INTESA SANPAOLO

2010 First-Quarter Results

14 May 2010

Foreword

- For comparison purposes, 2009 first three quarters data have been restated to take into account the recording of economic effects connected with the sale of securities services business under "Income (Loss) after tax from discontinued operations"

- With reference to the divisional figures, 2009 data have been restated to take into account the allotment of the Banca CR Firenze Group results, including Casse del Centro, to the relevant business units (previously they were entirely attributed to the Banca dei Territori division)

- The amendment to IAS 39 adopted by the European Union permitted the reclassification of Financial assets held for trading and/or available for sale into other categories. Following a clear change in the Company's intention taken as a result of unusual events, Intesa Sanpaolo reclassified €3,572m Financial assets held for trading into Loans & Receivables, €217m Financial assets held for trading into Financial assets available for sale and €6,384m Financial assets available for sale into Loans & Receivables. This reclassification reflected management intent to hold for the foreseeable future those assets for which the current and expected future market conditions no longer permit active management. Without this reclassification the 1Q10 income statement would have included €84m(1) as positive impact from fair value measurement, while the Shareholders' equity would have included €809m(1) as negative direct impact as at 31.03.10 (€199m(1) as negative impact in 1Q10)

(1) Pre-tax data

Agenda

1 Delivering sustainable growth at the bottom of the cycle

2 2010 First-Quarter Results

Delivering sustainable growth at the bottom of the cycle

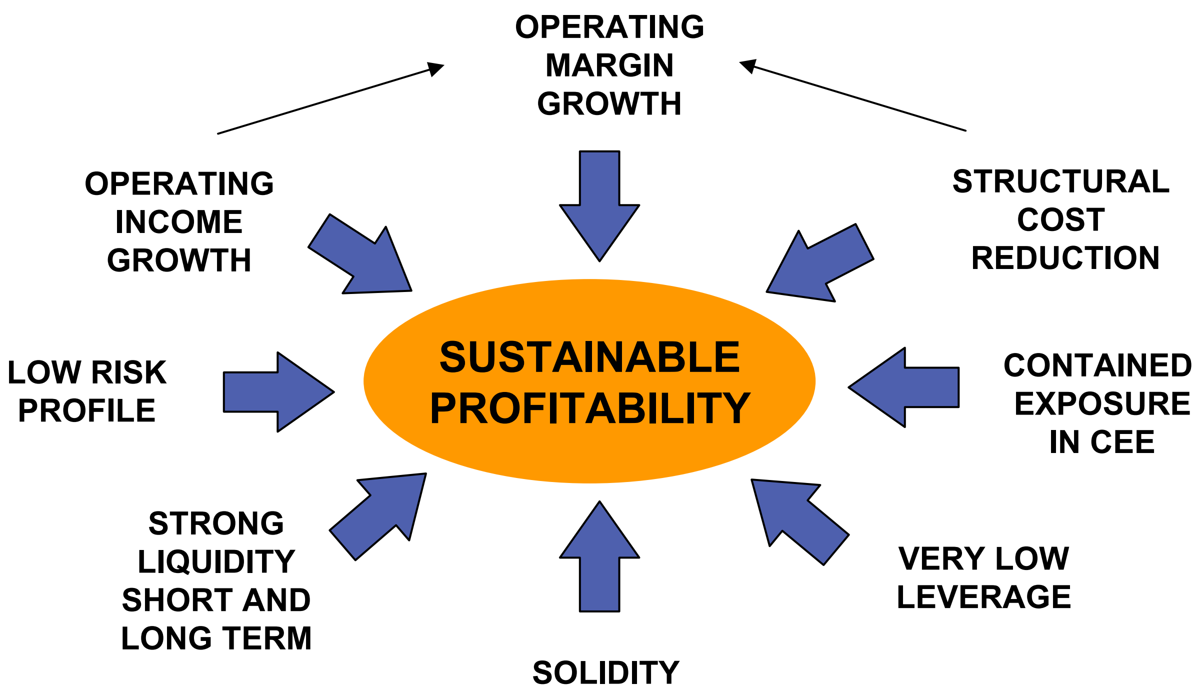
Strong increase in 1Q10 profitability despite Euribor rates at their all-time lows demonstrates our sustainable growth, which is the result of the continued focus on costs, revenues, liquidity, solidity and low risk profile as top priorities for the Group

- **Operating Margin +14.4% vs 4Q09**
- **Income before tax from continuing operations +24.6% vs 4Q09**
- **Net Income at €688m (+26.7% vs 4Q09), €710m adjusted for main non-recurring items(1) (+76.2% vs 4Q09)**
- **Cost of credit down to 82bps annualised**
- **7.2% Core Tier 1 ratio at 31.03.10 (7.7% pro-forma(2)) after accrued dividend(3)**

(1) See slide 49
(2) Including an estimated benefit of Basel 2 Advanced (~25bps to be achieved to a large extent in 2010) and disposals/acquisitions underway (sale of securities services business, disposal of the remaining 25% of Findomestic based on the bottom end of the range set in the contract, purchase of 50% of Intesa Vita and purchase of 50 MPS branches)
(3) Assuming the quarterly quota of the €1bn dividend being paid in 2010 for 2009

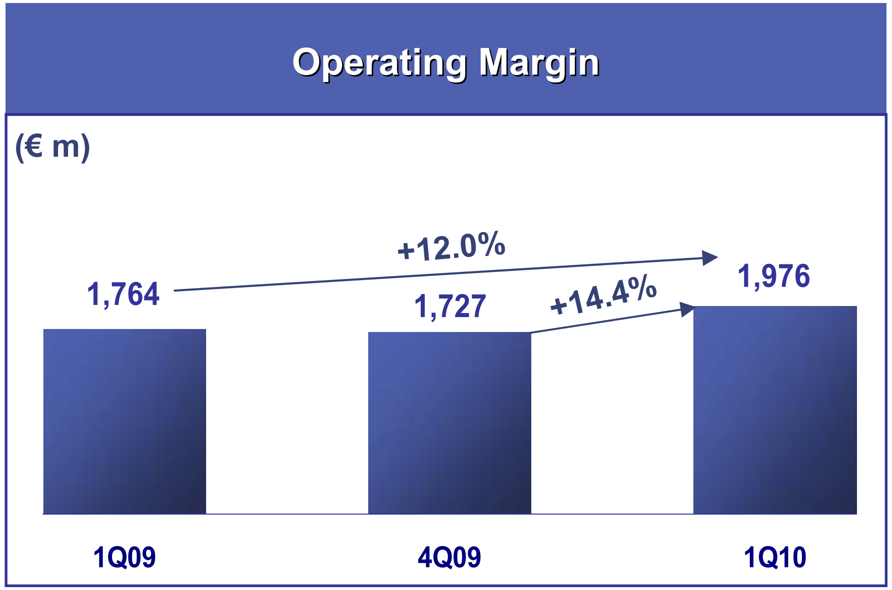
Confirmed focus on sustainable profitability

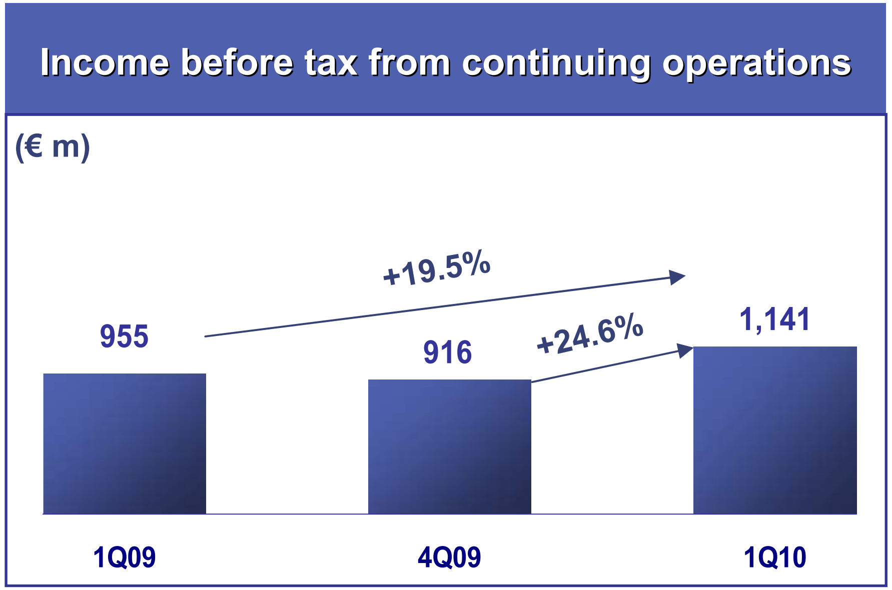
- We have taken decisive actions to manage the Bank through the crisis



- The sustainability of our earnings stream is based on our business model focused on commercial banking
- Long-term rating for the Group is solid. It is rated A+ by S&P, Aa2 by Moody's and AA- by Fitch

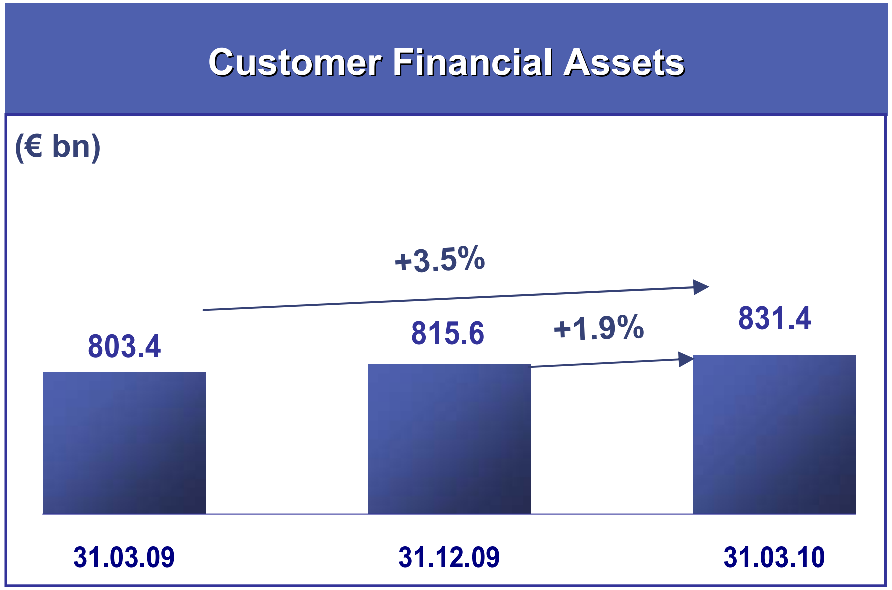
Sustainable profitability: strong increase in Operating Margin and Pre-tax Income

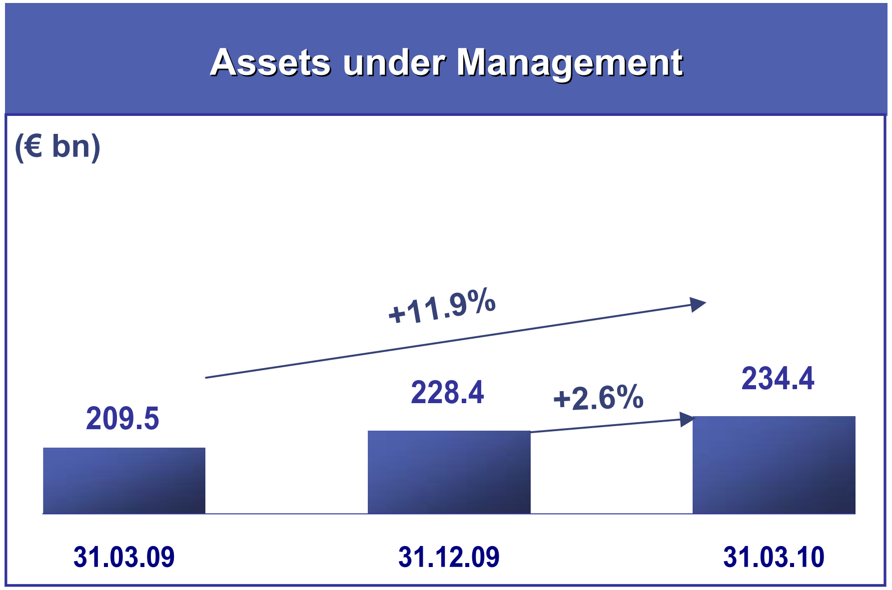




- **Strong increase in Operating Margin and Pre-tax Income despite continued fall in market yields (all-time lows in 1Q10) and mark-down, alongside a management policy prioritising a stronger liquidity position and a low risk profile and not relying upon the leverage effect**

Sustainable profitability: constant growth in Customer Financial Assets and AuM

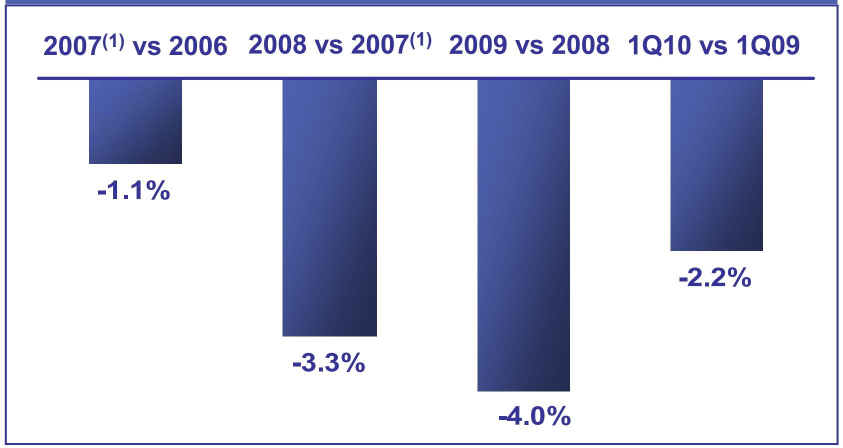




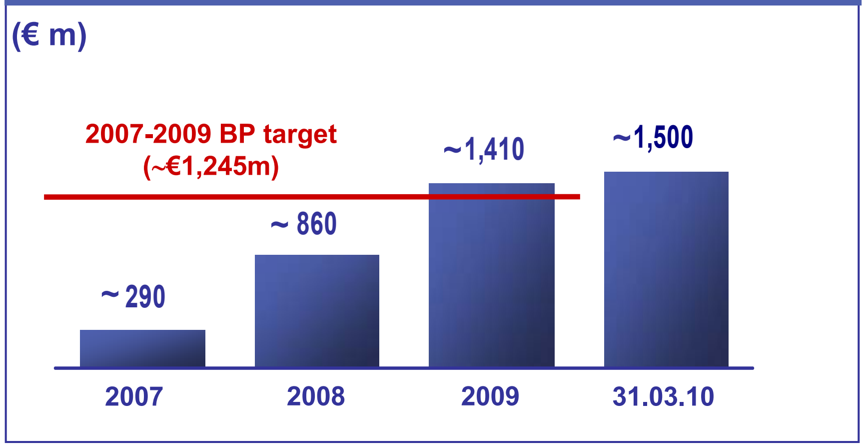
- **Sound and long-lasting client relationships**
  - **€28bn growth in Customer Financial Assets vs 31.03.09 and €15.8bn vs 31.12.09**
  - **€24.9bn growth in AuM vs 31.03.09 and €6.0bn vs 31.12.09**

Sustainable profitability: excellent and continued structural cost reduction

Reduction in Operating Costs



Cumulative cost synergies realised (before tax)



- **2.2% decline in Operating costs 1Q10 vs 1Q09 following three consecutive years of reductions**
- **~€90m of additional cost synergies realised in 1Q10**
- **Only ~€40m of integration charges to be booked in the remainder of 2010 (€214m in 2009)**
- **Cost/Income ratio at 53.2% in 1Q10, down 3.4pp vs 1Q09**

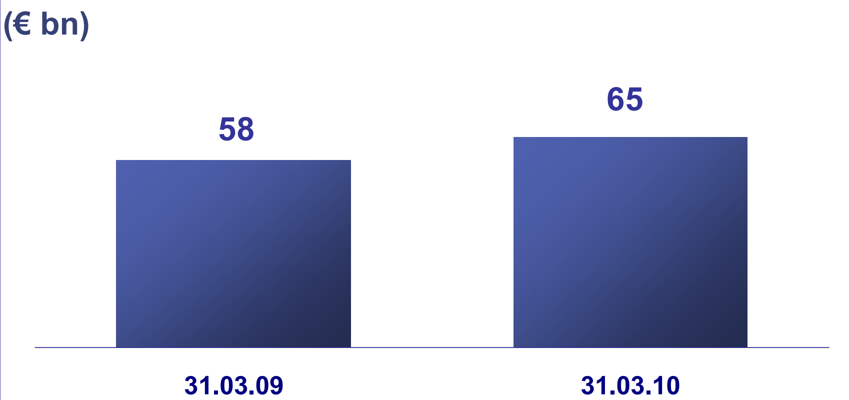
(1) Excluding non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR) (€277m in 2Q07)

