Intesa Sanpaolo Group
2006 “pro forma” figures

This is an English translation of the Italian original "Dati 2006 Pro forma del Gruppo Intesa Sanpaolo" and has been prepared solely for the convenience of the reader.
The version Italian takes precedence and will be made available to interested readers upon request to Intesa Sanpaolo S.p.A.

WARNING

For an accurate interpretation of the information provided by pro forma figures, it is necessary to note the following aspects:

- *since these are representations built on the assumption that the merger and trading transactions were all closed on the date taken as reference for the preparation of the pro forma consolidated figures, instead of the date on which the merger comes into legal effects, historical figures would not have necessarily been equal to pro forma figures;*
- *pro forma figures do not reflect prospective figures since they are prepared to represent solely the effects of merger and disposal transactions indicated which may be determined and objectively measured, without considering the potential effects due to variations in management policies and to operating decisions following the transactions.*

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

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

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

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

Intesa Sanpaolo Group
2006 pro forma figures

Intesa Sanpaolo S.p.A. Registered office: Piazza San Carlo, 156 10121 Torino Secondary registered office: Via Monte di Pietà, 8 20121 Milano Share capital 6.646.436.318,60 Euro Registration number on the Torino Company Register and Fiscal Code 00799960158 VAT number 10810700152 Member of the National Interbank Deposit Guarantee Fund and of the National Guarantee Fund, included in the National Register of Banks No. 5361 and Parent Company of "Intesa Sanpaolo", included in the National Register of Banking Groups.

Contents

Introduction

The merger between Banca Intesa and Sanpaolo IMI represents a particularly significant event for the Italian banking industry and economic system, forming a large new player among the top European banking groups.
Since the merger came into legal and accounting effect as of 1st January, 2007, the two Groups closed their respective financial statements for 2006 separately. Nevertheless, in order to provide analysts and the financial community with a clearer picture of the New Group (which adopted the corporate name of Intesa Sanpaolo), pro forma financial statements as at 31st December 2006 have been prepared which include the merger and the other events expected to occur during the course of 2007 as a direct consequence of the merger, that may be reasonably estimated at the date of preparation of the present document.

In the context of the merger, the definition of relations with Crédit Agricole, a shareholder and member of the Voting Syndicate of Banca Intesa, was particularly important. The agreement of 11th October 2006 between Banca Intesa and Crédit Agricole provides for the sale to the latter of important assets of the former; the equity stake in Cassa di Risparmio di Parma e Piacenza, the equity stake in Banca Popolare FriulAdria and 202 branches. Moreover, following the unfeasibility of the evolution of a pan-European joint-venture between Intesa and Crédit Agricole in asset management activities, Intesa Sanpaolo will purchase from the French group the asset management activities formerly belonging to Nextra and sold to Crédit Agricole S.A. in December 2005.
Therefore, the pro forma aggregate figures of the New Group presented hereafter include the effects of these transactions, considering their close relation with the merger.

Conversely, the potential effect of any strategic operations which might be realised for the execution of the 2007-2009 Business Plan as well the effect of any interventions set out by the Plan have not been taken into account.

Lastly, it must be noted that the Italian Competition Authority authorised the merger between Intesa and Sanpaolo but set out further requirements, in addition to the aforementioned sales of assets to Crédit Agricole. In particular, as concerns the size of the New Group, additional requirements referred to the disposal of a further 197 branches and a line of business consisting of an organised complex of activities and structures directed toward the production and management of insurance policies, represented by 1,133 branches. The effects of compliance to these requirements, programmed to occur in 2007, could not be considered in the preparation of pro forma figures since at the time of preparation the terms and means with which sales will occur have not yet been defined.

Pro forma financial highlights as at 31st December 2006

	Intesa Group	Sanpaolo IMI Group	Adjustments (a)	Intesa Sanpaolo Group (Pro Forma)
Statement of income (in millions of euro)				
Net interest income	5,778	4,064	-715	9,127
Net fee and commission income	3,569	3,459	-454	6,574
Profits (Losses) on trading	959	892	9	1,860
Income from insurance business	-	469	-	469
Operating income	10,536	9,041	-1,172	18,405
Operating costs	-5,430	-4,838	595	-9,673
Operating margin	5,106	4,203	-577	8,732
Net adjustments to loans	-863	-491	87	-1,267
Net income	2,559	2,148	-651	4,056
Balance sheet (in millions of euro)				
Loans to customers	190,830	157,800	-21,220	327,410
Financial assets / liabilities held for trading	30,680	8,787	-284	39,183
Financial assets available for sale	5,518	35,829	-159	41,188
Investments	9,315	9,021	-534	17,802
Total assets	291,781	288,551	-3,548	576,784
Direct customer deposits	202,762	161,407	-20,270	343,899
Shareholders' equity	18,166	14,338	23,467	55,971
Capital ratios (%)				
Tier 1 capital net of preference shares / Risk-weighted assets (Core Tier 1) (b)	5.5	6.4		7.4
Tier 1 capital / Risk-weighted assets (b)	6.3	7.0		8.2
Total capital / Risk-weighted assets (b)	9.5	9.2		11.3
Risk-weighted assets (in millions of euro)	202,088	170,096		352,101
Indicators per share				
Total number of shares (c)	6,948,079,223	1,875,087,936		12,781,608,305
Net income per share (euro)	0.37	1.15 (d)		0.32
Shareholders' equity per share (euro)	2.61	7.66 (d)		4.38
Operating structure				
Number of employees	56,665	50,071	-6,845	99,891
- Italy	*40,656*	*40,839*	*-6,845*	*74,650*
- Abroad	*16,009*	*9,232*	-	*25,241*
Number of branches	3,972	3,682	-665	6,989
- Italy	*3,168*	*3,286*	*-665*	*5,789*
- Abroad	*804*	*396*		*1,200*

