PRESS RELEASE

INTESA SANPAOLO: RESULTS AS AT 30TH JUNE 2007

- **Consolidated net income for the first half of 2007 at over 5.3 billion euro with capital gains made on the sale of Cariparma and FriulAdria (2006 first half: 2.6 billion).**
- **Adjusted consolidated net income for the first half of 2007 at 2,630 million euro, +6.6% (2006 first half: 2,468 million).**
- **Operating margin at 4,939 million euro, +18% (2006 first half: 4,187 million), +15.3% adjusted.**
- **Income before tax from continuing operations at 4,122 million euro, +15.4% (2006 first half: 3,572 million), +12.2% adjusted.**
- **Operating income at 9,378 million euro, +5.7% (2006 first half: 8,871 million), +7.3% adjusted.**
- **Operating costs at 4,439 million euro, -5.2% (2006 first half: 4,684 million), +0.2% adjusted.**
- **Capital ratios as at 30th June 2007: Tier 1 ratio at 7.9%.**

Torino, Milano, 11th September 2007 – Today, Intesa Sanpaolo's Management Board, chaired by Enrico Salza, met and approved the consolidated half-yearly report as at 30th June 2007 (*).

(*) For consistency purposes, the income statement data for the four quarters of 2006 were restated following the change in the full consolidation area with respect to four groups of transactions:

1. the sale of Cariparma and FriulAdria to Crédit Agricole. These companies exited the full consolidation area in the first quarter of 2007; their contribution to net income for the first two months of 2007 was registered in discontinued operations as well as the capital gain made on their sale in March 2007. For 2006, the relevant components were deconsolidated line by line and their contribution to net income recorded in discontinued operations;
2. the sale of 202 branches to Crédit Agricole. Their contribution to net income - for both the first quarter of 2007 as regards the 29 branches conferred to FriulAdria last April and the first half of 2007 as regards the 173 branches conferred to Cariparma last July - was registered in discontinued operations. This caption also included the capital gain made in the second quarter on the sale of the 29 branches to FriulAdria. For 2006, the relevant components were deconsolidated line by line and their contribution to net income transferred to discontinued operations;
3. the ongoing sale of Biverbanca to Montepaschi. Biverbanca's contribution to net income for the first half of 2007 was registered in discontinued operations. For 2006, the relevant components were deconsolidated line by line and their contribution to net income transferred to discontinued operations;
4. acquisition of Bank of Alexandria, Cassa dei Risparmi di Forlì and Panonska Banka. These banks were included in the full consolidation area in the 2007 first quarter income statement. In 2006, the relevant components were consolidated line by line as well as Banca Italo Albanese acquired in the second quarter of 2006.

Furthermore, the components relating to tax collection companies, recorded under income from discontinued operations for the second and third quarter of 2006 and not included in the full consolidation area for the fourth quarter of 2006, were deconsolidated line by line for the first quarter of 2006 and their contribution to net income recorded in discontinued operations.

Still for consistency purposes, the balance sheet data for the four quarters of 2006 were restated deconsolidating line by line the components relating to Cariparma, FriulAdria and the 202 branches included in the sale to Crédit Agricole and recording their contribution in assets/liabilities related to discontinued operations. Similarly, the figure for the first quarter 2006 was restated also for the component relating to tax collection companies. Moreover, the balance sheet data for the four quarters of 2006 and the first quarter of 2007 were restated deconsolidating line by line the components relating to Biverbanca and recording their contribution in assets/liabilities related to discontinued operations while consolidating line by line those relating to American Bank of Albania.

The results for the first half of 2007 highlighted a positive performance and were in line with the 2007-2009 Business Plan targets, which is particularly important in the crucial starting phase of the integration process. The **customer acquisition trend** is likewise important: around 110,000 new customers on a net basis were acquired in Italy in the six months since the merger went into effect.

Intesa Sanpaolo's **consolidated net income** for the first half of 2007 amounted to 5,359 million euro from 2,616 million of the first half of 2006. Excluding the main non-recurring items from the results of both the first half of 2007 and the corresponding period of 2006, adjusted net income rose by 6.6% from 2,468 million euro to 2,630 million. Net income for the first half of 2007 was adjusted excluding a capital loss of 29 million on the sale of one third of the stake held in Santander from profits on trading, recoveries on Employee Termination Indemnities (TFR) of 255 million in personnel expenses, a capital gain of 3,025 million made on the sales of Cariparma, FriulAdria and 29 branches to Crédit Agricole and integration charges relating to the merger of 123 million as well as related taxes of 199 million and effect of purchase cost allocation (net of tax) of 200 million. Net income for the first half of 2006 was adjusted excluding 100 million from profits on trading related to the positions in Fiat and Parmalat as well as 37 million of related taxes and 85 million from tax collection companies registered under income after tax from discontinued operations.

Statement of income for the first half of 2007

The consolidated statement of income for the first half of 2007 registered **operating income** of 9,378 million euro, +5.7% from 8,871 million in the first half of 2006; the rise was 7.3% taking into account adjusted profits on trading which excluded the capital loss of 29 million on the sale of one third of the stake held in Santander from the 2007 result and positive effect of 100 million from the positions in Fiat and Parmalat from the 2006 result.

As part of it, in the first half of 2007, **net interest income** rose to 4,896 million, +11.8% compared to the 4,378 million for the corresponding period of 2006.

Net fee and commission income equalled 3,219 million euro, -2.6% with respect to the 3,306 million in the first half of 2006, due to the **commercial policy geared to value creation for customers made possible by the merger** that has led to:

- a general alignment of pricing to the best terms previously applied by Banca Intesa and Sanpaolo IMI;
- the annulment of commissions on ATM/cash dispenser transactions made by customers of one of the two merged banks in the network of the other bank;
- the extension to the entire Intesa Sanpaolo network of current accounts such as Zerotondo, with a series of standardised services and management fees which are lower than traditional current accounts;
- a lower recourse to placement of products with high up-front commissions.

The aforementioned actions led, in particular, to a decrease in commissions on dealing and placement of securities and portfolio management (-12.1%) and current accounts (-11%) while a growth was registered in commissions on guarantees given (+6.4%) and distribution of insurance products (+6.1%).