Liquidity remains a priority and represents a key point of strength

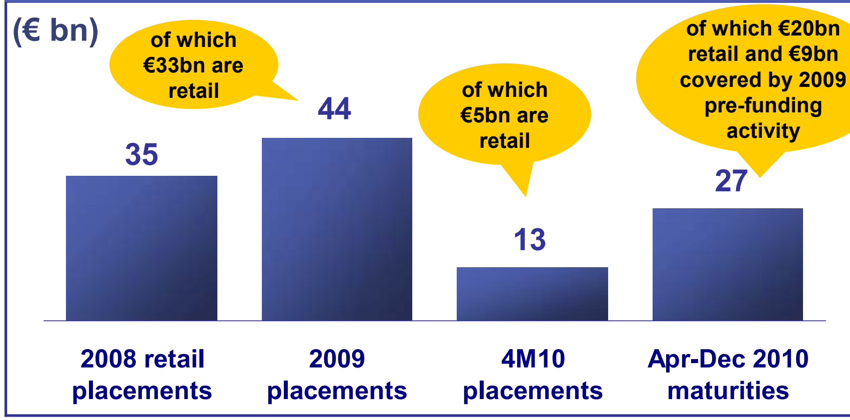
Direct Customer Deposits > Loans to Customers as at 31.03.10

- Group strategy aimed at prioritising the liquidity position in a continuing uncertain economic environment
- The retail branch network is a stable and reliable source of funding: more than 70% of Direct Customer Deposits from retail business
- €3.2bn positive Net interbank position
- In 2009 €44bn medium/long-term placements, €9bn more than maturities
- 4M10 placements equal to the maturities of the period (€13bn)
- Considering the amount of the remaining 2010 maturities (€27bn of which €20bn are retail and €9bn was pre-funded in 2009) we could even do without the wholesale market for the rest of the year, even though this is not our intention

Eligible assets with Central Banks(2) (net of haircut)



Medium/long-term funding capability



(1) Excluding €22.9bn financial liabilities from insurance business
(2) ECB, Fed and BOE

Capital ratios further strengthened in 1Q10

	Capital ratios as at 31.03.10 Basel 2 (Foundation)	Estimated benefits Basel 2 Advanced(1) and disposals/acquisitions underway(2)	Pro-forma capital ratios	Estimated benefits from capital management actions in the short term	Estimated further benefits from capital management actions if needed	Total
Core Tier 1 ratio	7.2%	0.5%	7.7%	>0.5%	>1.0%	>9.2%
Tier 1 ratio	8.5%	0.5%	9.0%	>0.5%	>1.0%	>10.5%
Total Capital ratio	11.9%	0.5%	12.4%	>0.5%	>1.0%	>13.9%

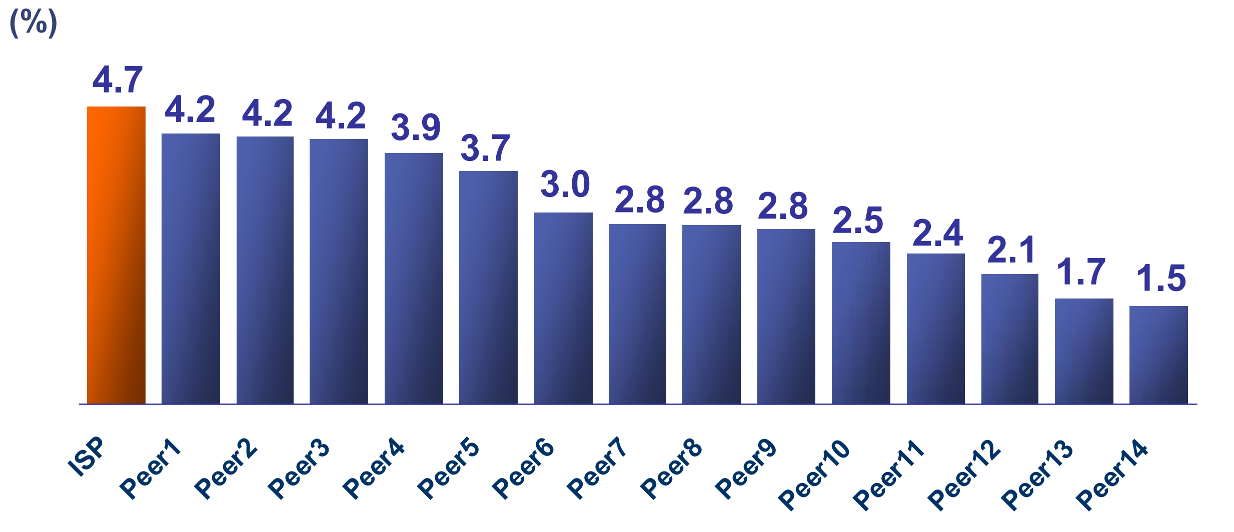
- **~10bps Core Tier 1 improvement in 1Q10 (more than 80bps vs 31.03.09) entirely due to structural operating performance, taking into account the effect of the accrued dividend**
- **Capital ratios as at 31.03.10 are <u>already net of dividends</u> of €258m (quarterly quota of the €1,033m dividend being paid in 2010)**
- **Pro-forma capital ratios <u>do not take into account the benefit</u> relating to the agreement for the sale of 150-200 branches to Crédit Agricole at market price, with terms and conditions to be finalised by 30.06.10**
- **Further benefits available from capital management actions on non-core assets: remaining total value of €10-12bn considering either the book value or a reasonable market value, of which €5bn affecting Core Tier 1 as goodwill and intangibles, and RWA of more than €11bn**

(1) Fully executing the internal model extension plan to the Advanced model - subject to Bank of Italy approval - produces a benefit that, on the basis of the current economic situation, can be estimated at a further ~25bps on the Core Tier 1 ratio, to be achieved to a large extent in 2010

(2) Balance (equal to +28bps) arising from the sale of the remaining 25% of Findomestic (based on the bottom end of the range set in the contract), sale of securities services business, purchase of 50% of Intesa Vita and purchase of 50 MPS branches

Very low leverage remains a priority and represents a point of strength

Tangible Net Shareholders' equity(1)/ Tangible Total Assets as at 31.03.10(2)

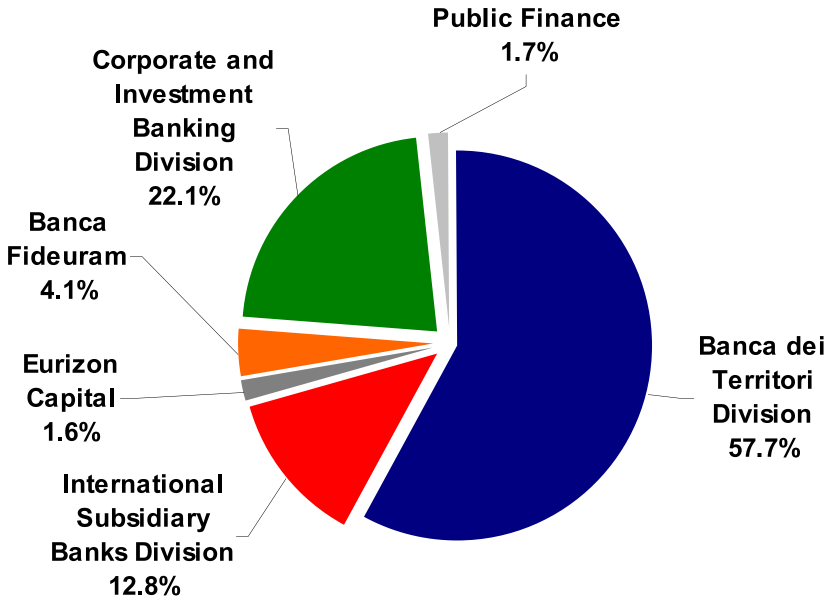


ISP has the best ratio of Tangible Net Shareholders' equity to Tangible Total Assets demonstrating its solid capital base

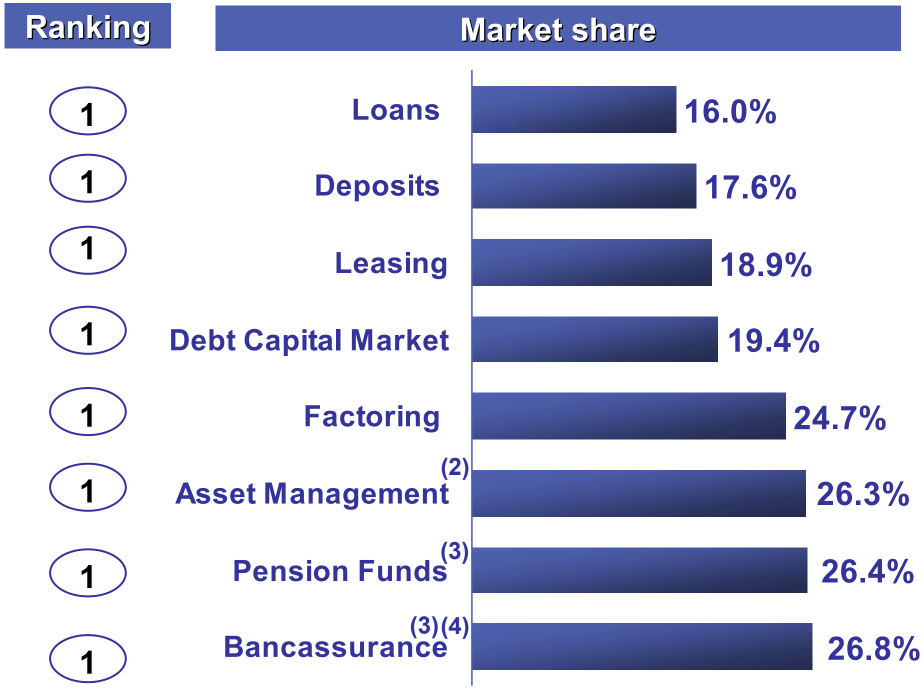
(1) Including Net income for the period (Net income for the period not distributed for data as at 31.12.09)
(2) Sample: BBVA, Commerzbank, Crédit Agricole, Credit Suisse, Deutsche Bank, ING, Nordea, Santander, Société Générale, UBS and UniCredit (data as at 31.03.10); Barclays, BNP Paribas and HSBC (data as at 31.12.09)

Low risk profile: focus on strength in the domestic market

1Q10 Operating Income Breakdown by business area[(1)]



Leadership in Italy
(data as at 31.03.10)



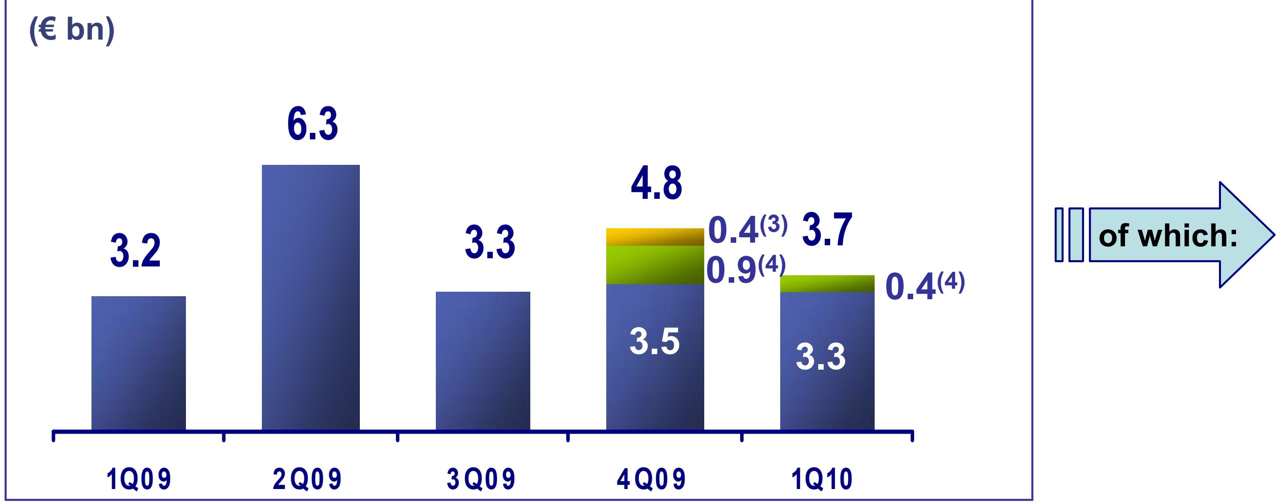
- **Domestic retail operations are currently suffering from historically low market yields but will remain a strategic strength of the Group together with the other commercial banking operations**

(1) Excluding Corporate Centre
(2) Mutual funds
(3) Data as at 31.12.09
(4) New business

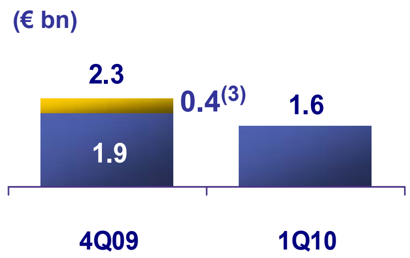
Low risk profile: 1Q10 cost of credit down at 82bps annualised and gross flow of new Non-performing Loans from Performing Loans declining

- **Doubtful loans[1] total coverage (including collateral and guarantees) stable at 124%**
- **Repayments from Doubtful loans[1] structurally higher than their Net Book Value (~150% in 1Q10 and in the 2008-2009 2-year period)**
- **Reserves on Performing loans at €2,446m, €4m increase vs 31.03.09 despite loan reduction**
- **Gross flow of new Non-performing loans[2] originating from Performing loans in 1Q10 lower than in 4Q09**

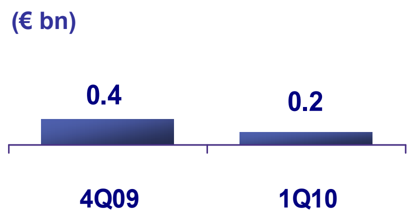
New Non-performing Loans[2] gross flow from Performing Loans



New Substandard Loans[1] flow



New Doubtful loans[1] flow



(1) Doubtful Loans = "sofferenze", Substandard Loans = "incagli"
(2) Non-performing loans: Doubtful ("sofferenze"), Substandard ("incagli"), Restructured and Past due
(3) Including a Substandard loan of €427m secured by €402m cash collateral from other banks taking part in the loan facility, with an actual risk for Intesa Sanpaolo of only €25m
(4) Past due loans affected by the impact from the regulatory change that led to the inclusion of Past due by over 90 days amounting to gross €922m in 4Q09 and gross €446m in 1Q10

Low risk profile: only 7.5% of loans in CEE, very well-diversified over 10 Countries

(Figures as at 31.03.10)	Hungary	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Russian F.	Ukraine	Total CEE	Egypt	Total
Oper. Income (€ m)	121	114	25	111	56	7	10	11	37	10	502	52	554
% of Group total	***2.9%***	***2.7%***	***0.6%***	***2.6%***	***1.3%***	***0.2%***	***0.2%***	***0.3%***	***0.9%***	***0.2%***	***11.9%***	***1.2%***	***13.1%***
Net Income (€ m)	5	34	7	31	19	1	3	(1)	4	(7)	95	23	118
% of Group total	***0.7%***	***4.9%***	***1.1%***	***4.4%***	***2.7%***	***0.1%***	***0.5%***	***n.m.***	***0.6%***	***n.m.***	***13.8%***	***3.4%***	***17.2%***
Customer Deposits (€ bn)	6.2	7.9	1.3	6.2	1.9	0.4	0.7	0.3	0.7	0.4	26.0	3.5	29.5
% of Group total	***1.4%***	***1.8%***	***0.3%***	***1.4%***	***0.4%***	***0.1%***	***0.2%***	***0.1%***	***0.2%***	***0.1%***	***6.1%***	***0.8%***	***6.9%***
Customer Loans (€ bn)	8.5	5.9	2.0	6.5	2.0	0.4	0.3	0.6	1.2	0.4	27.7	2.2	29.9
% of Group total	***2.3%***	***1.6%***	***0.5%***	***1.8%***	***0.5%***	***0.1%***	***0.1%***	***0.2%***	***0.3%***	***0.1%***	***7.5%***	***0.6%***	***8.1%***
Total Assets (€ bn)	10.6	10.2	2.4	9.5	3.1	0.6	0.8	0.8	1.8	0.7	40.5	4.6	45.2
% of Group total	***1.7%***	***1.6%***	***0.4%***	***1.5%***	***0.5%***	***0.1%***	***0.1%***	***0.1%***	***0.3%***	***0.1%***	***6.3%***	***0.7%***	***7.0%***
Shareholder's Equity (€ m)	1,004	987	257	1,150	478	58	75	132	237	106	4,483	355	4,838
% of Group total	***1.9%***	***1.9%***	***0.5%***	***2.2%***	***0.9%***	***0.1%***	***0.1%***	***0.2%***	***0.4%***	***0.2%***	***8.4%***	***0.7%***	***9.1%***
Book value (€ m)	1,022	1,148	308	1,239	783	86	185	133	294	106	5,304	1,418	6,722
- of which goodwill/intangibles	*56*	*240*	*61*	*114*	*306*	*29*	*124*	*5*	*78*	*1*	*1,014*	*1,066*	*2,079*