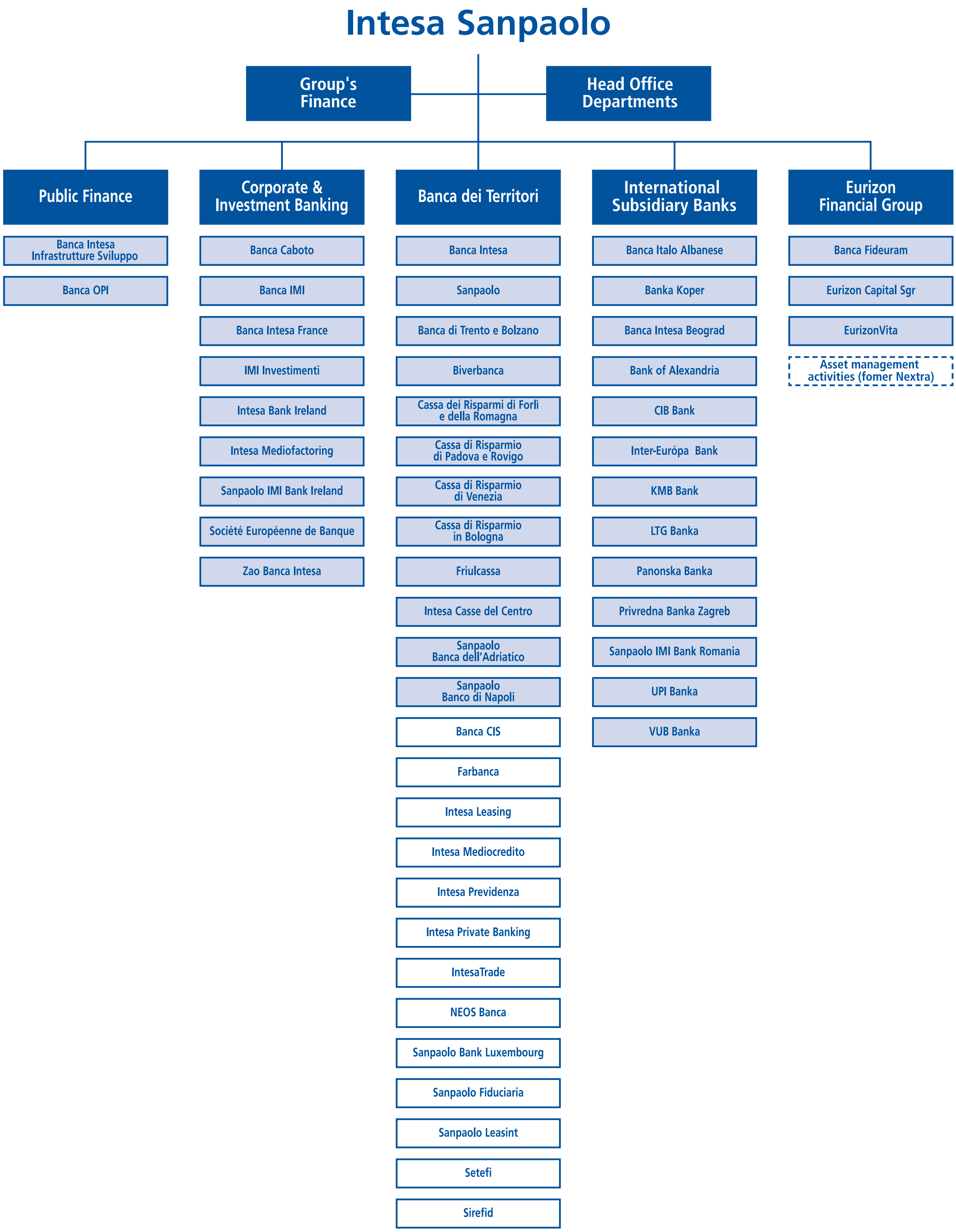
(a) The column includes the spin-off of assets to be sold to the Crédit Agricole Group, the purchase of asset management activities from the Crédit Agricole Group, intergroup eliminations and merger adjustments.

(b) Gruppo Intesa's consolidated capital ratios and Intesa Sanpaolo's pro forma consolidated capital ratios consider the proposal for the allocation of net income and reserves amounting to a total of 0.391 euro for each saving share and of 0.380 euro for each ordinary share currently outstanding, including ordinary shares issued on 1st January 2007.

(c) The number does not include any Intesa Sanpaolo shares that may be issued pursuant to the exercise of the options provided for by the stock option plan already resolved upon by Sanpaolo IMI.

(d) Net income and shareholders' equity per share of Sanpaolo IMI considering the exchange ratio of 3.115 newly-issued Banca Intesa shares for each Sanpaolo IMI share held, would respectively be equal to 0.37 and 2.46 euro.

Intesa Sanpaolo Group



Pro forma balance sheet and statement of income figures as at 31st December 2006

Presentation of pro forma figures

Pro forma consolidated figures as at 31st December 2006 which represent the significant effects of the merger between Banca Intesa and Sanpaolo and also the connected transactions with Crédit Agricole are presented hereafter.

Pro forma consolidated figures are prepared with reference to the compulsory forms provided for by the Circular of the Bank of Italy 262 of 22nd December 2005 and to condensed reclassified statements.
Pro forma figures have been obtained by applying pro forma adjustments to the historical figures prepared in accordance with IAS/IFRS adopted by the European Union, to reflect retroactively the significant effects of the transactions described above. In particular, such effects, on the basis of provisions contained in Consob communication DEM/1052803 of 5th July 2001, have been recorded in the pro forma consolidated balance sheet as if such transactions had occurred at the end of the reference period and in the pro forma consolidated statement of income as if they had occurred at the beginning of the period. Pro forma adjustments have been indicated separately in the financial statements and are described analytically in the Methodological notes.

For an accurate interpretation of the information provided by pro forma figures, it is necessary to note the following aspects:
- since these representations are built on the assumption that the merger and the related transactions were all closed on the date taken as reference for the preparation of the pro forma consolidated figures, instead of the date on which the merger comes into legal effects, historical figures would not have necessarily been equal to pro forma figures;
- pro forma figures do not reflect prospective figures since they are prepared to represent solely the effects of merger and disposal transactions indicated which may be determined and objectively measured, without considering the potential effects due to variations in management policies and to operating decisions following the transactions.

Moreover, in consideration of the different purpose of pro forma consolidated figures with respect to the figures of historical financial statements and the different calculation methods of the effects of acquisitions and disposals with reference to the balance sheet and the statement of income, pro forma consolidated financial statements must be read and interpreted separately, without searching for the usual accounting-logical connections between the two documents.

The amounts indicated in the statements and in the notes are expressed in millions of euro, unless otherwise specified.

As at 31st December 2006, the Intesa Sanpaolo Group had, in pro forma terms, total assets of 576,784 million euro, loans to customers of 327,410 million euro and direct customer deposits of 343,899 million euro.
As regards the main pro forma aggregate figures for 2006, the New Group registered operating income of 18,405 million euro and operating margin of 8,732 million euro.
Excluding non-recurring merger and restructuring related charges, the Intesa and Sanpaolo IMI Groups reported an aggregate net income of 5,290 million euro. Taking into account the effects of the transactions with Crédit Agricole and the effects of the merger, aggregate net income equalled 4,618 million euro. Considering merger and restructuring related charges – which are by definition non-recurring – already posted in the Annual reports 2006 of Intesa and Sanpaolo IMI, pro forma net income amounted to 4,056 million euro.
The New Group’s pro forma shareholders’ equity – inclusive of 2006 pro forma net income – amounted to 55,971 million euro.