Profits on trading equalled 770 million euro (799 million being the adjusted figure which did not include the effect of the partial sale of the stake held in Santander) compared to the 818 million in the first half of 2006 (718 million being the adjusted figure which did not include the effect of the positions in Fiat and Parmalat).

Income from insurance business, which contains items referring to life and property-casualty business in which the subholding Eurizon operates, totalled 263 million euro from 194 million in the first half of 2006.

Operating costs - which reflected only to a marginal extent the positive effects of both the merger and the Business Plan **-** registered 4,439 million euro, -5.2% from 4,684 million in the first half of 2006, due to reduced personnel expenses (-7.4%) after recording recoveries on Employee Termination Indemnities (TFR) of 255 million in consequence of the new TFR legislation which came into force this year. Considering the adjusted figure for 2007 which did not include these recoveries, overall operating costs were basically in line with the first half of 2006 (+0.2%) with personnel expenses up by 1.8% due to provisions for the assumptions regarding the renewal of the national collective labour contract. Administrative expenses were down 1.6% and adjustments down 3.7%.

Consequently, **operating margin** totalled 4,939 million euro, +18% compared to the 4,187 million in the first half of 2006, with an improvement in the **cost/income ratio** from 52.8% to 47.3%. A 15.3% rise resulted when adjusting the operating margin excluding both the impact of the partial sale of Santander and recoveries on Employee Termination Indemnities from the 2007 result and the effect of the positions in Fiat and Parmalat from the 2006 result, with an improvement in the cost/income ratio from 53.4% to 49.9%.

Net provisions and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) equalled 860 million euro, compared to the 685 million euro in the corresponding period of 2006. The figure for the first half of the current year included adjustments of 138 million euro to performing loans mostly due to non-recurring provisions set aside on the redefinition of terms of certain mortgage contracts to customers' advantage. The caption profits/losses on investments held to maturity and on other investments registered a positive balance of 43 million euro, compared to the 70 million in the first half of 2006.

Income before tax from continuing operations registered 4,122 million euro, +15.4% compared to the 3,572 million in the first half of 2006 (+12.2% adjusting the 2007 result excluding Santander and Employee Termination Indemnities and the 2006 result excluding Fiat and Parmalat).

Consolidated net income amounted to 5,359 million euro - compared to the 2,616 million for the first half of 2006 - net of income taxes of 1,425 million, integration charges (net of tax) of 80 million, the effect of purchase cost allocation (net of tax) of 200 million, income after tax from discontinued operations of 3,006 million (which included a net capital gain of 2,867 million on the sales of Cariparma, FriulAdria and 29 branches to Crédit Agricole) and minority interests of 64 million. The Parent Company's net income totalled 4,986 million euro (including a net capital gain of 3,469 million made on the aforementioned sales to Crédit Agricole) compared to the 3,440 million for the first half of 2006 (which comprised 704 million of extraordinary dividends distributed by Intesa Holding Asset Management related to the sale of 65% of Nextra to Crédit Agricole and 339 million before tax of one-off profits related to the Fiat and Parmalat positions and the infra-group sale of the Santander shareholding).

Adjusted consolidated net income amounted to 2,630 million euro in the first half of 2007 compared to the 2,468 million in the first half of 2006 (+6.6%) excluding the effects of Santander and Employee Termination Indemnities, integration charges, the effect of purchase cost allocation, the capital gain made on the sales to Crédit Agricole and related taxes from the 2007 first-half result; the effect of Fiat and Parmalat and related taxes as well as discontinued tax collection companies (net of tax) from the 2006 first-half result.

Statement of income for the second quarter of 2007

The consolidated statement of income for the second quarter of 2007 registered **operating income** of 4,723 million euro, +6.6% with respect to the second quarter of 2006 and +1.5% to the first quarter of 2007. The rise was 7.1% and 2.1% respectively taking into account adjusted profits on trading which excluded the negative effect of both the partial sale of the Santander stake (-29 million) from the second quarter of the current year and the positions in Fiat and Parmalat (-10 million) from the second quarter of 2006.

As part of it, in the second quarter of 2007, **net interest income** rose to 2,482 million, +10.7% compared to the corresponding period of 2006 and +2.8% to the first quarter of 2007.

Net fee and commission income equalled 1,603 million euro, -2.4% with respect to the second quarter of 2006 and -0.8% to the first quarter of 2007. In comparison with the same period of the previous year, a decrease was registered, in particular, in commissions on current accounts (-15.6%), dealing and placement of securities and portfolio management (-12.9%) while a growth was registered in commissions on distribution of insurance products (+6.1%) and guarantees given (+3.6%). In comparison with the first quarter of 2007, a decrease was registered in particular in commissions on dealing and placement of securities and portfolio management (-8.3%) and in current accounts (-7.1%) while commissions on collection and payment services and credit and debit cards rose (+1.5%).

Profits on trading equalled 332 million euro (361 million being the adjusted figure which did not include the effect of the partial sale of the stake held in Santander) compared to the 326 million in the second quarter of 2006 (336 million being the adjusted figure which did not include the effect of the positions in Fiat and Parmalat) and to the 438 million of the first quarter of 2007.

Income from insurance business totalled 162 million euro from 99 million in the second quarter of 2006 and 101 million in the first quarter of 2007.

Operating costs totalled 2,109 million euro, -11.3% compared to the second quarter of 2006 and -9.5% to the first quarter of 2007 due to personnel expenses (-17.7% and -19.4% respectively) which in the second quarter of 2007 benefited from the registration of the 255 million recoveries on Employee Termination Indemnities. Considering the adjusted figure excluding these recoveries, overall operating costs were down by 0.6% compared to the second quarter of 2006 and up by 1.5% to the first quarter of 2007 with personnel expenses up 0.6% and down 1.4% respectively. Decreases were registered in administrative expenses (-1.3%) and adjustments (-6%) with respect to the corresponding period of 2006 while both items grew, respectively by 5.7% and by 6.8%, over the first quarter 2007 also due to the seasonality effect.