- **Marginal presence in Ukraine (0.1% of Group loans; €0.4bn)**
- **Well-balanced Direct Customer Deposits/Loans to Customers**

Figures may not add up exactly due to rounding differences

Low risk profile: adequate coverage of Non-Performing Loans in CEE

(Figures as at 31.03.10)	Hungary	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Russian F.	Ukraine	Total CEE	Egypt	Total
Performing loans (€ bn)	7.5	5.7	1.9	6.2	1.9	0.4	0.3	0.5	1.2	0.3	**25.9**	2.2	**28.1**
of which:													
Retail local currency	5%	56%	42%	15%	7%	7%	2%	26%	4%	32%	**22%**	41%	**24%**
Retail foreign currency	26%	0%	1%	30%	20%	42%	19%	63%	1%	51%	**19%**	0%	**18%**
Corporate local currency	18%	41%	55%	14%	7%	50%	8%	2%	71%	12%	**26%**	36%	**27%**
Corporate foreign currency	51%	2%	2%	41%	66%	1%	70%	8%	24%	4%	**32%**	23%	**31%**
Doubtful loans(1)(€ m)	148	36	16	7	26	10	9	38	32	46	**368**	24	**392**
Substandard and Restructured(2) (€ m)	847	99	59	340	33	7	23	19	11	12	**1,450**	3	**1,453**
Performing loans coverage	0.6%	1.9%	2.3%	1.4%	3.0%	2.4%	3.2%	0.6%	0.3%	1.3%	**1.4%**	2.2%	**1.5%**
Doubtful loans(1) coverage	73%	79%	72%	95%	79%	47%	57%	24%	77%	72%	**74%**	90%	**77%**
Substandard and Restructured loans(2) coverage	11%	26%	19%	31%	30%	22%	18%	27%	45%	20%	**19%**	25%	**19%**
Cost of credit(3) (bps; annualised)	266	137	81	96	292	143	216	295	365	697	**196**	24	**183**

- **Foreign currency retail loans in CEE only account for 1.3% of Group loans**

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

Outlook 2010

- **1Q10 positive results are well in line with the 2010 Outlook disclosed in 2009 results presentation in March**
  - **Some improvement in Operating Income, reflecting a recovery in Net fee and commission income and defence of Net interest income**
  - **Decreasing Operating costs**
  - **Cost of credit down compared to 2009**
  - **Recurring profitability up**
  - **Integration charges down markedly**

Net Income for the year expected to exceed 2009, also supported by the capital gains from the capital management actions under finalisation

Agenda

1 Delivering sustainable growth at the bottom of the cycle

2 2010 First-Quarter Results

€28bn growth in Customer Financial Assets vs 31.03.09

(€ m)	31.03.09 Restated	31.03.10	Δ%
Loans to Customers	**386,595**	**369,481**	**(4.4)**
Customer Financial Assets[(1)]	**803,368**	**831,370**	**+3.5**
of which Direct Customer Deposits	**427,597**	**429,380**	**+0.4**
of which Indirect Customer Deposits	**400,680**	**427,074**	**+6.6**
- Assets under Management	***209,502***	***234,413***	***+11.9***
- Assets under Administration	***191,178***	***192,661***	***+0.8***
RWA	**378,676**	**361,337**	**(4.6)**

- **Customer Financial Assets up by €15.8bn vs 31.12.09**
- **Assets under Management up by €6.0bn vs 31.12.09**

(1) Net of duplications between Direct Customer Deposits and Indirect Customer Deposits
Note: 31.03.09 figures restated to reflect the scope of consolidation as at 31.03.10

Sustained increase in Operating Margin and Pre-tax Income vs 1Q09

(€ m)	1Q09 Restated	1Q10	Δ%
Net interest income	2,659	2,407	(9.5)
Dividends and P/L on investments carried at equity	(6)	7	n.m.
Net fee and commission income	1,216	1,403	15.4
Profits (Losses) on trading	107	218	103.7
Income from insurance business	64	166	159.4
Other operating income	21	22	4.8
Operating income	**4,061**	**4,223**	**4.0**
Personnel expenses	(1,390)	(1,370)	(1.4)
Other administrative expenses	(751)	(734)	(2.3)
Adjustments to property, equipment and intangible assets	(156)	(143)	(8.3)
Operating costs	**(2,297)**	**(2,247)**	**(2.2)**
Operating margin	**1,764**	**1,976**	**12.0**
Goodwill impairment	0	0	n.m.
Net provisions for risks and charges	(69)	(86)	24.6
Net adjustments to loans	(733)	(754)	2.9
Net impairment losses on assets	(7)	(5)	(28.6)
Profits (Losses) on HTM and on other investments	0	10	n.m.
Income before tax from continuing operations	**955**	**1,141**	**19.5**
Taxes on income from continuing operations	183	(351)	n.m.
Merger and restructuring related charges (net of tax)	(48)	(16)	(66.7)
Effect of purchase cost allocation (net of tax)	(95)	(92)	(3.2)
Income (Loss) after tax from discontinued operations	105	28	(73.3)
Minority interests	(25)	(22)	(12.0)
Net income	**1,075**	**688**	**(36.0)**

+10.2% excluding main non-recurring items

Note: 1Q09 figures restated to reflect the scope of consolidation for 1Q10
Figures may not add up exactly due to rounding differences

Strong growth in Operating Margin and Net Income vs 4Q09

(€ m)	4Q09	1Q10	Δ%
Net interest income	2,487	2,407	(3.2)
Dividends and P/L on investments carried at equity	(2)	7	n.m.
Net fee and commission income	1,497	1,403	(6.3)
Profits (Losses) on trading	129	218	69.0
Income from insurance business	133	166	24.8
Other operating income (expenses)	29	22	(24.1)
Operating income	**4,273**	**4,223**	**(1.2)**
Personnel expenses	(1,456)	(1,370)	(5.9)
Other administrative expenses	(888)	(734)	(17.3)
Adjustments to property, equipment and intangible assets	(202)	(143)	(29.2)
Operating costs	**(2,546)**	**(2,247)**	**(11.7)**
Operating margin	**1,727**	**1,976**	**14.4**
Net provisions for risks and charges	(99)	(86)	(13.1)
Net adjustments to loans	(1,069)	(754)	(29.5)
Net impairment losses on other assets	(160)	(5)	(96.9)
Profits (Losses) on HTM and on other investments	517	10	(98.1)
Income before tax from continuing operations	**916**	**1,141**	**24.6**
Taxes on income from continuing operations	(169)	(351)	107.7
Merger and restructuring related charges (net of tax)	(84)	(16)	(81.0)
Effect of purchase cost allocation (net of tax)	(90)	(92)	2.2
Income (Loss) after tax from discontinued operations	27	28	3.7
Minority interests	(57)	(22)	(61.4)
Net income	**543**	**688**	**26.7**

+4.0% vs 1Q09

-2.2% vs 1Q09

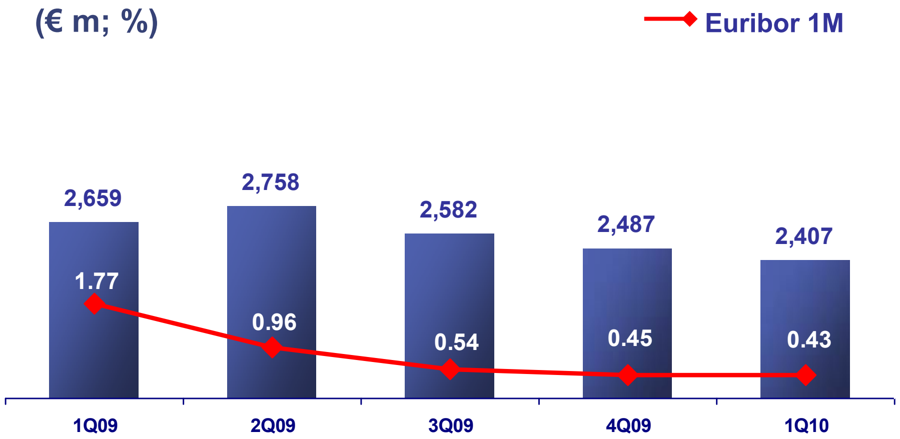
+76.2% excluding main non-recurring items

Figures may not add up exactly due to rounding differences

Net Interest Income not inflated by the leverage effect and affected by market rates at all-time lows

Quarterly Analysis

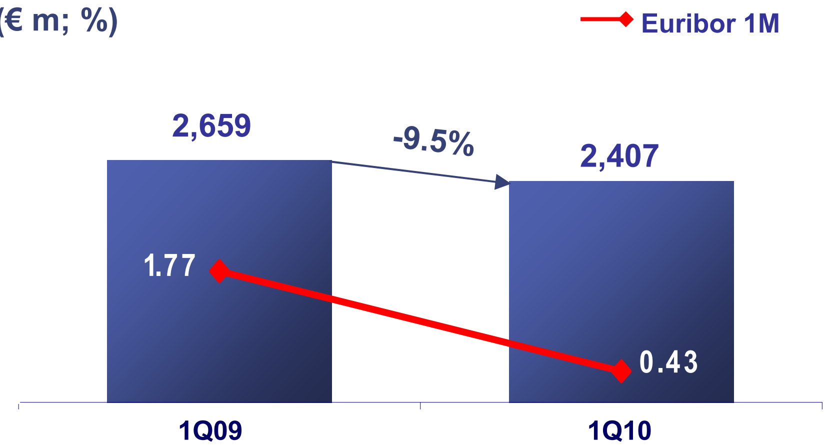
(€ m; %)



- Decrease in 1Q10 vs 4Q09 mainly driven by fewer days in the quarter (negative impact of more than €40m)
- 1Q10 decline in mark-down due to the further decline in market yields
- 2.1% decrease in average Loan to Customers 1Q10 vs 4Q09

Yearly Analysis

(€ m; %)



- Decrease due to mark-down reduction and, to a lesser extent, elimination of overdraft charges and decline in average Loan to Customers (-6.3%)
- Growth in average Direct Customer Deposits (+3.0%)

Loans to Customers - Average volumes

	Δ%	Δ €bn
Retail Italy	(2.1)	(2.4)
SMEs Italy	(7.2)	(4.9)
Mid-Corporate Italy	(8.3)	(1.8)
Large Corporate	(27.1)	(11.8)
Public Finance(1)	(0.5)	(0.2)
International Subsidiary Banks Division	(3.5)	(1.1)

(1) Including securities subscription

Yearly decrease in Net Interest Income largely due to the mark-down

Δ 1Q10 vs 4Q09		
(€ m)		
4Q09 Net Interest Income		2,487
+ Operating impact		(82)
of which:		
- Volumes	(61)	
- Spread	(21)	
+ Hedging [1] [2]		6
+ Other		(4)
1Q10 Net Interest Income		2,407

of which more than €40m due to fewer days in the quarter

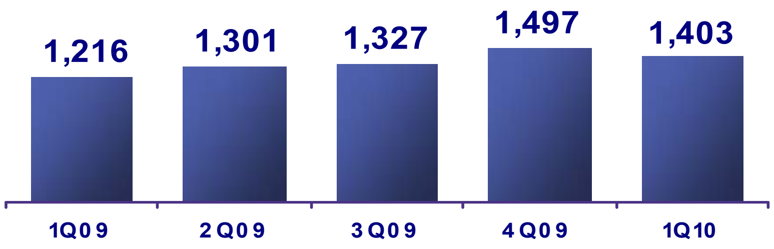
Δ 1Q10 vs 1Q09		
(€ m)		
1Q09 Net Interest Income		2,659
+ Operating impact		(418)
of which:		
- Volumes	(84)	
- Spread	(334)	
+ Hedging [2]		267
+ Overdraft charges		(93)
+ Other		(8)
1Q10 Net Interest Income		2,407

(1) ~€430m benefit from hedging registered in 1Q10
(2) Core deposits

Sustained yearly growth in Net Fee and Commission Income

Quarterly Analysis

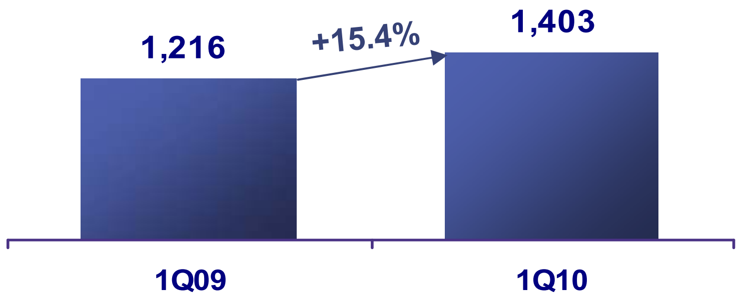
(€ m)



- 5.1% increase in 1Q10 vs 2009 quarterly average
- 1Q10 vs 4Q09 decline mostly due to the non recurrence of AuM performance fees recorded in 4Q09 (~€60m)

Yearly Analysis

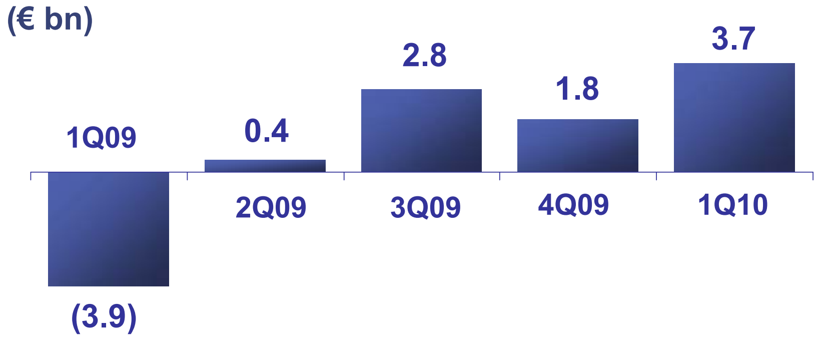
(€ m)



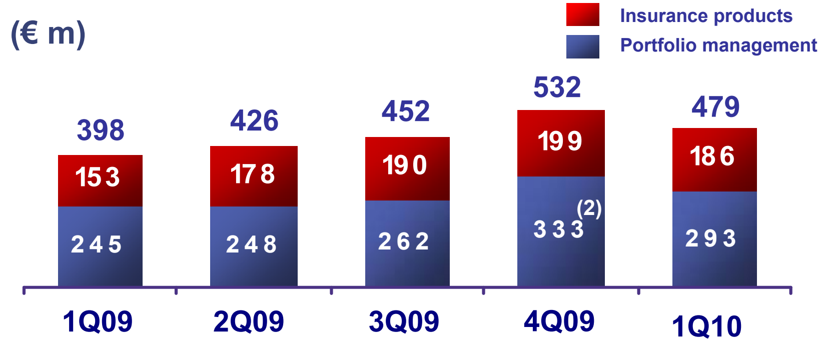
- 15.4% growth in 1Q10 vs 1Q09
- 9.6% (+€44m) increase in commissions from commercial banking activities also due to the introduction of the commitment fee (€28m benefit vs 1Q09)
- Excellent growth (+29.8%; +€156m) in commissions from Management, dealing and consultancy activities due to the good performance of all components (portfolio management, insurance products, placement of securities)

Strong increase in AuM net inflows in 1Q10

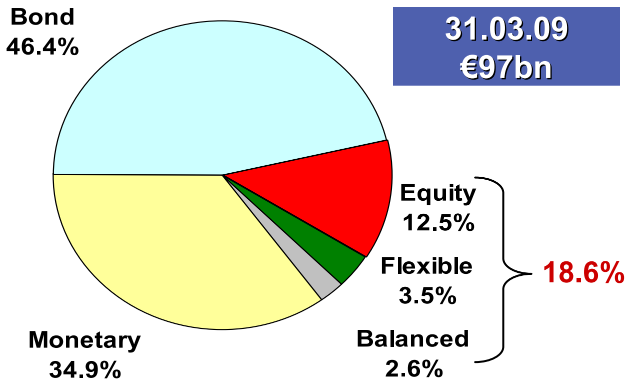
Quarterly net flows of Assets under Management in Italy[1]