The merger and the transactions with Crédit Agricole also had positive effects on compliance with supervisory requirements: shareholders' equity for supervisory purposes of the New Group exceeded 39 billion euro, due to an increase in aggregate Tier 1 capital exceeding 5 billion euro.
Capital ratios reached excellent levels: the Core Tier 1 ratio was at 7.4%, while the Tier 1 ratio and the Total capital ratio were respectively at 8.2% and 11.3%.

The Intesa Sanpaolo Group also reached a considerable size with reference to the branch network (6,989 branches mainly located in Italy and Central-Eastern Europe) and to resources employed (approximately 100,000 employees).

Effects of the merger

To aggregate figures, obtained by combining the consolidated figures of the Intesa and Sanpaolo IMI Groups reported in their respective Annual reports 2006, appropriate adjustments have been applied to show the effects of the merger, measuring the value of the new shares issued to support the exchange on the basis of the price of Intesa ordinary shares as at 29th December 2006 and preliminarily recording in the caption "Merger and consolidation difference" the difference between the value of newly-issued shares and the consolidated shareholders' equity of the Sanpaolo IMI Group as at 31st December 2006 inclusive of net income.

The merger must be accounted for according to the provisions of IFRS 3 on business combinations, that is using the purchase method, which entails on the date on which the merger becomes legally effective, the identification of the fair value of net assets of the acquired entity and the allocation of the cost of transaction, attributing any excess with respect to such value to goodwill.
The above principle requires that the cost of a business combination be determined as the sum of the fair value, at transaction date: (i) of assets sold, (ii) of liabilities undertaken and (iii) capital instruments issued by the acquirer in exchange of acquisition of control. Moreover, (iv) costs directly attributable to the business combination must be added to this value.

In the business combination between Intesa and Sanpaolo IMI, since Banca Intesa did not take over assets or liabilities, the cost of the acquisition is represented by the fair value at transaction date (that is the date of the issue of new securities, which coincides with the date in which the merger comes into legal effects), of shares which the surviving company, Banca Intesa, issued in exchange of the shares of the merged company Sanpaolo IMI. Since such shares are listed, the fair value of the Intesa share is represented by the stock price on the market (reference price) on the day before the date in which the merger comes into legal effect.
The total cost was therefore determined in 34,126 million euro, to which the accessory costs of the transaction must be added (professional fees, costs for reports and expert opinions, etc.). Referring to these costs, the amounts accounted for as at 31st December 2006 and provisionally recorded under Other assets, totalled 42 million euro.
Total purchase cost, inclusive of the accessory costs already accounted for, is compared with the consolidated shareholders' equity of the Sanpaolo IMI Group which equalled 14,338 million euro, determining a "merger difference" of 19,830 million euro.

As mentioned, the cost of the business combination must be allocated to assets, liabilities and potential liabilities as well as to intangible assets not recorded in the balance sheet of the Sanpaolo IMI Group, within the limits of their fair value, recognising any further residual value as goodwill. Considering the complexity of this process, which requires valuations of several and diversified assets and liabilities of the entities that make up the acquired Group, accounting standards permit that the precise allocation of the cost be recorded within twelve months from the date of acquisition.
At the time of preparation of the present document the determination of the fair value of assets and liabilities and the purchase cost allocation process have not yet been completed. The first estimates led to a revaluation of loans of approximately 0.9 billion euro and of real estate assets of approximately one billion euro as well as the recognition of new intangible assets (intangible assets with finite or indefinite useful life) of approximately 8 billion euro. After an estimated fiscal effect of approximately 3 billion euro, the net residual value of the above mentioned "merger difference", amounting to approximately 13 billion euro, will be recorded as goodwill. Such revaluations, as well as intangible assets with finite useful life, produce negative effects on the 2006 pro forma statement of income, in terms of interest adjustments and amortisation, estimated at approximately 400 million euro net of tax. This amount is expected to decline progressively over the years.

As already reported, considering that estimates are provisional, the difference between acquisition cost and consolidated shareholders' equity of the Sanpaolo IMI Group has been preliminarily recorded in the caption "Merger and consolidation difference". Using the same approach, the estimated impacts of the above allocations on the pro forma consolidated statement of income is recorded under the caption "Effect of purchase cost allocation, net of tax".

Agreement with Crédit Agricole

Pro forma adjustments have been recorded to take into account the balance sheet and statement of income effect[1] which will arise following the implementation of the Agreement signed on 11th October 2006 by Intesa and Crédit Agricole that provides for the disposal to the latter of:

– the entire equity stake held by Intesa in Cassa di Risparmio di Parma e Piacenza (representing 100% of the share capital) for a consideration of 3.8 billion euro;
– the entire equity stake held by Intesa in Banca Popolare FriulAdria (representing 76.05% of the share capital) for a consideration of 836.5 million euro;
– 193 Gruppo Intesa branches (number subsequently raised to 202) for a consideration of 1.3billion euro.

Furthermore, the Agreement signed with Crédit Agricole provided for, if the project of setting up a pan-European joint-venture in the asset management sector proved not to be feasible, the possibility for Intesa – through the exercise of call/put options – of acquiring 65% of the asset management activities formerly belonging to Nextra and sold to Crédit Agricole at the end of 2005. In January 2007, following the decision of 20th December 2006 of the Italian Competition Authority, Intesa Sanpaolo and Crédit Agricole decided not to pursue the aforesaid pan-European project and unwound the partnership in the asset management field.
On 19th March 2007, Crédit Agricole and Intesa Sanpaolo agreed upon the purchase by the latter of the activities attributable to the 65% stake in Nextra, excluding mutual funds dedicated to the Cariparma network and real estate funds, for a consideration of 800 million euro (equal to the price paid by Crédit Agricole in December 2005 minus the value of the funds retained by Crédit Agricole), minus the dividends received in the meantime by Crédit Agricole plus the cost of equity accrued during the period (calculated applying a 9% interest rate to the original price). The overall consideration, which will be defined by the parties using the parameters indicated above, for the purposes of the present document is estimated in 850 million euro.

Also this acquisition, which will be finalised in the second half of 2007, shall be accounted for according to IFRS 3 and, therefore, the cost of the acquisition must be allocated to assets, liabilities and potential liabilities of the acquired entity and for any further residual value to goodwill.
Preliminarily, the difference between such cost (as said provisionally estimated in 850 million euro) and the portion of shareholders' equity of the acquired business branch (96 million euro) is allocated to the caption "Merger and consolidation difference". The pro forma reclassified consolidated statement of income does not consider the potential statement of income impacts which may arise from such allocations.

