INTESA SANPAOLO

2007 Results

20 March 2008

Foreword (1/2)

- For comparison purposes, 2006 and 2007 data have been restated to take into account the changes in the consolidation area – consolidation[1] line by line of Banca Italo Albanese (BIA), Bank of Alexandria (BoA), Cassa dei Risparmi di Forlì e della Romagna, Panonska Banka and American Bank of Albania (ABA) from 1 January 2006 - and the recording of the economic effects connected with discontinued operations in its specific caption

- 2006 data restated to be consistent with 31.12.07 data differ from 2006 pro-forma figures released on 23 March 2007 in so far as they
  - do not take into account in the income statement the repurchase of the asset management activities formerly referred to as Nextra
  - take into account the figures attributed to Cariparma, FriulAdria and 202 branches sold to Crédit Agricole recorded in the Income (Loss) from discontinued operations while do not take into account the net benefits deriving from the cash flows
  - take into account the results of Biverbanca and the disposal of 198 branches related to the Antitrust decision in the caption Income (Loss) from discontinued operations and not line by line
  - do not take into account the effects of amortisation of merger cost
  - consolidate line by line Banca Italo Albanese (BIA), Bank of Alexandria (BoA), Cassa dei Risparmi di Forlì e della Romagna, Panonska Banka and American Bank of Albania (ABA) from 1 January

- The 2007 Financial Statements do not take into account the acquisition of control of CR Firenze completed on 29 January 2008

(1) *Main restatements*

Foreword (2/2)

- **FY07 consolidation area differs from that presented in the 2007-2009 Business Plan in so as far it**
  - **does not include the disposal of a business line for the production and management of insurance policies in the implementation of Antitrust commitments**
  - **includes Net Income relating to branches sold to Crédit Agricole up to the respective sale date (three months for 29 branches and six months for 173 branches) and the two months' Net income of Cariparma and FriulAdria recorded in the caption Income (Loss) from discontinued operations and does not take into account - for the above mentioned periods - the net benefits deriving from the cash flows**
  - **includes the Net Income of Biverbanca up to the date of disposal (20 December 2007) and of 198 branches related to Antitrust decision, the disposal of which was completed during the 1Q08, in the caption Income (Loss) from discontinued operations**
  - **does not take into account in the income statement the asset management activities formerly referred to as Nextra which were repurchased in 27 December 2007**
  - **does not take into account the assumption of the listing of 30% of Eurizon Financial Group**

- **With reference to the divisional figures, FY07 differs from the 2007-2009 Business Plan because**
  - **Intesa Casse del Centro, Banca di Trento e Bolzano and Cassa dei Risparmi di Forlì e della Romagna are entirely included in the Banca dei Territori Division**
  - **EurizonVita and EurizonTutela are included in the Banca dei Territori Division**
  - **Eurizon Capital and Banca Fideuram are distinct Business Unit**

Strategic Outlook
Well positioned to achieve the 2007-2009 Business Plan target

2007	■ Recurring[(1)] operating performance better than 2007-2009 Business Plan targets ■ Strict policy of asset valuation in a difficult current and future market environment ■ Commitments made in the Plan on dividends to be distributed in 2008 met (>€2.8bn "ordinary" and €2.0bn "extraordinary")
2008	■ In 2007 measures were put in place to minimise the impact deriving from the difficult market environment ■ Integration will be completed ahead of schedule ■ Development of drivers of growth are being accelerated ■ €3.7bn "ordinary" dividends target confirmed
2009	■ €7bn Net Income[(2)] target confirmed ■ ~€4.5bn "ordinary" dividends target confirmed ■ Distribution to shareholders of excess capital if Core Tier 1 ratio exceeds 6% at the end of 2009 after growth options, if any

(1) Excluding Profits on trading and recoveries on the allowance for Employee Termination Indemnities (TFR)
(2) 2007-2009 Business Plan consolidation area being equal

Agenda

1 2007 Positive results in a difficult market environment

2 Completing integration ahead of schedule

3 Accelerating the drivers of growth

2007 positive results in a difficult market environment (1/2)

Recurring operating performance better than 2007-2009 BP target

- **Higher growth in recurring[1] Operating Margin compared to the 2007-2009 Business Plan target: +15.2%[1] vs FY06 (+14.2% Business Plan CAGR 2006-2009)**

- **Recurring[2] revenue growth in line with the 2007-2009 Business Plan target: +5.5% vs FY06 (+7% Business Plan CAGR 2006-2009)**

- **Sustained increase in the customer base: ~200,000 new clients on a net basis in Italy in 2007**

- **Reduction in Operating costs stronger than the 2007-2009 Business Plan target: -3.7% vs FY06; -1.1% excluding recoveries on the allowance for Employee Termination Indemnities - TFR (-0.4% Business Plan CAGR 2006-2009)**

(1) Excluding Profits on trading and recoveries on the allowance for Employee Termination Indemnities (TFR)
(2) Excluding Profits on trading

2007 Positive results in a difficult market environment (2/2)
High quality of the Group's Balance Sheet strengthened

- **Cost of credit in line with the 2007-2009 Business Plan: 41bp (38bp excluding the redefinition of certain mortgage contracts to customers' advantage) vs 40bp of Business Plan**

- **Sound asset quality further improved**
  - **Net non performing loans[1]/Loans down to 2.3% (vs 2.4% as at 31.12.06)**
  - **Net non performing loans down 0.5% vs 31.12.06**
  - **Generic reserve vs performing loans of more than €2.2bn**
  - **Conservative provisions for risks and charges and settlement of litigation with Parmalat and Finmek**

- **Excellent liquidity profile strengthened: Direct customer deposits>Loans to customers**

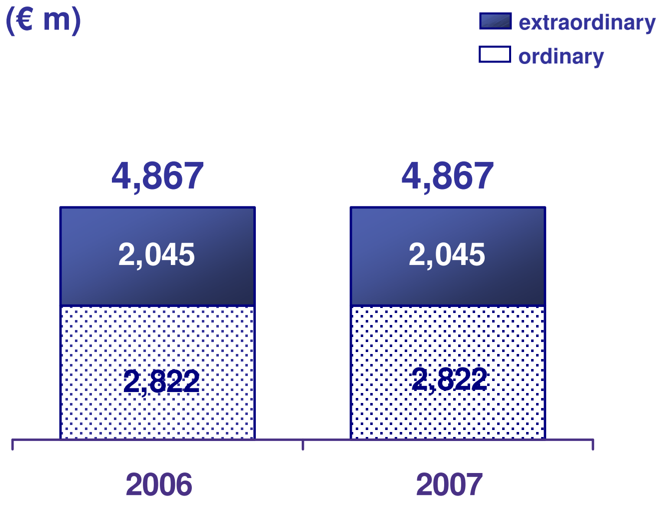
(1) Doubtful Loans (Sofferenze) + Substandard (Incagli) + Past due

High dividend yield confirmed

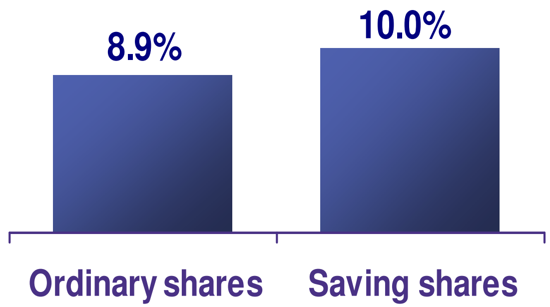
2007-2009 Business Plan commitments met despite the difficult market environment

- **38.0 euro cents on ordinary shares(1)**
- **39.1 euro cents on saving shares(2)**

Dividends



Yield(3)



(1) Number of ordinary shares: 11,849,332,367
(2) Number of saving shares: 932,490,561
(3) Based on 19 March 2008 market price

Dividend targets for 2007-2009 Business Plan confirmed
“Ordinary” dividends in the 2008-2010 period exceeding €11bn

Dividends for the three-year period 2008-2010	
“Ordinary” dividends to be paid in 2008	>€2.8bn
“Extraordinary” dividends to be paid in 2008	€2.0bn
“Ordinary” dividends to be paid in 2009	~€3.7bn
“Extraordinary” dividends to be paid in 2009	?
“Ordinary” dividends to be paid in 2010	~€4.5bn
“Extraordinary” dividends to be paid in 2010	?
Total “ordinary” dividends 2008-2010 and “extraordinary” dividends to be paid in 2008	**~€13bn**

+

“Extraordinary” dividends to be distributed in 2010 if at the end of 2009 the Core Tier 1 ratio exceeds 6.0% (vs previous 6.5%) after growth options, if any

FY06 and FY07 Net Income comparison

FY06 Net Income[(1)]		
(€ m)		
FY06 Net Income		**4,707**
- Profits on trading		1,339
of which		
Capital gain on the sale of stakes in IXIS	228	
Contribution from Fiat and Parmalat positions	73	
+ Integration charges		562
- Income from discontinued operations		674
- Lower taxes due to Eurizon transaction		125
Total		**3,131**

FY07 Net Income[(1)]		
(€ m)		
FY07 Net Income		**7,250**
- Profits on trading		871
of which		
Capital gain on Borsa Italiana	160	
+ Integration charges		607
- Income from discontinued operations		3,790
of which		
Capital gain on Crédit Agricole agreement/Biverbanca disposal	3,557	
+ Commercial policy in favour of customers made possible by the merger[(2)]		110
- Recoveries on the allowance for Employee Termination Indemnities (TFR)		171
+ Parmalat and Finmek charges		111
+ Higher taxes due to tax rates changes in 2008 Budget Law (deferred tax)		285
+ Higher taxes due to dividends taxation changes in 2008 Budget Law		90
+ Amortisation of merger cost[(3)]		10
Total		**3,631**

- **In 4Q07, conservative provisions relating to the Crédit Agricole agreement and impairment of former Nextra activity for overall ~€280m**

(1) Post-tax data
(2) Estimating the effect of the alignment of the pricing on the best conditions applied by Banca Intesa and Sanpaolo IMI, cancellation of ATM/cash dispenser commissions for transactions by clients of one of the two former banks through the network of the other, larger distribution of accounts featuring lower management fees than traditional accounts and lower placement of products with high up-front fees
(3) In 2007, the amortisation of merger cost benefited from the impact on deferred tax of changes in tax rates introduced by the 2008 Budget Law (see slide in Appendix)

4Q06 and 4Q07 Net Income comparison

4Q06 Net Income[1]

(€ m)

	4Q06 Net Income		896
-	Profits on trading		503
	of which		
	Capital gain on the sale of stakes in IXIS	228	
	Contribution from Fiat and Parmalat positions	2	
+	Integration charges		562
-	Income from discontinued operations		142
-	Lower taxes due to Eurizon transaction		125
	Total		**688**

4Q07 Net Income[1]

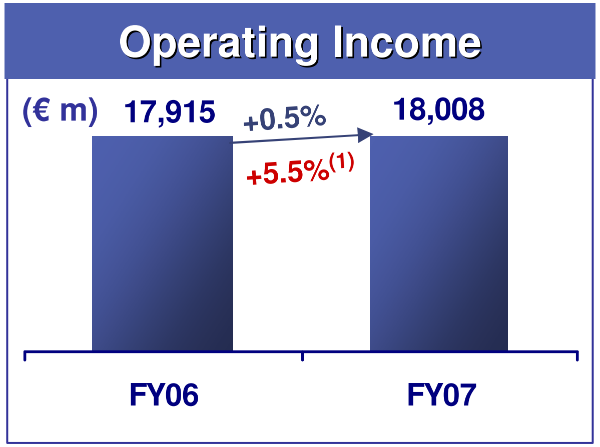
(€ m)

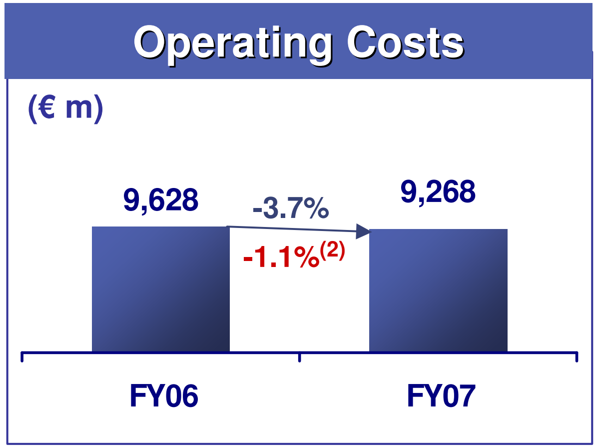
	4Q07 Net Income	395
-	Profits on trading	9
+	Integration charges	126
+	Income from discontinued operations	1
+	Commercial policy in favour of customers made possible by the merger[2]	45
+	Parmalat charges	68
+	Higher taxes due to tax rates changes in 2008 Budget Law (deferred tax)[3]	285
+	Higher taxes due to dividends taxation changes in 2008 Budget Law[3]	90
-	Amortisation merger cost[4]	290
	Total	**711**

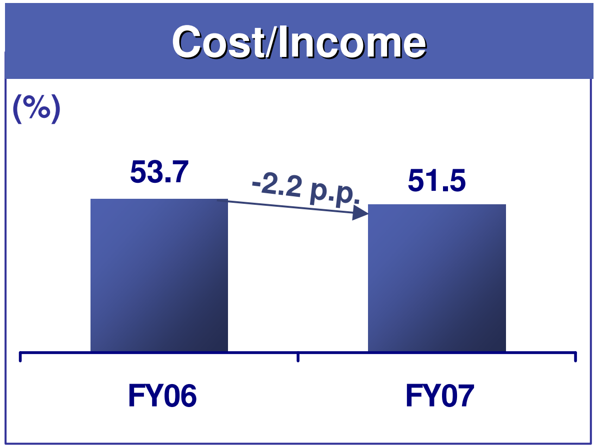
- **In 4Q07, conservative provisions relating to the Crédit Agricole agreement and impairment of former Nextra activity for overall ~€280m**

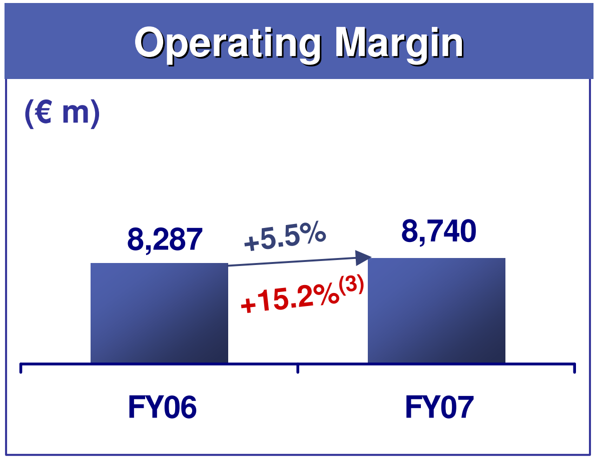
(1) Post-tax data
(2) Estimating the effect of the alignment of the pricing on the best conditions applied by Banca Intesa and Sanpaolo IMI, cancellation of ATM/cash dispenser commissions for transactions by clients of one of the two former banks through the network of the other, larger distribution of accounts featuring lower management fees than traditional accounts and lower placement of products with high up-front fees
(3) See slide in Appendix
(4) In 4Q07, the amortisation of merger cost has been positive for €290m due to the impact of changes in deferred tax rates introduced by the 2008 Budget Law (see slide in Appendix)

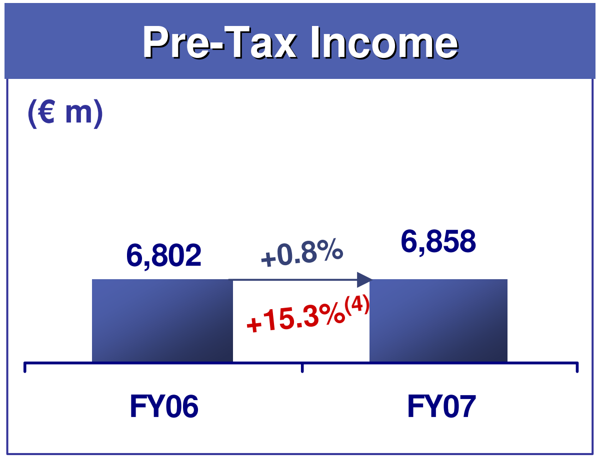
2007 results at a glance
Sound growth in Operating Margin

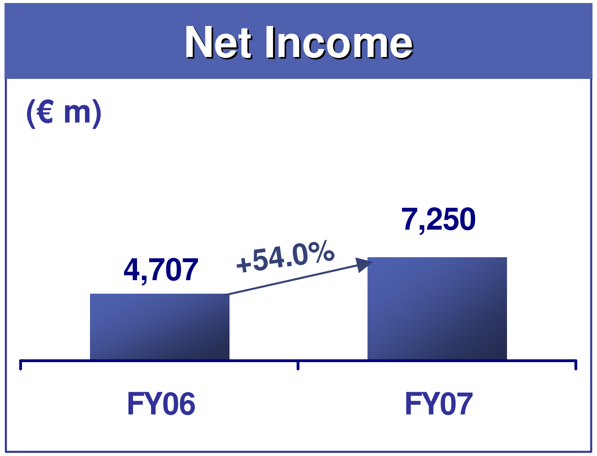












(1) Excluding Profits on trading
(2) Excluding non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR)
(3) Excluding Profits on trading and non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR)
(4) Excluding Profits on trading, non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR) and charges relating to Parmalat and Finmek