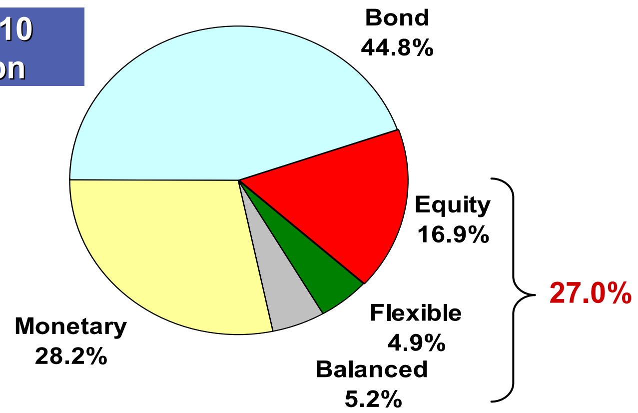


Quarterly Net Fee and Commission Income from Assets under Management



Improved Mutual Funds Asset Mix





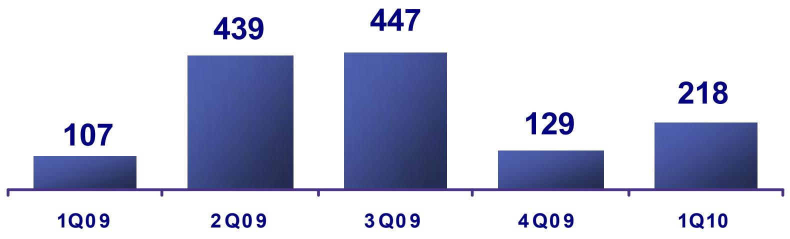
- €6.0bn growth in Assets under Management in 1Q10 (+2.6% vs 31.12.09)
- The switch back of Assets under Administration (€193bn) into Assets under Management provides potential for growth in commissions with retail customers

(1) Banca dei Territori Division + Banca Fideuram
(2) Including ~€60m of performance fees

Positive performance in Profits on trading while maintaining low risk profile

Quarterly Analysis

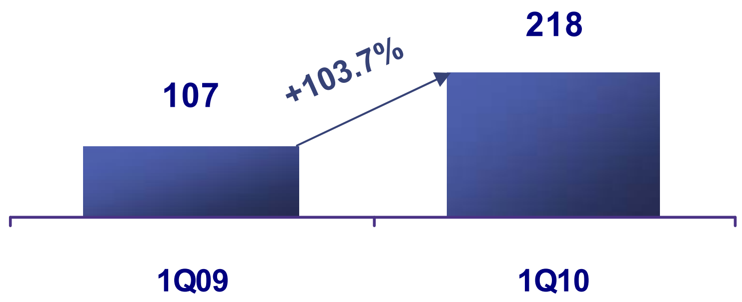
(€ m)



- Another positive quarter further lowering the risk level, following good results in 2009
- 1Q10 average VAR down 8.2% vs 4Q09 at €29m
- Strong increase in profits from Capital Markets activities in 1Q10 vs 4Q09

Yearly Analysis

(€ m)



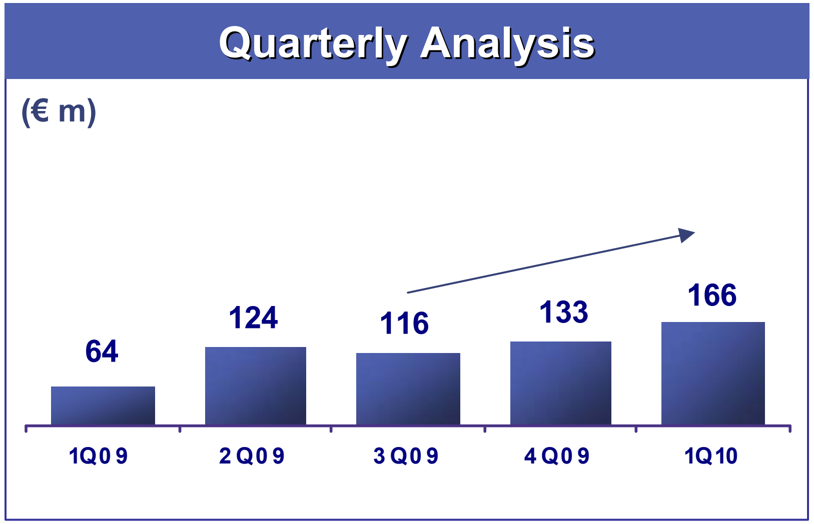
- 1Q10 results more than doubled vs 1Q09, while maintaining low risk profile
- 1Q10 average VAR down 41.7% vs 1Q09
- 1Q10 profits from proprietary trading and treasury and structured credit products only account for 0.7% of Operating income

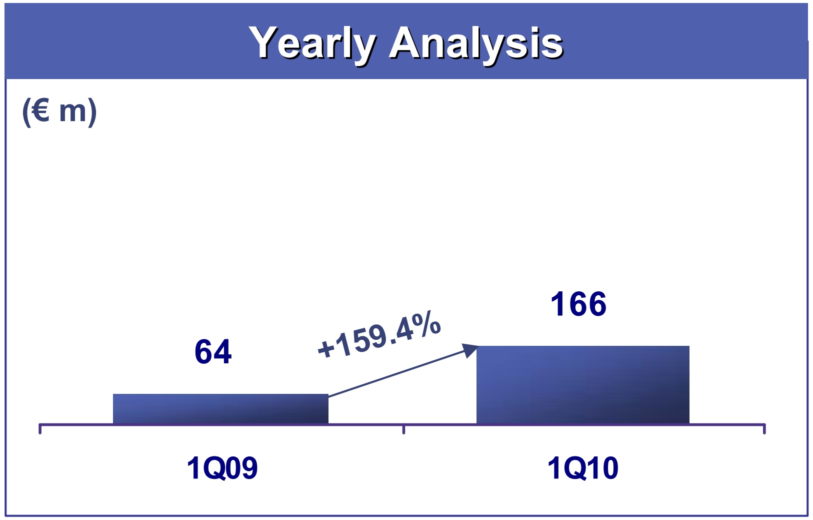
Trading profits: strong increase in profits from Capital Markets activities in 1Q10 vs 4Q09

(€ m)	1Q09(1)	2Q09(1)	3Q09(1)	4Q09(1)	1Q10(1)
Total	107	439	447	129	218
of which:					
Customers	104	157	113	87	85
Capital markets & Financial assets AFS	101	167	205	30	105
Proprietary Trading and Treasury (excluding structured credit products)	(19)	111	90	2	2
Structured credit products (see appendix)	(79)	4	39	10	27

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

Positive performance of the insurance business confirmed





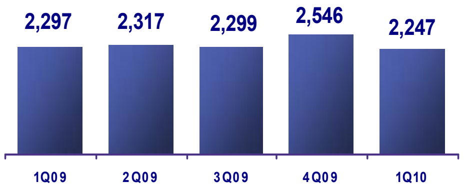
- 1Q10, the highest quarter of the past 5 quarters (+24.8% vs 4Q09)
- Strong increase in 1Q10 vs 1Q09 (+159.4%)
- Following the unwinding of the joint ventures with Generali and Cardif, Intesa Sanpaolo will acquire full control of the current four companies (Intesa Vita, EurizonVita, Centrovita and Sud Polo Vita)
- The rationalisation project underway is based on a logic of specialisation by distribution network. This will lead to the setting up of a single life company serving the Group's banking networks and a life company at the service of Banca Fideuram. Main benefits:
  - significant efficiency improvement, with cost synergies (unification of systems and processes)
  - substantial improvement in commercial effectiveness (alignment to internal best practice, reviewing and unifying both product range and investment policies and leveraging on advertising campaign)
  - the re-launch of the insurance business of Banca Fideuram thanks to a dedicated structure

Further significant reduction in Operating Costs and Cost/Income ratio down at 53.2%

Quarterly Analysis

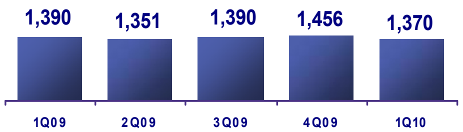
Operating Costs

(€ m)



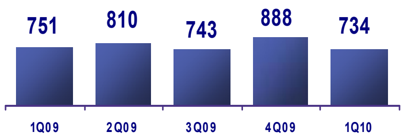
Personnel Expenses

(€ m)



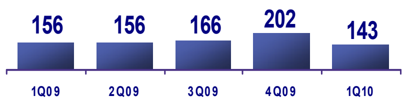
Other Administrative Expenses

(€ m)



Adjustments

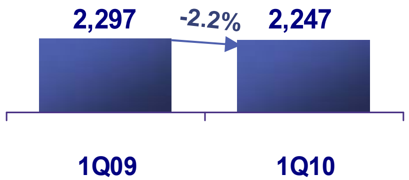
(€ m)



Yearly Analysis

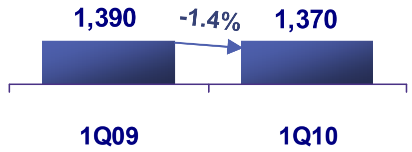
Operating Costs

(€ m)



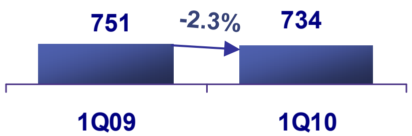
Personnel Expenses

(€ m)



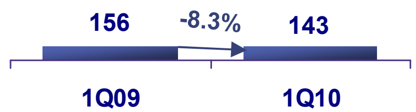
Other Administrative Expenses

(€ m)



Adjustments

(€ m)



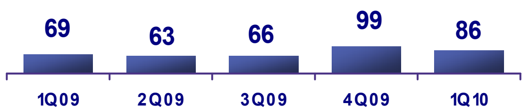
- 1Q10 Operating costs down 11.7% vs 4Q09 due to the average staff reduction, the completion in 2009 of the amortisation plan of some IT assets and the seasonal trend of Other Administrative Expenses and Adjustments
- Excellent cost reduction (-2.2% vs 1Q09) confirmed despite ongoing growth-related investments
- 1Q10 Cost/Income ratio down to 53.2% from 56.6% in 1Q09

Cost of credit down at 82bps annualised

Quarterly Analysis

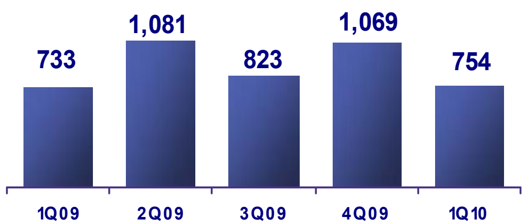
Net Provisions for risks and charges

(€ m)



Net Adjustments to Loans

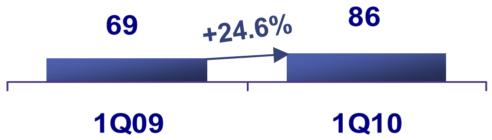
(€ m)



Yearly Analysis

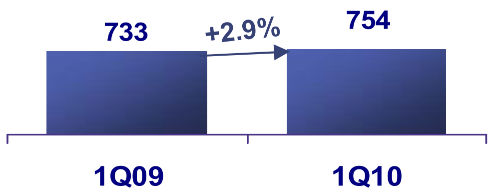
Net Provisions for risks and charges

(€ m)



Net Adjustments to Loans

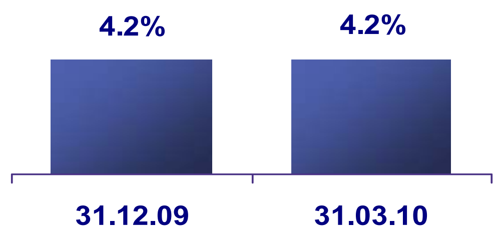
(€ m)



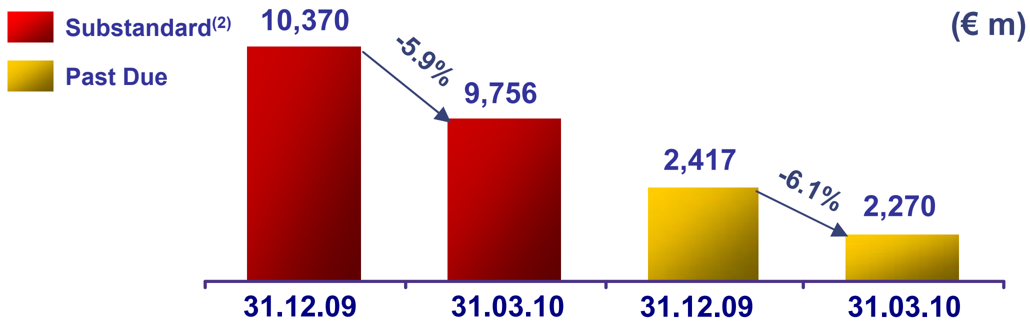
- **Net provisions for risks and charges down in 1Q10, after the high level of provisions made in 4Q09**
- **29.5% decrease in 1Q10 Net Adjustments to Loans vs 4Q09**
- **1Q10 Net Adjustments to Loans/Loans down at 82bps annualised (vs 99bps in 2009 and 114bps in 4Q09) well in line with the 2010 Outlook disclosed in March**
- **1Q10 Net Adjustments to Loans/Loans substantially stable vs 1Q09**
- **€2,446m reserves on Performing Loans, €4m increase vs 31.03.09 despite loan reduction**

Reduction in the stock of Substandard and Past Due Loans

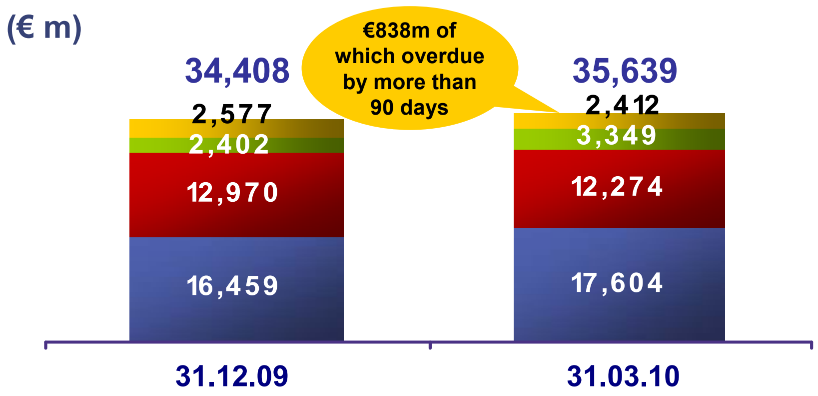
Net Doubtful[(1)]+ Substandard[(2)] Loans/Net Loans



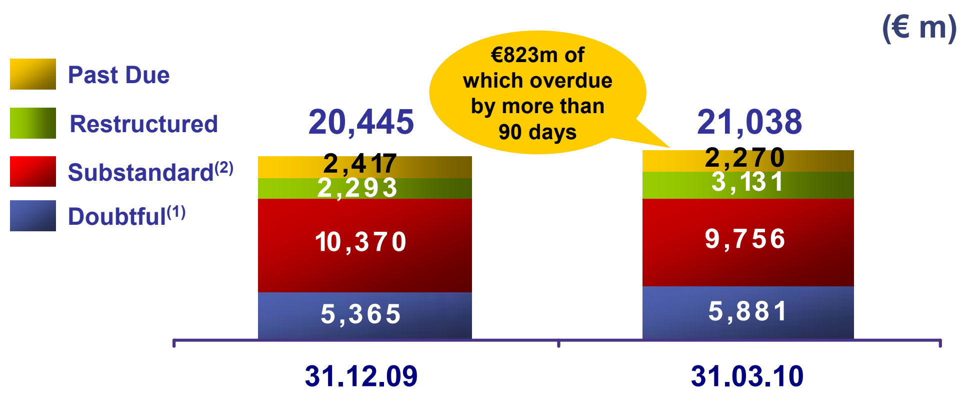
Net Substandard[(2)] Loans and Net Past Due



Gross Non-Performing Loans



Net Non-Performing Loans

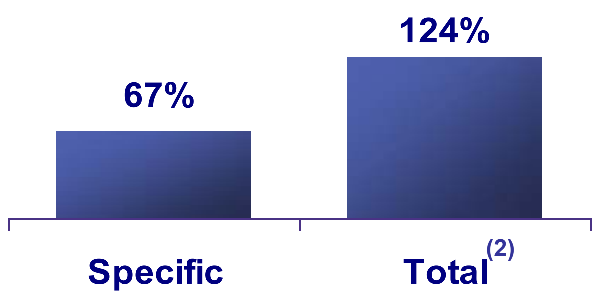


- 1Q10 decrease in the stock of Substandard (-5.4% and -5.9% respectively, gross and net data) and Past Due Loans (-6.4% and -6.1% respectively, gross and net data)
- 1Q10 stock of Net Doubtful[(1)] + Net Substandard[(2)] Loans slightly lower than 31.12.09
- Stock of Restructured Loans to a large extent owing to a single loan which did not require provisioning
- The stock of Past Due Loans includes €838m gross positions overdue more than 90 days