In compliance with the criteria for the preparation of pro forma consolidated figures, aimed at presenting performance of current operations, which requires the exclusion of any non-recurring components, the pro forma reclassified consolidated statement of income does not consider the total capital gain relative to the sale of the aforesaid assets to Crédit Agricole. The relevant amount, net of the fiscal effect, is recorded in the pro forma reclassified consolidated balance sheet under the caption "Effect of disposal transaction" in shareholders' equity.

The Management Board

Torino, 23rd March 2007

[1] With reference to the balance sheet and statement of income figures of the 202 branches sold, management accounting data have been used.

Financial statements

Pro forma balance sheet

(in millions of euro)

Assets	Intesa Group	Sanpaolo IMI Group	Transactions with Crédit Agricole	Eliminations	Merger adjustments	Intesa Sanpaolo Group (Pro forma)
10. Cash and cash equivalents	1,895	1,534	-202	-	-	3,227
20. Financial assets held for trading	46,328	23,923	-292	-3,128	-2	66,829
30. Financial assets designated at fair value through profit and loss	-	20,685	-	-	-	20,685
40. Financial assets available for sale	5,518	35,829	-50	-109	-	41,188
50. Investments held to maturity	2,823	2,872	1	-	-	5,696
60. Due from banks	30,363	30,058	4,650	-2,515	-	62,556
70. Loans to customers	190,830	157,800	-21,218	-2	-	327,410
80. Hedging derivatives	873	1,020	-115	-71	-	1,707
90. Fair value change of financial assets in hedged portfolios (+/-)	-1	-	-	-	-	-1
100. Investments in associates and companies subject to joint control	2,183	893	-213	-	-	2,863
110. Technical insurance reserves reassured with third parties	-	46	-	-	-	46
120. Property and equipment	2,928	2,951	-307	-	-	5,572
130. Intangible assets	1,381	2,305	-15	-	-	3,671
of which						
- goodwill	*926*	*2,023*	-	-	-	*2,949*
140. Tax assets	2,502	2,690	-153	-	-	5,039
a) current	*1,100*	*902*	-	-	-	*2,002*
b) deferred	*1,402*	*1,788*	*-153*	-	-	*3,037*
150. Non-current assets held for sale and discontinued operations	69	176	-1	-	-	244
160. Other assets	4,089	5,769	-347	-1	-42	9,468
Merger and consolidation difference			754		19,830	20,584
Total Assets	**291,781**	**288,551**	**-17,508**	**-5,826**	**19,786**	**576,784**

Pro forma balance sheet

(in millions of euro)

Liabilities and Shareholders' Equity	Intesa Group	Sanpaolo IMI Group	Transactions with Crédit Agricole	Eliminations	Merger adjustments	Intesa Sanpaolo Group (Pro forma)
10. Due to banks	39,954	38,913	418	-2,599	-	76,686
20. Due to customers	122,733	105,493	-15,949	-	-	212,277
30. Securities issued	80,029	55,914	-4,260	-61	-	131,622
40. Financial liabilities held for trading	15,648	9,664	-71	-3,066	-	22,175
50. Financial liabilities designated at fair value through profit and loss	-	26,157	-	-	-	26,157
60. Hedging derivatives	1,878	1,019	-32	-72	-	2,793
70. Fair value change of financial liabilities in hedged portfolios (+/-)	-	-97	-	-	-	-97
80. Tax liabilities	1,474	969	113	-	-	2,556
a) current	*903*	*413*	-	-	-	*1,316*
b) deferred	*571*	*556*	*113*	-	-	*1,240*
90. Liabilities associated with non-current assets held for sale and discontinued operations	63	165	-	-	-	228
100. Other liabilities	7,711	9,949	-827	-	-	16,833
110. Employee termination indemnities	1,158	1,006	-176	-	-	1,988
120. Allowances for risks and charges	2,115	2,268	-313	-	-	4,070
a) post employment benefits	*310*	*311*	-	-	-	*621*
b) other allowances	*1,805*	*1,957*	*-313*	-	-	*3,449*
130. Technical reserves	-	22,540	-	-	-	22,540
140. Valuation reserves	1,209	1,595	-1	-	-1,595	1,208
150. Reimbursable shares	-	-	-	-	-	-
160. Equity instruments	-	-	-	-	-	-
170. Reserves	5,226	4,512	246	-	-4,112	5,872
Merger reserves					28,945	28,945
180. Share premium reserve	5,559	767	-	-	-767	5,559
190. Share capital	3,613	5,400	-	-	-2,367	6,646
200. Treasury shares (-)	-	-84	-	-28	82	-30
210. Minority interests (+/-)	852	253	-120	-	-	985
Effect of disposal transaction			3,715			3,715
220. Net income (loss)	2,559	2,148	-251	-	-400	4,056
Total Liabilities and Shareholders' Equity	**291,781**	**288,551**	**-17,508**	**-5,826**	**19,786**	**576,784**

Pro forma statement of income

(in millions of euro)