Consequently, **operating margin** totalled 2,614 million euro, +27.5% compared to the second quarter of 2006 and +12.4% to the first quarter of 2007. The rise was 15.9% and 2.7% respectively considering the operating margin adjusted excluding the effect of the partial sale of Santander and recoveries on Employee Termination Indemnities from the second quarter of 2007 and the effect of the Fiat and Parmalat positions from the second quarter of 2006.

Net provisions and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) equalled 444 million euro, compared to the 324 million euro in the corresponding period of 2006 and the 416 million in the first quarter of 2007. The caption profits/losses on investments held to maturity and on other investments registered a positive balance of 8 million euro, compared to the 66 million in the second quarter of 2006 and the 35 million in the first quarter of 2007.

Income before tax from continuing operations registered 2,178 million euro, +21.5% compared to the second quarter of 2006 and +12% to the first quarter of 2007; the growth was 8.3% and 0.4% respectively adjusting the second quarter 2007 excluding Santander and Employee Termination Indemnities and the second quarter of 2006 excluding Fiat and Parmalat.

Consolidated net income amounted to 1,357 million euro - compared to the 1,346 million for the second quarter of 2006 and the 4,002 million for the first quarter of 2007 - net of income taxes of 735 million, integration charges (net of tax) of 66 million, the effect of purchase cost allocation (net of tax) of 100 million, income after tax from discontinued operations of 111 million (which included a net capital gain of 64 million on the sale of 29 branches to Crédit Agricole) and minority interests of 31 million.

Adjusted consolidated net income amounted to 1,317 million euro in the second quarter of 2007 compared to the 1,291 million in the second quarter of 2006 (+2%) and the 1,313 in the first quarter of 2007 excluding the effects of Santander and Employee Termination Indemnities from the 2007 second quarter; integration charges, the effect of purchase cost allocation, the capital gain on the sales to Crédit Agricole and related taxes from the 2007 first and second quarters; the effect of Fiat and Parmalat and related taxes as well as discontinued tax collection companies (net of tax) from the 2006 second quarter.

Balance sheet as at 30th June 2007

As regards the consolidated balance sheet figures, as at 30th June 2007 **loans to customers** reached 333 billion euro, rising 2.4% above the figure as at 31st December 2006 and 9.1% with respect to the end of June 2006. Total **non-performing loans** (doubtful, substandard/restructured and past due by over 180 days) - net of adjustments - amounted to 7,568 million euro, -1.9% with respect to the 7,713 million as at 31st December 2006. In detail, doubtful loans increased from 2,682 to 2,810 million euro, with an incidence of 0.8% on total loans (unchanged with respect to year-end 2006) and coverage of 72% (the same as at year-end 2006), substandard/restructured loans decreased from 3,887 to 3,845 million euro and loans past due by over 180 days decreased from 1,144 to 913 million euro.

Customer financial assets totalled 995 billion euro (after netting referred to components included in both direct customer deposits and indirect customer deposits), +4.1% compared to 31st December 2006 and +8.2% to 30th June 2006. As part of it, direct customer deposits amounted to 374 billion, +2.2% compared to 31st December 2006 and +7.5% to 30th June 2006, and indirect customer deposits reached 648 billion euro, +5.4% with respect to year-end 2006 and +8.7% to 30th June 2006. **Assets under management** reached 218 billion, down 1.2% with respect to year-end 2006 and up 1.2% with respect to 30th June 2006 and showed a rise in the placement of bancassurance products and open-ended pension funds which only partially offset the decrease in mutual funds and portfolio management compared to year-end 2006 while more than offsetting this decrease compared to 30th June 2006. Assets under management do not comprise mutual funds of the former Gruppo Intesa which were included in assets under administration and in custody following the sale to Crédit Agricole in December 2005 of Nextra, the company which is expected to re-enter the Intesa Sanpaolo Group within the current year. As for bancassurance, in the first half of 2007, the new life policies amounted to 3.9 billion euro for Eurizon and 2.1 billion for Intesa Vita.

Capital ratios as at 30th June 2007 were calculated:

i. assuming - for the half-yearly quota - a distribution in 2008 of 0.38 euro per ordinary share and 0.391 euro per saving share - the same amount as distributed in 2007,
ii. deducting for an equal amount - in accordance with recent Supervisory authority provisions - from Tier 1 and Tier 2 capital the items which were previously to be deducted from total capital (in particular, the 50/50 deduction concerns investments in banks and financial companies while it does not regard insurance companies since Intesa Sanpaolo's stakes in the latter remain among the items to be deducted from the sum of Tier 1 and Tier 2 capital),

and resulted in: Core Tier 1 ratio at 7.2%, Tier 1 ratio at 7.9% and total capital ratio at 10.6%. Capital ratios as at 31st December 2006 - referred to the Intesa Group on a stand alone basis and calculated including the distribution in 2007 of 0.38 euro per ordinary share and 0.391 per saving share - were equal to Core Tier 1 ratio at 5.5%, Tier 1 ratio at 6.3% and total capital ratio at 9.5%.

* * *

As at 30th June 2007, the Intesa Sanpaolo Group's **operating structure** had a total network of 7,536 branches - of which 6,282 in Italy and 1,254 abroad - with 97,728 staff, 1,552 lower compared to 31st December 2006.

* * *

Breakdown of results by business area

The **Banca dei Territori** Division comprises:

- the Retail Area, which serves households (individual customers with financial assets up to 75,000 euro), personal (individual customers with financial assets up to one million euro), small businesses (enterprises with a turnover under 2.5 million euro and with loan facilities of less than one million euro) and Non-Profit Entities;
- the SME Area, in charge of managing SMEs with a turnover between 2.5 and 150 million euro;
- the Private Banking Department, which serves individual customers with financial assets of over one million euro.

