INTESA SANPAOLO

# 2010 Third-Quarter Results

9 November 2010

# Agenda

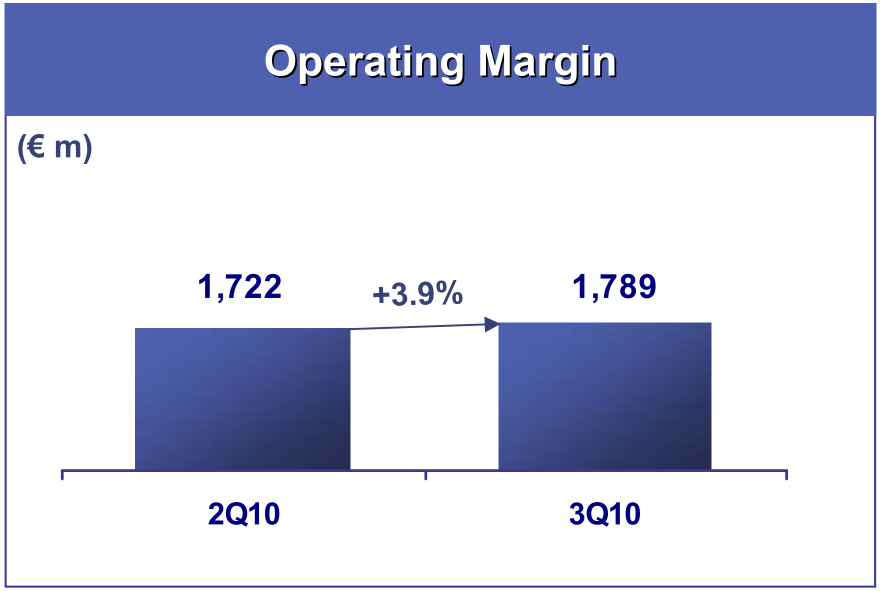
| | |
|---|---|
| 1 | **Sustainable profitability gaining momentum** |
| 2 | 2010 Nine-Month Consolidated Results |
| 3 | 2010 Nine-Month Divisional Results |

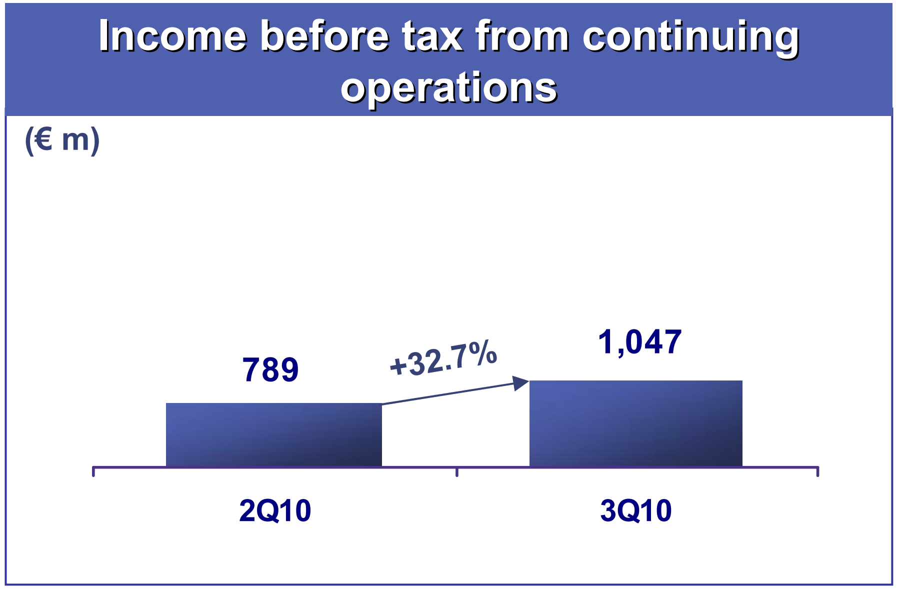
# Sustainable profitability gaining momentum

- **9M10 Net Income in line with our expectations at €2.2bn**
- **Growth in Operating Margin and strong increase in Pre-tax Income in 3Q10 vs 2Q10**
- **Further signs of cycle recovery in 3Q10, with continued increase in Customer Loans at the end of the quarter and asset quality looking up**
- **Continued structural cost reduction**
- **High liquidity and low leverage remain competitive advantages**
- **Capital strength more than adequate (3Q10 Core Tier 1 ratio pro-forma(1) close to 8%)**

*(1) Including the estimated benefit of the disposals/acquisitions in the finalisation stage (sale of Cassa di Risparmio della Spezia and 96 branches to the Crédit Agricole Group, disposal of the remaining 25% of Findomestic based on the bottom end of the range set in the contract and maximum impact of the acquisition of control of Banca Monte Parma) and after accrued dividend computed assuming the nine-month quota of the €1bn dividend paid in 2010 for 2009*

# Growth in Operating Margin and strong increase in Pre-tax Income in 3Q10

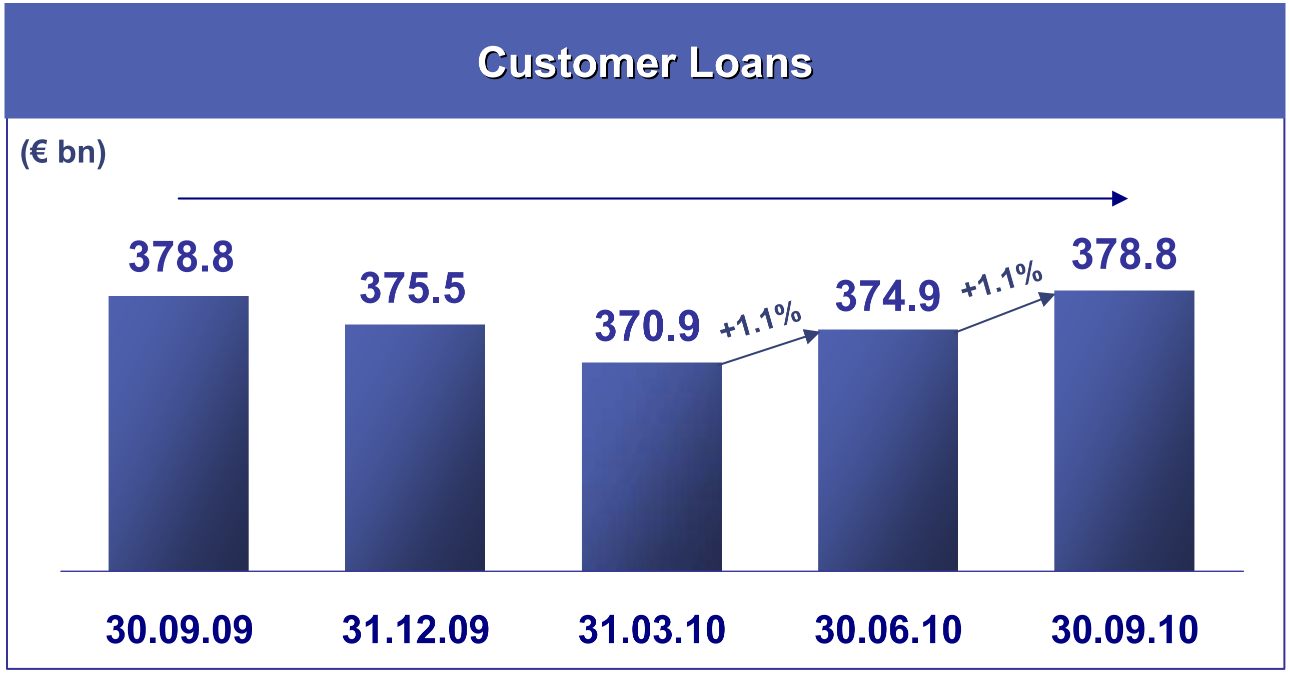



- **3Q10 Net Income at €510m**
- **3Q10 Net Income adjusted for main non-recurring items(1) at €633m (+26.3% vs 2Q10)**

*(1) See slide 17*

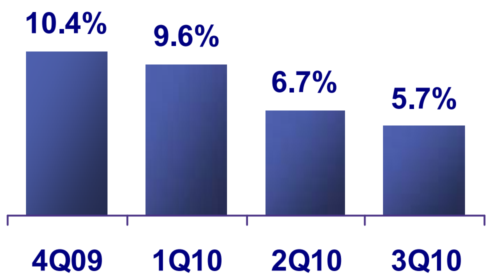
# Recovery in Customer Loans



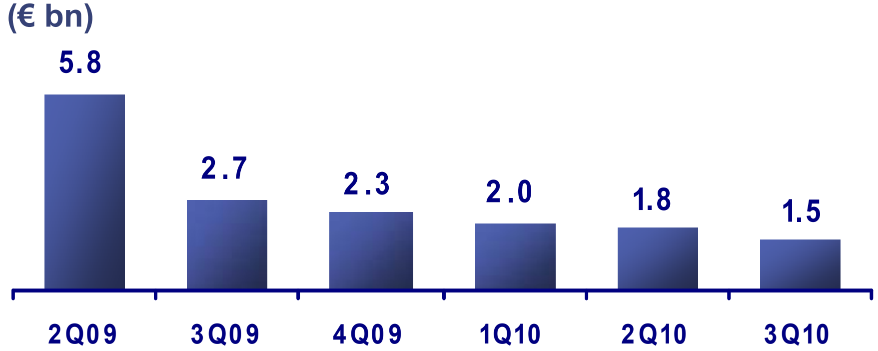

- QoQ growth for 2 quarters in a row
- YoY levelling off after 4 quarters of YoY decline in a row
- In 3Q10 vs 2Q10 SMEs Italy +2.0% and Mid-Corporate Italy +3.3%

# Continued slowdown in the stock of Net Doubtful loans

**Net Doubtful Loans(1) stock quarterly change**



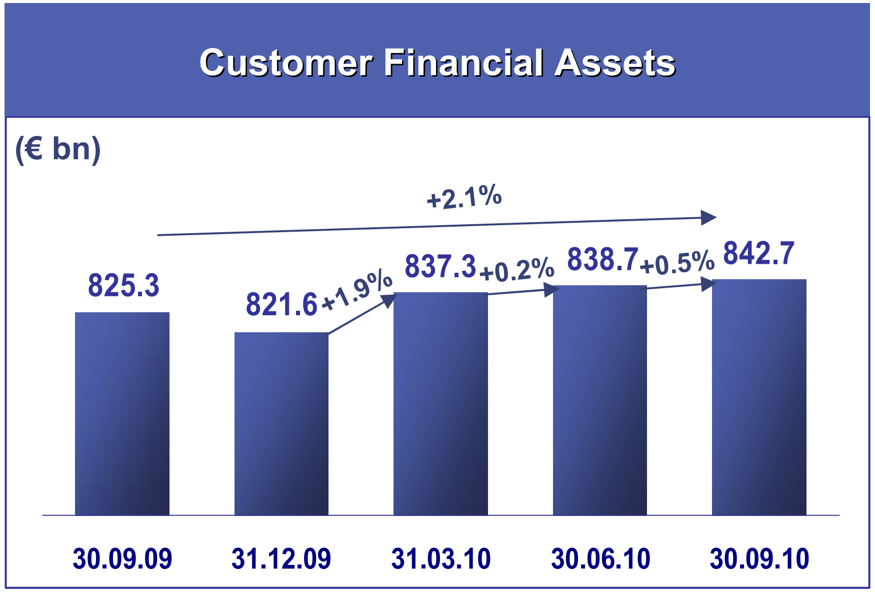

**Net inflow of new Non-performing Loans(2)(3)**

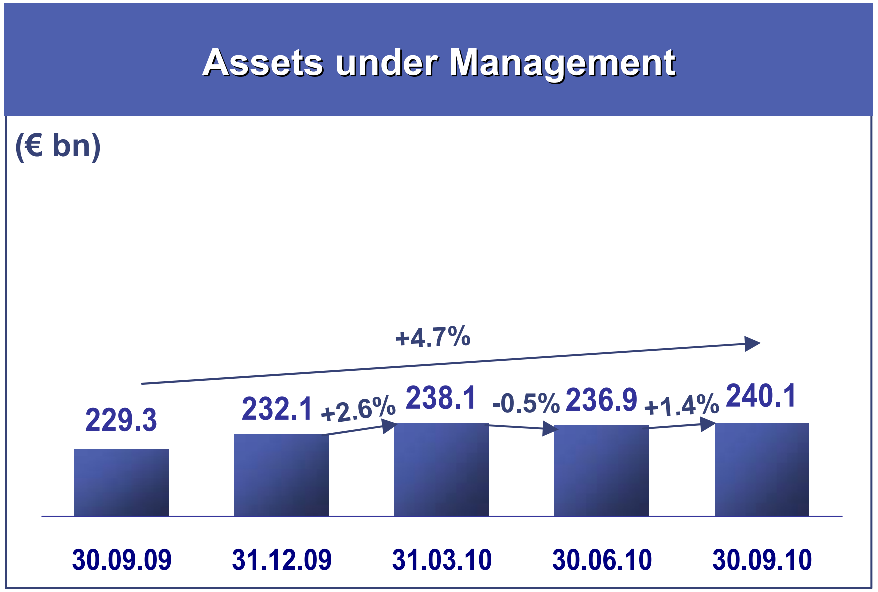



- **Downward trend in the net flow of new Non-performing Loans(3) originating from Performing loans**
- **3Q10 stock of net Non-performing Loans(3) stable vs 2Q10**
- **Doubtful Loans(1) total coverage (including collateral and guarantees) stable at 124%**
- **Repayments from Doubtful Loans(1) structurally higher than their Net Book Value (159% in 9M10 and more than 152% in the 2008-2009 2-year period)**
- **Increase in Reserves on Performing Loans at €2,485m (+€27m vs 30.06.10)**

*(1) Doubtful loans: "sofferenze"*
*(2) Inflow of new Non-performing Loans from Performing Loans net of outflow to Performing Loans, excluding Past due by over 90 days affected by regulatory changes that led to inflows of Past due by over 90 days net of related outflows to Performing loans amounting to €922m in 4Q09 and €182m in 1Q10 and to an outflow amounting to €342m in 2Q10*
*(3) Non-performing loans: Doubtful ("sofferenze"), Substandard ("incagli"), Restructured and Past due*

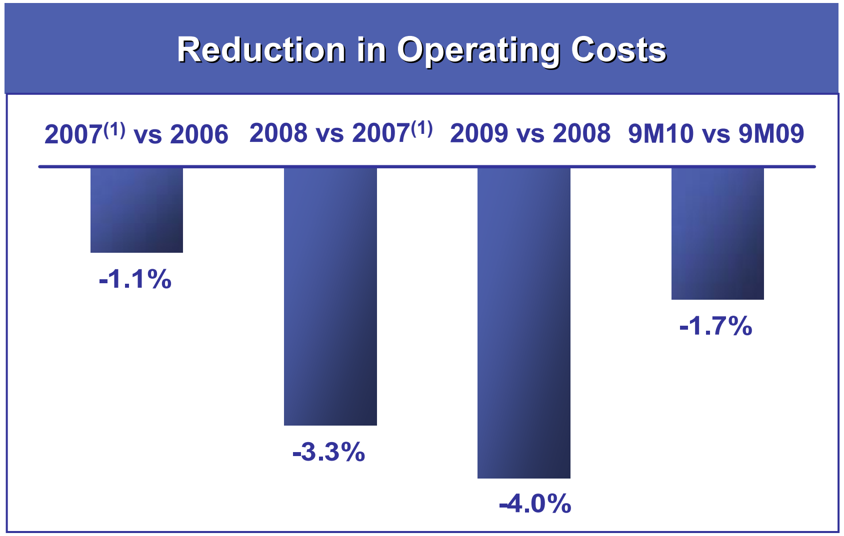
# Growth in Customer Financial Assets and in AuM in 3Q10

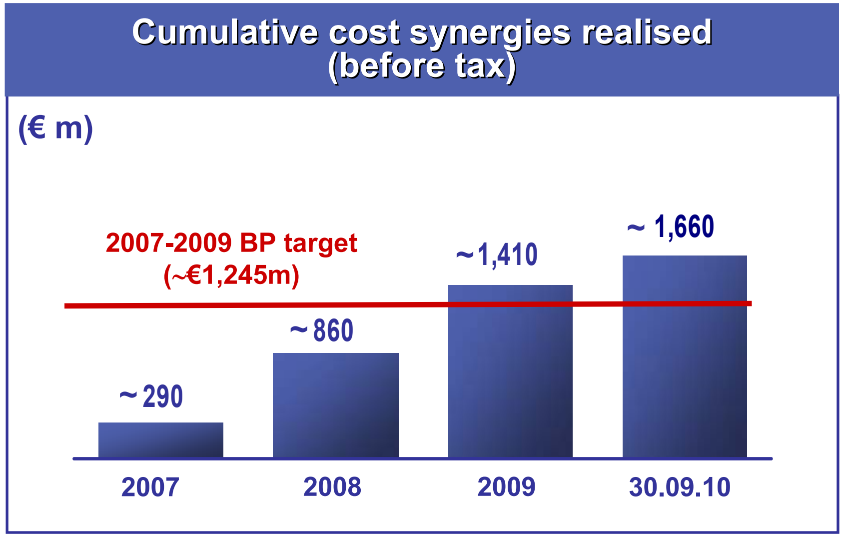



- **Sound and long-lasting client relationships**
  - **Customer Financial Assets growing further in 3Q10, +€4.0bn vs 30.06.10 and +€21.1bn vs 31.12.09**
  - **AuM up in 3Q10, +€3.2bn vs 30.06.10 and +€8.0bn vs 31.12.09**

# Continued structural cost reduction



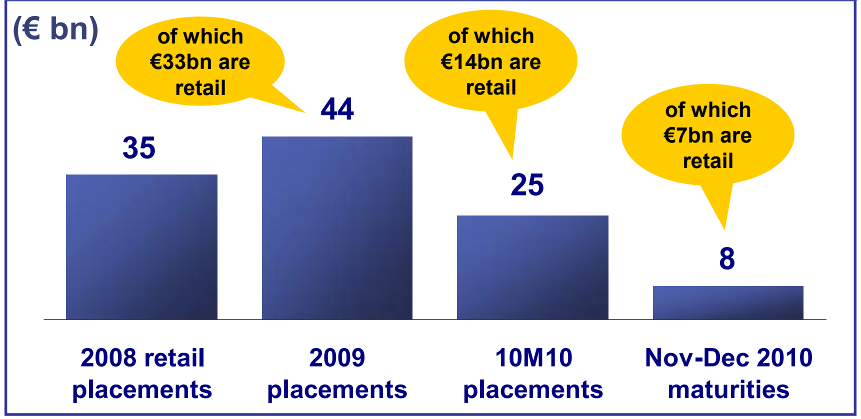

- 1.7% decline in Operating costs 9M10 vs 9M09 following three consecutive years of reductions
- ~€250m of additional cost synergies realised in 9M10
- Only ~€15m of integration charges to be booked in the remainder of 2010

*(1) Excluding non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR) (€277m in 2Q07)*

# High liquidity remains a competitive advantage

**Direct Customer Deposits > Loans to Customers as at 30.09.10**

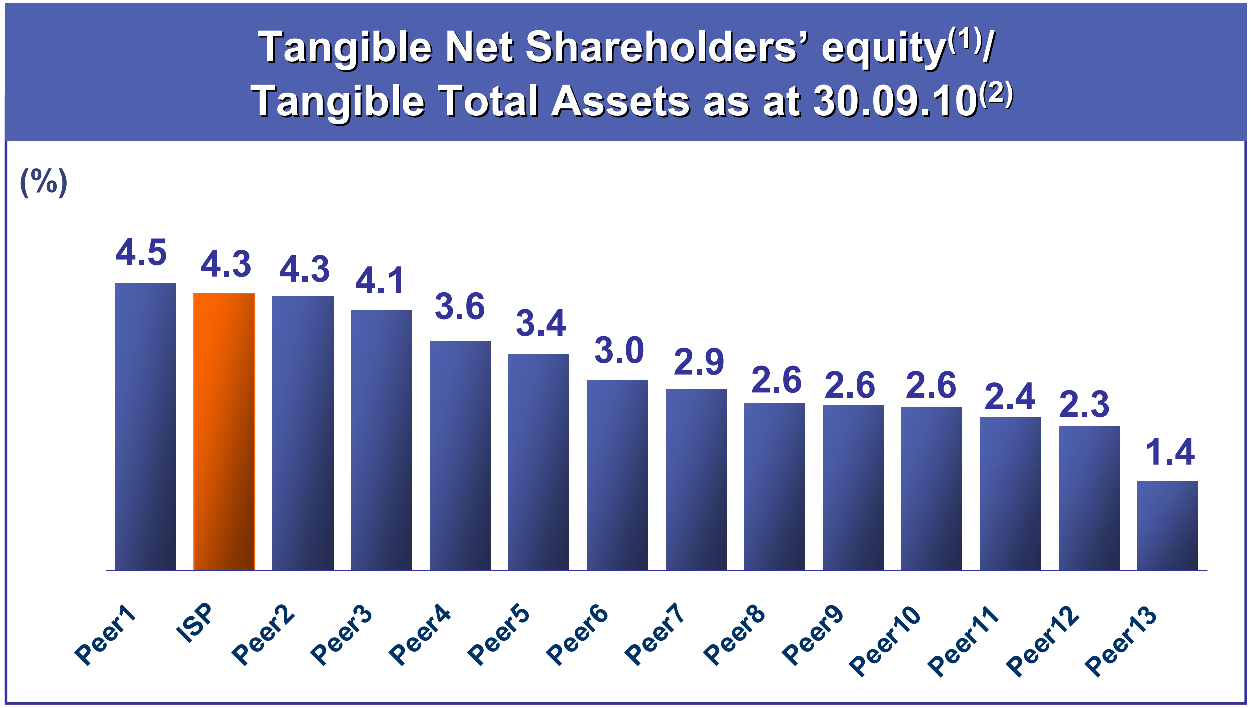

**Medium/long-term funding capability**




- The retail branch network is a stable and reliable source of funding: more than 70% of Direct Customer Deposits from retail business
- Well balanced Net interbank position
- €59bn of eligible assets with Central Banks(2) (net of haircut) as at 30.09.10
- In 2009 €44bn medium/long-term placements, €9bn more than maturities
- The remaining 2010 maturities are mainly retail (€7bn out of €8bn)
- In November already €4bn medium/long-term placements, of which €1bn retail
- We could even do without the wholesale market for the rest of the year, even though this is not our intention