	Intesa Group	Sanpaolo IMI Group	Transactions with Crédit Agricole	Eliminations	Merger adjustments	Intesa Sanpaolo Group (Pro forma)
10. Interest and similar income	11,512	9,837	-860	-210	-	20,279
20. Interest and similar expense	-5,992	-4,914	190	166	-	-10,550
30. Interest margin	**5,520**	**4,923**	**-670**	**-44**	**-**	**9,729**
40. Fee and commission income	4,018	4,084	-324	-	-	7,778
50. Fee and commission expense	-449	-878	-130	-	-	-1,457
60. Net fee and commission income	**3,569**	**3,206**	**-454**	**-**	**-**	**6,321**
70. Dividend and similar income	527	259	-1	-	-	785
80. Profits (Losses) on trading	503	715	-28	44	-	1,234
90. Fair value adjustments in hedge accounting	11	-6	-3	-	-	2
100. Profits (Losses) on disposal or repurchase of	61	540	-7	-	-	594
a) loans	*-48*	*80*	-	-	-	*32*
b) financial assets available for sale	*83*	*456*	*-2*	-	-	*537*
c) investments held to maturity	-	-	-	-	-	-
d) financial liabilities	*26*	*4*	*-5*	-	-	*25*
110. Profits (Losses) on financial assets and liabilities designated at fair value	-	-127	-	-	-	-127
120. Net interest and other banking income	**10,191**	**9,510**	**-1,163**	**-**	**-**	**18,538**
130. Net losses / recoveries on impairment	-677	-449	84	-	-	-1,042
a) loans	*-706*	*-410*	*82*	-	-	*-1,034*
b) financial assets available for sale	*-14*	*-5*	*2*	-	-	*-17*
c) investments held to maturity	*4*	-	-	-	-	*4*
d) other financial activities	*39*	*-34*	-	-	-	*5*
140. Net income from banking activities	**9,514**	**9,061**	**-1,079**	**-**	**-**	**17,496**
150. Net insurance premiums	-	2,865	-	-	-	2,865
160. Other net insurance income (expense)	-	-3,469	-	-	-	-3,469
170. Net income from banking and insurance activities	**9,514**	**8,457**	**-1,079**	**-**	**-**	**16,892**
180. Administrative expenses	-5,666	-5,010	653	-	-	-10,023
a) personnel expenses	*-3,546*	*-3,396*	*432*	-	-	*-6,510*
b) other administrative expenses	*-2,120*	*-1,614*	*221*	-	-	*-3,513*
190. Net provisions for risks and charges	-196	-179	11	-	-	-364
200. Net adjustments to / recoveries on property and equipment	-257	-227	21	-	-	-463
210. Net adjustments to / recoveries on intangible assets	-246	-174	5	-	-	-415
220. Other operating expenses (income)	375	53	-38	-	-	390
230. Operating expenses	**-5,990**	**-5,537**	**652**	**-**	**-**	**-10,875**
240. Profits (Losses) on investments in associates and companies subject to joint control	235	128	-19	-	-	344
250. Valuation differences on property, equipment and intangible assets measured at fair value	-	-	-	-	-	-
260. Goodwill impairment	-	-	-	-	-	-
270. Profits (Losses) on disposal of investments	54	28	-2	-	-	80
280. Income (Loss) before tax from continuing operations	**3,813**	**3,076**	**-448**	**-**	**-**	**6,441**
290. Taxes on income from continuing operations	-1,227	-894	183	-	-	-1,938
300. Income (Loss) after tax from continuing operations	**2,586**	**2,182**	**-265**	**-**	**-**	**4,503**
Effect of purchase cost allocation (net of tax)					-400	-400
310. Income (Loss) after tax from discontinued operations	83	20	-	-	-	103
320. Net income (loss)	**2,669**	**2,202**	**-265**	**-**	**-400**	**4,206**
330. Minority interests	-110	-54	14	-	-	-150
340. Parent Company's net income (loss)	**2,559**	**2,148**	**-251**	**-**	**-400**	**4,056**

Reclassified financial statements

Pro forma reclassified balance sheet

(in millions of euro)

Assets	**Intesa Group**	**Sanpaolo IMI Group**	**Transactions with Crédit Agricole**	**Eliminations**	**Merger adjustments**	**Intesa Sanpaolo Group** (Pro forma)
Financial assets held for trading	46,328	44,608	-292	-3,128	-2	87,514
Financial assets available for sale	5,518	35,829	-50	-109	-	41,188
Investments held to maturity	2,823	2,872	1	-	-	5,696
Due from banks	30,363	30,058	4,650	-2,515	-	62,556
Loans to customers	190,830	157,800	-21,218	-2	-	327,410
Investments in associates and companies subject to joint control	2,183	893	-213	-	-	2,863
Property, equipment and intangible assets	4,309	5,256	-322	-	-	9,243
Tax assets	2,502	2,690	-153	-	-	5,039
Non-current assets held for sale and discontinued operations	69	176	-1	-	-	244
Other assets	6,856	8,369	-664	-72	-42	14,447
Merger and consolidation difference			754		19,830	20,584
Total Assets	**291,781**	**288,551**	**-17,508**	**-5,826**	**19,786**	**576,784**

Liabilities and Shareholders' Equity	**Intesa Group**	**Sanpaolo IMI Group**	**Transactions with Crédit Agricole**	**Eliminations**	**Merger adjustments**	**Intesa Sanpaolo Group** (Pro forma)
Due to banks	39,954	38,913	419	-2,599	-	76,687
Direct customer deposits	202,762	161,407	-20,209	-61	-	343,899
Financial liabilities held for trading	15,648	35,821	-72	-3,066	-	48,331
Tax liabilities	1,474	969	113	-	-	2,556
Liabilities associated with non-current assets held for sale and discontinued operations	63	165	-	-	-	228
Other liabilities	9,589	10,871	-859	-72	-	19,529
Technical reserves	-	22,540	-	-	-	22,540
Allowances for specific purpose	3,273	3,274	-489	-	-	6,058
Share capital	3,613	5,400	-	-	-2,367	6,646
Reserves	10,785	5,195	246	-28	-4,797	11,401
Merger reserves					28,945	28,945
Valuation reserves	1,209	1,595	-1	-	-1,595	1,208
Minority interests	852	253	-120	-	-	985
Effect of disposal transaction	-	-	3,715	-	-	3,715
Net income	2,559	2,148	-251	-	-400	4,056
Total Liabilities and Shareholders' Equity	**291,781**	**288,551**	**-17,508**	**-5,826**	**19,786**	**576,784**

Pro forma reclassified statement of income

(in millions of euro)

	Intesa Group	Sanpaolo IMI Group	Transactions with Crédit Agricole	Eliminations	Merger adjustments	Intesa Sanpaolo Group (Pro forma)
Net interest income	5,778	4,064	-671	-44	-	9,127
Dividends and profits (losses) on investments carried at equity	188	104	-20	-	-	272
Net fee and commission income	3,569	3,459	-454	-	-	6,574
Profits (losses) on trading	959	892	-35	44	-	1,860
Income from insurance business	-	469	-	-	-	469
Other operating income (expenses)	42	53	8	-	-	103
Operating income	**10,536**	**9,041**	**-1,172**	**-**	**-**	**18,405**
Personnel expenses	-3,138	-2,885	393	-	-	-5,630
Other administrative expenses	-1,780	-1,552	176	-	-	-3,156
Adjustments to property, equipment and intangible assets	-512	-401	26	-	-	-887
Operating costs	**-5,430**	**-4,838**	**595**	**-**	**-**	**-9,673**
Operating margin	**5,106**	**4,203**	**-577**	**-**	**-**	**8,732**
Goodwill impairment	-	-	-	-	-	-
Net provisions for risks and charges	-181	-163	10	-	-	-334
Net adjustments to loans	-863	-491	87	-	-	-1,267
Net impairment losses on other assets	-1	-12	2	-	-	-11
Profits (Losses) on investments held to maturity and on other investments	114	52	-2	-	-	164
Income (Loss) before tax from continuing operations	**4,175**	**3,589**	**-480**	**-**	**-**	**7,284**
Taxes on income from continuing operations	-1,347	-1,066	194	-	-	-2,219
Merger and restructuring related charges (net of tax)	-242	-341	21	-	-	-562
Effect of purchase cost allocation (net of tax)					-400	-400
Income (Loss) after tax from discontinued operations	83	20	-	-	-	103
Minority interests	-110	-54	14	-	-	-150
Net income	**2,559**	**2,148**	**-251**	**-**	**-400**	**4,056**

Methodological notes

Purpose of the presentation of pro forma figures

The purpose of the presentation of pro forma consolidated figures is that of representing – according to presentation criteria consistent with those used for the preparation of financial statements – the backdated statement of income and balance sheet effects of the merger between the Intesa and Sanpaolo IMI Groups, as well as the connected transactions with Crédit Agricole S.A.

