



**A Strong Bank,  
Delivering Growth**

# 9M14 Results

**A Winner in the Comprehensive  
Assessment and in Delivering  
Growth in Profitability**

November 11, 2014

**INTESA**  **SANPAOLO**

# A Winner in the Comprehensive Assessment and in Delivering Growth in Profitability

- **9M14: strong economic performance driven by Net fees and commissions**
- **A Comprehensive Assessment winner, best-in-class in capital and leverage**
- **Firmly on track to deliver our Business Plan**

**€1.6bn<sup>(1)</sup> Net income in 9M14 fully supporting 2014 €1bn dividend commitment**

(1) Net income excluding the one-off impact of the higher tax rate on the gain from Bank of Italy stake, gain booked in 4Q13

# 9M Summary: A Winner in the Comprehensive Assessment and in Delivering Growth in Profitability

## ■ Strong economic performance and high quality earnings:

- ❑ **€1,642m Net income** excluding the one-off impact of the higher tax rate on the gain from Bank of Italy stake<sup>(1)</sup> (+157% vs 9M13) 
- ❑ **Stated Net income at €1,203m** (+88% vs 9M13) 
- ❑ **Pre-tax income at €3,061m** (+66% vs 9M13) 
- ❑ **Increase in Operating income (+4% vs 9M13)** thanks to positive Net interest income trend (+4% vs 9M13) and **sustained growth in Net fees and commissions (+10% vs 9M13)**, above Business Plan target 
- ❑ **Increase in Operating margin (+6% vs 9M13)** with **C/I down to 48.5% (-110bps vs 9M13)** 
- ❑ **Downward trend in loan loss provisions (-13% vs 9M13)** coupled with lower NPL inflow and further increase in both NPL and performing loans coverage 

## ■ A Comprehensive Assessment winner with a high capital base (not subject to Global SIFI capital requirements):

- ❑ **Excellent results from the AQR exercise (€12.7bn excess capital with CET1 ratio at 12.5%<sup>(2)</sup>) and stress test adverse scenario (€10.9bn excess capital with CET1 ratio at 9.0%<sup>(2)</sup>)** 
- ❑ **Low leverage (6.7% leverage ratio) and high capital base (pro-forma fully loaded CET1 ratio after dividends at 13.0%<sup>(3)</sup>)** 
- ❑ **Strong liquidity position and funding capability with LCR and NSFR well above 100% and 2014 wholesale bond maturities already fully covered** 
- ❑ **NPL cash coverage increased to 47.2% (+280bps YoY, +120bps vs YE13)** 

(1) Gain booked in 4Q13

(2) Including the capital gain deriving from the stake in Bank of Italy (~€1.8bn) as well as the other capital measures carried out in 2014 (~€0.4bn)

(3) Including estimated benefits from the Danish compromise (9bps)

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**9M14: strong economic performance driven by Net fees and commissions**

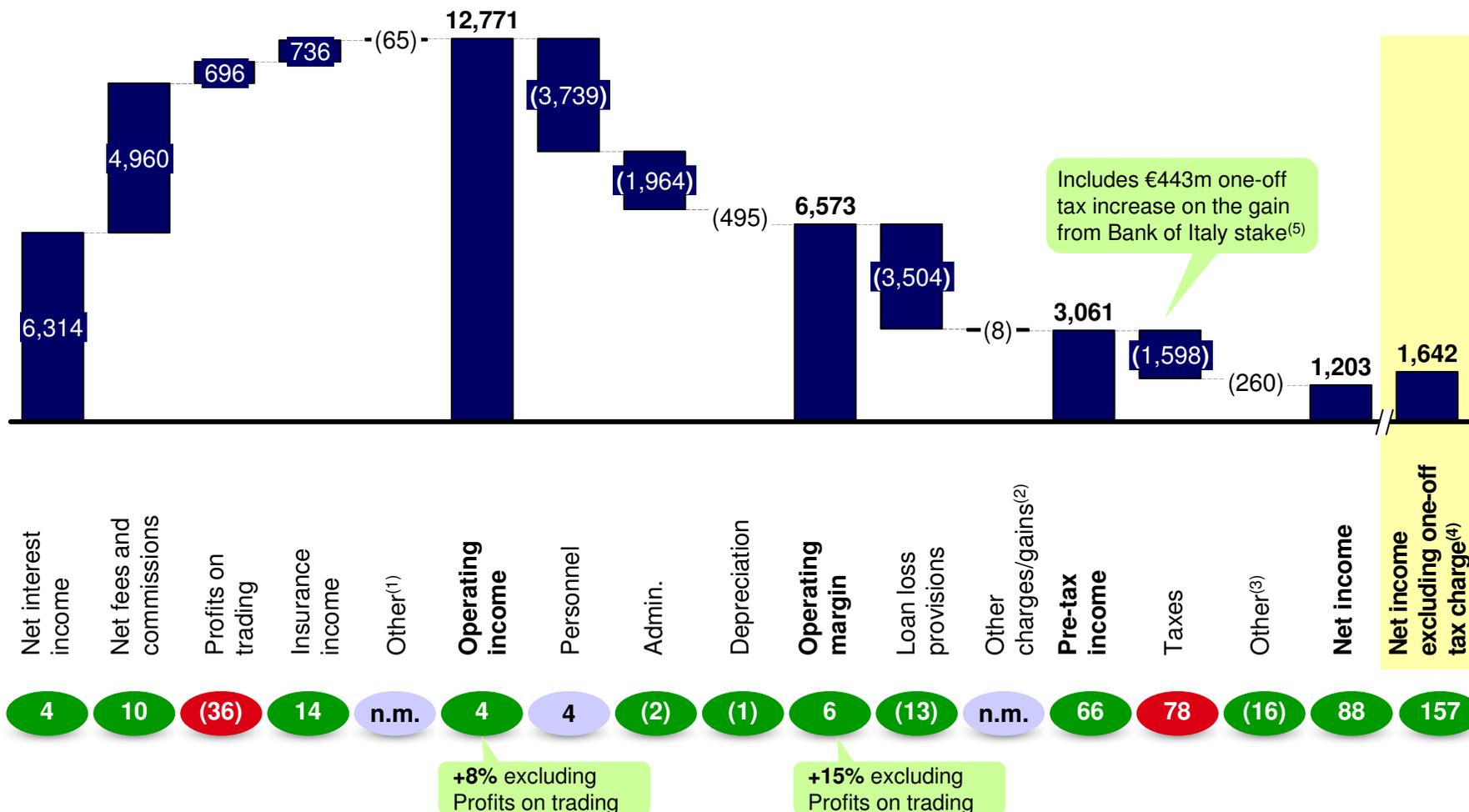
A Comprehensive Assessment winner, “best-in-class” in capital and leverage

Firmly on track to deliver our Business Plan

# 9M14 vs 9M13: Strong Increase in Profitability with High Quality Earnings Delivered

9M14 P&L  
€ m

% Δ vs 9M13



(1) Dividends and other operating income (expenses)

(2) Net impairment losses on assets, Profits (Losses) on HTM and on other investments, Provisions for risks and charges

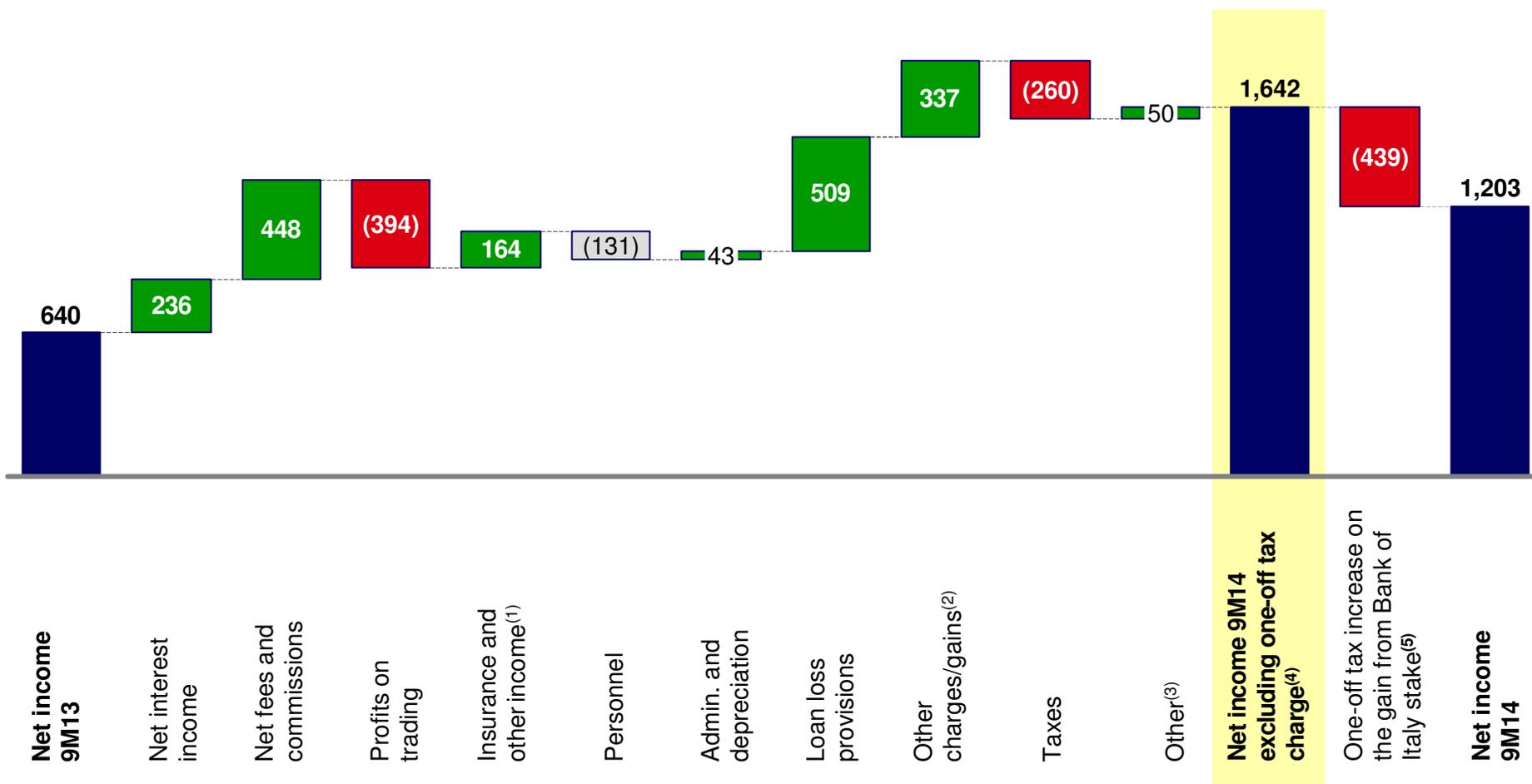
(3) Income (Loss) after tax from discontinued operations, Minority interests, Intangible amortization (after tax), Charges for integration and personnel exit incentives (after tax)

(4) Net income excluding the tax rate increase from 12% to 26% on the gain from Bank of Italy stake booked in 4Q13. Net of minorities

(5) Tax rate increase from 12% to 26% on the gain from Bank of Italy stake booked in 4Q13

# Almost Doubled Net Income Despite One-Off Tax Increase on Gain from Bank of Italy Stake

Δ YoY  
€ m



(1) Insurance income, Dividends and other operating income (expenses)

(2) Net impairment losses on assets, Profits (Losses) on HTM and on other investments, Provisions for risks and charges

(3) Income (Loss) after tax from discontinued operations, Minority interests, Intangible amortization (after tax), Charges for integration and personnel exit incentives (after tax)

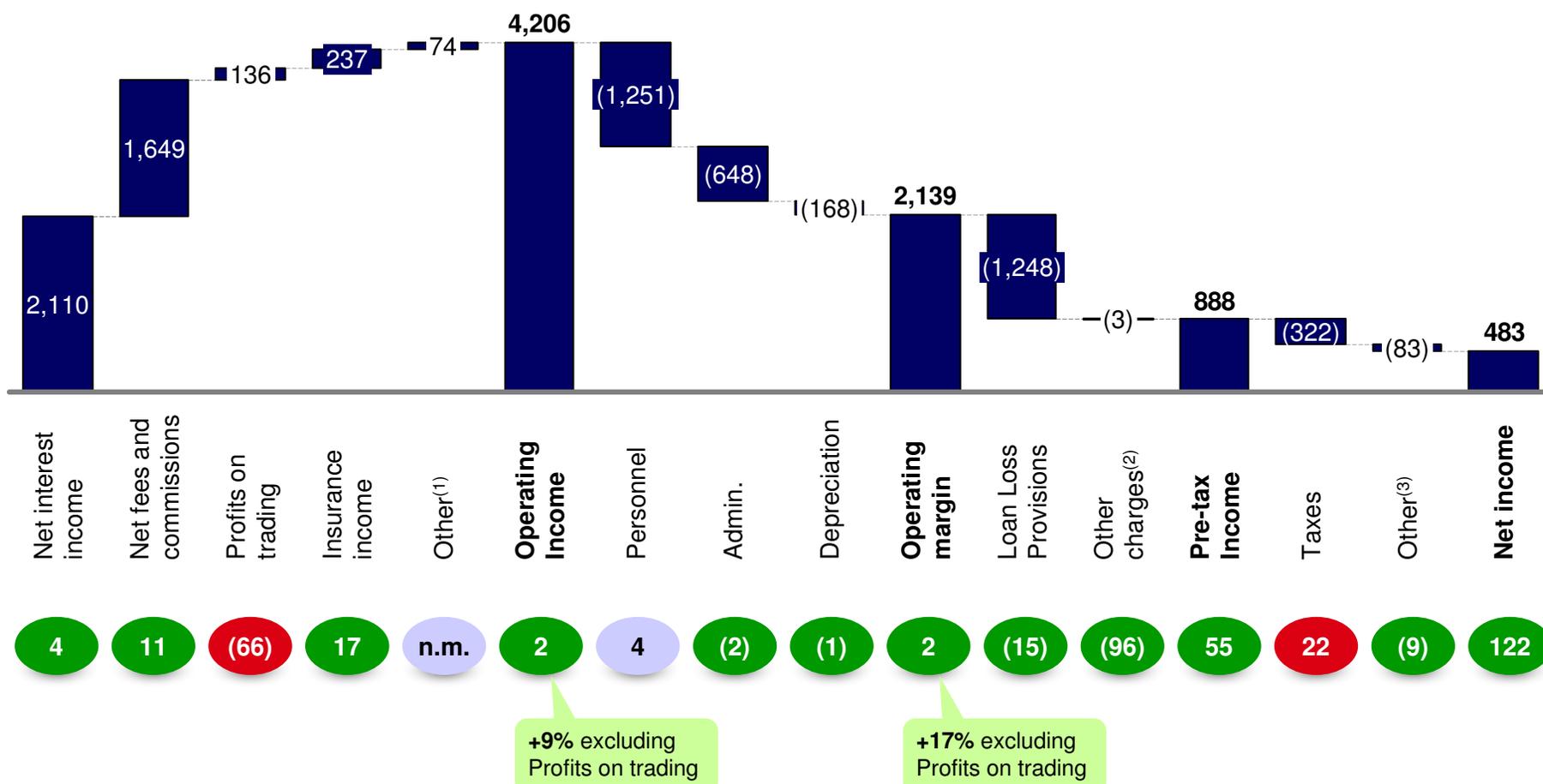
(4) Net income excluding the tax rate increase from 12% to 26% on the gain from Bank of Italy stake booked in 4Q13

(5) From 12% to 26% tax rate on the gain booked in 4Q13. Net of minorities. €443m pre minorities

# Q3 Contributed Positively to 9M14 Net Income with ~€500m

3Q14 P&L  
€ m

% Δ vs 3Q13



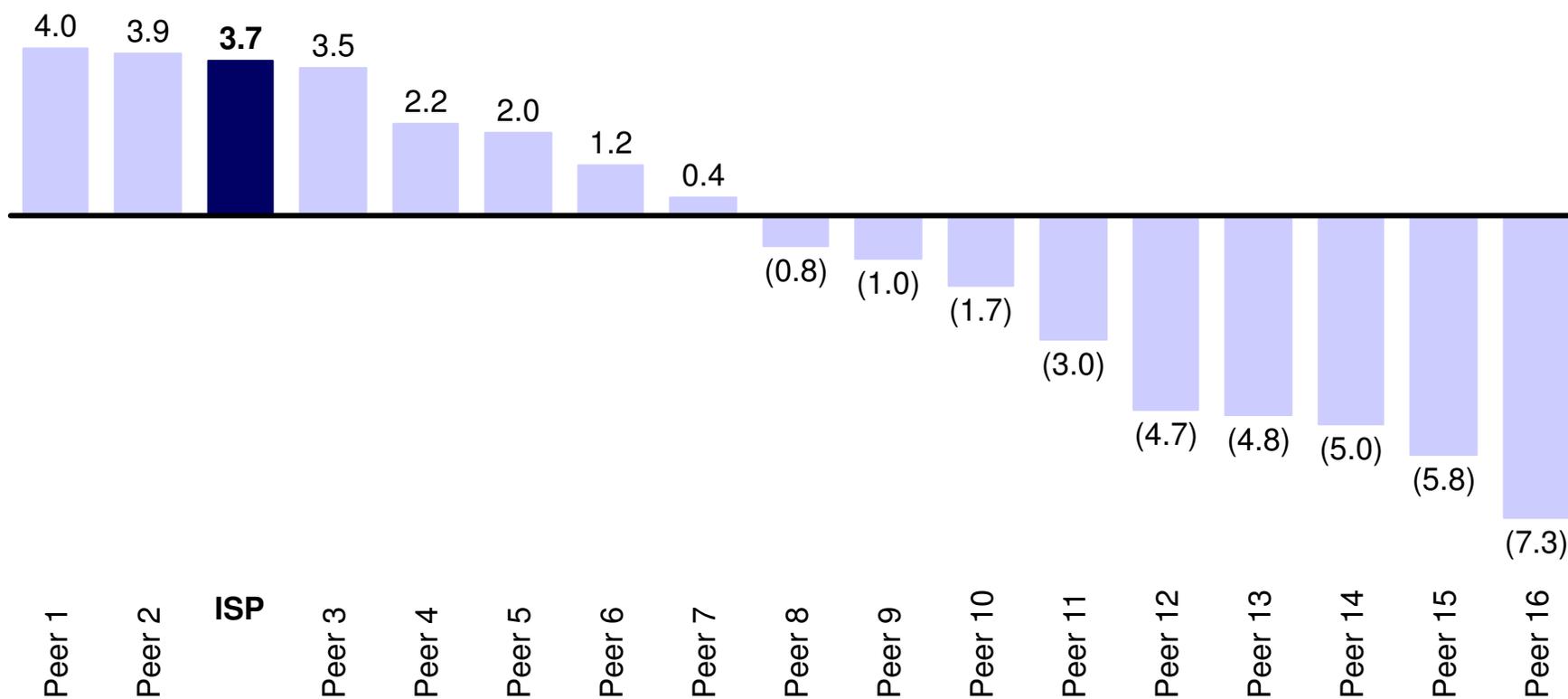
(1) Dividends and Other operating income (expenses)

(2) Net impairment losses on assets, Profits (Losses) on HTM and on other investments, Provisions for risks and charges

(3) Income (Loss) after tax from discontinued operations, Minority interests, Intangible amortization (after tax), Charges for integration and personnel exit incentives (after tax)

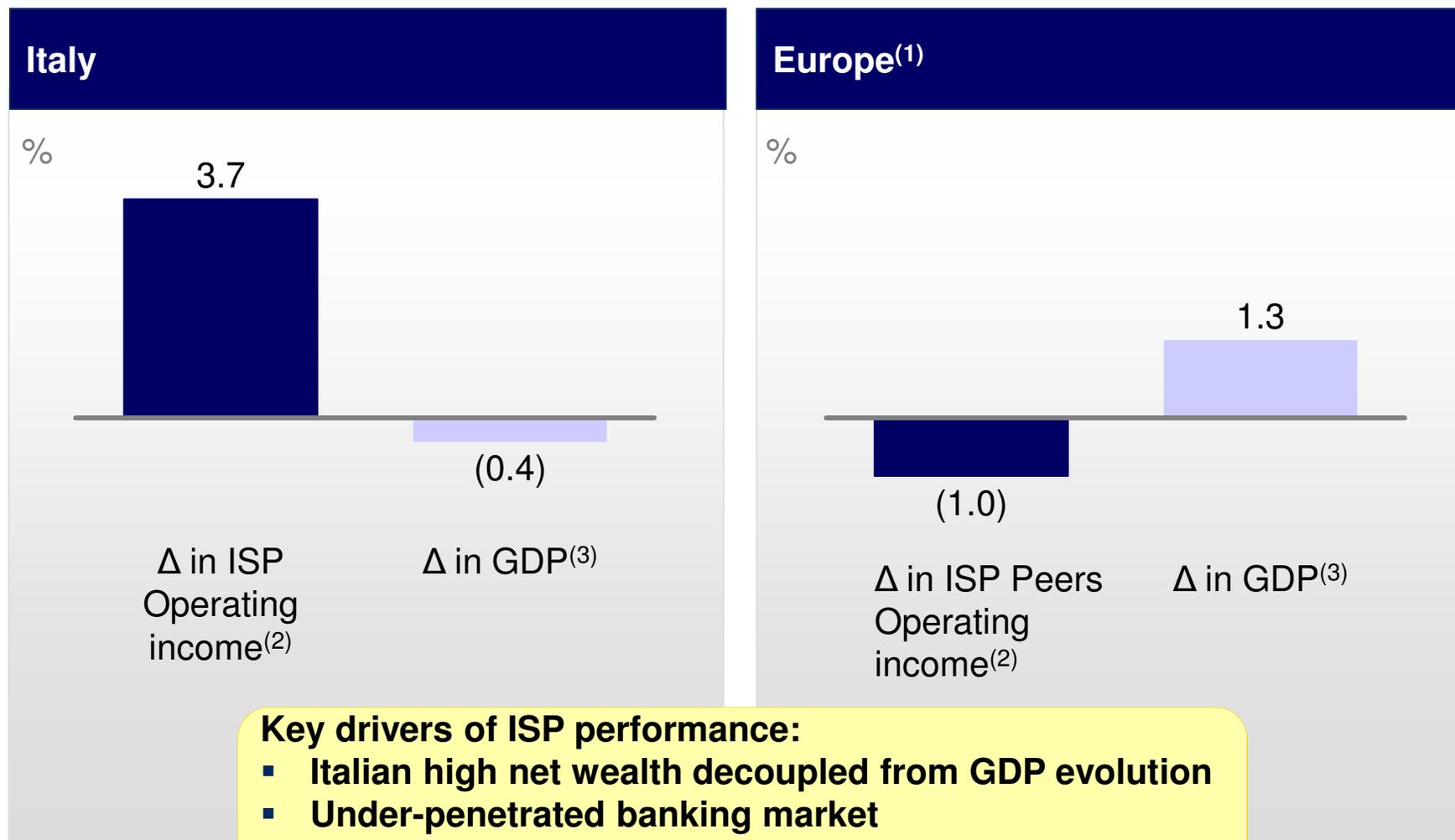
# Top Tier Improvement in Operating Income...

Δ YoY Operating income<sup>(1)</sup>  
%



(1) Sample: Barclays, BBVA, BNP Paribas, BPCE, Commerzbank, Crédit Agricole SA, Credit Suisse, Deutsche Bank, HSBC, ING, Nordea, Santander, Société Générale and UBS (data as of 30.9.14); Standard Chartered and UniCredit (data as of 30.6.14)

## ...Showing a Positive Trend for ISP Decoupled from Zero-Growth Italian GDP



### Key drivers of ISP performance:

- Italian high net wealth decoupled from GDP evolution
- Under-penetrated banking market
- Low BTP-Bund spread
- ISP superior execution capability

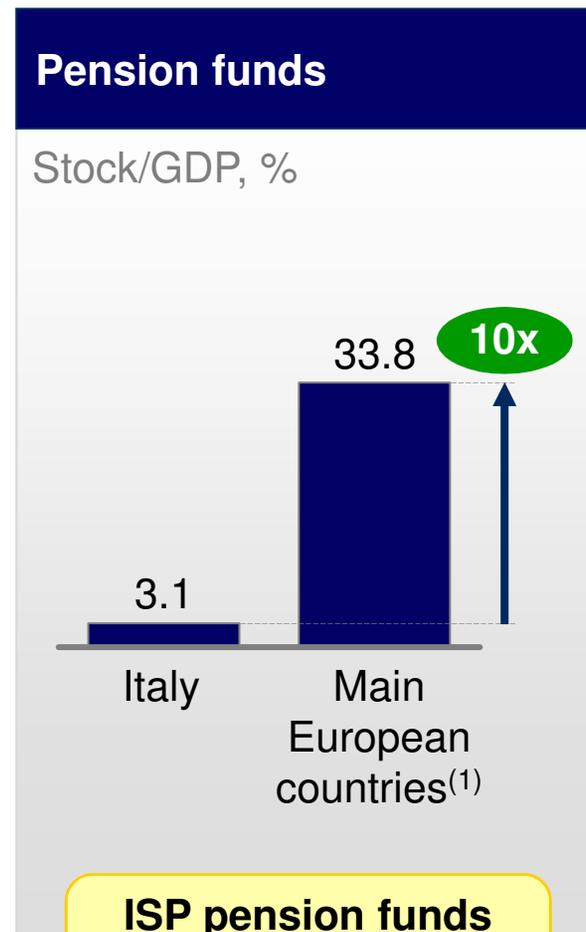
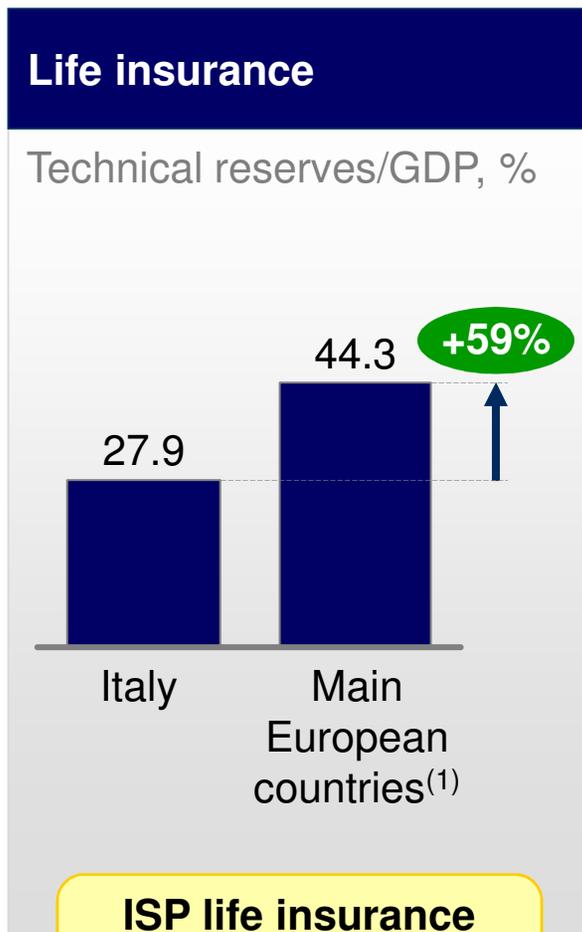
(1) Relative to Europe's 28 countries

(2) 9M14 vs 9M13. Sample: Barclays, BBVA, BNP Paribas, BPCE, Commerzbank, Crédit Agricole SA, Credit Suisse, Deutsche Bank, HSBC, ING, Nordea, Santander, Société Générale and UBS (data as of 30.9.14); Standard Chartered and UniCredit (data as of 30.6.14)

(3) Real GDP growth (2010 EUR at market prices): 2014 estimate vs 2013

SOURCE: AMECO (DG Economic and Financial Affairs, European Commission)

