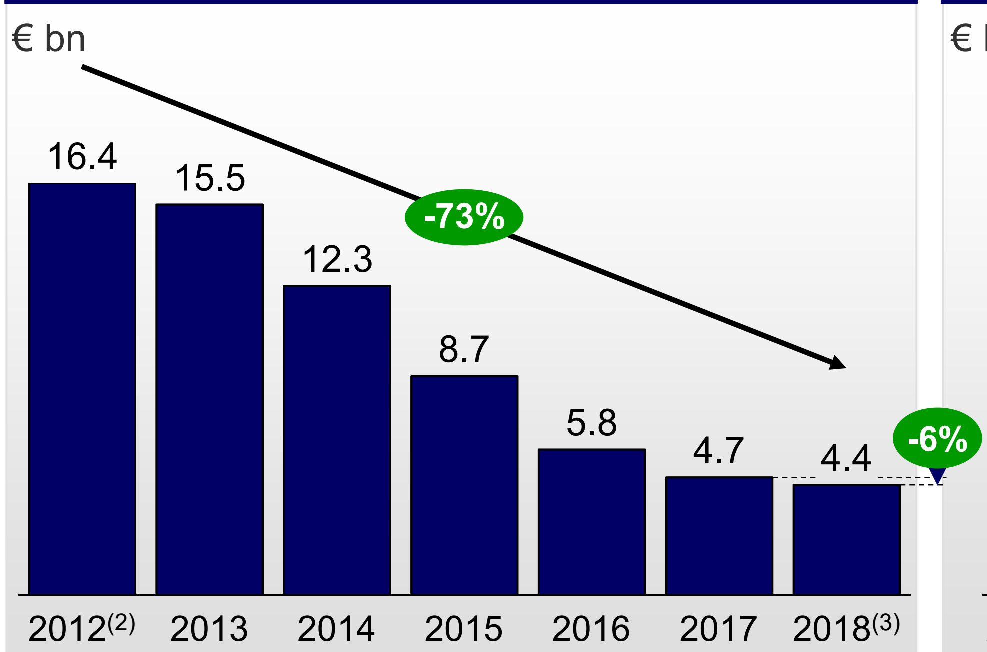
Cash coverage; %



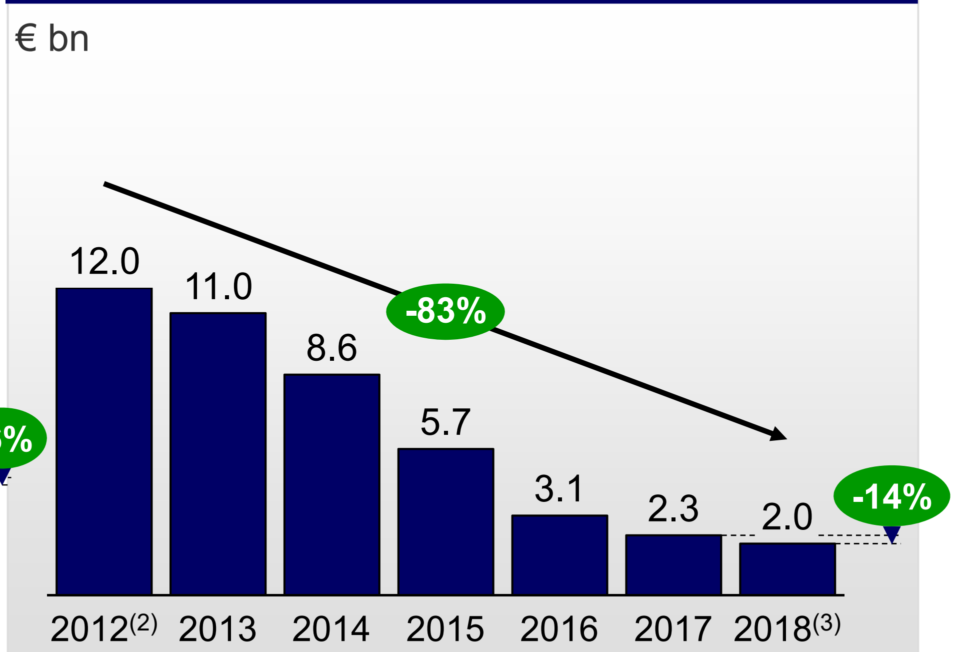
(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)
(2) Including the contribution of the two former Venetian banks

Non-performing Loans: Lowest Ever Annual Inflow

Gross inflow of new NPL(1) from Performing Loans



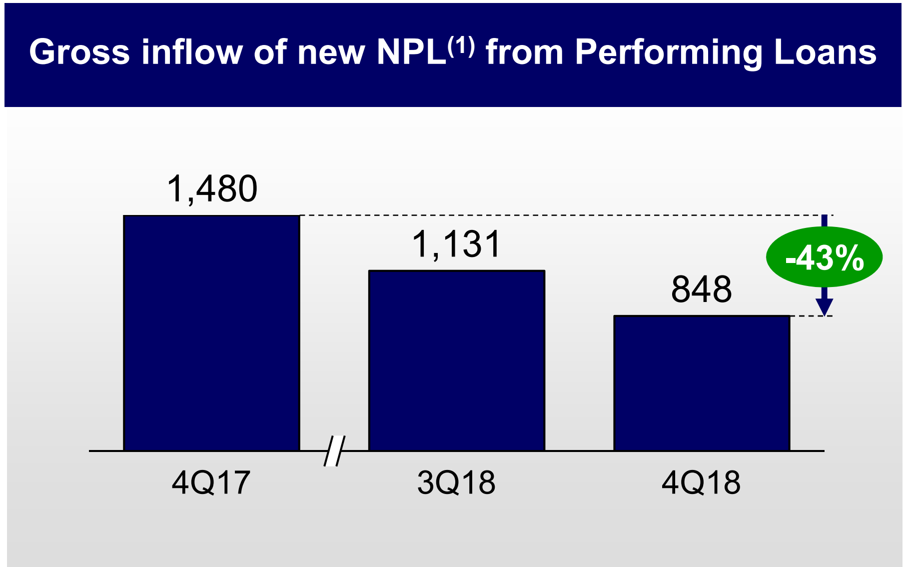
Net inflow of new NPL(1) from Performing Loans

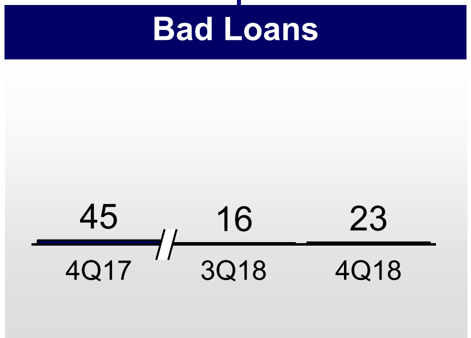


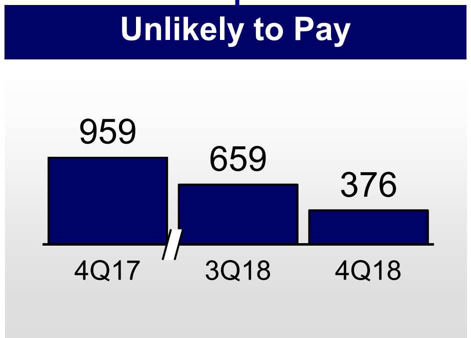
(1) Bad Loans (Sofferenze), Unlikely to pay (Inadempienze probabili) and Past Due (Scaduti e sconfinanti)
(2) 2012 figures recalculated to take into consideration the regulatory changes to Past Due classification criteria introduced by the Bank of Italy (90 days since 2012 vs 180 days up until 31.12.11)
(3) Including the contribution of the two former Venetian banks

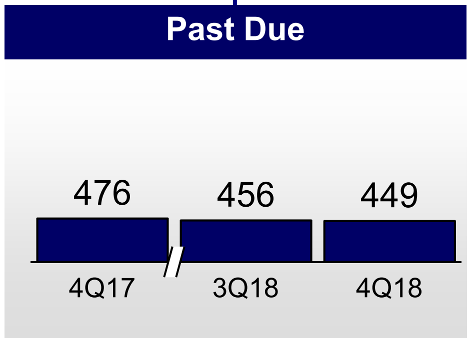
Non-performing Loans: Lowest Ever Quarterly Gross Inflow