*(1) Excluding €24.6bn financial liabilities from insurance business*
*(2) ECB, Fed and BOE*

# Low leverage remains a competitive advantage




**ISP has a high ratio of Tangible Net Shareholders' equity to Tangible Total Assets demonstrating its solid capital base**

*(1) Including Net income for the period*
*(2) Sample: BBVA, BNP Paribas, Commerzbank, Credit Suisse, Deutsche Bank, Nordea, Santander, Société Générale and UBS (data as at 30.09.10); Barclays, HSBC, ING and UniCredit (data as at 30.06.10)*

# Capital strength more than adequate

| | Capital ratios as at 30.09.10 | Estimated benefits from disposals and acquisitions in the finalisation stage(1) | Pro-forma capital ratios | Estimated benefits from planned capital management actions | Estimated further benefits from capital management actions if needed | Total |
|---|---|---|---|---|---|---|
| **Core Tier 1 ratio** | **7.7%** | **0.2%** | **7.9%** | **>0.5%** | **>1.0%** | **>9.4%** |
| **Tier 1 ratio** | **8.9%** | **0.2%** | **9.1%** | **>0.5%** | **>1.0%** | **>10.6%** |
| **Total Capital ratio** | **12.5%** | **0.2%** | **12.7%** | **>0.5%** | **>1.0%** | **>14.2%** |

- **Stable 30.09.10 Core Tier 1 ratio vs 30.06.10, despite the impact of the purchase of the remaining 50% of Intesa Vita and the remaining 49% of Centrovita (~10bps)**
- **Capital ratios as at 30.09.10 are already net of dividends of €774m (nine-month quota of the €1,033m dividend paid in 2010)**
- **Additional benefits available from capital management actions on non-core assets: remaining total value of €11-12bn considering either the book value or a reasonable market value, of which €5bn affecting Core Tier 1 as goodwill and intangibles, and RWA of ~€11bn**

*(1) Balance (equal to ~20bps) arising from the sale of the remaining 25% of Findomestic (based on the bottom end of the range set in the contract), sale of Cassa di Risparmio della Spezia and 96 branches to the Crédit Agricole Group and the acquisition of control of Banca Monte Parma (maximum impact)*

# Estimated impact on Core Tier 1 ratio from fully phased-in Basel 3 (2019 parameters on 30.09.10 financial statements)

| As at 30 September 2010, considering disposals/acquisitions in the finalisation stage and expected DTA absorption before fully phased-in Basel 3 | ~€ bn | ~bps |
|---|---|---|
| DTA on losses carried forward (1) | (0.1) | (2) |
| Minorities exceeding requirements | (0.5) | (14) |
| Reserve-shortfall deduction doubling from 50% to 100% | (0.1) | (3) |
| *Savings shares (worst-case scenario)* | *(1.0)* | *(27)* |
| Others (2) | 0.7 | 19 |
| **New deductions from common equity as per cap (3) (a)** | **(1.0)** | **(28)** |
| **Offsetting of current Core Tier 1 deductions as per cap (b)** | **0.9** | **27** |
| Other DTA (4) | 1.6 | |
| *Equity investment in Banca d'Italia (worst-case scenario)* | *0.6* | |
| Investments in banking and financial companies | 0.5 | |
| Investments in insurance companies (5) | 3.8 | |
| **Amount exceeding 15% of common equity (6) (c)** | **(2.4)** | **(67)** |
| **Total estimated impact on Core Tier 1 (d=a+b+c)** | **(2.4)** | **(68)** |
| Additional RWA due to securitisation | 1.9 | |
| Additional RWA due to market risks | 3.8 | |
| Additional RWA due to counterparty risks (CVA) | 5.0 | |
| **Total estimated impact on RWA (e)** | **10.6** | **(21)** |
| **Estimated impact from internal model evolution (f)** | | **21** |
| **Total estimated impact on Core Tier 1 ratio (d+e+f)** | | **(68)** |

- **Estimated impact according to the information available so far; the actual impact is subject to the implementation of relevant regulations**
- **Planned/possible capital management actions are not being considered**
- **Additional RWA computed without taking into account any mitigation actions**
- **Additional RWA impact offset by expected benefits from internal model evolution subject to Bank of Italy approval**

*(1) Equal to €0.6bn as at 30.09.10*
*(2) +€0.5bn from cancellation of filter on goodwill detaxation, -€0.3bn from cancellation of filter on AFS EU Govies and +€0.5bn from valuation reserves*
*(3) Equal to €1.5bn (42bps) before DTA absorption*
*(4) Equal to €2.7bn as at 30.09.10*
*(5) Equal to €4.3bn as at 30.09.10, including momentarily €0.5bn from Fideuram Vita until completion of the relevant intra-group transactions*
*(6) Equal to €3.5bn (99bps) before DTA absorption*

# Outlook 2010

- **Also in light of the 9M10 results, the expectation is confirmed for the Group to register in 2010 compared to 2009**
  - **Decreasing Operating costs**
  - **Declining Cost of credit**
  - **Marked reduction in integration charges**

**Net Income for the year expected to exceed 2009, also taking into account non-recurring items**

# Agenda

1 Sustainable profitability gaining momentum

2 2010 Nine-Month Consolidated Results

3 2010 Nine-Month Divisional Results

# Sustainable profitability gaining momentum

**Sustainable profitability gaining momentum in 3Q10 as a result of the Group's continued focus on costs, revenues, liquidity, solidity and low risk profile**

| | |
|---|---|
| **Revenues** | ❑ up 0.7% in 3Q10 vs 2Q10, despite the usual summer slowdown in commercial activity |
| **Operating Costs** | ❑ down 1.7% in 3Q10 vs 2Q10<br>❑ down 1.7% in 9M10 vs 9M09, continuing the trend seen throughout all the years since the merger |
| **Operating Margin** | ❑ up 3.9% in 3Q10 vs 2Q10 |
| **Net Adjustments to Loans** | ❑ down 10.9% in 3Q10 vs 2Q10<br>❑ down 14.2% in 9M10 vs 9M09<br>❑ 9M10 cost of credit down at 80bps annualised, 75bps in 3Q10 |
| **Pre-tax Income** | ❑ up 32.7% in 3Q10 vs 2Q10 |

# 3Q10 Net Income at €510m and strong increase in Pre-tax Income vs 2Q10

| (€ m) | 2Q10 Restated | 3Q10 | Δ% |
|---|---|---|---|
| Net interest income | 2,462 | 2,470 | 0.3 |
| Dividends and P/L on investments carried at equity | 27 | 8 | (70.4) |
| Net fee and commission income | 1,410 | 1,333 | (5.5) |
| Profits (Losses) on trading | (3) | 126 | n.m. |
| Income from insurance business | 128 | 119 | (7.0) |
| Other operating income (expenses) | 0 | (4) | n.m. |
| **Operating income** | **4,024** | **4,052** | **0.7** |
| Personnel expenses | (1,371) | (1,371) | 0.0 |
| Other administrative expenses | (783) | (748) | (4.5) |
| Adjustments to property, equipment and intangible assets | (148) | (144) | (2.7) |
| **Operating costs** | **(2,302)** | **(2,263)** | **(1.7)** |
| **Operating margin** | **1,722** | **1,789** | **3.9** |
| Goodwill impairment | 0 | 0 | n.m. |
| Net provisions for risks and charges | (98) | (30) | (69.4) |
| Net adjustments to loans | (798) | (711) | (10.9) |
| Net impairment losses on other assets | (38) | (1) | (97.4) |
| Profits (Losses) on HTM and on other investments | 1 | 0 | (100.0) |
| **Income before tax from continuing operations** | **789** | **1,047** | **32.7** |
| Taxes on income from continuing operations | (309) | (404) | 30.7 |
| Merger and restructuring related charges (net of tax) | (27) | (11) | (59.3) |
| Effect of purchase cost allocation (net of tax) | (101) | (103) | 2.0 |
| Income (Loss) after tax from discontinued operations | 663 | 0 | (100.0) |
| Minority interests | (13) | (19) | 46.2 |
| **Net income** | **1,002** | **510** | **(49.1)** |

**+26.3%** excluding main non-recurring items

*Figures may not add up exactly due to rounding differences*

# 3Q10 Net Income at €633m excluding main non-recurring items (+26.3% vs 2Q10)

| 2Q10 Net Income (post-tax data) | | 3Q10 Net Income (post-tax data) | |
|---|---|---|---|
| (€ m) | | (€ m) | |
| **Net Income** | **1,002** | **Net Income** | **510** |
| + Integration charges | 27 | + Integration charges | 11 |
| + Amortisation of acquisition cost | 101 | + Amortisation of acquisition cost | 103 |
| + Hungary extraordinary tax | 19 | + Hungary extraordinary tax | 9 |
| - Capital gain on Securities Services | 648 | | |
| **Net Income adjusted** | **501** | **Net Income adjusted** | **633** |

+26.3%

# 9M10 Net Income at €2.2bn

| (€ m) | 9M09 Restated | 9M10 | Δ% |
|---|---|---|---|
| Net interest income | 8,031 | 7,346 | (8.5) |
| Dividends and P/L on investments carried at equity | 48 | 42 | (12.5) |
| Net fee and commission income | 3,860 | 4,152 | 7.6 |
| Profits (Losses) on trading | 993 | 341 | (65.7) |
| Income from insurance business | 304 | 413 | 35.9 |
| Other operating income | 19 | 18 | (5.3) |
| **Operating income** | **13,255** | **12,312** | **(7.1)** |
| Personnel expenses | (4,144) | (4,116) | (0.7) |
| Other administrative expenses | (2,314) | (2,268) | (2.0) |
| Adjustments to property, equipment and intangible assets | (478) | (435) | (9.0) |
| **Operating costs** | **(6,936)** | **(6,819)** | **(1.7)** |
| **Operating margin** | **6,319** | **5,493** | **(13.1)** |
| Goodwill impairment | 0 | 0 | n.m. |
| Net provisions for risks and charges | (198) | (214) | 8.1 |
| Net adjustments to loans | (2,637) | (2,263) | (14.2) |
| Net impairment losses on assets | (75) | (44) | (41.3) |
| Profits (Losses) on HTM and on other investments | 28 | 11 | (60.7) |
| **Income before tax from continuing operations** | **3,437** | **2,983** | **(13.2)** |
| Taxes on income from continuing operations | (800) | (1,066) | 33.3 |
| Merger and restructuring related charges (net of tax) | (130) | (54) | (58.5) |
| Effect of purchase cost allocation (net of tax) | (295) | (296) | 0.3 |
| Income (Loss) after tax from discontinued operations | 142 | 691 | 386.6 |
| Minority interests | (92) | (58) | (37.0) |
| **Net income** | **2,262** | **2,200** | **(2.7)** |

*Note: 9M09 figures restated to reflect the scope of consolidation for 9M10*
*Figures may not add up exactly due to rounding differences*

# €17.4bn growth in Customer Financial Assets vs 30.09.09

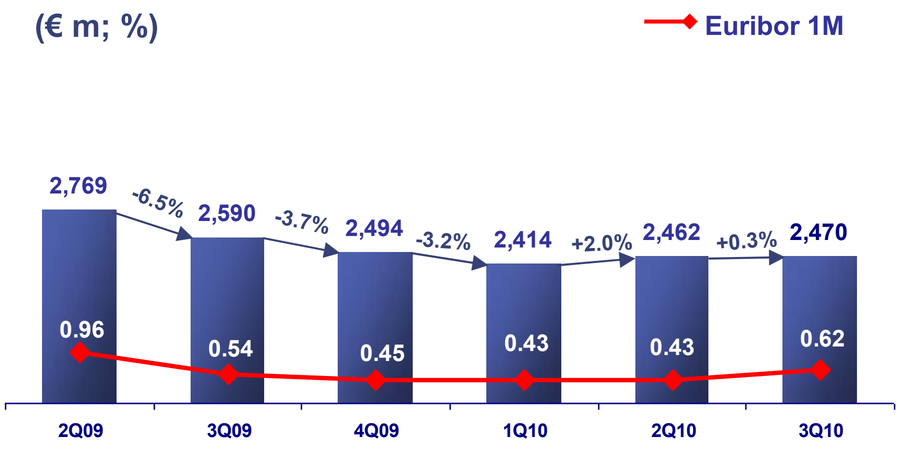
| (€ m) | 30.09.09 Restated | 30.09.10 | Δ% |
|---|---|---|---|
| **Loans to Customers** | 378,788 | 378,832 | +0.0 |
| **Customer Financial Assets**[1] | 825,345 | 842,739 | +2.1 |
| **of which Direct Customer Deposits** | 428,138 | 434,833 | +1.6 |
| **of which Indirect Customer Deposits** | 425,607 | 434,136 | +2.0 |
| *- Assets under Management* | *229,254* | *240,134* | *+4.7* |
| *- Assets under Administration* | *196,353* | *194,002* | *(1.2)* |
| **RWA** | 367,372 | 354,970 | (3.4) |

- **Loans to Customers up by €4.0bn vs 30.06.10 (+1.1%)**
- **Customer Financial Assets up by €4.0bn vs 30.06.10 (+0.5%)**
- **Assets under Management up by €3.2bn vs 30.06.10 (+1.4%)**

*(1) Net of duplications between Direct Customer Deposits and Indirect Customer Deposits*
*Note: 30.09.09 figures restated to reflect the scope of consolidation as at 30.09.10*

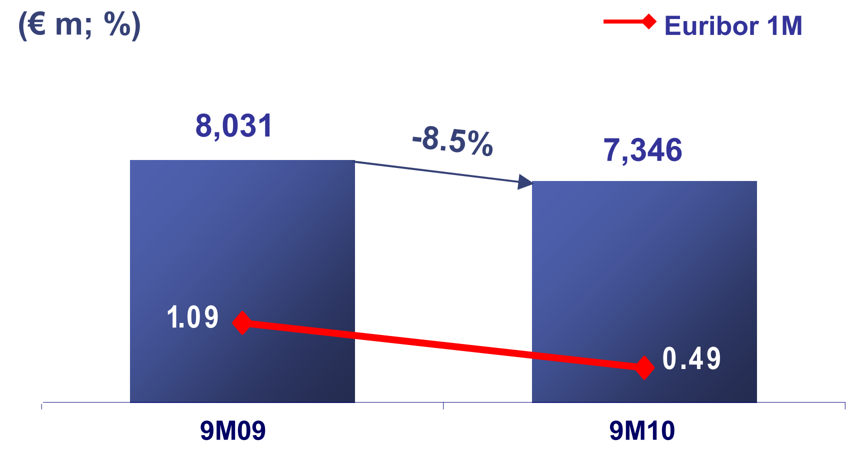
# Positive trend in Net Interest Income confirmed

## Quarterly Analysis




- 0.3% increase in 3Q10 vs 2Q10 due to the improvement in mark-down
- Further increase in market yields in October 2010
- Slight decrease in average Loans to Customers in 3Q10 vs 2Q10
- Net Interest Income not inflated by leverage effect

## Yearly Analysis




- Decrease due to mark-down reduction and, to a lesser extent, elimination of overdraft charges and decline in average Loans to Customers (-5.3%)
- Growth in average Direct Customer Deposits (+1.7%)

## Loans to Customers - Average volumes

| | Δ% | Δ €bn |
|---|---|---|
| Retail Italy | (2.9) | (3.3) |
| SMEs Italy | (1.2) | (0.8) |
| Mid-Corporate Italy | (13.1) | (2.5) |
| Large Corporate | (26.4) | (11.2) |
| Public Finance(1) | +0.8 | +0.3 |
| International Subsidiary Banks Division | +0.1 | 0.0 |

*(1) Including securities subscription*

# Quarterly increase in Net Interest Income due to the improvement in mark-down

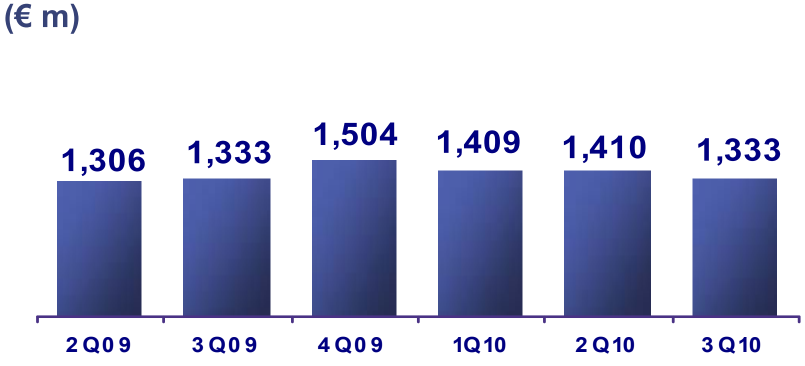
| Δ 3Q10 vs 2Q10 | | |
|---|---|---|
| (€ m) | | |
| 2Q10 Net Interest Income | | 2,462 |
| + Operating impact | | 38 |
| of which: | | |
| - Volumes | (4) | |
| - Spread | 42 | |
| + Hedging [1] [2] | | (32) |
| | | |
| + Other | | 2 |
| 3Q10 Net Interest Income | | 2,470 |

| Δ 9M10 vs 9M09 | | |
|---|---|---|
| (€ m) | | |
| 9M09 Net Interest Income | | 8,031 |
| + Operating impact | | (770) |
| of which: | | |
| - Volumes | (225) | |
| - Spread | (545) | |
| + Hedging [2] [3] | | 383 |
| + Overdraft charges | | (178) |
| + Other | | (120) |
| 9M10 Net Interest Income | | 7,346 |

*(1) ~€400m benefit from hedging registered in 3Q10*
*(2) Core deposits*
*(3) ~€1,250m benefit from hedging registered in 9M10*

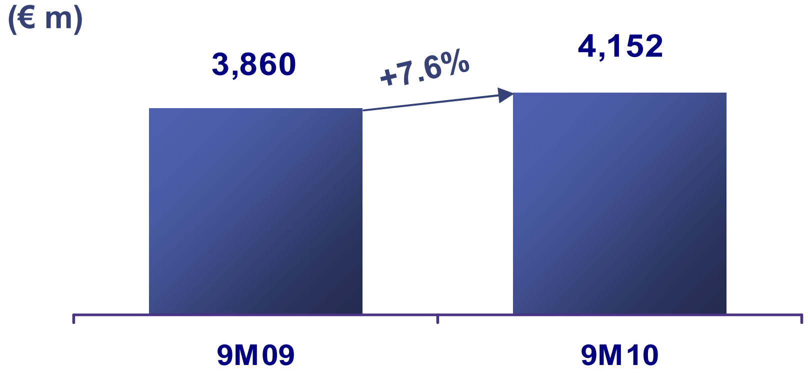
# Sound yearly growth in Net Fee and Commission Income

## Quarterly Analysis




- 3Q10 stable vs 3Q09
- Decrease in 3Q10 vs 2Q10 mostly attributable to commissions from Management, dealing and consultancy activities (down 9.8%; -€63m) as a result of lower commissions from dealing and placement of securities and insurance products, due to planned lower placement of products with up-front fees and the usual summer seasonal business slowdown (July and August)
- 1.6% (+€8m) increase vs 2Q10 in commissions from commercial banking activities

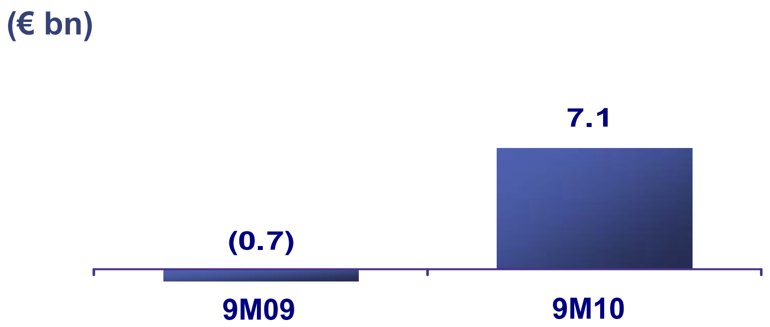
## Yearly Analysis



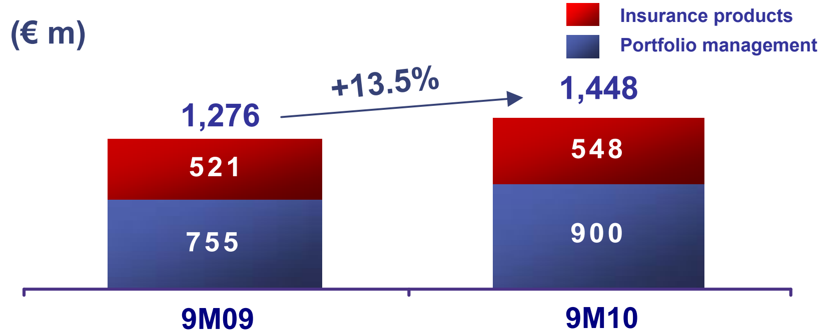

- 7.6% growth in 9M10 vs 9M09
- Strong growth (+11.5%; +€194m) in commissions from Management, dealing and consultancy activities due to the good performance of all components (portfolio management, insurance products, placement of securities)
- 4.5% (+€65m) increase in commissions from commercial banking activities also as a result of the introduction of commitment fee (€56m benefit vs 9M09)