Excellent liquidity profile

Direct Customer Deposits higher than Loans to Customers

Loans to Customers €335.3bn

Direct Customer Deposits €373.8bn[(1)]

- **Loans to Customers/Direct Customer Deposits ratio at 0.9**

(1) Including ~€23bn financial liabilities related to insurance sector

FY07 P&L Analysis

Strong cost reduction and conservative policy in risk management

(€ m)	FY06 Restated	FY07	Δ%
Net interest income	8,907	9,886	11.0
Dividends and P/L on investments carried at equity	278	334	20.1
Net fee and commission income	6,379	6,195	(2.9)
Profits (Losses) on trading	1,799	1,008	(44.0)
Income from insurance business	452	441	(2.4)
Other operating income (expenses)	100	144	44.0
Operating income	**17,915**	**18,008**	**0.5**
Personnel expenses	(5,633)	(5,375)	(4.6)
Other administrative expenses	(3,096)	(3,060)	(1.2)
Adjustments to property, equipment and intangible assets	(899)	(833)	(7.3)
Operating costs	**(9,628)**	**(9,268)**	**(3.7)**
Operating margin	**8,287**	**8,740**	**5.5**
Net provisions for risks and charges	(336)	(524)	56.0
Net adjustments to loans	(1,306)	(1,372)	5.1
Net impairment losses on other assets	(11)	(67)	509.1
Profits (Losses) on HTM and on other investments	168	81	(51.8)
Income before tax from continuing operations	**6,802**	**6,858**	**0.8**
Taxes on income from continuing operations	(2,033)	(2,672)[1]	31.4
Merger and restructuring related charges (net of tax)	(562)	(607)	8.0
Effect of purchase cost allocation (net of tax)	0	(10)	n.m.
Income (Loss) after tax from discontinued operations	674	3,790	462.3
Minority interests	(174)	(109)	(37.4)
Net income	**4,707**	**7,250**	**54.0**

+5.5%
excluding Profits on trading

+15.2%
excluding Profits on trading and recoveries on the allowance for Employee Termination Indemnities (TFR)

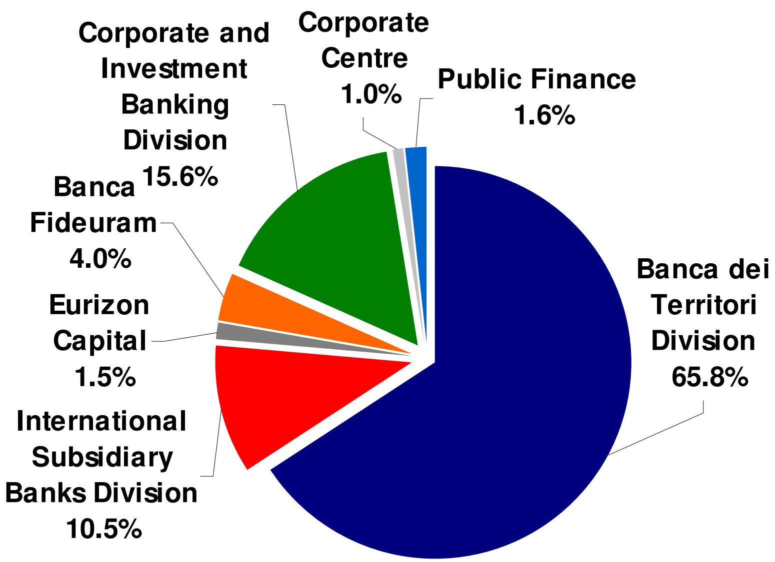
+15.3%
excluding Profits on trading, recoveries on the allowance for Employee Termination Indemnities (TFR) and charges relating to Parmalat and Finmek

Figures may not add up exactly due to rounding differences
Note: 2006 figures restated to reflect 2007 consolidation area
(1) Including non-recurring ~€285m deferred tax for the 2008 Budget Law tax rate reduction with positive effect from 2008 and ~€90m from different dividends taxation vs 2006 introduced by the 2008 Budget Law

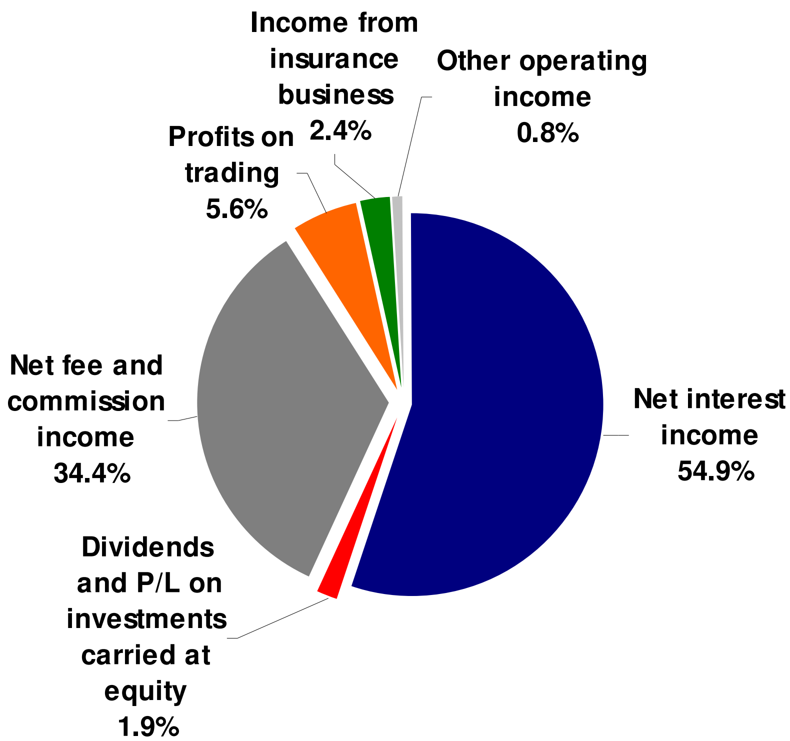
82% of revenues from retail activity[1]

Operating Margin

Breakdown by business area



Breakdown by revenue

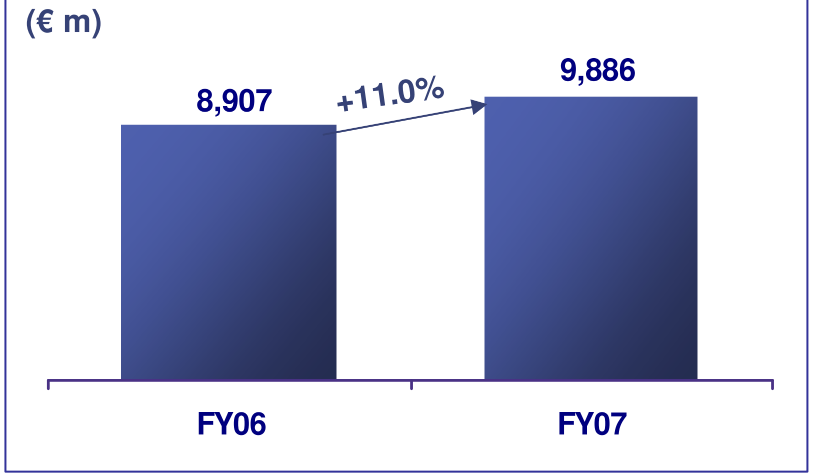


(1) Retail = Banca dei Territori Division, International Subsidiary Banks Division, Eurizon Capital and Banca Fideuram

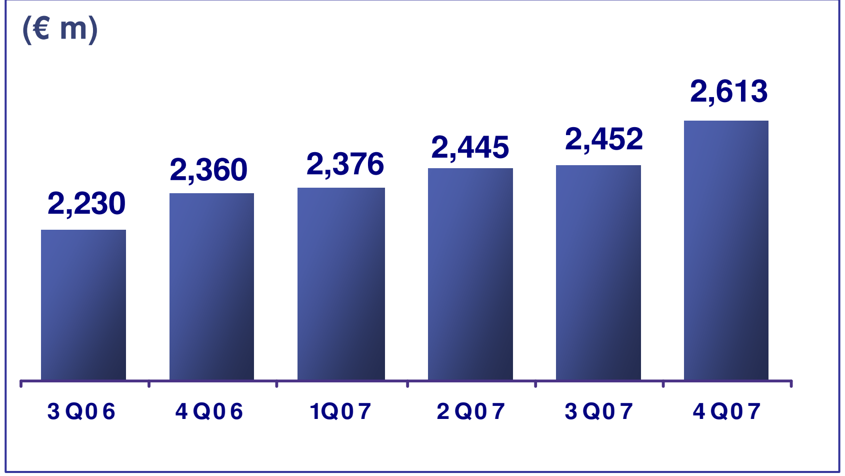
Net Interest Income

Excellent yearly growth and rapid acceleration of positive trend

Yearly Analysis



Quarterly Analysis



- Sustained increase mainly driven by improvement in mark-down and sustained average volume growth in loans to customers (+10%)

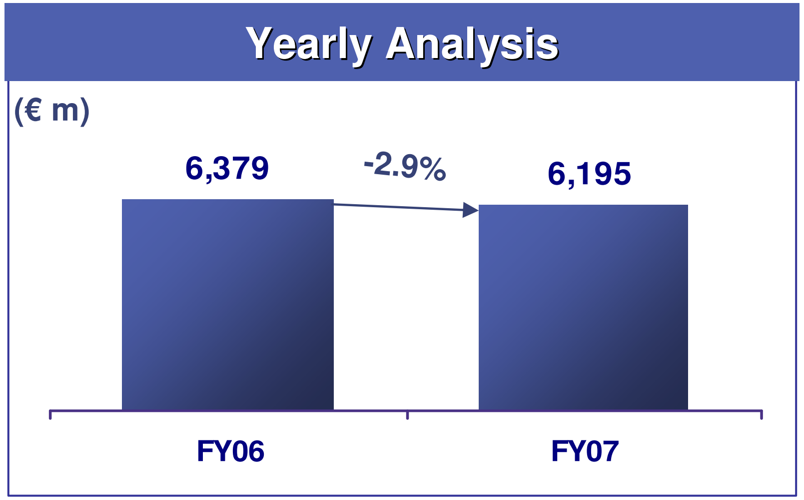
- 4Q07, the best quarter ever recorded
- +17.3% 4Q07 vs 2006 quarterly average
- +6.6% 4Q07 vs 3Q07, mainly thanks to the growth in average customer volumes (Loans to customers: +3.8%) and the improvement in mark-down

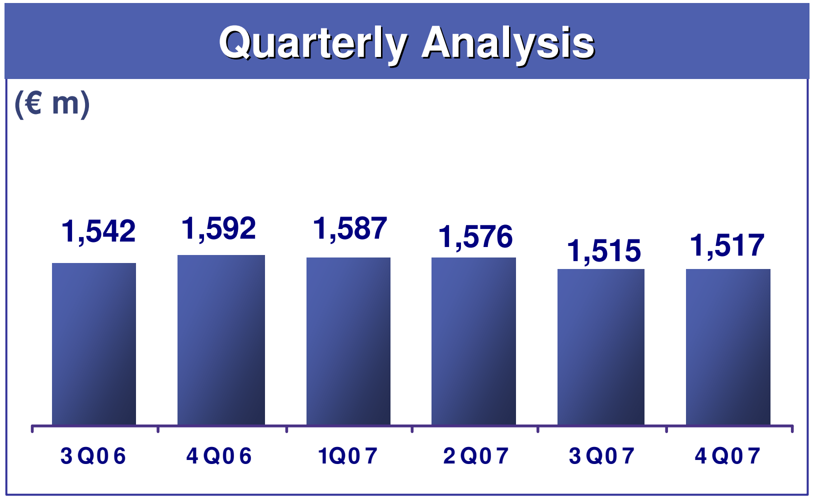
Loans - Average volumes

	Δ%	Δ € bn
Retail Italy	+7.8	+7.9
SMEs	+6.9	+4.9
Corporate	+11.5	+6.4
Public Finance	+18.7	+4.6
International Subsidiary Banks Division	+23.3	+3.8

Net Fee and Commission Income

Commercial policy focused on sustainable growth





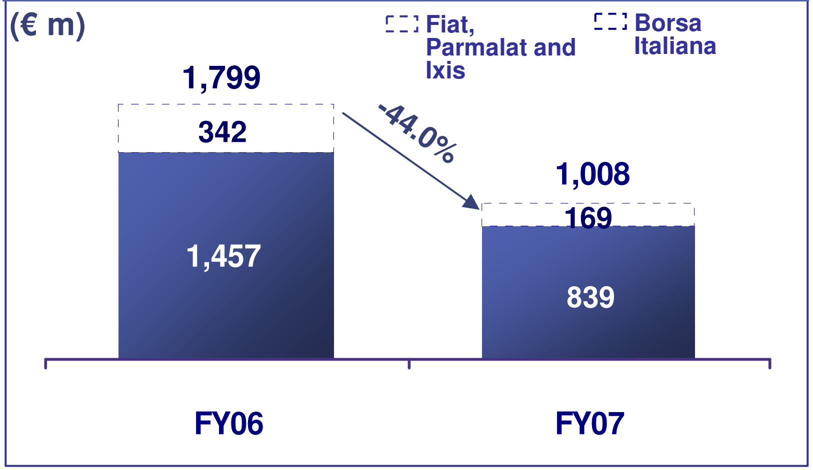
- Decline mainly due to
  - reduction in commissions from Current accounts (-€93m) mainly due to the planned alignment of lower-cost products (e.g. Zerotondo)
  - decrease in commissions from Dealing and placement of securities and Portfolio management (-10%; -€250m) also due to negative market trend and lower placement of products with high up-front fees
- Sustained growth in commissions from Guarantees given (+15%; +€30m), from Insurance products (+5%; +€36m) and from Collection and payment services and Credit and debit cards (+4%; +€32m)

- 4Q07 in line vs 3Q07 notwithstanding a further reduction in placement of products with high up-front fees
- Recovery in commissions from commercial banking confirmed (Current accounts, Guarantees given, Collection and payment services and Credit and debit cards): +5% 4Q07 vs 3Q07 (+€25m)
- Positive performance in commissions from Insurance products: +9.5% 4Q07 vs 3Q07 (+€18m)

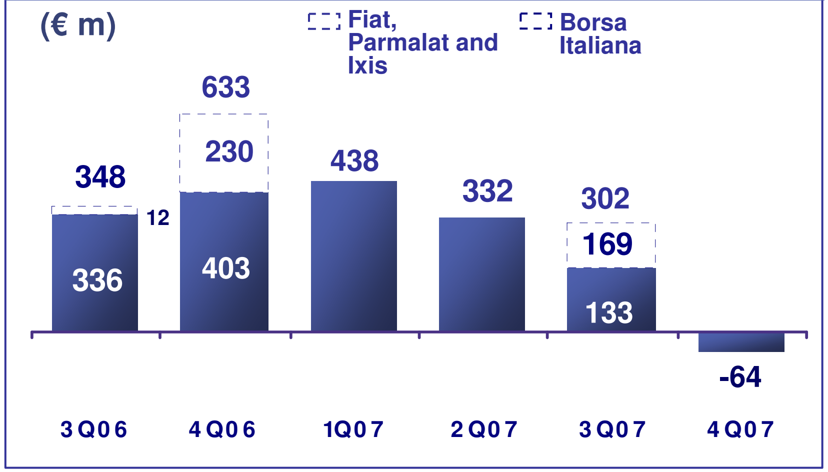
Profits on Trading

Over €1bn profits despite a very complex operating environment

Yearly Analysis



Quarterly Analysis



- Reduction due to the impact of financial market crisis, lower non-recurring components and decrease of trading activities in 2H07 (-€29bn 31.12.07 vs 30.06.07)
- In 2007 €163m (of which €96m from valuation) negative impact due to ABS and CDOs with US subprime exposure, €148m (of which €138m from valuation) due to "contagion effect" on structured credit products and monoline and €183m (of which €171m from valuation) due to other structured credit products, largely compensated for by positive results (+€1,502m) on customer activity, merchant banking and other trading activities
- FY07 average VAR at €27m vs €35m in FY06, despite a tripled volatility

- 4Q07 affected by the conservative valuation policy of structured credit products due to the financial market crisis and the further reduction in trading activities (-€10bn 31.12.07 vs 30.09.07) to improve the Group's financial structure
- In 4Q07 negative impact - mostly from valuation - equal to €113m for ABS and CDOs with US subprime exposure, €146m for "contagion effect" on structured credit products and monoline and €122m for other structured credit products

Structured credit products (1/3)

- With reference to the forthcoming entry into force of the disclosure set forth by "Pillar 3" – under the Basle 2 regulation – and in accordance with the Bank of Italy's guidelines, the following slides provide details relating to structured credit products, mainly in connection with the recent turmoil in financial markets(1)
- The exposure of the Intesa Sanpaolo Group to the subprime risk is only indirect, through structured credit products and relates to
  - underlying US subprime
  - "contagion" on underlying RMBS non US subprime(2)
  - hedging positions purchased from Monoline
- The Group's portfolio contains other structured credit products which did not suffer, or suffered limitedly, from the US events
- The aforementioned assets will be described in the following pages. Further details are in Appendix