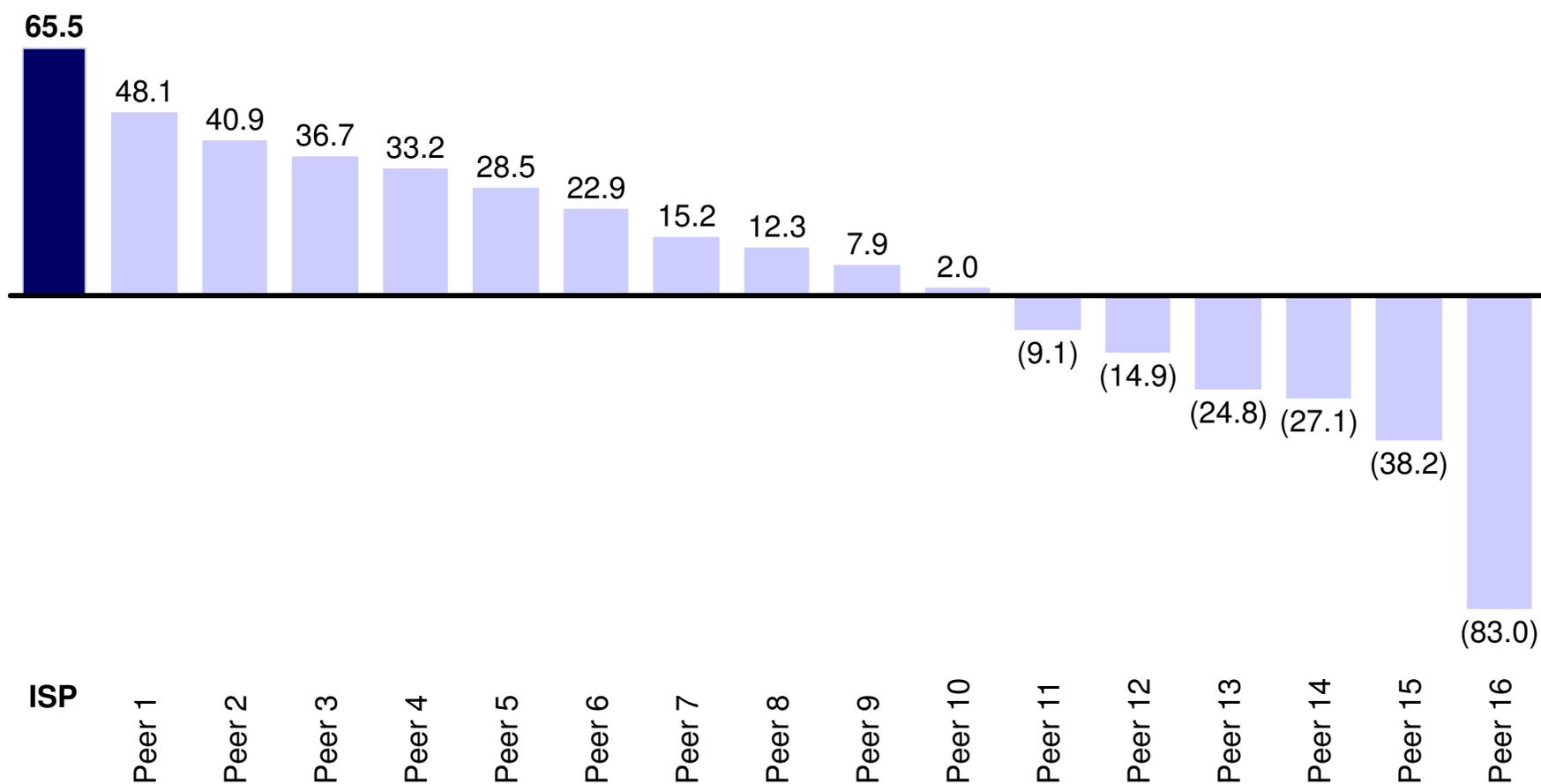
# Under-penetration of Wealth Management Products in Italy and in ISP Supports Sustainable Profitability Growth



(1) Sample: France, Germany, Great Britain and Spain

# Leader in Pre-Tax Income Growth in Europe

Δ YoY Pre-tax income<sup>(1)</sup>  
%

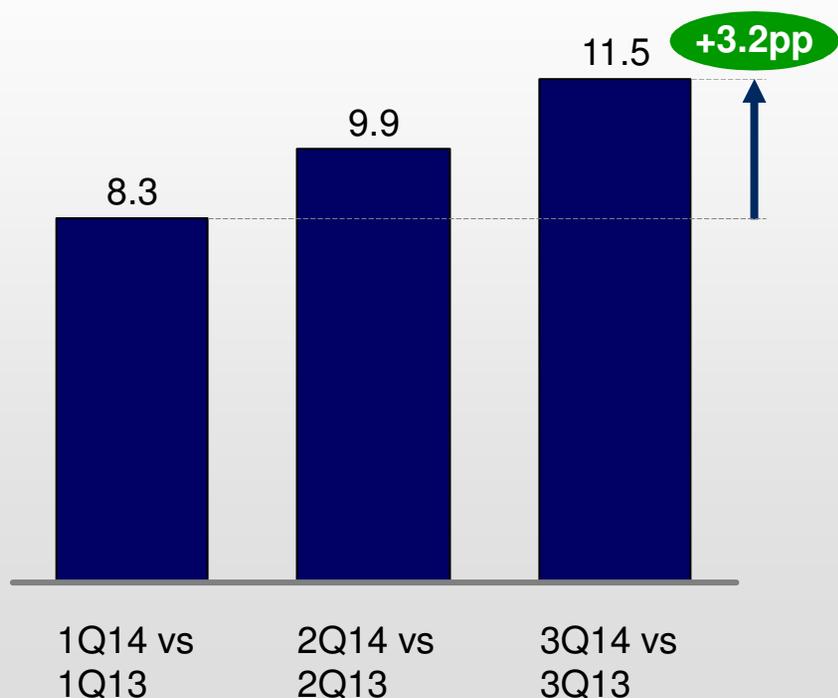


(1) Sample: Barclays, BBVA, BNP Paribas, BPCE, Commerzbank, Crédit Agricole SA, Credit Suisse, Deutsche Bank, HSBC, ING, Nordea, Santander, Société Générale and UBS (data as of 30.9.14); Standard Chartered and UniCredit (data as of 30.6.14)

# Double-Digit Growth in Net Fees and Commissions

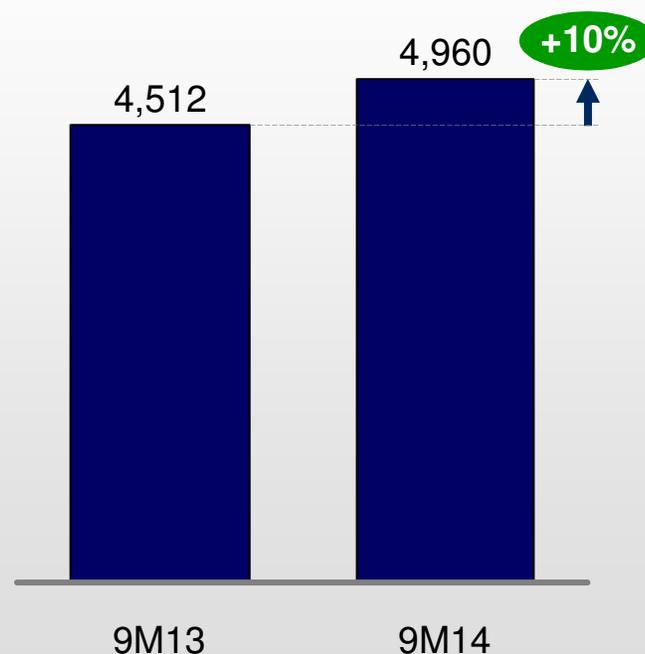
## Quarterly Comparison

Δ Net Fees and Commissions  
%



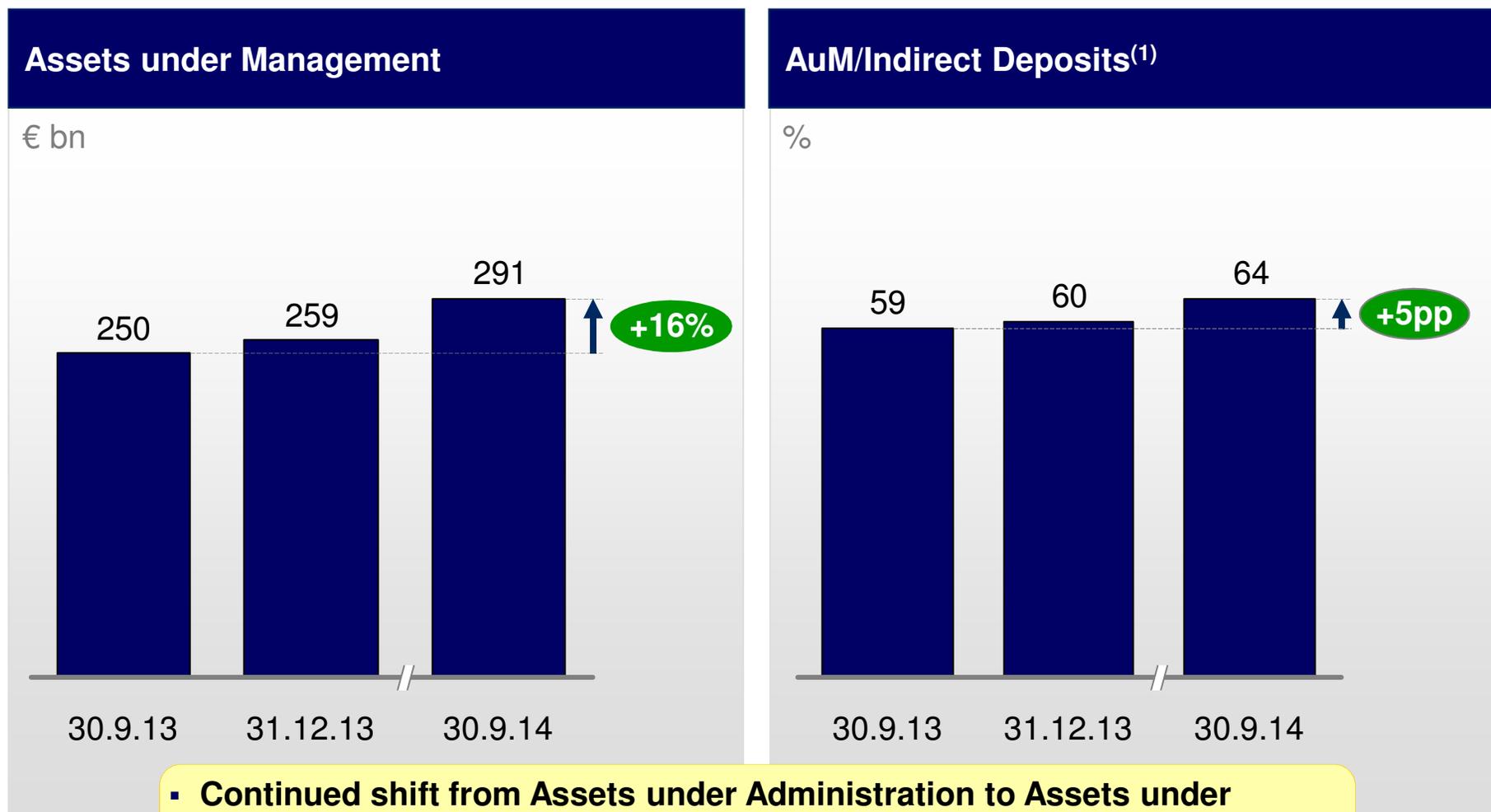
## Yearly Comparison

Net Fees and Commissions  
€ m



**Highest 9M Net fee and commission income since ISP creation in 2007**

# Significant Growth in Assets Under Management

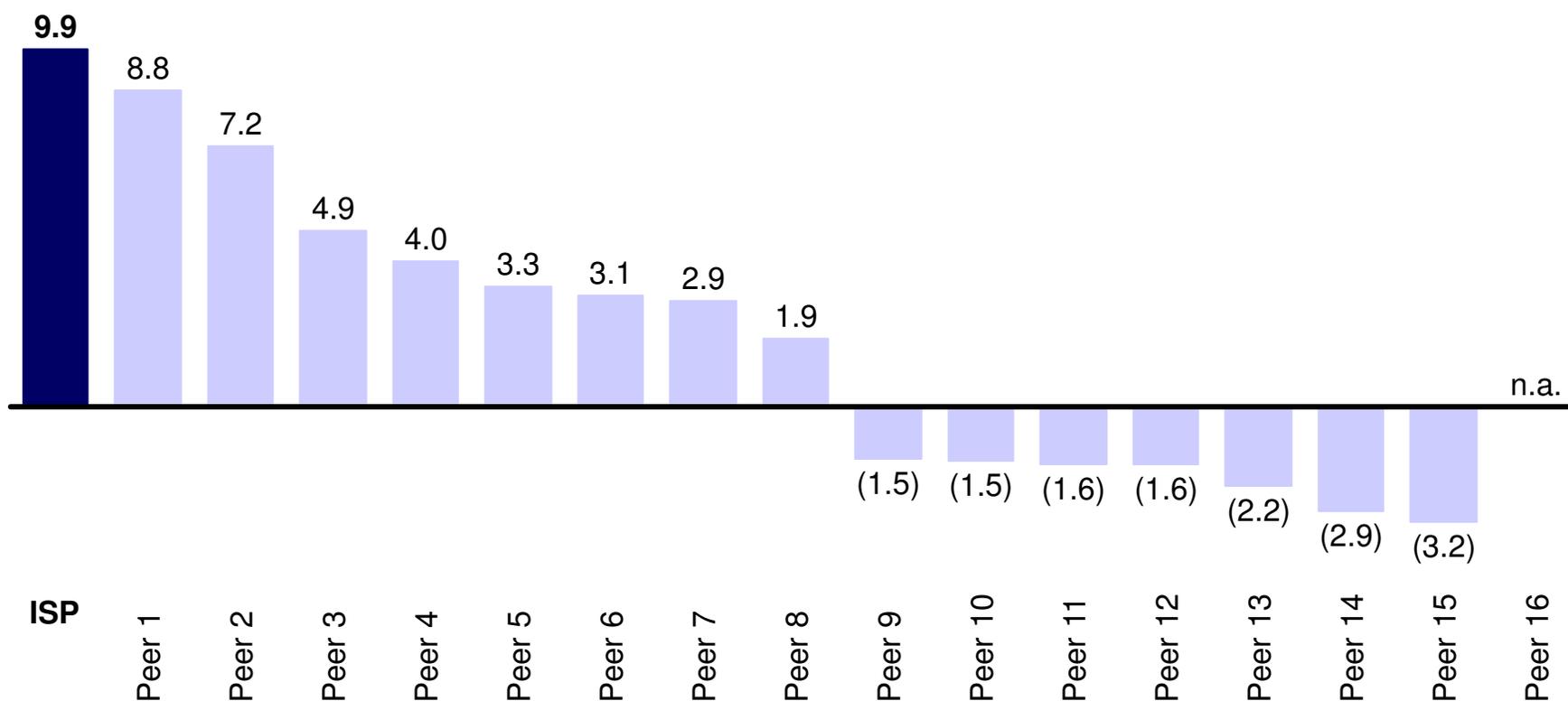


- Continued shift from Assets under Administration to Assets under Management (~€16bn in 9M14)
- 41% of Business Plan 2017 target for AuM net inflows already achieved

(1) Sum of Assets under Management and Assets under Administration

# Leader in Net Fee and Commission Income Growth in Europe

Δ YoY Net fee and commission income<sup>(1)</sup>  
%



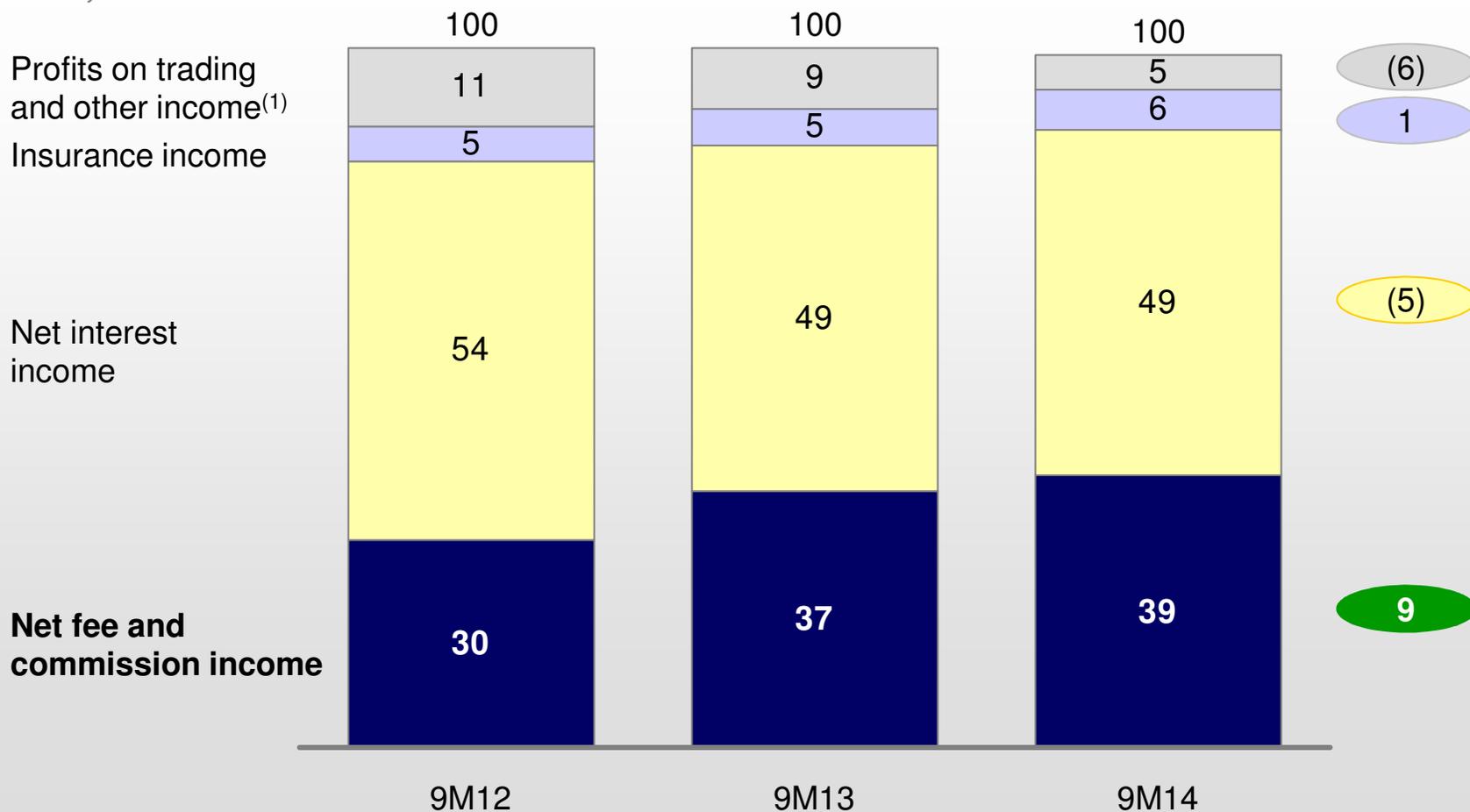
(1) Sample: BBVA, Commerzbank, Credit Suisse, Deutsche Bank, HSBC, ING, Nordea, Santander and UBS (data as of 30.9.14); Barclays, BNP Paribas, Crédit Agricole SA, Société Générale, Standard Chartered and UniCredit (data as of 30.6.14); BPCE not available

# A Strategic Shift Towards a Fee-Intensive Business

pp Δ mix vs 9M12

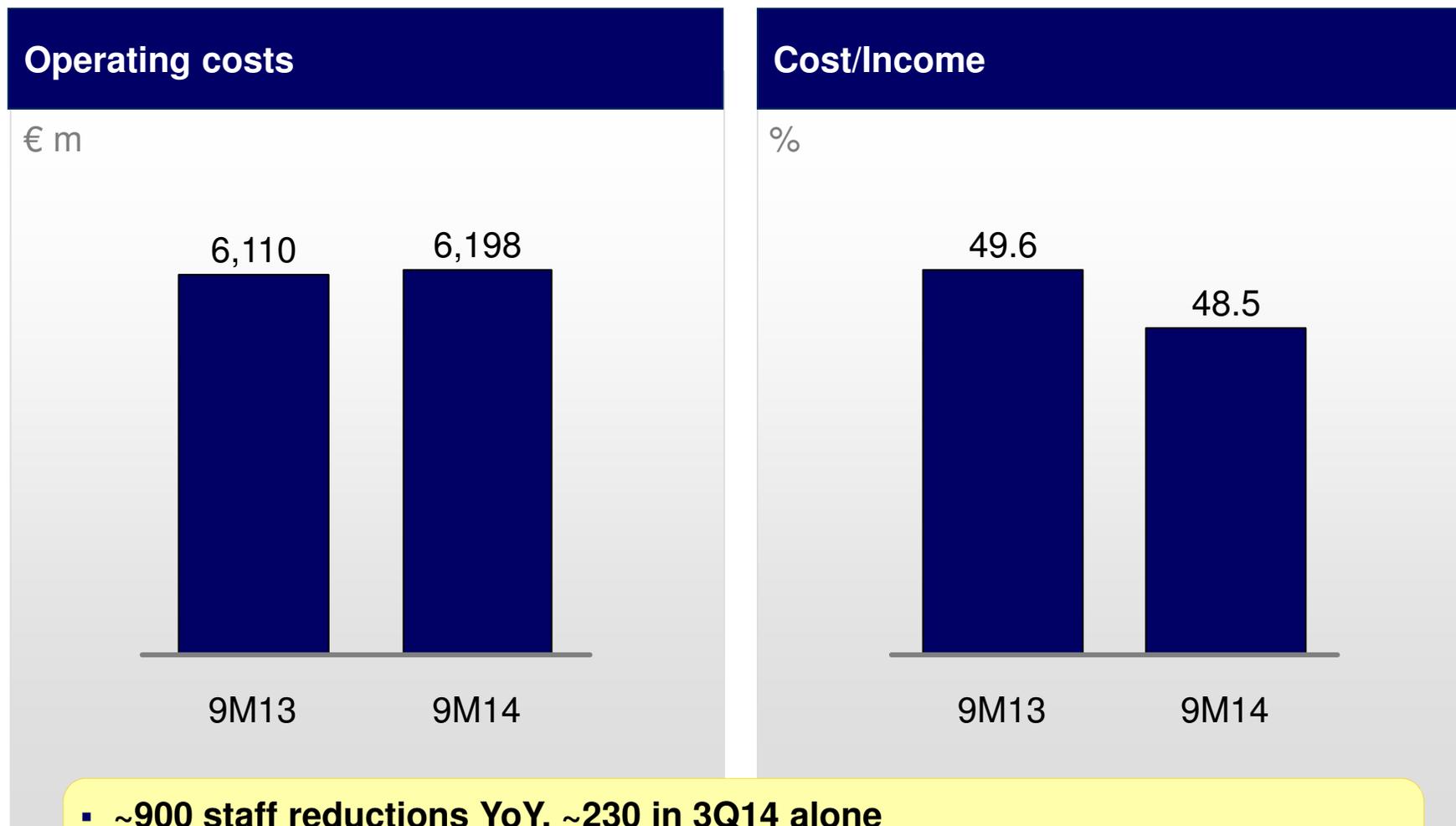
## Operating income mix

Indexed, %



Note: figures may not add up exactly due to rounding differences  
 (1) Dividends and other operating income (expenses)

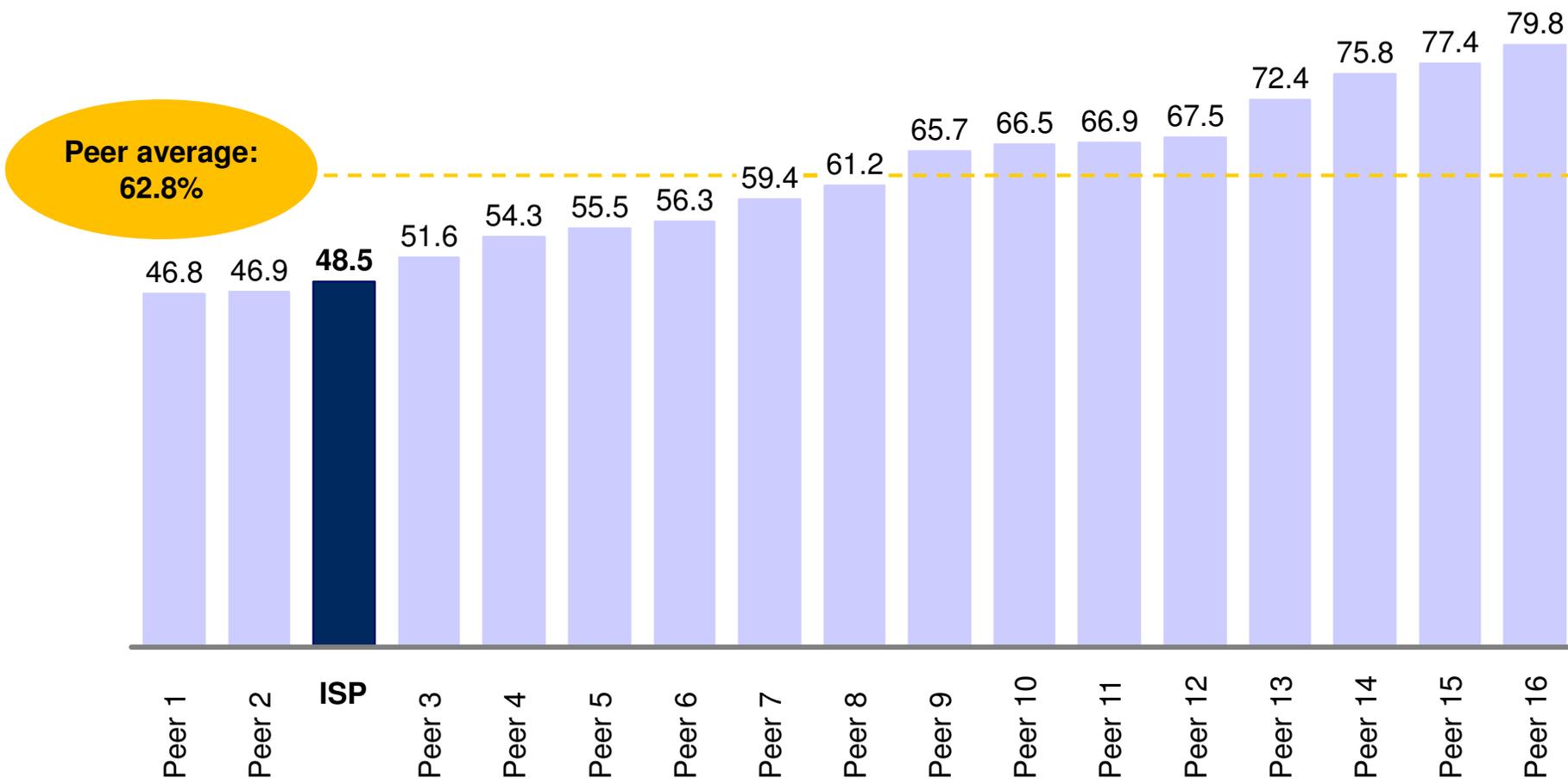
## Continuous Cost Management with Further Improvement in Already Best-in-Class Cost/Income Ratio



- ~900 staff reductions YoY, ~230 in 3Q14 alone
- Further reduction in administrative expenses (-1.8% vs 9M13)
- Pro quota incentives to trigger growth already factored into personnel costs