# More than €7bn AuM net inflows in 9M10 and improved Asset Mix

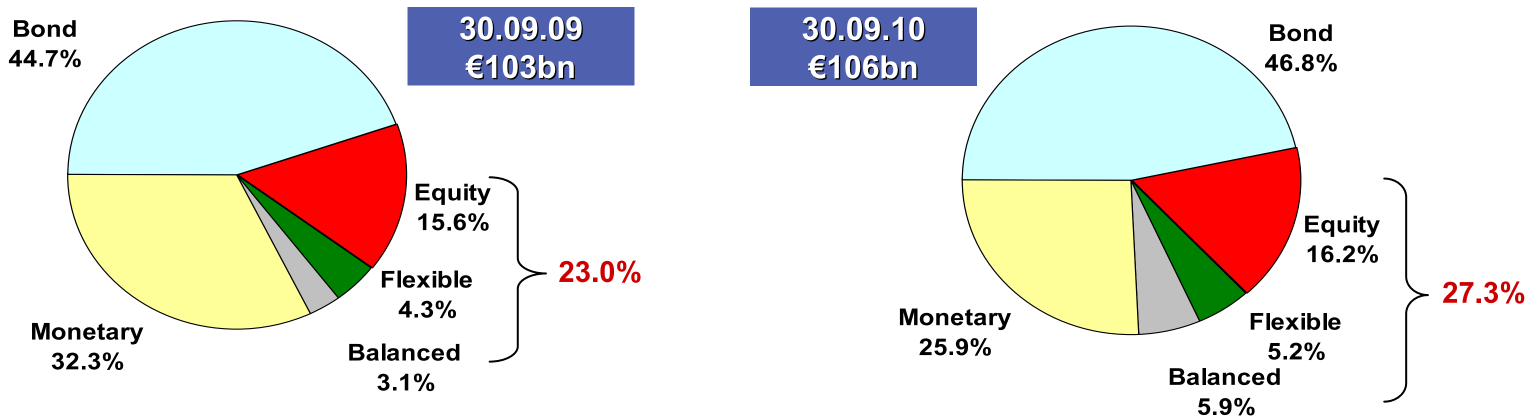
## Net flows of Assets under Management in Italy[(1)]




## Net Fee and Commission Income from Assets under Management




## Mutual Funds Asset Mix



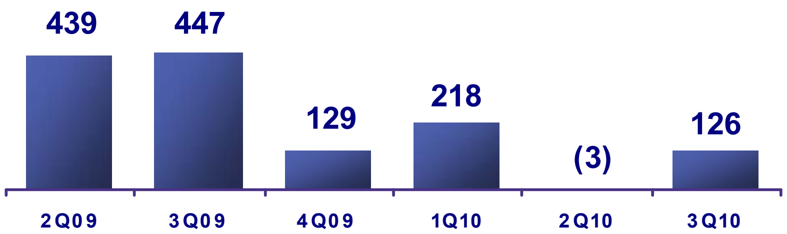

- **The switch back of Assets under Administration (€194bn) into Assets under Management provides potential for commission growth with retail customers**

*(1) Banca dei Territori Division + Banca Fideuram*

# Positive performance in Profits on Trading in 3Q10 maintaining a low risk profile

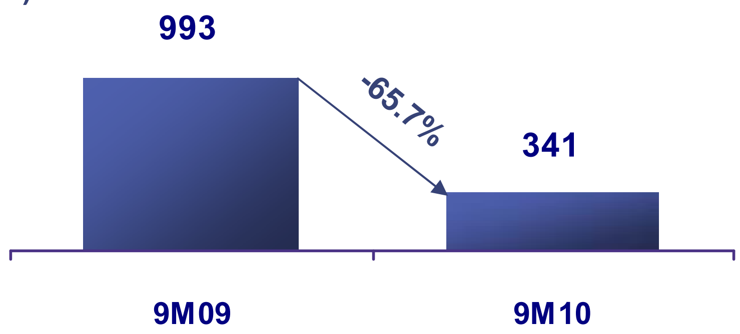
## Quarterly Analysis

(€ m)




## Yearly Analysis

(€ m)




- 3Q10 positive results following a 2Q10 affected by unrealised losses on Financial assets held for trading, originated from market tensions in the euro-zone caused by the Greek crisis
- 5.9% 3Q10 increase in revenues from customer activity vs 2Q10
- Back to profitability in Proprietary Trading and Treasury in 3Q10

- 9M10 results also affected by unrealised losses on Financial assets held for trading as a consequence of the euro-zone tensions seen in 2Q10
- 9M10 results include €47m of dividends from Financial assets available for sale (€36m in 9M09)
- 9M10 average VAR down 11.3% vs 9M09 to €38m

# Trading profits: revenues from customer activity increase in 3Q10 vs 2Q10

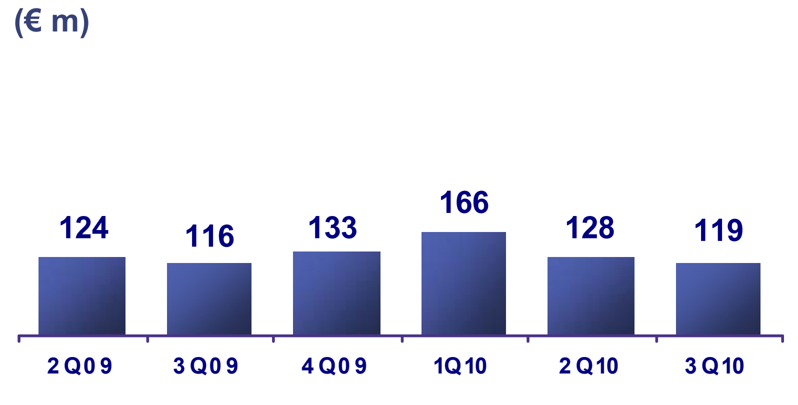
| (€ m) | 2Q09(1) | 3Q09(1) | 4Q09(1) | 1Q10(1) | 2Q10(1) | 3Q10(1) |
|---|---|---|---|---|---|---|
| **Total** | **439** | **447** | **129** | **218** | **(3)** | **126** |
| *of which:* | | | | | | |
| **Customers** | **157** | **113** | **87** | **85** | **85** | **90** |
| **Capital markets & Financial assets AFS** | **167** | **205** | **30** | **105** | **16** | **1** |
| **Proprietary Trading and Treasury** (excluding Structured credit products) | **111** | **90** | **2** | **2** | **(114)*** | **8** |
| **Structured credit products** (see appendix) | **4** | **39** | **10** | **27** | **10** | **27** |

***2Q10 Proprietary Trading and Treasury results affected by ~€100m of unrealised losses on Italian Government bonds that have an average residual life of just around one year**

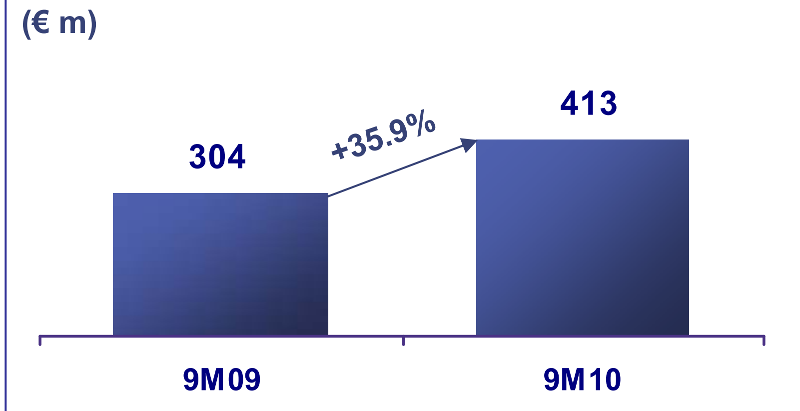
*(1) Without IAS reclassification the income statement would have included €81m of negative impact (of which €83m on Structured credit products) in 1Q09, €13m of positive impact (of which -€28m on Structured credit products) in 2Q09, €148m of positive impact (of which €104m on Structured credit products) in 3Q09, €8m of negative impact (of which €0m on Structured credit products) in 4Q09, €84m of positive impact (of which -€44m on Structured credit products) in 1Q10, €23m of negative impact (of which €28m on Structured credit products) in 2Q10 and €39m of positive impact (of which -€36m on Structured credit products) in 3Q10*

# Positive performance of insurance business confirmed

**Quarterly Analysis**




**Yearly Analysis**

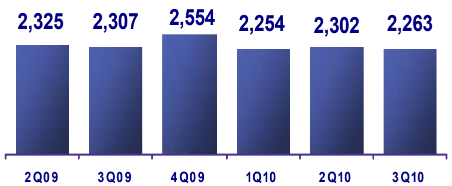



- Increase in 9M10 vs 9M09 (+35.9%), due to financial management and sustained increase in collection
- 8.9% increase in 3Q10 vs the 2009 quarterly average
- Remaining 50% of Intesa Vita and remaining 49% of Centrovita purchases completed in September
- The rationalisation project underway will lead to the setting up of a single life company serving the Group's banking networks and a life company at the service of Banca Fideuram. Main benefits:
  - significant efficiency improvement, with cost synergies (unification of systems and processes)
  - substantial improvement in commercial effectiveness (alignment to internal best practice, reviewing and unifying both product range and investment policies and leveraging on advertising campaign)
  - the re-launch of the insurance business of Banca Fideuram thanks to a dedicated structure

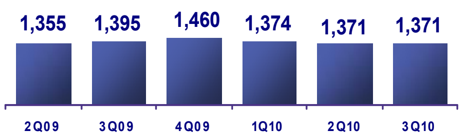
# Structural cost reduction confirmed

## Quarterly Analysis

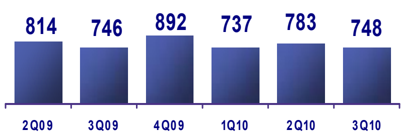
### Operating Costs
(€ m)



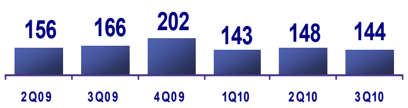

### Personnel Expenses
(€ m)




### Other Administrative Expenses
(€ m)

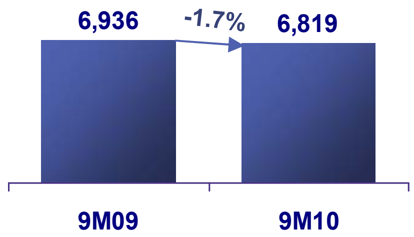



### Adjustments
(€ m)

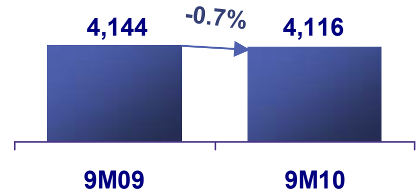



## Yearly Analysis

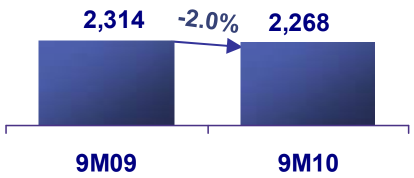
### Operating Costs
(€ m)



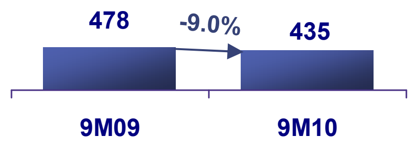

### Personnel Expenses
(€ m)




### Other Administrative Expenses
(€ m)




### Adjustments
(€ m)




- **3Q10 Operating costs down 1.9% vs 3Q09**
- **3Q10 Operating costs down 1.7% vs 2Q10 mostly due to the reduction in Other Administrative Expenses**

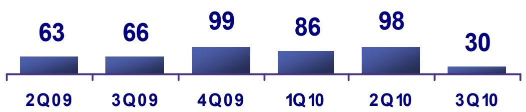
- **Structural cost reduction (-1.7% vs 9M09) confirmed in all items (Personnel expenses, Other administrative expenses and Adjustments) despite ongoing growth-related investments**
- **Strong reduction in Adjustments (-9.0%) due to the completion of certain IT assets adjustments**

# Cost of credit in 3Q10 down at 75bps annualised and further increase in Performing Loans reserve

## Quarterly Analysis

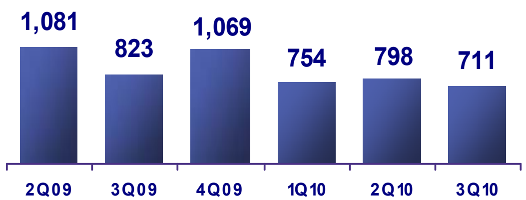
### Net Provisions for risks and charges

(€ m)




### Net Adjustments to Loans

(€ m)

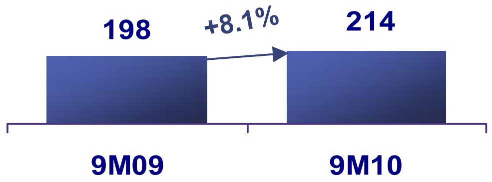



- 69.4% decrease in Net Provisions for risks and charges in 3Q10 after the high provisions made in the first 2 quarters of 2010
- 10.9% decrease in 3Q10 Net Adjustments to Loans vs 2Q10
- 3Q10 Net Adjustments to Loans/Loans at 75bps annualised, the lowest in the past 7 quarters
- Performing Loans reserve up by €27m in 3Q10 at €2,485m

## Yearly Analysis

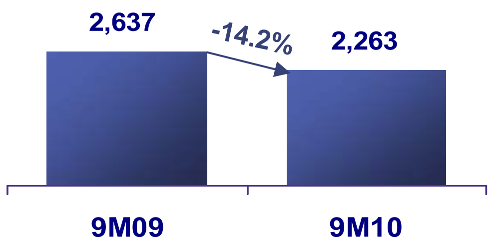
### Net Provisions for risks and charges

(€ m)




### Net Adjustments to Loans

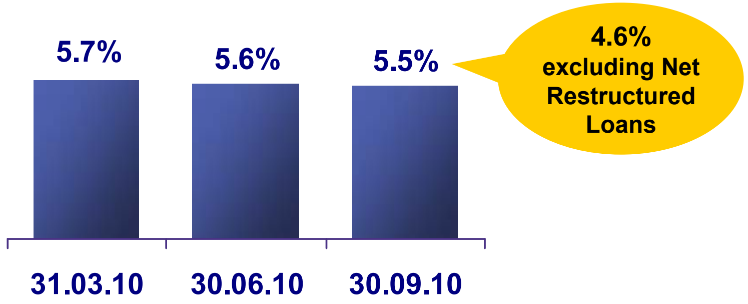
(€ m)



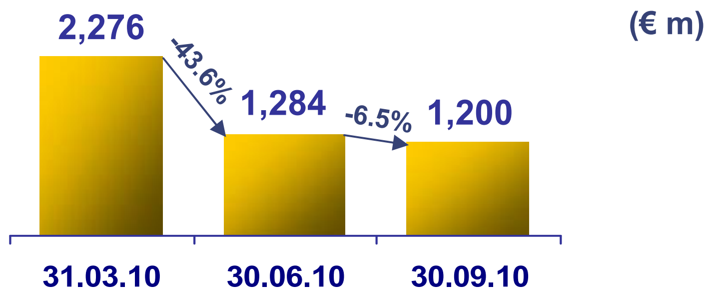

- 14.2% decrease in Net Adjustments to Loans in 9M10 vs 9M09
- 9M10 Net Adjustments to Loans/Loans down at 80bps annualised vs 93bps in 9M09 and 99bps for all of 2009

# Further reduction in the stock of Past Due and Substandard Loans in 3Q10

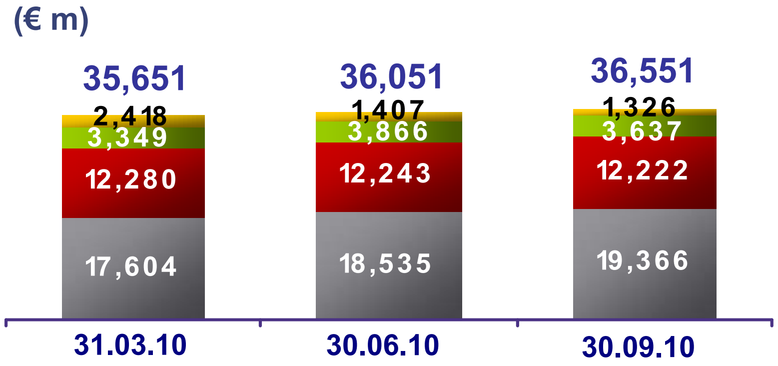
## Net Non-performing Loans / Net Loans



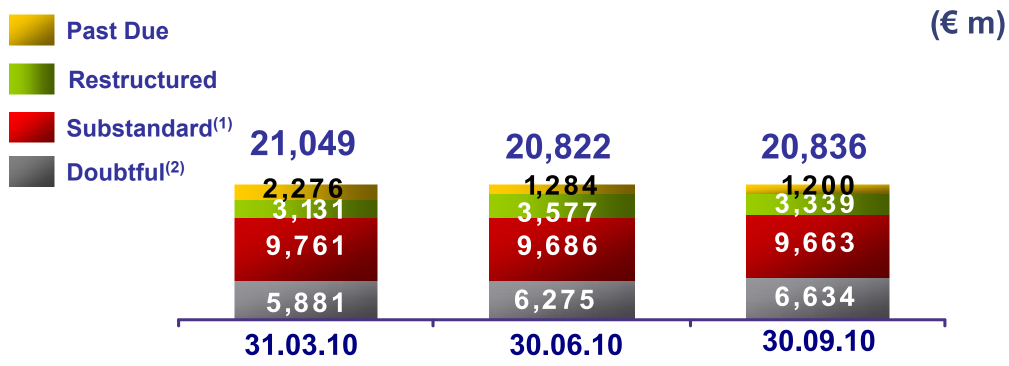

## Net Past Due




## Gross Non-performing Loans



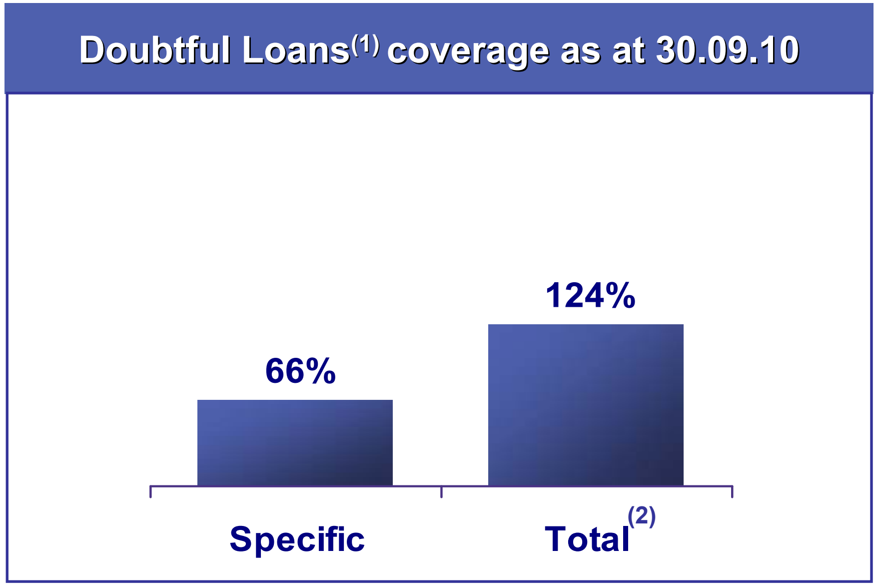

## Net Non-performing Loans

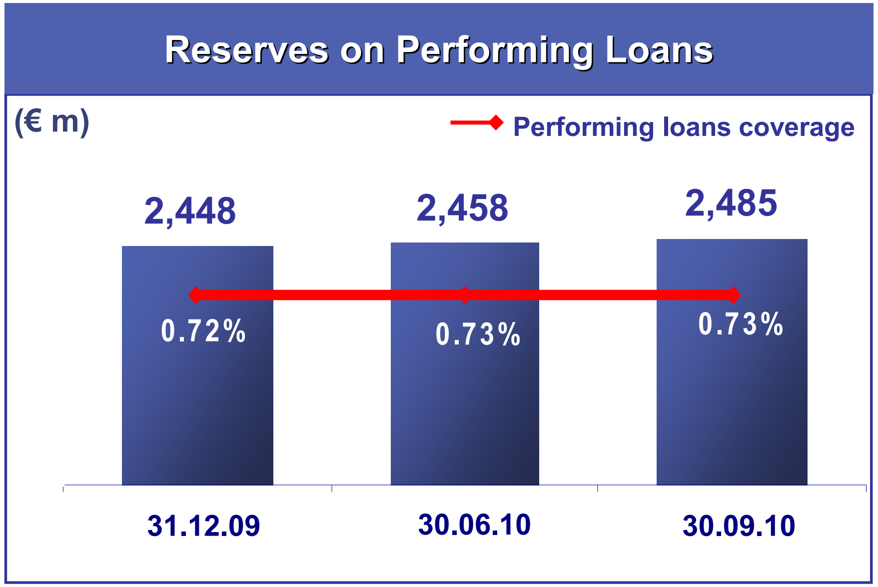



- 6.5% decrease in Net Past Due Loans in 3Q10 vs 2Q10
- 0.2% decrease in the stock of Net Substandard Loans in 3Q10 vs 2Q10
- 6.7% decrease in the stock of Net Restructured Loans – owing, to a large extent, to a single loan which did not require provisioning - vs 2Q10
- 3Q10 stock of Net Non-performing Loans stable vs 2Q10