(1) All structured credit products affected by the financial crisis are classified under the trading portfolio; the related economic effects exclusively impacted on "Profits (Losses) on trading – caption 80" and as such were also recorded in the Profits (Losses) on trading in the reclassified income statement (overall equal to €1,008m compared to the €1,799m of the year before). Exclusions regard a portion of the Romulus vehicle portfolio (entity subject to full consolidation), classified in securities available for sale (see note 3 at page on subprime in Appendix), a credit line granted to a bank involved in the origination of subprime and Alt-A mortgages (see note 2 below) as well as securities held by Banca Intesa Infrastrutture e Sviluppo and Banca OPI, classified almost fully under Loans & Receivables, not implying any particular risks. In addition a realised loss of €8m on a component of the aforementioned position ascribable to the Romulus vehicle was recorded in Profits (Losses) on trading – caption 80, reclassified according to the valuations made for the other structured credit products

(2) The "contagion" area also includes a credit line of €68m granted to a bank involved in the origination of subprime and Alt–A mortgages on which no specific provisioning has been made or is programmed, also considering the planned acquisition by an other entity

Structured credit products (2/3)
Independent and market oriented pricing process

- **Intesa Sanpaolo uses a pricing process directly managed by its Risk Management Department, independent from front office and oriented to survey prices that correspond to the real market value. Valuation prices and input model parameters are gathered from leading market sources (data providers or external counterparties)**

- **In case of use of mark-to-model techniques, the internal valuation models are calibrated to market data and parameters and incorporate**
  - **stress test where several fundamental features, not fully observable, are stretched in order to factor in the model the impact of adverse events**
  - **credit review (qualitative) of underlying asset, to take into account prospective elements, if any, which can not be fully replicated by models. This analysis includes credit information on the structure trends received also after 31.12.07 that allows a rating review assigned by agencies**
  - **further adjustments to take into account potential liquidity constraints in the market or value expressed by major counterparties**

- **The mark-to-model process, when preparing the 2007 financial statements, was submitted to an independent formal validation process by a leading US investment advisory firm, specialised in the financial services sector**

- **The combination of these techniques determines particularly prudent valuations aligned to actual market conditions**

Structured credit products (3/3)

High quality portfolio

US subprime -€49m

Net exposure as at 31.12.07	(€m)
US subprime	-49
"Contagion" area	572
Monoline	61
Super senior Corporate Risk	2,414
European ABS/CDOs	2,224
Other	1,195

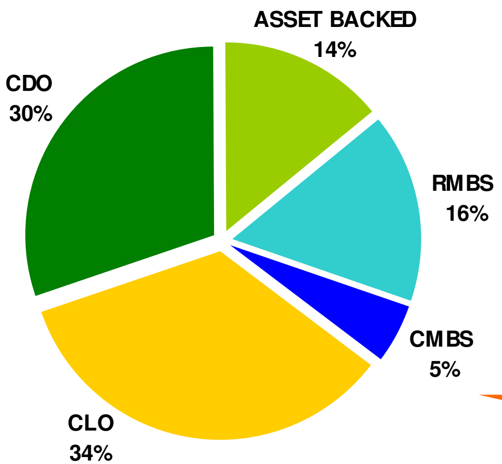
100% Investment Grade

Rating	%
Super senior	48%
AAA	33%
AA	13%
A	5%
BBB	1%

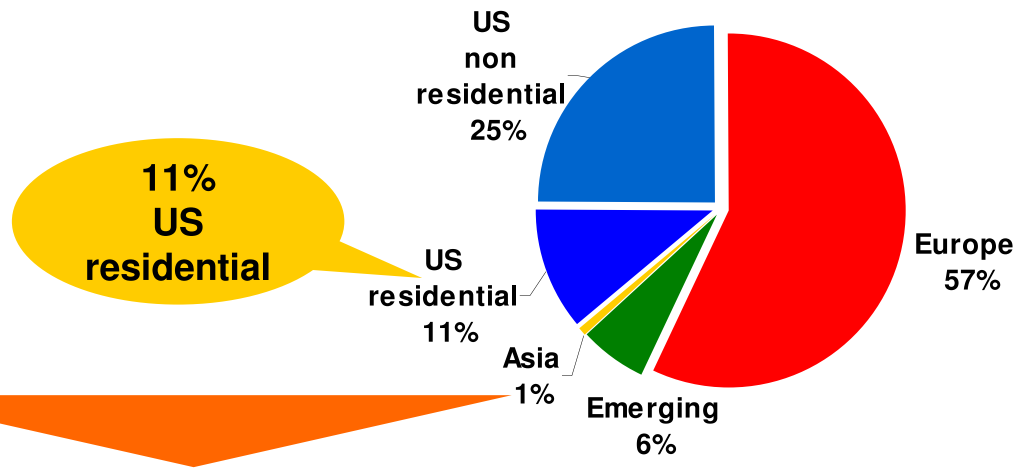
72% Vintage ≤ 2005

Vintage	%
Before 2005	42%
2005	30%
2006	19%
2007	8%

Products



Geographic area



Sensitivity of "long" positions to the widening of the spread: €1m each bp

US Subprime
Negative net exposure

There is a net "short" risk exposure of €49m as at 31.12.07, resulting from a "long" position of €73m and "short" positions of €122m

Position as at 31.12.07

(€m)	Nominal value	Write-downs and write-backs	Risk exposure
"Long" positions	269	-195	**73**
"Short" positions	220	99	**122**
Net position	49[(1)]	-96	**-49**

Note: For US subprime exposure, Intesa Sanpaolo intends all cash investments in securities (ABS and CDOs) and derivative positions (unfunded CDOs) with collateral mainly made up of US residential mortgages other than the prime sector (i.e. Home Equity Loans, residential mortgages with B&C ratings and similar products) granted in the years 2005/06/07, irrespective of the FICO score and the loan-to-value. For loans with vintage before 2005, the probability of default is differentiated on the basis of the specific characteristics of the collateral: in these cases the subprime component (characterised by high probability of loss) – which has been identified considering RMBS with FICO score under 629 and loan-to-value over 90% - was immaterial and the related positions were included in the "contagion" area or in the other structured credit products (see page on "Contagion" Area and page on "Multisector super senior CDO not included in the "contagion" area"). The risk on these investments was managed and reduced via "short" positions on ABX indices

(1) The net nominal exposure of €49m as at 31.12.07 compares with €33m reported as at 30.06.07 and €11m as at 30.09.07

"Contagion" area
Good quality of structures

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

Multisector CDOs
➢"Long" positions of €393m, against which there are investments in funds with "short" positions on the US residential market of €115m
➢2007 income statement impact(1) -€17m

➢*Collateral*: 58% US RMBS (for 59% *vintage* prior to 2005 and an average 4.5% exposure to *subprime*); 18.8% European ABS; 6.5% CMBS; 4.4% HY CBO; 1.5% Consumer ABS
➢100% AAA Rating
➢Average Attachment point 30%
➢Written down for 14% of the nominal value on the basis of the mark to model

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

Alt-A
➢Net risk exposure totalled €93m, of which €52m on securities issued by the Federal National Mortgage Association (FNMA)
➢2007 income statement impact(1) -€28m

➢100% AAA Rating
➢100% 2005 Vintage
➢Valued on the basis of effective market quotes

- **TruPS – Trust Preferred Securities of REITs (Real Estate Investment Trust)**: financial instruments similar to preferred shares issued by real estate-trustee to finance residential or commercial initiatives present almost entirely in Unfunded super senior CDOs

TruPS
➢Net risk exposure totalled €146m
➢2007 income statement impact(1) -€85m

➢Average Attachment point 47%
➢Written down for 38% of the nominal value on the basis of the mark to model

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

Prime CMOs
➢Net risk exposure totalled €55m
➢2007 income statement impact(1) -€1m

➢100% AAA Rating
➢100% 2005 Vintage
➢Valued on the basis of effective market quotes

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

Monoline

No material exposure

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

Monoline

- **Net counterparty risk exposure totalled €61m, on which protection single name CDS amounting to €13m have been purchased**
- **2007 income statement impact(4) -€25m**

- **68% vs MBIA**
- **32% vs other monoline con rating AAA o A**

(1) For the sake of completeness, please note that there is another form of exposure to monoline insurers, which does not generate particular risk situations. It stems from the investment in securities for which the monoline insurer provides a credit enhancement to the issuing vehicle, for the purpose of making the issue "eligible" for certain types of investors through the achievement of a certain rating (normally AAA). Such securities, (nominal value as at 31 December 2007: €1,273m, held by Banca Intesa Infrastrutture e Sviluppo for €1,024m and Banca OPI for €249m, merged as of 1 January 2008 in Banca Infrastrutture Innovazione e Sviluppo) were made up for 80% of ABS with underlying Italian health receivables and for the remaining portion by financings of infrastructures; they are all recorded in the banking book, approximately 90% in the Loans & Receivables (L&R) portfolio and for the remaining portion in securities available for sale. The positions were granted on the basis of the creditworthiness of the underlying borrower and, therefore, irrespective of the credit enhancement offered by the monoline insurer. It must be noted that the major borrowers are all Investment Grade and that ABS with underlying health receivables are also all assisted by delegated regional payment

(2) In the 2007 financial statements, both the security and the connected derivative have been valued with the mark-to-model methodologies, also considering any available prices, if lower; such valuation did not have any impact on Profits (Losses) on trading, with the exception of those referred to the counterparty risk component, mostly due to transactions in which the hedge was stipulated with monoline insurers, for which a credit risk adjustment has been calculated, determined on the basis of the cost of protection CDS on the default of the monoline insurer, with nominal value equal to the current and potential future exposure (so-called add-on) and expiry equal to the average residual life of the underlying assets. Even though packages do not lead to market risk connected with the nature of the underlying asset, for the sake of completeness, please note that, assets which are part of packages include, for €210m nominal value as at 31.12.07, securities with US RMBS collateral with a significant subprime content (equal to 33.5%)

(3) Intesa Sanpaolo's activities in fully hedge derivatives are made up of the simultaneous purchase and sale of protection on the same reference entity (underlying asset) with two different counterparties. Also in this case activities do not expose to the market risk generated by the underlying asset, but with the sole counterparty risk generated by the "short" position in the protection purchase, further mitigated by the fact that Intesa Sanpaolo has a right of substitution of monoline insurer, which is however prudently not considered in the valuation

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

Other structured credit products (1/3)

High quality of structures

The remaining Intesa Sanpaolo portfolio of structured credit products was not affected or was affected in only a limited way by the financial markets turmoil. It includes, in particular, non-monoline packages, funded ABS/CDOs, unfunded super senior Multisector CDOs not comprised in the "contagion" area, Super Senior Corporate Risk and other unfunded positions:

- **Non-monoline packages: assets with specific hedges stipulated with primary international banks[1]**

Packages

- **Net exposure to counterparty risk €454m**
- **2007 income statement impact[2] -€5m**

- **Hedges from banks generally with a AA rating (in one case AAA and in one case A rating) mostly object of specific collateral agreements**

- **Unfunded super senior Multisector CDOs: this component includes super senior positions with High-Grade, widely diversified collateral or characterised by high credit quality RMBS and therefore not included in the "contagion" area**

Unfunded super senior Multisector CDOs not included in the "contagion" area

- **Net risk exposure €743m**
- **2007 income statement impact[2] -€16m**

- **60.5% collateral in CMBS and corporate loans, only 23.3% average US RMBS and 3.2% average subprime**
- **100% AAA Rating**
- **89% Vintage prior to 2005**
- **18.3% average attachment point**

(1) Underlying assets were mostly made up of CLOs and ABS CDOs with a limited portions of US subprime (equal to approximately 22%)
(2) Including realised gains/losses and write-downs/write-backs

Other structured credit products (2/3)
High quality of structures

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

European ABS/CDOs

- Net risk exposure €2,224m
- 2007 income statement impact(1) -€78m

- Rating: 77% AAA
  18% AA/A
  3% BBB

- Collateral: 35% RMBS (of which ~50% Italy)
  26% CLOs mainly SMEs
  15% CDOs
  12% CMBS
  12% ABS of receivables

- **US ABS/CDOs**: portfolio includes securities with US underlying, with collateral mostly represented by Credit Card and Student Loans

US ABS/CDOs

- Net risk exposure €139m
- 2007 income statement impact(1) -€15m

- Rating: 60% AAA
  31% AA/A
  9% BBB

- **Funded ABS/CDOs ascribable to the Romulus vehicle**: securities classified in available for sale with mainly US underlying (Credit Card, Leveraged Loans, Student Loans)

US funded ABS/CDOs Romulus

- Net risk exposure €263m

- Rating: 99% AAA

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

Other structured credit products (3/3)

High quality of structures

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

Unfunded super senior Corporate Risk CDOs

- Net risk exposure €2,414m
- 2007 income statement impact[1] -€71m

- 37% average attachment point
- Collateral: 37% US (mainly CLOs)
  36% Europe (44% consumer credit Italy and 36% CLOs)
  27% Emerging Market (Bond and Project Finance)

- **Other unfunded positions**: these comprise "short" positions in unfunded CDOs (to purchase protection) with mainly European underlying

Other unfunded positions

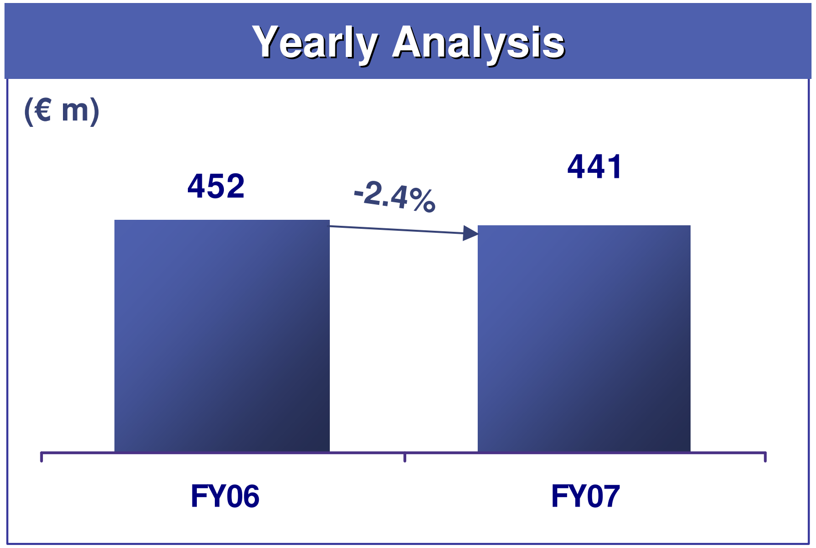
- Net risk exposure -€404m
- 2007 income statement impact[1] +€2m

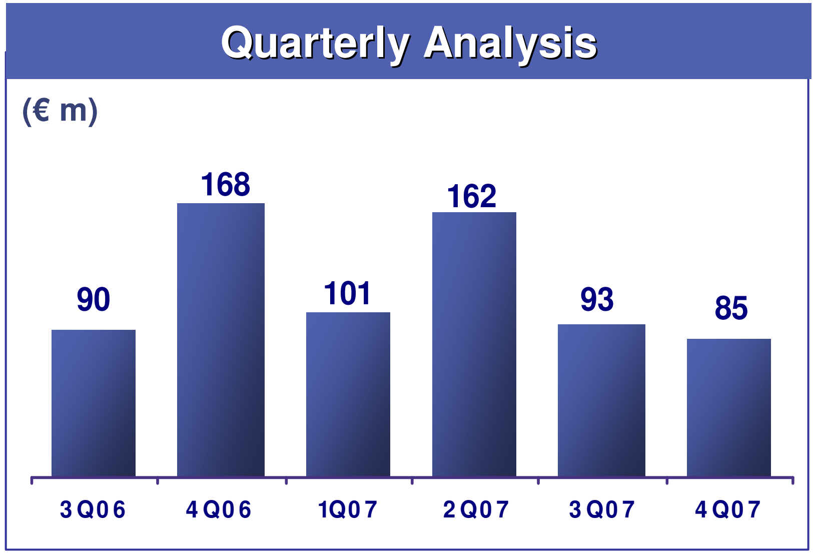
- Almost entirely on mezzanine tranches

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

Income from Insurance Business

Performance in line with 2006 despite the difficult market environment





- **FY07 results in line with FY06 (-€11m) due to the improvement of Life and property-casualty business offsetting the reduction in financial management, penalised by market turmoil**
- **4Q07 down vs 3Q07 mainly due to the financial management**

Note: Income from Insurance Business gathers revenues from Life and Casualty companies responding to EurizonVita

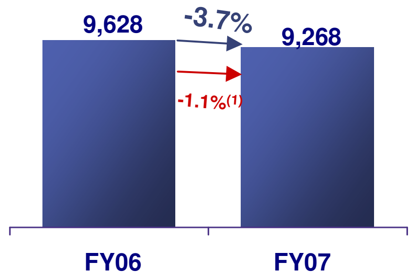
Operating Costs

Cost reduction stronger than the 2007-2009 Business Plan target

Yearly Analysis

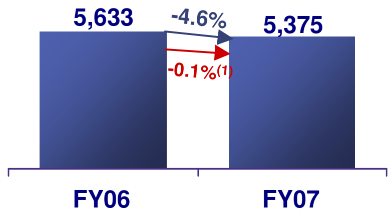
Operating Costs

(€ m)