Assumptions used in the preparation of pro forma figures

The main assumptions underlying the preparation of pro forma consolidated figures are described below.

- The financial statements above have been obtained by combining the figures in the Annual reports as at 31st December 2006 of the Intesa and Sanpaolo IMI Groups prepared in accordance with IAS/IFRS adopted by the European Union and with the compulsory forms provided for by Circular of the Bank of Italy 262 of 22nd December 2005. The Annual reports 2006 have been audited by Reconta Ernst & Young and PricewaterhouseCoopers respectively.
- Both Groups apply IAS/IFRS as of 2005. However, certain differences may exist due to the possibility of opting for different alternatives provided for by the aforementioned principles or deriving from the use of different methodologies or parameters in the measurement of assets and liabilities. Such differences, deemed to be immaterial, have not been considered for the purposes of preparation of the pro forma financial statements.
- Aggregate figures of the two Groups have been adjusted to consider the assets and liabilities and the corresponding economic results of i) the equity investments in Cassa di Risparmio di Parma e Piacenza and in Banca Popolare FriulAdria ii) the branches under disposal to Crédit Agricole, as well as iii) the purchase of asset management activities from the same Group. The consideration to be collected from the sale (5,966 million euro) was recorded in the caption "Due from banks". Such consideration may be subject to variations in relation to the changes in the balance sheet figures recorded at the time of execution of the sale according to the terms provided for in the contract. The capital gain net of the fiscal effect, determined considering the application of art. 87 TUIR (Combined tax regulations) concerning partly exempt capital gains, (3,715 million euro) was recorded in a specific caption under shareholders' equity ("Effect of disposal transaction") and was not recorded in the pro forma consolidated statement of income since it is non-recurring. The amount (preliminarily estimated in 850 million euro) to be paid to Crédit Agricole for the purchase of asset management activities was recorded under "Due from banks". The difference, equal to 754 million euro, between the aforesaid price and the portion of shareholders' equity of the acquired business branch was allocated to the caption "Merger and consolidation difference". The pro forma consolidated statement of income does not consider the potential statement of income impacts which may arise from the allocation of purchase cost to assets and liabilities acquired.
- For the purpose of providing a more complete representation of the effects of transactions with Crédit Agricole, in the pro forma consolidated statement of income the net benefits deriving from the cash flows have been calculated, considering a risk-free rate of 4.17% as of 1st January 2006.
- The cost of the business combination, represented by the fair value of the new shares to be issued to effect the merger, must be considered provisional, since to the value determined based on the price of Banca Intesa ordinary shares as at 29th December 2006 (5.85 euro reference price per share, for a total of 34,126 million euro) must be added the accessory costs of the merger, which for the part already reported as at 31st December 2006 amounted to 42 million euro and was already provisionally accounted for under the caption "Other Assets".

  Accessory costs to be deducted from the share premium relative to the capital increase to effect the transaction have not been considered, since immaterial compared to the overall size of the capital increase.
- The difference between fair value of the new shares issued and consolidated shareholders' equity of the Sanpaolo IMI Group was preliminarily recorded in the specific caption "Merger and consolidation difference", without making any allocation since, as already described, the merger will be recorded

using the "purchase method", which entails, at the date in which the merger comes into legal effects, the identification of the fair value of net assets and the allocation of the cost of the transaction attributing any excess with respect to such values to goodwill. The pro forma statement of income includes the estimated 400 million euro for the above allocations, net of fiscal effects in the caption "Effect of purchase cost allocation, net of tax".

Eliminations

The most significant reciprocal balance sheet and statement of income items between the Intesa and Sanpaolo IMI Groups have been eliminated, according to the criteria normally used in consolidation procedures.

The main pro forma balance sheet eliminations referred to:

- due from and to banks for over 2.5 billion euro;
- financial assets and liabilities held for trading, mainly derivatives, for over 3 billion euro;
- hedging derivatives for approximately 70 million euro;
- securities in the portfolio of one Group, issued by the other, for approximately 60 million euro;
- Banca Intesa shares amounting to 28 million euro held by Sanpaolo IMI Group companies and included in "Financial assets available for sale" are deducted from shareholders' equity, in the specific caption "Treasury shares".

The eliminations in the pro forma statement of income referred to the captions "Net interest income" for 210 million euro, "Net interest expense" for 166 million euro and the caption "Profits (Losses) on trading" for 44 million euro. Such components refer to reciprocal loans/debts and to derivatives.

Merger adjustments

The cost of the business combination (equal to 34,126 million euro increased by accessory costs currently estimated in 42 million euro) was compared with consolidated shareholders' equity of the Sanpaolo IMI Group as at 31st December 2006 (equal to 14,338 million euro). The difference, amounting to 19,830 million euro, was preliminarily recorded in the specific caption "Merger and consolidation difference", before a precise allocation in the relevant balance sheet captions at the date in which the merger comes into legal effects.

The 31,093 milllion euro difference between the fair value of the Sanpaolo IMI Group and the increase in nominal share capital to effect the exchange has been allocated in the caption"Merger reserves". This caption has been adjusted to exclude net income for 2006 of the Sanpaolo IMI Group which has been recorded in a separate caption to balance the statement income.

The consolidation area has not been changed to consider any equity stakes held by both Groups in the same entities, if combined percentage holdings may create the preconditions for full consolidation or recording at equity. Moreover, the impact of the fact that the fair value of assets and liabilities of the acquired entity represents initial recognition value has not been considered.

Reconciliation between pro forma reclassified financial statements and pro forma financial statements

For the purpose of a more effective representation of results, a condensed balance sheet and statement of income were prepared through opportune reclassifications and according to presentation criteria deemed to be better suited to represent the content of captions according to the principle of operating consistency.