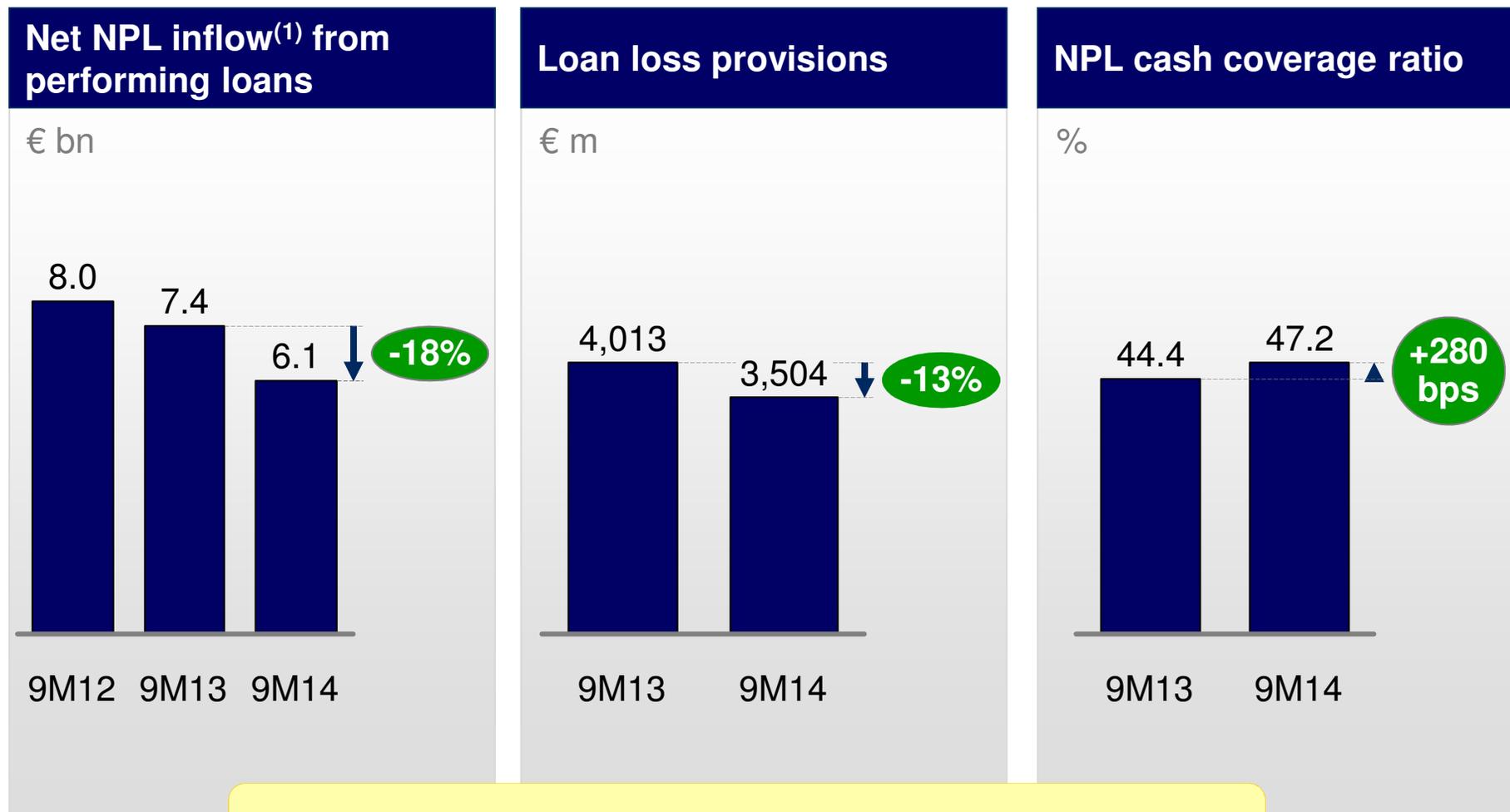
# Top Tier Cost/Income Ratio in Europe

Cost/Income<sup>(1)</sup>  
%



(1) Sample: Barclays, BBVA, BNP Paribas, BPCE, Commerzbank, Crédit Agricole SA, Credit Suisse, Deutsche Bank, HSBC, ING, Nordea, Santander, Société Générale and UBS (data as of 30.9.14); Standard Chartered and UniCredit (data as of 30.6.14)

# Downward Trend in Provisions Coupled with Lower NPL Inflow and Further Increase in NPL Coverage Ratio



**AQR limited additional provisions already fully factored-in**

(1) Inflow to NPL (Doubtful Loans, Substandard Loans, Restructured and Past Due) from performing loans minus outflow from NPL to performing loans

# Pre-tax Income Contribution by Division

€ m



(1) Banca dei Territori excluding Intesa Sanpaolo Private Banking, Insurance, Sirefid and Intesa Sanpaolo Private Banking (Suisse); (2) Banca Fideuram excluding Fideuram Asset Management Ireland, Intesa Sanpaolo Private Banking, Sirefid and Intesa Sanpaolo Private Banking (Suisse); (3) Eurizon Capital and Fideuram Asset Management Ireland; (4) Intesa Sanpaolo Vita, Intesa Sanpaolo Previdenza, Fideuram Vita  
 Note: Figures may not add up exactly due to rounding differences

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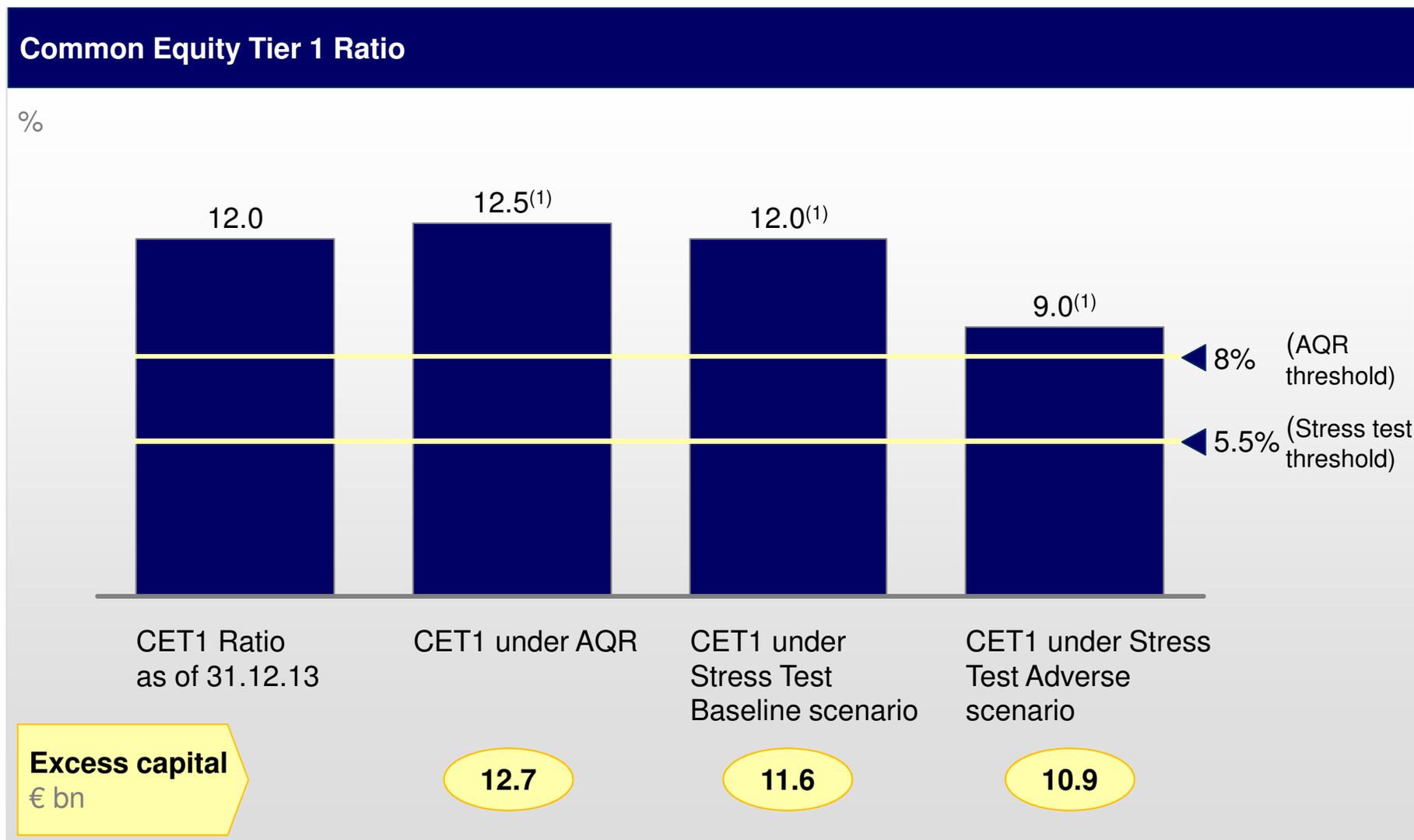
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9M14: strong economic performance driven by Net fees and commissions

**A Comprehensive Assessment winner, “best-in-class” in capital and leverage**

Firmly on track to deliver our Business Plan

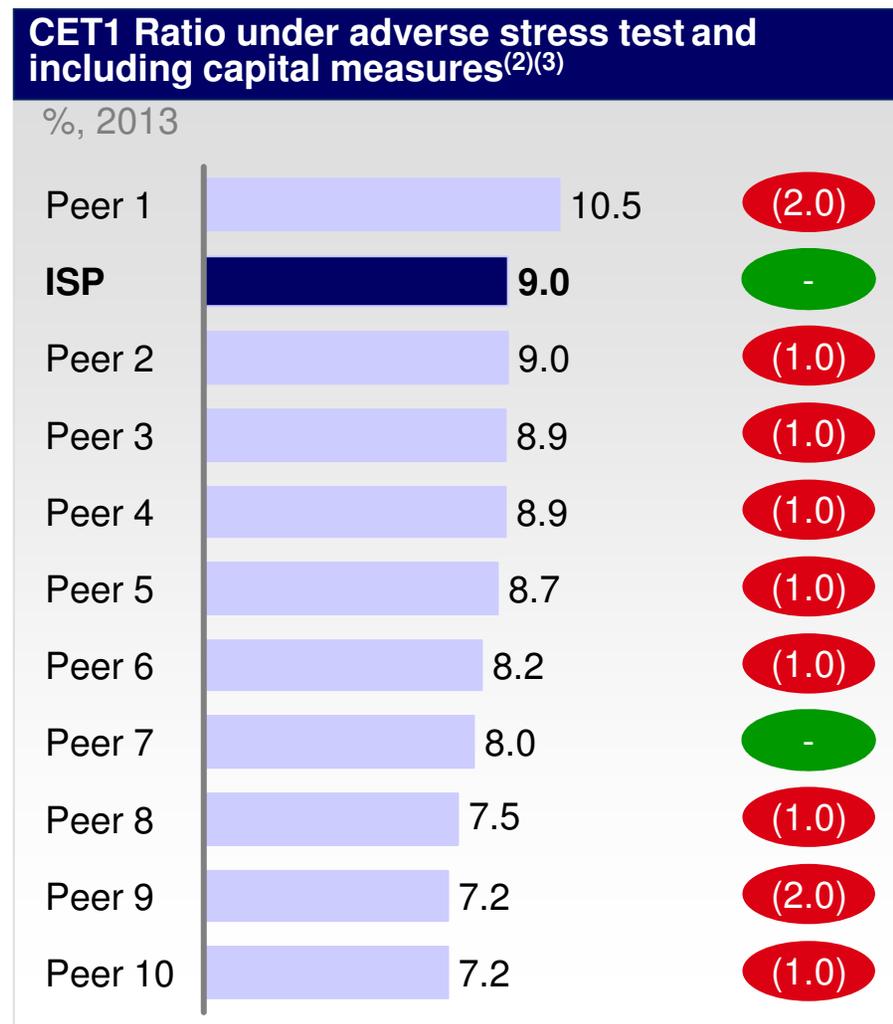
# ISP Smoothly Navigated the ECB Comprehensive Assessment



(1) Including the capital gain deriving from the stake in Bank of Italy (~€1.8bn) as well as the other capital measures carried out in 2014 (~€0.4bn)

# ISP is the Real Winner of the ECB Comprehensive Assessment

 Global SIBs capital requirement (%)



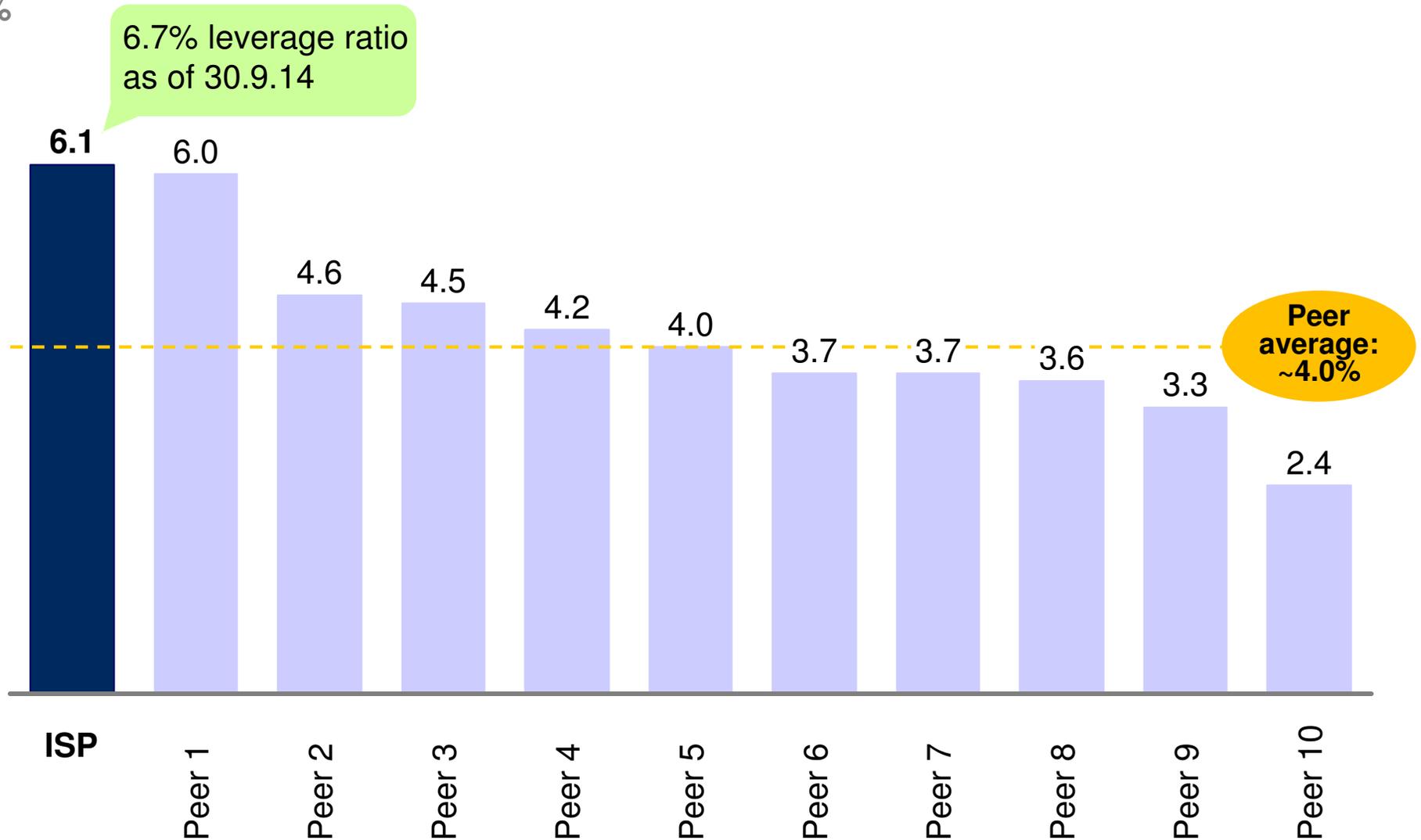
(1) Excluding capital measures

(2) Sample: BBVA, BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, Deutsche Bank, ING, Santander, Société Générale and UniCredit

(3) Fully Loaded CET1 Ratio under adverse stress test, including the capital gain deriving from the stake in Bank of Italy as well as the other capital measures carried out in 2014, equal to: peer1 8.7%, peer2 8.7%, Intesa Sanpaolo 8.5%, peer3 8.2%, peer4 8.2%, peer5 7.3%, peer6 7.2%, peer7 7.1%, peer8 6.9%, peer9 6.8% and peer10 6.7%

# ISP is also the Winner of the ECB Comprehensive Assessment in Terms of Leverage

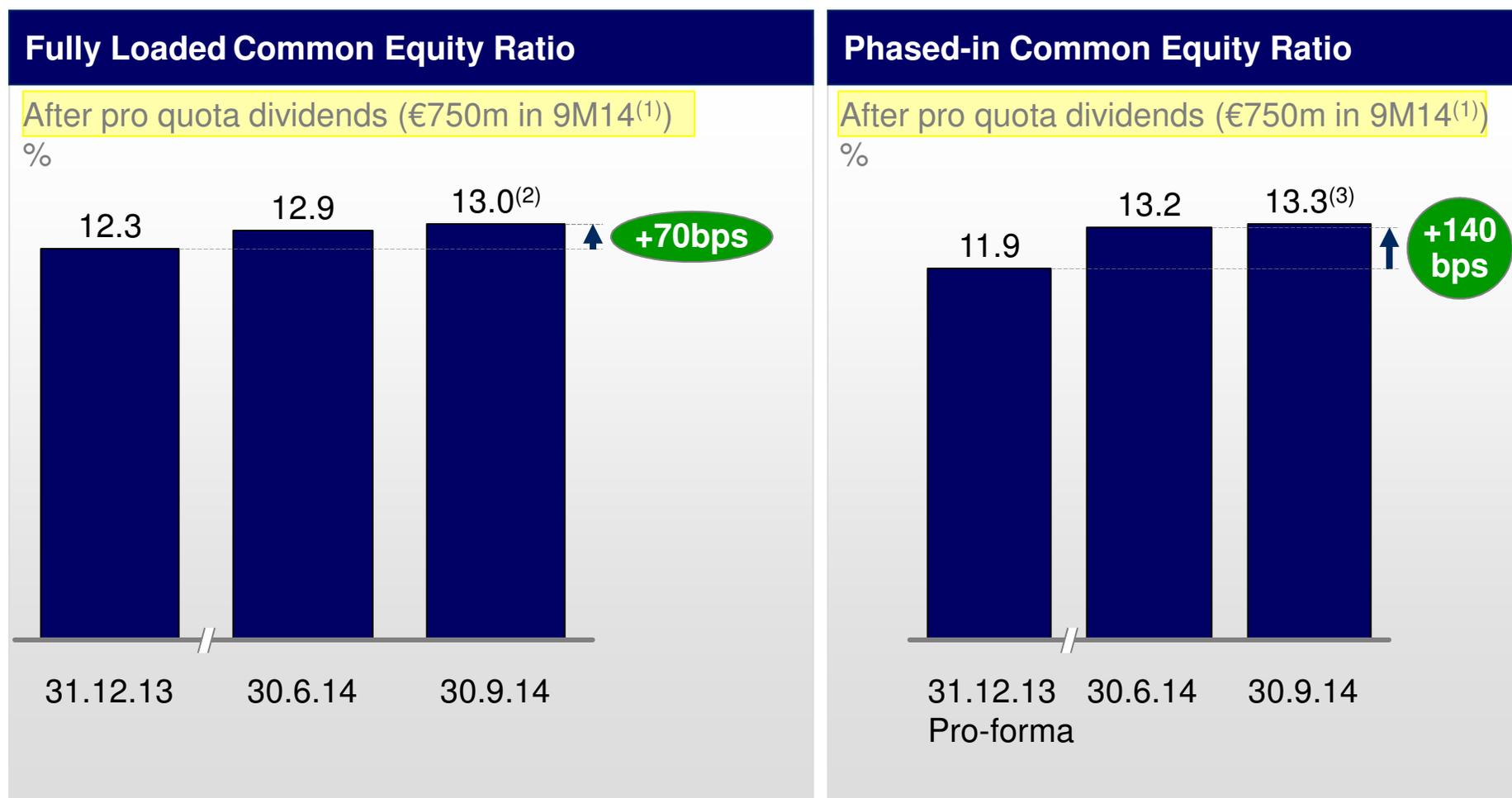
AQR Adjusted leverage ratio<sup>(1)(2)</sup>, YE13  
%



(1) Article 429 of the CRR defines the formula used to calculate leverage

(2) Sample: BBVA, BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, Deutsche Bank, ING, Santander, Société Générale and UniCredit

# Further Strengthening of Solid Capital Base in Addition to the Positive Comprehensive Assessment Results



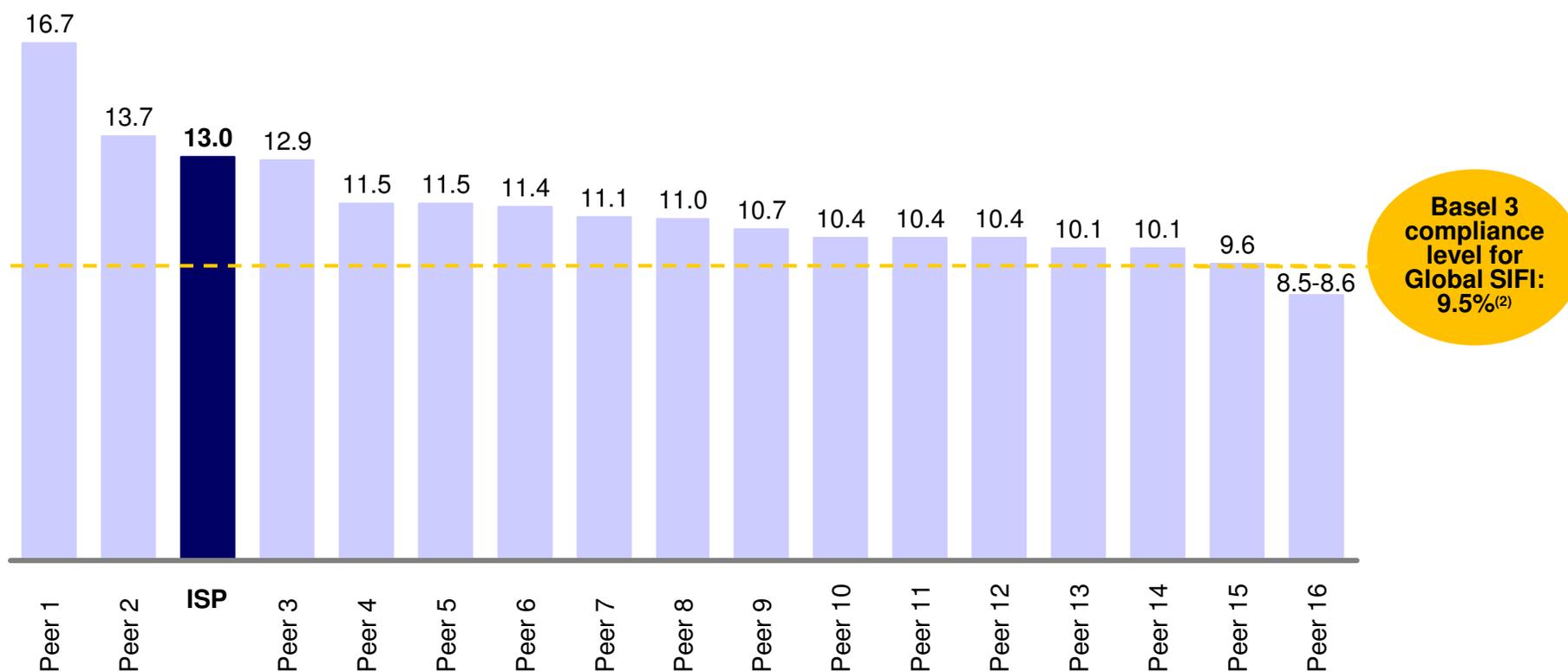
(1) Ratio after pro quota dividends (€750m in 9M14 assuming the nine months quota of €1bn cash dividends envisaged in the Business Plan 2014-17 to be paid in 2015 for 2014)

(2) Pro-forma fully loaded Basel 3 (30.9.14 financial statements considering the total absorption of DTA related to goodwill realignment and the expected absorption by 2019 of DTA on losses carried forward); including estimated benefits from the Danish Compromise (9bps)

(3) 13.2% not considering 3Q14 Net Income post €250m pro quota dividends

# Best-in-Class Capital Position in Europe

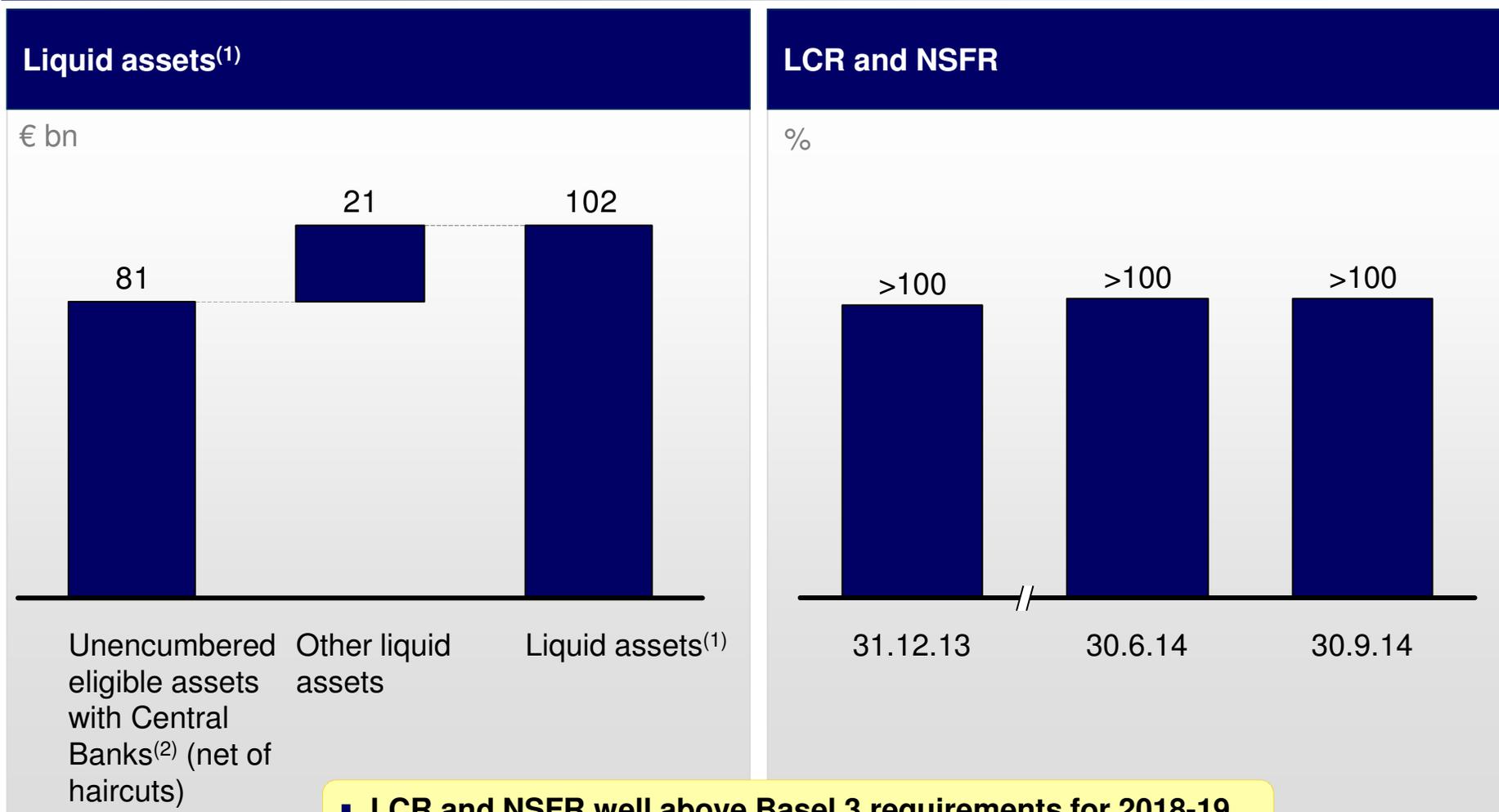
Estimated pro-forma fully loaded Basel 3 Common Equity ratio<sup>(1)</sup>  
%



(1) Sample: Barclays, BBVA, BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, Credit Suisse, Deutsche Bank, HSBC, ING, Nordea, Société Générale and UBS (30.09.2014 pro-forma data); Standard Chartered and UniCredit (30.06.2014 pro-forma data); Santander (2014E pro-forma data). Data may not be fully comparable due to different estimates hypothesis. Source: Investors' Presentations, Press Releases, Conference Calls

(2) Maximum level assuming a Common Equity ratio of 9.5% (4.5% minimum capital requirement, +2.5% conservation buffer, +2.5% current maximum SIFI buffer)

# Strong Liquidity Position Confirmed



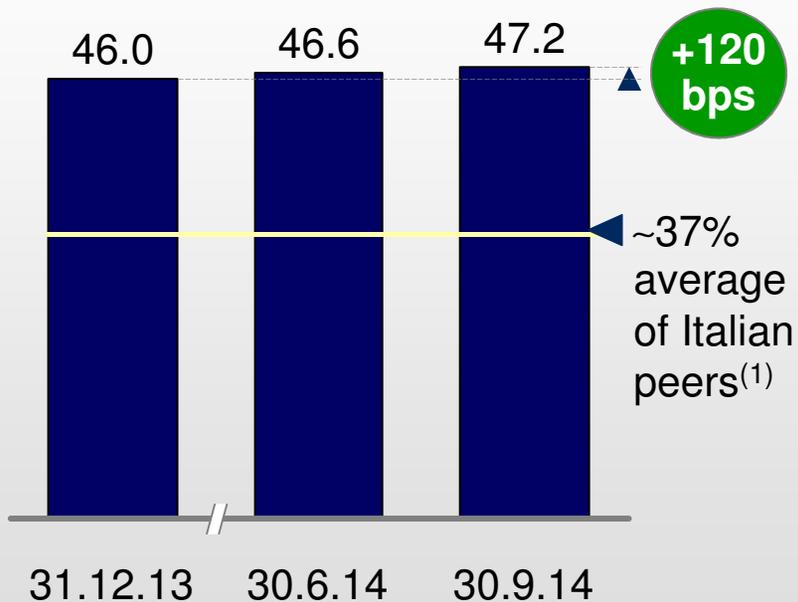
- LCR and NSFR well above Basel 3 requirements for 2018-19
- 2014 wholesale bond maturities already fully covered