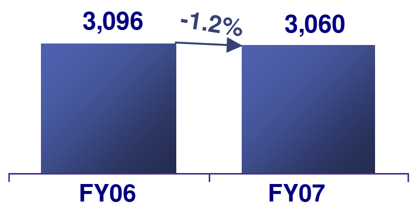
Personnel Expenses

(€ m)



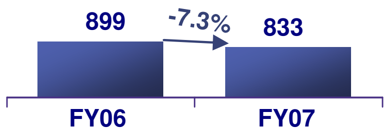
Other Administrative Expenses

(€ m)



Adjustments

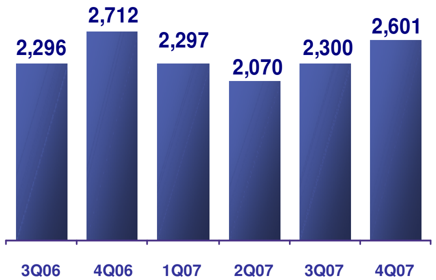
(€ m)



Quarterly Analysis

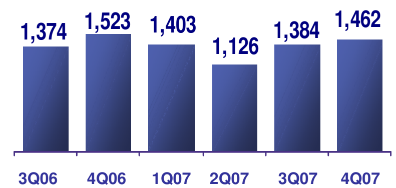
Operating Costs

(€ m)



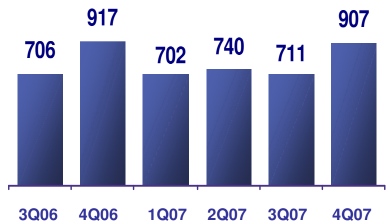
Personnel Expenses

(€ m)



Other Administrative Expenses

(€ m)



Adjustments

(€ m)

- Excellent cost control only marginally benefiting from merger synergies
- Adjusted(1) Operating Costs down notwithstanding growth-related investments, mainly abroad (International Subsidiary Banks Operating Costs: +11%; +€101m)
- Adjusted(1) Personnel Expenses slightly decreasing despite charges for the national contract
- Cost/Income ratio down to 51.5%

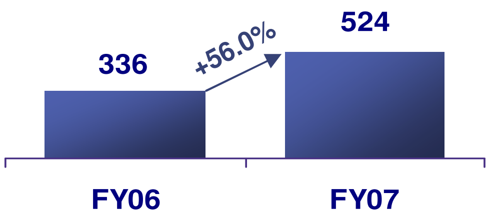
- 4Q07 Operating Costs down 4.1% vs 4Q06
- Increase in Other Administrative Expenses in 4Q07 vs 3Q07 mostly due to the seasonal trend of legal and professional expenses and higher advertising expenses

(1) In 2Q07 excluding €255m non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR)

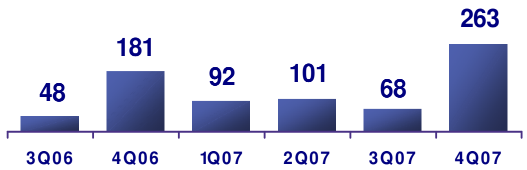
Provisions for Risks and Charges and Adjustments to Loans
Further strengthening of risk coverage

Yearly Analysis	Quarterly Analysis

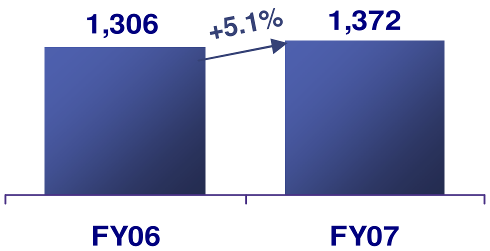
Net Provisions for risks and charges (€ m)



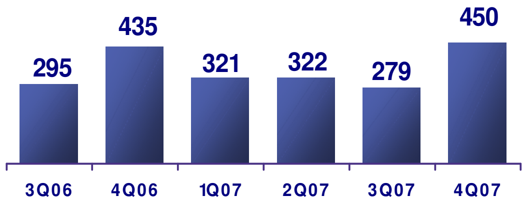
Net Provisions for risks and charges (€ m)



Net Adjustments to Loans (€ m)



Net Adjustments to Loans (€ m)



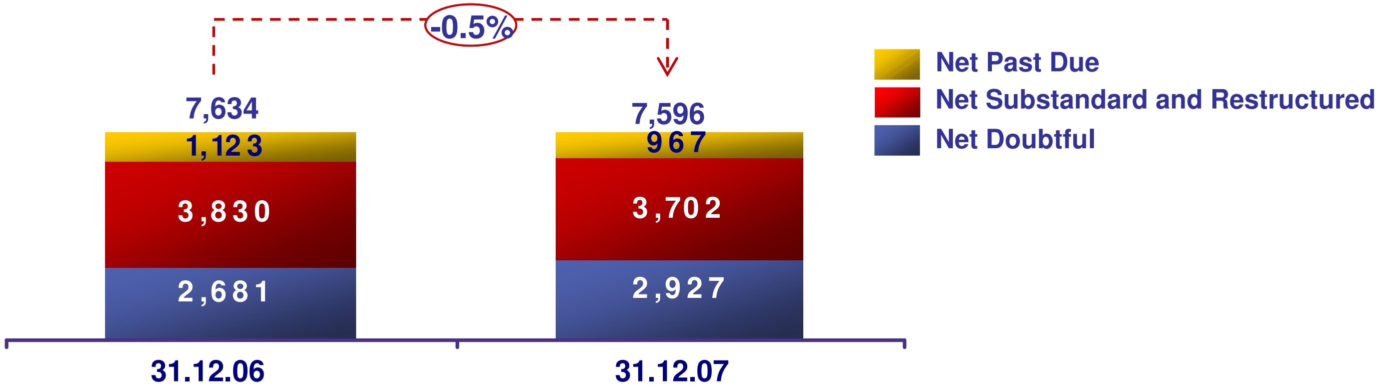
- Settlement of litigation with Parmalat and Finmek and conservative provision policy for risks and charges
- Net Adjustments to Loans down excluding 1Q07 provisions related to the redefinition of certain mortgage contracts to customers' advantage (+€92m)
- FY07 Net Adjustments to Loans/Loans at 41bp (38bp excluding the impact of the redefinition of certain mortgage contracts to customers' advantage) in line with the 2007-2009 Business Plan target

- 4Q07 Provisions for risks and charges include also Parmalat charges
- 4Q07 Net Adjustments to Loans mostly in line with 4Q06

Non Performing Loans
Net Non Performing Loans down vs 31.12.06

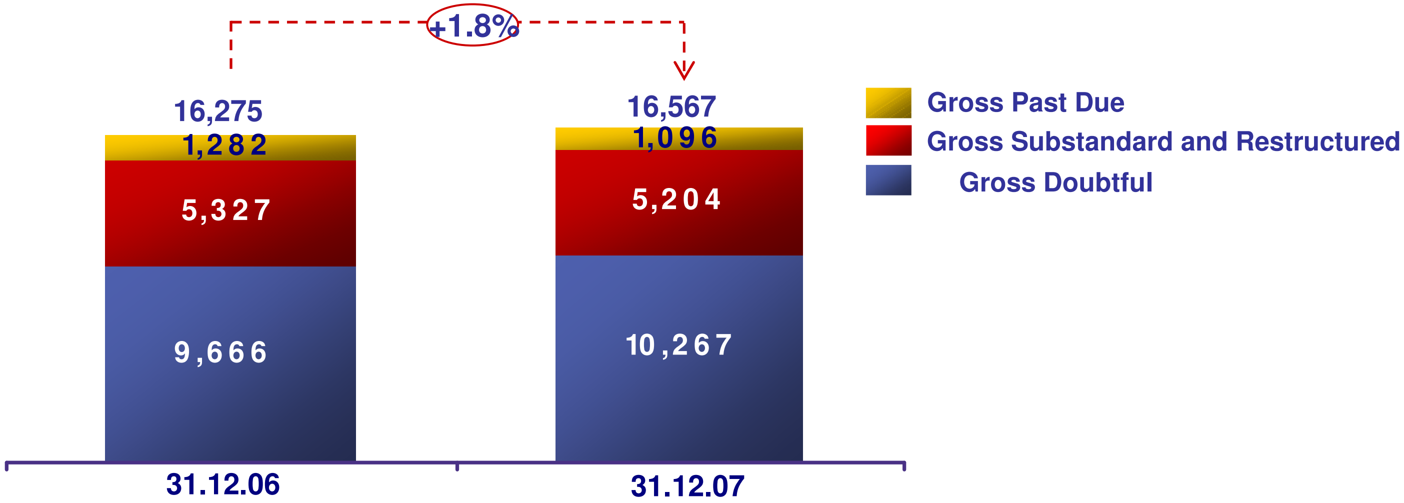
Net Doubtful Loans (Sofferenze) + Net Substandard (Incagli) + Net Past due > 180 days

(€ m)



Gross Doubtful Loans (Sofferenze) + Gross Substandard (Incagli) + Gross Past due > 180 days

(€ m)



- **Net Doubtful Loans/Loans at 0.9% and Doubtful Loans Coverage at 71.5%**
- **Over €2.2bn reserves on Performing Loans**

Capital Ratios
Adequate capital base

	31.12.07	31.12.07 pro-forma management accounts
Core Tier 1 ratio	5.9%	6.2%
Tier 1 ratio	6.5%	6.9%
Total Capital ratio	9.0%	9.4%
RWA (€ bn)	371.5	369.0

- Capital ratios as at 31.12.07 already take into account the 2008 dividend distribution and the impact of the purchase of own shares to serve the CR Firenze share swap (€2.2bn)

- **31.12.07 pro-forma management accounts take into consideration**
  - disposal of 198 branches related to Antitrust decision finalised in 1Q08
- **31.12.07 pro-forma management accounts do not take into consideration**
  - disposal of AGOS underway
  - Public Tender Offer on 30.8% of CR Firenze underway
  - acquisition of Pravex-Bank underway
  - planned listing of Fideuram
  - implementation related to Antitrust decision regarding insurance business

- ***More disposals of non strategic shareholdings/business than set out in the Business Plan***
- ***Acquisitions, if any, will be mostly financed by disposals***

Divisional Financial Highlights

82% of revenues from retail activity

(Figures as at 31.12.07)	Banca dei Territori	Corporate & Investment Banking	Public Finance	International Subsidiary Banks	Eurizon Capital	Banca Fideuram	Corporate Centre / Others	Total
Operating Income (€ m)	11,841	2,803	288	1,899	274	722	181	18,008
Operating Margin (€ m)	5,651	1,916	196	913	174	377	(487)	8,740
Cost/Income (%)	52.3	31.6	31.9	51.9	36.5	47.8	n.m.	51.5
RWA (€ bn)	175.6	118.3	18.1	28.0	0.4	4.5	26.7	371.6
Allocated Capital(1) (€ bn)	11.4	7.1	1.1	1.7	0.2	0.3	1.6	23.4
Pre-tax ROE(2) (%)	39.9	23.4	16.7	42.9	77.6	98.5	n.m.	29.3
Direct Customer Deposits (€ bn)	205.4	69.5	7.6	26.7	n.m.	9.1	55.5	373.8
Loans to Customers (€ bn)	191.3	85.7	33.9	23.2	n.m.	0.9	0.3	335.3
EVA ® (€ m)	1,970	446	29	322	106	216	1,376	4,465

Note: Retail activity = Banca dei Territori + International Subsidiaries Banks + Eurizon Capital + Banca Fideuram
Figures may not add up exactly due to rounding differences
(1) Allocated capital = 6% RWA + insurance risk, allocated capital for Eurizon Capital = 6% RWA + 0.2% AuM
(2) Income before Taxes from Continuing Operations/Allocated Capital

Agenda

1 2007 Positive results in a difficult market environment

2 Completing integration ahead of schedule

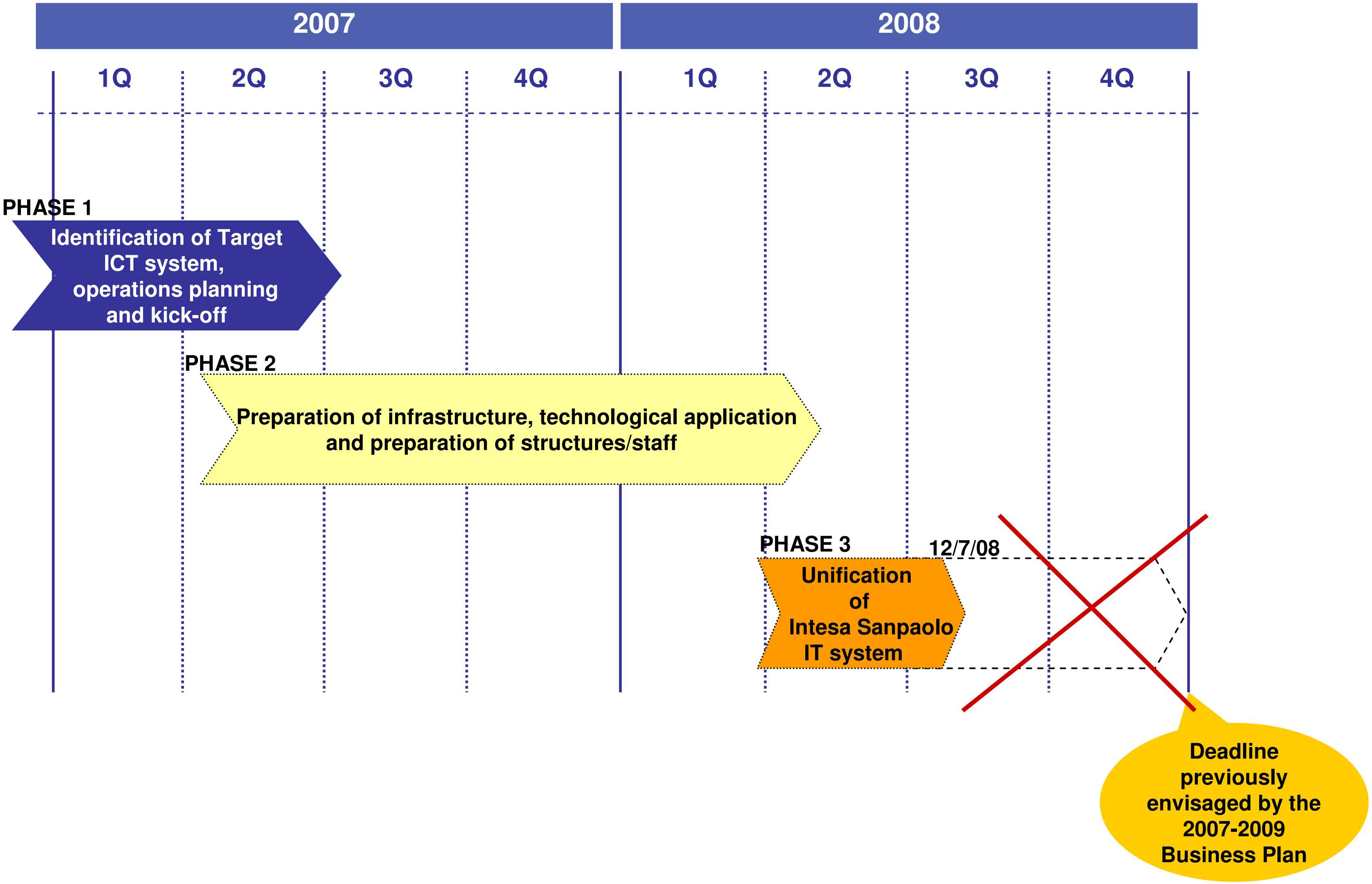
3 Accelerating the drivers of growth

Integration ahead of schedule

15 months of extraordinary effort from everybody

Main results	Status
■ New Group’s organisational structure	✓
■ New Banca dei Territori organisational structure	✓
■ Integration of management and control systems	✓
■ Union agreements	✓
■ Identification of Group IT system	✓
■ Intra Group mergers:	
❑ Italian specialised banks	✓
❑ Product companies	✓
❑ International Subsidiary Banks	✓
■ New back-office centres	✓

IT systems to be unified by the end of July
The integration will be completed 5 months ahead of schedule



Cost control

Staff reduction ahead compared to the 2007-2009 Business Plan target

2007-2009 Business Plan Target	■ Staff reduction of ~6,500 people in the 2007-2009 period
Solidarity Allowance Agreed on 1.12.06	■ ~4,300 people subscribed for the allowance and exiting the Group in 2007 (~2,300 of which on 31.12.2007) ■ ~€0.8bn integration charges before tax recorded in 2006
Solidarity Allowance Agreed on 1.08.07	■ Further activation of the Solidarity Allowance with the objective of a staff reduction of 1,500 in 2008 and 800 in 2009 ■ ~€0.6bn integration charges before tax recorded in 2007 ■ Target achieved ahead of schedule