€ m







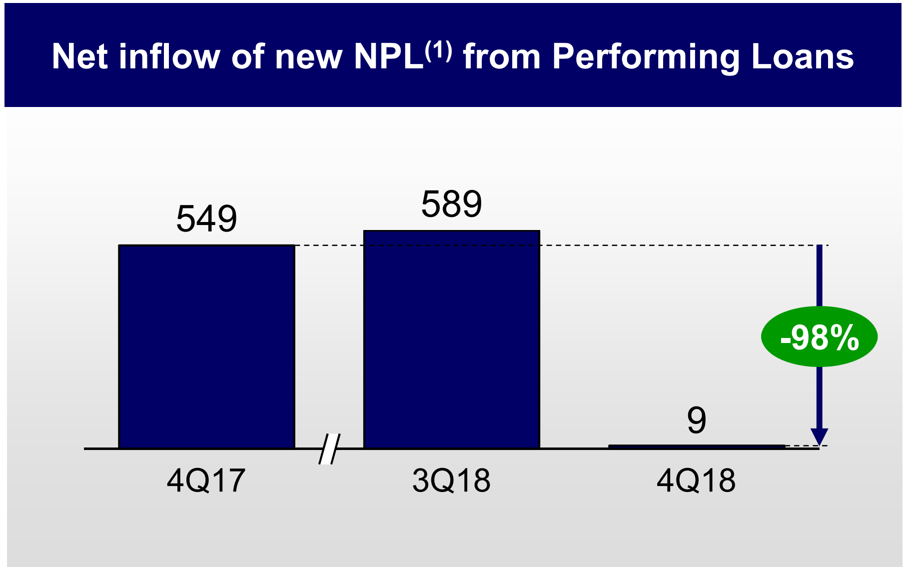


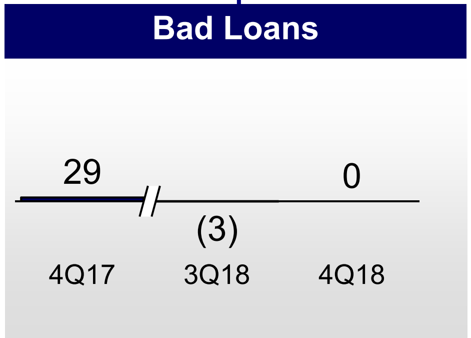
Note: figures may not add up exactly due to rounding

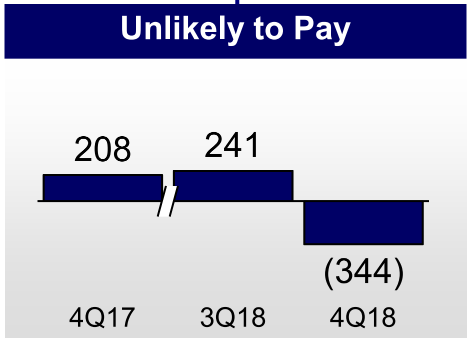
(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

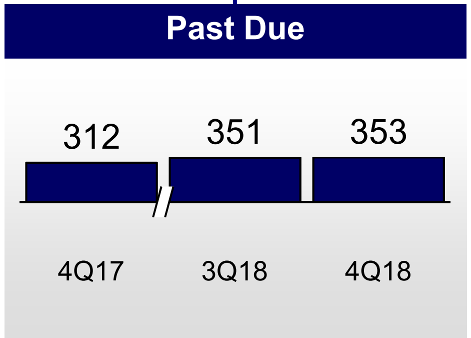
Non-performing Loans: Lowest Ever Quarterly Net Inflow

€ m







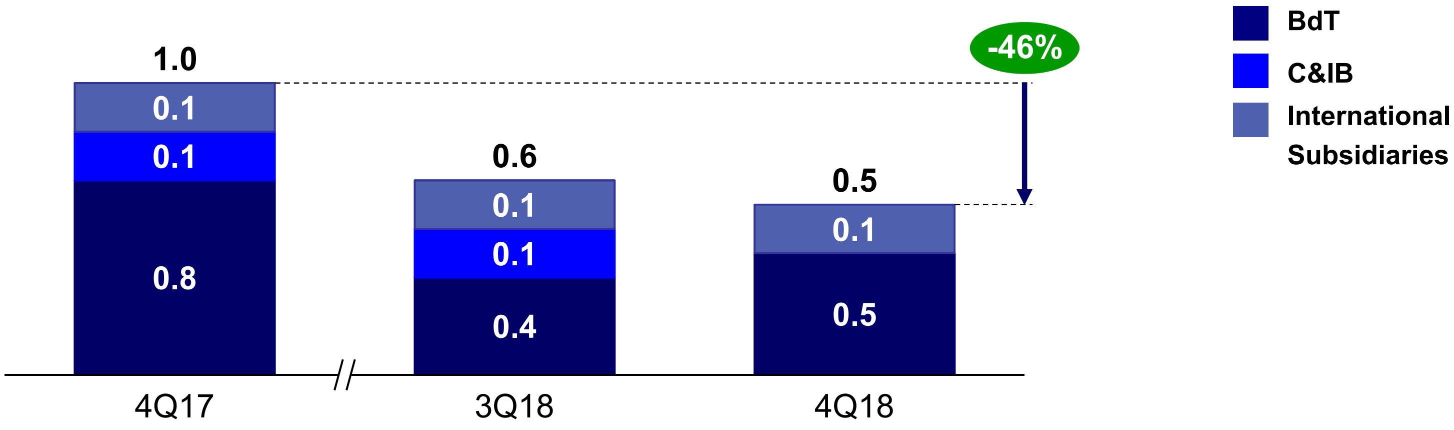


Note: figures may not add up exactly due to rounding
(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

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

	4Q17	3Q18	4Q18
Total	**0.8**	**0.4**	**0.5**
Mediocredito Italiano[2]	0.1	-	0.1
Households	0.1	0.1	0.1
SMEs	0.6	0.3	0.3

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

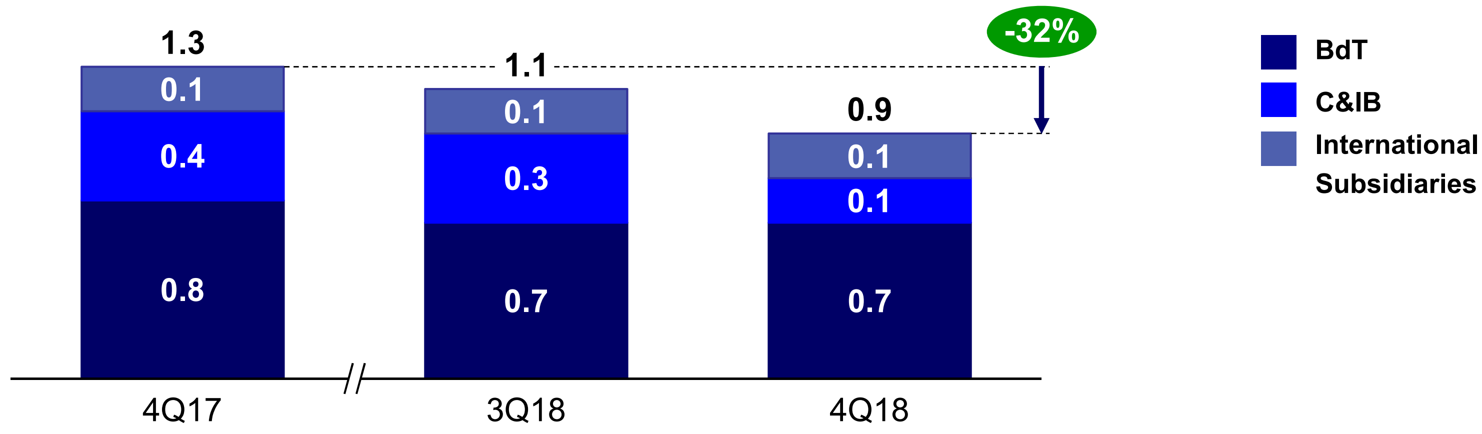
	4Q17	3Q18	4Q18
Total	**0.1**	**0.1**	**-**
Banca IMI[3]	-	-	-
Global Corporate	0.1	0.1	-
International	-	-	-
Financial Institutions	-	-	-