*(1) Incagli*
*(2) Sofferenze*

# Doubtful Loans[1] coverage stable and more than adequate. Sound reserves on Performing Loans



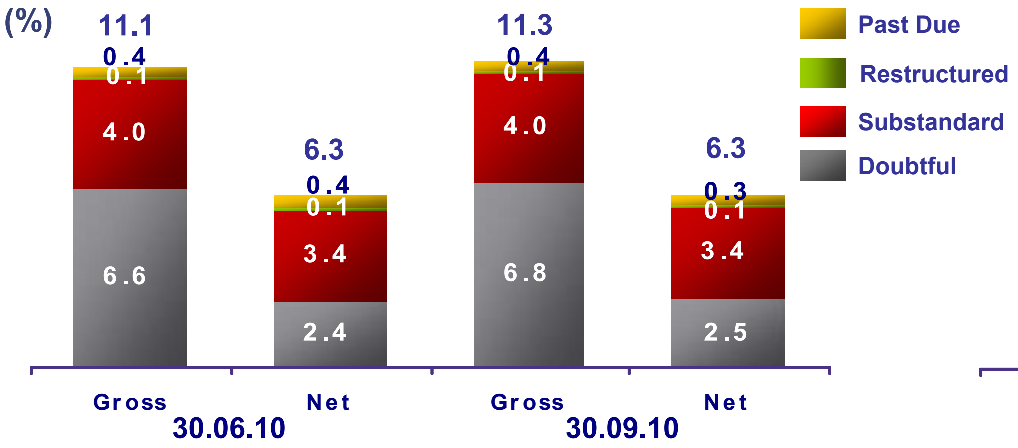




- **Doubtful Loans[1] total coverage (including collateral and guarantees) stable at 124%**
- **Repayments from Doubtful Loans[1] structurally higher than their Net Book Value (159% in 9M10 and more than 152% in the 2008-2009 2-year period)**
- **€2,485m reserves on Performing Loans, €37m increase vs 31.12.09 and €27m increase vs 30.06.10**

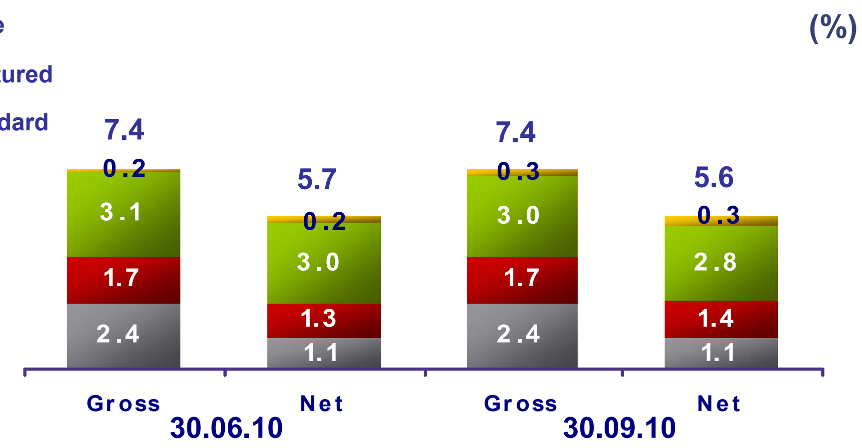
*(1) Sofferenze*
*(2) Including collateral and guarantees*

# Non-performing Loans/Loans per Business Unit

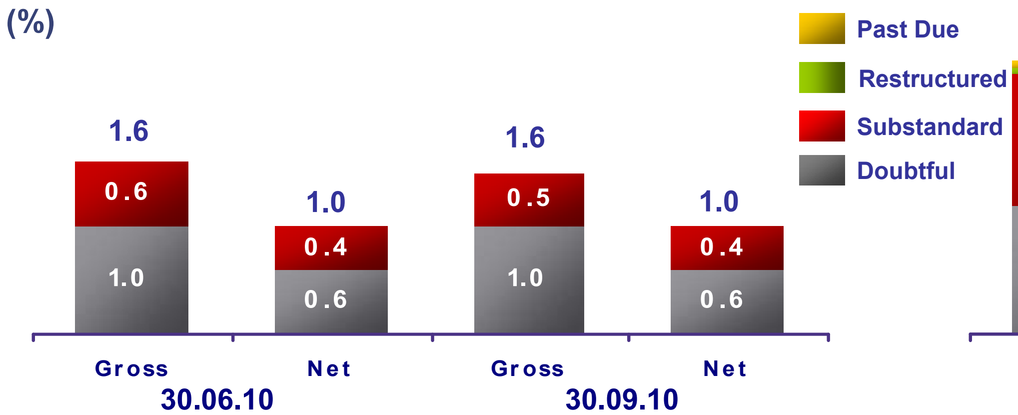
## Banca dei Territori Division



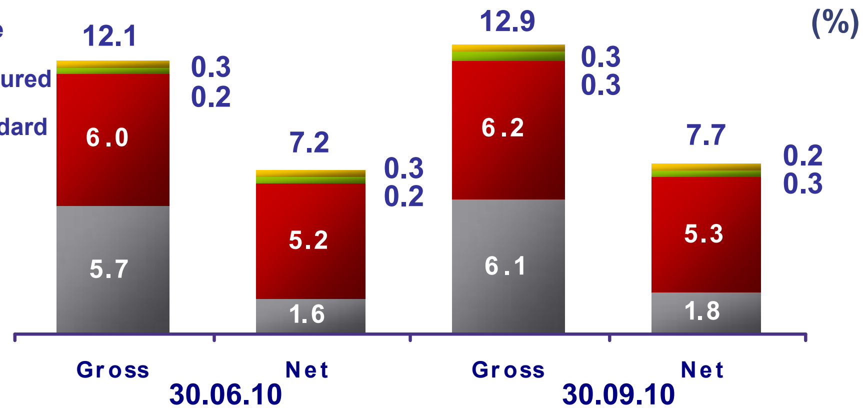

## Corporate and Investment Banking Division




## Public Finance



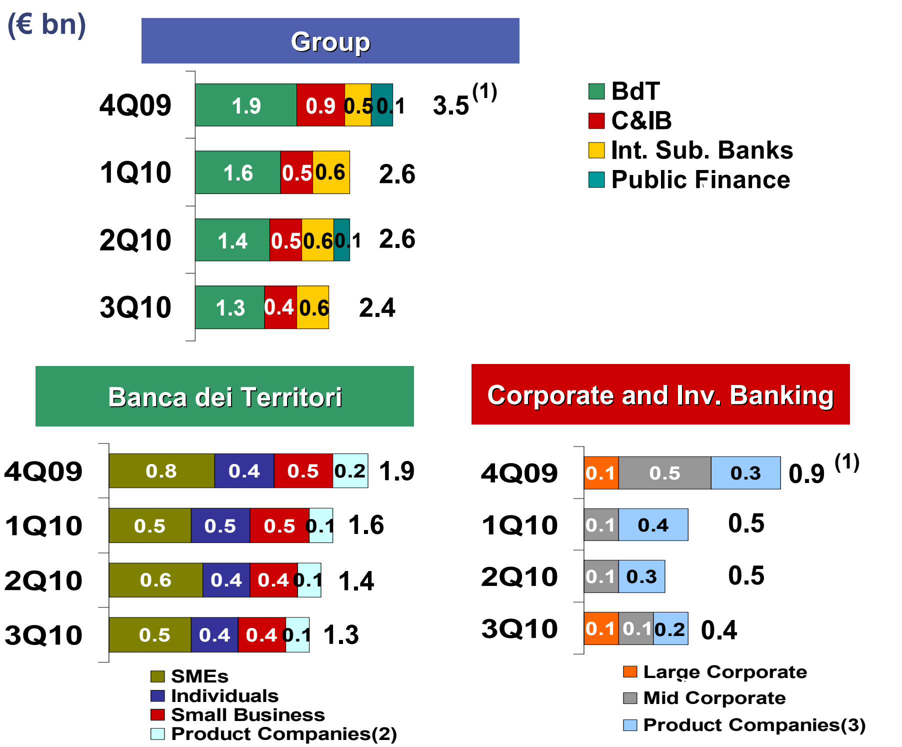

## International Subsidiary Banks Division



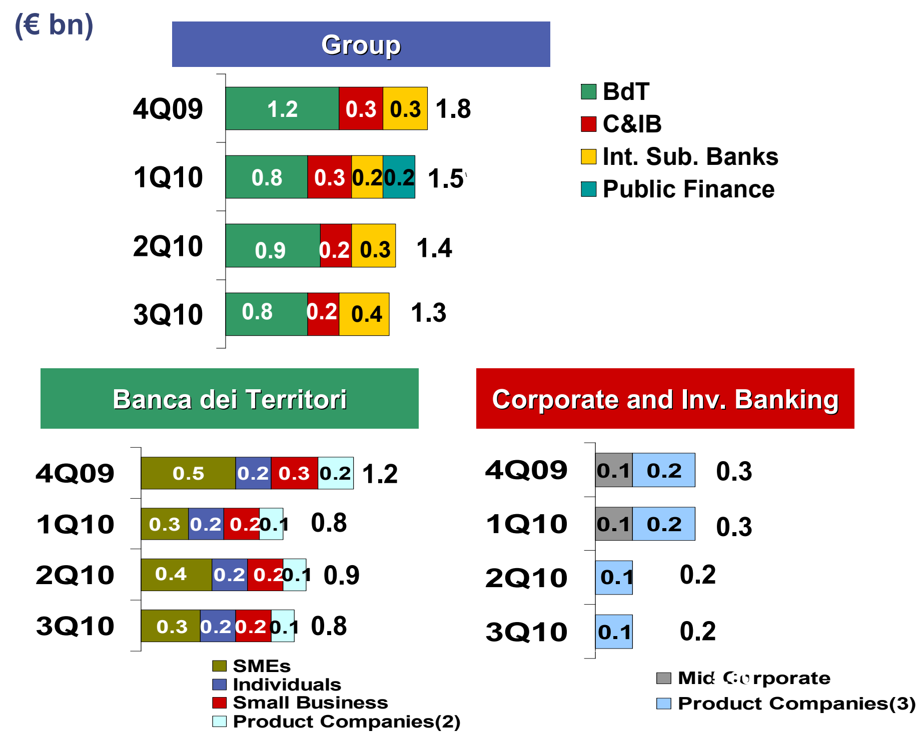

*Figures may not add up exactly due to rounding differences*

# Continued decline in the inflow of new Substandard and Doubtful Loans

## New Substandard Loan Gross Flow




## New Doubtful Loan Gross Flow

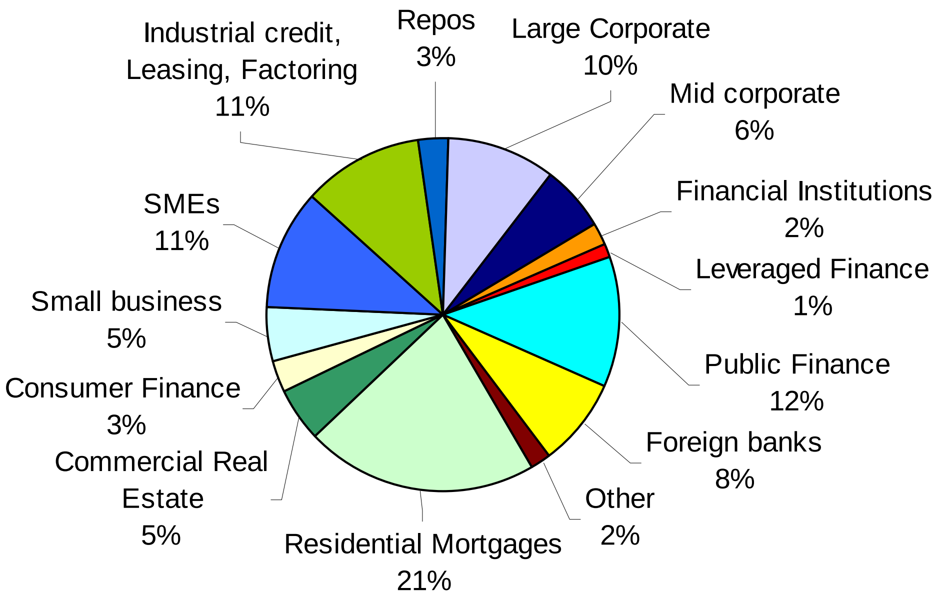



- Inflow of new Doubtful Loans further decreasing in 3Q10, due to lower transfers from Performing Loans and Substandard Loans
- Inflow of new Substandard Loans down in 3Q10 vs 2Q10

*(1) Including an exposure of €427m secured by €402m cash collateral from other banks taking part in the loan facility, with an actual risk for Intesa Sanpaolo of only €25m*
*(2) Industrial credit*
*(3) Leasing and Factoring*
*Figures may not add up exactly due to rounding differences*

# Well-diversified portfolio of Loans to Customers

## Breakdown by business area (Data as at 30.09.10)




- **Low risk profile of residential mortgage portfolio**
  - **Instalment/available income ratio at 37%**
  - **Average Loan-to-Value equal to 49%**
  - **Original average maturity equal to ~20 years**
  - **Residual average life equal to ~12 years**

## Breakdown by economic business sectors

| | 30.06.10 | 30.09.10 |
|---|---|---|
| **Loans of the Italian banks and companies of the Group** | | |
| **Households** | **24.1%** | **23.9%** |
| **Public Administration** | **5.2%** | **5.2%** |
| **Financial companies** | **4.3%** | **5.1%** |
| **Non-financial companies** | **48.3%** | **48.1%** |
| *of which:* | | |
| HOLDING AND OTHER | 8.9% | 8.9% |
| CONSTRUCTION AND MATERIALS FOR CONSTR. | 6.8% | 6.8% |
| DISTRIBUTION | 6.1% | 6.0% |
| SERVICES | 5.4% | 5.3% |
| TRANSPORT | 2.6% | 2.6% |
| UTILITIES | 2.6% | 2.5% |
| METALS AND METAL PRODUCTS | 2.4% | 2.4% |
| TRANSPORTATION MEANS | 1.8% | 1.7% |
| FOOD AND DRINK | 1.6% | 1.6% |
| MECHANICAL | 1.5% | 1.6% |
| AGRICULTURE | 1.4% | 1.4% |
| ENERGY AND EXTRACTION | 1.3% | 1.4% |
| INTERMEDIATE INDUSTRIAL PRODUCTS | 1.3% | 1.4% |
| FASHION | 1.3% | 1.3% |
| ELECTROTECHNICAL AND ELECTRONIC | 1.1% | 1.1% |
| PUBLISHING AND PRINTING | 0.5% | 0.5% |
| BASE AND INTERMEDIATE CHEMICALS | 0.5% | 0.5% |
| FURNITURE | 0.4% | 0.4% |
| OTHER CONSUMPTION GOODS | 0.3% | 0.3% |
| PHARMACEUTICAL | 0.3% | 0.3% |
| MASS CONSUMPTION GOODS | 0.1% | 0.1% |
| WHITE GOODS | 0.1% | 0.1% |
| **Rest of the world** | **7.3%** | **6.8%** |
| **Loans of the foreign banks and companies of the Group** | **9.0%** | **9.1%** |
| **Doubtful Loans** | **1.7%** | **1.8%** |
| TOTAL | **100.0%** | **100.0%** |

*Figures may not add up exactly due to rounding differences*

# Total exposure(1) by Country: international exposure at 23% of total exposure

| (€ m) | DEBT SECURITIES | | | | | | LOANS |
|---|---|---|---|---|---|---|---|
| | L&R | AFS | HTM | CFV (2) | HFT | **Total** | |
| **UE Countries** | **20,073** | **51,740** | **3,558** | **585** | **29,481** | **105,438** | **364,006** |
| Austria | 131 | 178 | 13 | | 82 | 404 | 575 |
| Belgium | | 367 | | | 417 | 784 | 681 |
| Bulgaria | | | | | | | 24 |
| Cyprus | 24 | | | | | 24 | 177 |
| Czech Republic | 77 | 44 | | | | 121 | 390 |
| Denmark | 200 | 90 | | 1 | 15 | 306 | 238 |
| Finland | | 71 | | | | 71 | 92 |
| France | 696 | 2,543 | | 27 | 877 | 4,143 | 6,818 |
| Germany | 213 | 3,500 | 22 | 24 | 953 | 4,711 | 2,498 |
| Greece | 397 | 479 | | | 215 | 1,091 | 162 |
| Hungary | 362 | 63 | 24 | | 123 | 573 | 7,954 |
| Iceland | 126 | | | | 41 | 167 | 35 |
| Ireland | 37 | 476 | | 7 | 19 | 539 | 558 |
| Italy | 12,739 | 37,410 | 1,475 | 468 | 24,893 | 76,985 | 317,678 |
| Latvia | 25 | | | | | 25 | 65 |
| Liechtenstein | | 11 | | | | 11 | |
| Lithuania | | 20 | | | 1 | 21 | 5 |
| Luxembourg | 744 | 623 | | 37 | 181 | 1,584 | 2,480 |
| Malta | | | | | | | 81 |
| The Netherlands | 561 | 1,564 | 39 | 13 | 485 | 2,662 | 2,314 |
| Norway | 313 | 76 | | | 28 | 418 | 610 |
| Poland | 122 | 26 | | 1 | 182 | 331 | 93 |
| Portugal | 1,181 | 312 | 11 | | 87 | 1,592 | 445 |
| Romania | 10 | 56 | | | | 66 | 877 |
| Slovakia | | 1,424 | 1,850 | | 85 | 3,359 | 5,804 |
| Slovenia | | 174 | | | 3 | 177 | 2,227 |
| Spain | 1,438 | 1,064 | 105 | 1 | 252 | 2,860 | 2,417 |
| Sweden | 250 | 228 | | | 97 | 574 | 410 |
| United Kingdom | 428 | 942 | 17 | 7 | 445 | 1,838 | 8,300 |
| **Other countries** | **4,369** | **3,096** | **647** | **160** | **5,997** | **14,268** | **31,926** |
| **Total consolidated figures** | **24,442** | **54,836** | **4,205** | **745** | **35,478** | **119,706** | **395,932** |

- **Overall exposure to Greece, Ireland, Portugal and Spain at 2% of total exposure**

*(1) Exposure to sovereign risks (central and local governments), banks and other customers, for which details are reported in slides 60, 61 and 62. Book Value of Debt Securities and Net Loans as at 30.09.10. Including insurance business*

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

*Figures may not add up exactly due to rounding differences*

# Agenda

1 Sustainable profitability gaining momentum

2 2010 Nine-Month Consolidated Results

3 2010 Nine-Month Divisional Results

# Divisional Financial Highlights

| (Figures as at 30.09.10) | Banca dei Territori | Eurizon Capital | Corporate & Investment Banking | Public Finance | International Subsidiary Banks | Banca Fideuram | Corporate Centre / Others[1] | Total |
|---|---|---|---|---|---|---|---|---|
| **Operating Income** (€ m) | 7,312 | 203 | 2,561 | 240 | 1,698 | 573 | (275) | 12,312 |
| **Operating Margin** (€ m) | 2,958 | 106 | 1,905 | 184 | 846 | 318 | (824) | 5,493 |
| **Net income** (€ m) | 657 | 52 | 1,061 | 103 | 324 | 114 | (111) | 2,200 |
| **Cost/Income** (%) | 59.5 | 47.8 | 25.6 | 23.3 | 50.2 | 44.5 | n.m. | 55.4 |
| **RWA** (€ bn) | 137.4 | 0.9 | 132.4 | 17.8 | 34.4 | 4.2 | 27.8 | 355.0 |
| **Allocated Capital**[2] (€ bn) | 9.7 | 0.1 | 7.9 | 1.1 | 2.1 | 0.4 | 1.7 | 22.9 |
| **Direct Customer Deposits** (€ bn) | 217.4 | n.m. | 108.4 | 5.0 | 29.9 | 11.9 | 62.2 | 434.8 |
| **Loans to Customers** (€ bn) | 177.5 | 0.1 | 110.2 | 42.6 | 30.5 | 2.7 | 15.1 | 378.8 |
| **EVA ®** (€ m) | 246 | 76 | 462 | 26 | 125 | 159 | (847) | 247 |

*(1) Treasury Department, Central Structures, excess capital and consolidation adjustments*
*(2) Allocated capital = 6% RWA (Basel 2 Foundation) + insurance risk, allocated capital for Eurizon Capital and Banca Fideuram = 6% RWA + business risk*
*Figures may not add up exactly due to rounding differences*

# Banca dei Territori: growth in AuM, Direct Customer Deposits and Net Fee and Commission Income vs 9M09

| (€ m) | 9M09 Restated | 9M10 | Δ% |
|---|---|---|---|
| Net interest income | 4,753 | 4,357 | (8.3) |
| Dividends and P/L on investments carried at equity | 102 | 25 | (75.5) |
| Net fee and commission income | 2,340 | 2,514 | 7.4 |
| Profits (Losses) on trading | 91 | 65 | (28.6) |
| Income from insurance business | 224 | 336 | 50.0 |
| Other operating income (expenses) | 10 | 15 | 50.0 |
| **Operating income** | **7,520** | **7,312** | **(2.8)** |
| Personnel expenses | (2,500) | (2,491) | (0.4) |
| Other administrative expenses | (1,854) | (1,857) | 0.2 |
| Adjustments to property, equipment and intangible assets | (17) | (6) | (64.7) |
| **Operating costs** | **(4,371)** | **(4,354)** | **(0.4)** |
| **Operating margin** | **3,149** | **2,958** | **(6.1)** |
| Goodwill impairment | 0 | 0 | n.m. |
| Net provisions for risks and charges | (58) | (56) | (3.4) |
| Net adjustments to loans | (1,263) | (1,436) | 13.7 |
| Net impairment losses on other assets | (31) | (4) | (87.1) |
| Profits (Losses) on HTM and on other investments | 0 | 0 | n.m. |
| **Income before tax from continuing operations** | **1,797** | **1,462** | **(18.6)** |
| Taxes on income from continuing operations | (726) | (577) | (20.5) |
| Merger and restructuring related charges (net of tax) | (94) | (36) | (61.7) |
| Effect of purchase cost allocation (net of tax) | (192) | (192) | 0.0 |
| Income (Loss) after tax from discontinued operations | 0 | 0 | n.m. |
| Minority interests | (2) | 0 | (100.0) |
| **Net income** | **783** | **657** | **(16.1)** |

| | 9M09 | 9M10 |
|---|---|---|
| **EVA ® (€ m)** | **437** | **246** |

- More than 58,000 new customers on a net basis in 9M10
- NII down mainly due to the reduction in mark-down caused by market yields. Benefits from the hedging and average Direct Customer Deposits growth (+6.5%). €178m negative impact due to the elimination of overdraft charges
- 7.4% increase in commissions due to good performance of AuM and insurance products as well as the introduction of commitment fee (€56m benefit vs 9M09)
- Strong growth in Income from insurance business (+50.0%), also due to increase in new business
- 0.4% reduction in Operating costs
- Increase in Net adjustments to loans due to the lagged effect of the cycle on SME asset quality
- Surge in Pre-tax income and Net income in 3Q10 (+11.4% and +22.5% respectively vs 2Q10)