Process suspended for ~2,000 further subscriptions received which exceed the 2007-2009 Business Plan target

Rationalisation of shareholdings
Process in advance compared to the 2007-2009 Business Plan target

		Main transactions	Amount (€m)	Capital gain/loss(1) (€m)
Transactions with Crédit Agricole/ Antitrust commitments envisaged in the starting point of the 2007-2009 Business Plan	March/ July 2007	Sale of Cariparma, FriulAdria and 202 branches	5,967	+3,490
	December 2007	Agreement for the sale of the stake (49%) in AGOS SpA	546	~+300(2) (3)
	January/ March 2008	Sale of 198 branches related to Antitrust decision	1,900	~ +1,900(3)
			8,413	**~+5,700**
Non-strategic shareholdings in portfolio	April 2007	Sale of 0.7% stake in Santander	579	-29
	July 2007	Sale of 0.8% stake in Santander	649	-1
	October 2007	Sale of 0.8% stake in Santander	673	-4
	November 2007	Sale of 15.7% stake in Banco del Desarollo	109	+49
	December 2007	Sale of 55% stake in Biverbanca	399	+272
			~2,400	**~+300**

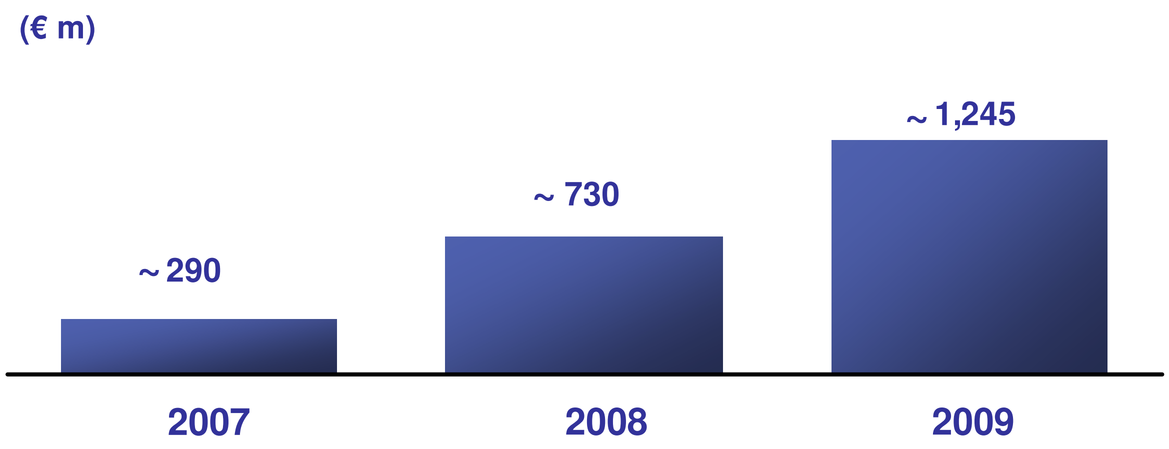
The process of rationalising non-strategic shareholdings is moving ahead more rapidly and on a greater scale than set out in the 2007-2009 Business Plan (~€3-4bn from sales in the 2007-2009 period)

(1) Pre-tax data
(2) Finalisation underway
(3) Capital gain to be posted in 2008

Cost synergies

Significant cost synergies will emerge during 2008

Cost synergies envisaged in the 2007-2009 Business Plan[1]



(1) Pre-tax data

Agenda

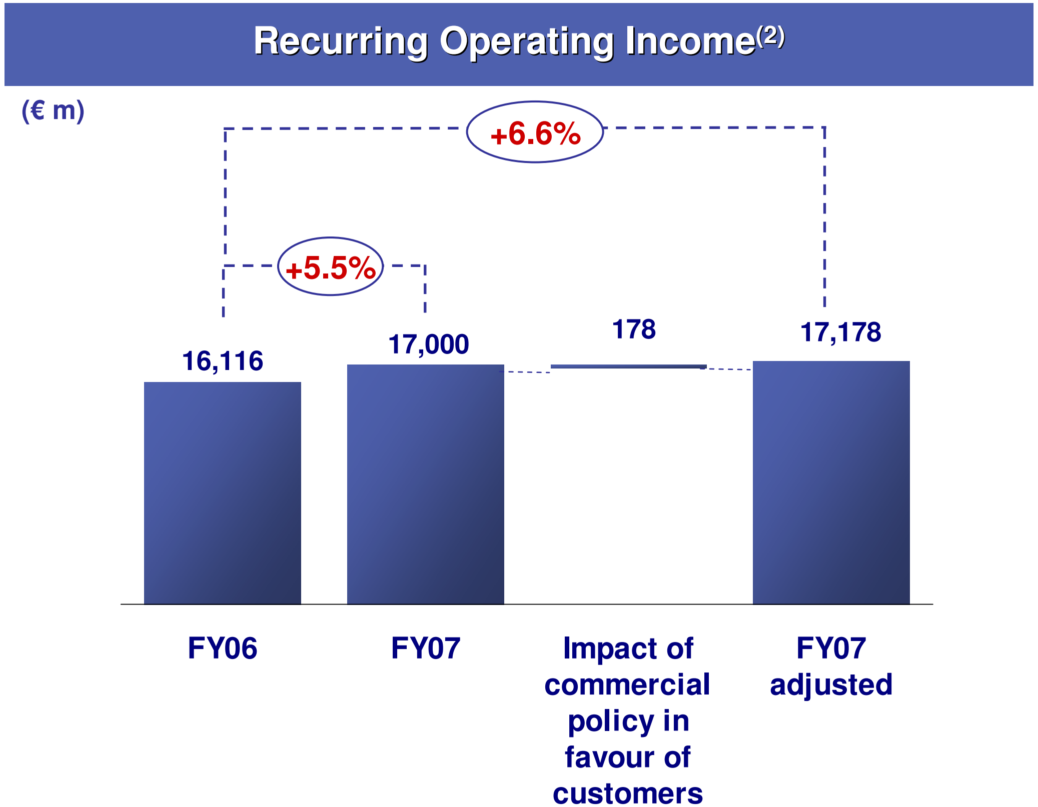
1 2007 Positive results in a difficult market environment

2 Completing integration ahead of schedule

3 Accelerating the drivers of growth

In 2007 the foundations for growth were laid

In 2007 Intesa Sanpaolo continued to grow despite considerable reorganisation efforts deriving from the merger (restructuring, redundancies, integration, transfers, ...) and the planned impact of the commercial policy in favour of customers made possible by the merger(1)



(1) Estimating the effect of the alignment of the pricing on the best conditions applied by Banca Intesa and Sanpaolo IMI, cancellation of ATM/cash dispenser commissions for transactions by customers of one of the two former banks through the network of the other, larger distribution of accounts featuring lower management fees than traditional accounts and lower placement of products with high up-front fees

(2) Operating Income excluding Profits on trading

Increasing growth in commercial staff

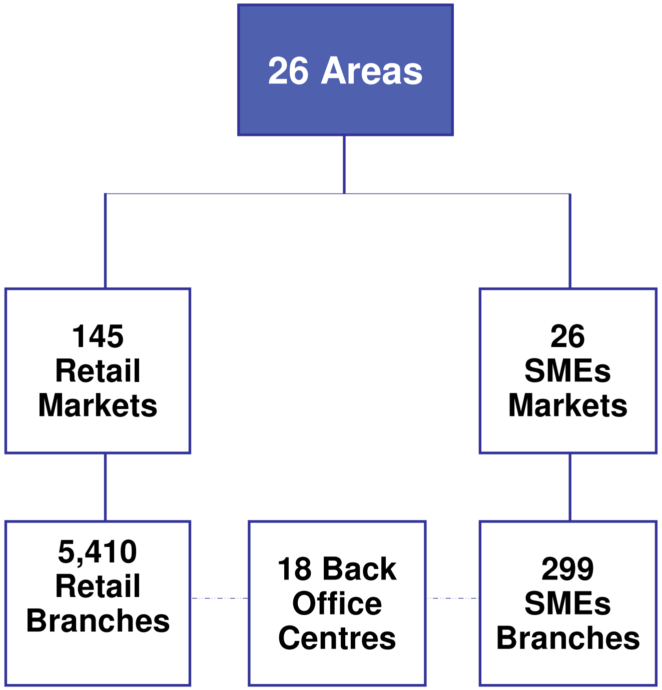
- ~+200,000 net new customers in Italy in 2007
- In 2008 approximately 3,000 customer relationship managers are to be trained and will become fully operational in 2009

Accelerating the drivers of growth
Banca dei Territori

In 2008 significant drivers of growth will be accelerated

- **Completing the implementation of its operating model and building a unique network in the world with approximately 6,000 branches**
- **Completing the rationalisation and the further strengthening of the commercial offer**
- **Introducing "state of the art" marketing and sales tools**
- **Creating a European scale player in Private Banking**
- **Creating an Italian leader in medium term lending through new Mediocredito Italiano**
- **Recently launched Banca Prossima to play a leading role in the development of social enterprises and non-profit initiatives**

Banca dei Territori (1/7)
New operating model

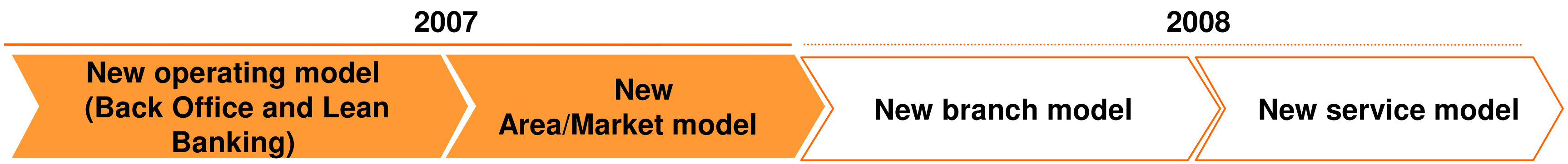


The Area/Market new operating model assures

- a homogeneous organisational model, favouring cohesion and convergence between the two former Networks
- a unique territorial presence, enhancing local brand values
- a reporting line which is lean, rapid and simplified
- higher efficiency, with a staff reduction of Area/Market of 415 FTE (equal to approximately 10% of staff in the areas analysed)
- effective commercial initiatives, thanks to a further improvement in branch support (more than halving the Markets span of control from ~65 to ~30 Branches)
- the alignment of branches performance upward

The new operating model (Back Office and Lean Banking) assures

- centralisation in the back office territorial Centres of SME and Retail branch administrative activities and document management (freeing up ~230 FTE as at 31.12.2007)
- migration of operation to alternative channels with the installation of 560 MTA in 2007 and 300 planned in 1H08 (freeing up ~430 FTE as at 31.12.2007)
- streamlining/automation of branch operating processes for Treasury, Credits, Overdrafts, Filing, Personal Data/Contract management, Data Sheets, certified data acquisition (freeing up ~145 FTE as at 31.12.2007)

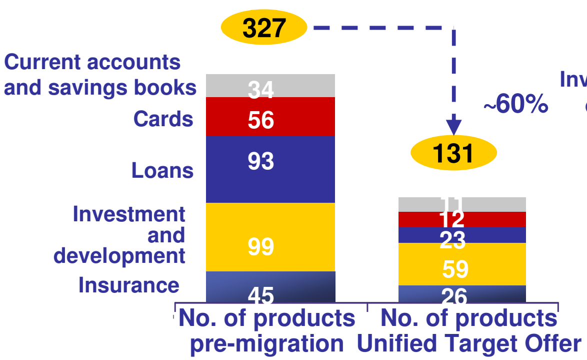


Banca dei Territori (2/7)

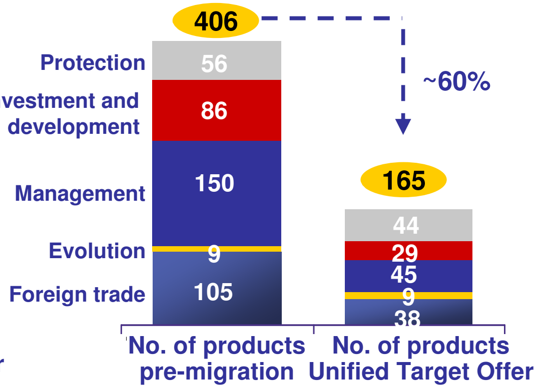
Rationalisation, simplification and standardisation of the product range

Rationalisation

Retail



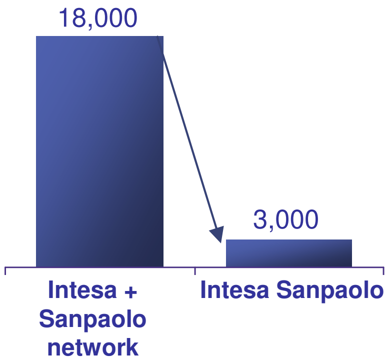
Enterprises



Benefits for customers according to the "best of breed" policy

Simplification

No. of Special agreements



From special agreements based on a type-of-product logic to commercial agreements differentiated by partners

Standardisation

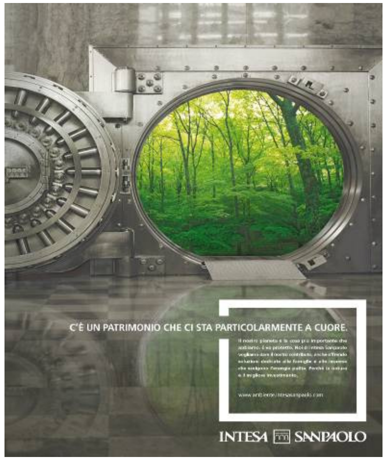
The standardisation of the commercial offer will be completed with the IT migration (July 2008)

Banca dei Territori (3/7)
Continuous product innovation (Examples)

Loans to pensioners

Current accounts and loan facilities to Small Businesses

Loans for renewable energy projects



Mortgage and personal loans for young people

Investment plans

Flexible mortgages

Banca dei Territori (4/7)
New platform for commercial support

ABC Project

CRM	To favour the standardisation of "target" commercial behaviour ensuring consistency between the commercial method and tools To make information more accessible and systems faster
Marketing intelligence	To set up a Lead factory to make available within the network a continuous flow of qualified commercial opportunities To ensure a wide variety of information types to identify customer needs and profiles
Territorial presence	To supply a full overview of the assets available with responsibility entrusted to the area manager To leverage the existing know-how to draw up the area plans for each territory
Reporting	To put in place a shared KPI structure consistent with "target" commercial behaviour To create a fair governance mechanism and awareness of the targets to be achieved

February 2008: first release of the platform

Banca dei Territori (5/7)

European dimension in Private Banking

- A project to optimise the Group Private Banking business is underway, through a dedicated bank already the leader in its sector
- ~€82bn Customer Financial Assets
- Strong relationship with SMEs and Italian family groups
- Very strong potential synergies with the international subsidiary banks of the Group, mainly in Central-Eastern Europe
- Group and third-party selected product offers: open architecture philosophy
- Specialised offer in Luxembourg and Switzerland

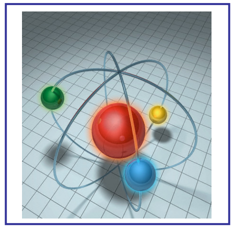
Banca dei Territori (6/7)
Creation of an Italian leader in medium-long term lending

MEDIOCREDITO ITALIANO

Medium Long Term Credit

Extraordinary Finance for SMEs

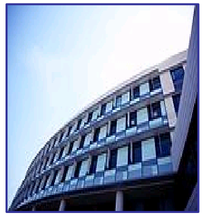
- MAC (Alternative Capital Market)
- Structured Finance



Granting subsidised credit and Research & Development

Leasing

LEASINT



- **Launched on 10 March 2008**
- **Centre of excellence for Banca dei Territori corporate finance for SMEs (in co-operation with Banca IMI)**
- **MLT lending to SMEs and sole Group unit granting subsidised credit and incentives for R&D**
- **Group's centre of competence for Leasing**
- **8 desks specialised by business sector (energy, fashion, etc.)**

Banca dei Territori (7/7)

The first European bank dedicated to social enterprises and non-profit initiatives

BANCA PROSSIMA
PER LE IMPRESE SOCIALI E LE COMUNITA'

- Launched on 5 November 2007
- The Italian non-profit sector is the most significant in Europe. 250,000 organisations, 750,000 employees and 3,500,000 volunteers (60% female, 72% university and college graduates). Total revenues of €48bn and a huge growth opportunity to serve 35,000,000 Italians
- Intesa Sanpaolo is the leader in the sector with more than 50,000 relationships with non-profit organisations, both secular and religious
- Banca Prossima has been created to improve the service level, to acquire customers and to give full access to credit to the best organisations and projects, throughout Italy
- To reach this target, Banca Prossima offers specialisation, widespread territorial presence, deep commitment of its resources, dedicated rating tools, products and projects (*5 per 1000* voluntary donation scheme, PAN child care centres)
- Banca Prossima operates through the more than 6,000 branches of the Group, with 60 regional centres for more complex transactions and a network of 80 specialists in the regions

Accelerating the drivers of growth

Corporate and Investment Banking Division

From 2008 the Corporate and Investment Banking Division is positioned to benefit from