(1) Stock of own-account eligible assets, including assets used as collateral and excluding eligible assets received as collateral  
 (2) Eligible assets freely available, excluding assets used as collateral and including eligible assets received as collateral

# Improved Cash Coverage Ratio for Both NPL and Performing Loans

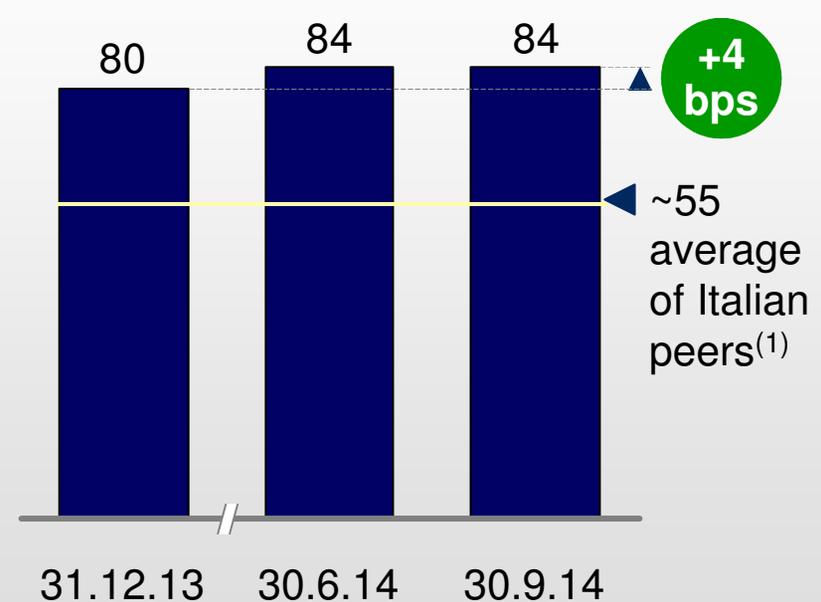
## NPL cash coverage ratio

%



## Performing Loans cash coverage ratio

Bps

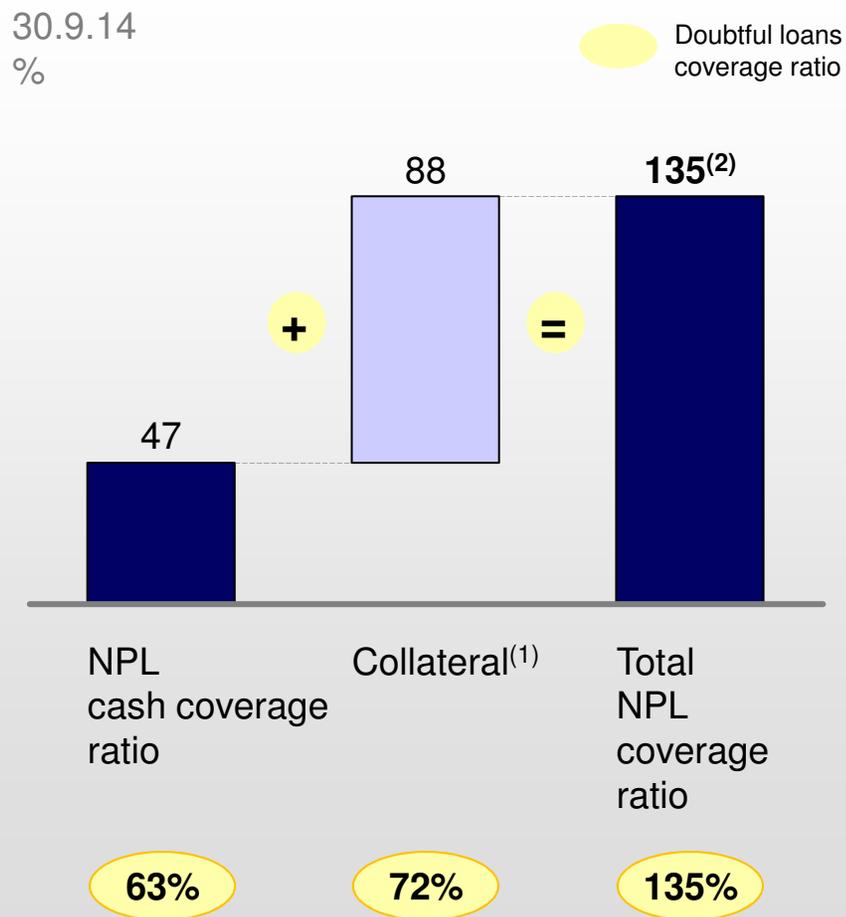


(1) Sample: BPOP, MPS, UBI and UniCredit (data as of 30.6.14)

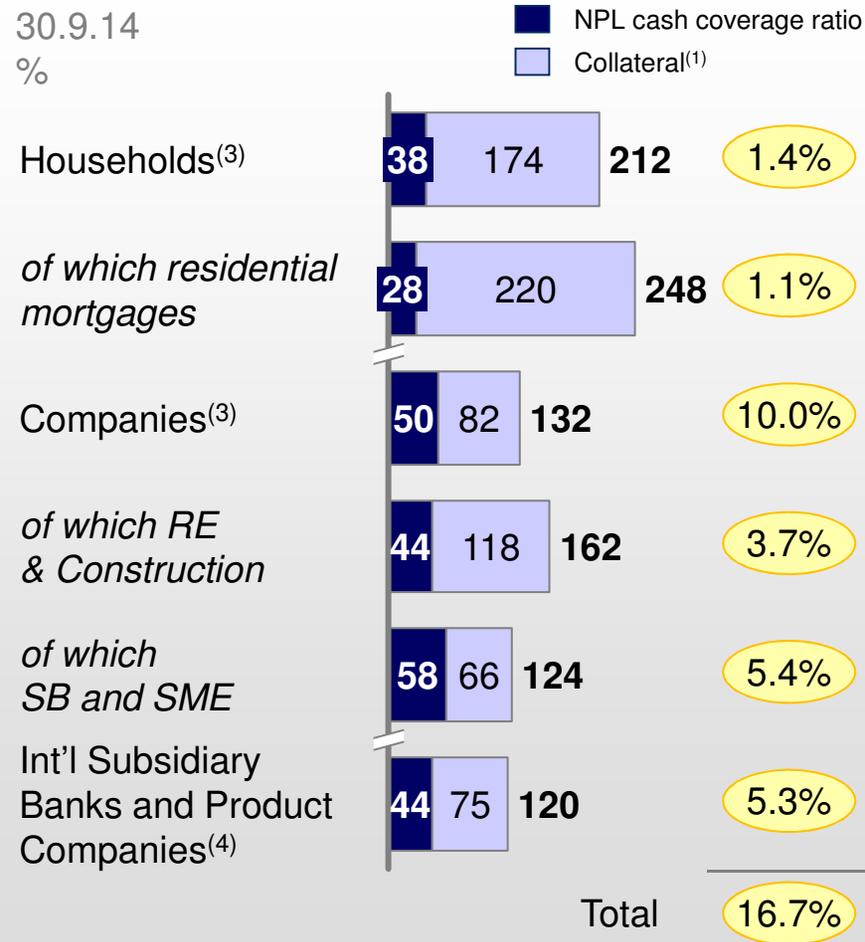
# Even Stronger NPL Coverage When Collateral is Considered

Incidence on Group Total Loans (gross values)

## Total NPL coverage (including collateral<sup>(1)</sup>)



## Total NPL coverage (including collateral<sup>(1)</sup>) breakdown



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

(1) Excluding personal guarantees

(2) 156% including personal guarantees

(3) Parent Bank and Italian Subsidiary Bank

(4) Industrial credit, Leasing, Factoring, Banca IMI, ISP Personal Finance

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A Comprehensive Assessment winner, “best-in-class” in capital and leverage

**Firmly on track to deliver our Business Plan**

# Recent Key Actions

## New Group organisational structure

- Creation of 3 **new Divisions**:
  - **Private Banking**
  - **Asset Management**
  - **Insurance**
- Creation of the **International and Regulatory Affairs Unit**
- Creation of the **Chief Innovation Officer**
- Creation of the **Capital Light Bank**

## New Banca dei Territori Division organisational structure

- Creation of 3 **Commercial Value Chains**:
  - Retail
  - Personal
  - SME
- Creation of the **new Sales and Marketing Unit**
- Appointment of a **new generation of Sales and Marketing Managers and Regional Managers** (on average ten years younger than previous generation)

## New Corporate & Investment Banking Division organisational structure

- New C&IB organisation:
  - **4 units**: (i) International Network and Global Industries, (ii) Corporate and Public Finance, (iii) Global Banking & Transaction, (iv) Merchant Banking
  - **Banca IMI**, the ISP Group's Investment Bank

# Several Business Plan Initiatives Already Being Implemented

		Key highlights
<p><b>1</b></p> <p><b>New Growth Bank</b></p> 	<ul style="list-style-type: none"> <li>✓ <b>Banca 5® “specialised” business model</b> already introduced in ~1,400 branches, with ~2,000 dedicated Relationship Managers: revenues per client already increased from €70 to more than €80</li> <li>✓ <b>New multichannel processes successfully tested: ~370k additional multichannel clients in 9M14 up to 4.8m</b> (the first multichannel bank in Italy)</li> <li>✓ <b>New Service Model designed for Banca dei Territori:</b> creation of 3 specialised commercial value chains, creation of ~1,200 new managerial roles, innovation of the SME Service Model</li> <li>✓ <b>New commercial model and product offering</b> for the <b>SME Finance Hub developed</b> (new Mediocredito Italiano)</li> <li>✓ <b>New Transaction Banking Strategy</b> under implementation at Group level</li> <li>✓ <b>Dedicated initiative for HNW individuals</b> in Private Banking Hub launched</li> </ul>	
<p><b>2</b></p> <p><b>Core Growth Bank</b></p> 	<ul style="list-style-type: none"> <li>✓ <b>New Segmentation model adopted and new Service Model for Affluent clients of the International Subsidiaries</b> launched</li> <li>✓ <b>Cost management actions</b> ongoing: additional <b>13 branches closed in 3Q14</b>, for a total of <b>218 in the first nine months</b> of 2014</li> <li>✓ <b>Legal entity simplification: from 7 to 1 product factories in specialised finance and advisory, leasing and factoring and 2 local banks merged into ISP</b> (out of 11 planned by 2015)</li> <li>✓ <b>C&amp;IB Asset Light model fully operational</b>, with benefits in terms of cross selling</li> <li>✓ <b>Review of C&amp;IB organisation</b> towards a <b>sector-oriented</b> business model in order to evolve <b>from financial partner to industry advisor</b></li> </ul>	
<p><b>3</b></p> <p><b>Capital Light Bank</b></p> 	<ul style="list-style-type: none"> <li>✓ <b>~€2.5bn of deleveraging</b> already achieved</li> <li>✓ <b>Optimization of the interaction model</b> between <b>Re.O.Co.<sup>(1)</sup></b> and the <b>loan workout unit</b> for collateral management</li> </ul>	
<p><b>4</b></p> <p><b>People and investment as key enablers</b></p> 	<ul style="list-style-type: none"> <li>✓ <b>“Big Financial Data”</b> program for an integrated management of customers’ and financial data under implementation</li> <li>✓ <b>“Innovation Centre”</b> created for training and to develop new products, processes and the “ideal branches”, located in the <b>new ISP Tower</b> in Turin launched and <b>new Chief Innovation Officer</b> appointed</li> <li>✓ <b>Investment Plan for Group employees</b> finalised</li> </ul>	

# We are Firmly on Track To Deliver on Our Business Plan Commitments...

	<b>Business Plan CAGR 13-17 %</b>	<b>9M14 vs 9M13 %</b>
“Core revenues” <sup>(1)</sup>	+4.4%	+7.6%
Of which Net interest income	+2.6%	+3.9%
Of which Net fee and commission income	+7.4%	+9.9%
Operating costs	+1.4%	+1.4%
Pre-tax income	+29.6%	+65.5%

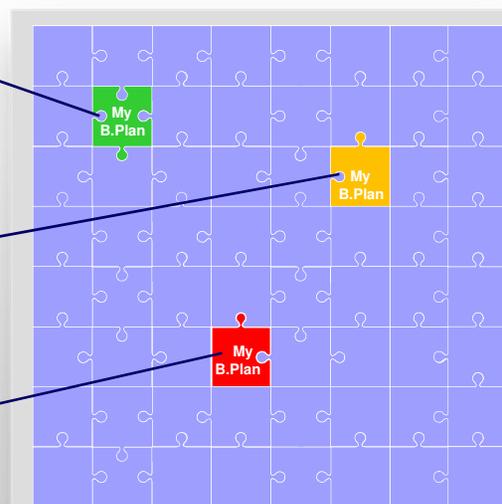
(1) Operating Income excluding Profits on trading

# ...Thanks To the Contributions of All Our People

...is enabled by the full engagement of all our people...

## Strong delivery on Group Business Plan targets...

	Business Plan CAGR 13-17 %	9M14 vs 9M13 %
"Core revenues" <sup>(1)</sup>	+4,4%	+7.6%
Of which Net interest income	+2.6%	+3.9%
Of which Net fee and commission income	+7.4%	+9.9%
Operating costs	+1.4%	+1.4%
Pre-tax income	+29.6%	+65.5%



...and a Business Plan for each individual to deliver

# A Winner in the Comprehensive Assessment and in Delivering Growth in Profitability

- **9M14: strong economic performance driven by Net Fees and Commissions**
- **A Comprehensive Assessment winner, best-in-class in capital and leverage**
- **Firmly on track to deliver our Business Plan**

**€1.6bn<sup>(1)</sup> Net income in 9M14 fully supporting 2014 €1bn dividend commitment**

(1) Net income excluding the one-off impact of the higher tax rate on the gain from Bank of Italy stake, gain booked in 4Q13



# 9M14 Results

## Detailed Information

November 11, 2014

## Key P&L Figures

	9M14 (€ m)	Δ vs 9M13
Operating income	12,771	+3.7%
Operating costs	(6,198)	+1.4%
Cost/Income	48.5%	(1.1pp)
Operating margin	6,573	+5.9%
Pre-tax income	3,061	+65.5%
Net income	1,203	+88.0%
Net income excluding one-off tax charge <sup>(1)</sup>	1,642	+156.6%

(1) Tax rate increase from 12% to 26% on the gain booked in 4Q13 for the Bank of Italy stake

## Key Balance Sheet Figures

	30.9.14 (€ m)	Δ vs 31.12.13 (%)
Loans to Customers	337,265	(1.9)
Customer Financial Assets <sup>(1)</sup>	831,541	+3.5
of which Direct Deposits from Banking Business	373,019	+0.3
of which Direct Deposits from Insurance Business and Technical Reserves	110,756	+18.5
of which Indirect Customer Deposits	457,497	+6.3
- Assets under Management	290,945	+12.5
- Assets under Administration	166,552	(3.0)
RWA	275,093	(3.0) <sup>(*)</sup>

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

(\*) Calculated on pro-forma data as of 31.12.13 (€283.5bn)

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**Detailed Consolidated P&L Results**

Liquidity, Funding and Capital Base

Asset Quality

Divisional Results and Other Information

# 9M vs 9M: Solid Revenue Growth while Net Income almost Doubled

€ m

	9M13 Restated	9M14	Δ%
Net interest income	6,078	6,314	3.9
Dividends and P/L on investments carried at equity	(47)	64	n.m.
Net fee and commission income	4,512	4,960	9.9
Profits (Losses) on trading	1,090	696	(36.1)
Income from insurance business	648	736	13.6
Other operating income	36	1	(97.2)
<b>Operating income</b>	<b>12,317</b>	<b>12,771</b>	<b>3.7</b>
Personnel expenses	(3,608)	(3,739)	3.6
Other administrative expenses	(2,001)	(1,964)	(1.8)
Adjustments to property, equipment and intangible assets	(501)	(495)	(1.2)
<b>Operating costs</b>	<b>(6,110)</b>	<b>(6,198)</b>	<b>1.4</b>
<b>Operating margin</b>	<b>6,207</b>	<b>6,573</b>	<b>5.9</b>
Net provisions for risks and charges	(65)	(248)	281.5
Net adjustments to loans	(4,013)	(3,504)	(12.7)
Net impairment losses on assets	(247)	(143)	(42.1)
Profits (Losses) on HTM and on other investments	(33)	383	n.m.
<b>Income before tax from continuing operations</b>	<b>1,849</b>	<b>3,061</b>	<b>65.5</b>
Taxes on income from continuing operations	(899)	(1,598)	77.8
Charges (net of tax) for integration and exit incentives	(38)	(29)	(23.7)
Effect of purchase cost allocation (net of tax)	(219)	(148)	(32.4)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	(27)	(33)	22.2
Minority interests	(26)	(50)	92.3
<b>Net income</b>	<b>640</b>	<b>1,203</b>	<b>88.0</b>

+7.6% excluding Profits on trading

+14.9% excluding Profits on trading

€1,642m excluding the one-off impact from the higher tax rate on the Bank of Italy stake gain<sup>(1)</sup>

Note: figures may not add up exactly due to rounding differences. 2013 data has been restated to include Pravex-Bank in the discontinued operations following the sale agreement signed in January 2014

(1) Gain booked in 4Q13 and impact from higher taxation booked in 2Q14

## Q3 vs Q2: Net Income More than Doubled

€ m

	2Q14	3Q14	Δ%
Net interest income	2,104	2,110	0.3
Dividends and P/L on investments carried at equity	(19)	53	n.m.
Net fee and commission income	1,727	1,649	(4.5)
Profits (Losses) on trading	409	136	(66.7)
Income from insurance business	248	237	(4.4)
Other operating income (expenses)	(12)	21	n.m.
<b>Operating income</b>	<b>4,457</b>	<b>4,206</b>	<b>(5.6)</b>
Personnel expenses	(1,215)	(1,251)	3.0
Other administrative expenses	(666)	(648)	(2.7)
Adjustments to property, equipment and intangible assets	(164)	(168)	2.4
<b>Operating costs</b>	<b>(2,045)</b>	<b>(2,067)</b>	<b>1.1</b>
<b>Operating margin</b>	<b>2,412</b>	<b>2,139</b>	<b>(11.3)</b>
Net provisions for risks and charges	(181)	(12)	(93.4)
Net adjustments to loans	(1,179)	(1,248)	5.9
Net impairment losses on other assets	(67)	(64)	(4.5)
Profits (Losses) on HTM and on other investments	235	73	(68.9)
<b>Income before tax from continuing operations</b>	<b>1,220</b>	<b>888</b>	<b>(27.2)</b>
Taxes on income from continuing operations	(912)	(322)	(64.7)
Charges (net of tax) for integration and exit incentives	(13)	(9)	(30.8)
Effect of purchase cost allocation (net of tax)	(53)	(49)	(7.5)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	(9)	(11)	22.2
Minority interests	(16)	(14)	(12.5)
<b>Net income</b>	<b>217<sup>(1)</sup></b>	<b>483</b>	<b>122.6</b>

+0.5% excluding  
Profits on trading

Stable excluding  
Profits on trading

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

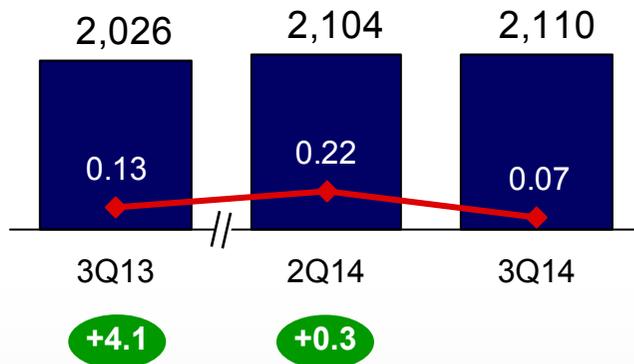
(1) €656m excluding the one-off impact from the higher tax rate on the Bank of Italy stake gain booked in 4Q13

# Net Interest Income: Positive Trend Confirmed Despite Market Rates at Historic Lows

## Quarterly Analysis

€ m

—◆— Euribor 1M; %  
 (○) % Δ 3Q14 vs 3Q13 and 2Q14

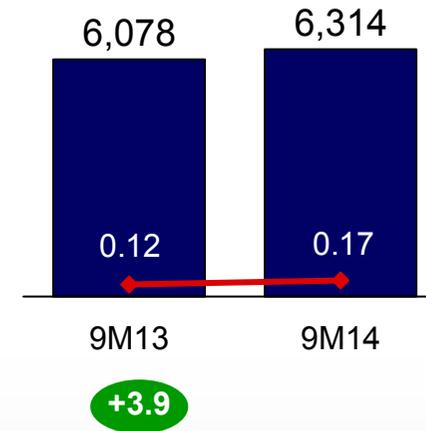


- **3Q14 is the best of the past seven quarters**
- Slight increase vs 2Q14 due to loan re-pricing and a higher contribution from core deposit hedging
- Fairly stable average Performing loans to customers vs 2Q14 (-0.9%)

## Yearly Analysis

€ m

—◆— Euribor 1M; %  
 (○) % Δ 9M14 vs 9M13

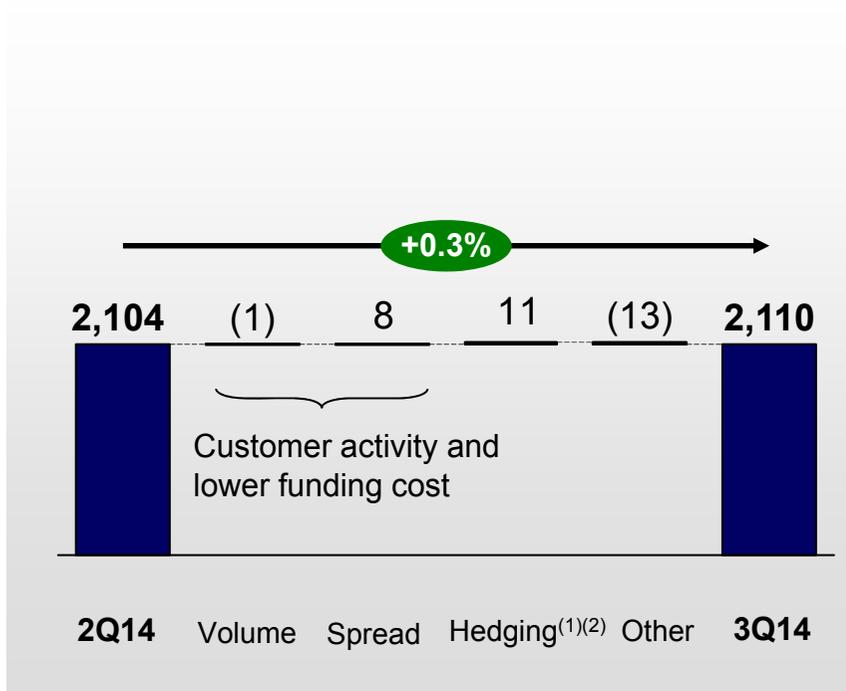


- Increase due to lower funding cost and loan re-pricing, which more than offset the impact of selective deleveraging and the lower contribution from core deposits hedging
- 4% decrease in average Direct deposits from banking business versus a 7% contraction in average Performing loans to customers, mostly due to Hungary, Large and International Corporate, Financial Institutions, SME and Small Business customers

# Net Interest Income: Positive Performance Due To Customer Activity and Lower Funding Cost

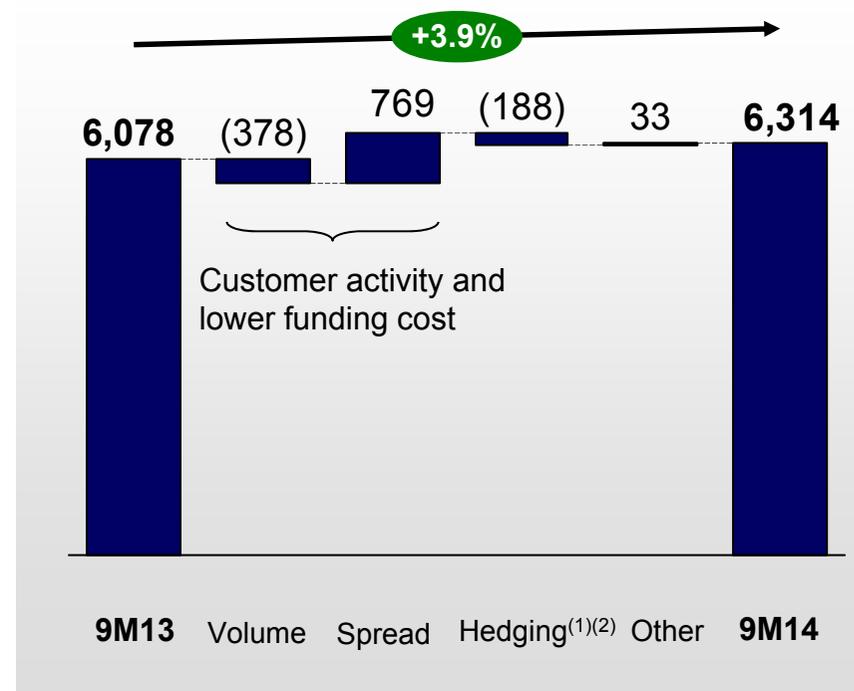
## Quarterly Analysis

€ m



## Yearly Analysis

€ m



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

(1) ~€620m benefit from hedging in 9M14, of which ~€210m in 3Q14

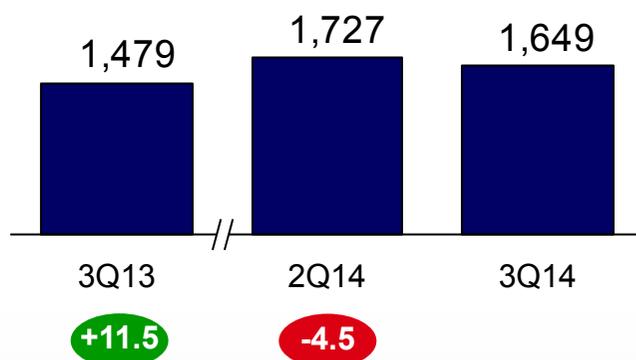
(2) Core deposits

# Net Fee and Commission Income: Strong Yearly Growth

## Quarterly Analysis

€ m

(%) Δ 3Q14 vs 3Q13 and 2Q14

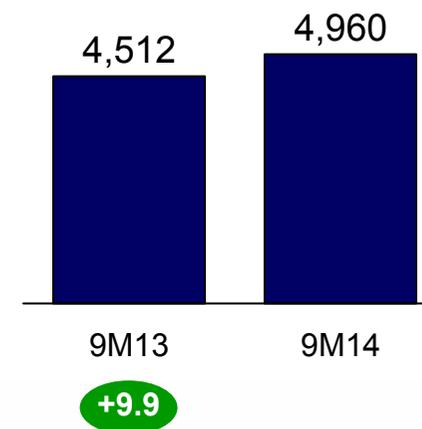


- **Double-digit increase vs 3Q13**
- Decrease vs 2Q14 mostly attributable to a reduction in Commissions from Management, dealing and consultancy activities (-7.1%; -€65m) also due to the seasonal business slowdown in the summer
- Fairly stable commissions from Commercial banking activities vs 2Q14 (-0.7%; -€4m)
- €11bn increase in AuM stock in 3Q14

## Yearly Analysis

€ m

(%) Δ 9M14 vs 9M13



- Strong increase in commissions from Management, dealing and consultancy activities (+21.2%; +€454m) owing mainly to AuM and insurance products
- 4.6% (+€76m) growth in commissions from Commercial banking activities
- €41bn increase in AuM stock vs 9M13

# Profits on Trading

## Quarterly Analysis

€ m

(%) Δ 3Q14 vs 3Q13 and 2Q14

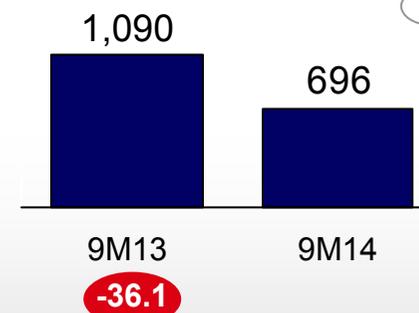


- Decrease vs 2Q14 partially due to €161m Bank of Italy dividend booked in the past quarter
- Decrease vs the same quarter last year partially due to €193m in capital gains on buy-backs booked in 3Q13

## Yearly Analysis

€ m

(%) Δ 9M14 vs 9M13



## Contributions by Activities

	3Q13	2Q14	3Q14	9M13	9M14
Customers	92	84	53	263	199
Capital markets & Financial assets AFS	5	41	8	162	91
Proprietary Trading and Treasury	295 <sup>(1)</sup>	268 <sup>(2)</sup>	66	590 <sup>(1)</sup>	372 <sup>(2)</sup>
Structured credit products	9	15	9	76	34