*Note: 9M09 figures restated to reflect scope of consolidation for 9M10*
*Figures may not add up exactly due to rounding differences*

# Eurizon Capital: sound operating performance and strong increase in profitability vs 9M09

| (€ m) | 9M09 Restated | 9M10 | Δ% |
|---|---|---|---|
| Net interest income | 2 | 1 | (50.0) |
| Dividends and P/L on investments carried at equity | 0 | 11 | n.m. |
| Net fee and commission income | 178 | 188 | 5.6 |
| Profits (Losses) on trading | 3 | 0 | (100.0) |
| Income from insurance business | 0 | 0 | n.m. |
| Other operating income (expenses) | 7 | 3 | (57.1) |
| **Operating income** | **190** | **203** | **6.8** |
| Personnel expenses | (36) | (39) | 8.3 |
| Other administrative expenses | (55) | (58) | 5.5 |
| Adjustments to property, equipment and intangible assets | (1) | 0 | (100.0) |
| **Operating costs** | **(92)** | **(97)** | **5.4** |
| **Operating margin** | **98** | **106** | **8.2** |
| Goodwill impairment | 0 | 0 | n.m. |
| Net provisions for risks and charges | 0 | (1) | n.m. |
| Net adjustments to loans | 0 | 0 | n.m. |
| Net impairment losses on other assets | 0 | 0 | n.m. |
| Profits (Losses) on HTM and on other investments | 0 | 0 | n.m. |
| **Income before tax from continuing operations** | **98** | **105** | **7.1** |
| Taxes on income from continuing operations | (27) | (24) | (11.1) |
| Merger and restructuring related charges (net of tax) | 0 | 0 | n.m. |
| Effect of purchase cost allocation (net of tax) | (29) | (28) | (3.4) |
| Income (Loss) after tax from discontinued operations | 0 | 0 | n.m. |
| Minority interests | (1) | (1) | 0.0 |
| **Net income** | **41** | **52** | **26.8** |

| | | |
|---|---|---|
| **EVA ® (€ m)** | **66** | **76** |

- Leading asset manager in Italy with €140.7bn of AuM (+3.8% vs 31.12.09)
- €2.3bn positive net collection in 9M10
- Operating income up vs 9M09 due to the increase in average assets under management and contribution of the shareholding Penghua Fund Management Company Ltd.
- Growing synergies with the Banca dei Territori: "Eurizon Capital Specialists" initiative strengthened, 57 people (vs 43 as at 31.12.09) supporting the network to re-launch asset management (market advisory, performance and asset allocation)
- Growth of products to be distributed by the Banca dei Territori (in 9M10 launched new lines of portfolio management and placement of new types of corporate bond funds and capital protected funds)
- 9M10 Net income at €80m excluding the economic effects of purchase cost allocation

*Note: 9M09 figures restated to reflect scope of consolidation for 9M10*
*Figures may not add up exactly due to rounding differences*

# Corporate and Investment Banking: strong increase in profitability vs 9M09

| (€ m) | 9M09 Restated | 9M10 | Δ% |
|---|---|---|---|
| Net interest income | 1,589 | 1,462 | (8.0) |
| Dividends and P/L on investments carried at equity | (37) | (28) | (24.3) |
| Net fee and commission income | 677 | 687 | 1.5 |
| Profits (Losses) on trading | 523 | 419 | (19.9) |
| Income from insurance business | 0 | 0 | n.m. |
| Other operating income (expenses) | 29 | 21 | (27.6) |
| **Operating income** | **2,781** | **2,561** | **(7.9)** |
| Personnel expenses | (278) | (291) | 4.7 |
| Other administrative expenses | (363) | (360) | (0.8) |
| Adjustments to property, equipment and intangible assets | (7) | (5) | (28.6) |
| **Operating costs** | **(648)** | **(656)** | **1.2** |
| **Operating margin** | **2,133** | **1,905** | **(10.7)** |
| Goodwill impairment | (1) | 0 | (100.0) |
| Net provisions for risks and charges | (5) | (5) | 0.0 |
| Net adjustments to loans | (772) | (316) | (59.1) |
| Net impairment losses on other assets | (10) | (12) | 20.0 |
| Profits (Losses) on HTM and on other investments | 0 | (4) | n.m. |
| **Income before tax from continuing operations** | **1,345** | **1,568** | **16.6** |
| Taxes on income from continuing operations | (426) | (501) | 17.6 |
| Merger and restructuring related charges (net of tax) | (7) | (5) | (28.6) |
| Effect of purchase cost allocation (net of tax) | 0 | (1) | n.m. |
| Income (Loss) after tax from discontinued operations | 0 | 0 | n.m. |
| Minority interests | 0 | 0 | n.m. |
| **Net income** | **912** | **1,061** | **16.3** |

| | | |
|---|---|---|
| **EVA ® (€ m)** | **298** | **462** |

- Revenues decline mainly due to decrease in NII – mostly as a result of a reduction in average customer loans - and lower Profits on trading
- Increase in Net fee and commission income due to commercial banking activity
- 59.1% reduction in Net adjustments to loans for both Mid and Large corporate customers
- 16.6% increase in Pre-tax income
- 9M10 Net income at €1,061m, +16.3% vs 9M09

*Note: 9M09 figures restated to reflect scope of consolidation for 9M10. Data include results of Proprietary trading*
*Figures may not add up exactly due to rounding differences*

# Public Finance: strong increase in Net Fee and Commission Income and Net Income in line with 9M09

| (€ m) | 9M09 Restated | 9M10 | Δ% |
|---|---|---|---|
| Net interest income | 301 | 209 | (30.6) |
| Dividends and P/L on investments carried at equity | 0 | 0 | n.m. |
| Net fee and commission income | 31 | 48 | 54.8 |
| Profits (Losses) on trading | (7) | (19) | 171.4 |
| Income from insurance business | 0 | 0 | n.m. |
| Other operating income (expenses) | 2 | 2 | 0.0 |
| **Operating income** | **327** | **240** | **(26.6)** |
| Personnel expenses | (27) | (26) | (3.7) |
| Other administrative expenses | (33) | (30) | (9.1) |
| Adjustments to property, equipment and intangible assets | 0 | 0 | n.m. |
| **Operating costs** | **(60)** | **(56)** | **(6.7)** |
| **Operating margin** | **267** | **184** | **(31.1)** |
| Goodwill impairment | 0 | 0 | n.m. |
| Net provisions for risks and charges | 2 | 0 | (100.0) |
| Net adjustments to loans | (82) | (18) | (78.0) |
| Net impairment losses on other assets | 0 | 0 | n.m. |
| Profits (Losses) on HTM and on other investments | 0 | 0 | n.m. |
| **Income before tax from continuing operations** | **187** | **166** | **(11.2)** |
| Taxes on income from continuing operations | (81) | (60) | (25.9) |
| Merger and restructuring related charges (net of tax) | 0 | 0 | n.m. |
| Effect of purchase cost allocation (net of tax) | (3) | (3) | 0.0 |
| Income (Loss) after tax from discontinued operations | 0 | 0 | n.m. |
| Minority interests | 0 | 0 | n.m. |
| **Net income** | **103** | **103** | **0.0** |
| | | | |
| **EVA ® (€ m)** | **33** | **26** | |

- Average Loans to Customers up slightly (+0.8% vs 30.09.09)
- €3.9bn of new loans from Sept 2009 to Sept 2010, of which €0.7bn of new loans in 3Q10
- NII decline due to lower spreads
- Strong increase in Net fee and commission income (+54.8%)
- Losses on trading due to valuation effects
- 6.7% decrease in Operating costs
- Strong reduction in Net adjustments to loans
- 9M10 Net income at €103m in line with 9M09
- Acceleration in Pre-tax income and Net income in 3Q10 (+5.9% and +9.4% respectively vs 2Q10)

*Note: 9M09 figures restated to reflect scope of consolidation for 9M10*
*Figures may not add up exactly due to rounding differences*

# International Subsidiary Banks: increase in Operating Margin and strong growth in Net Income vs 9M09

| (€ m) | 9M09 Restated | 9M10 | Δ% |
|---|---|---|---|
| Net interest income | 1,074 | 1,225 | 14.1 |
| Dividends and P/L on investments carried at equity | 9 | 12 | 33.3 |
| Net fee and commission income | 400 | 423 | 5.8 |
| Profits (Losses) on trading | 218 | 72 | (67.0) |
| Income from insurance business | 0 | 0 | n.m. |
| Other operating income (expenses) | (27) | (34) | 25.9 |
| **Operating income** | **1,674** | **1,698** | **1.4** |
| Personnel expenses | (442) | (428) | (3.2) |
| Other administrative expenses | (316) | (322) | 1.9 |
| Adjustments to property, equipment and intangible assets | (106) | (102) | (3.8) |
| **Operating costs** | **(864)** | **(852)** | **(1.4)** |
| **Operating margin** | **810** | **846** | **4.4** |
| Goodwill impairment | 0 | 0 | n.m. |
| Net provisions for risks and charges | 7 | 3 | (57.1) |
| Net adjustments to loans | (485) | (411) | (15.3) |
| Net impairment losses on other assets | (1) | (2) | 100.0 |
| Profits (Losses) on HTM and on other investments | 1 | 2 | 100.0 |
| **Income before tax from continuing operations** | **332** | **438** | **31.9** |
| Taxes on income from continuing operations | (76) | (114) | 50.0 |
| Merger and restructuring related charges (net of tax) | (1) | 0 | (100.0) |
| Effect of purchase cost allocation (net of tax) | 0 | 0 | n.m. |
| Income (Loss) after tax from discontinued operations | 0 | 0 | n.m. |
| Minority interests | 0 | 0 | n.m. |
| **Net income** | **255** | **324** | **27.1** |
| | | | |
| **EVA ® (€ m)** | **60** | **125** | |

- 1.4% revenue increase due to the growth in NII - sustained by larger spreads - and in Net fee and commission income
- Sound growth in average Direct Customer Deposits (+4.2%) and stable average Loans to customers (+0.1%)
- Operating costs down 1.4%
- Cost/Income ratio down at 50.2% from 51.6% in 9M09
- 4.4% increase in Operating margin
- 15.3% decrease in Net adjustments to loans
- 9M10 Net income at €352m (+38.0% vs 9M09) excluding the impact of Hungary extraordinary tax (€28m)

*Note: 9M09 figures restated to reflect scope of consolidation for 9M10*
*Figures may not add up exactly due to rounding differences*

# Banca Fideuram: strong increase in Revenues, Operating Margin and Net Income vs 9M09

| (€ m) | 9M09 Restated | 9M10 | Δ% |
|---|---|---|---|
| Net interest income | 125 | 88 | (29.6) |
| Dividends and P/L on investments carried at equity | 0 | 0 | n.m. |
| Net fee and commission income | 303 | 393 | 29.7 |
| Profits (Losses) on trading | 11 | 24 | 118.2 |
| Income from insurance business | 82 | 73 | (11.0) |
| Other operating income (expenses) | 0 | (5) | n.m. |
| **Operating income** | **521** | **573** | **10.0** |
| Personnel expenses | (103) | (103) | 0.0 |
| Other administrative expenses | (147) | (140) | (4.8) |
| Adjustments to property, equipment and intangible assets | (12) | (12) | 0.0 |
| **Operating costs** | **(262)** | **(255)** | **(2.7)** |
| **Operating margin** | **259** | **318** | **22.8** |
| Goodwill impairment | 0 | 0 | n.m. |
| Net provisions for risks and charges | (30) | (56) | 86.7 |
| Net adjustments to loans | 0 | 0 | n.m. |
| Net impairment losses on other assets | (10) | (3) | (70.0) |
| Profits (Losses) on HTM and on other investments | 0 | 0 | n.m. |
| **Income before tax from continuing operations** | **219** | **259** | **18.3** |
| Taxes on income from continuing operations | (44) | (69) | 56.8 |
| Merger and restructuring related charges (net of tax) | (2) | (5) | 150.0 |
| Effect of purchase cost allocation (net of tax) | (69) | (71) | 2.9 |
| Income (Loss) after tax from discontinued operations | 0 | 0 | n.m. |
| Minority interests | 0 | 0 | n.m. |
| **Net income** | **104** | **114** | **9.6** |

| | | |
|---|---|---|
| **EVA ® (€ m)** | **141** | **159** |

- Market leader with €70.8bn of Customer Financial Assets (of which €52.1bn AuM) and 4,344 Private bankers
- €3.0bn (+4.4%) Customer Financial Assets increase vs 31.12.09 due to AuM (+€5.1bn)
- 30.09.10 AuM accounts for 73.6% of Customer Financial Assets (69.4% as at 31.12.09)
- €1.6bn positive net inflow of Customer Financial Assets in 9M10 driven by AuM growth (+€3.6bn)
- Strong revenue growth (+10.0%) driven by commissions (+29.7%), in particular from recurring commissions
- Cost/Income ratio at 44.5% down 5.8pp
- 9M10 Net income at €185m excluding the economic effect of purchase cost allocation (€173m in 9M09)

*Note: 9M09 figures restated to reflect scope of consolidation for 9M10. Data include results of Fideuram Vita*
*Figures may not add up exactly due to rounding differences*

# Conclusions

- Robust profitability in 3Q10
- Sound performance driven by
  - Further signs of recovery in Customer Loans
  - Constant growth in Customer Financial Assets
  - Maintaining high liquidity and low leverage
  - Declining Operating Costs
  - Asset quality looking up
  - Sound capital ratios
- Our business model and our strategic choices leave us well positioned to address the challenges that lie ahead for banks

**3Q10 and 9M10 results confirm ISP's sustainable profitability and position as one of the most solid international banking Groups**

# Appendix

# Methodological note (1/2)

- For comparison purposes, 2009 data and the first two quarters data have been restated to take into account the effect of consolidating line by line the items related to the acquisition of 50 branches from Banca Monte dei Paschi di Siena finalised in June 2010
- Still for consistency purposes the balance sheet data for 2009 and for the first two quarters of 2010 were restated fully consolidating Intesa Vita
- With reference to the divisional figures, 2009 data and the first two quarters data have been restated to take into account the attribution of Fideuram Vita results to Banca Fideuram, previously attributed to the Banca dei Territori division
- The amendment to IAS 39 adopted by the European Union permitted the reclassification of Financial assets held for trading and/or available for sale into other categories. Following a clear change in the Company's intention taken as a result of unusual events, Intesa Sanpaolo reclassified €3,297m Financial assets held for trading into Loans & Receivables, €194m Financial assets held for trading into Financial assets available for sale and €6,649m Financial assets available for sale into Loans & Receivables. This reclassification reflected management intent to hold for the foreseeable future those assets for which the current and expected future market conditions no longer permit active management. Without this reclassification the 9M10 income statement would have included €100m(1) as positive impact from fair value measurement (of which €39m in 3Q10), while the Shareholders' equity would have included €1,219m(1) as negative direct impact as at 30.09.10 (of which €13m(1) in 3Q10)

*(1) Pre-tax data*

# Methodological note (2/2)

**2009 main non-recurring items include:**

- 1Q09: 1) €511m fiscal benefit from the release of deferred taxes relating to detaxation of intangibles with a finite life and brand name, recorded under taxes on income from continuing operations, 2) €68m integration charges and related tax savings, which resulted in net integration charges of €48m, 3) €95m charges from purchase cost allocation, net of tax and 4) €83m capital gains made on the disposal of CR Orvieto and 17 branches and related taxes, which resulted in a net capital gain of €63m under income after tax from discontinued operations
- 2Q09: 1) €60m integration charges and related tax savings, which resulted in net integration charges of €38m, and 2) €102m charges from purchase cost allocation, net of tax
- 3Q09: 1) €61m integration charges and related tax savings, which resulted in net integration charges of €44m, and 2) €98m charges from purchase cost allocation, net of tax
- 4Q09: 1) €51m from the IMI-SIR settlement registered under the caption other operating income and related taxes, 2) €439m capital gains from the disposal of Findomestic and €70m from that of Esaote registered under profits on investments held to maturity, and related taxes, 3) €131m integration charges and related tax savings, which resulted in net integration charges of €84m, 4) €90m charges from purchase cost allocation, net of tax, and 5) €60m attributable to minority shareholders out of the aforementioned €439m Findomestic capital gain recorded under minority interests

**2010 main non-recurring items include:**

- 1Q10: 1) €23m integration charges and related tax savings, which resulted in net integration charges of €16m, 2) €92m charges from purchase cost allocation, net of tax and 3) €86m fiscal benefit from the release of deferred taxes relating to goodwill detaxation with some subsidiaries, recorded under taxes on income from continuing operations
- 2Q10: 1) €19m extraordinary tax pertaining to 1H10 and relating to our subsidiary in Hungary, recorded under taxes on income from continuing operations, 2) €664m capital gains made on the sale of the securities services business and related taxes, which resulted in a net capital gain of €648m under income after tax from discontinued operations, 3) €41m integration charges and related tax savings, which resulted in net integration charges of €27m and 4) €101m charges from purchase cost allocation, net of tax
- 3Q10: 1) €9m extraordinary tax pertaining to 3Q10 and relating to our subsidiary in Hungary, recorded under taxes on income from continuing operations, 2) €13m integration charges and related tax savings, which resulted in net integration charges of €11m and 3) €103m charges from purchase cost allocation, net of tax

# 9M10 Net Income at €1,844m excluding main non-recurring items

| 9M09 Net Income (post-tax data) | | 9M10 Net Income (post-tax data) | |
|---|---|---|---|
| (€ m) | | (€ m) | |
| Net Income | 2,262 | Net Income | 2,200 |
| + Integration charges | 130 | + Integration charges | 54 |
| + Amortisation of acquisition cost | 295 | + Amortisation of acquisition cost | 296 |
| - Capital gain on CR Orvieto and 17 Antitrust branches | 63 | - Capital gain on Securities Services | 648 |
| | | + Hungary extraordinary tax | 28 |
| - Deferred taxation non-recurring impact | 511 | - Deferred taxation non-recurring impact | 86 |
| Net Income adjusted | 2,113 | Net Income adjusted | 1,844 |
| - Profits on trading (net of the tax effect) | 741 | - Profits on trading (net of the tax effect) | 260 |
| Net Income adjusted also excluding Profits on trading | 1,372 | Net Income adjusted also excluding Profits on trading | 1,584 |

# Quarterly P&L Analysis

| (€ m) | 2Q09 | 3Q09 | 4Q09 | 1Q10 | 2Q10 | 3Q10 |
|---|---|---|---|---|---|---|
| | Restated | | | | | |
| Net interest income | 2,769 | 2,590 | 2,494 | 2,414 | 2,462 | 2,470 |
| Dividends and P/L on investments carried at equity | 36 | 18 | (2) | 7 | 27 | 8 |
| Net fee and commission income | 1,306 | 1,333 | 1,504 | 1,409 | 1,410 | 1,333 |
| Profits (Losses) on trading | 439 | 447 | 129 | 218 | (3) | 126 |
| Income from insurance business | 124 | 116 | 133 | 166 | 128 | 119 |
| Other operating income (expenses) | 5 | (7) | 29 | 22 | 0 | (4) |
| **Operating income** | **4,679** | **4,497** | **4,287** | **4,236** | **4,024** | **4,052** |
| Personnel expenses | (1,355) | (1,395) | (1,460) | (1,374) | (1,371) | (1,371) |
| Other administrative expenses | (814) | (746) | (892) | (737) | (783) | (748) |
| Adjustments to property, equipment and intangible assets | (156) | (166) | (202) | (143) | (148) | (144) |
| **Operating costs** | **(2,325)** | **(2,307)** | **(2,554)** | **(2,254)** | **(2,302)** | **(2,263)** |
| **Operating margin** | **2,354** | **2,190** | **1,733** | **1,982** | **1,722** | **1,789** |
| Goodwill impairment | 0 | 0 | 0 | 0 | 0 | 0 |
| Net provisions for risks and charges | (63) | (66) | (99) | (86) | (98) | (30) |
| Net adjustments to loans | (1,081) | (823) | (1,069) | (754) | (798) | (711) |
| Net impairment losses on other assets | (72) | 4 | (160) | (5) | (38) | (1) |
| Profits (Losses) on HTM and on other investments | 15 | 13 | 517 | 10 | 1 | 0 |
| **Income before tax from continuing operations** | **1,153** | **1,318** | **922** | **1,147** | **789** | **1,047** |
| Taxes on income from continuing operations | (479) | (500) | (171) | (353) | (309) | (404) |
| Merger and restructuring related charges (net of tax) | (38) | (44) | (84) | (16) | (27) | (11) |
| Effect of purchase cost allocation (net of tax) | (102) | (98) | (90) | (92) | (101) | (103) |
| Income (Loss) after tax from discontinued operations | 16 | 21 | 27 | 28 | 663 | 0 |
| Minority interests | (37) | (23) | (61) | (26) | (13) | (19) |
| **Net income** | **513** | **674** | **543** | **688** | **1,002** | **510** |