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

New Unlikely to Pay: Strong Decrease in Gross Inflow

€ bn

Group's gross inflow of new Unlikely to Pay



BdT's gross inflow of new Unlikely to Pay

	4Q17	3Q18	4Q18
Total	**0.8**	**0.7**	**0.7**
Mediocredito Italiano(1)	0.1	0.1	0.1
Households	0.3	0.2	0.3
SMEs	0.4	0.4	0.3

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

	4Q17	3Q18	4Q18
Total	**0.4**	**0.3**	**0.1**
Banca IMI(2)	-	-	-
Global Corporate	0.4	0.3	0.1
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: Thirteenth Consecutive Quarterly Decline in Stock

Gross NPL

€ bn	31.12.17	30.9.18	31.12.18
Bad Loans	34.2	22.2	21.7
- of which forborne	*3.0*	*2.6*	*2.6*
Unlikely to pay	17.4	15.6	14.3
- of which forborne	*8.1*	*7.4*	*6.5*
Past Due	0.5	0.6	0.5
- of which forborne	-	-	-
Total	**52.1**	**38.4**	**36.5**

Net NPL

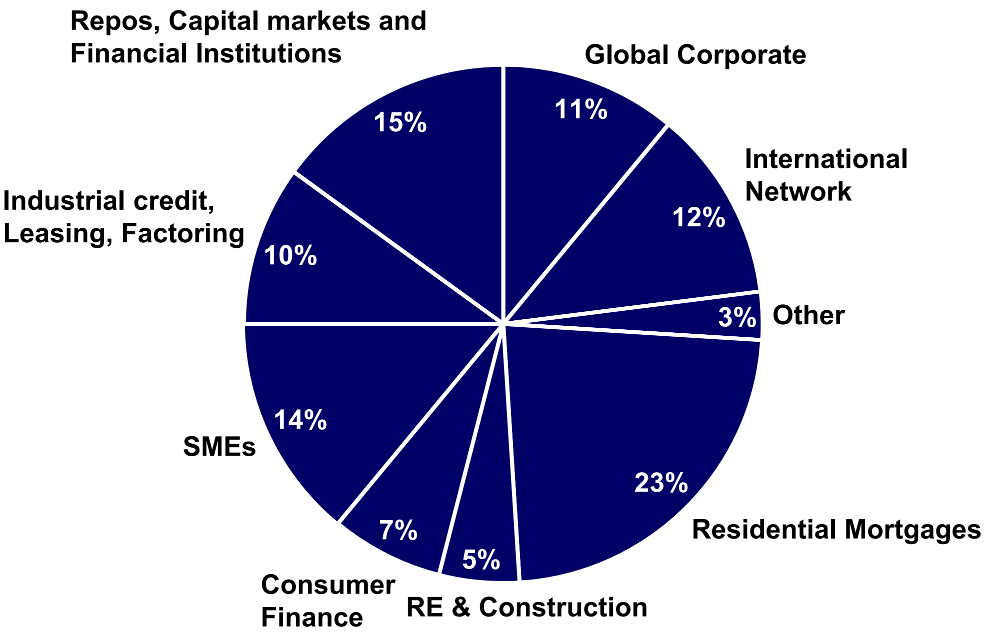
€ bn	31.12.17	30.9.18	31.12.18
Bad Loans	12.6	7.4	7.1
- of which forborne	*1.3*	*1.0*	*1.0*
Unlikely to pay	12.5	10.0	9.1
- of which forborne	*6.1*	*4.9*	*4.4*
Past Due	0.4	0.5	0.4
- of which forborne	-	-	-
Total	**25.5**	**17.8**	**16.6**

€28bn deleveraging since the peak of 30.9.15 (-€15.6bn in 2018, of which -€1.9bn in Q4), leading to the lowest Gross NPL stock since 2010 (lowest Net since 2009)

Note: figures may not add up exactly due to rounding

Loans to Customers: A Well-diversified Portfolio

Breakdown by business area
(Data as at 31.12.18)



- **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

	31.12.18
Loans of the Italian banks and companies of the Group	
Households	**29.0%**
Public Administration	**1.9%**
Financial companies	**11.3%**
Non-financial companies	**33.0%**
of which:	
SERVICES	6.1%
DISTRIBUTION	5.7%
REAL ESTATE	3.6%
UTILITIES	2.5%
CONSTRUCTION	2.0%
METALS AND METAL PRODUCTS	1.8%
AGRICULTURE	1.5%
FOOD AND DRINK	1.4%
TRANSPORT	1.3%
MECHANICAL	1.0%
INTERMEDIATE INDUSTRIAL PRODUCTS	1.0%
FASHION	0.9%
ELECTROTECHNICAL AND ELECTRONIC	0.6%
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%
INFRASTRUCTURE	0.3%
PUBLISHING AND PRINTING	0.3%
NON-CLASSIFIED UNITS	0.3%
FURNITURE	0.2%
PHARMACEUTICAL	0.2%
OTHER CONSUMPTION GOODS	0.2%
MASS CONSUMPTION GOODS	0.1%
WHITE GOODS	0.1%
Rest of the world	**9.7%**
Loans of international banks and companies of the Group	**10.9%**
Non-performing loans	**4.2%**
TOTAL	**100.0%**

Note: figures may not add up exactly due to rounding

INTESA SANPAOLO

Contents

Divisional Financial Highlights

Data as at 31.12.18

	Divisions						Corporate Centre / Others[5]	Total
	Banca dei Territori	Corporate & Investment Banking	International Subsidiary Banks[1]	Private Banking[2]	Asset Management[3]	Insurance[4]		
Operating Income (€ m)	9,306	3,748	1,942	1,878	717	1,106	(822)	17,875
Operating Margin (€ m)	3,945	2,688	967	1,281	566	919	(1,961)	8,405
Net Income (€ m)	1,547	1,798	648	849	455	648	(1,895)	4,050
Cost/Income (%)	57.6	28.3	50.2	31.8	21.1	16.9	n.m.	53.0
RWA (€ bn)	92.0	84.2	31.3	7.7	0.9	0.0	60.4	276.4
Direct Deposits from Banking Business (€ bn)	191.6	102.4	39.4	32.1	0.0	0.0	49.6	415.1
Loans to Customers (€ bn)	212.3	110.7	31.5	9.5	0.2	0.0	29.2	393.6

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 and consolidation adjustments

Banca dei Territori: 2018 vs 2017

€ m

	2017 Pro-forma(1)	2018	Δ%
Net interest income	4,647	4,636	(0.2)
Net fee and commission income	4,644	4,551	(2.0)
Income from insurance business	0	1	n.m.
Profits on financial assets and liabilities at fair value	67	75	11.9
Other operating income (expenses)	49	43	(12.2)
Operating income	**9,407**	**9,306**	**(1.1)**
Personnel expenses	(3,533)	(3,310)	(6.3)
Other administrative expenses	(2,170)	(2,045)	(5.8)
Adjustments to property, equipment and intangible assets	(7)	(6)	(14.3)
Operating costs	**(5,710)**	**(5,361)**	**(6.1)**
Operating margin	**3,697**	**3,945**	**6.7**
Net adjustments to loans	(1,169)	(1,412)	20.8
Net provisions and net impairment losses on other assets	(82)	(71)	(13.4)
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**2,446**	**2,462**	**0.7**
Taxes on income	(955)	(899)	(5.9)
Charges (net of tax) for integration and exit incentives	(45)	(14)	(68.9)
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	**1,443**	**1,547**	**7.2**