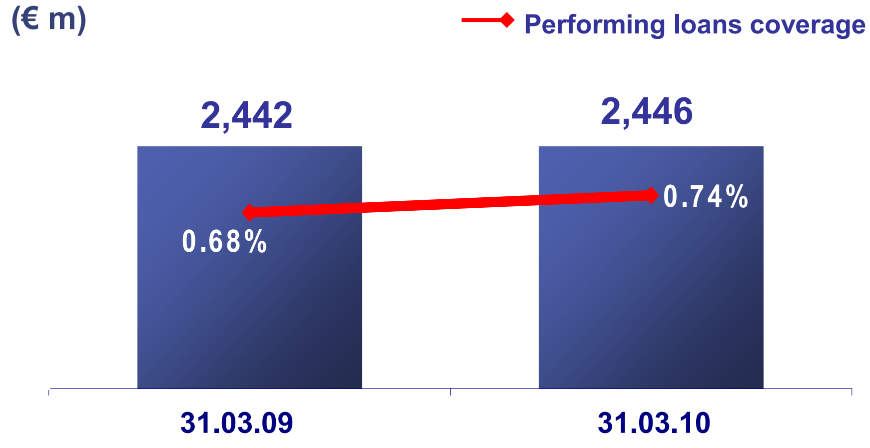
(1) Sofferenze
(2) Incagli

Doubtful Loans[1] coverage more than adequate and stable

Doubtful Loans[1] coverage as at 31.03.10



Reserves on Performing Loans

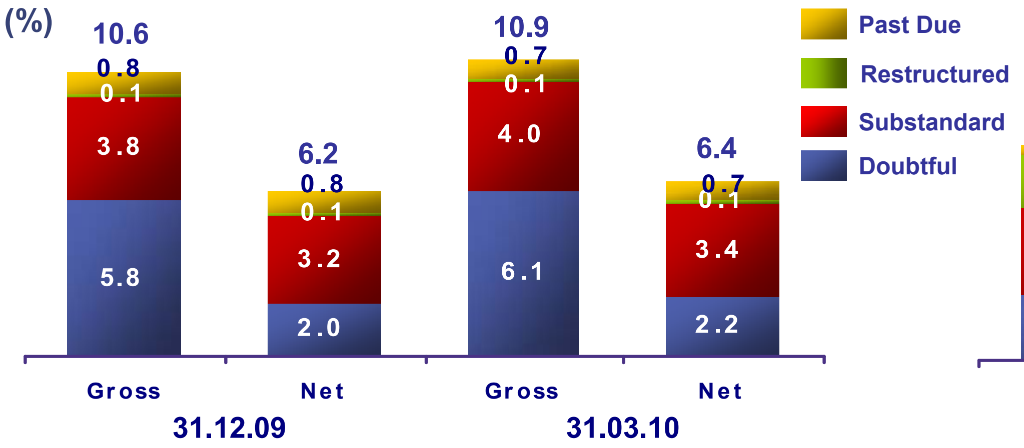


- Doubtful Loans[1] total coverage (including collateral and guarantees) stable at 124%. Specific coverage stable at 67%
- Repayments from Doubtful Loans[1] structurally higher than their Net Book Value (152% in 1Q10 and 147% in 2009)
- €2,446m reserves on Performing Loans, €4m increase vs 31.03.09 despite loan reduction

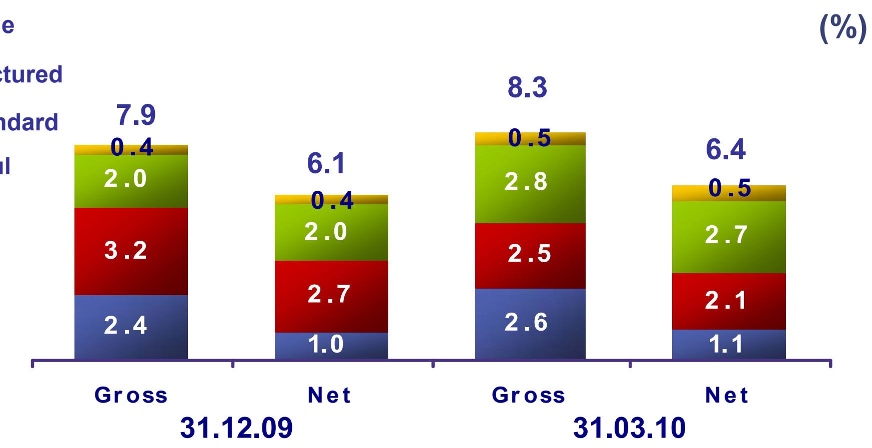
(1) Sofferenze
(2) Including collateral and guarantees

Non-Performing Loans/Loans per Business Unit

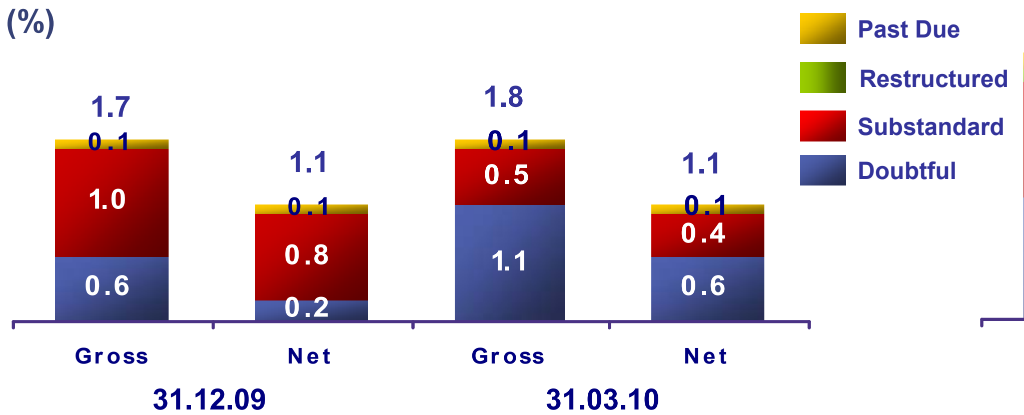
Banca dei Territori Division



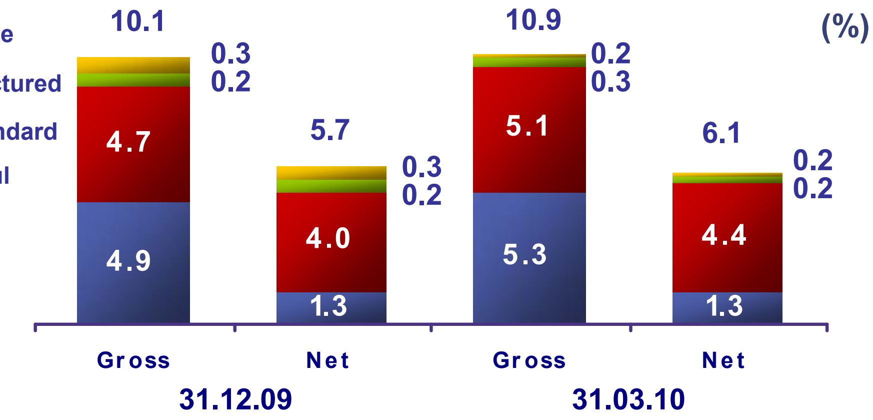
Corporate and Investment Banking Division



Public Finance

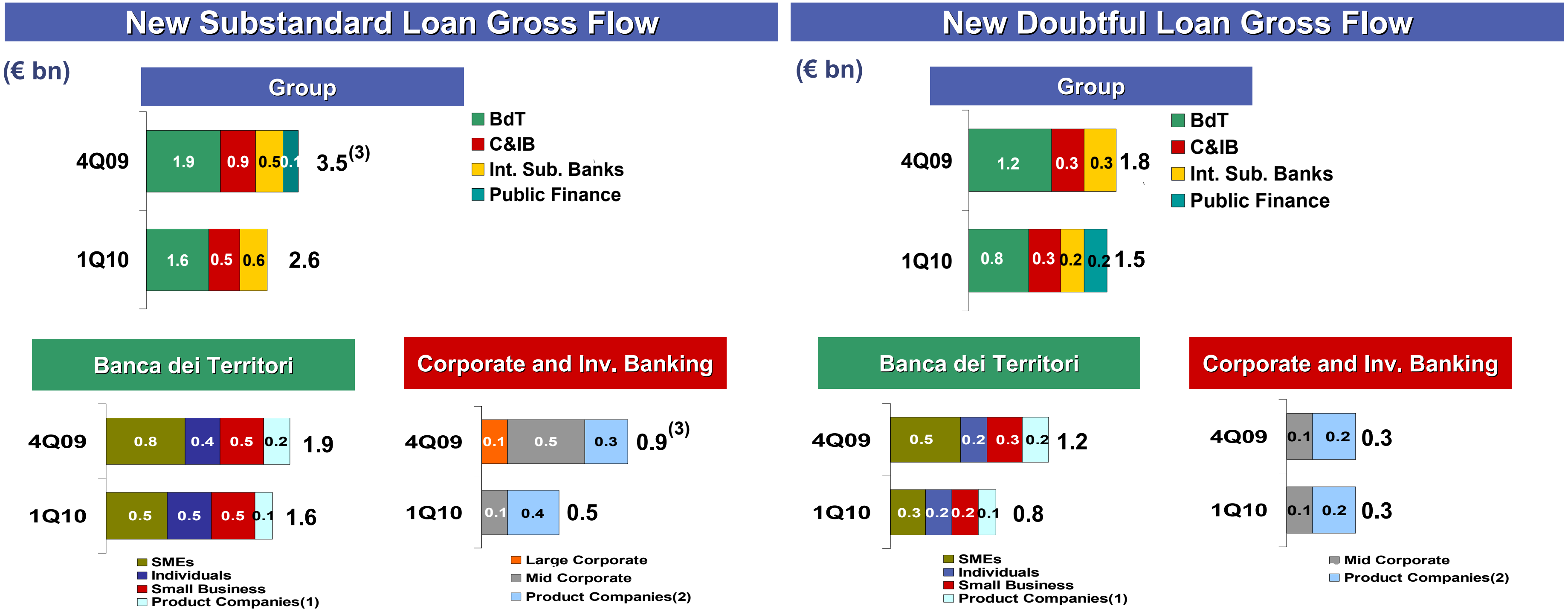


International Subsidiary Banks Division



Figures may not add up exactly due to rounding differences

1Q10 new Substandard and Doubtful Loans flow falling sharply vs 4Q09

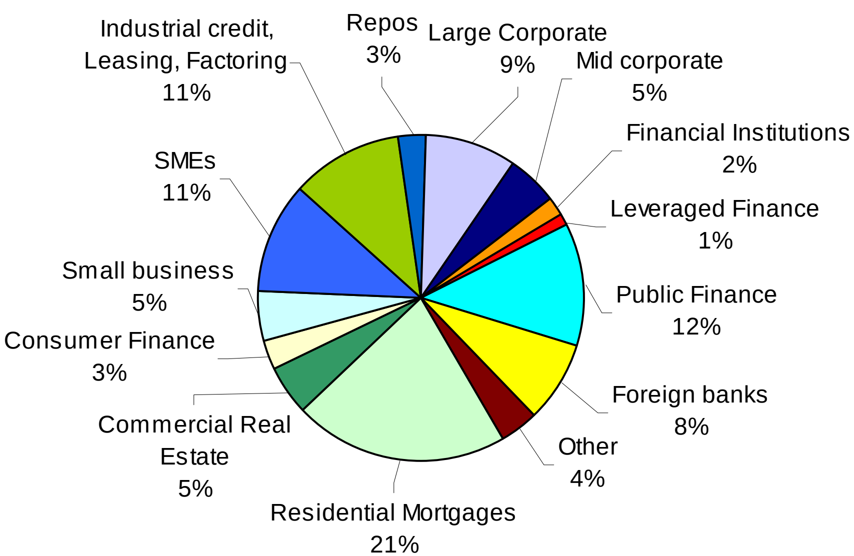


- In 1Q10 new Substandard Loan flow lower than in 4Q09 due to lower transfers from Performing Loans, even excluding from 4Q09 flow a Mid Corporate position of €0.4bn with an actual risk being almost nil[3]
- In 1Q10 new Doubtful Loan flow lower than in 4Q09 due to lower transfers from Performing Loans and transfers from Substandard Loans in line

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

Well-diversified portfolio of Loans to Customers

Breakdown by business area
(Data as at 31.03.10)



- **Low risk profile of residential mortgage portfolio**
  - **Instalment/available income ratio at 37%**
  - **Average Loan-to-Value equal to 48%**
  - **Original average maturity equal to ~20 years**
  - **Residual average life equal to ~12 years**

Breakdown by economic business sectors

	31.12.09	31.03.10
Loans of the Italian banks and companies of the Group		
Households	**23.5%**	**23.9%**
Public Administration	**5.0%**	**5.3%**
Financial companies	**5.2%**	**4.5%**
Non-financial companies	**48.7%**	**48.4%**
of which:		
HOLDING AND OTHER	9.3%	9.1%
CONSTRUCTION AND MATERIALS FOR CONSTR.	7.1%	7.0%
DISTRIBUTION	6.1%	6.2%
SERVICES	5.3%	5.4%
TRANSPORT	2.4%	2.6%
UTILITIES	2.6%	2.5%
METALS AND METAL PRODUCTS	2.5%	2.4%
TRANSPORTATION MEANS	1.8%	1.8%
MECHANICAL	1.6%	1.6%
FOOD AND DRINK	1.7%	1.6%
AGRICULTURE	1.4%	1.4%
INTERMEDIATE INDUSTRIAL PRODUCTS	1.4%	1.3%
FASHION	1.4%	1.3%
ELECTROTECHNICAL AND ELECTRONIC	1.1%	1.2%
ENERGY AND EXTRACTION	0.9%	0.8%
PUBLISHING AND PRINTING	0.6%	0.5%
BASE AND INTERMEDIATE CHEMICALS	0.5%	0.5%
FURNITURE	0.4%	0.4%
OTHER CONSUMPTION GOODS	0.3%	0.3%
PHARMACEUTICAL	0.3%	0.3%
MASS CONSUMPTION GOODS	0.1%	0.1%
WHITE GOODS	0.1%	0.1%
Rest of the world	**7.4%**	**7.4%**
Loans of the foreign banks and companies of the Group	**8.8%**	**8.9%**
Doubtful Loans	**1.4%**	**1.6%**
TOTAL	**100.0%**	**100.0%**

Figures may not add up exactly due to rounding differences

Exposure to Government bonds mostly to G7

- **G7 Countries account for 83% of the Group's Government bond portfolio**

Total exposure to Government bonds (Book Value as at the end of April 2010)		
	€ bn	%
TOTAL	**54.7**	**100.0%**
Italy	39.5	72.2%
Germany	3.8	7.0%
Slovakia	3.0	5.6%
The Netherlands	1.4	2.6%
France	1.0	1.9%
Japan	0.9	1.6%
Egypt	0.9	1.6%
Greece	0.8	1.5%
Belgium	0.5	0.9%
Usa	0.3	0.6%
Hungary	0.3	0.5%
Albania	0.3	0.5%
Ireland	0.2	0.4%
Poland	0.2	0.4%
Serbia	0.2	0.3%
Austria	0.2	0.3%
Canada	0.2	0.3%
Slovenia	0.1	0.2%
Finland	0.1	0.1%
Romania	0.1	0.1%
Others	0.8	1.4%

Figures may not add up exactly due to rounding differences

Exposure to Government bonds concentrated in short-term / floating rate Italian bonds

- Italy accounts for 72% of the Group's Government bond portfolio

Total exposure to Government bonds (Book Value as at the end of April 2010)				
(€ bn)	Total	of which:		
		HFT	AFS	HTM+L&R
TOTAL	**54.7**	**24.8**	**24.0**	**6.0**
of which:				
ITALY	39.5	22.2	14.4	2.9

- 80% of the Group's Italian Government bond portfolio is either short-term or floating rate

Exposure to Italian Government bonds: breakdown by maturity and type of rate (as at the end of April 2010)									
(%)		0-6M	6M-1Y	1-3Y	3-5Y	5-7Y	7-10Y	10Y+	Total
TOTAL		**33%**	**19%**	**18%**	**5%**	**3%**	**4%**	**17%**	**100%**
	of which:								
	HFT	30%	15%	10%	-	-	-	-	55%
	AFS	3%	4%	6%	5%	4%	4%	9%	35%
	HTM+L&R	0%	1%	1%	-	-	-	8%	10%
of which:									
FLOATING RATE		**5%**	**5%**	**9%**	**3%**	**3%**	**3%**	**9%**	**38%**
	of which:								
	HFT	4%	3%	3%	-	-	-	-	9%
	AFS	2%	3%	5%	3%	4%	3%	8%	27%
	HTM+L&R	-	-	-	-	-	-	2%	2%
FIXED RATE		**28%**	**14%**	**9%**	**2%**	**0%**	**1%**	**8%**	**62%**
	of which:								
	HFT	26%	12%	7%	-	-	-	-	45%
	AFS	1%	1%	1%	2%	0%	1%	1%	8%
	HTM+L&R	-	1%	1%	-	-	-	7%	9%

- The Group's Italian Government bond portfolio has a 2.5 duration(*)

(*) Modified duration
Figures may not add up exactly due to rounding differences

Marginal exposure to Government bonds issued by Portugal, Ireland, Greece and Spain

- **One billion euro of total exposure**
- **No exposure to bonds issued by Portugal and Spain**

Group's exposure to Government bonds (Book Value as at the end of April 2010)					
(€ m) Issued by	Total	of which: HFT	AFS	HTM+L&R	Duration(*)
GREECE	840	214	446	180	4
IRELAND	239	45	194	-	7
PORTUGAL	-	-	-	-	-
SPAIN	-	-	-	-	-
TOTAL	1,079	259	640	180	