*Note: Figures restated to reflect scope of consolidation for 3Q10*

# Quarterly development of Net Fee and Commission Income

| Net Fee and Commission Income | | | | | | | |
|---|---|---|---|---|---|---|---|
| (€ m) | 1Q09 | 2Q09 | 3Q09 | 4Q09 | 1Q10 | 2Q10 | 3Q10 |
| Guarantees given | 73 | 74 | 75 | 77 | 85 | 82 | 81 |
| Collection and payment services | 85 | 86 | 84 | 80 | 82 | 85 | 84 |
| Current accounts | 210 | 201 | 261 | 254 | 229 | 227 | 229 |
| Credit and debit cards | 93 | 107 | 109 | 134 | 109 | 111 | 119 |
| **Commercial banking activities** | **461** | **468** | **529** | **545** | **505** | **505** | **513** |
| Dealing and placement of securities | 71 | 135 | 85 | 155 | 143 | 118 | 73 |
| Currency dealing | 14 | 13 | 13 | 13 | 13 | 14 | 13 |
| Portfolio management | 245 | 248 | 262 | 333 | 293 | 303 | 304 |
| Distribution of insurance products | 153 | 178 | 190 | 199 | 186 | 188 | 174 |
| Other | 42 | 20 | 22 | 43 | 27 | 20 | 16 |
| **Management, dealing and consultancy activities** | **525** | **594** | **572** | **743** | **662** | **643** | **580** |
| Other net fee and commission income | 235 | 244 | 232 | 216 | 242 | 262 | 240 |
| **Net fee and commission income** | **1,221** | **1,306** | **1,333** | **1,504** | **1,409** | **1,410** | **1,333** |

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

# Banca dei Territori: sustained growth in Pre-tax Income and Net Income vs 2Q10

| (€ m) | 2Q10 Restated | 3Q10 | Δ% |
|---|---|---|---|
| Net interest income | 1,460 | 1,427 | (2.2) |
| Dividends and P/L on investments carried at equity | 4 | 11 | 197.2 |
| Net fee and commission income | 854 | 808 | (5.4) |
| Profits (Losses) on trading | 22 | 23 | 4.1 |
| Income from insurance business | 103 | 102 | (1.1) |
| Other operating income (expenses) | 6 | 6 | (4.6) |
| **Operating income** | **2,449** | **2,377** | **(2.9)** |
| Personnel expenses | (828) | (842) | 1.7 |
| Other administrative expenses | (636) | (628) | (1.3) |
| Adjustments to property, equipment and intangible assets | (2) | (2) | 8.2 |
| **Operating costs** | **(1,466)** | **(1,472)** | **0.4** |
| **Operating margin** | **982** | **905** | **(7.9)** |
| Net provisions for risks and charges | (21) | (17) | (16.3) |
| Net adjustments to loans | (535) | (425) | (20.4) |
| Net impairment losses on other assets | (8) | 5 | n.m. |
| Profits (Losses) on HTM and on other investments | (0) | (0) | 800.0 |
| **Income before tax from continuing operations** | **419** | **467** | **11.4** |
| Taxes on income from continuing operations | (169) | (185) | 9.6 |
| Merger and restructuring related charges (net of tax) | (16) | (8) | (52.5) |
| Effect of purchase cost allocation (net of tax) | (67) | (68) | 1.5 |
| Income (Loss) after tax from discontinued operations | 0 | 0 | n.m. |
| Minority interests | 1 | 0 | (100.0) |
| **Net income** | **169** | **207** | **22.5** |

- **3Q10 revenues affected by the usual summer seasonal slowdown in commercial activity and the lower placement of products with up-front fees (increase in placement of Intesa Sanpaolo bonds in 3Q10)**
- **NII decrease due to the contraction in mark-up**
- **Income from insurance business held up well**
- **Operating costs almost flat**
- **Strong reduction in Net adjustments to loans mainly due to SMEs**
- **11.4% growth in Pre-tax income vs 2Q10**
- **3Q10 Net income at €207m, +22.5% vs 2Q10 and +13.3% vs 3Q09**

*Note: Data include CR Firenze Group*
*Figures may not add up exactly due to rounding differences*

# Eurizon Capital: €1.5bn AuM growth in 3Q10

| (€ m) | 2Q10 Restated | 3Q10 | Δ% |
|---|---|---|---|
| Net interest income | 0 | 0 | 36.4 |
| Dividends and P/L on investments carried at equity | 4 | 2 | (37.4) |
| Net fee and commission income | 63 | 63 | 0.6 |
| Profits (Losses) on trading | (0) | 0 | n.m. |
| Income from insurance business | 0 | 0 | n.m. |
| Other operating income (expenses) | 3 | 0 | (96.7) |
| **Operating income** | **70** | **67** | **(4.7)** |
| Personnel expenses | (11) | (13) | 14.8 |
| Other administrative expenses | (20) | (19) | (1.0) |
| Adjustments to property, equipment and intangible assets | (0) | (0) | (7.8) |
| **Operating costs** | **(31)** | **(33)** | **4.8** |
| **Operating margin** | **39** | **34** | **(12.4)** |
| Net provisions for risks and charges | (0) | (0) | 33.3 |
| Net adjustments to loans | 0 | 0 | n.m. |
| Net impairment losses on other assets | 0 | 0 | n.m. |
| Profits (Losses) on HTM and on other investments | 0 | 0 | n.m. |
| **Income before tax from continuing operations** | **38** | **34** | **(12.7)** |
| Taxes on income from continuing operations | (8) | (8) | 1.9 |
| Merger and restructuring related charges (net of tax) | 0 | 0 | n.m. |
| Effect of purchase cost allocation (net of tax) | (9) | (10) | 5.6 |
| Income (Loss) after tax from discontinued operations | 0 | 0 | n.m. |
| Minority interests | (0) | (0) | (45.6) |
| **Net income** | **21** | **16** | **(25.5)** |

- Leading asset manager in Italy with €140.7bn of AuM, +€1.5bn vs 30.06.10
- Stable revenues excluding non-recurring proceeds recorded in 2Q10
- In 3Q10 increase in products to be distributed by the Banca dei Territori (launched new types of corporate bond funds and capital protected funds)
- 3Q10 Net income at €26m, excluding the economic effect of purchase cost allocation
- Sustained growth in Net Income 3Q10 vs 3Q09 (+30.0%)

*Figures may not add up exactly due to rounding differences*

# Corporate and Investment Banking: 3Q10 Net Income at €284m

| (€ m) | 2Q10 Restated | 3Q10 | Δ% |
|---|---|---|---|
| Net interest income | 499 | 497 | (0.5) |
| Dividends and P/L on investments carried at equity | 1 | (17) | n.m. |
| Net fee and commission income | 228 | 216 | (5.4) |
| Profits (Losses) on trading | 101 | 73 | (28.4) |
| Income from insurance business | 0 | 0 | n.m. |
| Other operating income (expenses) | 5 | 8 | 55.0 |
| **Operating income** | **834** | **777** | **(6.9)** |
| Personnel expenses | (96) | (101) | 5.2 |
| Other administrative expenses | (124) | (124) | 0.2 |
| Adjustments to property, equipment and intangible assets | (2) | (1) | (34.2) |
| **Operating costs** | **(222)** | **(226)** | **2.0** |
| **Operating margin** | **612** | **550** | **(10.2)** |
| Net provisions for risks and charges | (2) | (2) | (34.9) |
| Net adjustments to loans | (97) | (119) | 22.0 |
| Net impairment losses on other assets | (9) | (2) | (77.1) |
| Profits (Losses) on HTM and on other investments | (4) | 0 | n.m. |
| **Income before tax from continuing operations** | **500** | **428** | **(14.4)** |
| Taxes on income from continuing operations | (139) | (142) | 2.0 |
| Merger and restructuring related charges (net of tax) | (2) | (1) | (18.1) |
| Effect of purchase cost allocation (net of tax) | 0 | (1) | n.m. |
| Income (Loss) after tax from discontinued operations | 0 | 0 | n.m. |
| Minority interests | 0 | 0 | n.m. |
| **Net income** | **359** | **284** | **(20.9)** |

- **6.9% decrease in revenues mainly due to the slowdown of Net fee and commissions income and Profits on trading**
- **3Q10 NII almost stable vs 2Q10**
- **3Q10 Net adjustments to loans up vs 2Q10, but down 39.6% vs 3Q09**
- **3Q10 Net adjustments to loans increase vs 2Q10 largely due to a single loan**
- **3Q10 Net income at €284m**

*Note: Data include results of Proprietary trading*
*Figures may not add up exactly due to rounding differences*

# Public Finance: growth in Pre-tax Income and Net Income vs 2Q10

| (€ m) | 2Q10 Restated | 3Q10 | Δ% |
|---|---|---|---|
| Net interest income | 70 | 67 | (4.0) |
| Dividends and P/L on investments carried at equity | 0 | 0 | n.m. |
| Net fee and commission income | 15 | 19 | 27.9 |
| Profits (Losses) on trading | (1) | (6) | 713.8 |
| Income from insurance business | 0 | 0 | n.m. |
| Other operating income (expenses) | 0 | 0 | 81.4 |
| **Operating income** | **85** | **81** | **(4.2)** |
| Personnel expenses | (9) | (7) | (25.4) |
| Other administrative expenses | (10) | (10) | 1.8 |
| Adjustments to property, equipment and intangible assets | (0) | (0) | (2.2) |
| **Operating costs** | **(19)** | **(17)** | **(11.1)** |
| **Operating margin** | **65** | **64** | **(2.1)** |
| Net provisions for risks and charges | 0 | 0 | (100.0) |
| Net adjustments to loans | (10) | (5) | (48.6) |
| Net impairment losses on other assets | 0 | 0 | n.m. |
| Profits (Losses) on HTM and on other investments | 0 | 0 | n.m. |
| **Income before tax from continuing operations** | **56** | **59** | **5.9** |
| Taxes on income from continuing operations | (19) | (20) | 5.2 |
| Merger and restructuring related charges (net of tax) | 0 | 0 | n.m. |
| Effect of purchase cost allocation (net of tax) | (2) | (1) | (50.8) |
| Income (Loss) after tax from discontinued operations | 0 | 0 | n.m. |
| Minority interests | 0 | 0 | n.m. |
| **Net income** | **34** | **38** | **9.4** |

- Acceleration in Net fee and commission income in 3Q10 (+27.9% vs 2Q10)
- Stable revenues vs 2Q10, excluding losses on trading due to valuation effects
- Average Loans to Customers stable vs 2Q10
- €0.7bn of new loans in 3Q10
- Operating costs down sharply
- 3Q10 growth in Pre-tax income and Net income (+5.9% and +9.4% respectively vs 2Q10)

*Figures may not add up exactly due to rounding differences*

# International Subsidiary Banks: increase in Operating Margin and strong growth in profitability vs 2Q10

| (€ m) | 2Q10 Restated | 3Q10 | Δ% |
|---|---|---|---|
| Net interest income | 406 | 416 | 2.5 |
| Dividends and P/L on investments carried at equity | 4 | 5 | 20.5 |
| Net fee and commission income | 146 | 145 | (1.1) |
| Profits (Losses) on trading | 21 | 19 | (13.6) |
| Income from insurance business | 0 | 0 | n.m. |
| Other operating income (expenses) | (10) | (11) | 17.3 |
| **Operating income** | **568** | **573** | **0.8** |
| Personnel expenses | (144) | (139) | (2.9) |
| Other administrative expenses | (111) | (108) | (2.5) |
| Adjustments to property, equipment and intangible assets | (34) | (34) | (1.5) |
| **Operating costs** | **(289)** | **(281)** | **(2.6)** |
| **Operating margin** | **279** | **291** | **4.3** |
| Net provisions for risks and charges | 1 | (3) | n.m. |
| Net adjustments to loans | (142) | (133) | (6.5) |
| Net impairment losses on other assets | (2) | (0) | (81.8) |
| Profits (Losses) on HTM and on other investments | 1 | 1 | 45.9 |
| **Income before tax from continuing operations** | **137** | **157** | **14.4** |
| Taxes on income from continuing operations | (44) | (41) | (7.1) |
| Merger and restructuring related charges (net of tax) | 0 | 0 | n.m. |
| Effect of purchase cost allocation (net of tax) | 0 | 0 | n.m. |
| Income (Loss) after tax from discontinued operations | 0 | 0 | n.m. |
| Minority interests | 0 | 0 | n.m. |
| **Net income** | **93** | **116** | **24.5** |

- **0.8% revenue growth attributable to the recovery in NII**
- **2.6% decrease in Operating costs vs 2Q10**
- **4.3% increase in Operating margin**
- **Significant reduction in Net adjustments to loans**
- **Strong growth in Pre-tax income and Net income (respectively +14.4% and +24.5% vs 2Q10)**
- **3Q10 Net income at €125m excluding the Hungary extraordinary tax**

*Figures may not add up exactly due to rounding differences*

# Banca Fideuram: strong growth in profitability vs 2Q10

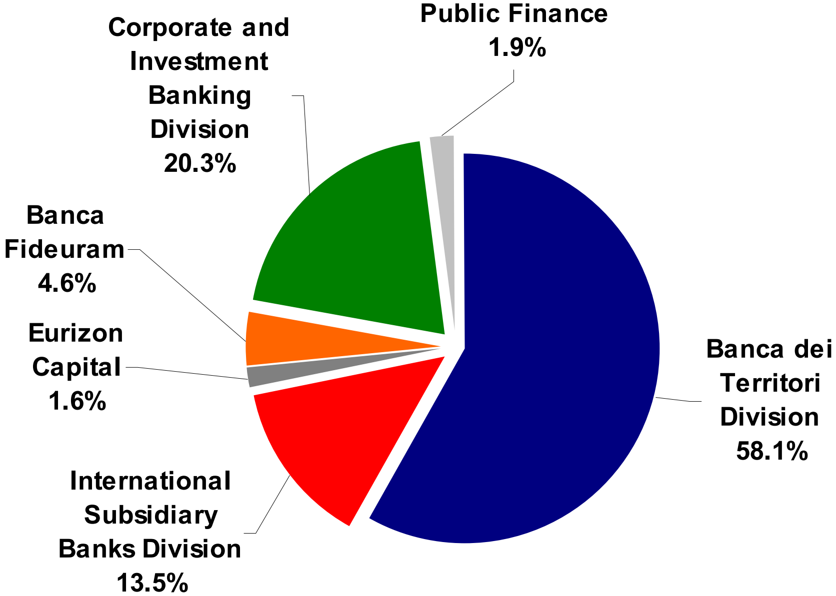
| (€ m) | 2Q10 Restated | 3Q10 | Δ% |
|---|---|---|---|
| Net interest income | 29 | 31 | 6.5 |
| Dividends and P/L on investments carried at equity | 0 | 0 | n.m. |
| Net fee and commission income | 125 | 135 | 7.5 |
| Profits (Losses) on trading | 5 | 2 | (58.3) |
| Income from insurance business | 25 | 15 | (38.1) |
| Other operating income (expenses) | (2) | (1) | (35.5) |
| **Operating income** | **182** | **182** | **(0.1)** |
| Personnel expenses | (34) | (34) | (0.9) |
| Other administrative expenses | (49) | (46) | (6.4) |
| Adjustments to property, equipment and intangible assets | (4) | (4) | (6.8) |
| **Operating costs** | **(87)** | **(84)** | **(4.3)** |
| **Operating margin** | **95** | **98** | **3.8** |
| Net provisions for risks and charges | (31) | (14) | (54.1) |
| Net adjustments to loans | 0 | 0 | n.m. |
| Net impairment losses on other assets | (2) | (1) | (32.8) |
| Profits (Losses) on HTM and on other investments | 0 | 0 | n.m. |
| **Income before tax from continuing operations** | **62** | **83** | **33.8** |
| Taxes on income from continuing operations | (20) | (18) | (9.4) |
| Merger and restructuring related charges (net of tax) | (4) | (0) | (92.7) |
| Effect of purchase cost allocation (net of tax) | (24) | (23) | (2.8) |
| Income (Loss) after tax from discontinued operations | 0 | 0 | n.m. |
| Minority interests | 0 | 0 | (100.0) |
| **Net income** | **14** | **41** | **194.7** |

- Market leader with €70.8bn of Customer Financial Assets (of which €52.1bn AuM) and 4,344 Private bankers
- €1.3bn growth in Customer Financial Assets vs 30.06.10 due to AuM (+€1.4bn in 3Q10)
- €0.2bn positive net inflow of Customer Financial Assets in 3Q10 driven by AuM growth (+€0.5bn)
- 4.3% decrease in Operating costs vs 2Q10
- 3.8% increase in Operating margin
- 2Q10 Net provisions for risks and charges include a €20m tax litigation provision related to previous years
- 3Q10 Net income at €64m excluding the economic effect of purchase cost allocation

*Figures may not add up exactly due to rounding differences. Data include results of Fideuram Vita*

# Focus on strength in the domestic market

## 9M10 Operating Income Breakdown by business area[1]




## Leadership in Italy
(data as at 30.09.10)

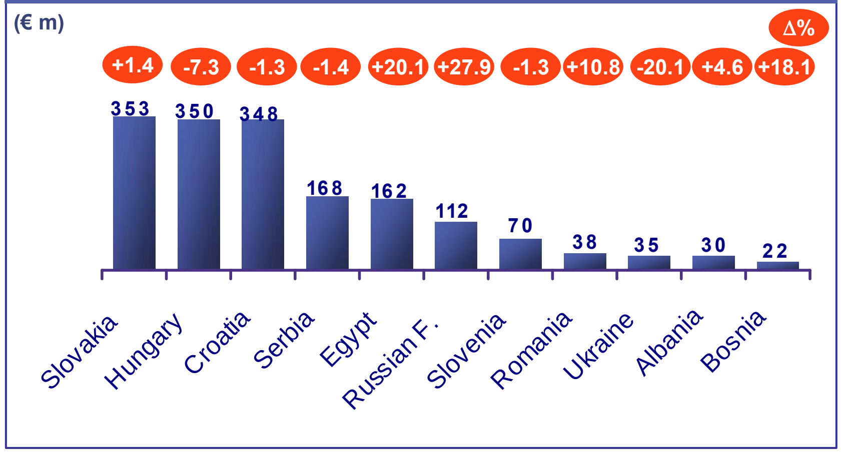
| Ranking | | Market share |
|---|---|---|
| 1 | Debt Capital Market | 13.4% |
| 1 | Loans | 16.0% |
| 1 | Deposits | 16.7% |
| 1 | Pension Funds[2] | 23.2% |
| 1 | Bancassurance[3] | 25.3% |
| 1 | Asset Management[4] | 25.7% |
| 1 | Factoring | 26.2% |

- **Domestic retail operations are currently suffering from historically low market yields but will remain a strategic strength of the Group together with the other commercial banking operations**

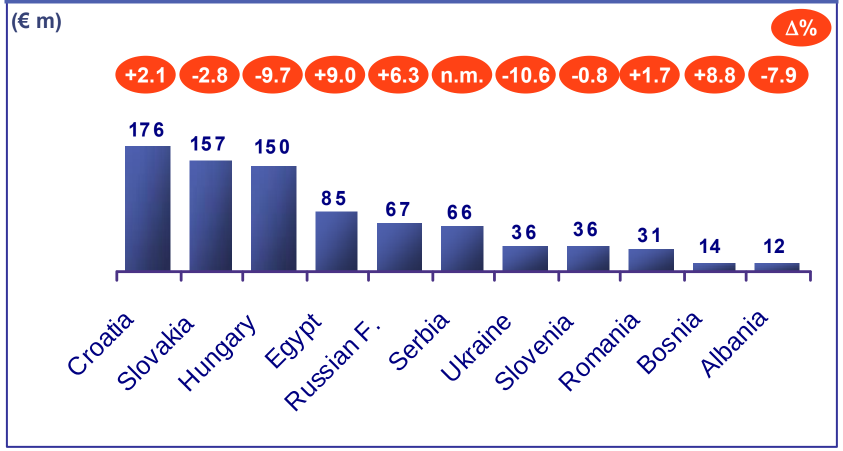
*(1) Excluding Corporate Centre*
*(2) Data as at 30.06.10*
*(3) New business*
*(4) Mutual funds*