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

(1) Of which €193m capital gains on buy-backs

(2) Of which €161m Bank of Italy dividend

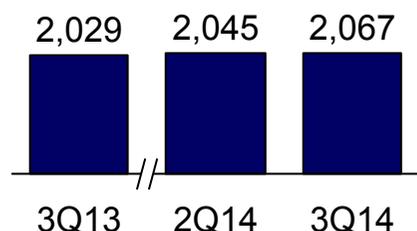
# Operating Costs: Cost/Income Down to 48.5% vs 49.6% in 9M13

## Quarterly Analysis

(%) Δ 3Q14 vs 3Q13 and 2Q14

### Operating Costs

€ m

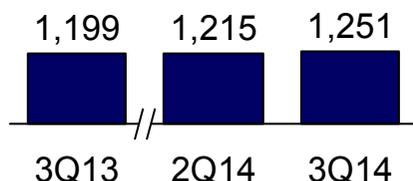


+1.9

+1.1

### Personnel Expenses

€ m



+4.3

+3.0

### Other Administrative Expenses

€ m



-2.0

-2.7

### Adjustments

€ m



-0.6

+2.4

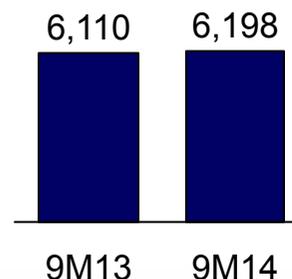
- Other Administrative Expenses down 2.7% vs 2Q14
- ~230 headcount reduction in 3Q14

## Yearly Analysis

(%) Δ 9M14 vs 9M13

### Operating Costs

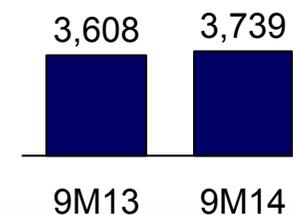
€ m



+1.4

### Personnel Expenses

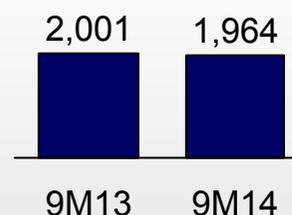
€ m



+3.6

### Other Administrative Expenses

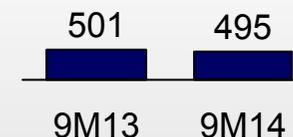
€ m



-1.8

### Adjustments

€ m



-1.2

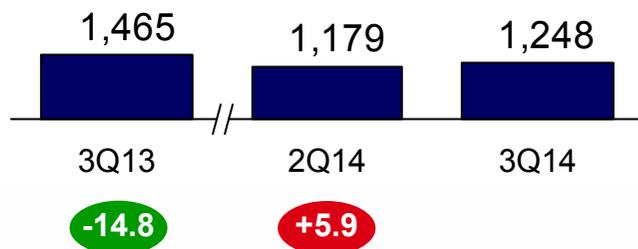
- Increase in Operating costs due to pro quota incentives to trigger growth already factored into Personnel expenses
- ~900 yearly headcount reduction

# Net Adjustments to Loans: Provisioning Down and Coverage Up Significantly on a Yearly Basis

## Quarterly Analysis

€ m

(%) Δ 3Q14 vs 3Q13 and 2Q14



- Non-performing loans cash coverage up 60bps vs 2Q14 (47.2% vs 46.6%)
- Annualised cost of credit at 148bps vs 142bps in 2Q14 and 168bps in 3Q13
- €38m increase in Performing loans reserve vs 2Q14

## Yearly Analysis

€ m

(%) Δ 9M14 vs 9M13



- Non-performing loans cash coverage up 280bps vs 9M13 (47.2% vs 44.4%)
- Annualised cost of credit down to 139bps (vs 153bps in 9M13 and 207bps in 2013)
- €148m increase in Performing loans reserve taking flat coverage into consideration
- Decline in inflow from Performing loans to Non-performing loans (-16.6%)
- 9M14 has the lowest inflow of new NPL from Performing Loans since 2011

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Detailed Consolidated P&L Results

**Liquidity, Funding and Capital Base**

Asset Quality

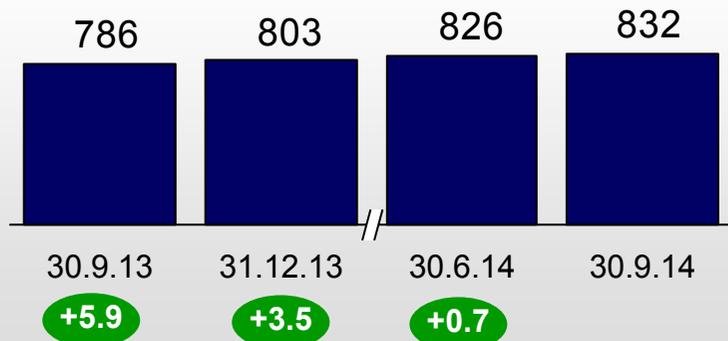
Divisional Results and Other Information

# Growth in Customer Financial Assets Driven By AuM Strong Increase

% Δ 30.9.14 vs 30.9.13, 31.12.13 and 30.6.14

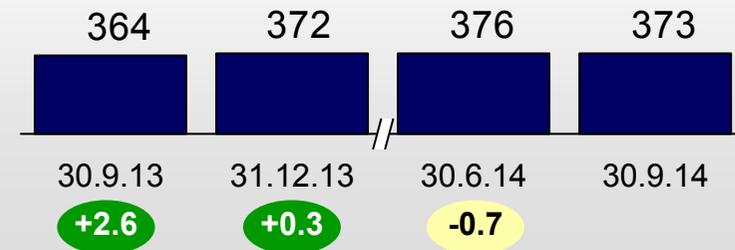
## Customer Financial Assets<sup>(1)</sup>

€ bn



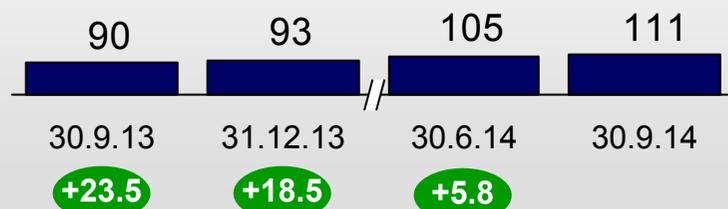
## Direct Deposits from Banking Business

€ bn



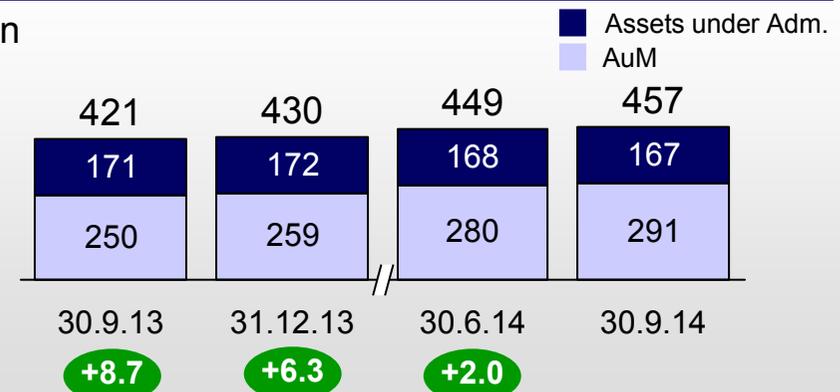
## Direct Deposits from Insurance Business and Technical Reserves

€ bn



## Indirect Customer Deposits

€ bn



**AuM / Indirect Customer Deposits ratio up to 64% vs 62% in 2Q14**

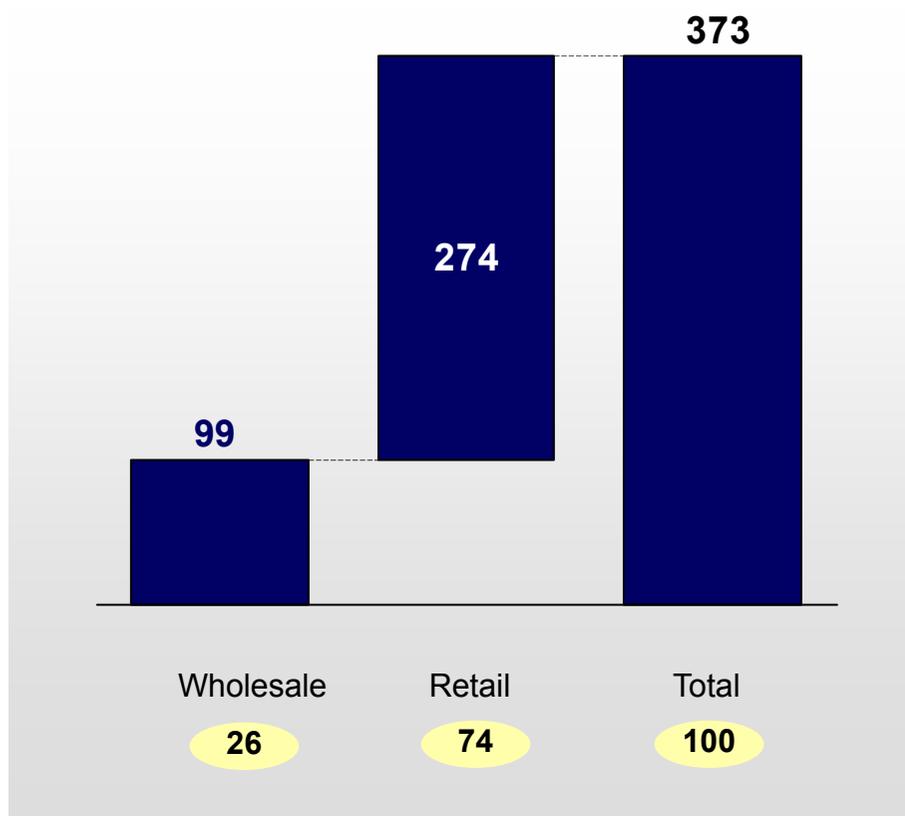
Note: figures may not add up exactly due to rounding differences

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

# Stable and Reliable Source of Funding from Retail Branch Network

## Breakdown of Direct Deposits from Banking Business

€ bn as of 30.9.14; % Percentage of Total

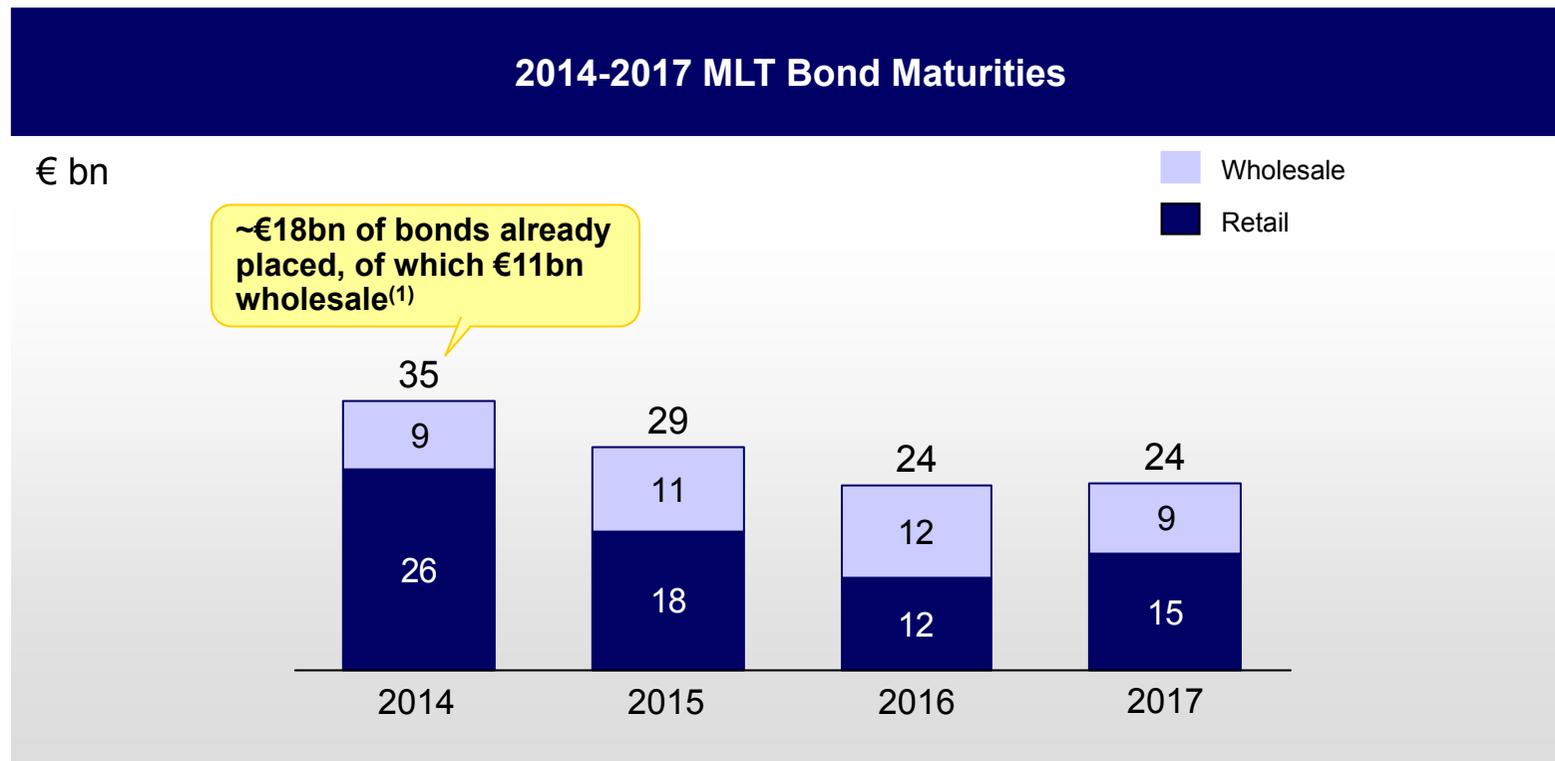


	Wholesale	Retail
■ Current accounts and deposits	5	195
■ Repos and securities lending	23	-
■ Senior bonds	30	58
■ Covered bonds	13	-
■ EMTN puttable	6	-
■ Certificates of deposit + Commercial papers	10	1
■ Subordinated liabilities	11	4
■ Other deposits	1	16

**Retail funding represents 74% of Direct deposits from banking business**

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

# Strong Funding Capability: 2014 Wholesale Bond Maturities Already Entirely Covered



- **Switch from retail bonds to Time Deposits: €9bn 18/24-month Time Deposit placements in 9M14**
- **In 2013 €31bn of bonds placed, of which €13bn wholesale**

Note: figures may not add up exactly due to rounding differences  
 (1) Data as of 30.9.14

# Strong Funding Capability: Broad and Continued Access to International Markets

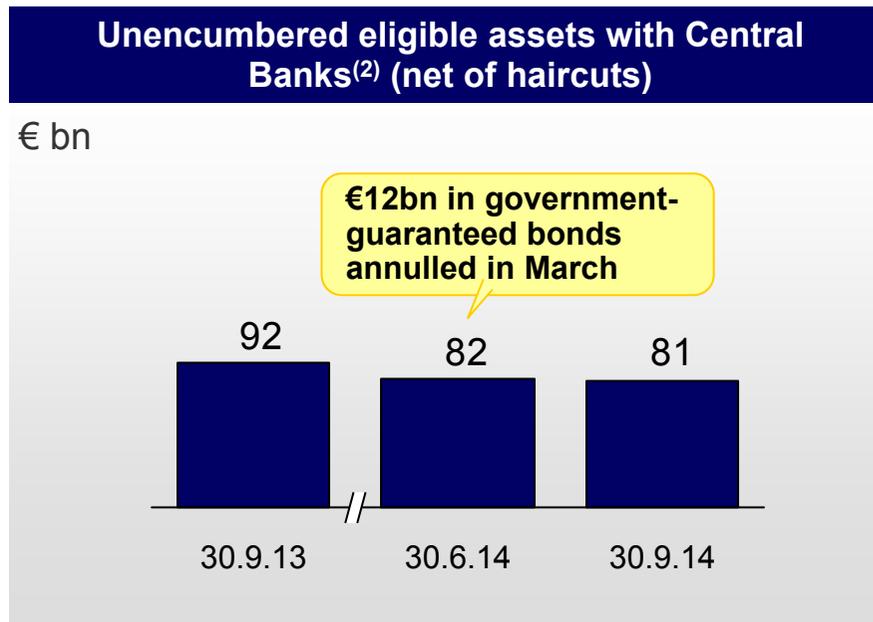
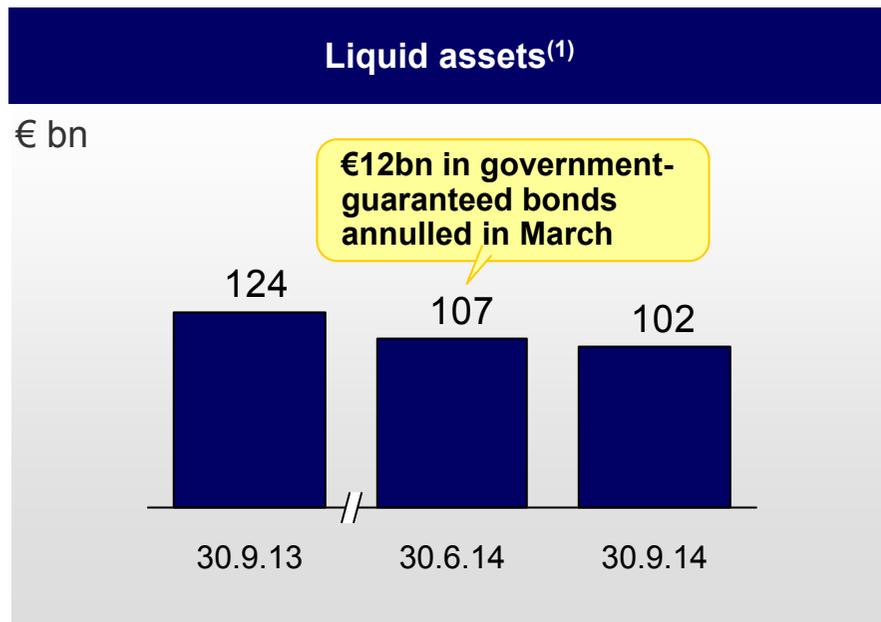
## 2013

- **€5.15bn of eurobonds, €1.75bn of covered bonds and \$4.75bn of US bonds placed on the international markets (~85% demand from foreign investors; target exceeded by more than 130%):**
  - **January:**
    - \$3.5bn 3y and 5y senior dual tranche bond issue on the US market, the largest public issue by a European financial issuer on the US\$ market since January 2011
    - €1bn 12y benchmark covered bonds backed by residential and commercial mortgages, the longest maturity bond issued by a Southern European bank since February 2011
    - €750m 2.5y eurobond senior unsecured issue
  - **April: €250m 2.5y eurobond senior unsecured issue (2nd tranche of the €750m January issue)**
  - **September:**
    - €650m 18m senior unsecured benchmark eurobond
    - €750m 5y benchmark covered bonds backed by residential and commercial mortgages (priced at BTP-125bps, the tightest spread ever achieved by an Italian issuer)
  - **October:**
    - €1bn 10y eurobond, the first senior unsecured benchmark issue from a eurozone “peripheral” bank since March 2010
    - \$1.25bn 5y senior bond issue on the US market
  - **November: €1bn 5y senior unsecured benchmark eurobond**
  - **December: €1.5bn 2y senior unsecured benchmark eurobond**

## 2014

- **€3.75bn of eurobonds (of which €1bn subordinated Tier 2), €1.25bn of covered bonds, \$4.5bn of US bonds (of which \$2bn subordinated Tier 2) and CNY 650m bonds placed on the international markets (more than 80% demand from foreign investors; target exceeded by 140%):**
  - **January:**
    - \$2.5bn 3y and 10y senior dual tranche bond issue on the US market
    - €750m 8y senior unsecured benchmark eurobond
    - €1.25bn 12y benchmark covered bonds backed by residential and commercial mortgages
  - **February: CNY 650m (~€80m) 5y senior unsecured bond issue, the first medium-long term Renminbi denominated issue by an Italian bank**
  - **April: €1bn 5y senior unsecured benchmark eurobond**
  - **June:**
    - €1bn 7y senior unsecured benchmark eurobond
    - \$2bn 10y subordinated Tier 2 benchmark bond issue on the US market
  - **September: €1bn 12y subordinated Tier 2 benchmark bond issue on international markets**

# High Liquidity: LCR and NSFR Well Above Basel 3 Requirements for 2018-2019



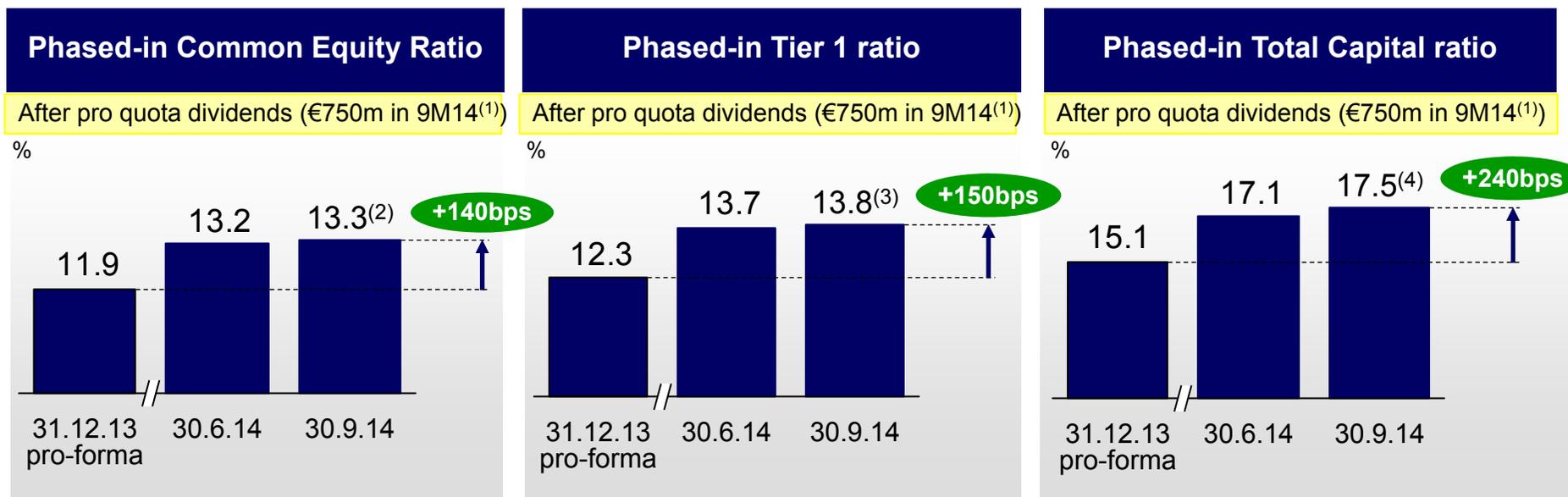
- In September, €4bn ECB TLTRO funding was taken out of a maximum borrowing allowance of ~€12.5bn. The remaining available amount is expected to be drawn under the second TLTRO operation scheduled for December 2014
- TLTRO fully paid back in 2013 (€12bn in Q2 and €24bn in Q4)
- Loan to Deposit ratio<sup>(3)</sup> at 90.4% (-2.0pp vs 31.12.13 and -5.7pp vs 30.9.13)

(1) Stock of own-account eligible assets, including assets used as collateral and excluding eligible assets received as collateral

(2) Eligible assets freely available, excluding assets used as collateral and including eligible assets received as collateral

(3) Loans to Customers/Direct Deposits from Banking Business

# Further Strengthening of a Solid Capital Base



**13.0% pro-forma fully loaded Common Equity ratio<sup>(5)</sup>**

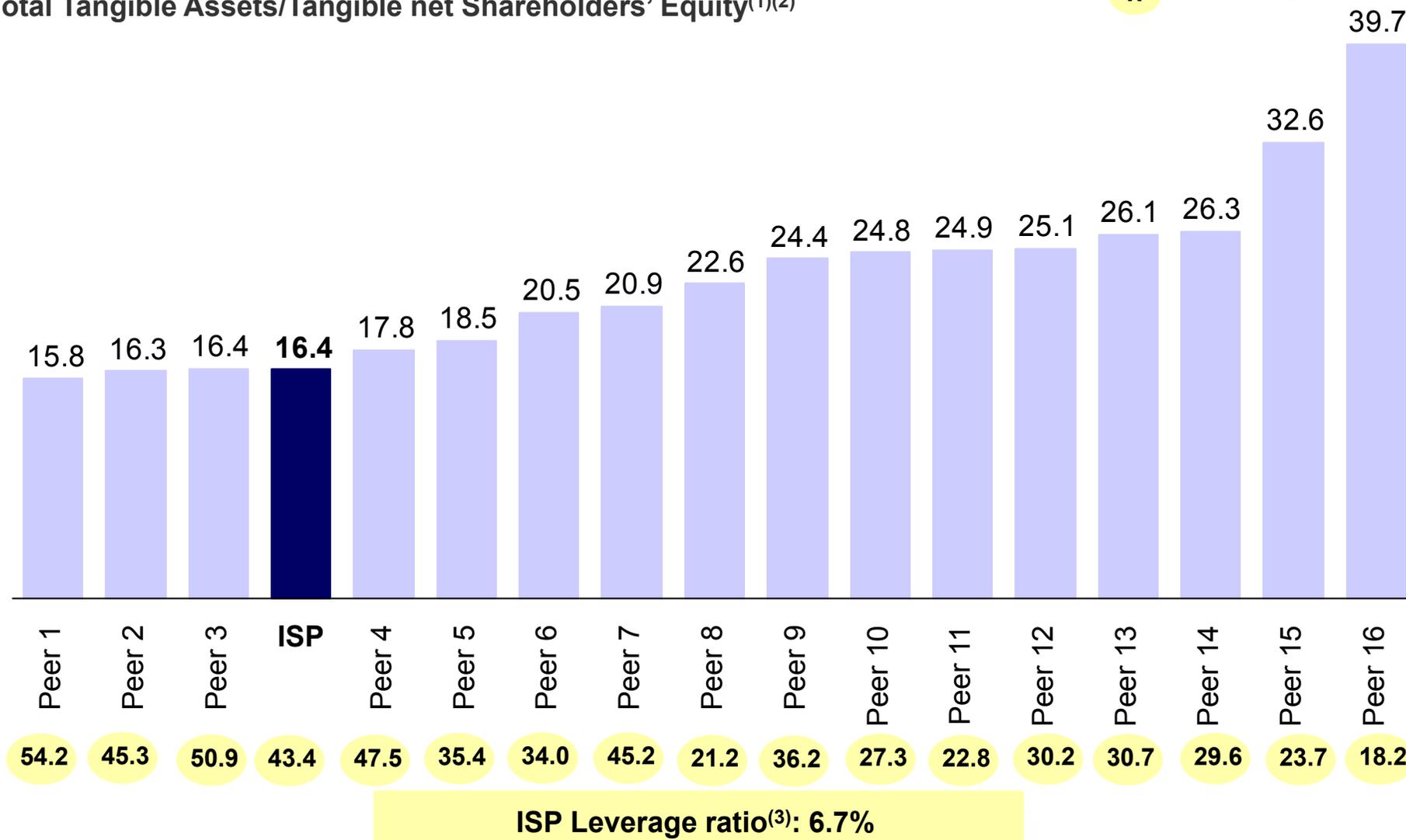
Note: figures may not add up exactly due to rounding differences

- (1) Ratio after pro quota dividends (€750m in 9M14 assuming the nine-month quota of €1,000m cash dividends envisaged in the Business Plan 2014-17 to be paid in 2015 for 2014)
- (2) 13.2% not considering 3Q14 Net income after pro quota dividends of €250m
- (3) 13.7% not considering 3Q14 Net income after pro quota dividends of €250m
- (4) 17.3% not considering 3Q14 Net income after pro quota dividends of €250m
- (5) Pro-forma fully loaded Basel 3 (30.9.14 financial statements considering the total absorption of DTA related to goodwill realignment and the expected absorption by 2019 of DTA on losses carried forward); including estimated benefits from the Danish Compromise (9bps)

# Deliberate Low Leverage Strategy

Total Tangible Assets/Tangible net Shareholders' Equity<sup>(1)(2)</sup>

X % RWA/Total Assets



(1) Sample: Barclays, BBVA, BNP Paribas, BPCE, Commerzbank, Crédit Agricole SA, Credit Suisse, Deutsche Bank, ING, Nordea, Santander, Société Générale and UBS (data as of 30.9.14); HSBC, Standard Chartered and UniCredit (data as of 30.6.14)