Operations summarised above are performed through the Parent Company Intesa Sanpaolo and the network banks integrated in the IT system (Sanpaolo Banco di Napoli, Cassa di Risparmio di Padova e Rovigo, Cassa di Risparmio in Bologna, Cassa di Risparmio di Venezia, Friulcassa and Sanpaolo Banca dell'Adriatico).
This Division also includes:

- regional banks for which the IT integration process was not yet started/completed over the first six months of 2007 (Intesa Casse del Centro, Banca di Trento e Bolzano, Cassa dei Risparmi di Forlì e della Romagna);
- product companies specialised in industrial credit (Banca Intesa Mediocredito and Banca CIS), leasing (Intesa Leasing and Sanpaolo Leasint) and consumer credit (Neos Banca and Agos Itafinco).

This Division also includes the insurance companies Intesa Vita and Intesa Previdenza, Sanpaolo Bank (Luxembourg) which operates in international private banking, fiduciary service companies SIREFID and Sanpaolo Fiduciaria, Setefi, the company specialised in management of electronic payment systems, and Si Holding (where the Group has a 37% interest, which wholly owns CartaSi, the inter-bank company leader in the Italian credit card market).

In the first half of 2007, the Banca dei Territori Division registered a 6.1% increase in operating income to 5,803 million euro from 5,471 million in first half 2006, accounting for 62% of consolidated operating income (unchanged compared to first half 2006). Operating costs registered a 0.5% reduction - from 3,067 to 3,053 million euro - and led to a 14.4% increase in operating margin which rose from 2,404 million euro to 2,750 million and a cost/income ratio down from 56.1% to 52.6%. Net provisions and adjustments were basically unchanged, from 521 million euro to 524 million. After profits on investments held to maturity and on other investments of one million euro, income before tax from continuing operations amounted to 2,227 million euro with a 18.2% increase with respect to the 1,884 million in first half 2006.

The **Corporate & Investment Banking** Division includes:
- the Corporate Relations Department, which manages the relations with Large and Mid Corporates (the latter with a turnover exceeding 150 million euro) in Italy, and develops activities in support of international trade;
- the International Network Department, which comprises foreign branches, representative offices and international subsidiaries specialised in corporate banking (Société Européenne de Banque, Intesa Bank Ireland, Banca Intesa France, ZAO Banca Intesa, Sanpaolo IMI Bank Ireland). This Department has the mission of developing and managing the foreign corporate segment as well as providing specialised assistance and support to Italian corporate internationalisation and export;
- the Financial Institutions Department, which is responsible for relations with Italian and foreign financial institutions, management of transactional services related to payment systems, custody and settlement of securities as custodian and correspondent bank;
- the Investment Banking Department, which creates structured finance products and provides M&A consultancy services to the Group's clients;
- the Merchant Banking Department, which operates in the private equity area also through the companies Private Equity International (PEI) and IMI Investimenti;
- the Capital Markets Department, which operates through Banca Caboto and Banca IMI in the capital markets activities for the Group's clients and institutional operators in market making activities;
- the Finance Operations Department, which supplies specific functions of post trading and IT in the finance area.

This Division also comprises the activities of Intesa Mediofactoring.

In the first half of 2007, operating income of the Corporate & Investment Banking Division equalled 1,355 million euro - down 3.9% compared to the 1,410 million of first half 2006 but up 3.4% when adjusting the 2006 figure due to the Fiat and Parmalat effect - accounting for 14% of consolidated operating income (the contribution had been 16% in the corresponding period of 2006, 15% adjusted). With operating costs down 2.1% to 424 million euro from 433 million in first half 2006, operating margin amounted to 931 million euro decreasing 4.7% with respect to the 977 million in first half 2006 though increasing 6.2% compared to the adjusted figure of the same period; the cost/income ratio was at 31.3% slightly increasing from 30.7% in first half 2006 but down from the 33.1% of first half 2006 adjusted. Net provisions and adjustments rose from 80 to 102 million euro. Income before tax from continuing operations totalled 829 million euro, down 10.3% compared to the 924 million of first half 2006 and up 0.6% compared to the first half 2006 adjusted.

The **Public Finance** business unit is responsible for customers in Government, public entities, local authorities, public utilities, general contractors, public and private healthcare structures, developing activities related to lending and day-to-day banking operations, project financing, securitisations, financial advisory, with the aim of favouring the cooperation between public and private entities and supporting initiatives and investment projects in big infrastructures, healthcare, research and public utilities in general. This business unit is composed of Banca Intesa Infrastrutture e Sviluppo (BIIS) and Banca OPI which have been operating as a single unit since the first months of 2007. Their forthcoming integration, expected by the end of the current year, will lead to the setting up of the major Italian bank in Public Finance and one of the leaders in Europe.

In the first half of 2007, operating income of the Public Finance business unit amounted to 149 million euro, down 2.6% compared to the 153 million of first half 2006, representing 2% of consolidated operating income (the same as in first half 2006) while up 8.1% excluding non-recurring revenues from both 2006 and 2007. With operating costs up 6.7% from 45 to 48 million euro, operating margin equalled 101 million euro, down 6.5% compared to the 108 million in first half 2006 but up 8.9% excluding non-recurring items, and the cost/income ratio rose from 29.4% to 32.2% but decreased from 33.3% to 32.9% when excluding non-recurring items. Net provisions and adjustments amounted to 15 million euro. Income before tax from continuing operations equalled 86 million euro, with a 20.4% decrease compared to the 108 million of first half 2006 and a 7.8% decrease excluding non-recurring items.

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

- the CEE & SEE Banking Area, including the banking subsidiaries in Central-Eastern Europe (Banka Koper in Slovenia, Vseobecna Uverova Banka in Slovakia, Central-European International Bank and Inter-Europa Bank in Hungary) and in South-Eastern Europe (Privredna Banka Zagreb in Croatia, Banca Intesa Beograd and Panonska Banka in Serbia, UPI Banka in Bosnia and Herzegovina, Banca Italo Albanese and American Bank of Albania in Albania and Sanpaolo IMI Bank Romania);
- the Commonwealth of Independent States Banking Area, which includes the subsidiary KMB Bank in the Russian Federation;
- the South Mediterranean & Asia Banking Area, in charge of developing, in particular, relations in the Mediterranean basin where the Group has a presence through Bank of Alexandria.