# International Subsidiary Banks: figures by Country 9M10 vs 9M09

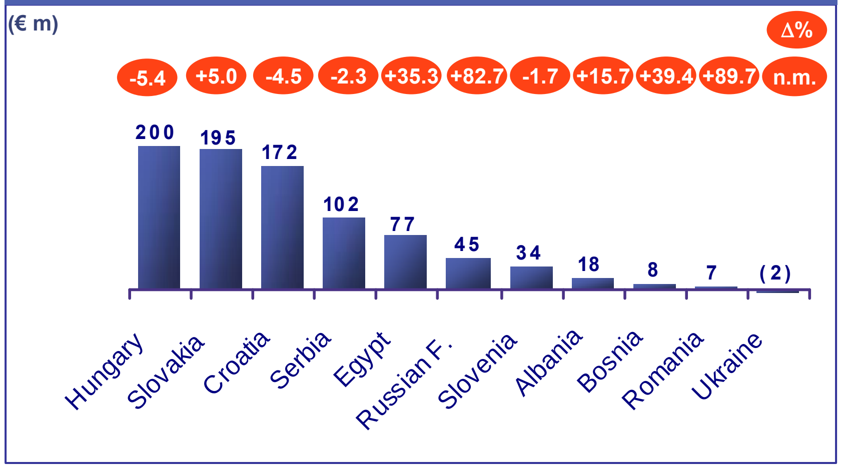
## Operating Income



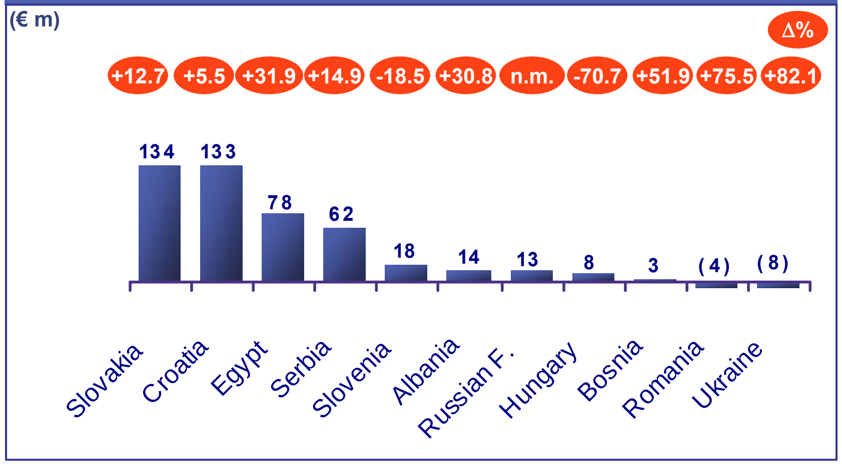

## Operating Costs




## Operating Margin




## Pre-Tax Income(1)




*(1) Income before tax from continuing operations*

# 7.4% of loans in CEE, very well-diversified over 10 Countries

| (Figures as at 30.09.10) | Hungary | Slovakia | Slovenia | Croatia | Serbia | Bosnia | Albania | Romania | Russian F. | Ukraine | Total CEE | Egypt | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Oper. Income (€ m)** | 350 | 353 | 70 | 348 | 168 | 22 | 30 | 38 | 112 | 35 | 1,525 | 162 | 1,688 |
| ***% of Group total*** | ***2.8%*** | ***2.9%*** | ***0.6%*** | ***2.8%*** | ***1.4%*** | ***0.2%*** | ***0.2%*** | ***0.3%*** | ***0.9%*** | ***0.3%*** | ***12.4%*** | ***1.3%*** | ***13.7%*** |
| **Net Income (€ m)** | (28) | 106 | 15 | 106 | 55 | 3 | 11 | (4) | 9 | (5) | 268 | 62 | 330 |
| ***% of Group total*** | ***n.m.*** | ***4.8%*** | ***0.7%*** | ***4.8%*** | ***2.5%*** | ***0.1%*** | ***0.5%*** | ***n.m.*** | ***0.4%*** | ***n.m.*** | ***12.2%*** | ***2.8%*** | ***15.0%*** |
| **Customer Deposits (€ bn)** | 5.6 | 8.8 | 1.3 | 6.5 | 2.1 | 0.4 | 0.8 | 0.4 | 0.5 | 0.3 | 26.6 | 3.3 | 30.0 |
| ***% of Group total*** | ***1.3%*** | ***2.0%*** | ***0.3%*** | ***1.5%*** | ***0.5%*** | ***0.1%*** | ***0.2%*** | ***0.1%*** | ***0.1%*** | ***0.1%*** | ***6.1%*** | ***0.8%*** | ***6.9%*** |
| **Customer Loans (€ bn)** | 8.0 | 6.2 | 1.9 | 6.6 | 2.2 | 0.4 | 0.3 | 0.7 | 1.3 | 0.4 | 28.1 | 2.3 | 30.4 |
| ***% of Group total*** | ***2.1%*** | ***1.6%*** | ***0.5%*** | ***1.7%*** | ***0.6%*** | ***0.1%*** | ***0.1%*** | ***0.2%*** | ***0.3%*** | ***0.1%*** | ***7.4%*** | ***0.6%*** | ***8.0%*** |
| **Total Assets (€ bn)** | 9.7 | 10.8 | 2.3 | 9.8 | 3.2 | 0.6 | 0.9 | 1.0 | 1.7 | 0.6 | 40.5 | 4.6 | 45.1 |
| ***% of Group total*** | ***1.4%*** | ***1.6%*** | ***0.3%*** | ***1.4%*** | ***0.5%*** | ***0.1%*** | ***0.1%*** | ***0.1%*** | ***0.2%*** | ***0.1%*** | ***6.0%*** | ***0.7%*** | ***6.7%*** |
| **Shareholder's Equity (€ m)** | 933 | 986 | 259 | 1,168 | 481 | 60 | 81 | 164 | 230 | 107 | 4,470 | 365 | 4,835 |
| ***% of Group total*** | ***1.8%*** | ***1.9%*** | ***0.5%*** | ***2.2%*** | ***0.9%*** | ***0.1%*** | ***0.2%*** | ***0.3%*** | ***0.4%*** | ***0.2%*** | ***8.4%*** | ***0.7%*** | ***9.1%*** |
| **Book value (€ m)** | 948 | 1,143 | 311 | 1,258 | 768 | 88 | 192 | 191 | 285 | 107 | 5,291 | 1,379 | 6,670 |
| ***- of which goodwill/intangibles*** | *51* | *226* | *60* | *113* | *287* | *29* | *125* | *29* | *76* | *1* | *995* | *1,017* | *2,013* |

- **Nil bottom line in Hungary excluding the extraordinary tax (€28m)**
- **Marginal presence in Ukraine (0.1% of Group loans; €0.4bn)**
- **Well-balanced Direct Customer Deposits/Loans to Customers**

*Figures may not add up exactly due to rounding differences*

# Adequate coverage of Non-performing Loans in CEE

| (Figures as at 30.09.10) | Hungary | Slovakia | Slovenia | Croatia | Serbia | Bosnia | Albania | Romania | Russian F. | Ukraine | Total CEE | Egypt | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Performing loans (€ bn) | 6.7 | 6.0 | 1.8 | 6.3 | 2.1 | 0.4 | 0.3 | 0.6 | 1.2 | 0.3 | **25.8** | 2.3 | **28.1** |
| of which: | | | | | | | | | | | | | |
| Retail local currency | 5% | 57% | 45% | 14% | 8% | 6% | 2% | 21% | 4% | 32% | **23%** | 38% | **24%** |
| Retail foreign currency | 33% | 0% | 1% | 32% | 20% | 40% | 18% | 60% | 1% | 42% | **21%** | 0% | **19%** |
| Corporate local currency | 17% | 41% | 53% | 13% | 13% | 53% | 9% | 7% | 64% | 15% | **26%** | 35% | **27%** |
| Corporate foreign currency | 46% | 3% | 1% | 41% | 59% | 1% | 71% | 13% | 31% | 12% | **30%** | 27% | **30%** |
| Doubtful loans(1)(€ m) | 181 | 74 | 50 | 8 | 28 | 11 | 22 | 59 | 41 | 51 | **525** | 24 | **549** |
| Substandard and Restructured(2) (€ m) | 1,078 | 135 | 100 | 347 | 44 | 9 | 12 | 30 | 7 | 6 | **1,768** | 10 | **1,778** |
| Performing loans coverage | 0.7% | 1.9% | 1.4% | 1.4% | 2.5% | 2.3% | 3.9% | 0.8% | 0.2% | 1.5% | **1.4%** | 2.1% | **1.5%** |
| Doubtful loans(1) coverage | 71% | 63% | 52% | 95% | 81% | 48% | 29% | 36% | 75% | 69% | **70%** | 90% | **72%** |
| Substandard and Restructured loans(2) coverage | 11% | 33% | 25% | 30% | 30% | 18% | 37% | 25% | 36% | 25% | **19%** | 17% | **19%** |
| Cost of credit(3) (bps; annualised) | 315 | 129 | 126 | 75 | 245 | 145 | 144 | 205 | 338 | 222 | **191** | 42 | **180** |

- **Foreign currency retail loans in CEE account for only 1.4% of Group loans**

*(1) Sofferenze*
*(2) Including Past due*
*(3) Net adjustments to loans/Net customer loans*
*Figures may not add up exactly due to rounding differences*

# Exposure to sovereign risks[1] by Country

| (€ m) | DEBT SECURITIES | | | | | | LOANS |
|---|---|---|---|---|---|---|---|
| | L&R | AFS | HTM | CFV [2] | HFT | Total | |
| **UE Countries** | **8,046** | **40,534** | **3,112** | **479** | **24,470** | **76,642** | **24,328** |
| Austria | | 130 | 2 | | 79 | 212 | |
| Belgium | | 266 | | | 19 | 285 | |
| Bulgaria | | | | | | | |
| Cyprus | 24 | | | | | 24 | |
| Czech Republic | | 28 | | | | 28 | 23 |
| Denmark | | | | | | | |
| Finland | | 10 | | | | 10 | 19 |
| France | 117 | 848 | | 1 | 63 | 1,028 | |
| Germany | 191 | 2,094 | | 1 | 689 | 2,976 | |
| Greece | 180 | 416 | | | 215 | 811 | |
| Hungary | 275 | 63 | 24 | | 71 | 433 | 155 |
| Iceland | | | | | | | |
| Ireland | | 284 | | | | 284 | |
| Italy | 6,717 | 33,424 | 1,296 | 443 | 22,725 | 64,606 | 23,599 |
| Latvia | 25 | | | | | 25 | 57 |
| Liechtenstein | | | | | | | |
| Lithuania | | 20 | | | 1 | 21 | |
| Luxembourg | | 360 | | 34 | 179 | 573 | |
| Malta | | | | | | | |
| The Netherlands | | 637 | | | 42 | 679 | |
| Norway | | | | | | | |
| Poland | 70 | 26 | | | 182 | 278 | |
| Portugal | | 64 | | | 3 | 67 | 25 |
| Romania | 10 | 56 | | | | 66 | 11 |
| Slovakia | | 1,415 | 1,789 | | 85 | 3,289 | 67 |
| Slovenia | | 114 | | | 1 | 115 | 71 |
| Spain | 437 | 221 | | | 23 | 680 | 302 |
| Sweden | | 56 | | | 24 | 80 | |
| United Kingdom | | 2 | | | 69 | 71 | |
| **Other Countries** | **882** | **729** | **591** | | **3,630** | **5,833** | **1,102** |
| **Total consolidated figures** | **8,928** | **41,263** | **3,703** | **479** | **28,101** | **82,475** | **25,430** |

*(1) Exposure to central and local governments. Book Value of Debt Securities and Net Loans as at 30.09.10. Including insurance business*
*(2) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured*
*Figures may not add up exactly due to rounding differences*

# Exposure to banks by Country[1]

| (€ m) | DEBT SECURITIES | | | | | | LOANS |
|---|---|---|---|---|---|---|---|
| | L&R | AFS | HTM | CFV [1] | HFT | Total | |
| **UE Countries** | **5,646** | **6,990** | **283** | **44** | **3,938** | **16,902** | **28,488** |
| Austria | 122 | 36 | 11 | | 1 | 169 | 233 |
| Belgium | | 57 | | | 398 | 455 | 213 |
| Bulgaria | | | | | | | 11 |
| Cyprus | | | | | | | |
| Czech Republic | 50 | | | | | 50 | 1 |
| Denmark | 200 | 77 | | | 9 | 286 | 121 |
| Finland | | | | | | | 31 |
| France | 413 | 768 | | 6 | 713 | 1,901 | 5,101 |
| Germany | 12 | 914 | 12 | 10 | 178 | 1,126 | 1,062 |
| Greece | | 13 | | | | 13 | 12 |
| Hungary | 73 | | | | 52 | 125 | 113 |
| Iceland | | | | | 41 | 41 | 35 |
| Ireland | 2 | 191 | | 2 | 19 | 214 | 70 |
| Italy | 1,942 | 2,879 | 179 | 18 | 1,479 | 6,498 | 15,894 |
| Latvia | | | | | | | 8 |
| Liechtenstein | | | | | | | |
| Lithuania | | | | | | | |
| Luxembourg | 500 | 220 | | | | 720 | 656 |
| Malta | | | | | | | 38 |
| The Netherlands | 71 | 327 | 39 | 1 | 320 | 759 | 222 |
| Norway | 310 | 76 | | | 28 | 415 | 512 |
| Poland | 51 | | | | | 51 | 41 |
| Portugal | 914 | 203 | 11 | | 84 | 1,212 | 64 |
| Romania | | | | | | | 51 |
| Slovakia | | 9 | 23 | | | 32 | 2 |
| Slovenia | | 54 | | | 2 | 56 | 153 |
| Spain | 650 | 450 | | | 223 | 1,322 | 126 |
| Sweden | 250 | 110 | | | 70 | 429 | 60 |
| United Kingdom | 86 | 605 | 7 | 7 | 321 | 1,027 | 3,660 |
| **Other Countries** | **302** | **1,274** | **44** | **45** | **1,811** | **3,476** | **7,535** |
| **Total consolidated figures** | **5,948** | **8,264** | **326** | **90** | **5,749** | **20,378** | **36,022** |

*(1) Book Value of Debt Securities and Net Loans as at 30.09.10. Including insurance business*
*(2) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured*
*Figures may not add up exactly due to rounding differences*

# Exposure to other customers by Country[1]

| (€ m) | DEBT SECURITIES | | | | | | LOANS |
|---|---|---|---|---|---|---|---|
| | L&R | AFS | HTM | CFV [1] | HFT | Total | |
| **UE Countries** | **6,381** | **4,215** | **163** | **61** | **1,073** | **11,894** | **311,190** |
| Austria | 9 | 12 | | | 1 | 22 | 342 |
| Belgium | | 44 | | | | 44 | 467 |
| Bulgaria | | | | | | | 13 |
| Cyprus | | | | | | | 177 |
| Czech Republic | 27 | 16 | | | | 43 | 366 |
| Denmark | | 13 | | 1 | 6 | 20 | 117 |
| Finland | | 60 | | | | 60 | 42 |
| France | 165 | 927 | | 20 | 101 | 1,214 | 1,717 |
| Germany | 10 | 491 | 10 | 13 | 86 | 610 | 1,437 |
| Greece | 217 | 49 | | | | 266 | 151 |
| Hungary | 15 | | | | | 15 | 7,685 |
| Iceland | 126 | | | | | 126 | |
| Ireland | 35 | 2 | | 4 | | 41 | 488 |
| Italy | 4,080 | 1,106 | | 7 | 689 | 5,881 | 278,186 |
| Latvia | | | | | | | |
| Liechtenstein | | 11 | | | | 11 | |
| Lithuania | | | | | | | 5 |
| Luxembourg | 244 | 43 | | 3 | 1 | 292 | 1,824 |
| Malta | | | | | | | 44 |
| The Netherlands | 489 | 599 | | 11 | 124 | 1,224 | 2,092 |
| Norway | 3 | | | | | 3 | 98 |
| Poland | 2 | | | 1 | | 3 | 52 |
| Portugal | 267 | 45 | | | | 313 | 356 |
| Romania | | | | | | | 815 |
| Slovakia | | | 38 | | | 38 | 5,735 |
| Slovenia | | 5 | | | | 5 | 2,003 |
| Spain | 351 | 393 | 105 | 1 | 6 | 857 | 1,990 |
| Sweden | | 62 | | | 3 | 65 | 350 |
| United Kingdom | 341 | 334 | 10 | | 55 | 740 | 4,641 |
| **Other Countries** | **3,185** | **1,093** | **12** | **115** | **555** | **4,959** | **23,289** |
| **Total consolidated figures** | **9,566** | **5,309** | **175** | **176** | **1,628** | **16,853** | **334,480** |

*(1) Book Value of Debt Securities and Net Loans as at 30.09.10. Including insurance business*
*(2) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured*
*Figures may not add up exactly due to rounding differences*

# High quality structured credit products portfolio

■ US Subprime €26m

| Net exposure[1] (€ m) | 31.12.09 | 30.09.10 Total | 30.09.10 *of which at trading* |
|---|---|---|---|
| US Subprime | 35 | 26 | 23 |
| "Contagion" area | 137 | 171 | 76 |
| Monoline | 10 | 9 | 9 |
| Super senior Corporate Risk | 834 | 685 | 685 |
| European ABS/CDO | 1,947 | 1,585 | 390 |
| Other | 873 | 1,041 | 98 |
| Total | 3,836 | 3,517 | 1,281 |

-€265m vs 30.06.10

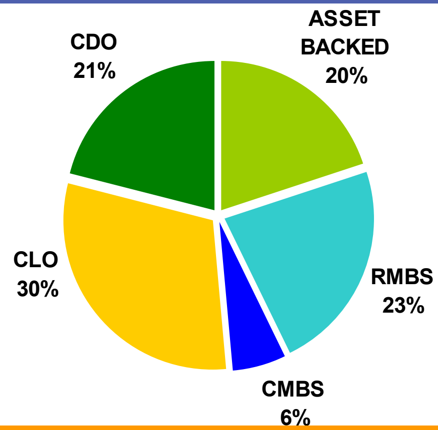
■ 79% Investment Grade

| Rating | % |
|---|---|
| AAA | 40% |
| AA | 25% |
| A | 14% |
| BBB | 6% |
| Other | 15% |

■ 62% Vintage ≤ 2005

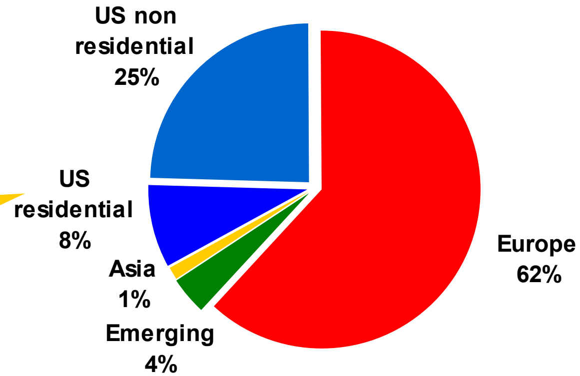
| Vintage | % |
|---|---|
| Before 2005 | 26% |
| 2005 | 36% |
| 2006 | 22% |
| 2007 and beyond | 16% |

## Products




## Geographical area

Only 8% US residential




■ **Fair value sensitivity of structured credit products book: -€6m[2] for +25bps of credit spreads**

*(1) As for "long" positions, 55% valued through mark-to-model (100% of unfunded positions, 37% of funded positions, 100% of monoline risk and of non-monoline packages), 39% through comparable approach (54% funded positions) and 6% through effective market quotes (9% of funded positions). As for "short" positions, 50% valued through mark-to-model (100% unfunded positions, see slide on Structured credit products: Other (3/4), and 100% of positions of funds) and 50% valued through effective market quotes (100% of CMBX-CDS hedges)*

*(2) -€20m if part of the Structured credit products had not been reclassified into Loans & Receivables for a total amount equal to €2,263m of nominal value and to €2,089m of net exposure leading to a total benefit in income statement for 9M10 equal to -€108m before tax, of which -€36m in 3Q10*

INTESA SANPAOLO

# Structured credit products: no material exposure to US Subprime

| (€ m) | Position as at 30.09.10 | | | 30.09.10 income statement Profits (Losses) on trading | | | |
|---|---|---|---|---|---|---|---|
| Product | Nominal value | Risk exposure (including write-downs and write-backs)[1] | Cumulated write-downs and write-backs | Realised gains/losses | Write-downs and write-backs | Total income statement | |
| | | | | | | 9M10 | of which 3Q10 |
| Funded ABS[2] | 13 | **1** | -12 | 0 | 0 | 0 | 0 |
| Funded CDOs | 27 | **1** | -26 | 0 | -1 | -1 | 0 |
| Unfunded super senior CDOs[3] | 191 | **21** | -170 | 0 | 0 | 0 | -1 |
| Other[4] | 3 | **3** | 0 | | | | |
| **"Long" positions** | 234 | **26** | -208 | 0 | -1 | -1 | -1 |
| ABX indices position | 0 | **0** | 0 | -1 | 0 | -1 | 0 |
| **Net position[5]** | "long" 234 | **"long" 26** | -208 | -1 | -1 | -2 | -1 |

*Note: By US subprime exposure, Intesa Sanpaolo means products - cash investments (securities and funded CDOs) and derivative positions (unfunded CDOs) - with collateral mainly made up of non-prime US residential mortgages (i.e. Home Equity Loans, residential mortgages with B&C ratings and similar products) granted in the years 2005/06/07, irrespective of the FICO score and the Loan-to-Value ratio. Others have been collateralised with US residential mortgages granted before 2005 with a FICO score under 629 and Loan-to-Value over 90% (as at 30.09.10, unchanged with respect to our disclosure dated 30.06.10, the weight of this second product class is immaterial in the Intesa Sanpaolo Group portfolio)*

*(1) The column "Risk exposure" sets out: for securities, fair value; for derivatives, the nominal value of the contract, net of capital gains and losses recorded at the date of reference. Such amounts correspond, for "long" positions, to the maximum potential loss (in the event of 100% default and recovery rate of 0). For "short" positions, on the other hand, they indicate the maximum potential gain (in the same scenario in terms of default and recovery level). For assets reclassified into Loans & Receivables risk exposure is the book value, equal to fair value as at the reclassification date, increased by the accrued interests calculated at actual interest rate and net of portfolio value adjustments*

*(2) The ABS funded component has a AAA rating for 58%, AA for 16%, BB rating for 3%, CCC/C rating for the remaining 23%. The original LTV ratio is at 83%, while the 30-60-90 day average delinquency is 4%, 2% and 11% respectively. Cumulated loss on the collateral is at 39%. These positions are non-listed on active markets and are thus valued using the comparable approach*

*(3) With mezzanine collateral. Including a position with underlying assets made up of approximately one third of subprime mortgages. This table includes the sole portion represented by subprime mortgages, whereas the residual exposure is reported in the "contagion" area*

*(4) Risk position classified into Loans & Receivables coming from the Romulus vehicle (fully consolidated entity). Romulus is an asset-backed commercial paper conduit vehicle, set up to offer customers an alternative financial channel via access to the international commercial paper market. As at 30.09.10, the portfolio of investments included €167m of nominal value of financial assets, reclassified into Loans &Receivables, with a benefit on Shareholders' equity as at 30.09.10 equal to €71m before tax, of which -€4m in 3Q10. Of the €167m, €3m were attributable to the US subprime segment, €11m to the "contagion" area (see slide on "Contagion" area (2/4), Multisector CDOs) and €153m to other structured credit products (see slide on Other (4/4)). As at 30 September 2010 the financial assets fair value amounts to €70m, of which €2m (with a benefit of €1m) on positions attributed to the US subprime segment, €7m (with a benefit of €3m) attributed to the so-called "contagion" area (see slide on "Contagion" area (2/4), Multisector CDOs) and €61m (with a benefit of €67m) on securities which fall under other structured credit products (see slide on Other (4/4))*

*(5) The net nominal exposure of €234m as at 30.09.10 compares with €271m reported as at 30.06.10. It should be noted the closing of the positions on the ABX indices included in the segment*