(*) Modified duration
Figures may not add up exactly due to rounding differences

Divisional Financial Highlights

(Figures as at 31.03.10)	Banca dei Territori	Eurizon Capital	Corporate & Investment Banking	Public Finance	International Subsidiary Banks	Banca Fideuram	Corporate Centre / Others	Total
Operating Income (€ m)	2,480	67	952	75	552	176	(79)	4,223
Operating Margin (€ m)	1,065	33	744	55	272	96	(289)	1,976
Net income (€ m)	277	16	418	29	113	43	(208)	688
Cost/Income (%)	57.1	50.7	21.8	26.7	50.7	45.5	n.m.	53.2
RWA (€ bn)	145.6	0.8	133.8	16.8	34.1	4.5	25.7	361.3
Allocated Capital(1) (€ bn)	9.7	0.1	8.0	1.0	2.0	0.3	1.5	22.7
Direct Customer Deposits (€ bn)	223.0	n.m.	100.3	6.1	29.5	6.6	63.9	429.4
Loans to Customers (€ bn)	174.1	0.1	105.4	41.9	30.0	2.4	15.6	369.5
EVA ® (€ m)	140	24	218	4	48	56	(455)	35

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

Banca dei Territori: sustained growth in Direct Customer Deposits and increase in Net Income vs 1Q09

(€ m)	1Q09 Restated	1Q10	Δ%
Net interest income	1,636	1,445	(11.7)
Dividends and P/L on investments carried at equity	3	10	233.3
Net fee and commission income	750	836	11.5
Profits (Losses) on trading	32	19	(40.6)
Income from insurance business	64	166	159.4
Other operating income (expenses)	5	4	(20.0)
Operating income	**2,490**	**2,480**	**(0.4)**
Personnel expenses	(850)	(827)	(2.7)
Other administrative expenses	(599)	(586)	(2.2)
Adjustments to property, equipment and intangible assets	(6)	(2)	(66.7)
Operating costs	**(1,455)**	**(1,415)**	**(2.7)**
Operating margin	**1,035**	**1,065**	**2.9**
Goodwill impairment	0	0	n.m.
Net provisions for risks and charges	(22)	(18)	(18.2)
Net adjustments to loans	(361)	(477)	32.1
Net impairment losses on other assets	(3)	(2)	(33.3)
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**649**	**568**	**(12.5)**
Taxes on income from continuing operations	(282)	(218)	(22.7)
Merger and restructuring related charges (net of tax)	(34)	(12)	(64.7)
Effect of purchase cost allocation (net of tax)	(63)	(60)	(4.8)
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(1)	(1)	0.0
Net income	**269**	**277**	**3.0**
EVA® (€ m)	**169**	**140**	

Note: 1Q09 figures restated to reflect scope of consolidation for 1Q10
Figures may not add up exactly due to rounding differences

- **~47,000 new customers on a net basis in 1Q10**
- **NII down due to the elimination of overdraft charges (-€93m vs 1Q09) and the reduction in mark-down affected by market yields. Benefits from the hedging and sustained average Direct Customers Deposits growth (+8.8%)**
- **11.5% increase in commissions due to the good performance of AuM, insurance products and the introduction of the commitment fee (benefit of €28m vs 1Q09)**
- **Strong growth in Income from insurance business (+159.4% vs 1Q09), also due to the increase in New business**
- **2.7% reduction in Operating costs**
- **2.9% growth in Operating margin**
- **1Q10 Net Income up 3.0% to €277m**

Eurizon Capital: €1.8bn positive net collection in 1Q10

(€ m)	1Q09 Restated	1Q10	Δ%
Net interest income	1	0	(100.0)
Dividends and P/L on investments carried at equity	0	4	n.m.
Net fee and commission income	59	62	5.1
Profits (Losses) on trading	2	1	(50.0)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	6	0	(100.0)
Operating income	**68**	**67**	**(1.5)**
Personnel expenses	(13)	(14)	7.7
Other administrative expenses	(17)	(20)	17.6
Adjustments to property, equipment and intangible assets	0	0	n.m.
Operating costs	**(30)**	**(34)**	**13.3**
Operating margin	**38**	**33**	**(13.2)**
Goodwill impairment	0	0	n.m.
Net provisions for risks and charges	0	0	n.m.
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**38**	**33**	**(13.2)**
Taxes on income from continuing operations	(11)	(7)	(36.4)
Merger and restructuring related charges (net of tax)	0	0	n.m.
Effect of purchase cost allocation (net of tax)	(10)	(10)	0.0
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**17**	**16**	**(5.9)**
EVA® (€ m)	**25**	**24**	

Note: 1Q09 figures restated to reflect scope of consolidation for 1Q10
Figures may not add up exactly due to rounding differences

- **Leading asset manager in Italy with €139.3bn of AuM (+2.8% vs 31.12.09)**
- **€1.8bn positive net collection in 1Q10, driven by the insurance product net inflow**
- **Mutual funds market share at 18.2% at 31.03.10**
- **Operating income almost stable despite the absence of non-recurring items recorded in 1Q09**
- **Growing synergies with the Banca dei Territori: "Eurizon Capital Specialists" initiative strengthened, 50 people (vs 43 as at 31.12.09) supporting the network to relaunch asset management (market advisory, performance and asset allocation)**
- **Growth of products to be distributed by the Banca dei Territori (in 1Q10 launched 2 new lines of portfolio management and placement of 3 types of corporate bond funds)**
- **1Q10 Net income at €26m excluding the effect of purchase cost allocation**

Corporate and Investment Banking: strong growth in Revenues, Operating Margin and Net Income vs 1Q09

(€ m)	1Q09 Restated	1Q10	Δ%
Net interest income	474	467	(1.5)
Dividends and P/L on investments carried at equity	(8)	(12)	50.0
Net fee and commission income	197	244	23.9
Profits (Losses) on trading	92	246	167.4
Income from insurance business	0	0	n.m.
Other operating income (expenses)	11	7	(36.4)
Operating income	**766**	**952**	**24.3**
Personnel expenses	(98)	(94)	(4.1)
Other administrative expenses	(116)	(112)	(3.4)
Adjustments to property, equipment and intangible assets	(2)	(2)	0.0
Operating costs	**(216)**	**(208)**	**(3.7)**
Operating margin	**550**	**744**	**35.3**
Goodwill impairment	(1)	0	(100.0)
Net provisions for risks and charges	(4)	(1)	(75.0)
Net adjustments to loans	(192)	(101)	(47.4)
Net impairment losses on other assets	(1)	(3)	200.0
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**352**	**639**	**81.5**
Taxes on income from continuing operations	(133)	(219)	64.7
Merger and restructuring related charges (net of tax)	(4)	(2)	(50.0)
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**215**	**418**	**94.4**

	1Q09	1Q10
EVA® (€ m)	**17**	**218**

- **Strong revenue increase (+24.3%) due to sustained increase in commissions and excellent performance in Profits on trading**
- **3.7% decrease in Operating costs**
- **Cost/Income ratio down 6.4pp to 21.8%**
- **Operating margin up 35.3% vs 1Q09**
- **Strong reduction in Net adjustments to loans**
- **1Q10 Net income at €418m, nearly doubled vs 1Q09 (+94.4%)**

Note: 1Q09 figures restated to reflect scope of consolidation for 1Q10. Data include results of Proprietary trading
Figures may not add up exactly due to rounding differences

Public Finance: strong increase in Net fee and Commission Income vs 1Q09

(€ m)	1Q09 Restated	1Q10	Δ%
Net interest income	111	72	(35.1)
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	9	14	55.6
Profits (Losses) on trading	(10)	(13)	30.0
Income from insurance business	0	0	n.m.
Other operating income (expenses)	2	2	0.0
Operating income	**112**	**75**	**(33.0)**
Personnel expenses	(9)	(10)	11.1
Other administrative expenses	(11)	(10)	(9.1)
Adjustments to property, equipment and intangible assets	0	0	n.m.
Operating costs	**(20)**	**(20)**	**0.0**
Operating margin	**92**	**55**	**(40.2)**
Goodwill impairment	0	0	n.m.
Net provisions for risks and charges	1	0	(100.0)
Net adjustments to loans	(4)	(6)	50.0
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**89**	**49**	**(44.9)**
Taxes on income from continuing operations	(36)	(20)	(44.4)
Merger and restructuring related charges (net of tax)	0	0	n.m.
Effect of purchase cost allocation (net of tax)	(1)	0	(100.0)
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**52**	**29**	**(44.2)**

EVA ® (€ m)	**30**	**4**

Note: 1Q09 figures restated to reflect scope of consolidation for 1Q10
Figures may not add up exactly due to rounding differences

- **Average Loans to Customers held up well, stable vs 1Q09**
- **More than €3bn of new loans from March 2009 to March 2010, of which more than €0.8bn of new loans in 1Q10**
- **NII decline due to lower spreads**
- **Strong increase in Net fee and commission income (+55.6% vs 1Q09)**
- **Losses on trading due to valuation effects**
- **Flat Operating costs vs 1Q09**
- **Operating margin +10.2% vs 4Q09**
- **1Q10 Net income at €29m, in line with the 2009 average quarterly result**

International Subsidiary Banks: sustained increase in Operating Margin and strong growth in Net Income vs 1Q09

(€ m)	1Q09 Restated	1Q10	Δ%
Net interest income	353	401	13.6
Dividends and P/L on investments carried at equity	0	1	n.m.
Net fee and commission income	128	132	3.1
Profits (Losses) on trading	60	31	(48.3)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(6)	(13)	116.7
Operating income	**535**	**552**	**3.2**
Personnel expenses	(146)	(144)	(1.4)
Other administrative expenses	(105)	(102)	(2.9)
Adjustments to property, equipment and intangible assets	(35)	(34)	(2.9)
Operating costs	**(286)**	**(280)**	**(2.1)**
Operating margin	**249**	**272**	**9.2**
Goodwill impairment	0	0	n.m.
Net provisions for risks and charges	11	5	(54.5)
Net adjustments to loans	(156)	(137)	(12.2)
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	1	1	0.0
Income before tax from continuing operations	**105**	**141**	**34.3**
Taxes on income from continuing operations	(19)	(28)	47.4
Merger and restructuring related charges (net of tax)	0	0	n.m.
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**86**	**113**	**31.4**

EVA® (€ m)	**18**	**48**

Note: 1Q09 figures restated to reflect scope of consolidation for 1Q10
Figures may not add up exactly due to rounding differences

- **3.2% revenue increase due to NII growth (+13.6%), sustained by larger spreads**
- **Operating costs down 2.1%**
- **Cost/Income ratio down at 50.7% from 53.5% in 1Q09**
- **9.2% increase in Operating margin**
- **Double-digit decrease in Net adjustments to loans, in line with expectations**
- **1Q10 Net income at €113m (+31.4% vs 1Q09) due to positive contributions from all countries, excluding Romania and Ukraine**

Banca Fideuram: market leader and strong increase in Net Income vs 1Q09

(€ m)	1Q09 Restated	1Q10	Δ%
Net interest income	43	28	(34.9)
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	96	132	37.5
Profits (Losses) on trading	12	17	41.7
Income from insurance business	0	0	n.m.
Other operating income (expenses)	1	(1)	n.m.
Operating income	**152**	**176**	**15.8**
Personnel expenses	(32)	(32)	0.0
Other administrative expenses	(43)	(43)	0.0
Adjustments to property, equipment and intangible assets	(4)	(5)	25.0
Operating costs	**(79)**	**(80)**	**1.3**
Operating margin	**73**	**96**	**31.5**
Goodwill impairment	0	0	n.m.
Net provisions for risks and charges	(11)	(11)	0.0
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	**62**	**85**	**37.1**
Taxes on income from continuing operations	(14)	(21)	50.0
Merger and restructuring related charges (net of tax)	0	0	n.m.
Effect of purchase cost allocation (net of tax)	(21)	(21)	0.0
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**27**	**43**	**59.3**
EVA® (€ m)	**39**	**56**	

Note: 1Q09 figures restated to reflect scope of consolidation for 1Q10
Figures may not add up exactly due to rounding differences

- **Market leader with €69.5bn of Customer financial assets (of which €49.8bn AuM) and 4,309 Private bankers (+123 vs 31.03.09)**
- **€1.7bn (+2.5%) Customer financial assets increase vs 31.12.09 due to AuM (+€2.7bn)**
- **31.03.10 AuM accounts for 72% of Customer financial assets (69% as at 31.12.09)**
- **€0.5bn positive net inflow of Customer financial assets in 1Q10 driven by AuM growth (+€1.7bn)**
- **Strong growth in revenues (+15.8% vs 1Q09) driven by commissions (+37.5%)**
- **Almost flat Operating costs**
- **Cost/Income ratio at 45.5% down 6.5pp**
- **1Q10 Net income at €64m excluding the economic effect of purchase cost allocation (€48m in 1Q09)**

Conclusions

- **Strong growth in profitability in 1Q10**
- **Sustainable profitability driven not only by revenues and costs but also by**
  - **high liquidity**
  - **low leverage**
  - **high solidity**
  - **low risk profile**
- **Our business model focused on commercial banking and our strategic choices leave us well placed in the light of proposed Regulatory changes ("Basel 3") and in the current difficult market environment**

1Q10 results enhance ISP's sustainable profitability and position as one of the most solid international banking Groups

Appendix

Methodological note

2009 main non-recurring items include:

- 1Q09: 1) €511m fiscal benefit from the release of deferred taxes relating to detaxation of intangibles with a finite life and brand name, recorded under taxes on income from continuing operations, 2) €68m integration charges and related tax savings, which resulted in net integration charges of €48m, 3) €95m charges from purchase cost allocation, net of tax and 4) €83m capital gains made on the disposal of CR Orvieto and 17 branches and related taxes, which resulted in a net capital gain of €63m under income after tax from discontinued operations
- 2Q09: 1) €72m net impairment losses on other assets, 2) €60m integration charges and related tax savings, which resulted in net integration charges of €38m, and 3) €102m charges from purchase cost allocation, net of tax
- 3Q09: 1) €61m integration charges and related tax savings, which resulted in net integration charges of €44m, and 2) €98m charges from purchase cost allocation, net of tax
- 4Q09: 1) €51m from the IMI-SIR settlement registered under the caption other operating income and related taxes, 2) €160m net impairment losses on other assets, 3) capital gains of €439m from the disposal of Findomestic and €70m from that of Esaote registered under profits on investments held to maturity, and related taxes, 4) €130m integration charges and related tax savings, which resulted in net integration charges of €84m, 5) €90m charges from purchase cost allocation, net of tax, and 6) €60m attributable to minority shareholders out of the aforementioned €439m Findomestic capital gain recorded under minority interests

2010 main non-recurring items include:

- 1Q10: 1) €23m integration charges and related tax savings, which resulted in net integration charges of €16m, 2) €92m charges from purchase cost allocation, net of tax and 3) €86m fiscal benefit from the release of deferred taxes relating to goodwill detaxation with some subsidiaries, recorded under taxes on income from continuing operations

Capital management actions: sale of securities services business

- On 22 December 2009, Intesa Sanpaolo entered into a sale-and-purchase agreement in respect of its securities services business with State Street Corp. for a consideration of ~€1,750m, of which ~€1,280m corresponds to the goodwill value

- The finalisation of the transaction, which is conditional upon the necessary authorisations, will result in a gross capital gain of ~€740m and goodwill release of ~€540m for the Intesa Sanpaolo Group, with a positive effect of 37bps on its Core Tier 1 ratio

- The operations under disposal include Global Custody, Fund Administration, Depositary Bank and Correspondent Bank. Local custody, that is the custody and settlement of Italian securities, is not for sale since this activity is an integral part of intermediation services offered to customers

Double-digit growth in Net Income 1Q10 vs 1Q09 excluding main non-recurring items

1Q09 Net Income (post-tax data) (€ m)		1Q10 Net Income (post-tax data) (€ m)	
Net Income	**1,075**	**Net Income**	**688**
+ Integration charges	48	+ Integration charges	16
+ Amortisation of acquisition cost	95	+ Amortisation of acquisition cost	92
- Deferred taxation non-recurring impact	511	- Deferred taxation non-recurring impact	86
- Capital gain on CR Orvieto and Antitrust 17 branches	63		
Net Income adjusted	**644**	**Net Income adjusted**	**710**

+10.2%

1Q10 Net Income at €710m excluding main non-recurring items (+76% vs 4Q09)

4Q09 Net Income (post-tax data) (€ m)		1Q10 Net Income (post-tax data) (€ m)	
Net Income	543	Net Income	688
+ Integration charges	84	+ Integration charges	16
+ Amortisation of acquisition cost	90	+ Amortisation of acquisition cost	92
+ Impairment	160	- Deferred taxation non-recurring impact	86
- Capital gain on Findomestic[1]	371		
- Income from Rovelli settlement (IMI-SIR)	34		
- Esaote	69		
Net Income adjusted	403	Net Income adjusted	710