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: Q4 vs Q3

€ m

	3Q18	4Q18	∆%
Net interest income	1,162	1,120	(3.7)
Net fee and commission income	1,093	1,125	3.0
Income from insurance business	0	0	(82.1)
Profits on financial assets and liabilities at fair value	18	19	5.4
Other operating income (expenses)	9	10	8.1
Operating income	**2,283**	**2,275**	**(0.4)**
Personnel expenses	(816)	(819)	0.3
Other administrative expenses	(503)	(544)	8.1
Adjustments to property, equipment and intangible assets	(1)	(2)	8.1
Operating costs	**(1,320)**	**(1,364)**	**3.3**
Operating margin	**963**	**911**	**(5.4)**
Net adjustments to loans	(311)	(298)	(4.2)
Net provisions and net impairment losses on other assets	(17)	(14)	(15.7)
Other income (expenses)	0	(0)	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**635**	**598**	**(5.7)**
Taxes on income	(236)	(214)	(9.4)
Charges (net of tax) for integration and exit incentives	(4)	(6)	48.1
Effect of purchase price allocation (net of tax)	(0)	(1)	48.4
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	**394**	**378**	**(4.2)**

Note: figures may not add up exactly due to rounding

Corporate and Investment Banking: 2018 vs 2017

€ m

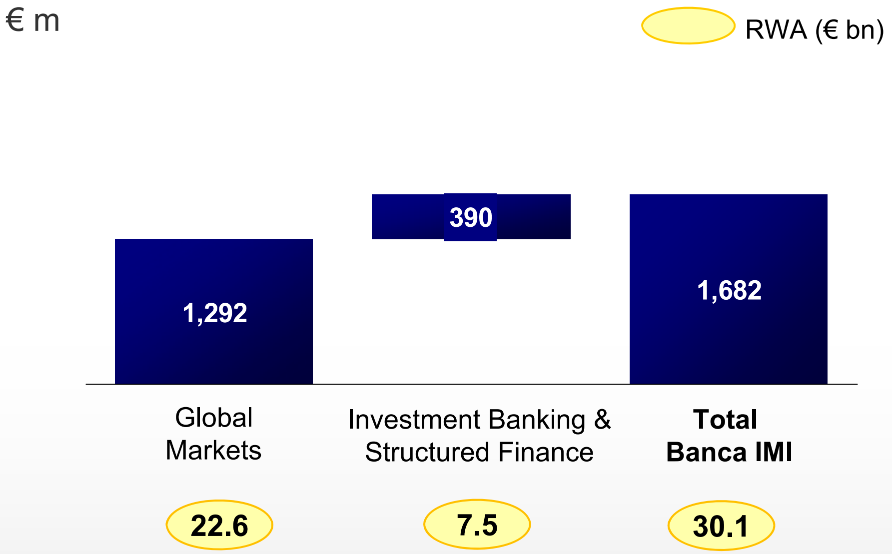
	2017 Pro-forma[1]	2018	Δ%
Net interest income	1,659	1,645	(0.8)
Net fee and commission income	939	898	(4.4)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	813	1,190	46.4
Other operating income (expenses)	17	15	(11.8)
Operating income	**3,428**	**3,748**	**9.3**
Personnel expenses	(418)	(426)	1.9
Other administrative expenses	(615)	(626)	1.8
Adjustments to property, equipment and intangible assets	(9)	(8)	(11.1)
Operating costs	**(1,042)**	**(1,060)**	**1.7**
Operating margin	**2,386**	**2,688**	**12.7**
Net adjustments to loans	(204)	(139)	(31.9)
Net provisions and net impairment losses on other assets	(2)	(7)	250.0
Other income (expenses)	85	1	(98.8)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**2,265**	**2,543**	**12.3**
Taxes on income	(660)	(737)	11.7
Charges (net of tax) for integration and exit incentives	(7)	(8)	14.3
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	**1,598**	**1,798**	**12.5**

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

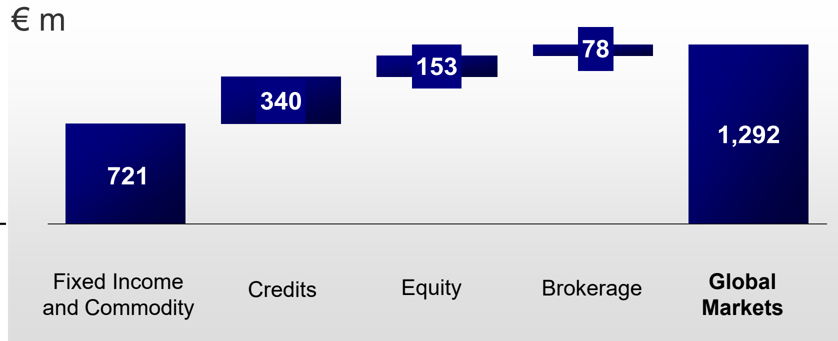
2018 Results

Banca IMI Operating Income[1]

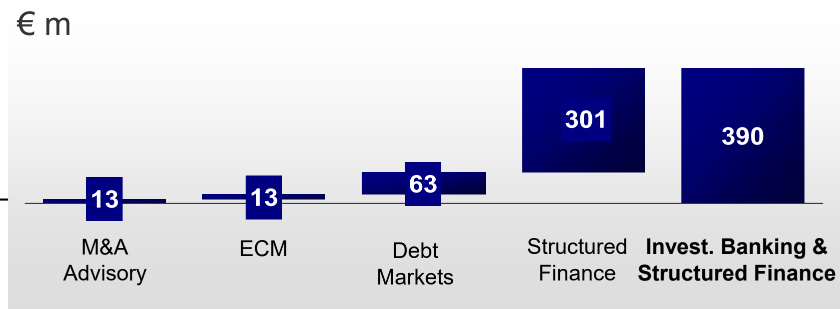


- ~55% of Operating income is customer driven
- 2018 average VaR at €62m
- Cost/Income ratio at 28%
- 2018 Net income at €803m

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: Q4 vs Q3

€ m

	3Q18	4Q18	Δ%
Net interest income	432	397	(8.0)
Net fee and commission income	232	230	(0.9)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	160	180	13.0
Other operating income (expenses)	7	4	(41.6)
Operating income	**830**	**812**	**(2.2)**
Personnel expenses	(97)	(129)	32.9
Other administrative expenses	(151)	(171)	13.7
Adjustments to property, equipment and intangible assets	(1)	(2)	14.6
Operating costs	**(249)**	**(302)**	**21.2**
Operating margin	**582**	**510**	**(12.2)**
Net adjustments to loans	(27)	(97)	251.8
Net provisions and net impairment losses on other assets	(3)	0	n.m.
Other income (expenses)	2	(0)	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**553**	**414**	**(25.2)**
Taxes on income	(172)	(125)	(27.2)
Charges (net of tax) for integration and exit incentives	(2)	(4)	76.7
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	**378**	**284**	**(24.9)**

Note: figures may not add up exactly due to rounding

International Subsidiary Banks: 2018 vs 2017

€ m

	2017 Pro-forma[(1)]	2018	Δ%
Net interest income	1,312	1,324	0.9
Net fee and commission income	493	524	6.3
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	176	171	(2.8)
Other operating income (expenses)	(61)	(77)	26.2
Operating income	**1,920**	**1,942**	**1.1**
Personnel expenses	(516)	(531)	2.9
Other administrative expenses	(359)	(362)	0.8
Adjustments to property, equipment and intangible assets	(81)	(82)	1.2
Operating costs	**(956)**	**(975)**	**2.0**
Operating margin	**964**	**967**	**0.3**
Net adjustments to loans	(152)	(117)	(23.0)
Net provisions and net impairment losses on other assets	(8)	(41)	412.5
Other income (expenses)	214	10	(95.3)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**1,018**	**819**	**(19.5)**
Taxes on income	(163)	(138)	(15.3)
Charges (net of tax) for integration and exit incentives	(28)	(35)	25.0
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	(2)	n.m.
Minority interests	3	4	33.3
Net income	**830**	**648**	**(21.9)**