In the first half of 2007, operating income of the International Subsidiary Banks Division equalled 909 million euro with a 23.2% increase from 738 million of first half 2006, accounting for 10% of consolidated operating income (8% in the corresponding period of 2006). Operating costs grew by 10.3% from 417 million euro to 460 million due to the extension of the commercial network; as a result, operating margin rose by 39.9% from 321 million euro to 449 million and the cost/income ratio dropped from 56.5% to 50.6%. Net provisions and adjustments increased from 57 to 68 million euro; after profits on investments held to maturity and on other investments of 4 million, income before tax from continuing operations amounted to 385 million euro, with a 37% increase compared to the 281 million of first half 2006.

The business unit **Eurizon Financial Group** is the Intesa Sanpaolo Group's subholding responsible for the insurance business run by EurizonVita, the asset-gathering activities performed by Banca Fideuram's network of financial advisors serving customers with medium to high savings potential and asset management carried out by Eurizon Capital.

In the first half of 2007, the business unit Eurizon Financial Group registered a 16.6% increase in operating income which rose to 771 million euro from 661 million in the corresponding period of 2006, accounting for 8% of consolidated operating income (7% in first half 2006). With operating costs which grew by 7.7% to 292 million euro from 271 million due to development activities, operating margin amounted to 479 million euro, up 22.8% compared to the 390 million of first half 2006, and the cost/income ratio was reduced from 41% to 37.9%. Net provisions and adjustments increased from 18 to 32 million euro. Income before tax from continuing operations grew by 20.2% to 447 million euro from the 372 million of first half 2006.

At its meeting today, the Management Board approved the **merger** of Eurizon Financial Group ("Eurizon") into Intesa Sanpaolo which holds 100% of it.

The merger follows the resolution made by Intesa Sanpaolo's Management and Supervisory Boards, disclosed on 19th June 2007, not to proceed with the listing of Eurizon in its current configuration, but to pursue even more firmly the development of its three main business lines. In particular, the aim is to:

- further strengthen the domestic leadership of Banca Fideuram and bring it back to a successful listing in the short term;
- create through Eurizon Capital a player of European standing in Asset Management;
- create through EurizonVita a leader in the bancassurance sector.

After this merger, these business lines now under Eurizon's control will report directly to Intesa Sanpaolo.

* * *

Listed banks and insurance companies were asked by Supervisory Authority Consob in its communication No. 7079556 of 30th August 2007 to supply a number of figures and information relating to the so-called "subprime mortgages" in the report on operations included in their next available financial statements.

As at 31st August 2007 the Intesa Sanpaolo Group:

1. did not have in its portfolio mortgages classifiable as subprime as the Group's policy does not include lending of this kind;
2. held in portfolio financial products having US subprime mortgages as underlying assets or being linked to the latter (ABS, CDOs and unfunded positions in credit derivatives), actively managed through derivatives hedging, for a total net exposure equal to 33 million euro of notional value, with no material impact on the consolidated statement of income for the first eight months of the current year;
3. had not given guarantees connected to these products;
4. had securities of this kind for a notional value of 6 million euro in funds of asset management/bancassurance companies;
5. did not have evidence of financial instruments connected to the subprime risk in its customer assets under administration and in custody.

Therefore, at present the Group has no material exposure to the subprime risk.
All investment instruments with subprime risk and related hedging are measured at fair value.

* * *

The outlook for 2007 is positive for the Intesa Sanpaolo Group, with results registering a growth trend in line with the guidelines of the Business Plan, without considering extraordinary income, of which only a part - though significant - was earned over the first six months of the current year.

* * *

Furthermore, at its meeting today, the Management Board approved the explanatory report, available on Internet at www.intesasanpaolo.com, relating to the proposal for the **authorisation to purchase and make use of own shares** which will be submitted at the Ordinary Shareholders' Meeting to be held on 28th September – 2nd October 2007.

The request for authorisation pursues the objective of enabling the Management Board to make use of the Company's ordinary shares to serve strategic purposes - including extraordinary finance transactions or acquisitions or any other extraordinary transactions (such as agreements with strategic partners in the framework of business development plans), excluding capital reduction transactions - to be realised, all or in part, through the sale, share swap or assignment of own shares or any other contracts which might require the availability of own shares.

The purchase, in view also of the own shares required by the transaction for the acquisition of control of Carifirenze, which was resolved upon 25th July 2007 by the Management Board and the Supervisory Board within their respective competences, may involve a maximum number of 800 million Intesa Sanpaolo ordinary shares. Purchases may occur in one or more times. The duration of the authorisation to purchase own ordinary shares is requested for a period of 18 months starting from the date in which the Shareholders' Meeting adopts the relative resolution, while the duration of the authorisation to make use of the same shares is requested without time limits.

* * *

In order to present more complete information regarding the 2007 half-yearly results, the reclassified consolidated and Parent Company statement of income as well as consolidated and Parent Company balance sheet included in the Report on operations approved by the Management Board are attached. Please note that they are not subject to audit by the Auditing Company. The latter, in charge of performing the limited review of the half-yearly Report, has not yet completed its analysis.

* * *

It is hereby declared that pursuant to par. 2 art. 154-bis of Legislative Decree 58/98 the accounting reporting contained in this communication corresponds to the records, books and accounts of the Company.
The Manager in charge of preparing the Company's financial reports.
B. Picca

* * *

The Intesa Sanpaolo Group notifies that, pursuant to provisions set forth in Art. 82, par. 2 of Consob resolution 11971 of 14th May 1999 as amended, the half-yearly Report as at 30th June 2007 will be available for shareholders and the market within the deadline of 75 days from the end of semester, instead of the quarterly report as at 30th June 2007.