- **the total integration of Corporate Relationships**
- **the creation of the “new” Banca IMI (1 October 2007)**
- **the integration of International Trade Services**
- **the strengthening of Merchant Banking activity**
- **the even stronger leadership in factoring (Mediofactoring)**

Corporate and Investment Banking Division (1/2)

"New" Banca IMI: leader in the Italian market

BANCA IMI

Capital Markets
Structuring
Trading
Sales
Capital Management
Market HUB

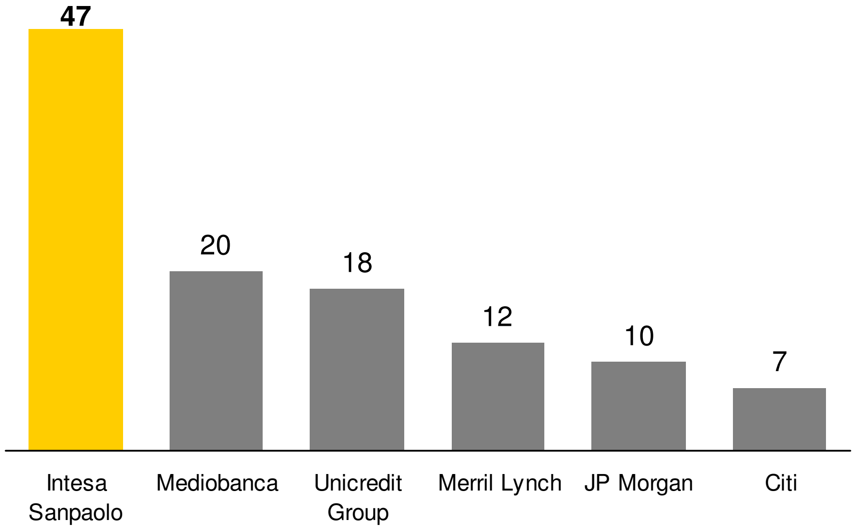
Investment Banking	
Advisory	
Primary Markets	
Equity Capital Markets	Debt Capital Markets
Structured Finance	
Leveraged & Acquisition Finance	Special Financing
Real Estate	Loan Agency
Project Finance & Industry Specialised Lending	Securitization & Risk Transfer
Syndication	

Corporate and Investment Banking Division (2/2)

"New" Banca IMI: leader in the Italian market

Equity Capital Market

Global Coordinator
No. issues 2000-2007(1)



KPI(1)

Equity Offerings	2005	2006	2007
Number of Issues	11	10	13
Amount(2) (€ bn)	3.7	1.7	1.14

Debt Capital Market

League tables positioning(3)

		2005	2006	2007
Eurobonds Italian Issuers	By No. Issues	1	1	1
	By Amount	1	1	1
Eurobonds All Issuers (Italian banks)	By No. Issues	1	1	1
	By Amount	1	1	1

KPI(3)

Eurobond –Italian Issuers	2005	2006	2007
Number of Issues	59	61	54
Amount (€ bn)	13	9.5	11.8

(1) Source: Thomson One Banker Deals, Thomson Financial
(2) Source: Global common stocks offering, including rights - Full to bookrunner
(3) Source: Bloomberg

Accelerating the drivers of growth

Public Finance: leader of the Italian market

BIIS | BANCA INFRASTRUTTURE INNOVAZIONE E SVILUPPO

From 2008 BIIS is positioned to benefit from

- **the completion of the merger (1 January 2008) between Banca Intesa Infrastrutture e Sviluppo and Banca OPI**
- **the enlargement of the product range and services offered (factoring to public sector and VAT credits)**
- **the launch of a covered bond issue programme guaranteed by BIIS assets**
- **the selective development of Public Finance in Europe (opening of a desk in London already planned) and in the Mediterranean Basin**
- **the development of Project Finance**
- **the strong territorial presence, also leveraging on the Group’s branches**

Accelerating the drivers of growth

International Subsidiary Banks

From 2008 the International Subsidiary Banks Division is positioned to benefit from

- **internal growth, mainly in the retail segment, also due to the significant extension of the territorial network (+47 branches in 2007 and ~+150 openings planned in 2008)**
- **the completion of the integration after the merger of the banks of the two former Groups in Albania, Bosnia, Serbia and Hungary**
- **the integration of centres of excellence (leasing, credit cards, consumer credit, ...) at both Division and Group level**
- **the acquisition of Pravex-Bank in Ukraine**

Acquisition of Pravex-Bank underway (1/2)
Strengthening of the presence in Central and South-Eastern Europe

	Ranking(*)	Total Assets (€ bn)	Customers (000)	Branches	Population (000)
Serbia	1st	2.5	~1,260	224	~10,000
Hungary	2nd	10.3	~720	141	~10,000
Croatia	2nd	9.3	~1,570	227	~4,500
Slovakia	2nd	8.5	~1,475	237	~5,400
Albania	2nd	0.9	~112	30	~3,100
Slovenia	6th	2.2	~150	46	~2,000
Bosnia-Herzegovina	6th	0.5	~112	47	~3,800
Russian Federation	Segment bank	1.1	~80	58	~143,500
Romania	Segment bank	0.5	~47	50	~21,600
Ukraine	6th (By number of branches)	0.7	~1,200	560	~46,600
Total Central and South-Eastern Europe		36.4	~6,726	1,620	~250,500
Egypt	6th	4.7	~1,300	188	~70,000
Total		41.1	~8,026	1,808	~320,500

(*) By Total Assets

Figures as at 31 December 2007, except for Ukraine as at 30 June 2007

Acquisition of Pravex-Bank underway (2/2)

A solid platform to enter the Ukrainian market

Investment rationale	▪ An outstanding platform to effectively enter the Ukrainian market: ❑ large network: ~560 branches ❑ the only true retail bank in Ukraine (~90% of loans to customers and direct customers deposits) ❑ steady balance sheet structure (loans to customers/direct customers deposits 101%) ❑ good opportunity to achieve synergies in funding, operating costs and revenues both in retail and in SME markets ▪ An investment consistent with the strategy of selective expansion in Central and South-Eastern Europe and Mediterranean Basin outlined in the 2007-2009 Business Plan and in line with the investment consideration set out in the same, with an attractive price per branch
Main terms of the deal	▪ Acquisition of 100% of the share capital for a countervalue of ~€504m cash ($750m) ▪ Total consideration shall also include a post closing dollar for dollar adjustment to be based on Pravex's IFRS net book value at the date of completion ▪ Price per branch: €0.9m ▪ Completion of the deal expected by 2Q/3Q08
Pravex-Bank overview	▪ Privately-owned bank established in 1992 ▪ The sixth largest network in the country ▪ Recent network (~60% of the branches opened during the last 2 years) well distributed in the whole territory ▪ One of the three main operators in the consumer credit business with approximately 1.2 million clients and more than 2,000 dedicated point-of-sale centres ▪ Strong market positioning in the mortgage (#6) and Credit and debit cards (#8) business ▪ As at 30.06.2007 total assets equalled ~$1bn (~€650m) and shareholders' equity was ~$114m (~€77m), respectively ~1.2bn and $143m as at 31.12.2007 based on provisional financial accounts (Ukrainian standards)

Accelerating the drivers of growth

High potential in Asset Management

Asset Management represents a strong potential growth area for the Group

Total Customer Financial Assets	
(€ bn)	31.12.07
Direct Customer Deposits	373.8
Asset under Administration	392.7
Asset under Management	265.2
Total Financial Activities(1)	1,004.7

26% of Total Financial Activities

- **High incidence of low value added products in Asset under Management (e.g. 28% of mutual funds are monetary funds vs 24% of the industry)**

(1) Net of duplications between Direct Customer Deposits and Asset under Management

Accelerating the drivers of growth
Asset Management

From 2008 Asset Management is positioned to benefit from

- **the integration between Eurizon Capital and Eurizon Investimenti (former Nextra), in the Group from 1.1.2008**
- **the development of improved product innovation capacity compared to present levels through: hiring of professionals, joint ventures and/or focused acquisitions**
- **the deep integration with Banca dei Territori in all distribution process phases**
- **the development of synergies with the Group's International Subsidiary Banks Division**
- **the development of new distribution channels outside the Group**

Conclusions

2007	2008	2009
Integration	Accelerating the drivers of growth	Cruising speed achievement

Over 1,500,000 training days in the three years

€3.3bn capital budget in the three years

Appendix

Key Aggregates
Excellent liquidity profile and volume growth

(€ m)	31.12.06 Restated	31.12.07	Δ%
Total Assets	575,512	572,902	(0.5)
Loans to Customers	321,271	335,273	4.4
Direct Customer Deposits	363,247	373,753	2.9
Indirect Customer Deposits	649,475	657,919	1.3
of which Assets under Management	*293,472*	*265,183*	*(9.6)*
Customer Financial Assets[1]	986,740	1,004,713	1.8

+10% average customer volumes **+6.5%** excluding repurchase agreements

- Direct Customer Deposits > Loans to Customers

Note: 31.12.06 figures restated to reflect 31.12.07 consolidation area
(1) Net of duplications between Direct Customer Deposits and Asset Management

FY07 results in line with the 2007-2009 Business Plan

Compatible growth in recurring revenues and even more marked reduction in Operating costs

Operating Income

(€ m)	FY06	FY07	Δ%
Operating Income	**17,915**	**18,008**	**0.5%**
Profits on trading	1,799	1,008	-44.0%
Recurring Operating Income	**16,116**	**17,000**	**5.5%**

Business Plan CAGR 2006-2009 **+7%**

Operating Costs

(€ m)	FY06	FY07	Δ%
Operating costs	**9,628**	**9,268**	**-3.7%**
Recoveries on the allowance for Employee Termination Indemnities (TFR)		255	n.m.
Adjusted Operating costs	**9,628**	**9,523**	**-1.1%**

Business Plan CAGR 2006-2009 **-0.4%**

Operating Margin

(€ m)	FY06	FY07	Δ%
Operating margin	**8,287**	**8,740**	**5.5%**
Profits on trading	1,799	1,008	-44.0%
Recoveries on the allowance for Employee Termination Indemnities (TFR)		255	n.m
Recurring Operating margin	**6,488**	**7,477**	**15.2%**

Business Plan CAGR 2006-2009 **+14.2%**

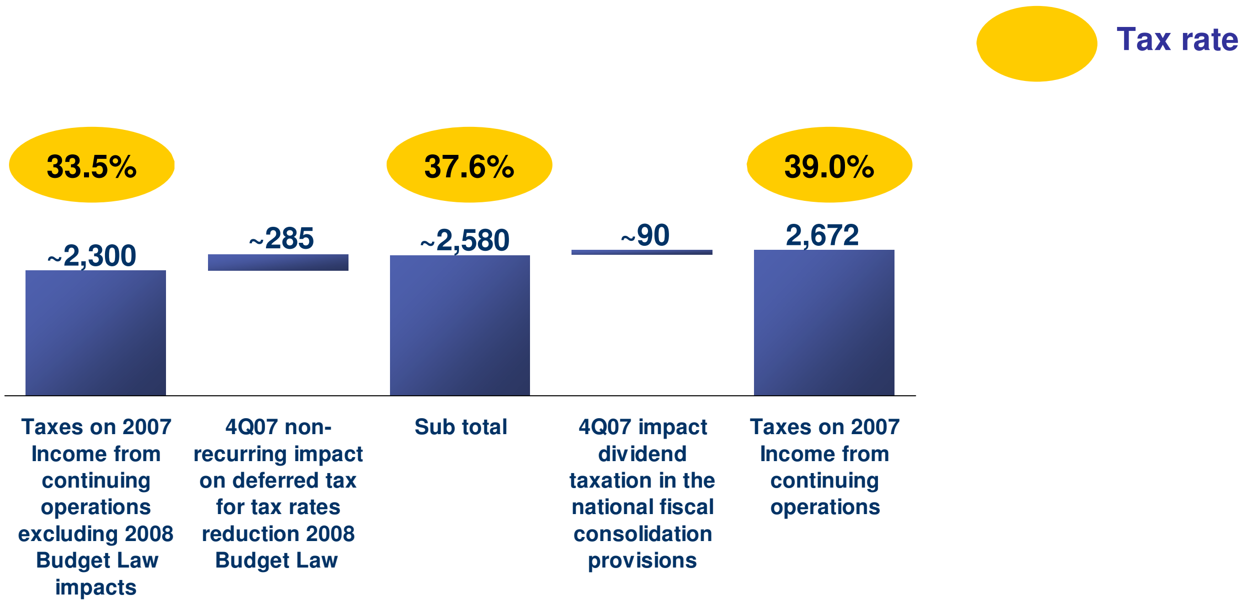
Tax rate

2007 affected by changes introduced by the 2008 Budget Law

- **2007 tax rate penalised by the non-recurring impact on deferred tax in 4Q07 connected with the 2008 Budget Law**
- **The reduction in IRES (from 33% to 27.5%) and IRAP (from 4.25% to 3.9%) tax rates will have positive effects starting from 2008**
- **2007 tax rate affected also by the dividend taxation in the national fiscal consolidation provisions introduced by the 2008 Budget Law (~+€90m vs 2006)**

Tax rate 2007

(€ m)



Merger cost allocation
Activities completed

- As at 31.12.07 the valuation activities were completed for the allocation of the difference (€20.5bn) between the fair value of the new shares issued to support the exchange for the merger (€34.2bn) and the former Sanpaolo IMI Group Shareholders' Equity as at 31 December 2006 (€13.7bn) to assets, liabilities and intangible assets of the former Sanpaolo IMI Group and to goodwill according to IAS

- Valuations led to
  - revaluation of loans/debts €0.9bn
  - revaluation of real estate €0.4bn
  - revaluation of shareholdings €0.5bn
  - new intangible assets (intangible value[1]) €8.1bn

  Goodwill of ~€14.1bn
  (net of ~3.5bn of fiscal effects)

- Revaluations and intangible assets with finite useful life produce negative effects, gradually diminishing, on the income statement in terms of interest adjustments and amortisations included under "Effects of purchase cost allocation (net of tax)"

- 2007 merger cost amortisation amounts to €541m. The impact on the income statement has been almost entirely compensated for by the non-recurring positive effect (€531m) deriving from the reduction in tax rates in the 2008 Budget Law on deferred taxes related to revaluations

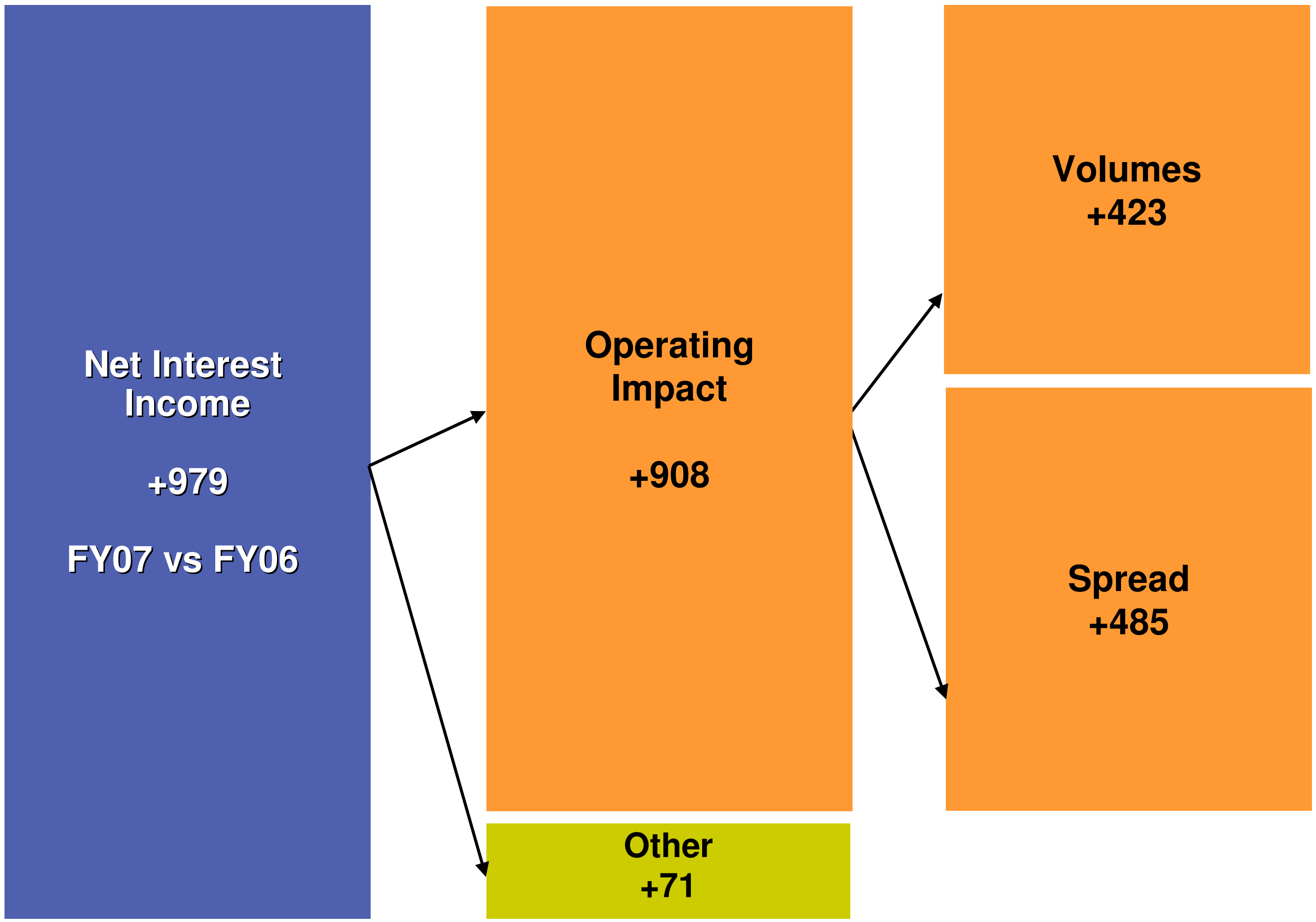
- In 2008 a ~€480m post-tax effect on the income statement is expected, decreasing to ~€420m in 2009 and in progressive substantial annulment in the next 10-15 years.