(1.1)% excluding positive effect of Bank of Qingdao reclassification in 2017

+0.5% excluding positive effect of Bank of Qingdao reclassification in 2017

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: Q4 vs Q3

€ m

	3Q18	4Q18	Δ%
Net interest income	337	346	2.6
Net fee and commission income	131	134	2.4
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	37	31	(15.8)
Other operating income (expenses)	(22)	(19)	12.4
Operating income	**483**	**492**	**1.8**
Personnel expenses	(134)	(137)	2.3
Other administrative expenses	(90)	(95)	6.3
Adjustments to property, equipment and intangible assets	(21)	(20)	(4.3)
Operating costs	**(245)**	**(253)**	**3.2**
Operating margin	**238**	**239**	**0.3**
Net adjustments to loans	(31)	(62)	99.5
Net provisions and net impairment losses on other assets	(8)	(35)	344.0
Other income (expenses)	4	4	20.8
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**203**	**146**	**(28.0)**
Taxes on income	(38)	(3)	(92.3)
Charges (net of tax) for integration and exit incentives	(7)	(20)	184.1
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	(2)	n.m.
Minority interests	1	1	16.6
Net income	**159**	**123**	**(23.0)**

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

Private Banking: 2018 vs 2017

€ m

	2017 Pro-forma[1]	2018	Δ%
Net interest income	172	159	(7.6)
Net fee and commission income	1,714	1,696	(1.1)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	31	14	(54.8)
Other operating income (expenses)	10	9	(10.0)
Operating income	**1,927**	**1,878**	**(2.5)**
Personnel expenses	(336)	(349)	3.9
Other administrative expenses	(235)	(237)	0.9
Adjustments to property, equipment and intangible assets	(15)	(11)	(26.7)
Operating costs	**(586)**	**(597)**	**1.9**
Operating margin	**1,341**	**1,281**	**(4.5)**
Net adjustments to loans	8	5	(37.5)
Net provisions and net impairment losses on other assets	(35)	(13)	(62.9)
Other income (expenses)	8	11	37.5
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**1,322**	**1,284**	**(2.9)**
Taxes on income	(396)	(404)	2.0
Charges (net of tax) for integration and exit incentives	(33)	(30)	(9.1)
Effect of purchase price allocation (net of tax)	(4)	(1)	(75.0)
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	**889**	**849**	**(4.5)**

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: Q4 vs Q3

€ m

	3Q18	4Q18	Δ%
Net interest income	41	40	(1.2)
Net fee and commission income	413	427	3.2
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	5	(6)	n.m.
Other operating income (expenses)	2	4	118.8
Operating income	**461**	**465**	**0.9**
Personnel expenses	(85)	(98)	15.6
Other administrative expenses	(61)	(68)	11.3
Adjustments to property, equipment and intangible assets	(3)	(3)	14.8
Operating costs	**(148)**	**(169)**	**13.8**
Operating margin	**313**	**296**	**(5.3)**
Net adjustments to loans	(2)	7	n.m.
Net provisions and net impairment losses on other assets	0	(2)	n.m.
Other income (expenses)	2	0	(80.0)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**313**	**302**	**(3.6)**
Taxes on income	(96)	(109)	13.5
Charges (net of tax) for integration and exit incentives	(8)	(13)	64.9
Effect of purchase price allocation (net of tax)	0	(1)	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	**209**	**179**	**(14.6)**

Note: figures may not add up exactly due to rounding

Asset Management: 2018 vs 2017

€ m

	2017	2018	Δ%
Net interest income	1	1	0.0
Net fee and commission income	718	701	(2.4)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	3	(10)	n.m.
Other operating income (expenses)	63	25	(60.3)
Operating income	**785**	**717**	**(8.7)**
Personnel expenses	(76)	(70)	(7.9)
Other administrative expenses	(80)	(80)	0.0
Adjustments to property, equipment and intangible assets	(1)	(1)	0.0
Operating costs	**(157)**	**(151)**	**(3.8)**
Operating margin	**628**	**566**	**(9.9)**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	0	2	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**628**	**568**	**(9.6)**
Taxes on income	(116)	(103)	(11.2)
Charges (net of tax) for integration and exit incentives	(1)	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	(18)	(10)	(44.4)
Net income	**493**	**455**	**(7.7)**

Note: figures may not add up exactly due to rounding

Asset Management: Q4 vs Q3

€ m

	3Q18	4Q18	Δ%
Net interest income	0	0	162.8
Net fee and commission income	172	169	(1.4)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	(1)	(3)	(86.7)
Other operating income (expenses)	5	5	2.1
Operating income	**175**	**172**	**(1.9)**
Personnel expenses	(17)	(16)	(8.0)
Other administrative expenses	(19)	(21)	10.0
Adjustments to property, equipment and intangible assets	(0)	(0)	10.7
Operating costs	**(36)**	**(37)**	**1.5**
Operating margin	**138**	**135**	**(2.8)**
Net adjustments to loans	0	(0)	n.m.
Net provisions and net impairment losses on other assets	0	2	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**138**	**136**	**(1.6)**
Taxes on income	(26)	(20)	(20.8)
Charges (net of tax) for integration and exit incentives	(0)	(0)	680.0
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)	(3)	25.2
Net income	**110**	**113**	**2.2**

Note: figures may not add up exactly due to rounding

Insurance: 2018 vs 2017

€ m

	2017	2018	∆%
Net interest income	0	0	n.m.
Net fee and commission income	0	0	n.m.
Income from insurance business	1,077	1,119	3.9
Profits on financial assets and liabilities at fair value	0	0	n.m.
Other operating income (expenses)	(10)	(13)	30.0
Operating income	**1,067**	**1,106**	**3.7**
Personnel expenses	(80)	(84)	5.0
Other administrative expenses	(95)	(98)	3.2
Adjustments to property, equipment and intangible assets	(3)	(5)	66.7
Operating costs	**(178)**	**(187)**	**5.1**
Operating margin	**889**	**919**	**3.4**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(2)	(5)	150.0
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**887**	**914**	**3.0**
Taxes on income	(248)	(245)	(1.2)
Charges (net of tax) for integration and exit incentives	(9)	(5)	(44.4)
Effect of purchase price allocation (net of tax)	(17)	(16)	(5.9)
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	**613**	**648**	**5.7**

Note: figures may not add up exactly due to rounding

Insurance: Q4 vs Q3

€ m

	3Q18	4Q18	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	0	0	n.m.
Income from insurance business	267	226	(15.5)
Profits on financial assets and liabilities at fair value	0	0	n.m.
Other operating income (expenses)	(1)	(5)	(226.3)
Operating income	**266**	**221**	**(16.8)**
Personnel expenses	(18)	(25)	40.2
Other administrative expenses	(27)	(29)	10.1
Adjustments to property, equipment and intangible assets	(2)	(1)	(11.8)
Operating costs	**(46)**	**(56)**	**21.1**
Operating margin	**219**	**165**	**(24.8)**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(1)	(2)	351.3
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**219**	**163**	**(25.7)**
Taxes on income	(62)	(48)	(22.0)
Charges (net of tax) for integration and exit incentives	(1)	(3)	97.2
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	**152**	**108**	**(28.9)**