(2) Net Shareholders' Equity including Minorities, Net Income – net of dividends paid or to be paid – and excluding Goodwill and other Intangibles

(3) Basel 3 phased-in

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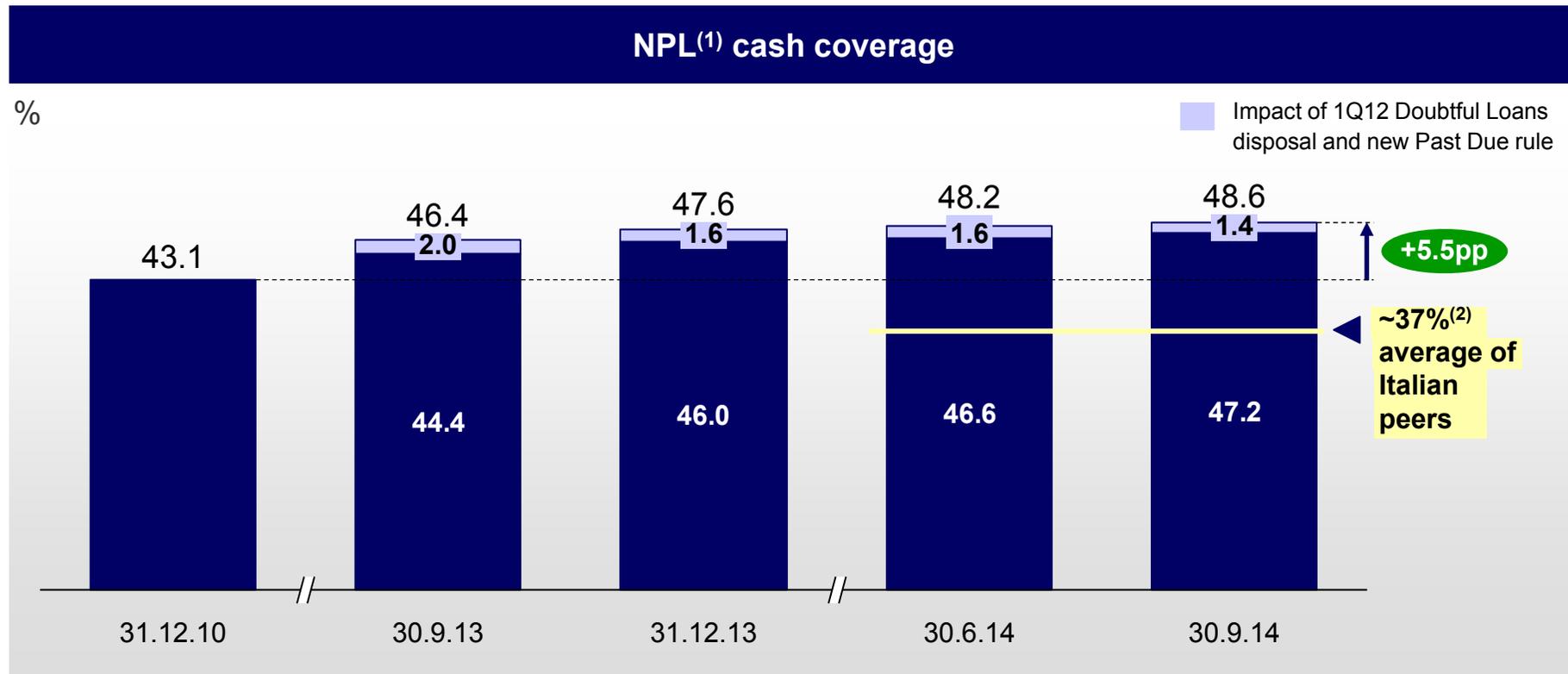
Detailed Consolidated P&L Results

Liquidity, Funding and Capital Base

**Asset Quality**

Divisional Results and Other Information

# Non-performing Loans: Sizeable and Further Increased Cash Coverage



**Doubtful Loans recovery rate<sup>(3)</sup> at 137% in the period 2009 - 30.9.14**

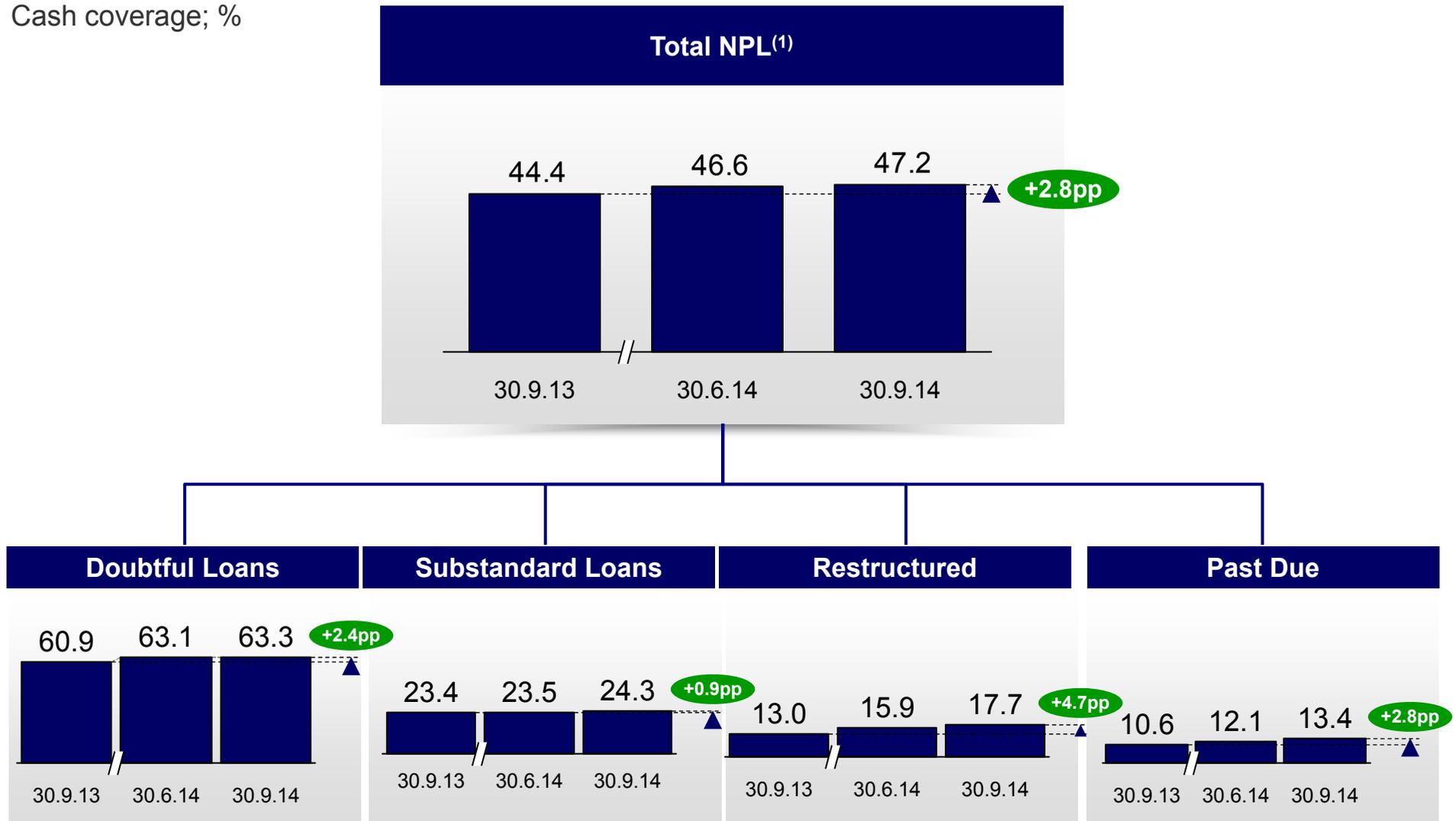
(1) Doubtful Loans (*sofferenze*), Substandard Loans (*incagli*), Restructured (*ristrutturati*) and Past Due (*scaduti e sconfinanti*; 90 days since 2012 vs 180 days up until 31.12.11)

(2) Sample: BPOP, MPS, UBI and UniCredit (data as of 30.6.14)

(3) Repayment on Doubtful Loans/Net book value

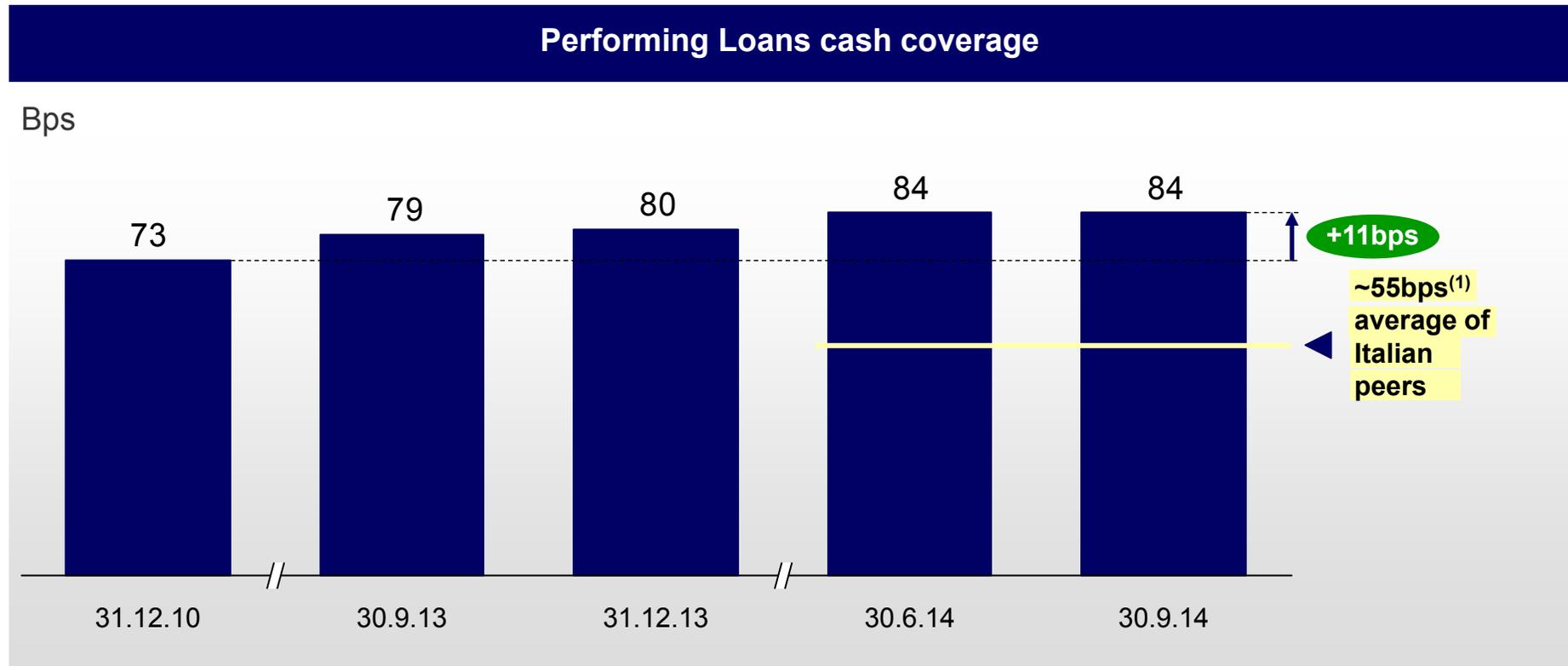
# Non-performing Loans: Strong Increase in Cash Coverage

Cash coverage; %



(1) Doubtful Loans (*sofferenze*), Substandard Loans (*incagli*), Restructured (*ristrutturati*) and Past Due (*scaduti e sconfinanti*)

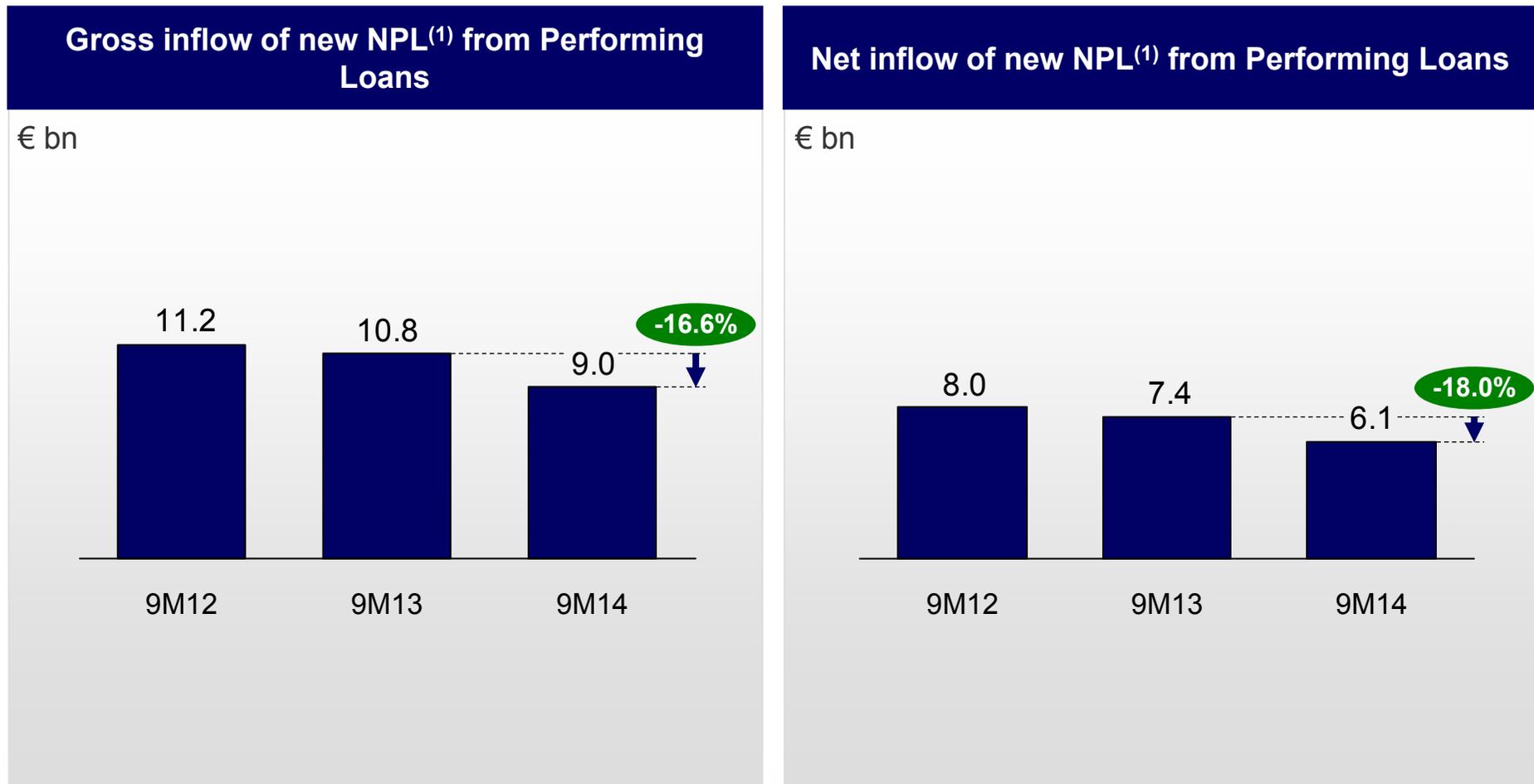
# Performing Loans: Robust Cash Coverage



**€115m increase in 9M14 taking flat coverage into consideration**

(1) Sample: BPOP, MPS, UBI and UniCredit (data as of 30.6.14)

# Non-performing Loans: Strong Decline in Inflow from Performing Loans

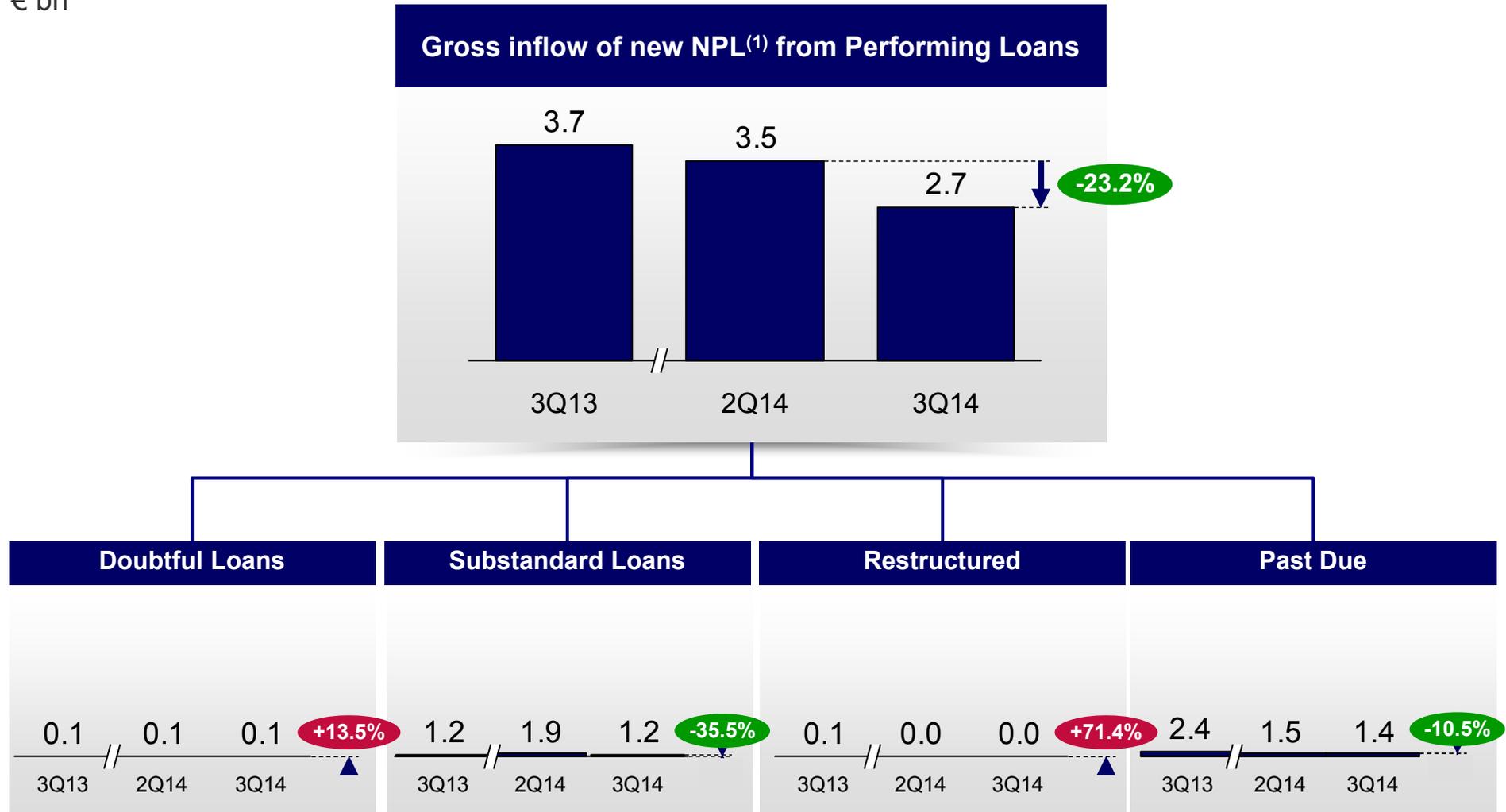


**9M14 has the lowest inflow of new NPL from Performing Loans since 2011**

(1) Doubtful Loans (*sofferenze*), Substandard Loans (*incagli*), Restructured (*ristrutturati*) and Past Due (*scaduti e sconfinanti*)

# Non-performing Loans: Strong Decline in Quarterly Gross Inflow from Performing Loans

€ bn

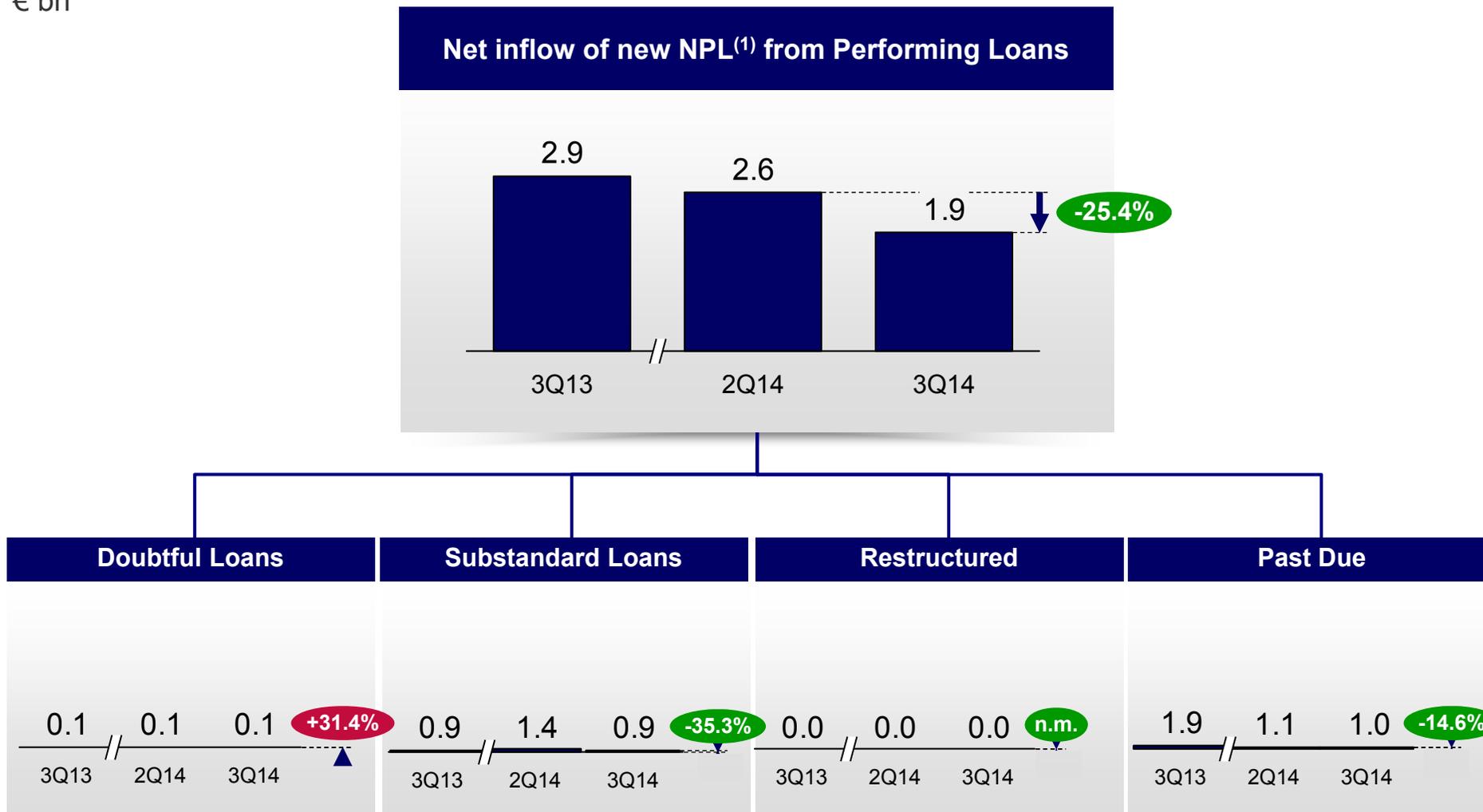


Note: figures may not add up exactly due to rounding differences

(1) Doubtful Loans (*sofferenze*), Substandard Loans (*incagli*), Restructured (*ristrutturati*) and Past Due (*scaduti e sconfinanti*)

# Non-performing Loans: Strong Decline in Quarterly Net Inflow from Performing Loans

€ bn

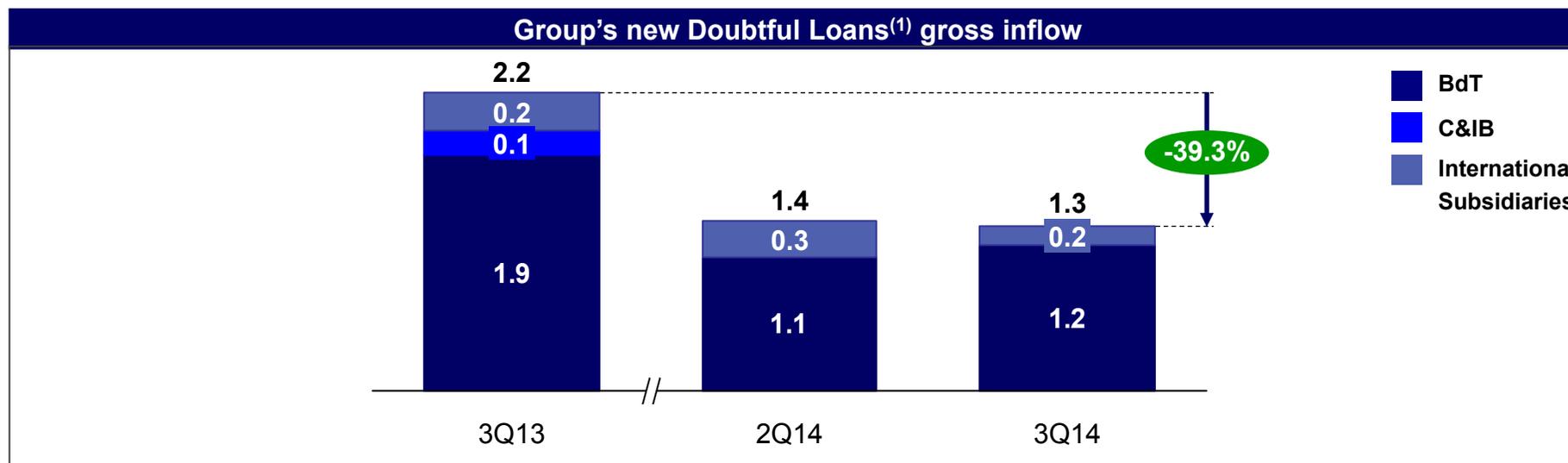


Note: figures may not add up exactly due to rounding differences

(1) Doubtful Loans (*sofferenze*), Substandard Loans (*incagli*), Restructured (*ristrutturati*) and Past Due (*scaduti e sconfinanti*)

# New Doubtful Loans: Gross Inflow Down vs 2Q14 and Nearly Halved vs 3Q13

€ bn



## BdT's new Doubtful Loans<sup>(1)</sup> gross inflow

	3Q13	2Q14	3Q14
<b>Total</b>	<b>1.9</b>	<b>1.1</b>	<b>1.2</b>
Product Companies <sup>(2)</sup>	0.4	0.2	0.2
Small Business	0.3	0.2	0.2
Individuals	0.2	0.1	0.1
SMEs	1.0	0.5	0.6

## C&IB's new Doubtful Loans<sup>(1)</sup> gross inflow

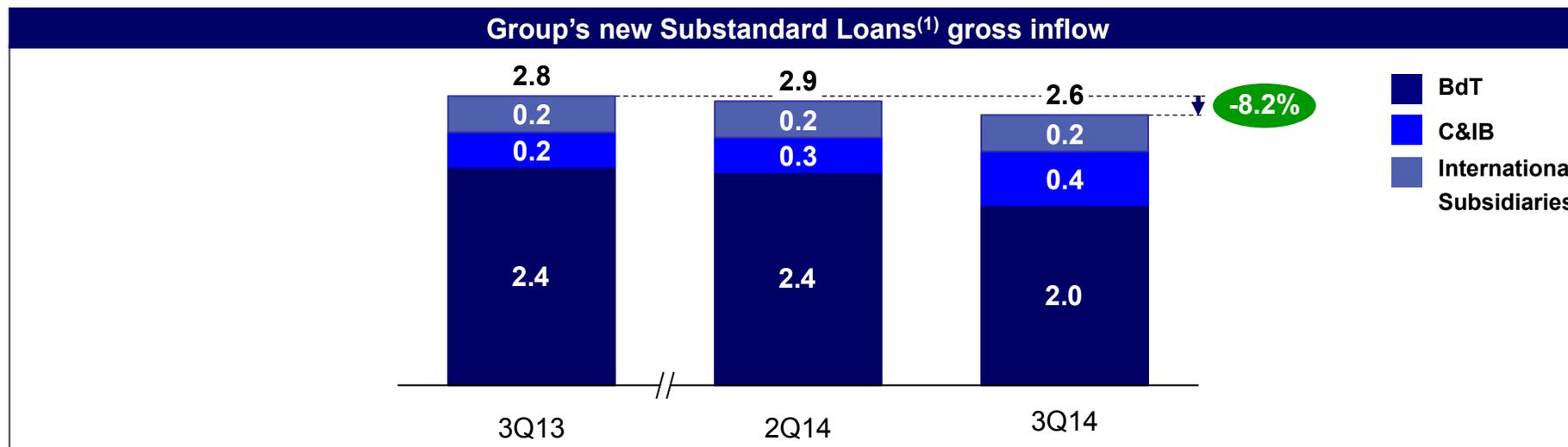
	3Q13	2Q14	3Q14
<b>Total</b>	<b>0.1</b>	<b>-</b>	<b>-</b>
Banca IMI	-	-	-
Corporate and Public Finance	0.1	-	-
Global Industries	-	-	-
Financial Institutions	-	-	-
International	-	-	-