(1) With finite or indefinite useful life

Net Interest Income: FY07 vs FY06

Double-digit growth mainly due to operations with customers

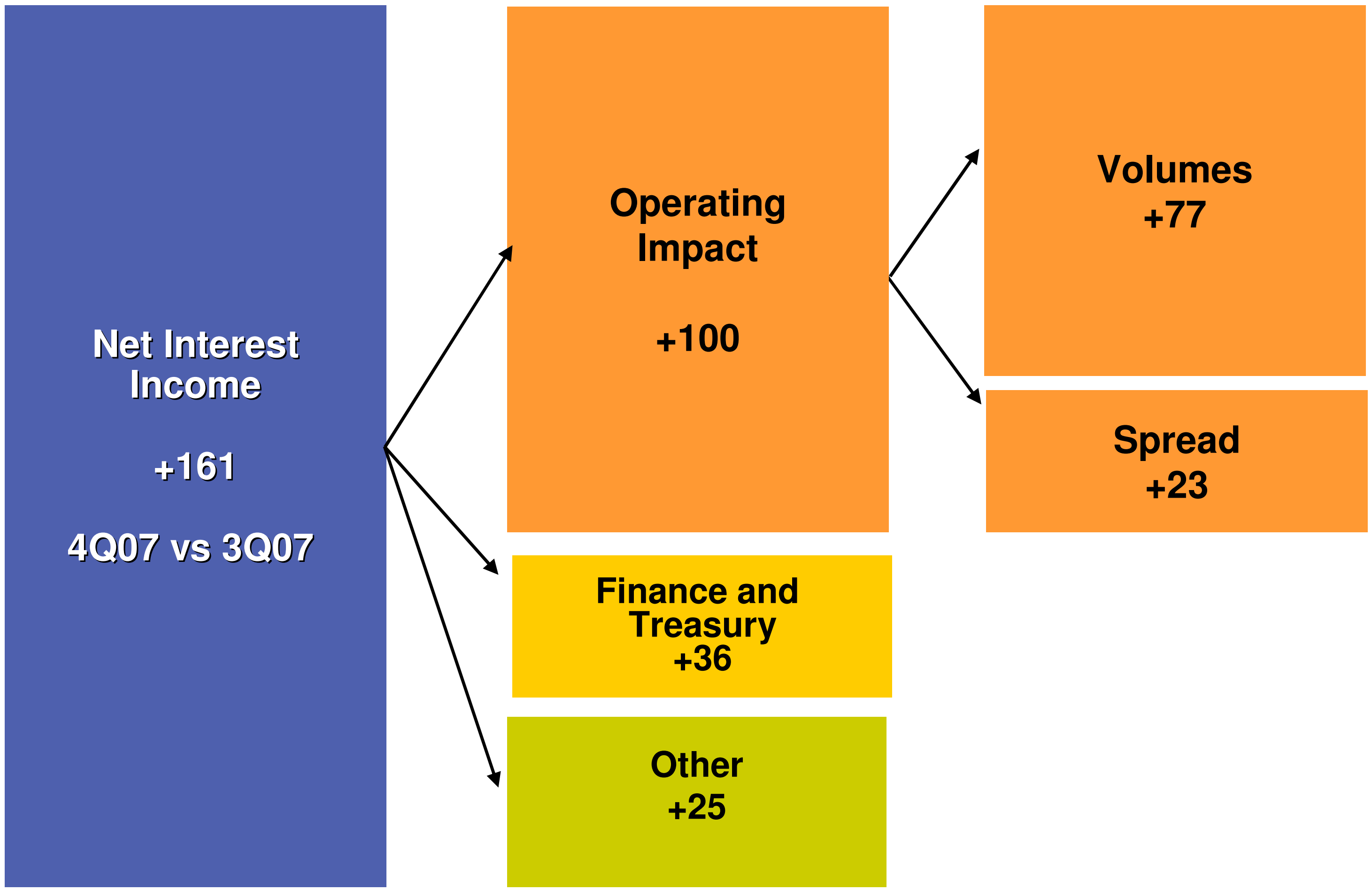
(€ m)



Net Interest Income: 4Q07 vs 3Q07

Strong growth in the operations with customers confirmed

(€ m)



Banca dei Territori
Sound growth in Operating margin

(€ m)	FY06 Restated[1]	FY07	Δ%
Net interest income	6,210	6,978	12.4
Dividends and P/L on investments carried at equity	131	109	(16.8)
Net fee and commission income	4,216	4,076	(3.3)
Profits (Losses) on trading	175	178	1.7
Income from insurance business	453	443	(2.2)
Other operating income (expenses)	47	57	21.3
Operating income	**11,232**	**11,841**	**5.4**
Personnel expenses	(3,645)	(3,600)	(1.2)
Other administrative expenses	(2,649)	(2,561)	(3.3)
Adjustments to property, equipment and intangible assets	(30)	(29)	(3.3)
Operating costs	**(6,324)**	**(6,190)**	**(2.1)**
Operating margin	**4,908**	**5,651**	**15.1**
Net provisions for risks and charges	(107)	(106)	(0.9)
Net adjustments to loans	(955)	(985)	3.1
Net impairment losses on other assets	(7)	(2)	(71.4)
Profits (Losses) on HTM and on other investments	4	1	(75.0)
Income before tax from continuing operations	**3,843**	**4,559**	**18.6**
Cost / Income (%)	**56.3**	**52.3**	
Pre-tax ROE (%)	**35.7**	**39.9**	
EVA ® (€ m)	**1,547**	**1,970**	

- **Strong growth in Net interest income due to the improvement in mark-down and in average loan growth (+7.4%)**
- **Expected decline in commissions also for**
  - **alignment of the pricing to the best conditions applied by Banca Intesa and Sanpaolo IMI**
  - **no application of ATM/cash dispenser commissions for transactions by clients of one of the two former banks through the network of the other**
  - **larger distribution of low cost current accounts**
  - **lower placement of products with high up-front fees**
- **Revenue growth and cost reduction benefit only marginally from merger synergies**
- **Significant reduction in Cost/Income ratio down 4 p.p. to 52.3%**

Figures may not add up exactly due to rounding differences
(1) 2006 figures restated to reflect 2007 consolidation area

Corporate and Investment Banking

Growing revenues, stability in costs and in Adjustments to Loans

(€ m)	FY06 Restated(1)	FY07	Δ%
Net interest income	946	1,053	11.3
Dividends and P/L on investments carried at equity	19	20	5.3
Net fee and commission income	941	922	(2.0)
Profits (Losses) on trading	754	769	2.0
Other operating income (expenses)	37	39	5.4
Operating income	**2,697**	**2,803**	**3.9**
Personnel expenses	(412)	(396)	(3.9)
Other administrative expenses	(459)	(474)	3.3
Adjustments to property, equipment and intangible assets	(19)	(17)	(10.5)
Operating costs	**(890)**	**(887)**	**(0.3)**
Operating margin	**1,807**	**1,916**	**6.0**
Net provisions for risks and charges	(27)	(35)	29.6
Net adjustments to loans	(178)	(178)	0.0
Net impairment losses on other assets	(6)	(38)	533.3
Profits (Losses) on HTM and on other investments	21	(6)	n.m.
Income before tax from continuing operations	**1,617**	**1,659**	**2.6**

	FY06	FY07
Cost / Income (%)	**33.0**	**31.6**
Pre-tax ROE (%)	**25.6**	**23.4**
EVA ® (€ m)	**460**	**446**

- Growth in Net interest income due to strong commercial development (average Corporate customer loans +11.5%) offsetting erosion in mark-up
- Stable Operating costs
- Stable Net adjustments to loans
- Increase in Net impairment losses on other assets due to conservative write-downs on merchant banking shareholdings
- Cost/Income ratio down at 31.6% down 1.4 p.p.

Figures may not add up exactly due to rounding differences
(1) 2006 figures restated to reflect 2007 consolidation area

Public Finance
Stable results excluding non-recurring items

(€ m)	FY06 Restated[1]	FY07	Δ%
Net interest income	205	212	3.4
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	63	47	(25.4)
Profits (Losses) on trading	63	22	(65.1)
Other operating income (expenses)	0	7	n.m.
Operating income	**331**	**288**	**(13.0)**
Personnel expenses	(34)	(37)	8.8
Other administrative expenses	(57)	(55)	(3.5)
Adjustments to property, equipment and intangible assets	0	0	n.m.
Operating costs	**(91)**	**(92)**	**1.1**
Operating margin	**240**	**196**	**(18.3)**
Net provisions for risks and charges	(1)	(1)	0.0
Net adjustments to loans	(10)	(10)	0.0
Net impairment losses on other assets	(5)	(4)	(20.0)
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**224**	**181**	**(19.2)**

Cost / Income (%)	**27.5**	**31.9**
Pre-tax ROE (%)	**20.8**	**16.7**
EVA® (€ m)	**38**	**29**

- **Stable revenues excluding non-recurring items:**
  - **2006: disposals/early liquidation of Banca OPI historical assets (€46m)**
  - **2007: BIIS capital gains related to Tax-collection companies disposed of in 2006 (€3m)**
- **9.6% growth in Net interest income excluding non-recurring items, mainly driven by the increase in average customer loans (+15.1% including securities subscription)**
- **Stable Operating Margin and Operating Income before tax from continuing operations excluding non-recurring items**
- **Merger BIIS – Banca OPI effective as of 1 January 2008**

Figures may not add up exactly due to rounding differences
(1) *2006 figures restated to reflect 2007 consolidation area*

International Subsidiary Banks (1/3)

Strong increase in volumes and improvement in efficiency

(€ m)	FY06 Restated(1)	FY07	Δ%
Net interest income	920	1,133	23.2
Dividends and P/L on investments carried at equity	(1)	1	n.m.
Net fee and commission income	421	492	16.9
Profits (Losses) on trading	222	279	25.7
Other operating income (expenses)	10	(6)	n.m.
Operating income	**1,572**	**1,899**	**20.8**
Personnel expenses	(433)	(494)	14.1
Other administrative expenses	(349)	(370)	6.0
Adjustments to property, equipment and intangible assets	(103)	(122)	18.4
Operating costs	**(885)**	**(986)**	**11.4**
Operating margin	**687**	**913**	**32.9**
Net provisions for risks and charges	(10)	(24)	140.0
Net adjustments to loans	(147)	(172)	17.0
Net impairment losses on other assets	11	(2)	n.m.
Profits (Losses) on HTM and on other investments	20	6	(70.0)
Income before tax from continuing operations	**561**	**721**	**28.5**

	FY06 Restated(1)	FY07
Cost / Income (%)	**56.3**	**51.9**
Pre-tax ROE (%)	**40.0**	**42.9**
EVA® (€ m)	**238**	**322**

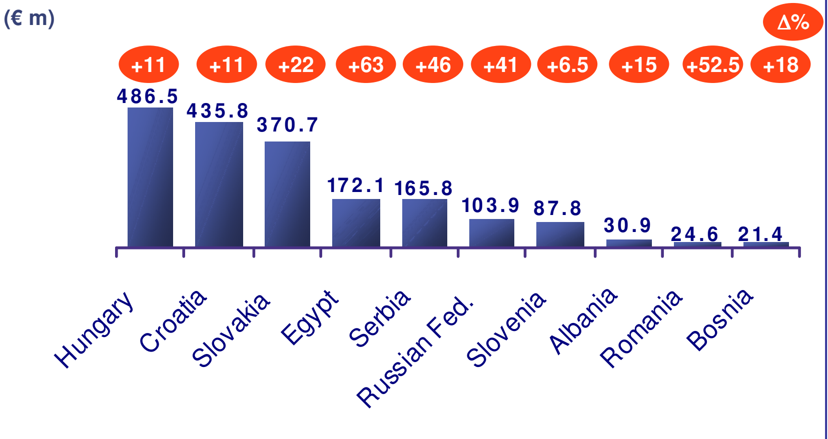
- **Sustained growth confirmed in all revenue lines**
  - Strong growth in Net interest income mainly due to the sizeable increase in average customer volumes (Loans +23% and Deposits +19%)
  - Sustained growth in Net fee and commission income mainly driven by commissions from Current accounts, AuM and Guarantees given
  - Positive results from Profits on trading
- **Increase in Operating costs mainly due to the planned expansion of commercial network (+47 branches)**
- **Strong improvement in efficiency with Cost/Income ratio down 4.4 p.p. to 51.9%**

Figures may not add up exactly due to rounding differences
(1) 2006 figures restated to reflect 2007 consolidation area

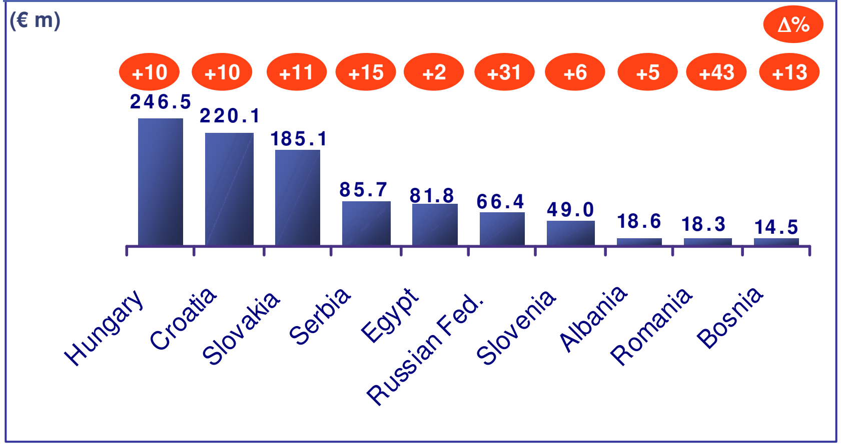
International Subsidiary Banks (2/3)

Figures by Country FY07 vs FY06

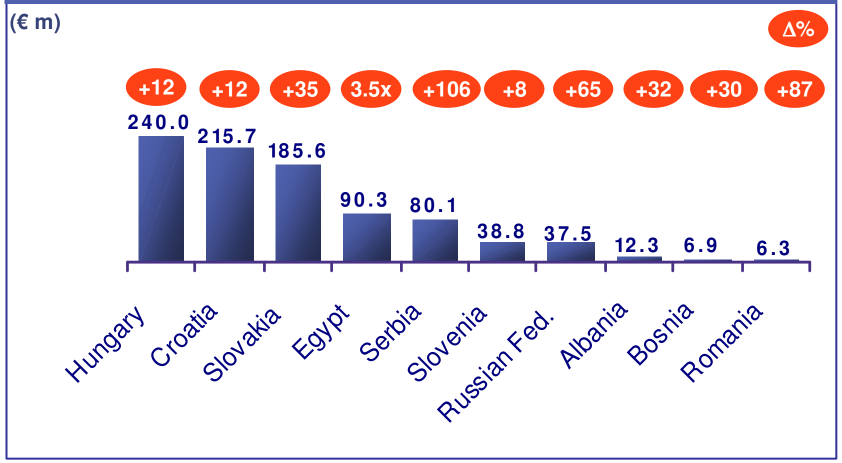
Operating Income



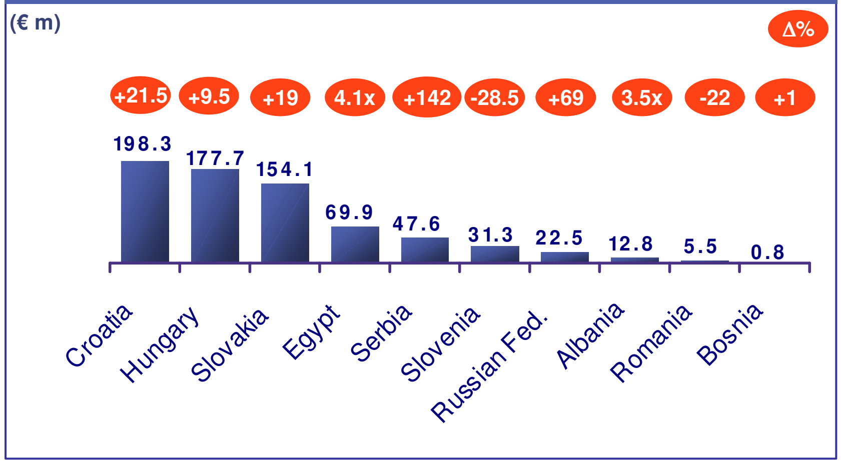
Operating Costs



Operating Margin



Pre-Tax Income (1)