Reclassification criteria of the balance sheet

Reclassification refers to:

- the inclusion of Cash and cash equivalents in the residual caption Other assets;
- the inclusion of Hedging derivatives and Fair value change of financial assets/liabilities in hedged portfolios in Other assets/Other liabilities;
- the aggregation in just one caption of Property and equipment and Intangible assets;
- the aggregation of Due to customers and Securities issued in just one caption, called Direct customer deposits;
- the aggregation in just one caption of Allowances for specific purpose (Employee termination indemnities and Allowances for risks and charges);
- the presentation of Reserves as just one aggregate and net of any treasury shares.

Reclassification criteria of the statement of income

Reclassifications are listed below:

- dividends on shares classified as assets available for sale and as assets held for trading are reallocated in profits (losses) on trading; likewise, the implicit cost for the financing of the purchase of shares held for trading is transferred from interest to profits (losses) on trading;
- interest rate differentials matured and collected on currency interest rate swaps which set out the exchange of two floating rates, classified as held for trading, stipulated to hedge floating rate funding in foreign currency, are recorded in net interest income considering their close correlation;
- fair value adjustments in hedge accounting are registered in net interest income due to their close correlation;
- profits and losses on disposal or repurchase of financial assets available for sale and of financial liabilities are included in profits (losses) on trading;
- the contribution of insurance companies to net interest and other banking income is highlighted in a specific caption, Income from insurance business, instead of included line by line as in the official financial statements;
- recovery of expenses and of taxes and duties are directly deducted from administrative expenses instead of recorded in other operating income;
- profits and losses on disposal or repurchase of loans are posted in net adjustments to loans;
- net impairment losses on other financial activities, mainly related to guarantees, commitments and credit derivatives, are registered in net adjustments to loans;
- the reversal in time value on loans is recorded in net interest income instead of being allocated in net adjustments to loans, since the phenomenon derives directly from the application of the amortised cost criterion in absence of changes in forecasted expected future flows. A consistent approach is used for the time value of Employee termination indemnities and Allowances for risks and charges;
- net impairment of property, equipment and intangible assets (of negligible amount) is excluded from net adjustments to property, equipment and intangible assets – that thus solely express depreciation and amortisation – and is included in a residual caption which records net impairment losses on financial assets available for sale, investments held to maturity and other financial activities;
- Profits (Losses) on disposal of investments in associates and companies subject to joint control and Profits (Losses) on disposal of investments are recorded in Profits (Losses) on investments held to maturity and on other investments, net of the net income recorded by investments carried at equity which is posted in a specific caption in Operating income;

- merger and restructuring related charges between Banca Intesa and Sanpaolo IMI, net of the fiscal effect, are reclassified in a specific caption from "Personnel expenses", "Other administrative expenses" and "Net provision for risks and charges".

Reconciliation tables

(in millions of euro)

Captions of the reclassified balance sheet Assets	Captions of the balance sheet - Assets	Intesa Sanpaolo Group (Pro forma)
Financial assets held for trading		87,514
	Caption 20 - Financial assets held for trading	*66,829*
	Caption 30 - Financial assets designated at fair value through profit and loss	*20,685*
Financial assets available for sale		41,188
	Caption 40 - Financial assets available for sale	*41,188*
Investments held to maturity		5,696
	Caption 50 - Investments held to maturity	*5,696*
Due from banks		62,556
	Caption 60 - Due from banks	*62,556*
Loans to customers		327,410
	Caption 70 - Loans to customers	*327,410*
Investments in associates and companies subject to joint control		2,863
	Caption 100 - Investments in associates and companies subject to joint control	*2,863*
Property, equipment and intangible assets		9,243
	Caption 120 - Property and equipment	*5,572*
	+ Caption 130 - Intangible assets	*3,671*
Tax assets		5,039
	Caption 140 - Tax assets	*5,039*
Non-current assets held for sale and discontinued operations		244
	Caption 150 - Non-current assets held for sale and discontinued operations	*244*
Other assets		14,447
	Caption 10 - Cash and cash equivalents	*3,227*
	+ Caption 160 - Other assets	*9,468*
	+ Caption 80 - Hedging derivatives	*1,707*
	+ Caption 90 - Fair value change of financial assets in hedged portfolios	*-1*
	+ Caption 110 - Technical insurance reserves reassured with third parties	*46*
Merger and consolidation difference		20,584
	Merger and consolidation difference	*20,584*
Total Assets	**Total Assets**	**576,784**

Captions of the reclassified balance sheet Liabilities and Shareholders' Equity	Captions of the balance sheet - Liabilities and Shareholders' Equity	Intesa Sanpaolo Group (Pro forma)
Due to banks		76,687
	Caption 10 - Due to banks	*76,687*
Direct customer deposits		343,899
	Caption 20 - Due to customers	*212,277*
	+ Caption 30 - Securities issued	*131,622*
Financial liabilities held for trading		48,331
	Caption 40 - Financial liabilities held for trading	*22,174*
	Caption 50 - Financial liabilities designated at fair value through profit and loss	*26,157*
Tax liabilities		2,556
	Caption 80 - Tax liabilities	*2,556*
Liabilities associated with non-current assets held for sale and discontinued operations		228
	Caption 90 - Liabilities associated with non-current assets held for sale and discontinued operations	*228*
Other liabilities		19,529
	Caption 100 - Other liabilities	*16,833*
	– Caption 70 - Fair value change of financial liabilities in hedged portfolios (+/-)	*-97*
	+ Caption 60 - Hedging derivatives	*2,793*
Technical reserves		22,540
	Caption 130 - Technical reserves	*22,540*
Allowances for specific purpose		6,058
	Caption 110 - Employee termination indemnities	*1,988*
	+ Caption 120 - Allowances for risks and charges	*4,070*
Share capital		6,646
	Caption 190 - Share capital	*6,646*
Reserves		11,401
	Caption 170 - Reserves	*5,872*
	Caption 180 - Share premium reserve	*5,559*
	- Caption 200 - Treasury shares	*-30*
Merger reserves		28,945
	Merger reserves	*28,945*
Valuation reserves		1,208
	Caption 140 - Valuation reserves	*1,208*
Minority interests		985
	Caption 210 - Minority interests	*985*
Effect of disposal transaction		3,715
	Effect of disposal transaction	*3,715*
Net income (loss)		4,056
	Caption 220 - Net income (loss)	*4,056*
Total Liabilities and Shareholders' Equity	**Total Liabilities and Shareholders' Equity**	**576,784**

(in millions of euro)