* * *

Cautionary Statement for Purposes of the "Safe Harbor" Provision of the United States Private Securities Litigation Reform Act of 1995. The Private Securities Litigation reform Act of 1995 provides a "safe harbor" for forward-looking statements. This press release contains certain forward looking statements and forecasts reflecting management's current views with respect to certain future events. The Intesa Sanpaolo Group's ability to achieve its projected results is dependent on many factors which are outside management's control. Actual results may differ materially from those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

The following important factors could cause the Group's actual results to differ materially from those projected or implied in any forward-looking statements:

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

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

Investor Relations
+39.02.87943180
investor.relations@intesasanpaolo.com

Media Relations
+39.02.87963531
stampa@intesasanpaolo.com

www.intesasanpaolo.com

Gruppo Intesa Sanpaolo

Consolidated statement of income

(in millions of euro)

	30.06.2007	30.06.2006 restated (*)	Changes amount	Changes %	30.06.2006 (**)
Net interest income	4,896	4,378	518	11.8	2,328
Dividends and profits (losses) on investments carried at equity	164	131	33	25.2	87
Net fee and commission income	3,219	3,306	-87	-2.6	1,534
Profits (Losses) on trading	770	818	-48	-5.9	488
Income from insurance business	263	194	69	35.6	-
Other operating income (expenses)	66	44	22	50.0	21
Operating income	**9,378**	**8,871**	**507**	**5.7**	**4,458**
Personnel expenses	-2,565	-2,771	-206	-7.4	-1,318
Other administrative expenses	-1,479	-1,503	-24	-1.6	-774
Adjustments to property, equipment and intangible assets	-395	-410	-15	-3.7	-224
Operating costs	**-4,439**	**-4,684**	**-245**	**-5.2**	**-2,316**
Operating margin	**4,939**	**4,187**	**752**	**18.0**	**2,142**
Goodwill impairment	-	-	-	-	-
Net provisions for risks and charges	-193	-107	86	80.4	-49
Net adjustments to loans	-645	-579	66	11.4	-327
Net impairment losses on other assets	-22	1	-23	n.m.	1
Profits (Losses) on investments held to maturity and on other investments	43	70	-27	-38.6	49
Income (Loss) before tax from continuing operations	**4,122**	**3,572**	**550**	**15.4**	**1,816**
Taxes on income from continuing operations	-1,425	-1,224	201	16.4	-581
Merger and restructuring related charges (net of tax)	-80	-	80	n.m.	-
Effect of purchase cost allocation (net of tax)	-200	-	200	n.m.	-
Income (Loss) after tax from discontinued operations	3,006	343	2,663	n.m.	299
Minority interests	-64	-75	-11	-14.7	-58
Net income	**5,359**	**2,616**	**2,743**	**104.9**	**1,476**
Basic EPS - Euro	**0.42**				**0.21**
Diluted EPS - Euro	**0.42**				**0.21**

(*) Figures restated on a consistent basis, considering i) the merger between Banca Intesa and SANPAOLO IMI and the connected transactions with Crédit Agricole and ii) the changes in the consolidation area.

(**) Figures relative to Gruppo Intesa, modified in compliance with provisions of IFRS 5.

Gruppo Intesa Sanpaolo

Quarterly development of the consolidated statement of income

(in millions of euro)

	2007		2006 restated (*)				
	Second quarter	First quarter restated (**)	Fourth quarter	Third quarter	Second quarter	First quarter	Average of the quarters
Net interest income	2,482	2,414	2,403	2,267	2,242	2,136	2,262
Dividends and profits (losses) on investments carried at equity	118	46	105	42	93	38	70
Net fee and commission income	1,603	1,616	1,624	1,570	1,642	1,664	1,625
Profits (Losses) on trading	332	438	633	348	326	492	450
Income from insurance business	162	101	168	90	99	95	113
Other operating income (expenses)	26	40	46	9	27	17	25
Operating income	**4,723**	**4,655**	**4,979**	**4,326**	**4,429**	**4,442**	**4,544**
Personnel expenses	-1,145	-1,420	-1,543	-1,392	-1,392	-1,379	-1,427
Other administrative expenses	-760	-719	-932	-722	-770	-733	-789
Adjustments to property, equipment and intangible assets	-204	-191	-272	-215	-217	-193	-224
Operating costs	**-2,109**	**-2,330**	**-2,747**	**-2,329**	**-2,379**	**-2,305**	**-2,440**
Operating margin	**2,614**	**2,325**	**2,232**	**1,997**	**2,050**	**2,137**	**2,104**
Goodwill impairment	-	-	-	-	-	-	-
Net provisions for risks and charges	-101	-92	-181	-48	-37	-70	-84
Net adjustments to loans	-323	-322	-435	-295	-285	-294	-327
Net impairment losses on other assets	-20	-2	-7	-5	-2	3	-3
Profits (Losses) on investments held to maturity and on other investments	8	35	95	3	66	4	42
Income (Loss) before tax from continuing operations	**2,178**	**1,944**	**1,704**	**1,652**	**1,792**	**1,780**	**1,732**
Taxes on income from continuing operations	-735	-690	-324	-533	-587	-637	-520
Merger and restructuring related charges (net of tax)	-66	-14	-562	-	-	-	-141
Effect of purchase cost allocation (net of tax)	-100	-100	-	-	-	-	-
Income (Loss) after tax from discontinued operations	111	2,895	117	130	186	157	148
Minority interests	-31	-33	-39	-54	-45	-30	-42
Net income	**1,357**	**4,002**	**896**	**1,195**	**1,346**	**1,270**	**1,177**

(*) Figures restated on a consistent basis, considering i) the merger between Banca Intesa and SANPAOLO IMI and the connected transactions with Crédit Agricole and ii) the changes in the consolidation area.

(**) Figures restated on a consistent basis, considering the changes in the consolidation area and reclassified in accordance to IFRS 5.