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

(1) *Sofferenze* (2) Industrial credit, Leasing and Factoring

# New Substandard Loans: Gross Inflow Down vs 2Q14 and 3Q13

€ bn



## BdT's new Substandard Loans<sup>(1)</sup> gross inflow

	3Q13	2Q14	3Q14
<b>Total</b>	<b>2.4</b>	<b>2.4</b>	<b>2.0</b>
Product Companies <sup>(2)</sup>	0.6	0.8	0.5
Small Business	0.3	0.3	0.3
Individuals	0.3	0.3	0.2
SMEs	1.2	1.0	1.0

## C&IB's new Substandard Loans<sup>(1)</sup> gross inflow

	3Q13	2Q14	3Q14
<b>Total</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>
Banca IMI	-	-	0.1
Corporate and Public Finance	0.1	0.2	0.1
Global Industries	-	0.1	0.1
Financial Institutions	-	-	-
International	-	-	0.1

Note: figures may not add up exactly due to rounding differences  
 (1) *Incagli* (2) Industrial credit, Leasing and Factoring

## Non-performing Loans: Breakdown by Category

Gross NPL			
€ m	31.12.13	30.6.14	30.9.14
<b>Total</b>	<b>57,342</b>	<b>60,287</b>	<b>61,750</b>
Past Due	2,232	1,957	1,892
- of which 90-180 days	817	913	746
Restructured	2,728	2,962	2,819
Substandard <sup>(1)</sup>	17,979	19,044	19,846
Doubtful <sup>(2)</sup>	34,403	36,324	37,193

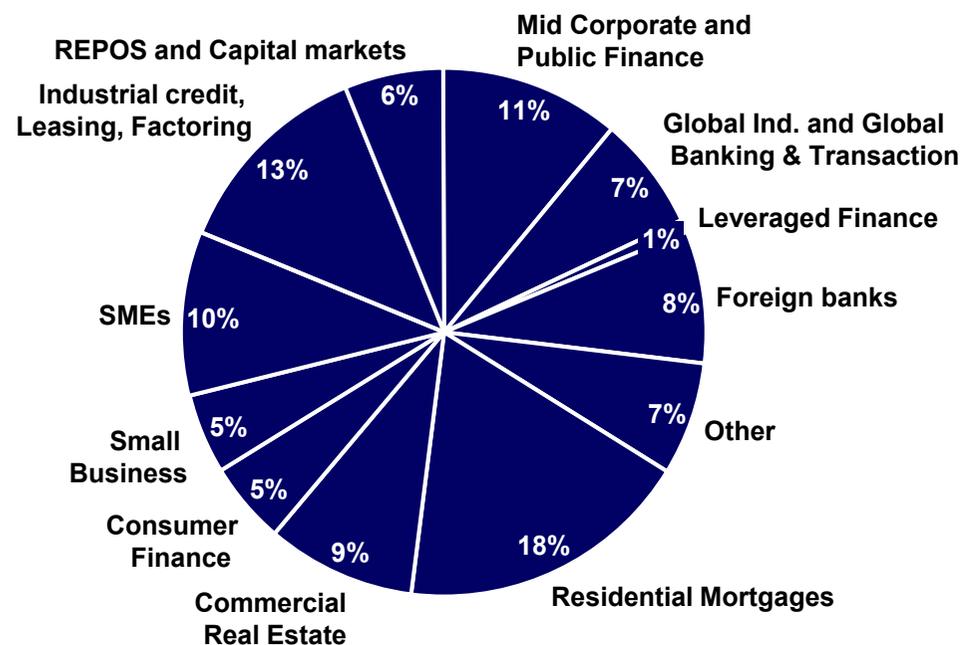
Net NPL			
€ m	31.12.13	30.6.14	30.9.14
<b>Total</b>	<b>30,987</b>	<b>32,180</b>	<b>32,617</b>
Past Due	1,958	1,720	1,638
- of which 90-180 days	753	847	689
Restructured	2,315	2,491	2,321
Substandard <sup>(1)</sup>	13,815	14,568	15,014
Doubtful <sup>(2)</sup>	12,899	13,401	13,644

**9M14 increase due, in most part, to two names classified as Substandard loans in Q2**

(1) Incagli  
(2) Sofferenze

# Loans to Customers: Well-Diversified Portfolio

**Breakdown by business area**  
(Data as of 30.9.14)



- **Low risk profile of residential mortgage portfolio**
- Instalment/available income ratio at 37%
- Average Loan-to-Value equal to 54%
- Original average maturity equal to ~22 years
- Residual average life equal to ~18 years

**Breakdown by economic business sectors**

	30.9.14
<b>Loans of the Italian banks and companies of the Group</b>	
Households	24.9%
Public Administration	5.7%
Financial companies	4.6%
Non-financial companies	44.8%
<i>of which:</i>	
HOLDING AND OTHER	7.2%
DISTRIBUTION	6.1%
CONSTRUCTION AND MATERIALS FOR CONSTR.	6.1%
SERVICES	5.8%
UTILITIES	3.9%
METALS AND METAL PRODUCTS	2.3%
TRANSPORT	2.3%
AGRICULTURE	1.8%
FOOD AND DRINK	1.5%
MECHANICAL	1.5%
INTERMEDIATE INDUSTRIAL PRODUCTS	1.2%
FASHION	1.2%
ELECTROTECHNICAL AND ELECTRONIC	0.9%
ENERGY AND EXTRACTION	0.6%
TRANSPORTATION MEANS	0.5%
BASE AND INTERMEDIATE CHEMICALS	0.5%
PUBLISHING AND PRINTING	0.5%
FURNITURE	0.3%
PHARMACEUTICAL	0.2%
OTHER CONSUMPTION GOODS	0.2%
WHITE GOODS	0.1%
MASS CONSUMPTION GOODS	0.1%
<b>Rest of the world</b>	<b>7.6%</b>
<b>Loans of the foreign banks and companies of the Group</b>	<b>8.4%</b>
<b>Doubtful Loans</b>	<b>4.0%</b>
<b>TOTAL</b>	<b>100.0%</b>

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

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Detailed Consolidated P&L Results

Liquidity, Funding and Capital Base

Asset Quality

**Divisional Results and Other Information**

# Divisional Financial Highlights

Data as of 30.9.14

	Banca dei Territori	Eurizon Capital	Corporate & Investment Banking	International Subsidiary Banks	Banca Fideuram	Corporate Centre / Others <sup>(1)</sup>	Total
Operating Income (€ m)	8,470	351	2,470	1,593	758	(871)	12,771
Operating Margin (€ m)	4,463	259	1,839	804	516	(1,308)	6,573
Net Income (€ m)	1,017	159	1,053	242	266	(1,534)	1,203
Cost/Income (%)	47.3	26.2	25.5	49.5	31.9	n.m.	48.5
RWA (€ bn)	103.2	0.6	95.1	28.0	6.4	41.8	275.1
Direct Deposits from Banking Business (€ bn)	179.0	n.m.	106.2	30.9	8.2	48.7	373.0
Loans to Customers (€ bn)	201.0	0.2	90.2	26.5	5.0	14.4	337.3

€1,642m excluding the one-off impact from the higher tax rate on the Bank of Italy stake gain<sup>(2)</sup> recorded in the Corporate Centre

Note: figures may not add up exactly due to rounding differences. Figures take into account the change in scope of the Banca dei Territori Division and the Corporate and Investment Banking Division approved by the Management Board on May 21<sup>st</sup> 2013.

(1) Treasury Department, Central Structures and consolidation adjustments

(2) Gain booked in 4Q13 and one-off impact from higher taxation booked in 2Q14

## Banca dei Territori: 9M vs 9M

€ m

	9M13	9M14	Δ%
	Restated		
Net interest income	4,685	4,453	(5.0)
Dividends and P/L on investments carried at equity	12	0	(100.0)
Net fee and commission income	3,017	3,289	9.0
Profits (Losses) on trading	55	40	(27.3)
Income from insurance business	581	656	12.9
Other operating income (expenses)	33	32	(3.0)
<b>Operating income</b>	<b>8,383</b>	<b>8,470</b>	<b>1.0</b>
Personnel expenses	(2,272)	(2,373)	4.4
Other administrative expenses	(1,670)	(1,630)	(2.4)
Adjustments to property, equipment and intangible assets	(6)	(4)	(33.3)
<b>Operating costs</b>	<b>(3,948)</b>	<b>(4,007)</b>	<b>1.5</b>
<b>Operating margin</b>	<b>4,435</b>	<b>4,463</b>	<b>0.6</b>
Net provisions for risks and charges	(28)	(36)	28.6
Net adjustments to loans	(3,311)	(2,713)	(18.1)
Net impairment losses on other assets	(2)	(1)	(50.0)
Profits (Losses) on HTM and on other investments	0	0	n.m.
<b>Income before tax from continuing operations</b>	<b>1,094</b>	<b>1,713</b>	<b>56.6</b>
Taxes on income from continuing operations	(413)	(621)	50.4
Charges (net of tax) for integration and exit incentives	(30)	(24)	(20.0)
Effect of purchase cost allocation (net of tax)	(124)	(51)	(58.9)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>527</b>	<b>1,017</b>	<b>93.0</b>

Note: figures may not add up exactly due to rounding differences. Figures take into account the change in scope of the Banca dei Territori Division and the Corporate and Investment Banking Division approved by the Management Board on May 21<sup>st</sup> 2013

## Banca dei Territori: Q3 vs Q2

€ m

	2Q14	3Q14	Δ%
Net interest income	1,496	1,436	(4.1)
Dividends and P/L on investments carried at equity	0	(0)	n.m.
Net fee and commission income	1,126	1,073	(4.6)
Profits (Losses) on trading	17	10	(37.6)
Income from insurance business	217	212	(2.5)
Other operating income (expenses)	8	11	31.3
<b>Operating income</b>	<b>2,864</b>	<b>2,742</b>	<b>(4.3)</b>
Personnel expenses	(777)	(789)	1.7
Other administrative expenses	(543)	(537)	(1.2)
Adjustments to property, equipment and intangible assets	(2)	(1)	(10.6)
<b>Operating costs</b>	<b>(1,321)</b>	<b>(1,328)</b>	<b>0.5</b>
<b>Operating margin</b>	<b>1,543</b>	<b>1,414</b>	<b>(8.3)</b>
Net provisions for risks and charges	(19)	(8)	(59.0)
Net adjustments to loans	(855)	(977)	14.2
Net impairment losses on other assets	(1)	(0)	(96.8)
Profits (Losses) on HTM and on other investments	(0)	0	n.m.
<b>Income before tax from continuing operations</b>	<b>668</b>	<b>430</b>	<b>(35.6)</b>
Taxes on income from continuing operations	(250)	(139)	(44.3)
Charges (net of tax) for integration and exit incentives	(12)	(7)	(42.1)
Effect of purchase cost allocation (net of tax)	(19)	(16)	(14.1)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>387</b>	<b>268</b>	<b>(30.9)</b>

Note: figures may not add up exactly due to rounding differences. Figures take into account the change in scope of the Banca dei Territori Division and the Corporate and Investment Banking Division approved by the Management Board on May 21<sup>st</sup> 2013

## Eurizon Capital: 9M vs 9M

€ m

	9M13	9M14	Δ%
Net interest income	1	1	0.0
Dividends and P/L on investments carried at equity	12	9	(25.0)
Net fee and commission income	233	334	43.3
Profits (Losses) on trading	2	6	200.0
Income from insurance business	0	0	n.m.
Other operating income (expenses)	0	1	n.m.
<b>Operating income</b>	<b>248</b>	<b>351</b>	<b>41.5</b>
Personnel expenses	(32)	(42)	31.3
Other administrative expenses	(43)	(50)	16.3
Adjustments to property, equipment and intangible assets	0	0	n.m.
<b>Operating costs</b>	<b>(75)</b>	<b>(92)</b>	<b>22.7</b>
<b>Operating margin</b>	<b>173</b>	<b>259</b>	<b>49.7</b>
Net provisions for risks and charges	3	2	(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.
<b>Income before tax from continuing operations</b>	<b>176</b>	<b>261</b>	<b>48.3</b>
Taxes on income from continuing operations	(40)	(68)	70.0
Charges (net of tax) for integration and exit incentives	0	(1)	n.m.
Effect of purchase cost allocation (net of tax)	(26)	(28)	7.7
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(3)	(5)	66.7
<b>Net income</b>	<b>107</b>	<b>159</b>	<b>48.6</b>

9M14 result at €187m  
excluding the Effect of  
purchase cost  
allocation

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

## Eurizon Capital: Q3 vs Q2

€ m

	2Q14	3Q14	Δ%
Net interest income	0	0	(27.1)
Dividends and P/L on investments carried at equity	3	3	(10.9)
Net fee and commission income	134	112	(16.8)
Profits (Losses) on trading	2	0	(87.1)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	0	0	22.6
<b>Operating income</b>	<b>140</b>	<b>116</b>	<b>(17.7)</b>
Personnel expenses	(15)	(14)	(10.5)
Other administrative expenses	(19)	(16)	(14.5)
Adjustments to property, equipment and intangible assets	(0)	(0)	(1.0)
<b>Operating costs</b>	<b>(34)</b>	<b>(30)</b>	<b>(12.7)</b>
<b>Operating margin</b>	<b>106</b>	<b>85</b>	<b>(19.4)</b>
Net provisions for risks and charges	2	(0)	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.
<b>Income before tax from continuing operations</b>	<b>108</b>	<b>85</b>	<b>(20.8)</b>
Taxes on income from continuing operations	(29)	(23)	(20.3)
Charges (net of tax) for integration and exit incentives	0	(1)	n.m.
Effect of purchase cost allocation (net of tax)	(10)	(10)	(8.9)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(1)	(2)	35.2
<b>Net income</b>	<b>67</b>	<b>50</b>	<b>(25.1)</b>

3Q14 result at €60m excluding the Effect of purchase cost allocation

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

# Corporate and Investment Banking: 9M vs 9M

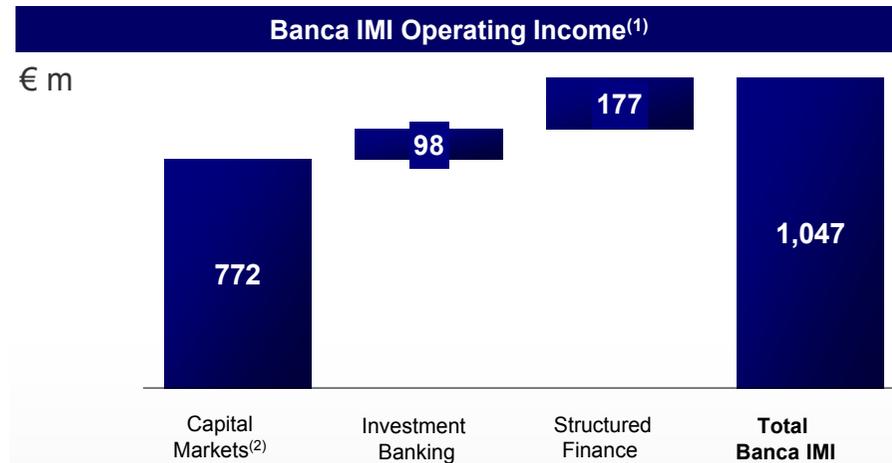
€ m

	9M13 Restated	9M14	Δ%
Net interest income	1,397	1,390	(0.5)
Dividends and P/L on investments carried at equity	4	21	425.0
Net fee and commission income	649	588	(9.4)
Profits (Losses) on trading	570	473	(17.0)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(1)	(2)	100.0
<b>Operating income</b>	<b>2,619</b>	<b>2,470</b>	<b>(5.7)</b>
Personnel expenses	(226)	(248)	9.7
Other administrative expenses	(367)	(382)	4.1
Adjustments to property, equipment and intangible assets	(2)	(1)	(50.0)
<b>Operating costs</b>	<b>(595)</b>	<b>(631)</b>	<b>6.1</b>
<b>Operating margin</b>	<b>2,024</b>	<b>1,839</b>	<b>(9.1)</b>
Net provisions for risks and charges	(5)	(3)	(40.0)
Net adjustments to loans	(273)	(404)	48.0
Net impairment losses on other assets	(53)	(36)	(32.1)
Profits (Losses) on HTM and on other investments	14	112	700.0
<b>Income before tax from continuing operations</b>	<b>1,707</b>	<b>1,508</b>	<b>(11.7)</b>
Taxes on income from continuing operations	(556)	(455)	(18.2)
Charges (net of tax) for integration and exit incentives	(2)	0	(100.0)
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>1,149</b>	<b>1,053</b>	<b>(8.4)</b>

Note: figures may not add up exactly due to rounding differences. Figures take into account the change in scope of the Banca dei Territori Division and the Corporate and Investment Banking Division approved by the Management Board on May 21<sup>st</sup> 2013

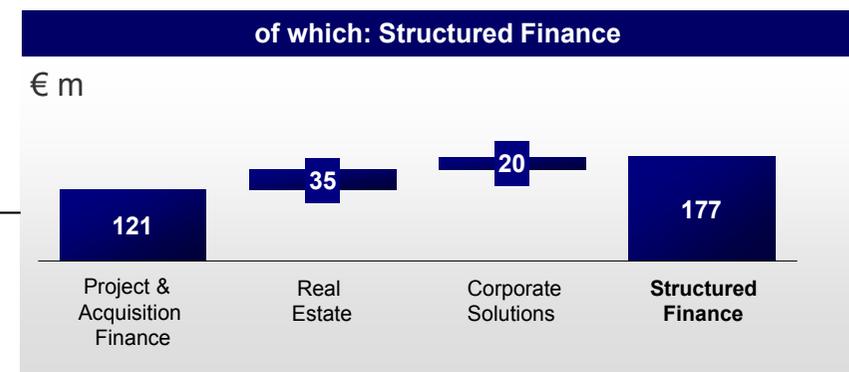
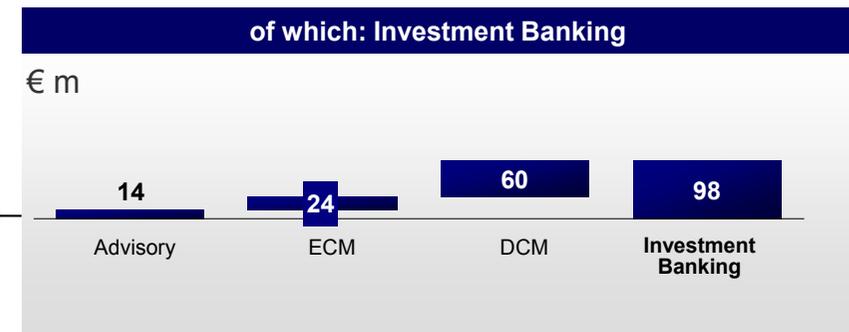
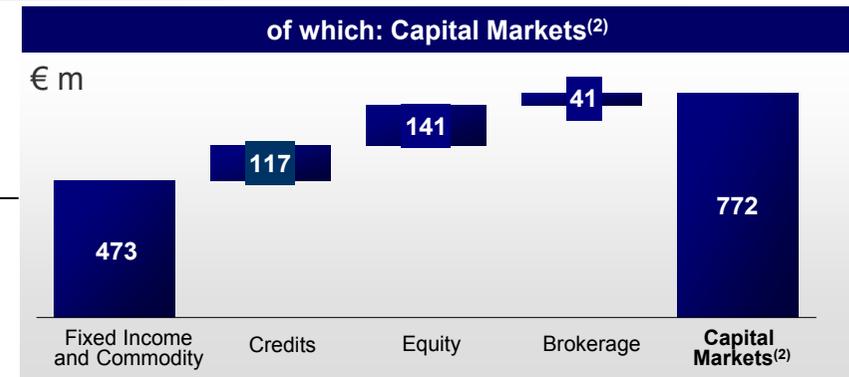
# Banca IMI: Significant Contribution to Group Results

9M14 Results



Cost/Income	26.9%	36.0%	23.9%	27.2%
RWA (€ bn)	15.6	0.1	5.7	21.4

- ~59% of Operating income is customer driven
- 9M average VaR at €39m
- 9M Net income at €400m



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

(1) Banca IMI S.p.A. and its subsidiaries

(2) Including Finance and Capital Management

## Corporate and Investment Banking: Q3 vs Q2

€ m

	2Q14	3Q14	Δ%
Net interest income	459	473	3.2
Dividends and P/L on investments carried at equity	7	11	46.5
Net fee and commission income	233	178	(23.5)
Profits (Losses) on trading	215	9	(96.0)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(0)	(1)	(81.4)
<b>Operating income</b>	<b>914</b>	<b>670</b>	<b>(26.6)</b>
Personnel expenses	(72)	(95)	31.0
Other administrative expenses	(129)	(121)	(6.6)
Adjustments to property, equipment and intangible assets	(1)	(0)	(44.0)
<b>Operating costs</b>	<b>(202)</b>	<b>(216)</b>	<b>6.7</b>
<b>Operating margin</b>	<b>712</b>	<b>455</b>	<b>(36.1)</b>
Net provisions for risks and charges	(1)	(0)	(98.6)
Net adjustments to loans	(197)	(115)	(41.4)
Net impairment losses on other assets	(18)	(11)	(37.5)
Profits (Losses) on HTM and on other investments	5	60	n.m.
<b>Income before tax from continuing operations</b>	<b>502</b>	<b>388</b>	<b>(22.7)</b>
Taxes on income from continuing operations	(134)	(115)	(14.1)
Charges (net of tax) for integration and exit incentives	(0)	(0)	(69.4)
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>367</b>	<b>273</b>	<b>(25.8)</b>

Note: figures may not add up exactly due to rounding differences. Figures take into account the change in scope of the Banca dei Territori Division and the Corporate and Investment Banking Division approved by the Management Board on May 21<sup>st</sup> 2013

## International Subsidiary Banks<sup>(\*)</sup>: 9M vs 9M

€ m

	9M13	9M14	Δ%
	Restated		
Net interest income	1,145	1,122	(2.0)
Dividends and P/L on investments carried at equity	26	39	50.0
Net fee and commission income	392	399	1.8
Profits (Losses) on trading	77	111	44.2
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(58)	(78)	34.5
<b>Operating income</b>	<b>1,582</b>	<b>1,593</b>	<b>0.7</b>
Personnel expenses	(415)	(406)	(2.2)
Other administrative expenses	(325)	(303)	(6.8)
Adjustments to property, equipment and intangible assets	(83)	(80)	(3.6)
<b>Operating costs</b>	<b>(823)</b>	<b>(789)</b>	<b>(4.1)</b>
<b>Operating margin</b>	<b>759</b>	<b>804</b>	<b>5.9</b>
Net provisions for risks and charges	(3)	(68)	n.m.
Net adjustments to loans	(451)	(362)	(19.7)
Net impairment losses on other assets	(60)	(1)	(98.3)
Profits (Losses) on HTM and on other investments	(10)	2	n.m.
<b>Income before tax from continuing operations</b>	<b>235</b>	<b>375</b>	<b>59.6</b>
Taxes on income from continuing operations	(120)	(131)	9.2
Charges (net of tax) for integration and exit incentives	0	(2)	n.m.
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>115</b>	<b>242</b>	<b>110.4</b>

9M14 result at €367m  
excluding Hungary

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

(\*) Not including Ukraine subsidiary Pravex-Bank following the signing of an agreement for the sale of 100% of the bank in January 2014. Finalisation of the transaction is subject to regulatory approval

## International Subsidiary Banks<sup>(\*)</sup>: Q3 vs Q2

€ m

	2Q14	3Q14	Δ%
Net interest income	374	380	1.7
Dividends and P/L on investments carried at equity	11	13	15.3
Net fee and commission income	133	137	3.1
Profits (Losses) on trading	45	45	(0.9)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(27)	(26)	4.8
<b>Operating income</b>	<b>536</b>	<b>549</b>	<b>2.4</b>
Personnel expenses	(135)	(136)	0.7
Other administrative expenses	(104)	(100)	(3.3)
Adjustments to property, equipment and intangible assets	(26)	(28)	5.4
<b>Operating costs</b>	<b>(266)</b>	<b>(265)</b>	<b>(0.4)</b>
<b>Operating margin</b>	<b>270</b>	<b>284</b>	<b>5.2</b>
Net provisions for risks and charges	(66)	0	n.m.
Net adjustments to loans	(119)	(124)	4.2
Net impairment losses on other assets	6	(4)	n.m.
Profits (Losses) on HTM and on other investments	1	0	(90.8)
<b>Income before tax from continuing operations</b>	<b>94</b>	<b>157</b>	<b>68.0</b>
Taxes on income from continuing operations	(47)	(44)	(5.9)
Charges (net of tax) for integration and exit incentives	(2)	(0)	(96.6)
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>45</b>	<b>113</b>	<b>153.2</b>

3Q14 result at €127m  
excluding Hungary

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

(\*) Not including Ukraine subsidiary Pravex-Bank following the signing of an agreement for the sale of 100% of the bank in January 2014. Finalisation of the transaction is subject to regulatory approval

## Banca Fideuram: 9M vs 9M

€ m

	9M13	9M14	Δ%
Net interest income	99	106	7.1
Dividends and P/L on investments carried at equity	0	1	n.m.
Net fee and commission income	469	556	18.6
Profits (Losses) on trading	15	17	13.3
Income from insurance business	65	80	23.1
Other operating income (expenses)	(3)	(2)	(33.3)
<b>Operating income</b>	<b>645</b>	<b>758</b>	<b>17.5</b>
Personnel expenses	(91)	(103)	13.2
Other administrative expenses	(127)	(127)	0.0
Adjustments to property, equipment and intangible assets	(11)	(12)	9.1
<b>Operating costs</b>	<b>(229)</b>	<b>(242)</b>	<b>5.7</b>
<b>Operating margin</b>	<b>416</b>	<b>516</b>	<b>24.0</b>
Net provisions for risks and charges	(49)	(52)	6.1
Net adjustments to loans	3	0	(100.0)
Net impairment losses on other assets	(6)	0	(100.0)
Profits (Losses) on HTM and on other investments	1	0	(100.0)
<b>Income before tax from continuing operations</b>	<b>365</b>	<b>464</b>	<b>27.1</b>
Taxes on income from continuing operations	(93)	(129)	38.7
Charges (net of tax) for integration and exit incentives	(1)	(1)	0.0
Effect of purchase cost allocation (net of tax)	(66)	(68)	3.0
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>205</b>	<b>266</b>	<b>29.8</b>

9M14 result at €334m excluding the Effect of purchase cost allocation

Note: including Fideuram Vita. Figures may not add up exactly due to rounding differences

## Banca Fideuram: Q3 vs Q2

€ m

	2Q14	3Q14	Δ%
Net interest income	36	36	(1.4)
Dividends and P/L on investments carried at equity	0	0	(100.0)
Net fee and commission income	185	196	5.7
Profits (Losses) on trading	6	5	(13.5)
Income from insurance business	30	25	(15.9)
Other operating income (expenses)	(1)	(0)	85.8
<b>Operating income</b>	<b>257</b>	<b>262</b>	<b>2.1</b>
Personnel expenses	(33)	(36)	7.6
Other administrative expenses	(42)	(43)	1.8
Adjustments to property, equipment and intangible assets	(4)	(4)	1.3
<b>Operating costs</b>	<b>(79)</b>	<b>(83)</b>	<b>4.2</b>
<b>Operating margin</b>	<b>177</b>	<b>179</b>	<b>1.1</b>
Net provisions for risks and charges	(21)	(13)	(36.0)
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	(0)	(0)	115.9
Profits (Losses) on HTM and on other investments	0	0	n.m.
<b>Income before tax from continuing operations</b>	<b>156</b>	<b>166</b>	<b>6.1</b>
Taxes on income from continuing operations	(41)	(47)	12.4
Charges (net of tax) for integration and exit incentives	0	(1)	n.m.
Effect of purchase cost allocation (net of tax)	(23)	(22)	(8.1)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(0)	0	(100.0)
<b>Net income</b>	<b>91</b>	<b>97</b>	<b>6.1</b>

3Q14 result at €119m excluding the Effect of purchase cost allocation

Note: including Fideuram Vita. Figures may not add up exactly due to rounding differences