+76.2%

(1) Of which: €248m from the sale of the first 25% stake and €123m from the valuation at fair value of the remaining 25% based on the bottom end of the range set in the contract which envisages its sale in 2011-2013

Quarterly P&L Analysis

(€ m)	1Q09	2Q09	3Q09	4Q09	1Q10
	Restated				
Net interest income	2,659	2,758	2,582	2,487	2,407
Dividends and P/L on investments carried at equity	(6)	36	18	(2)	7
Net fee and commission income	1,216	1,301	1,327	1,497	1,403
Profits (Losses) on trading	107	439	447	129	218
Income from insurance business	64	124	116	133	166
Other operating income (expenses)	21	5	(7)	29	22
Operating income	**4,061**	**4,663**	**4,483**	**4,273**	**4,223**
Personnel expenses	(1,390)	(1,351)	(1,390)	(1,456)	(1,370)
Other administrative expenses	(751)	(810)	(743)	(888)	(734)
Adjustments to property, equipment and intangible assets	(156)	(156)	(166)	(202)	(143)
Operating costs	**(2,297)**	**(2,317)**	**(2,299)**	**(2,546)**	**(2,247)**
Operating margin	**1,764**	**2,346**	**2,184**	**1,727**	**1,976**
Goodwill impairment	0	0	0	0	0
Net provisions for risks and charges	(69)	(63)	(66)	(99)	(86)
Net adjustments to loans	(733)	(1,081)	(823)	(1,069)	(754)
Net impairment losses on other assets	(7)	(72)	4	(160)	(5)
Profits (Losses) on HTM and on other investments	0	15	13	517	10
Income before tax from continuing operations	**955**	**1,145**	**1,312**	**916**	**1,141**
Taxes on income from continuing operations	183	(476)	(498)	(169)	(351)
Merger and restructuring related charges (net of tax)	(48)	(38)	(44)	(84)	(16)
Effect of purchase cost allocation (net of tax)	(95)	(102)	(98)	(90)	(92)
Income (Loss) after tax from discontinued operations	105	16	21	27	28
Minority interests	(25)	(32)	(19)	(57)	(22)
Net income	**1,075**	**513**	**674**	**543**	**688**

Note: Figures restated to reflect scope of consolidation for 1Q10

Quarterly development of Net Fee and Commission Income

Net Fee and Commission Income					
(€ m)	**1Q09**	**2Q09**	**3Q09**	**4Q09**	**1Q10**
Guarantees given	73	74	75	77	85
Collection and payment services	84	85	83	79	81
Current accounts	208	199	259	252	227
Credit and debit cards	93	107	109	134	109
Commercial banking activities	**458**	**465**	**526**	**542**	**502**
Dealing and placement of securities	70	135	84	154	150
Currency dealing	14	13	13	13	13
Portfolio management	245	248	262	333	293
Distribution of insurance products	153	178	190	199	186
Other	42	19	22	43	38
Management, dealing and consultancy activities	**524**	**593**	**571**	**742**	**680**
Other net fee and commission income	234	243	230	213	221
Net fee and commission income	**1,216**	**1,301**	**1,327**	**1,497**	**1,403**

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

Banca dei Territori: sustained increase in Operating Margin vs 4Q09

(€ m)	4Q09	1Q10	Δ%
Net interest income	1,490	1,445	(3.1)
Dividends and P/L on investments carried at equity	(2)	10	n.m.
Net fee and commission income	865	836	(3.4)
Profits (Losses) on trading	18	19	7.1
Income from insurance business	133	166	24.8
Other operating income (expenses)	0	4	n.m.
Operating income	**2,504**	**2,480**	**(1.0)**
Personnel expenses	(828)	(827)	(0.1)
Other administrative expenses	(759)	(586)	(22.8)
Adjustments to property, equipment and intangible assets	(13)	(2)	(84.6)
Operating costs	**(1,599)**	**(1,415)**	**(11.5)**
Operating margin	**905**	**1,065**	**17.7**
Net provisions for risks and charges	(26)	(18)	(29.5)
Net adjustments to loans	(672)	(477)	(29.0)
Net impairment losses on other assets	(20)	(2)	(89.8)
Profits (Losses) on HTM and on other investments	420	0	(100.0)
Income before tax from continuing operations	**608**	**568**	**(6.6)**
Taxes on income from continuing operations	(118)	(218)	84.2
Merger and restructuring related charges (net of tax)	(81)	(12)	(85.2)
Effect of purchase cost allocation (net of tax)	(61)	(60)	(1.7)
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(15)	(1)	(93.2)
Net income	**333**	**277**	**(16.8)**

- ~47,000 new customers on a net basis in 1Q10
- Decline in NII (-3.1%) mainly due to fewer days in the quarter
- Strong growth in Income from insurance business (+24.8%)
- 11.5% reduction in Operating costs, also due to seasonal year-end effect in Other Administrative Expenses
- 17.7% increase in Operating margin
- Decline in Net adjustments to loans after 4Q09 peak, as expected
- Pre-tax Income more than doubled excluding €420m capital gain on Findomestic disposal booked in 4Q09
- 1Q10 Net Income at €277m

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

Eurizon Capital: €1.8bn positive net collection in 1Q10

(€ m)	4Q09	1Q10	Δ%
Net interest income	0	0	(100.0)
Dividends and P/L on investments carried at equity	12	4	(68.0)
Net fee and commission income	119	62	(47.9)
Profits (Losses) on trading	0	1	305.1
Income from insurance business	0	0	n.m.
Other operating income (expenses)	0	0	(100.0)
Operating income	**132**	**67**	**(49.3)**
Personnel expenses	(22)	(14)	(37.3)
Other administrative expenses	(24)	(20)	(15.0)
Adjustments to property, equipment and intangible assets	(0)	0	(100.0)
Operating costs	**(46)**	**(34)**	**(26.2)**
Operating margin	**86**	**33**	**(61.7)**
Net provisions for risks and charges	(4)	0	(100.0)
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	**82**	**33**	**(59.9)**
Taxes on income from continuing operations	(20)	(7)	(64.8)
Merger and restructuring related charges (net of tax)	0	0	n.m.
Effect of purchase cost allocation (net of tax)	(10)	(10)	3.4
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**53**	**16**	**(69.6)**

Figures may not add up exactly due to rounding differences

- **Leading asset manager in Italy with €139.3bn of AuM (+2.8% vs 31.12.09)**
- **€1.8bn positive net collection in 1Q10, driven by the insurance product net inflow**
- **Mutual funds market share at 18.2% as at 31.03.10**
- **Commissions and revenues in line vs 4Q09, excluding performance fees recorded in 4Q09 (€57m)**
- **Strong reduction in Operating costs**
- **Growth in Operating margin (+13.1%) and Pre-tax Income (+31.0%) excluding 4Q09 performance fees**
- **Growing synergies with the Banca dei Territori: “Eurizon Capital Specialists” initiative strengthened, 50 people supporting the network to relaunch asset management (market advisory, performance and asset allocation)**
- **Growth of products to be distributed by the Banca dei Territori (portfolio management, capital protected funds, corporate bond funds with specified time horizon and investment plans targeting young customers)**

Corporate and Investment Banking: strong growth in Operating Margin, Pre-tax Income and Net Income vs 4Q09

(€ m)	4Q09	1Q10	Δ%
Net interest income	531	467	(12.0)
Dividends and P/L on investments carried at equity	(12)	(12)	1.0
Net fee and commission income	253	244	(3.7)
Profits (Losses) on trading	111	246	120.7
Income from insurance business	0	0	n.m.
Other operating income (expenses)	16	7	(55.0)
Operating income	**899**	**952**	**5.9**
Personnel expenses	(115)	(94)	(18.0)
Other administrative expenses	(137)	(112)	(18.2)
Adjustments to property, equipment and intangible assets	(3)	(2)	(27.6)
Operating costs	**(254)**	**(208)**	**(18.2)**
Operating margin	**645**	**744**	**15.4**
Net provisions for risks and charges	(2)	(1)	(39.5)
Net adjustments to loans	(239)	(101)	(57.8)
Net impairment losses on other assets	(51)	(3)	(94.1)
Profits (Losses) on HTM and on other investments	71	0	(100.0)
Income before tax from continuing operations	**424**	**639**	**50.8**
Taxes on income from continuing operations	(69)	(219)	218.8
Merger and restructuring related charges (net of tax)	(5)	(2)	(57.9)
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**350**	**418**	**19.4**

- **Increase in revenues (+5.9%) mainly due to the good performance in Profits on trading attributable to the strong recovery in the Capital markets activities**
- **Strong decline in Operating costs (-18.2%) also due to seasonal year-end effect (-3.7% vs 1Q09)**
- **Strong decrease in Net adjustment to loans**
- **50.8% Pre-tax Income growth**
- **1Q10 Net income at €418m (+19.4% vs 4Q09)**

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

Public Finance: double-digit growth in Operating Margin and Net Income more than doubled vs 4Q09

(€ m)	4Q09	1Q10	Δ%
Net interest income	67	72	7.0
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	11	14	29.6
Profits (Losses) on trading	(7)	(13)	81.0
Income from insurance business	0	0	n.m.
Other operating income (expenses)	1	2	249.3
Operating income	**71**	**75**	**4.9**
Personnel expenses	(11)	(10)	(6.6)
Other administrative expenses	(11)	(10)	(7.9)
Adjustments to property, equipment and intangible assets	(0)	0	(100.0)
Operating costs	**(22)**	**(20)**	**(7.3)**
Operating margin	**50**	**55**	**10.2**
Net provisions for risks and charges	(4)	0	(100.0)
Net adjustments to loans	(44)	(6)	(86.2)
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	**2**	**49**	**n.m.**
Taxes on income from continuing operations	11	(20)	n.m.
Merger and restructuring related charges (net of tax)	(0)	0	(100.0)
Effect of purchase cost allocation (net of tax)	(1)	0	(100.0)
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**12**	**29**	**138.6**

- Growth in revenues due to the good performance in NII and Net fee and commission income
- +2.6% average Loans to Customers vs 4Q09
- More than €0.8bn of new loans in 1Q10
- Losses on trading due to valuation effects
- Operating costs down 7.3%
- 10.2% increase in Operating margin
- Reduction in Net adjustments to loans and Provisions for risk and charges, as expected
- 1Q10 Net Income at €29m vs €12m in 4Q09

Figures may not add up exactly due to rounding differences

International Subsidiary Banks: sustained increase in Pre-tax Income vs 4Q09

(€ m)	4Q09	1Q10	Δ%
Net interest income	372	401	7.9
Dividends and P/L on investments carried at equity	0	1	146.7
Net fee and commission income	140	132	(5.7)
Profits (Losses) on trading	70	31	(55.7)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(5)	(13)	173.4
Operating income	**577**	**552**	**(4.4)**
Personnel expenses	(139)	(144)	3.8
Other administrative expenses	(113)	(102)	(10.1)
Adjustments to property, equipment and intangible assets	(32)	(34)	7.2
Operating costs	**(284)**	**(280)**	**(1.3)**
Operating margin	**293**	**272**	**(7.3)**
Net provisions for risks and charges	(4)	5	n.m.
Net adjustments to loans	(164)	(137)	(16.5)
Net impairment losses on other assets	(6)	0	(100.0)
Profits (Losses) on HTM and on other investments	2	1	(54.3)
Income before tax from continuing operations	**121**	**141**	**16.7**
Taxes on income from continuing operations	(7)	(28)	323.3
Merger and restructuring related charges (net of tax)	(0)	0	(100.0)
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**114**	**113**	**(0.9)**

- **+2.8% growth in revenues excluding Profits on trading, due to the good performance in NII**
- **Operating costs down 1.3% due to Other administrative expenses reduction**
- **Decrease in Net adjustment to loans vs 4Q09, in line with expectations**
- **16.7% increase in Pre-tax Income**
- **Net income at €113m almost stable vs 4Q09 due to the positive contribution from all countries, excluding Romania and Ukraine**

Figures may not add up exactly due to rounding differences

Banca Fideuram: strong growth in Operating Margin and Net Income vs 4Q09

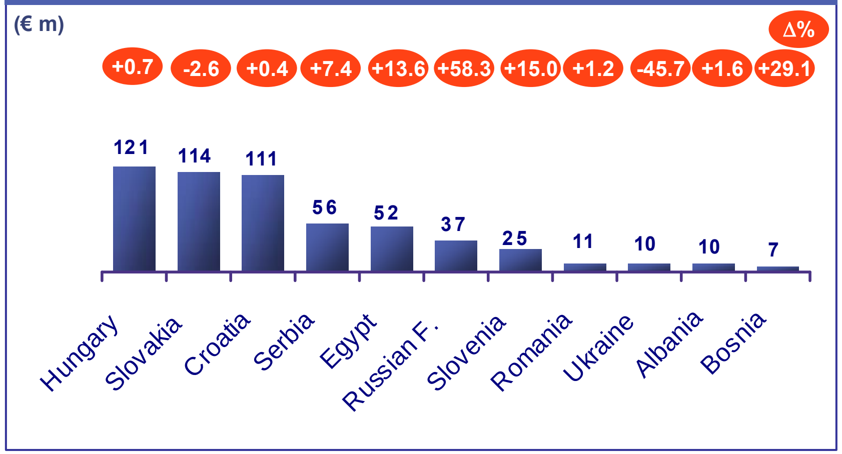
(€ m)	4Q09	1Q10	Δ%
Net interest income	33	28	(15.2)
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	134	132	(1.1)
Profits (Losses) on trading	5	17	240.0
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(4)	(1)	(75.6)
Operating income	**167**	**176**	**5.1**
Personnel expenses	(32)	(32)	(0.6)
Other administrative expenses	(47)	(43)	(8.2)
Adjustments to property, equipment and intangible assets	(5)	(5)	4.2
Operating costs	**(84)**	**(80)**	**(4.6)**
Operating margin	**84**	**96**	**14.9**
Net provisions for risks and charges	(14)	(11)	(19.1)
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	(1)	0	(100.0)
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**69**	**85**	**22.4**
Taxes on income from continuing operations	(20)	(21)	3.4
Merger and restructuring related charges (net of tax)	(2)	0	(100.0)
Effect of purchase cost allocation (net of tax)	(21)	(21)	(1.6)
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(0)	0	(100.0)
Net income	**26**	**43**	**65.8**

Figures may not add up exactly due to rounding differences

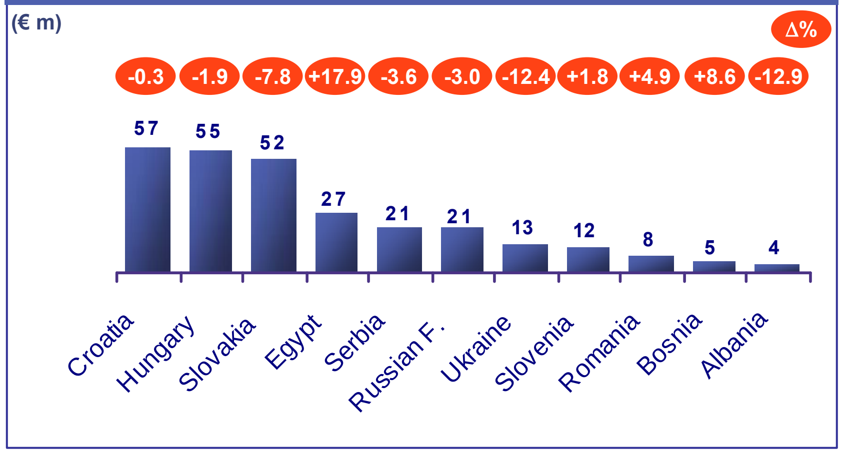
- Market leader with €69.5bn of Customer financial assets (of which €49.8bn AuM) and 4,309 Private bankers (+123 vs 31.03.09)
- €1.7bn (+2.5%) Customer financial assets increase vs 31.12.09 due to AuM (+€2.7bn)
- €0.5bn positive net inflow of Customer financial assets in 1Q10 driven by AuM growth (+€1.7bn)
- 31.03.10 AuM accounts for 72% of Customer financial assets (69% as at 31.12.09)
- 5.2% increase in recurring commissions vs 4Q09
- 5.1% increase in revenues driven by commissions
- 4.6% reduction in Operating costs
- 14.9% increase in Operating margin
- 1Q10 Net income at €64m excluding the economic effect of purchase cost allocation (€47m in 4Q09)