Gruppo Intesa Sanpaolo
Consolidated balance sheet

(in millions of euro)

Assets	30.06.2007	31.12.2006 restated (*)	Changes amount	Changes %	31.12.2006 (**)
Financial assets held for trading	81,557	66,145	15,412	23.3	46,328
Financial assets designated at fair value through profit and loss	20,987	20,685	302	1.5	-
Financial assets available for sale	40,966	41,096	-130	-0.3	5,518
Investments held to maturity	5,971	5,950	21	0.4	2,823
Due from banks	63,256	56,553	6,703	11.9	30,363
Loans to customers	332,519	324,679	7,840	2.4	190,830
Investments in associates and companies subject to joint control	3,063	3,106	-43	-1.4	2,183
Property, equipment and intangible assets	8,193	9,222	-1,029	-11.2	4,309
Tax assets	4,167	4,938	-771	-15.6	2,502
Non-current assets held for sale and discontinued operations	8,831	28,616	-19,785	-69.1	69
Other assets	13,340	14,290	-950	-6.6	6,856
Merger difference	20,255	-	20,255	n.m.	-
Total Assets	**603,105**	**575,280**	**27,825**	**4.8**	**291,781**

Liabilities and Shareholders' Equity	30.06.2007	31.12.2006 restated (*)	Changes amount	Changes %	31.12.2006 (**)
Due to banks	92,470	75,284	17,186	22.8	39,954
Due to customers and securities issued	346,189	340,152	6,037	1.8	202,762
Financial liabilities held for trading	28,555	22,048	6,507	29.5	15,648
Financial liabilities designated at fair value through profit and loss	28,238	26,157	2,081	8.0	-
Tax liabilities	1,795	2,272	-477	-21.0	1,474
Liabilities associated with non-current assets held for sale and discontinued operations	8,181	27,728	-19,547	-70.5	63
Other liabilities	17,006	19,491	-2,485	-12.7	9,589
Technical reserves	21,312	22,540	-1,228	-5.4	-
Allowances for specific purpose	5,661	5,997	-336	-5.6	3,273
Share capital	6,647	6,646	1	-	3,613
Reserves	8,424	10,783	-2,359	-21.9	10,785
Merger reserves	31,093	9,139	21,954	n.m.	-
Valuation reserves	1,283	1,209	74	6.1	1,209
Minority interests	892	1,127	-235	-20.9	852
Net income	5,359	4,707	652	13.9	2,559
Total Liabilities and Shareholders' Equity	**603,105**	**575,280**	**27,825**	**4.8**	**291,781**

(*) Figures restated on a consistent basis, considering i) the merger between Banca Intesa and SANPAOLO IMI and the connected transactions with Crédit Agricole and ii) the changes in the consolidation area.

(**) Figures relative to Gruppo Intesa.

Gruppo Intesa Sanpaolo

Quarterly development of the consolidated balance sheet

(in millions of euro)

Assets	2007		2006 restated (*)			
	30/6	31/3 restated (**)	31/12	30/9	30/6	31/3
Financial assets held for trading	81,557	77,574	66,145	69,577	68,792	73,516
Financial assets designated at fair value through profit and loss	20,987	21,015	20,685	20,476	20,030	21,376
Financial assets available for sale	40,966	41,311	41,096	39,232	36,344	34,565
Investments held to maturity	5,971	5,897	5,950	5,447	5,449	5,344
Due from banks	63,256	63,770	56,553	59,911	58,326	61,319
Loans to customers	332,519	329,821	324,679	310,767	304,839	302,251
Investments in associates and companies subject to joint control	3,063	3,043	3,106	3,106	3,022	2,951
Property, equipment and intangible assets	8,193	8,582	9,222	7,833	7,816	7,325
Tax assets	4,167	4,533	4,938	5,024	5,134	5,359
Non-current assets held for sale and discontinued Operations	8,831	9,143	28,616	28,023	29,366	27,025
Other assets	13,340	13,878	14,290	11,661	13,960	12,889
Merger difference	20,255	20,725	-	-	-	-
Total Assets	**603,105**	**599,292**	**575,280**	**561,057**	**553,078**	**553,920**

Liabilities and Shareholders' Equity	2007		2006 restated (*)			
	30/6	31/3 restated (**)	31/12	30/9	30/6	31/3
Due to banks	92,470	83,058	75,284	78,208	70,263	78,590
Due to customers and securities issued	346,189	343,999	340,152	326,258	322,910	314,329
Financial liabilities held for trading	28,555	28,682	22,048	23,728	23,135	27,655
Financial liabilities designated at fair value through profit and loss	28,238	27,317	26,157	25,871	25,386	25,955
Tax liabilities	1,795	2,875	2,272	2,816	2,596	2,550
Liabilities associated with non-current assets held for sale and discontinued operations	8,181	8,976	27,728	26,630	28,407	26,025
Other liabilities	17,006	23,905	19,491	16,224	21,067	19,980
Technical reserves	21,312	22,218	22,540	22,603	22,000	21,893
Allowances for specific purpose	5,661	6,048	5,997	5,117	5,057	5,327
Share capital	6,647	6,646	6,646	6,646	6,646	6,629
Reserves	8,424	8,393	10,783	10,730	10,713	10,554
Merger reserves	31,093	31,093	9,139	9,903	9,811	10,694
Valuation reserves	1,283	1,120	1,209	974	968	913
Minority interests	892	960	1,127	1,539	1,504	1,556
Net income	5,359	4,002	4,707	3,811	2,616	1,270
Total Liabilities and Shareholders' Equity	**603,105**	**599,292**	**575,280**	**561,057**	**553,078**	**553,920**

(*) Figures restated on a consistent basis, considering i) the merger between Banca Intesa and SANPAOLO IMI and the connected transactions with Crédit Agricole and ii) the changes in the consolidation area.

(**) Figures restated on a consistent basis, considering the changes in the consolidation area and reclassified in accordance to IFRS 5.

Gruppo Intesa Sanpaolo

Breakdown of financial highlights and financial ratios by business area

(in millions of euro)