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	4Q18
Net interest income	1,880	1,891	1,828	1,837	1,855	1,839	1,844	1,738
Net fee and commission income	1,928	1,992	1,984	2,153	2,013	1,991	1,924	1,959
Income from insurance business	283	240	227	183	294	281	271	238
Profits on financial assets and liabilities at fair value	211	349	185	538	622	472	242	273
Other operating income (expenses)	56	47	19	9	28	21	(12)	(18)
Operating income	**4,358**	**4,519**	**4,243**	**4,720**	**4,812**	**4,604**	**4,269**	**4,190**
Personnel expenses	(1,458)	(1,506)	(1,471)	(1,610)	(1,440)	(1,455)	(1,424)	(1,524)
Other administrative expenses	(675)	(729)	(694)	(836)	(660)	(651)	(676)	(797)
Adjustments to property, equipment and intangible assets	(201)	(202)	(206)	(235)	(204)	(200)	(206)	(233)
Operating costs	**(2,334)**	**(2,437)**	**(2,371)**	**(2,681)**	**(2,304)**	**(2,306)**	**(2,306)**	**(2,554)**
Operating margin	**2,024**	**2,082**	**1,872**	**2,039**	**2,508**	**2,298**	**1,963**	**1,636**
Net adjustments to loans	(696)	(738)	(648)	(1,229)	(483)	(694)	(519)	(698)
Net provisions and net impairment losses on other assets	(8)	(61)	(31)	(134)	(51)	(35)	(25)	(76)
Other income (expenses)	196	117[3]	72	861	2	8	2	512
Income (Loss) from discontinued operations	0	0	0	0	1	(1)	0	0
Gross income (loss)	**1,516**	**1,400**[3]	**1,265**	**1,537**	**1,977**	**1,576**	**1,421**	**1,374**
Taxes on income	(432)	(434)	(366)	(249)	(544)	(508)	(433)	(174)
Charges (net of tax) for integration and exit incentives	(12)	(41)	(20)	(227)	(19)	(16)	(31)	(54)
Effect of purchase price allocation (net of tax)	(6)	(5)	(26)	364	(44)	(26)	(38)	(49)
Levies and other charges concerning the banking industry (net of tax)	(296)	(193)	(192)	3	(117)	(83)	(81)	(59)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	0	0	0	0	0
Minority interests	131	110	(11)	0	(1)	(16)	(5)	0
Net income	**901**	**837**[3]	**650**	**1,428**	**1,252**	**927**	**833**	**1,038**

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

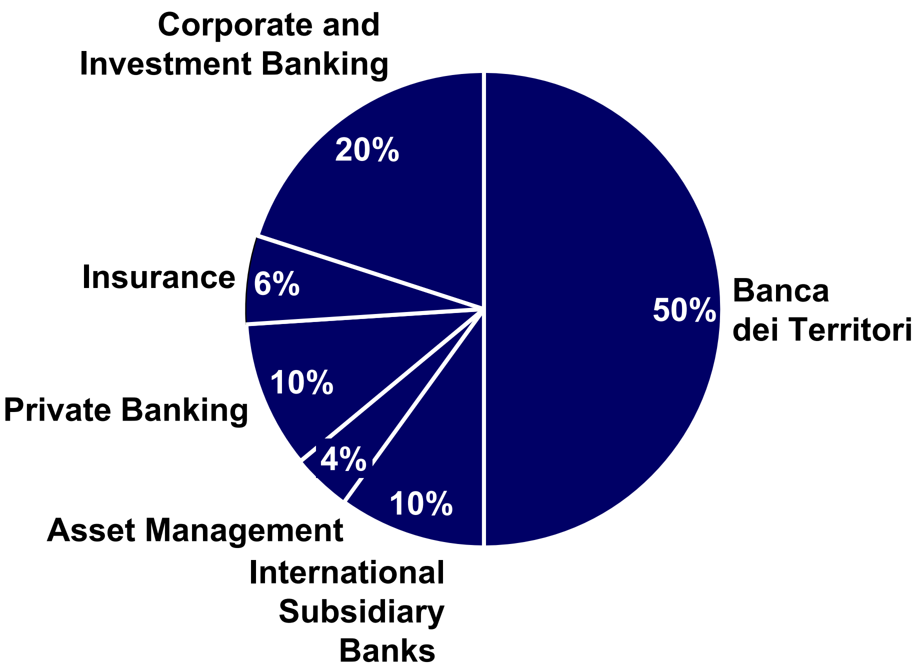
€ m

Net Fee and Commission Income	1Q17(1)	2Q17(1)	3Q17(1)	4Q17(1)	1Q18(2)	2Q18	3Q18	4Q18
Guarantees given / received	56	77	60	59	59	72	75	63
Collection and payment services	97	99	109	113	92	117	108	127
Current accounts	295	303	309	334	319	313	308	320
Credit and debit cards	95	104	102	103	92	109	118	124
Commercial banking activities	**543**	**583**	**581**	**609**	**562**	**611**	**609**	**634**
Dealing and placement of securities	184	190	163	225	208	191	113	94
Currency dealing	10	11	11	11	12	13	12	13
Portfolio management	559	581	573	642	596	569	570	569
Distribution of insurance products	373	366	385	385	378	378	364	342
Other	43	42	45	52	46	38	46	48
Management, dealing and consultancy activities	**1,169**	**1,189**	**1,177**	**1,315**	**1,240**	**1,189**	**1,105**	**1,066**
Other net fee and commission income	216	221	226	229	211	191	210	259
Net fee and commission income	**1,928**	**1,992**	**1,984**	**2,153**	**2,013**	**1,991**	**1,924**	**1,959**

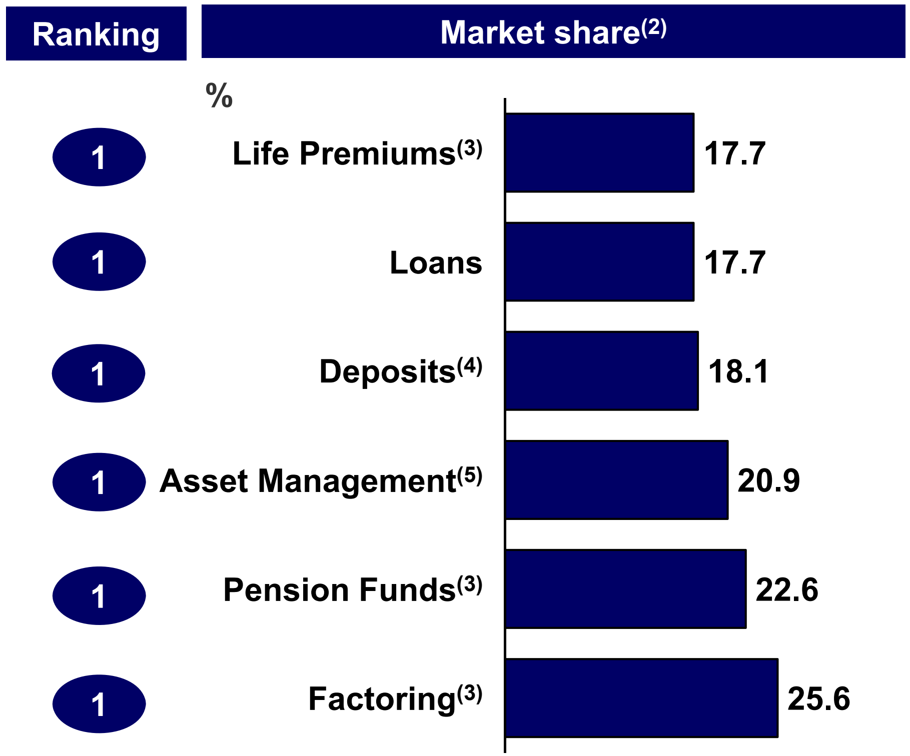
Note: figures may not add up exactly due to rounding
(1) Management data including the contribution of the two former Venetian banks (and their subsidiaries) and the Morval Group consolidation
(2) Data restated to reflect the Morval Group consolidation

Market Leadership in Italy

2018 Operating Income Breakdown by business area(1)



Leader in Italy



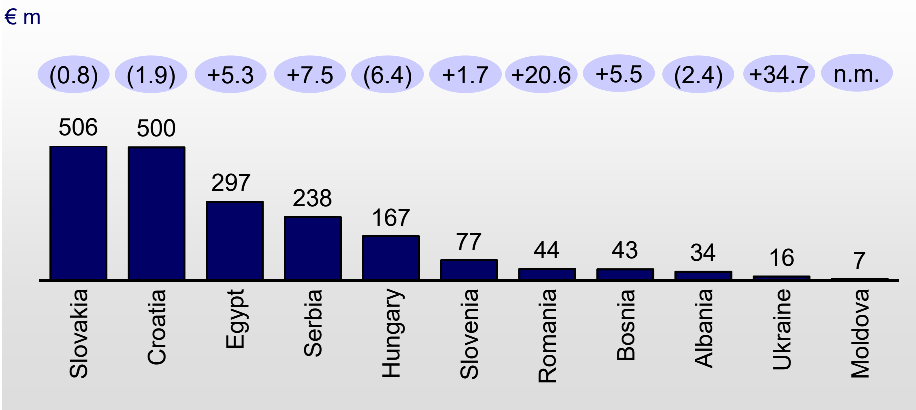
Note: figures may not add up exactly due to rounding
(1) Excluding Corporate Centre
(2) Data as at 31.12.18
(3) Data as at 30.9.18
(4) Including bonds
(5) Mutual funds; data as at 30.9.18