# Structured credit products: no material exposure to Monoline (1/2)

**No direct exposure, only indirect positions connected to hedging derivatives purchased from monoline insurers to buy protection on the default risk of assets held by the Group, which therefore only generate counterparty risk(1). Such hedging derivatives fall into two categories of activity performed by Intesa Sanpaolo: packages(2) and fully hedged(3) credit derivative transactions**

**Monoline**
- **Net counterparty risk exposure totalled €9m as at 30.09.10 (€10m as at 31.12.09)**
- **9M10 income statement impact(4) €10m (2009 €31m)**

- **99% vs MBIA**
- **1% vs other monoline with rating AA-**

*(1) For the sake of completeness, please note that there is another form of exposure to monoline insurers, which does not generate particular risk situations. It stems from the investment in securities for which the monoline insurer provides a credit enhancement to the issuing vehicle, for the purpose of making the issue "eligible" for certain types of investors through the achievement of a certain rating (normally AAA). Such securities, nominal value as at 30.09.10 €517.5m (€534m as at 31.12.09), wholly held by Banca Infrastrutture Innovazione e Sviluppo, are made up of ABS with underlying Italian health receivables assisted also by delegated regional payment and by financings of infrastructures; they are all recorded in the banking book, classified in the Loans & Receivables (L&R) portfolio. Notwithstanding the downgrading of many monoline insurers and the withdrawal of rating in some cases, no deterioration of the creditworthiness of the single borrowers/lenders was significant enough to suggest the adoption of prudence measures such as the allocation of any kind of provisions; the reason being that these positions were granted on the basis of the creditworthiness of the underlying borrower and, therefore, irrespective of the credit enhancement offered by the monoline insurer*

*(2) Both the security and the connected derivative have been valued with the mark-to-model methodologies, also considering any available prices, if lower; such valuations did not have any impact on Profits (Losses) on trading, with the exception of those with the reference to the counterparty risk component, mostly due to transactions in which the hedge was stipulated with monoline insurers, for which a credit risk adjustment has been calculated, determined on the basis of the cost of a protection CDS on the default of the monoline insurer, with nominal value equal to the current and potential future exposure (so-called "add-on") and expiry equal to the average residual life of the underlying assets. Even though packages do not lead to market risk connected with the nature of the underlying asset, for the sake of completeness, please note that, assets which are part of packages include, for €95m nominal value as at 30.09.10, securities with US RMBS collateral with a significant subprime content (equal to 25.5%)*

*(3) Intesa Sanpaolo's activities in fully hedged derivatives are made up of the simultaneous purchase and sale of protection on the same reference entity (underlying asset) with two different counterparties. Also in this case activities do not result in exposure to the market risk generated by the underlying asset, but with the sole counterparty risk generated by the "short" position in the protection purchase*

*(4) Write-backs*

# Structured credit products: no material exposure to Monoline (2/2)

| (€ m) | Position as at 30.09.10 | | | | | 30.09.10 income statement Profits (Losses) on trading | |
|---|---|---|---|---|---|---|---|
| | Nominal value of the underlying asset | Fair value of the underlying asset (net of accrued interests) | Credit risk exposure to monoline insurers (fair value of the CDS *pre* write-down for CRA) | Credit risk exposure to monoline insurers (fair value of the CDS *post* write-down for CRA) | Fair value cumulated write-downs of the hedge from monoline insurers | Fair value write-back of the hedge from monoline insurers | |
| | | | | | | 9M10 | of which 3Q10 |
| ***Positions in Packages*** | | | | | | | |
| Subprime | 95 | 60 | 35 | **8** | -27 | 7 | 9 |
| Other underlying assets | 0 | 0 | 0 | **0** | 0 | 0 | 0 |
| **Sub-Total** | 95 | 60 | 35 | **8** | -27 | 7 | 9 |
| ***Positions in other derivatives*** | | | | | | | |
| Other underlying assets | 87 | 65 | 22 | **1** | -21 | 3 | 1 |
| **Total** | 182 | 125 | 57 | **9** | -48 | 10 | 10 |

# Structured credit products: "contagion" area (1/4) Good quality of structures

- **Multisector CDOs**: such products are almost entirely present in unfunded super senior CDOs, with collateral represented by US RMBS, European ABS, CDOs, CMBS, HY CBO and Consumer ABS

**Multisector CDOs**

- €73m, of which €15m in Loans & Receivables, "long" positions as at 30.09.10 (€103m as at 31.12.09), including €57m CMBX index hedging and derivatives against which there are positions in funds of €58m (€134m as at 31.12.09)
- 9M10 income statement impact(1) €6m (2009 -€56m)

- Collateral: 73% US RMBS (for 67% vintage prior to 2005 and an average 1% exposure to subprime); 8% CDO; 5% CMBS; 12% HY CBO; 2% Consumer ABS
- Average Rating CC+
- Average Attachment point 3%
- Written down by 66% of the nominal value on the basis of the mark-to-model

- **Alt-A – Alternative A Loans**: ABS (securities) with underlying US residential mortgages normally of high quality but characterised by penalising factors, mostly incomplete documentation, which do not permit their classification into standard prime contracts

**Alt-A**

- Net risk exposure totalled €52m (entirely in Loans & Receivables) as at 30.09.10 (€59m as at 31.12.09)
- 9M10 income statement impact(1) €0m (2009 €0m)

- Rating: 47% AAA, 11% A, 18% BBB, 2% BB/B and 22% CCC
- 100% 2005 Vintage
- No Agency component: 68% average original LTV, 2% cumulated loss, 30-60-90 day average delinquency is 3%, 2% and 9% respectively
- Valued using the comparable approach

- **TruPS – Trust Preferred Securities of REITs (Real Estate Investment Trust)**: financial instruments similar to preferred shares issued by US real estate-trustees to finance residential or commercial initiatives

**TruPS**

- Net risk exposure totalled €76m as at 30.09.10 (€76m as at 31.12.09)
- 9M10 income statement impact(1) €11m (2009 €3m)

- Rating positions unfunded CCC, funded CCC/DDD
- Average Attachment point 44%
- Written down by 55% of the nominal value on the basis of the mark-to-model

- **Prime CMOs**: securities issued with guarantee mostly represented by loans assisted by mortgages on US residential buildings

**Prime CMOs**

- Net risk exposure totalled €28m (entirely in Loans & Receivables) as at 30.09.10 (€33m as at 31.12.09)
- 9M10 income statement impact(1) €0m (2009 €0m)

- Rating: 15% AA, 60% A, 25% BBB
- 100% 2005 Vintage
- 65% average original LTV
- 0.6% cumulated loss
- 30-60-90 day average delinquency is 1%, 1% and 3% respectively
- Valued using the comparable approach

*(1) Including realised gains/losses and write-downs/write-backs*

# Structured credit products: "contagion" area (2/4) Multisector CDOs

(€ m)

| Product | Position as at 30.09.10 | | | 30.09.10 income statement Profits (Losses) on trading | | | |
|---|---|---|---|---|---|---|---|
| | Nominal value | Risk exposure (including write-downs and write-backs) | Cumulated write-downs and write-backs | Realised gains/losses | Write-downs and write-backs | Total income statement | |
| | | | | | | 9M10 | of which 3Q10 |
| Funded CDOs | 0 | **0** | 0 | 6 | 0 | 6 | 0 |
| Unfunded super senior CDOs | 332 | **115** | -217 | 0 | -9 | -9 | 4 |
| Other (funded)[(1)] | 16 | **15** | -1 | | | | |
| **"Long" positions** | 348 | **130** | -218 | 6 | -9 | -3 | 4 |
| **CMBX hedges and derivatives** | 55 | **57** | -2 | -3 | 0 | -3 | -2 |
| **Positions of funds** | 40 | **58** | 18[(2)] | 0 | 12 | 12 | 6 |
| **Net position**[(3)] | "long" 293 | **"long" 73** | -202 | 3 | 3 | 6 | 8 |

*(1) Of which €11m of nominal value and €10m of risk exposure related to the Romulus vehicle and funded CDOs for €5m of nominal value and €5m of risk exposure transferred to the Parent Company from the Romulus vehicle*
*(2) These figures do not take into account the positions of funds which exited the portfolio of structured credit products*
*(3) Nominal value and risk exposure figures do not include amounts of positions of funds*

# Structured credit products: “contagion” area (3/4) Alt-A

| (€ m) | Position as at 30.09.10 | | | 30.09.10 income statement Profits (Losses) on trading | | | |
|---|---|---|---|---|---|---|---|
| Product | Nominal value | Risk exposure (including write-downs and write-backs) | Cumulated write-downs and write-backs | Realised gains/losses | Write-downs and write-backs | Total income statement 9M10 | of which 3Q10 |
| Alt-A Agency (1) | 26 | **25** | -1 | 0 | 0 | 0 | 0 |
| Alt-A No Agency (2) | 33 | **27** | -6 | 0 | 0 | 0 | 0 |
| Other AFS securities (3) | 9 | | | | | | |
| **"Long" positions** | 68 | **52** | -7 | 0 | 0 | 0 | 0 |

*(1) Exposure entirely reclassified into Loans & Receivables with an income statement benefit equal to €0m before tax in the first 9 months of 2010, of which €0m for 3Q10*
*(2) Exposure entirely reclassified into Loans & Receivables with an income statement benefit equal to -€5m before tax in the first 9 months of 2010, of which -€7m for 3Q10*
*(3) Risk position classified in securities available for sale, belonging to the Parent company, coming from the Romulus vehicle, transferred at fair value in 2008*

# Structured credit products: “contagion” area (4/4) TruPS and Prime CMOs

## TruPS

(€ m)

| Product | Nominal value | Risk exposure (including write-downs and write-backs) | Cumulated write-downs and write-backs | Realised gains/losses | Write-downs and write-backs | Total income statement 9M10 | Total income statement of which 3Q10 |
|---|---|---|---|---|---|---|---|
| | Position as at 30.09.10 | | | 30.09.10 income statement Profits (Losses) on trading | | | |
| Funded CDOs | 99 | **22** | -77 | 0 | -4 | -4 | -4 |
| Unfunded super senior CDOs | 120 | **54** | -66 | 0 | 15 | 15 | -1 |
| **"Long" positions** | 219 | **76** | -143 | 0 | 11 | 11 | -5 |

## Prime CMOs

(€ m)

| Product | Nominal value | Risk exposure (including write-downs and write-backs) | Cumulated write-downs and write-backs | Realised gains/losses | Write-downs and write-backs | Total income statement 9M10 | Total income statement of which 3Q10 |
|---|---|---|---|---|---|---|---|
| | Position as at 30.09.10 | | | 30.09.10 income statement Profits (Losses) on trading | | | |
| CMOs (Prime) (1) | 30 | **28** | -2 | 0 | 0 | 0 | 0 |
| **"Long" positions** | 30 | **28** | -2 | 0 | 0 | 0 | 0 |

*(1) Exposure entirely reclassified into Loans & Receivables with an income statement benefit equal to -€1m before tax in the first 9 months of 2010, entirely ascribable to 3Q10*

# Structured credit products: other (1/4)

**The effects of the crisis that affected the US financial markets spread progressively, initially involving instruments with collateral made up of US non-subprime residential mortgages and subsequently the whole structured credit product segment, including products with non-US underlying assets.**

**Details of different types of products related to this segment are provided below. In particular, non-monoline packages, funded ABS/CDOs, Super Senior Corporate Risk and Other unfunded positions:**

- **Non-monoline packages: assets with specific hedges stipulated with primary international banks(1)**

**Packages**

- **Net exposure to counterparty risk €81m as at 30.09.10 (€98m as at 31.12.09)**
- **9M10 income statement impact(2) €1m (2009 €4m)**

- **Hedges from banks generally with a AA, A, BBB, BB and B rating mostly object of specific collateral agreements**
- **Valued using the mark-to-model approach**

*(1) Underlying assets were mostly made up of CLOs and ABS CDOs with a limited portion of US subprime (equal to approximately 13%)*
*(2) Write-backs*

# Structured credit products: other (2/4)

- **European funded ABS/CDOs**: portfolio with collateral diversified in RMBS/CMBS, CLOs, CDOs and ABS of receivables (Credit Card, Leasing, Personal Loans, etc)

**European funded ABS/CDOs**

- Net risk exposure €1,585m of which €1,195m in Loans & Receivables, as at 30.09.10 (€1,947m as at 31.12.09)
- 9M10 income statement impact[1] €4m (2009 €18m)

- Rating: 39% AAA, 48% AA/A, 8% BBB, 5% BB/B
- Valued on the basis of effective market quotes for 15%, comparable approach for 76%, mark-to-model for 9%
- Collateral: 45% RMBS (of which 40% Italy)
  17% CLO
  8% CDO
  13% CMBS (of which 51% Offices, 21% Retail, 14% Mixed Use, 9% Health Care, 4% Hospitality/Multifamily, 1% Industrial)
  17% ABS of receivables

- **US funded ABS/CDOs**: portfolio including securities with US underlying assets, with collateral mostly represented by Collateralised Loans Obligations[2]

**US funded ABS/CDOs**

- Net risk exposure €815m, entirely in Loans & Receivables, as at 30.09.10 (€722m as at 31.12.09)
- 9M10 income statement impact[1] €4m (2009 €22m)

- Collateral: 99% CLO, 1% Credit Card
- Rating: 100% AAA
- Valued on the basis of comparable approach for 17%, mark-to-model for 83%

- **Funded ABS/CDOs ascribable to the Romulus vehicle**: securities entirely classified in Loans & Receivables with mainly US underlying assets (Credit Card, Leveraged Loans, Student Loans, Corporate Risk)

**US funded ABS/CDOs Romulus**

- Net risk exposure €128m, entirely in Loans & Receivables, as at 30.09.10 (€131m as at 31.12.09)

- Rating: 5% AAA, 9% AA, 5% BBB, 31% B, 50% CCC/CC
- Valued on the basis of comparable approach for 10%, mark-to-model for 90%

*(1) Including realised gains/losses and write-downs/write-backs*
*(2) Funded super senior Corporate Risk CDOs, securities classified into Loans & Receivables in 2009, coming from the restructuring of unfunded positions as at 31.12.08*

# Structured credit products: other (3/4)

- **Unfunded super senior Corporate Risk CDOs**: super senior in this category are mostly characterised by collateral subject to corporate risk

**Unfunded super senior Corporate Risk CDOs**
- Net risk exposure €685m as at 30.09.10 (€834m as at 31.12.09)
- 9M10 income statement impact[1] €26m (2009 -€17m)

- 35% average Attachment point

- Collateral: 29% US (56% CDOs)
  71% Europe (75% Consumer credit Italy and 25% CDOs)
- Valued using the mark-to-model approach

- **Other unfunded positions**: portfolio of unfunded CDOs with mainly European underlying assets

**Other unfunded positions**
- Net risk exposure €17m as at 30.09.10 (-€78m as at 31.12.09)
- 9M10 income statement impact[1] €10m (2009 -€12m)

- Almost entirely on mezzanine tranches
- Valued using the mark-to-model approach

*(1) Including realised gains/losses and write-downs/write-backs*

# Structured credit products: other (4/4)

| (€ m) | Position as at 30.09.10 | | | | | 30.09.10 income statement Profits (Losses) on trading | |
|---|---|---|---|---|---|---|---|
| | | | | | | Fair value write-back of the hedge from primary International banks | |
| Product | Nominal value of the underlying asset | Fair value of the underlying asset (net of accrued interests) | Credit risk exposure to primary International banks (fair value of the CDS *pre* write-down for CRA) | Credit risk exposure to primary International banks (fair value of the CDS *post* write-down for CRA) | Fair value cumulated write-downs of the hedge from primary international banks | 9M10 | of which 3Q10 |
| **Non-monoline packages**(1) | 352 | 270 | 82 | 81 | -1(2) | 1 | 0 |

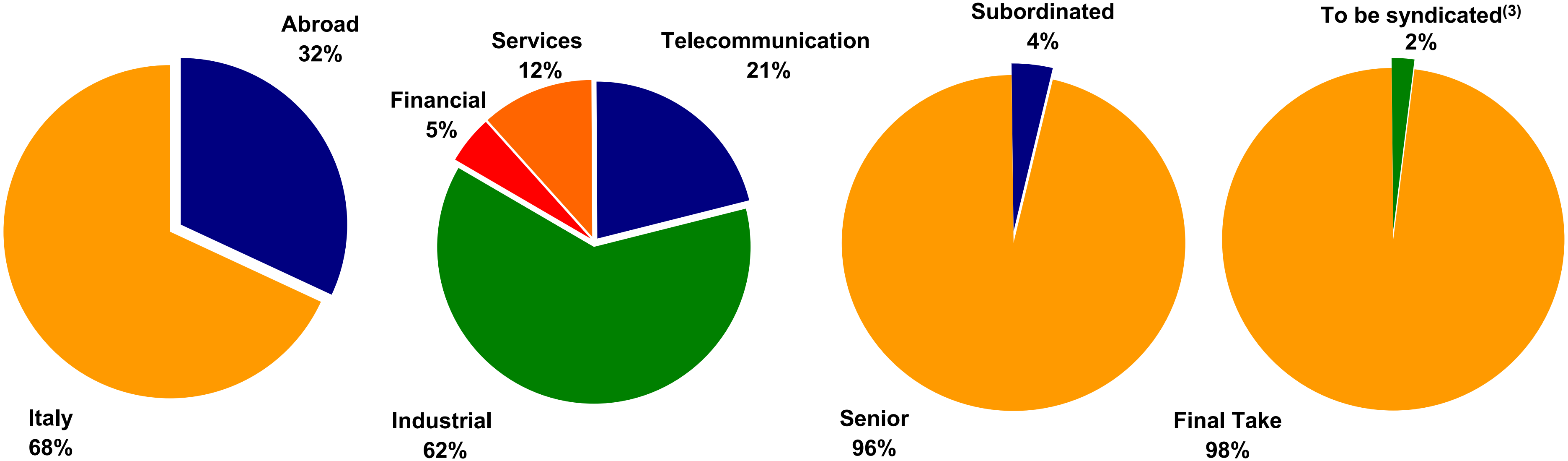
| (€ m) | Position as at 30.09.10 | | | 30.09.10 income statement Profits (Losses) on trading | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | Total income statement | |
| Product | Nominal value | Risk exposure (including write-downs and write-backs) | Cumulated write-downs and write-backs | Realised gains/losses | Write-downs and write-backs | 9M10 | of which 3Q10 |
| **ABS/CDO** (3) | 2,597(4) | 2,400 | -197 | 0(3) | 2(3) | 2(5) | 4 |
| **Unfunded super senior multisector CDOs and corporate risk** (6) | 776 | 702 | -74 | 7 | 29 | 36 | 11 |
| **Other** (7) | 153 | 128 | -25 | | | | |

*(1) Underlying assets were mostly made up of CLOs and ABS CDOs with a limited portion of US subprime (equal to approximately 13%)*
*(2) According to systematic adjustments made on the entire derivatives universe to incorporate in the fair value the credit risk, in this particular case minimum, of the counterparty (so-called credit risk adjustment), even considering that the operations are mainly object of specific collateral agreement*
*(3) US component reclassified into Loans & Receivables for an amount equal to €775m of nominal value and to €734m of net exposure, with an income statement benefit equal to -€6m before tax in the first 9 months 2010, of which -€9m in 3Q10. EU component belonging to Intesa Sanpaolo reclassified into Loans & Receivables for an amount equal to €1,087m of nominal value and to €1,004m of net exposure, with an income statement benefit equal to -€90m before tax in the first 9 months 2010, of which -€11m in 3Q10; EU component belonging to Banca IMI reclassified into Loans & Receivables for an amount equal to €124m of nominal value and to €113m of net exposure, with an income statement benefit equal to -€5m before tax in the first 9 months 2010, of which -€7m in 3Q10; EU component belonging to CR Firenze reclassified into Loans & Receivables for an amount equal to €8m of nominal value and to €5m of net exposure, with a benefit on Shareholders' equity equal to €0m before tax as at 30.09.10 of which €0m in 3Q10; EU component belonging to Banca Fideuram reclassified into Loans & Receivables for an amount equal to €8m of nominal value and to €7m of net exposure, with a benefit on Shareholders' equity equal to €2m before tax as at 30.09.10, of which €0m in 3Q10. It should be noted that during 2010 a part of this portfolio was sold. Such transactions resulted in a profit for nearly €11m recognised to "Profit (Losses) on disposal or repurchase of loans – caption 100a". Furthermore, it should be noted that impairment losses were originated by some securities belonging to the same portfolio in 2010. The related impact in the income statement was negative for €5m (wholly belonging to the Parent Company) and was recognized to "Net losses/write-backs on impairment - caption 130a"*
*(4) Of which €648m belonging to Banca IMI, €1,815m to Intesa Sanpaolo, €9m to CR Firenze, €76m to Banca Fideuram, €6m to Sud Polo Vita and €43m to EurizonVita*
*(5) Wholly ascribable to Banca IMI*
*(6) Including an unfunded portfolio of €24m of nominal value and €17m of fair value*
*(7) Risk position of the Romulus vehicle (fully consolidated entity)*

# Leveraged Finance[1]: contained, high quality exposure

| No. Transactions | Amount[2] |
|---|---|
| **~110** | **€4,650m** |

## Breakdown




(1) Group financing to parties controlled by private equity funds
(2) Outstanding commitment
(3) Italy

# Disclaimer

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

* * *

This presentation contains certain forward-looking statements and forecasts reflecting the Intesa Sanpaolo management’s current views with respect to certain future events. Forward-looking statements 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 Intesa Sanpaolo’s future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where Intesa Sanpaolo participates or is seeking to participate.

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 (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.

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 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;
- the Group’s ability to achieve the expected return on the investments and capital expenditures it has made in Italy and in foreign countries; and
- the Group’s ability to finalise capital management actions on its non-core assets (including disposals, either full or partial, partnerships, listings, etc.).

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 as a prediction of actual results. All forward-looking statements included herein are based on information available to Intesa Sanpaolo as of the date hereof. Intesa Sanpaolo 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 Intesa Sanpaolo or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.