	Banca dei Territori	Corporate & Investment Banking	Public Finance	International Subsidiary Banks	Eurizon Financial Group	Corporate Centre	Total
Operating income							
30.06.2007	5,803	1,355	149	909	771	391	9,378
30.06.2006 restated (*)	5,471	1,410	153	738	661	438	8,871
% change (a)	6.1	-3.9	-2.6	23.2	16.6	-10.7	5.7
Operating costs							
30.06.2007	-3,053	-424	-48	-460	-292	-162	-4,439
30.06.2006 restated (*)	-3,067	-433	-45	-417	-271	-451	-4,684
% change (a)	-0.5	-2.1	6.7	10.3	7.7	-64.1	-5.2
Operating margin							
30.06.2007	2,750	931	101	449	479	229	4,939
30.06.2006 restated (*)	2,404	977	108	321	390	-13	4,187
% change (a)	14.4	-4.7	-6.5	39.9	22.8	n.m.	18.0
Income (Loss) before tax from continuing operations							
30.06.2007	2,227	829	86	385	447	148	4,122
30.06.2006 restated (*)	1,884	924	108	281	372	3	3,572
% change (a)	18.2	-10.3	-20.4	37.0	20.2	n.m.	15.4
Loans to customers							
30.06.2007	189,947	81,140	32,964	22,208	2,157	4,103	332,519
31.12.2006 restated (*)	184,334	78,295	36,331	18,573	2,384	4,762	324,679
% change (b)	3.0	3.6	-9.3	19.6	-9.5	-13.8	2.4
Direct customer deposits							
30.06.2007	174,766	65,881	7,124	25,255	32,121	69,280	374,427
31.12.2006 restated (*)	177,843	62,801	8,020	23,733	30,483	63,429	366,309
% change (b)	-1.7	4.9	-11.2	6.4	5.4	9.2	2.2

(*) Figures restated on a consistent basis, considering i) the merger between Banca Intesa and SANPAOLO IMI and the connected transactions with Crédit Agricole and ii) the changes in the consolidation area and in business unit constituents.

(a) The change expresses the ratio between 30.06.2007 and 30.06.2006 restated.

(b) The change expresses the ratio between 30.06.2007 and 31.12.2006 restated.

Intesa Sanpaolo S.p.a.

Reclassified statement of income

(in millions of euro)

	30.06.2007	30.06.2006 restated (*)	Changes amount	%	30.06.2006 (**)
Net interest income	2,575	2,239	336	15.0	1,429
Dividends	554	2,188	-1,634	-74.7	930
Net fee and commission income	1,693	1,786	-93	-5.2	1,082
Profits (Losses) on trading	251	670	-419	-62.5	302
Other operating income (expenses)	346	332	14	4.2	90
Operating income	**5,419**	**7,215**	**-1,796**	**-24.9**	**3,833**
Personnel expenses	-1,490	-1,645	-155	-9.4	-966
Other administrative expenses	-909	-960	-51	-5.3	-550
Adjustments to property, equipment and intangibles assets	-287	-310	-23	-7.4	-165
Operating costs	**-2,686**	**-2,915**	**-229**	**-7.9**	**-1,681**
Operating margin	**2,733**	**4,300**	**-1,567**	**-36.4**	**2,152**
Net provisions for risks and charges	-149	-77	72	93.5	-40
Net adjustments to loans	-333	-299	34	11.4	-210
Net impairment losses on other assets	-5	-1	4	n.m.	-1
Profits (Losses) on investments held to maturity and on other investments	43	43	-	-	44
Income (Loss) before tax from continuing operations	**2,289**	**3,966**	**-1,677**	**-42.3**	**1,945**
Taxes on income from continuing operations	-713	-631	82	13.0	-389
Integration charges (net of taxes)	-61	-	61	n.m.	-
Merger and restructuring charges (net of tax)	-68	-	68	n.m.	-
Income (Loss) after tax from discontinued operations	3,539	105	3,434	n.m.	85
Net income	**4,986**	**3,440**	**1,546**	**44.9**	**1,641**
Basic EPS - Euro	**0.39**				**0.24**
Diluted EPS - Euro	**0.39**				**0.24**

(*) Figures restated on a consistent basis considering the merger between Banca Intes and SANPAOLO IMI and the connected transactions with Crédit Agricole.

(**) Figures relative to Banca Intesa, restated in accordance to IFRS 5.

Intesa Sanpaolo S.p.a.

Reclassified consolidated balance sheet

(in millions of euro)

Assets	30.06.2007	31.12.2006 restated (*)	Changes amount	Changes %	31.12.2006 (**)
Financial assets held for trading	41,104	36,947	4,157	11.3	32,210
Financial assets designated at fair value through profit and loss	1,002	1,156	-154	-13.3	-
Financial assets available for sale	3,846	3,959	-113	-2.9	3,041
Investments held to maturity	2,492	2,492	-	-	-
Due from banks	105,175	98,501	6,674	6.8	48,746
Loans to customers	193,487	186,166	7,321	3.9	112,314
Investments in associates and companies subject to joint control	23,210	22,963	247	1.1	11,988
Property, equipment and intangible assets	3,926	4,073	-147	-3.6	1,833
Tax assets	2,893	3,265	-372	-11.4	1,686
Non-current assets held for sale and discontinued operations	5,236	6,982	-1,746	-25.0	-
Other assets	7,346	8,242	-896	-10.9	4,390
Merger differences	22,262	-	22,262	n.m.	-
Total Assets	**411,979**	**374,746**	**37,233**	**9.9**	**216,208**

Liabilities and Shareholders' Equity	30.06.2007	31.12.2006 restated (*)	Changes amount	Changes %	31.12.2006 (**)
Due to banks	103,162	88,955	14,207	16.0	39,021
Due to customers and securities issued	229,422	227,497	1,925	0.8	143,355
Financial liabilities held for trading	10,438	10,577	-139	-1.3	9,385
Financial liabilities designated at fair value through profit and loss	-	-	-	-	-
Tax liabilities	678	1,229	-551	-44.8	836
Liabilities associated with non-current assets held for sale and discontinued operations	4,621	5,345	-724	-13.5	-
Other liabilities	10,078	9,883	195	2.0	5,923
Allowances for specific purpose	3,845	4,084	-239	-5.9	2,365
Share capital	6,647	6,646	1	-	3,613
Reserves	5,245	7,859	-2,614	-33.3	7,859
Merger reserves	31,093	6,680	24,413	n.m.	-
Valuation reserves	1,764	1,610	154	9.6	1,610
Net income	4,986	4,381	605	13.8	2,241
Total Liabilities and Shareholders' Equity	**411,979**	**374,746**	**37,233**	**9.9**	**216,208**

(*) Figures restated on a consistent basis considering the merger between Banca Intes and SANPAOLO IMI and the connected transactions with Crédit Agricole.

(**) Figures relative to Banca Intesa.