(1) *Income before tax from continuing operations*

Acquisition of Pravex-Bank underway (3/3)
Ukraine is one of the most appealing countries in the region

A high-growth potential country

- Fast prospective economic growth: average real GDP growth rate 2008-2010 ~+6%
- Large market for retail banking development (more than 46 million inhabitants)
- Strategic location between Europe and Russia

Under-penetrated banking system

- Lower concentration compared to other CEE countries: 62% of bank assets belong to the leading 15 banks (of which only 5 are foreign players), while market shares of the other 155 are below 2%
- Low penetration: at the end of 2006 loans/GDP was 46% and deposits/GDP 38%; respectively estimated 82% and 59% at the end of 2010
- Foreign investment in Ukrainian banks is growing, but remains limited (~28% of the system assets at the end of 2006)
- Significant room for sustainable volume growth
  - CAGR loans to customers 2007-2010: +27%
  - CAGR direct customer deposits 2007-2010: +25%

Sources: EIU (January 2008), National Bank of Ukraine and Raffeisen International

Eurizon Capital
Revenues stable in a difficult market environment

(€ m)	FY06 Restated(1)	FY07	Δ%
Net interest income	7	8	14.3
Dividends and P/L on investments carried at equity	21	10	(52.4)
Net fee and commission income	241	256	6.2
Profits (Losses) on trading	0	0	n.m.
Other operating income (expenses)	5	0	(100.0)
Operating income	**274**	**274**	**0.0**
Personnel expenses	(43)	(43)	0.0
Other administrative expenses	(50)	(56)	12.0
Adjustments to property, equipment and intangible assets	(3)	(1)	(66.7)
Operating costs	**(96)**	**(100)**	**4.2**
Operating margin	**178**	**174**	**(2.2)**
Net provisions for risks and charges	(2)	(8)	300.0
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**176**	**166**	**(5.7)**

	FY06 Restated(1)	FY07
Cost / Income (%)	**35.0**	**36.5**
Pre-tax ROE (%)	**88.0**	**77.6**
EVA ® (€ m)	**125**	**106**

- **Operating income stable also due to higher fees from AuM generated by the increase in retail portfolio management and improvement in the management mandates**
- **AuM down 2.3% to €115bn (€181bn including Eurizon Investimenti)**
- **New management team**
- **Former Nextra integration within April**

Figures may not add up exactly due to rounding differences
Note: Figures do not take into account the repurchase of former Nextra activities finalised on 27.12.2007. The contribution from the stake previously held in CAAM (35%) is recorded under Profits on investments carried at equity
(1) 2006 figures restated to reflect 2007 consolidation area

Banca Fideuram

Sound operating performance and efficiency improvement

(€ m)	FY06 Restated(1)	FY07	Δ%
Net interest income	79	132	67.1
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	599	575	(4.0)
Profits (Losses) on trading	9	5	(44.4)
Other operating income (expenses)	(4)	10	n.m.
Operating income	**683**	**722**	**5.7**
Personnel expenses	(120)	(113)	(5.8)
Other administrative expenses	(205)	(225)	9.8
Adjustments to property, equipment and intangible assets	(12)	(7)	(41.7)
Operating costs	**(337)**	**(345)**	**2.4**
Operating margin	**346**	**377**	**9.0**
Net provisions for risks and charges	(58)	(42)	(27.6)
Net adjustments to loans	(2)	2	n.m.
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**286**	**337**	**17.8**

	FY06 Restated(1)	FY07
Cost / Income (%)	**49.3**	**47.8**
Pre-tax ROE (%)	**96.6**	**98.5**
EVA ® (€ m)	**189**	**216**

- **Strong increase in Net interest income mainly due to the growth in average intermediated volumes**
- **Recurring commissions stable (excluding incentive collection plans)**
- **2.4% increase in average AuM with recurring(2) commissions to €48bn**
- **€1.6bn net flow due to positive performance of collection of insurance products and AuM**
- **1.5% increase in Total Customer Financial Assets to €69bn**
- **4,280 Private bankers (+54 vs 2006)**
- **Improvement in efficiency with Cost/Income ratio down 1.5 p.p. to 47.8%**

Figures may not add up exactly due to rounding differences
(1) 2006 figures restated to reflect 2007 consolidation area
(2) Mutual funds, portfolio management and unit linked policies

Quarterly P&L Analysis: 4Q07 vs 4Q06

Strong cost reduction and excellent Net income growth

(€ m)	4Q06 Restated	4Q07	Δ%
Net interest income	2,360	2,613	10.7
Dividends and P/L on investments carried at equity	105	103	(1.9)
Net fee and commission income	1,592	1,517	(4.7)
Profits (Losses) on trading	633	(64)	n.m.
Income from insurance business	168	85	(49.4)
Other operating income	47	30	(36.2)
Operating income	**4,905**	**4,284**	**(12.7)**
Personnel expenses	(1,523)	(1,462)	(4.0)
Other administrative expenses	(917)	(907)	(1.1)
Adjustments to property, equipment and intangible assets	(272)	(232)	(14.7)
Operating costs	**(2,712)**	**(2,601)**	**(4.1)**
Operating margin	**2,193**	**1,683**	**(23.3)**
Net provisions for risks and charges	(181)	(263)	45.3
Net adjustments to loans	(435)	(450)	3.4
Net impairment losses on assets	(7)	(49)	600.0
Profits (Losses) on HTM and on other investments	95	39	(58.9)
Income before tax from continuing operations	**1,665**	**960**	**(42.3)**
Taxes on income from continuing operations	(309)	(724) [1]	134.2
Merger and restructuring related charges (net of tax)	(562)	(126)	(77.6)
Effect of purchase cost allocation (net of tax)	0	290	n.m.
Income (Loss) after tax from discontinued operations	142	(1)	n.m.
Minority interests	(40)	(4)	(90.0)
Net income	**896**	**395**	**(55.9)**

+1.8% excluding Profits on trading

+12.0% excluding Profits on trading

+9.4% excluding Profits on trading and charges relating to Parmalat and Finmek

Figures may not add up exactly due to rounding differences

Note: 4Q06 figures restated to reflect 4Q07 consolidation area

(1) Including non-recurring ~€285m for 2008 Budget Law tax rate reduction with positive effect already during 2008 and ~€90m from different dividends taxation vs 2006 introduced by 2008 Budget Law

Quarterly P&L Analysis

Net interest income excellent trend

(€ m)	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07
	Restated							
Net interest income	2,110	2,207	2,230	2,360	2,376	2,445	2,452	2,613
Dividends and P/L on investments carried at equity	38	93	42	105	46	118	67	103
Net fee and commission income	1,635	1,610	1,542	1,592	1,587	1,576	1,515	1,517
Profits (Losses) on trading	492	326(1)	348	633(2)	438	332	302(3)	(64)
Income from insurance business	95	99	90	168	101	162	93	85
Other operating income (expenses)	17	27	9	47	40	26	48	30
Operating income	**4,387**	**4,362**	**4,261**	**4,905**	**4,588**	**4,659**	**4,477**	**4,284**
Personnel expenses	(1,363)	(1,373)	(1,374)	(1,523)	(1,403)	(1,126)(4)	(1,384)	(1,462)
Other administrative expenses	(720)	(753)	(706)	(917)	(702)	(740)	(711)	(907)
Adjustments to property, equipment and intangible assets	(194)	(217)	(216)	(272)	(192)	(204)	(205)	(232)
Operating costs	**(2,277)**	**(2,343)**	**(2,296)**	**(2,712)**	**(2,297)**	**(2,070)**	**(2,300)**	**(2,601)**
Operating margin	**2,110**	**2,019**	**1,965**	**2,193**	**2,291**	**2,589**	**2,177**	**1,683**
Net provisions for risks and charges	(70)	(37)	(48)	(181)	(92)	(101)	(68)	(263)
Net adjustments to loans	(291)	(285)	(295)	(435)	(321)	(322)	(279)	(450)
Net impairment losses on other assets	3	(2)	(5)	(7)	(2)	(20)	4	(49)
Profits (Losses) on HTM and on other investments	4	66	3	95	35	8	(1)	39
Income before tax from continuing operations	**1,756**	**1,761**	**1,620**	**1,665**	**1,911**	**2,154**	**1,833**	**960**
Taxes on income from continuing operations	(628)	(576)	(520)	(309)	(679)	(726)	(543)	(724)(7)
Merger and restructuring related charges (net of tax)	0	0	0	(562)	(14)	(66)	(401)	(126)
Effect of purchase cost allocation (net of tax)	0	0	0	0	(100)	(100)	(100)	290
Income (Loss) after tax from discontinued operations	173	208	151	142	2,918(5)	129	744(6)	(1)
Minority interests	(31)	(47)	(56)	(40)	(34)	(34)	(37)	(4)
Net income	**1,270**	**1,346**	**1,195**	**896**	**4,002**	**1,357**	**1,496**	**395**

Note: 2006 figures, 1Q07 and 2Q07 and 3Q07 restated to reflect 4Q07 consolidation area

(1) Including €110m positive contribution from Fiat and Parmalat positions
(2) Including €228m capital gain on the sale of Ixis stakes
(3) Including €169m capital gain related to Borsa Italiana
(4) Including €255m non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR)
(5) Including €2,803m capital gain on the Crédit Agricole transaction
(6) Including €708m capital gain on the Crédit Agricole transaction
(7) Including non-recurring ~€285m for 2008 Budget Law tax rate reduction with positive effect already during 2008 and ~€90m from different dividends taxation vs 2006 introduced by the 2008 Budget Law

US Subprime

(€m)	Position as at 31.12.07		2007 income statement Profit (Losses) on trading			
					Total income statement	
Product	Nominal value	Risk exposure (including write-downs and write-backs) (1)	Realised gains/losses	Write-downs and write-backs	Whole year	of which 4Q
Funded ABS	28	**9**	-51	-19	-70	-46
Funded CDOs	26	**7**		-19	-19	-16
Unfunded super senior CDOs(2)	205	**48**		-157	-157	-104
Other(3)	10	**9**				
"Long" positions	269	**73**	-51	-195	-246	-166
Mezzanine short position			14		14	7
ABX hedges	220	**122**	-30(4)	99	69	46
"Short" positions	220	**122**	-16	99	83	53
Net position	"long" 49	**"short" 49**	-67	-96	-163	-113

(1) The column "Risk exposure" sets out: for securities, fair value; for derivatives, the nominal value of the contract, net of capital gains and losses recorded at year-end. Such amounts correspond, for "long" positions, to the maximum potential loss (in the event of 100% default and recovery rate of 0). For "short" positions, viceversa, they indicate the maximum potential gain (in the same scenario in terms of default and recovery level)

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

(3) Risk position of the Romulus vehicle (fully consolidated entity), classified in securities available for sale. The relevant fair value decrease was recorded in the specific Reserve under Shareholders' equity. Romulus is an asset-backed commercial paper conduit vehicle, set up to offer customers an alternative financial channel via access to the international commercial paper market.

At the end of 2007, the portfolio of investments included €317m of financial assets available for sale and €757m of loans to customers. Of the €317m of securities, €10m were attributable to the US subprime segment, €28m to the "contagion" area (see pages on Multisector CDOs and Alt-A), €279m to other structured credit products. Negative fair value changes recorded on securities available for sale totalled €19m and were recorded in the specific Reserve under Shareholder' equity, of which -€1m recorded on positions included in the subprime segment, -€2m on positions attributed to the so-called "contagion" area (see page on Multisector CDOs), -€16m on securities which fall under other structured credit products; in addition to these, losses of €8m were recorded in the income statement, in caption 130 (b) – Net losses/recoveries on impairment of financial assets available for sale (see page Alt-A)

(4) Including €36m paid up-front on"short" positions outstanding as at 31 December 2007

"Contagion" area (1/3)
Multisector CDOs

(€m)

Product	Position as at 31.12.07		2007 income statement Profit (Losses) on trading			
	Nominal value	Risk exposure (including write-downs and write-backs)	Realised gains/losses	Write-downs and write-backs	Total income statement	
					Whole year	of which 4Q
Unfunded super senior CDOs	431	**375**	1	-58	-57	-43
Other (funded)[1]	20	**18**				
"Long" positions	451	393	1	-58	-57	-43
"Short" positions of funds	68	115		40	40[2]	14
Total			1	-18	-17	-29

(1) Risk position of the Romulus vehicle (fully consolidated entity), classified in securities available for sale. The relevant fair value decrease was recorded in the specific Reserve under Shareholders' equity (see page on US subprime, note 3)
(2) In addition to €7m of capital gains recorded in 2006

"Contagion" area (2/3)
Alt-A

(€m) Product	Position as at 31.12.07		2007 income statement Profit (Losses) on trading			
					Total income statement	
	Nominal value	Risk exposure (including write-downs and write-backs)	Realised gains/losses	Write-downs and write-backs	Whole year	of which 4Q
Alt-A Agency[1]	53	**52**		-1	-1	-1
Alt-A No Agency	48	**41**	-12	-7	-19	-18
Other[2]	8					
"Long" positions	**109**	**93**	-12	-8	-20	-19

(1) Securities issued by the Federal National Mortgage Association (FNMA)
(2) Risk position of the Romulus vehicle (fully consolidated entity), classified in securities available for sale. On this position, losses of €8m were recorded in the income statement in caption 130 (b) – Net losses/recoveries on impairment on financial assets available for sale (see page on US subprime, note 3)

“Contagion” area (3/3)
TruPS and Prime CMOs

TruPS

(€m)

Product	Position as at 31.12.07		2007 income statement Profit (Losses) on trading			
	Nominal value	Risk exposure (including write-downs and write-backs)	Realised gains/losses	Write-downs and write-backs	Total income statement	
					Whole year	of which 4Q
Funded CDOs	4	**3**		-1	-1	-1
Unfunded super senior CDOs	227	**143**	1	-85	-84	-71
"Long" positions	**231**	**146**	**1**	**-86**	**-85**	-72

Prime CMOs

(€m)

Product	Position as at 31.12.07		2007 income statement Profit (Losses) on trading			
	Nominal value	Risk exposure (including write-downs and write-backs)	Realised gains/losses	Write-downs and write-backs	Total income statement	
					Whole year	of which 4Q
CMOs (Prime)	56	**55**		-1	-1	-1
"Long" positions	**56**	**55**		**-1**	**-1**	-1

Monoline

(€m)	Position as at 31.12.07				2007 income statement Profit (Losses) on trading	
	Nominal value of the underlying asset	Fair value of the underlying asset	Credit risk exposure to monoline insurers (fair value of the CDS) pre write-down	Credit risk exposure to monoline insurers (fair value of the CDS) post write-down	Fair value write-down of the hedge from monoline insurers	
					Whole year	of which 4Q
Positions in Packages:						
US RMBS with a significant Subprime content	210	161	49	**36**	-13	-13
Other underlying assets(1)	56	51	5	**4**	-1	-1
Sub-Total	**266**	**212**	**54**	**40**	**-14**	-14
Positions in other derivatives						
Other underlying assets	362	330	32	21	-11	-11
Total	**628**	**542**	**86**	**61**	**-25**	-25

(1) Underlying other than US RMBS, both European and US

Other structured credit products

(€m)	Position as at 31.12.07				2007 income statement Profit (Losses) on trading	
					Fair value write-down of the hedge from primary International banks	
Product	Nominal value of the underlying asset	Fair value of the underlying asset	Credit risk exposure to primary International banks (fair value of the CDS) pre write-down	Credit risk exposure to primary International banks (fair value of the CDS) post write-down	Whole year	of which 4Q
Non-monoline packages[1]	2,487	2,028	459	454	-5[2]	-5

(€m)	Position as at 31.12.07		2007 income statement Profit (Losses) on trading			
					Total income statement	
Product	Nominal value	Fair value	Realised gains/losses	Write-downs and write-backs	Whole year	of which 4Q
Funded ABS/CDO	2,446	2,363	-10	-83[3]	-93	-49
Unfunded super senior multisector CDOs and corporate risk	2,852	2,769	-2	-83	-85	-68
Other[4]	279	263				

(1) Underlying assets were mostly made up of CLOs and ABS CDOs with a limited portion of US subprime (equal to approximately 22%)
(2) Referring to systematic adjustments made on the entire derivatives' universe to incorporate the credit risk in the fair value, in this particular case minimum, of the derivative counterparty (so-called credit risk adjustment), even considering that the operations are mainly object of specific collateral agreement
(3) Of which -€9m ascribable to Banca IMI
(4) Risk position of the Romulus vehicle (fully consolidated entity), classified in securities available for sale. The relevant fair value decrease was recorded in the specific Reserve under Shareholders' equity (see page on US subprime, note 3)

Disclaimer

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

* * *

This presentation contains certain forward looking statements and forecasts reflecting Intesa Sanpaolo management’s current views with respect to certain future events. The Intesa Sanpaolo Group’s ability to achieve its projected results is dependent on many factors which are outside management’s control. Actual results may differ materially from those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

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

- the Group’s ability to successfully integrate the employees, products, services and systems of the merger of Banca 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.