International Subsidiary Banks: Key P&L Data by Country

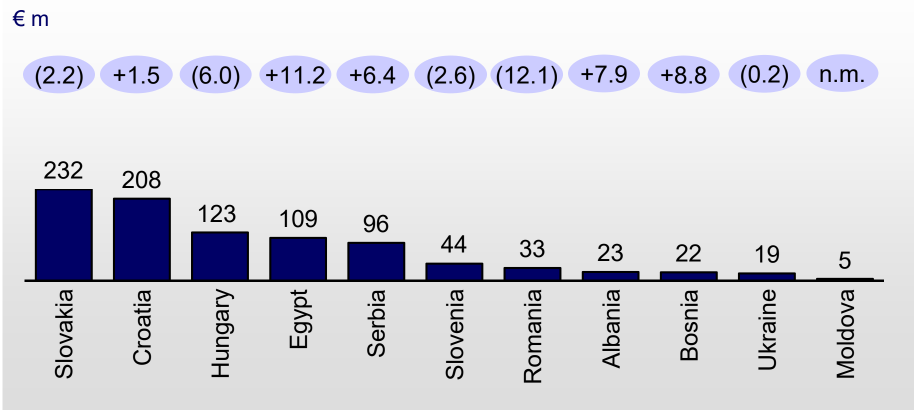
Data as at 31.12.18

(Δ% vs 2017 pro-forma[1])

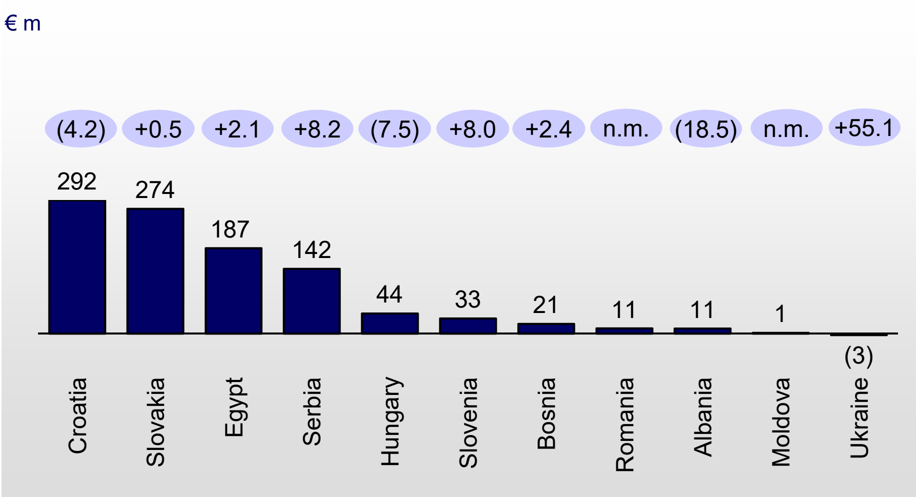
Operating Income



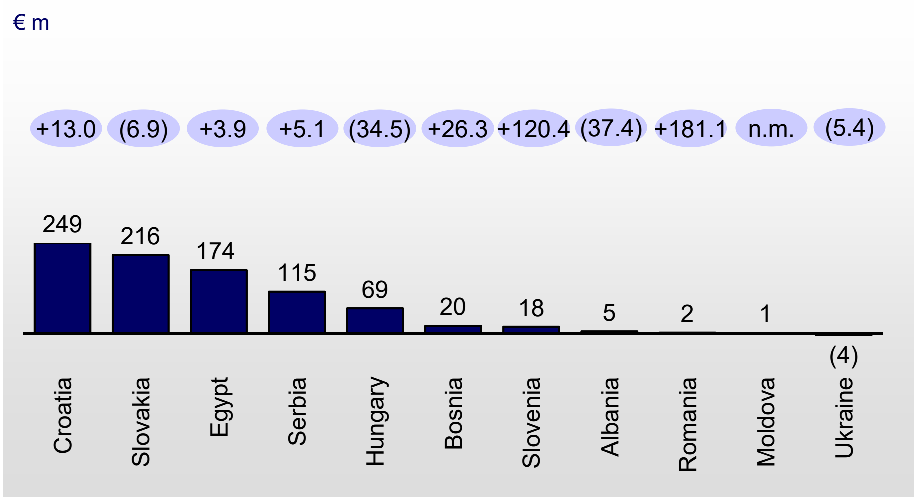
Operating Costs



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 at 31.12.18

	Hungary	Slovakia	Slovenia	Croatia	Bosnia	Serbia	Albania	Romania	Moldova	Ukraine	Total CEE	Egypt	Total
Oper. Income (€ m)	167	506	77	500	43	238	34	44	7	16	1,632	297	1,929
% of Group total	***0.9%***	***2.8%***	***0.4%***	***2.8%***	***0.2%***	***1.3%***	***0.2%***	***0.2%***	***0.0%***	***0.1%***	***9.1%***	***1.7%***	***10.8%***
Net income (€ m)	43	160	11	204	18	101	3	1	1	(4)	540	122	662
% of Group total	***1.1%***	***4.0%***	***0.3%***	***5.0%***	***0.5%***	***2.5%***	***0.1%***	***0.0%***	***0.0%***	***n.m.***	***13.3%***	***3.0%***	***16.3%***
Customer Deposits (€ bn)	4.2	13.7	2.2	8.7	0.7	3.5	1.2	0.9	0.1	0.1	35.3	3.9	39.1
% of Group total	***1.0%***	***3.3%***	***0.5%***	***2.1%***	***0.2%***	***0.9%***	***0.3%***	***0.2%***	***0.0%***	***0.0%***	***8.5%***	***0.9%***	***9.4%***
Customer Loans (€ bn)	2.7	13.6	1.7	6.7	0.7	3.0	0.3	0.8	0.0	0.0	29.7	1.9	31.5
% of Group total	***0.7%***	***3.5%***	***0.4%***	***1.7%***	***0.2%***	***0.8%***	***0.1%***	***0.2%***	***0.0%***	***0.0%***	***7.5%***	***0.5%***	***8.0%***
Total Assets (€ bn)	5.9	16.7	2.6	11.5	1.1	5.0	1.4	1.2	0.2	0.1	45.6	4.7	50.3
% of Group total	***0.8%***	***2.1%***	***0.3%***	***1.5%***	***0.1%***	***0.6%***	***0.2%***	***0.2%***	***0.0%***	***0.0%***	***5.8%***	***0.6%***	***6.4%***
Book value (€ m)	727	1,536	281	1,699	138	905	166	176	35	61	5,724	426	6,150
- goodwill/intangibles	*35*	*93*	*4*	*23*	*1*	*32*	*4*	*3*	*1*	*3*	*199*	*9*	*208*

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

International Subsidiary Banks by Country: Loans Breakdown and Coverage

Data as at 31.12.18

	Hungary	Slovakia	Slovenia	Croatia	Bosnia	Serbia	Albania	Romania	Moldova	Ukraine	Total CEE	Egypt	Total
Performing loans (€ bn)	2.6	13.4	1.7	6.4	0.7	2.9	0.3	0.8	0.0	0.0	**29.1**	1.8	**30.9**
of which:													
Retail local currency	39%	58%	44%	37%	30%	23%	20%	15%	44%	12%	**45%**	51%	**45%**
Retail foreign currency	0%	0%	0%	19%	17%	27%	14%	23%	0%	4%	**8%**	0%	**8%**
Corporate local currency	23%	37%	56%	15%	10%	6%	14%	32%	31%	58%	**28%**	28%	**28%**
Corporate foreign currency	37%	4%	1%	29%	43%	44%	52%	30%	25%	26%	**19%**	21%	**19%**
Bad loans[(1)] (€ m)	15	110	6	55	4	36	6	10	0	0	**242**	0	**242**
Unlikely to pay[(2)] (€ m)	63	59	24	184	3	34	6	8	0	0	**381**	46	**427**
Performing loans coverage	1.5%	0.9%	1.1%	2.0%	2.2%	1.3%	5.4%	2.1%	12.5%	0.0%	**1.4%**	2.2%	**1.4%**
Bad loans[(1)] coverage	77%	68%	89%	75%	83%	67%	57%	71%	n.m.	n.m.	**72%**	100%	**73%**
Unlikely to pay[(2)] coverage	43%	48%	52%	39%	57%	50%	40%	50%	100%	100%	**44%**	45%	**44%**
Cost of credit[(3)] (bps)	n.m.	37	72	60	22	91	46	113	n.m.	126	**38**	20	**37**