# Quarterly P&L Analysis

€ m

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
	Restated	Restated	Restated	Restated			
Net interest income	2,017	2,035	2,026	2,032	2,100	2,104	2,110
Dividends and P/L on investments carried at equity	(43)	2	(6)	(2)	30	(19)	53
Net fee and commission income	1,462	1,571	1,479	1,620	1,584	1,727	1,649
Profits (Losses) on trading	454	236	400	69	151	409	136
Income from insurance business	230	215	203	142	251	248	237
Other operating income (expenses)	(12)	15	33	70	(8)	(12)	21
<b>Operating income</b>	<b>4,108</b>	<b>4,074</b>	<b>4,135</b>	<b>3,931</b>	<b>4,108</b>	<b>4,457</b>	<b>4,206</b>
Personnel expenses	(1,260)	(1,149)	(1,199)	(1,194)	(1,273)	(1,215)	(1,251)
Other administrative expenses	(658)	(682)	(661)	(806)	(650)	(666)	(648)
Adjustments to property, equipment and intangible assets	(165)	(167)	(169)	(188)	(163)	(164)	(168)
<b>Operating costs</b>	<b>(2,083)</b>	<b>(1,998)</b>	<b>(2,029)</b>	<b>(2,188)</b>	<b>(2,086)</b>	<b>(2,045)</b>	<b>(2,067)</b>
<b>Operating margin</b>	<b>2,025</b>	<b>2,076</b>	<b>2,106</b>	<b>1,743</b>	<b>2,022</b>	<b>2,412</b>	<b>2,139</b>
Net provisions for risks and charges	(26)	(38)	(1)	(249)	(55)	(181)	(12)
Net adjustments to loans	(1,158)	(1,390)	(1,465)	(3,098)	(1,077)	(1,179)	(1,248)
Net impairment losses on other assets	(68)	(147)	(32)	(170)	(12)	(67)	(64)
Profits (Losses) on HTM and on other investments	5	(3)	(35)	2,441	75	235	73
<b>Income before tax from continuing operations</b>	<b>778</b>	<b>498</b>	<b>573</b>	<b>667</b>	<b>953</b>	<b>1,220</b>	<b>888</b>
Taxes on income from continuing operations	(364)	(271)	(264)	28	(364)	(912)	(322)
Charges (net of tax) for integration and exit incentives	(12)	(21)	(5)	(42)	(7)	(13)	(9)
Effect of purchase cost allocation (net of tax)	(74)	(73)	(72)	(75)	(46)	(53)	(49)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	(5,797)	0	0	0
Income (Loss) after tax from discontinued operations	(10)	(14)	(3)	(4)	(13)	(9)	(11)
Minority interests	(12)	(3)	(11)	33	(20)	(16)	(14)
<b>Net income</b>	<b>306</b>	<b>116</b>	<b>218</b>	<b>(5,190)</b>	<b>503</b>	<b>217</b>	<b>483</b>

Note: figures may not add up exactly due to rounding differences. 2013 data has been restated to include Pravex in the discontinued operations following the sale agreement signed in January 2014

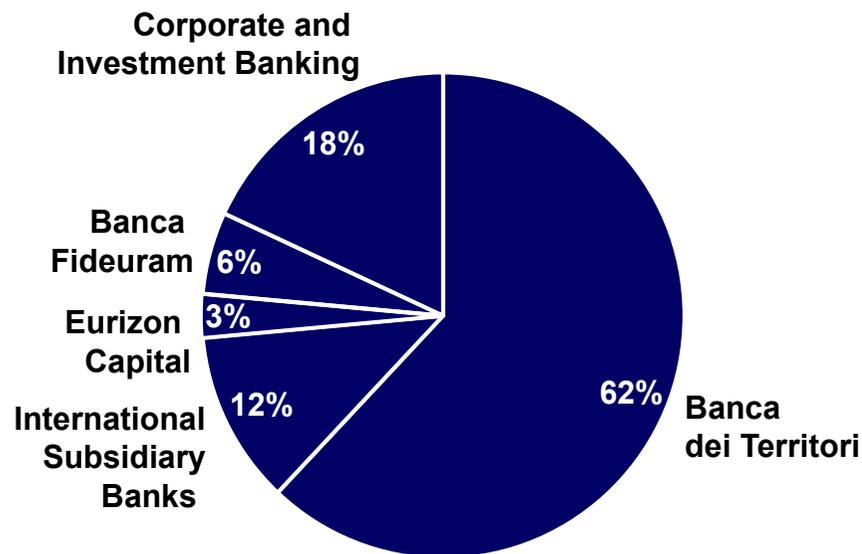
# Net Fee and Commission Income: Quarterly Development

€ m

Net Fee and Commission Income							
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
Guarantees given / received	88	61	69	83	71	87	93
Collection and payment services	66	81	84	108	85	99	85
Current accounts	280	285	288	286	279	278	277
Credit and debit cards	111	122	125	127	117	130	135
<b>Commercial banking activities</b>	<b>545</b>	<b>549</b>	<b>566</b>	<b>604</b>	<b>552</b>	<b>594</b>	<b>590</b>
Dealing and placement of securities	137	119	97	110	152	159	87
Currency dealing	10	11	11	9	10	10	11
Portfolio management	301	391	349	466	391	467	481
Distribution of insurance products	184	211	202	208	227	242	234
Other	36	44	41	39	41	43	43
<b>Management, dealing and consultancy activities</b>	<b>668</b>	<b>776</b>	<b>700</b>	<b>832</b>	<b>821</b>	<b>921</b>	<b>856</b>
Other net fee and commission income	249	246	213	184	211	212	203
<b>Net fee and commission income</b>	<b>1,462</b>	<b>1,571</b>	<b>1,479</b>	<b>1,620</b>	<b>1,584</b>	<b>1,727</b>	<b>1,649</b>

# Market Leadership in Italy

## 9M14 Operating Income Breakdown by business area<sup>(1)</sup>



## Leader in Italy (data as of 30.9.14)

Ranking	Market share
1	Loans 15.0
1	Deposits <sup>(2)</sup> 15.8
1	Life Premiums <sup>(3)</sup> 20.2
1	Asset Management <sup>(4)</sup> 21.5
1	Pension Funds 22.2
1	Factoring 30.7

Note: figures may not add up exactly due to rounding differences. Figures take into account the change in scope of the Banca dei Territori Division and the Corporate and Investment Banking Division approved by the Management Board on May 21<sup>st</sup> 2013

(1) Excluding Corporate Centre

(2) Including bonds

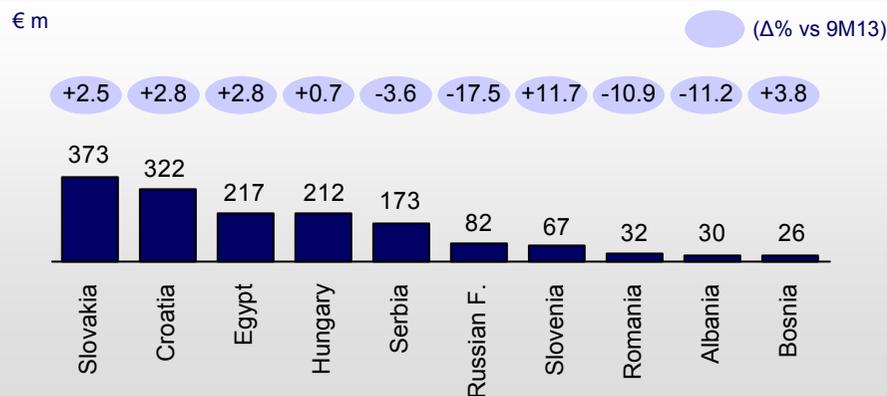
(3) Data as of 30.6.14

(4) Mutual funds; data as of 30.6.14

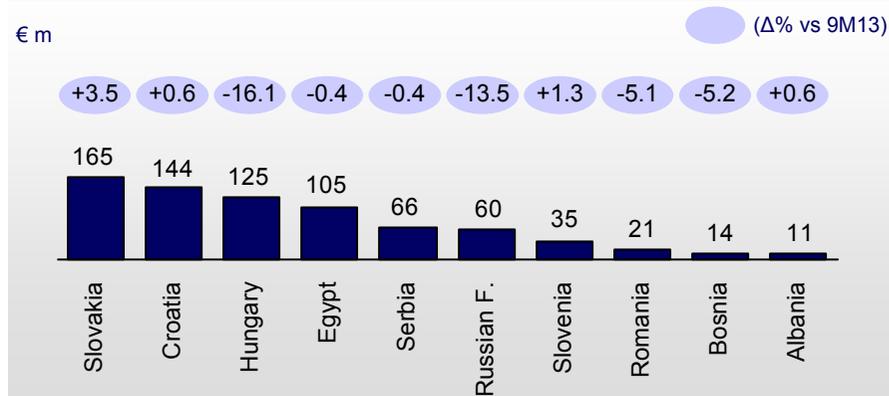
# International Subsidiary Banks(\*): Key P&L Data by Country

Data as of 30.9.14

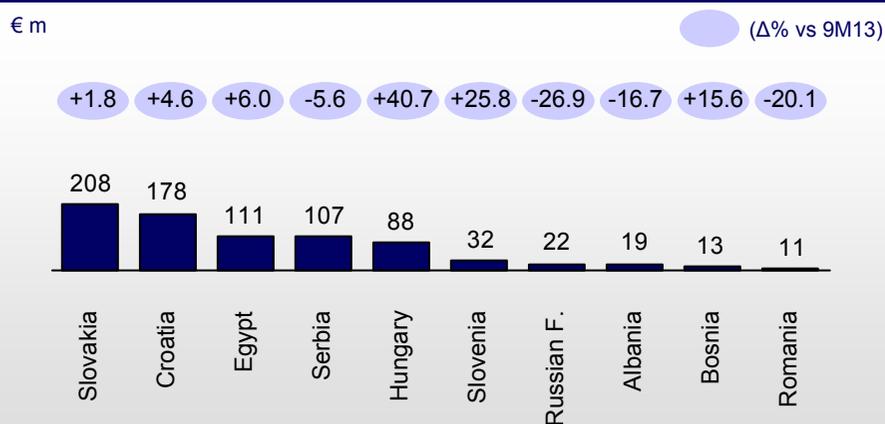
## Operating Income



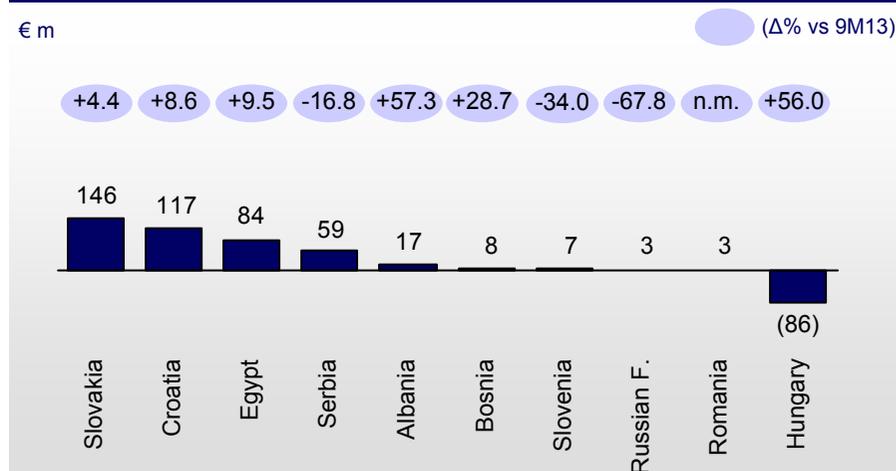
## Operating Costs



## Operating Margin



## Pre-Tax Income



(\* ) The Ukraine subsidiary Pravex-Bank is included in discontinued operations following the sale agreement signed in January 2014. Finalisation of the transaction is subject to regulatory approval

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

Data as of 30.9.14

	 Hungary	 Slovakia	 Slovenia	 Croatia	 Serbia	 Bosnia	 Albania	 Romania	 Russian F.	<b>CEE Total</b>	 Egypt	<b>Total</b>	 Ukraine(*)
<b>Oper. Income (€ m)</b>	212	373	67	322	173	26	30	32	82	1,319	217	1,535	11
<b>% of Group total</b>	<b>1.7%</b>	<b>2.9%</b>	<b>0.5%</b>	<b>2.5%</b>	<b>1.4%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.3%</b>	<b>0.6%</b>	<b>10.3%</b>	<b>1.7%</b>	<b>12.0%</b>	<b>0.1%</b>
<b>Net income (€ m)</b>	(125)	115	6	93	50	8	14	3	2	166	54	220	(35)
<b>% of Group total</b>	<i>n.m.</i>	<b>9.5%</b>	<b>0.5%</b>	<b>7.7%</b>	<b>4.2%</b>	<b>0.6%</b>	<b>1.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>13.8%</b>	<b>4.5%</b>	<b>18.3%</b>	<i>n.m.</i>
<b>Customer Deposits (€ bn)</b>	3.8	9.4	1.8	6.8	2.6	0.5	0.9	0.7	0.6	27.0	3.9	31.0	0.2
<b>% of Group total</b>	<b>1.0%</b>	<b>2.5%</b>	<b>0.5%</b>	<b>1.8%</b>	<b>0.7%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>7.3%</b>	<b>1.1%</b>	<b>8.3%</b>	<b>0.1%</b>
<b>Customer Loans (€ bn)</b>	3.7	8.0	1.7	5.9	2.1	0.5	0.3	0.7	1.1	24.2	2.4	26.6	0.1
<b>% of Group total</b>	<b>1.1%</b>	<b>2.4%</b>	<b>0.5%</b>	<b>1.8%</b>	<b>0.6%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.3%</b>	<b>7.2%</b>	<b>0.7%</b>	<b>7.9%</b>	<b>0.0%</b>
<b>Total Assets (€ bn)</b>	5.4	11.7	2.4	9.5	4.1	0.7	1.1	1.1	1.4	37.3	4.8	42.1	0.3
<b>% of Group total</b>	<b>0.9%</b>	<b>1.8%</b>	<b>0.4%</b>	<b>1.5%</b>	<b>0.6%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>5.9%</b>	<b>0.8%</b>	<b>6.6%</b>	<b>0.0%</b>
<b>Book value (€ m)</b>	486	1,333	266	1,359	848	97	129	170	286	4,974	405	5,379	74
<b>- of which goodwill/intangibles</b>	22	50	4	9	6	2	3	5	14	115	3	117	13

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

(\*) Pravex-Bank is included in discontinued operations following the sale agreement signed in January 2014. Finalisation of the transaction is subject to regulatory approval

# International Subsidiary Banks by Country: Loans Breakdown and Coverage

Data as of 30.9.14

										<b>CEE Total</b>		<b>Total</b>	
	Hungary	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Russian F.		Egypt		Ukraine(*)
<b>Performing loans (€ bn)</b>	2.9	7.8	1.5	5.4	1.9	0.5	0.2	0.6	1.0	<b>21.8</b>	2.2	<b>24.0</b>	0.1
<b>of which:</b>													
<b>Retail local currency</b>	7%	55%	51%	15%	13%	5%	4%	31%	5%	<b>30%</b>	57%	<b>33%</b>	61%
<b>Retail foreign currency</b>	32%	0%	1%	41%	23%	40%	14%	62%	0%	<b>19%</b>	0%	<b>17%</b>	19%
<b>Corporate local currency</b>	24%	39%	47%	13%	16%	25%	36%	3%	82%	<b>30%</b>	28%	<b>30%</b>	13%
<b>Corporate foreign currency</b>	37%	5%	2%	31%	47%	29%	46%	4%	13%	<b>20%</b>	15%	<b>20%</b>	7%
<b>Doubtful loans<sup>(1)</sup> (€ m)</b>	521	127	63	192	143	17	35	101	46	<b>1,245</b>	5	<b>1,250</b>	39
<b>Substandard and Restructured<sup>(2)</sup> (€ m)</b>	318	115	83	329	107	5	15	26	7	<b>1,005</b>	209	<b>1,214</b>	27
<b>Performing loans coverage</b>	2.6%	1.3%	1.4%	1.4%	1.4%	1.1%	4.7%	1.4%	1.0%	<b>1.5%</b>	2.4%	<b>1.6%</b>	1.9%
<b>Doubtful loans<sup>(1)</sup> coverage</b>	63%	63%	63%	65%	56%	69%	55%	62%	59%	<b>62%</b>	96%	<b>64%</b>	78%
<b>Substandard and Restructured loans<sup>(2)</sup> coverage</b>	31%	31%	28%	28%	31%	38%	21%	35%	50%	<b>30%</b>	21%	<b>29%</b>	16%
<b>Cost of credit<sup>(3)</sup> (bps; annualised)</b>	421	102	157	134	295	98	155	154	214	<b>187</b>	130	<b>182</b>	1,956

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

(\*) Praxex-Bank is included in discontinued operations following the sale agreement signed in January 2014. Finalisation of the transaction is subject to regulatory approval

(1) Sofferenze

(2) Including Past due

(3) Net adjustments to loans/Net customer loans

# Common Equity Ratio as of 30.9.14: from Phased-in to Pro-forma Fully Loaded

	~€ bn	~bps
<b>Transitional adjustments</b>		
Reserve shortfall	0.0	0
Valuation reserves	0.2	7
Minorities exceeding requirements	(0.2)	(7)
DTA on losses carried forward <sup>(1)</sup>	0.1	2
<b>Total</b>	<b>0.0</b>	<b>1</b>
<b>Deductions exceeding cap<sup>(*)</sup></b>		
<b>Total</b>	<b>(1.7)</b>	<b>(66)</b>
(*) as a memo, constituents of deductions subject to cap:		
- Other DTA <sup>(2)</sup>	1.2	
- Investments in banking and financial companies	0.6	
- Investments in insurance companies	5.2	
<b>RWA from 100% weighted DTA<sup>(3)</sup></b>	<b>(5.0)</b>	<b>24</b>
Benefit from the Danish Compromise		9
<b>Total estimated impact</b>		<b>(32)</b>
<b>Pro-forma fully-loaded Common Equity ratio</b>		<b>13.0%</b>

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

(1) Considering the expected absorption by 2019 of DTA on losses carried forward (€0.2bn out of a total of €0.3bn as of 30.9.14)

(2) Other DTA: mostly related to provisions for risks and charges. DTA related to goodwill realignment and adjustments to loans are excluded due to their treatment as credits to tax authorities

(3) Considering the total absorption of DTA related to goodwill realignment (€5bn as of 30.9.14)

# Total Exposure<sup>(1)</sup> by Country

€ m

	DEBT SECURITIES								LOANS
	Banking Business					Total	Insurance Business	Total	
	L&R	AFS	HTM	CFV <sup>(2)</sup>	HFT				
<b>EU Countries</b>	<b>11,270</b>	<b>42,794</b>	<b>1,076</b>	<b>999</b>	<b>15,717</b>	<b>71,856</b>	<b>58,071</b>	<b>129,927</b>	<b>320,403</b>
Austria	133	332	3		184	652	9	661	720
Belgium		805			144	949	19	968	547
Bulgaria					1	1	3	4	45
Croatia	154	52	24	726	3	959	9	968	5,815
Cyprus	3					3		3	87
Czech Republic		25			3	28		28	303
Denmark	200	10			99	309	34	343	351
Estonia									2
Finland		53			136	189	19	208	43
France	222	2,258		196	1,112	3,788	738	4,526	2,998
Germany	214	3,658	1	10	1,513	5,396	2,604	8,000	2,773
Greece	16				80	96		96	20
Hungary	45	198			71	314	27	341	3,753
Ireland	232				165	397	414	811	287
Italy	8,139	31,783	416	67	9,494	49,899	51,727	101,626	271,148
Latvia									58
Lithuania		20				20		20	11
Luxembourg	280	10			451	741	511	1,252	2,243
Malta									302
The Netherlands	449	310	13		548	1,320	385	1,705	2,216
Poland	26				49	75		75	181
Portugal	214	11			88	313	39	352	201
Romania	10	144			8	162	7	169	877
Slovakia		1,434	619		75	2,128		2,128	7,606
Slovenia		203			5	208	7	215	1,616
Spain	532	1,404			623	2,559	770	3,329	1,575
Sweden		8			434	442	3	445	63
United Kingdom	401	76			431	908	746	1,654	14,562
<b>North African Countries</b>		<b>1,394</b>				<b>1,394</b>		<b>1,394</b>	<b>2,443</b>
Algeria									4
Egypt		1,394				1,394		1,394	2,399
Libya									8
Morocco									21
Tunisia									11
<b>Japan</b>					<b>703</b>	<b>703</b>		<b>703</b>	<b>296</b>
<b>Other Countries</b>	<b>3,723</b>	<b>1,968</b>	<b>389</b>	<b>41</b>	<b>1,908</b>	<b>8,029</b>	<b>2,300</b>	<b>10,329</b>	<b>24,073</b>
<b>Total consolidated figures</b>	<b>14,993</b>	<b>46,156</b>	<b>1,465</b>	<b>1,040</b>	<b>18,328</b>	<b>81,982</b>	<b>60,371</b>	<b>142,353</b>	<b>347,215</b>

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

Debt securities of Insurance Business are classified as follows: €59,273m at AFS, €685m at CFV, €357m at HFT and €56m at L&R

(1) Exposure to sovereign risks (central and local governments), banks and other customers. Book Value of Debt Securities and Net Loans as of 30.9.14

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

# Exposure to Sovereign Risks<sup>(1)</sup> by Country

€ m

	DEBT SECURITIES									LOANS
	Banking Business					Total	Insurance Business	Total	AFS Reserve <sup>(3)</sup>	
	L&R	AFS	HTM	CFV <sup>(2)</sup>	HFT					
<b>EU Countries</b>	<b>7,756</b>	<b>40,353</b>	<b>1,028</b>	<b>784</b>	<b>10,567</b>	<b>60,488</b>	<b>50,612</b>	<b>111,100</b>	<b>488</b>	<b>21,157</b>
Austria		312	3		91	406	7	413	1	
Belgium		805			62	867	10	877	5	
Bulgaria										
Croatia	134	49	24	719	3	929	3	932		814
Cyprus	3					3		3		
Czech Republic		25			1	26		26		
Denmark					16	16		16		
Estonia										
Finland					131	131	8	139		11
France	109	1,982			542	2,633	80	2,713	8	17
Germany	39	3,642		10	1,115	4,806	2,160	6,966	17	
Greece					75	75		75		
Hungary	30	198			71	299	27	326		252
Ireland					33	33	90	123	1	
Italy	7,000	30,215	382	55	6,982	44,634	47,692	92,326	401	19,233
Latvia										58
Lithuania		20				20		20		
Luxembourg	50				406	456	102	558		
Malta										
The Netherlands		44			397	441	133	574	1	
Poland	26				49	75		75	-1	
Portugal					17	17	25	42		15
Romania	10	144			8	162	7	169	2	11
Slovakia		1,331	619		75	2,025		2,025	39	115
Slovenia		177			5	182	7	189	7	177
Spain	355	1,404			111	1,870	261	2,131	7	454
Sweden					335	335		335		
United Kingdom		5			42	47		47		
<b>North African Countries</b>		<b>1,392</b>				<b>1,392</b>		<b>1,392</b>	<b>-7</b>	
Algeria										
Egypt		1,392				1,392		1,392	-7	
Libya										
Morocco										
Tunisia										
<b>Japan</b>					<b>703</b>	<b>703</b>		<b>703</b>		
<b>Other Countries</b>	<b>145</b>	<b>1,238</b>	<b>388</b>	<b>41</b>	<b>1,233</b>	<b>3,045</b>	<b>756</b>	<b>3,801</b>	<b>17</b>	<b>199</b>
<b>Total consolidated figures</b>	<b>7,901</b>	<b>42,983</b>	<b>1,416</b>	<b>825</b>	<b>12,503</b>	<b>65,628</b>	<b>51,368</b>	<b>116,996</b>	<b>498</b>	<b>21,356</b>

Banking Business  
Government bond  
duration: 3.5 years

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

Debt securities of Insurance Business are classified as follows: €50,880m at AFS, €254m at CFV and €234m at HFT

(1) Exposure to central and local governments. Book Value of Debt Securities and Net Loans as of 30.9.14

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

(3) Net of tax and allocation to insurance products under separate management; referred to all debt securities; almost entirely regarding sovereign risks

# Exposure to Banks by Country<sup>(1)</sup>

€ m

	DEBT SECURITIES								LOANS
	Banking Business					Total	Insurance Business	Total	
	L&R	AFS	HTM	CFV <sup>(2)</sup>	HFT				
<b>EU Countries</b>	<b>841</b>	<b>1,515</b>	<b>48</b>	<b>199</b>	<b>2,825</b>	<b>5,428</b>	<b>4,024</b>	<b>9,452</b>	<b>15,149</b>
Austria	123				48	171		171	437
Belgium					46	46	6	52	448
Bulgaria					1	1		1	
Croatia				3		3		3	58
Cyprus									1
Czech Republic									1
Denmark	200	10			62	272	19	291	311
Estonia									
Finland		12			5	17		17	30
France		188		196	392	776	216	992	1,639
Germany	109		1		162	272	227	499	1,340
Greece					4	4		4	2
Hungary									58
Ireland					70	70	183	253	76
Italy	94	1,026	34		1,265	2,419	2,239	4,658	3,402
Latvia									
Lithuania									5
Luxembourg	125				2	127	375	502	1,250
Malta									281
The Netherlands	22	96	13		63	194	148	342	469
Poland									32
Portugal					29	29	1	30	16
Romania									38
Slovakia		103				103		103	
Slovenia		25				25		25	1
Spain	27				444	471	267	738	193
Sweden					92	92		92	45
United Kingdom	141	55			140	336	343	679	5,016
<b>North African Countries</b>		<b>2</b>				<b>2</b>		<b>2</b>	<b>41</b>
Algeria									2
Egypt		2				2		2	23
Libya									
Morocco									8
Tunisia									8
<b>Japan</b>									<b>84</b>
<b>Other Countries</b>	<b>178</b>	<b>193</b>	<b>1</b>		<b>523</b>	<b>895</b>	<b>761</b>	<b>1,656</b>	<b>8,652</b>
<b>Total consolidated figures</b>	<b>1,019</b>	<b>1,710</b>	<b>49</b>	<b>199</b>	<b>3,348</b>	<b>6,325</b>	<b>4,785</b>	<b>11,110</b>	<b>23,926</b>

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

Debt securities of Insurance Business are classified as follows: €4,436m at AFS, €179m at CFV, €116m at HFT and €54m at L&R

(1) Book Value of Debt Securities and Net Loans as of 30.9.14

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

# Exposure to Other Customers by Country<sup>(1)</sup>

€ m

	DEBT SECURITIES								LOANS
	Banking Business					Total	Insurance Business	Total	
	L&R	AFS	HTM	CFV <sup>(2)</sup>	HFT				
<b>EU Countries</b>	<b>2,673</b>	<b>926</b>		<b>16</b>	<b>2,325</b>	<b>5,940</b>	<b>3,435</b>	<b>9,375</b>	<b>284,097</b>
Austria	10	20			45	75	2	77	283
Belgium					36	36	3	39	99
Bulgaria							3	3	45
Croatia	20	3		4		27	6	33	4,943
Cyprus									86
Czech Republic					2	2		2	302
Denmark					21	21	15	36	40
Estonia									2
Finland		41				41	11	52	2
France	113	88			178	379	442	821	1,342
Germany	66	16			236	318	217	535	1,433
Greece	16				1	17		17	18
Hungary	15					15		15	3,443
Ireland	232				62	294	141	435	211
Italy	1,045	542		12	1,247	2,846	1,796	4,642	248,513
Latvia									6
Lithuania									993
Luxembourg	105	10			43	158	34	192	21
Malta									149
The Netherlands	427	170			88	685	104	789	1,747
Poland									170
Portugal	214	11			42	267	13	280	828
Romania									7,491
Slovakia									1,438
Slovenia		1				1		1	928
Spain	150				68	218	242	460	18
Sweden		8			7	15	3	18	9,546
United Kingdom	260	16			249	525	403	928	<b>2,402</b>
<b>North African Countries</b>									2
Algeria									2,376
Egypt									8
Libya									13
Morocco									3
Tunisia									212
<b>Japan</b>									<b>15,222</b>
<b>Other Countries</b>	<b>3,400</b>	<b>537</b>			<b>152</b>	<b>4,089</b>	<b>783</b>	<b>4,872</b>	<b>301,933</b>
<b>Total consolidated figures</b>	<b>6,073</b>	<b>1,463</b>		<b>16</b>	<b>2,477</b>	<b>10,029</b>	<b>4,218</b>	<b>14,247</b>	

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

Debt securities of Insurance Business are classified as follows: €3,957m at AFS, €252m at CFV, €7m at HFT and €2m at L&R

(1) Book Value of Debt Securities and Net Loans as of 30.9.14

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

# Disclaimer

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

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Group’s ability to achieve its projected objectives or results is dependent on many factors which are outside management’s control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

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