Captions of the reclassified consolidated statement of income	Captions of the consolidated statement of income	**Intesa Sanpaolo Group** (Pro forma)
Net interest income		9,127
	Caption 30 - Interest margin	*9,729*
	- Caption 30 (partial) - Figurative cost for the funding of shares held for trading	*79*
	+ Caption 80 (partial) - Interest rate differentials on currency interest rate swap	*88*
	+ Caption 90 (partial) - Fair value adjustments in hedge accounting	*10*
	- Reclassification of contribution of insurance business	*-849*
	+ Caption 130 a) (partial) - Net losses/recoveries on impairment of loans (Time value loans)	*206*
	+ Caption 180 a) (partial) - Personnel expenses (Time value employee termination indemnities)	*-90*
	+ Caption 190 (partial) - Net provisions for risks and charges (Time value allowances for risks and charges)	*-46*
Dividends and Profits (Losses) on investments carried at equity		272
	Caption 70 - Dividend and similar income	*785*
	– Caption 70 (partial) - Dividend and similar income on shares available for sale and held for trading	*-773*
	+ Caption 240 (partial) - Profits (Losses) on investments in associates and companies subject to joint control	*260*
Net fee and commission income		6,574
	+ Caption 60 - Net fee and commission income	*6,321*
	+ Caption 100 a) (partial) - Profits (Losses) on disposal or repurchase of loans - portion of penalties	*70*
	- Reclassification of contribution of insurance business	*183*
Profits (Losses) on trading		1,860
	Caption 80 - Profits (Losses) on trading	*1,234*
	+ Caption 90 (partial) - Fair value adjustments in hedge accounting	*-8*
	+ Caption 100 b) - Profits (Losses) on disposal or repurchase of financial assets available for sale	*537*
	+ Caption 100 d) - Profits (Losses) on disposal or repurchase of financial liabilities	*25*
	+ Caption 110 - Profits (Losses) on financial assets and liabilities designed at fair value	*-127*
	+ Caption 70 (partial) - Dividend and similar income on shares available for sale and held for trading	*773*
	- Reclassification of contribution of insurance business	*-407*
	- Caption 80 (partial) - Interest rate differentials on currency interest rate swap	*-88*
	+ Caption 30 (partial) - Figurative cost for the funding of shares held for trading	*-79*
Income from insurance business		469
	Caption 150. - Net insurance premiums	*2,865*
	+ Caption 160. Other net insurance income (expense)	*-3,469*
	+ Reclassification of contribution of insurance business	*1,073*
Other operating income (expenses)		103
	Caption 220 - Other operating expenses (income)	*390*
	- Caption 220 (partial) - Other operating expenses (income) (Recovery of expenses and taxes and duties)	*-289*
	Other changes	*2*
Operating income		**18,405**
Personnel expenses		-5,630
	Caption 180 a) - Personnel expenses	*-6,510*
	- Caption 180 a) (partial) - Personnel expenses (Time value employee termination indemnities)	*106*
	– Caption180 a) (partial) - Personnel expenses (merger and restructuring related charges)	*775*
	Other changes	*-1*
Other administrative expenses		-3,156
	Caption 180 b) - Other administrative expenses	*-3,513*
	– Caption180 b) (partial) - Other administrative expenses (merger and restructuring related charges)	*68*
	+ Caption 220 (partial) - Other operating expenses (income) (Recovery of expenses and taxes and duties)	*289*
Adjustments to property, equipment and intangible assets		-887
	Caption 200 - Net adjustments to/recoveries on property and equipment	*-463*
	+ Caption 210 - Net adjustments to/recoveries on intangible assets	*-415*
	– Caption 200 (partial) - Net adjustments to/recoveries on property and equipment (permanent impairment)	*-9*
Operating costs		**-9,673**
Operating margin		**8,732**
Goodwill impairment		-
	Caption 260 - Goodwill impairment	*-*
Net provisions for risks and charges		-334
	Caption 190 - Net provisions for risks and charges	*-364*
	– Caption 190 (partial) - Net provisions for risks and charges (merger and restructuring related charges)	*1*
	– Caption 190 (partial) - Net provisions for risks and charges (Time value allowances for risks and charges)	*29*
Net adjustments to loans		-1,267
	Caption 100 a) (partial) - Profits (Losses) on disposal or repurchase of loans	*-38*
	+ Caption 130 a) - Net losses/recoveries on impairment of loans	*-1,034*
	– Caption 130 a) (partial) - Net losses/recoveries on impairment of loans (Time value loans)	*-206*
	+ Caption 130 d) (partial) - Net losses/recoveries on impairment of other financial activities	*12*
	Other changes	*-1*
Net impairment losses on other assets		-11
	Caption 130 b) (partial) - Net losses/recoveries on impairment of financial assets available for sale	*-24*
	+ Caption 130 c) - Net losses/recoveries on impairment of investments held to maturity	*4*
	+ Caption 200 (partial) - Net adjustments to/recoveries on property and equipment (permanent impairment)	*9*
Profits (Losses) on investments held to maturity and on other investments		164
	Caption 100 c) - Profits (Losses) on disposal or repurchase of investments held to maturity	*-*
	+ Caption 240 (partial) - Profits (Losses) on investments in associates and companies subject to joint control	*84*
	+ Caption 250 - Valuation differences on property, equipment and intangible assets measured at fair value	*-*
	+ Caption 270 - Profits (Losses) on disposal of investments	*80*
Income (Loss) before tax from continuing operations		**7,284**
Taxes on income from continuing operations		-2,219
	Caption 290 - Taxes on income from continuing operations	*-1,938*
	- Caption 290 (partial) - Taxes on income from continuing operations related to merger and restructuring related charges	*-282*
	Other changes	*1*
Merger and restructuring related charges (net of taxes)		-562
	+ Caption180 a) (partial) - Personnel expenses (merger and restructuring related charges)	*-775*
	+ Caption180 b) (partial) - Other administrative expenses (merger and restructuring related charges)	*-68*
	+ Caption 190 (partial) - Net provisions for risks and charges (merger and restructuring related charges)	*-1*
	+ Caption 290 (partial) - Taxes on income from continuing operations related to merger and restructuring related charges	*282*
Effect of purchase cost allocation (net of taxes)		-400
	Effect of purchase cost allocation (net of tax)	*-400*
Income (Loss) after tax from discontinued operations		103
	Caption 310 - Income (Loss) after tax from discontinued operations	*103*
Minority interests		-150
	Caption 330 - Minority interests	*-150*
Net income	**Caption 340 - Parent Company's net income (loss)**	**4,056**

Declaration of the Manager in charge of preparing the Company's financial reports
I hereby declare, pursuant to art. 154 bis, par. 2 of Legislative Decree 58/98, that the pro forma figures as at 31st December 2006 have been prepared based on the Annual reports 2006 of the Intesa and Sanpaolo IMI Groups which correspond to the records, books and accounts of the Companies.

The Manager in charge of preparing
the Company's financial reports
B. Picca

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