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 at 31.12.18: from Phased-in to Pro-forma Fully Loaded

	~€ bn	~bps
Transitional adjustments		
Valuation reserves (IAS 19)	(0.1)	(2)
DTA on losses carried forward(1)	1.7	59
IFRS9 transitional adjustment	(2.8)	(101)
Total	**(1.2)**	**(44)**
Deductions exceeding cap(*)		
Total	**0.5**	**20**
(*) as a memo, constituents of deductions subject to cap:		
- Other DTA(2)	1.5	
- Investments in banking and financial companies	0.8	
- Investments in insurance companies	4.5	
RWA from 100% weighted DTA(3)	**(8.3)**	**39**
Total estimated impact		**15**
Pro-forma fully loaded Common Equity ratio		**13.6%**

Note: figures may not add up exactly due to rounding

(1) Considering the expected absorption of DTA on losses carried forward (€1.5bn as at 31.12.18)

(2) Other DTA: mostly related to provisions for risks and charges, considering the total absorption of €1.2bn DTA related to IFSR9 FTA and €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 (€4.8bn as at 31.12.18) and adjustments to loans (€3.5bn as at 31.12.18)

Total Exposure(1) by Main Countries

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business(2)	Total	
	AC	FVTOCI	FVTPL	Total			
EU Countries	**13,239**	**44,033**	**5,283**	**62,555**	**57,132**	**119,687**	**390,450**
Austria	45	23	115	183	4	187	665
Belgium	874	577	137	1,588	199	1,787	784
Bulgaria					72	72	29
Croatia	72	1,046	113	1,231	103	1,334	6,840
Cyprus							279
Czech Republic	19			19		19	747
Denmark		10	11	21	27	48	74
Estonia							1
Finland		67	69	136	31	167	290
France	327	3,865	642	4,834	1,605	6,439	5,358
Germany	72	1,612	401	2,085	1,305	3,390	4,737
Greece	12		72	84		84	795
Hungary	170	1,035	86	1,291	32	1,323	2,557
Ireland	40	576	163	779	164	943	406
Italy	10,853	21,770	2,645	35,268	48,558	83,826	321,729
Latvia		9		9		9	40
Lithuania		5	5	10		10	10
Luxembourg	191	204	150	545	23	568	3,648
Malta							529
The Netherlands	63	692	496	1,251	854	2,105	2,410
Poland	18	60	-10	68	41	109	1,088
Portugal	6		50	56	8	64	187
Romania		251	1	252	197	449	1,030
Slovakia		517		517		517	11,727
Slovenia	1	179		180	7	187	1,630
Spain	291	11,154	-11	11,434	2,437	13,871	3,307
Sweden		83	132	215	2	217	104
United Kingdom	185	298	16	499	1,463	1,962	19,449
North African Countries		**1,050**		**1,050**	**14**	**1,064**	**2,159**
Algeria							9
Egypt		1,050		1,050	14	1,064	2,136
Libya							
Morocco							8
Tunisia							6
Japan		**53**	**883**	**936**	**82**	**1,018**	**870**

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 at 31.12.18
(2) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

INTESA SANPAOLO

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	**9,582**	**40,039**	**2,418**	**52,039**	**48,568**	**100,607**	**-426**	**13,130**
Austria			115	115	2	117		
Belgium		502	51	553	4	557	-4	
Bulgaria					61	61		
Croatia		1,046	113	1,159	93	1,252		1,073
Cyprus								
Czech Republic								
Denmark								
Estonia								
Finland		36	65	101	7	108		
France	302	3,215	365	3,882	157	4,039	-8	5
Germany		1,250	347	1,597	501	2,098	-3	
Greece			72	72		72		
Hungary		1,027	86	1,113	32	1,145		33
Ireland		204	2	206	113	319	-2	
Italy	8,993	20,301	896	30,190	45,723	75,913	-331	11,554
Latvia		9		9		9		40
Lithuania		5	5	10		10		
Luxembourg		25		25		25		
Malta								
The Netherlands		374	287	661	90	751		
Poland	18	40	-10	48	30	78	-1	
Portugal			-5	-5		-5		
Romania		251	1	252	197	449	-10	9
Slovakia		478		478		478	4	139
Slovenia		179		179	7	186	2	216
Spain	269	11,010	-66	11,213	1,449	12,662	-73	61
Sweden			129	129		129		
United Kingdom		87	-35	52	102	154		
North African Countries		**1,050**		**1,050**	**14**	**1,064**		
Algeria								
Egypt		1,050		1,050	14	1,064		
Libya								
Morocco								
Tunisia								
Japan			**838**	**838**		**838**		

Banking Business Government bond duration: 4.4 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 at 31.12.18
(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	**448**	**2,202**	**922**	**3,572**	**3,266**	**6,838**	**27,024**
Austria	35	1		36		36	204
Belgium		49	84	133	50	183	482
Bulgaria							
Croatia	57			57		57	115
Cyprus							
Czech Republic							
Denmark			7	7	2	9	65
Estonia							
Finland		21	4	25		25	66
France	5	426	236	667	630	1,297	3,339
Germany		260	50	310	149	459	1,532
Greece							782
Hungary	144	8		152		152	57
Ireland		75	2	77		77	42
Italy	125	763	359	1,247	1,361	2,608	9,772
Latvia							
Lithuania							
Luxembourg	60	145	134	339		339	1,169
Malta							492
The Netherlands	22	200	16	238	271	509	250
Poland		20		20		20	151
Portugal							1
Romania							23
Slovakia		39		39		39	
Slovenia							4
Spain		71	4	75	273	348	244
Sweden		31	3	34		34	6
United Kingdom		93	23	116	530	646	8,228
North African Countries							**157**
Algeria							1
Egypt							147
Libya							
Morocco							7
Tunisia							2
Japan		**10**		**10**	**54**	**64**	**44**

Note: figures may not add up exactly due to rounding
(1) Book Value of Debt Securities and Net Loans as at 31.12.18
(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	**3,209**	**1,792**	**1,943**	**6,944**	**5,298**	**12,242**	**350,296**
Austria	10	22		32	2	34	461
Belgium	874	26	2	902	145	1,047	302
Bulgaria					11	11	29
Croatia	15			15	10	25	5,652
Cyprus							279
Czech Republic	19			19		19	747
Denmark		10	4	14	25	39	9
Estonia							1
Finland		10		10	24	34	224
France	20	224	41	285	818	1,103	2,014
Germany	72	102	4	178	655	833	3,205
Greece	12			12		12	13
Hungary	26			26		26	2,467
Ireland	40	297	159	496	51	547	364
Italy	1,735	706	1,390	3,831	1,474	5,305	300,403
Latvia							
Lithuania							10
Luxembourg	131	34	16	181	23	204	2,479
Malta							37
The Netherlands	41	118	193	352	493	845	2,160
Poland					11	11	937
Portugal	6		55	61	8	69	186
Romania							998
Slovakia							11,588
Slovenia	1			1		1	1,410
Spain	22	73	51	146	715	861	3,002
Sweden		52		52	2	54	98
United Kingdom	185	118	28	331	831	1,162	11,221
North African Countries							**2,002**
Algeria							8
Egypt							1,989
Libya							
Morocco							1
Tunisia							4
Japan		**43**	**45**	**88**	**28**	**116**	**826**

Note: figures may not add up exactly due to rounding
(1) Book Value of Debt Securities and Net Loans as at 31.12.18
(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".

* * *

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.