International Subsidiary Banks: figures by Country 1Q10 vs 1Q09

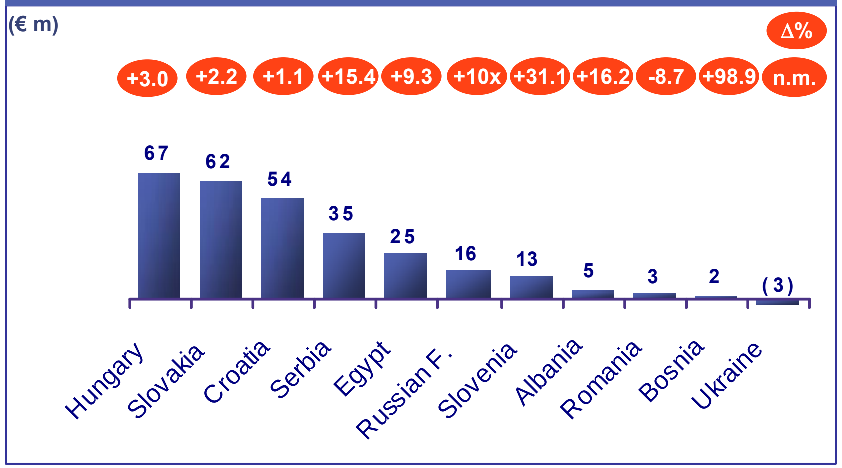
Operating Income



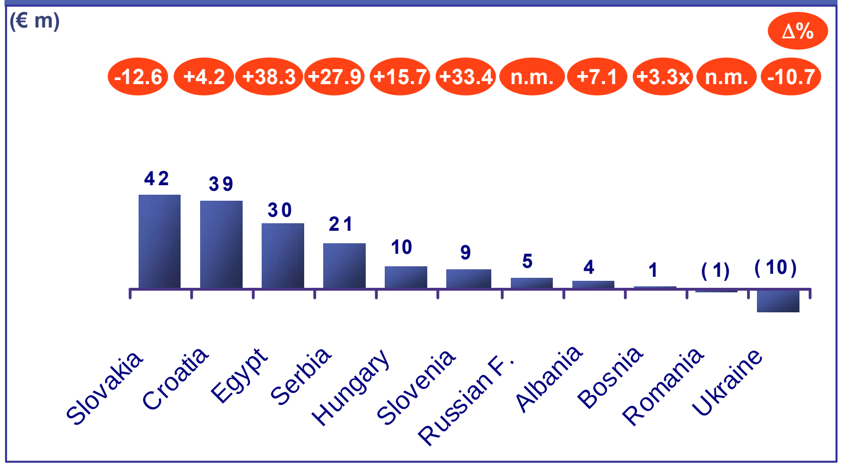
Operating Costs



Operating Margin



Pre-Tax Income[1]



(1) Income before tax from continuing operations

High quality structured credit products portfolio

■US Subprime €37m

Net exposure(*) (€ m)	31.12.09	31.03.10	
		Total	*of which at trading*
US Subprime	35	37	30
"Contagion" area	137	150	43
Monoline	10	14	14
Super senior Corporate Risk	834	803	803
European ABS/CDO	1,947	1,834	475
Other	873	1,054	103
Total	3,836	3,892	1,468

+€67m vs 31.12.09

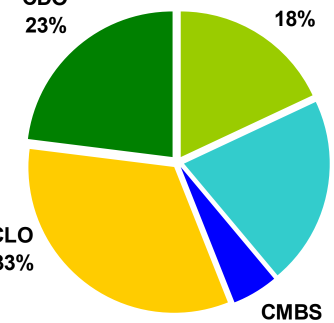
■ 71% Investment Grade

Rating	%
Super senior	3%
AAA	34%
AA	18%
A	16%
BBB and other	29%

■ 63% Vintage ≤ 2005

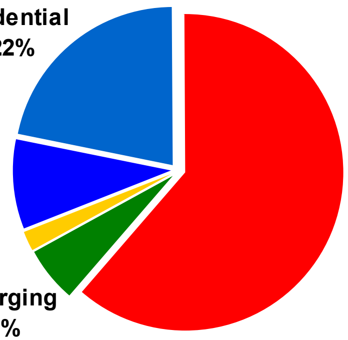
Vintage	%
Before 2005	26%
2005	37%
2006	22%
2007	15%

Products



Geographical area

Only 9% US residential



■ **Fair value sensitivity of structured credit products book: -€4.7m(1) for +25bps of credit spreads**

(*) As for "long" positions, 58% valued through mark-to-model (100% of unfunded positions, 41% of funded positions, 100% of monoline risk and of non-monoline packages), 36% through comparable approach (50% funded positions) and 6% through effective market quotes (9% of funded positions). As for "short" positions, 65% valued through mark-to-model (100% unfunded positions, see slide on Structured credit products: Other (3/4), and 100% of positions of funds) and 35% valued through effective market quotes (100% of CMBX-CDS hedges)

(1) -€15.7m if part of the Structured credit products had not been reclassified into Loans & Receivables for a total amount equal to €2,489m of nominal value and to €2,289m of net exposure leading to a total benefit in income statement for 1Q10 equal to -€44m before tax

Structured credit products: no material exposure to US Subprime

(€ m)	Position as at 31.03.10			31.03.10 income statement Profits (Losses) on trading		
Product	Nominal value	Risk exposure (including write-downs and write-backs)(1)	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	Total income statement
Funded ABS(2)	13	**1**	-12	0	0	0
Funded CDOs	28	**2**	-26	0	0	0
Unfunded super senior CDOs(3)	198	**27**	-171	0	1	1
Other(4)	11	**7**	-4			
"Long" positions	250	**37**	-213	0	1	1
ABX indices position	0	**0**	0	-1	0	-1
Net position(5)	"long" 250	**"long" 37**	-213	-1	1	0

Note: By US subprime exposure, Intesa Sanpaolo means products - cash investments (securities and funded CDOs) and derivative positions (unfunded CDOs) - with collateral mainly made up of non-prime US residential mortgages (i.e. Home Equity Loans, residential mortgages with B&C ratings and similar products) granted in the years 2005/06/07, irrespective of the FICO score and the Loan-to-Value ratio. Others have been collateralised with US residential mortgages granted before 2005 with a FICO score under 629 and Loan-to-Value over 90% (as at 31.03.10, unchanged with respect to our disclosure dated 31.12.09, the weight of this second product class is immaterial in the Intesa Sanpaolo Group portfolio)

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

(2) The ABS funded component has a AAA rating for 61%, AA for 15%, BB rating for 3%, CCC/C rating for the remaining 21%. The original LTV ratio is at 91%, while the 30-60-90 day average delinquency is 4%, 1% and 5% respectively. Cumulated loss on the collateral is at 30%. These positions are non-listed on active markets and are thus valued using the comparable approach

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

(4) Risk position classified into Loans & Receivables coming from the Romulus vehicle (fully consolidated entity) of which CDO funded for €8m nominal value and €4m risk exposure transferred from SPE Romulus to the Parent Company in 2009. Romulus is an asset-backed commercial paper conduit vehicle, set up to offer customers an alternative financial channel via access to the international commercial paper market. As at 31.03.10, the portfolio of investments included €174m of nominal value of financial assets, reclassified into Loans & Receivables, with a benefit on Shareholders' equity as at 31.03.10 equal to €62m before tax, of which €10m in 1Q10. Of the €174m, €3m were attributable to the US subprime segment, €13m to the "contagion" area (see slide on "Contagion" area (2/4), Multisector CDOs) and €158m to other structured credit products (see slide on Other (4/4)). As at 31 March 2010 the financial assets fair value amounts to €82m, of which €2m (with a benefit of €1m) on positions attributed to the US subprime segment, €8m (with a benefit of €2m) attributed to the so-called "contagion" area (see slide on "Contagion" area (2/4), Multisector CDOs) and €72m (with a benefit of €59m) on securities which fall under other structured credit products (see slide on Other (4/4)

(5) The net nominal exposure of €250m as at 31.03.09 compares with €236m reported as at 31.12.09. It should be noted the closing of the positions on the ABX indices included in the segment

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

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

Monoline

- **Net counterparty risk exposure totalled €14m as at 31.03.10 (€10m as at 31.12.09)**
- **1Q10 income statement impact(4) €5m (2009 €31m)**

- **98% vs MBIA**
- **2% vs other monoline with rating AA**

(1) *For the sake of completeness, please note that there is another form of exposure to monoline insurers, which does not generate particular risk situations. It stems from the investment in securities for which the monoline insurer provides a credit enhancement to the issuing vehicle, for the purpose of making the issue "eligible" for certain types of investors through the achievement of a certain rating (normally AAA). Such securities, nominal value as at 31.03.10 €523m (€534m as at 31.12.09), wholly held by Banca Infrastrutture Innovazione e Sviluppo, are made up mainly of ABS with underlying health receivables assisted by delegated regional payment and for the remaining portion by financings of infrastructures; they are all recorded in the banking book, almost all classified in the Loans & Receivables (L&R) portfolio. The positions were granted on the basis of the creditworthiness of the underlying borrower*

(2) *Both the security and the connected derivative have been valued with the mark-to-model methodologies, also considering any available prices, if lower; such valuations did not have any impact on Profits (Losses) on trading, with the exception of those with the reference to the counterparty risk component, mostly due to transactions in which the hedge was stipulated with monoline insurers, for which a credit risk adjustment has been calculated, determined on the basis of the cost of a protection CDS on the default of the monoline insurer, with nominal value equal to the current and potential future exposure (so-called "add-on") and expiry equal to the average residual life of the underlying assets. Even though packages do not lead to market risk connected with the nature of the underlying asset, for the sake of completeness, please note that, assets which are part of packages include, for €101m nominal value as at 31.03.10, securities with US RMBS collateral with a significant subprime content (equal to 28.5%)*

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

(4) *Write-backs*

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

(€ m)	Position as at 31.03.10					31.03.10 income statement Profits (Losses) on trading
	Nominal value of the underlying asset	Fair value of the underlying asset (net of accrued interests)	Credit risk exposure to monoline insurers (fair value of the CDS) *pre* write-down	Credit risk exposure to monoline insurers (fair value of the CDS) *post* write-down	Fair value cumulated write-downs of the hedge from monoline insurers	Fair value write-back of the hedge from monoline insurers
Positions in Packages:						
Subprime	101	58	43	**13**	-30	4
Sub-Total	101	58	43	**13**	-30	4
Positions in other derivatives:						
Other underlying assets	109	84	25	**1**	-24	1
Total	210	142	68	**14**	-54	5

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

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

Multisector CDOs

- €97m, of which €15m in Loans & Receivables, "long" positions as at 31.03.10 (€103m as at 31.12.09), including €67m CMBX index hedging and derivatives against which there are positions in funds of €125m (€134m as at 31.12.09)
- 1Q10 income statement impact(1) €2m (2009 -€56m)

- Collateral: 76% US RMBS (for 66% vintage prior to 2005 and an average 3% exposure to subprime); 5% CDO; 5% CMBS; 12% HY CBO; 2% Consumer ABS
- Average Rating CCC-
- Average Attachment point 3%
- Written down by 62% of the nominal value on the basis of the mark-to-model

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

Alt-A

- Net risk exposure totalled €60m (entirely in Loans & Receivables) as at 31.03.10 (€59m as at 31.12.09)
- 1Q10 income statement impact(1) €0m (2009 €0m)

- Rating: 51% AAA, 16% AA, 11% A, 3% BBB/BB and 19% C
- 100% 2005 Vintage
- No Agency component: 74% average original LTV, 6% cumulated loss, 30-60-90 day average delinquency is 4%, 3% and 2% respectively
- Valued using the comparable approach

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

TruPS

- Net risk exposure totalled €86m as at 31.03.10 (€76m as at 31.12.09)
- 1Q10 income statement impact(1) €4m (2009 €3m)

- Rating positions unfunded CCC+, funded BB/C
- Average Attachment point 46%
- Written down by 57% of the nominal value on the basis of the mark-to-model

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

Prime CMOs

- Net risk exposure totalled €32m (entirely in Loans & Receivables) as at 31.03.10 (€33m as at 31.12.09)
- 1Q10 income statement impact(1) €0m (2009 €0m)

- Rating: 16% AA, 59% A, 25% BBB
- 100% 2005 Vintage
- 65% average original LTV
- 0.3% cumulated loss
- 30-60-90 day average delinquency is 1%, 0.4% and 0.3% respectively
- Valued using the comparable approach

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

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

(€ m)	Position as at 31.03.10			31.03.10 income statement Profits (Losses) on trading		
Product	Nominal value	Risk exposure (including write-downs and write-backs)	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	Total income statement
Funded CDOs	41	**17**	-24	1	-2	-1
Unfunded super senior CDOs	343	**132**	-211	0	-1	-1
Other (funded)(1)	19	**15**	-4			
"Long" positions	403	**164**	-239	1	-3	-2
CMBX hedges and derivatives	78	**67**	11	0	-1	-1
Positions of funds	121	**125**	4 (2)	0	5	5
Net position(3)	"long" 325	**"long" 97**	-224	1	1	2

(1) Of which €13m of nominal value and €10m of risk exposure related to the Romulus vehicle and funded CDOs for €6m of nominal value and €5m of risk exposure transferred to the Parent Company from the Romulus vehicle
(2) These figures do not take into account the positions of funds which exited the portfolio of structured credit products
(3) Nominal value and risk exposure figures do not include amounts of positions of funds

Structured credit products: "contagion" area (3/4) Alt-A

(€ m)	Position as at 31.03.10			31.03.10 income statement Profits (Losses) on trading		
Product	Nominal value	Risk exposure (including write-downs and write-backs)	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	Total income statement
Alt-A Agency (1)	31	**31**	0	0	0	0
Alt-A No Agency (2)	36	**29**	-7	0	0	0
Other AFS securities (3)	9					
"Long" positions	76	**60**	-7	0	0	0

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

Structured credit products: "contagion" area (4/4) TruPS and Prime CMOs

TruPS

(€ m)

Product	Position as at 31.03.10			31.03.10 income statement Profits (Losses) on trading		
	Nominal value	Risk exposure (including write-downs and write-backs)	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	Total income statement
Funded CDOs	104	**29**	-75	0	-1	-1
Unfunded super senior CDOs	134	**57**	-77	0	5	5
"Long" positions	238	**86**	-152	0	4	4

Prime CMOs

(€ m)

Product	Position as at 31.03.10			31.03.10 income statement Profits (Losses) on trading		
	Nominal value	Risk exposure (including write-downs and write-backs)	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	Total income statement
CMOs (Prime) (1)	35	**32**	-3	0	0	0
"Long" positions	35	**32**	-3	0	0	0

(1) Exposure entirely reclassified into Loans & Receivables with an income statement benefit equal to -€1m before tax for 1Q10

Structured credit products: other (1/4)

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

Details of different types of products related to this segment are provided below. In particular, non-monoline packages, funded ABS/CDOs, 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 €94m as at 31.03.10 (€98m as at 31.12.09)**
- **1Q10 income statement impact[2] €0m (2009 €4m)**

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

- **Unfunded super senior Multisector CDOs: this component (closed in 2009) 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 €0m as at 31.03.10 (€0m as at 31.12.09)**
- **1Q10 income statement impact[3] €0m (2009 -€34m)**

(1) Underlying assets were mostly made up of CLOs and ABS CDOs with a limited portion of US subprime (equal to approximately 21%)
(2) Write-backs
(3) Including realised gains/losses and write-downs/write-backs

Structured credit products: other (2/4)

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

European funded ABS/CDOs

- Net risk exposure €1,834m of which €475m in Loans & Receivables, as at 31.03.10 (€1,947m as at 31.12.09)
- 1Q10 income statement impact[(1)] -€1m (2009 €18m)

- Rating: 39% AAA, 50% AA/A, 11% BBB/BB/B
- Valued on the basis of effective market quotes for 13%, comparable approach for 74%, mark-to-model for 13%
- Collateral: 39% RMBS (of which 41% Italy)
  20% CLO
  13% CDO
  12% CMBS (of which 51% Offices, 20% Retail, 16% Mixed Use, 8% Health Care, 4% Hospitality/Multifamily, 1% Industrial)
  16% ABS of receivables

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

US funded ABS/CDOs

- Net risk exposure €820m, entirely in Loans & Receivables, as at 31.03.10 (€722m as at 31.12.09)
- 1trim.10 income statement impact[(1)] €0m (2009 €22m)

- Collateral: 99% CLO, 1% Credit Card
- Rating: 81% AAA, 19% AA
- Valued on the basis of comparable approach for 20%, mark-to-model for 80%

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

US funded ABS/CDOs Romulus

- Net risk exposure €131m, entirely in Loans & Receivables, as at 31.03.10 (€131m as at 31.12.09)

- Rating: 6% AAA, 10% AA, 5% A, 14% BBB, 34% BB, 31% B
- Valued on the basis of comparable approach for 10%, mark-to-model for 90%

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

Structured credit products: other (3/4)

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

Unfunded super senior Corporate Risk CDOs
- Net risk exposure €803m as at 31.03.10 (€834m as at 31.12.09)
- 1Q10 income statement impact(1) €10m (2009 -€17m)

- 31% average Attachment point

- Collateral: 27% US (47% CDOs)
  61% Europe (75% Consumer credit Italy and 25% CDOs)
  12% Emerging Markets (Project Finance)
- Valued using the mark-to-model approach

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

Other unfunded positions
- Net risk exposure €9m as at 31.03.10 (-€78m as at 31.12.09)
- 1Q10 income statement impact(1) €2m (2009 -€12m)

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

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

Structured credit products: other (4/4)

(€ m)	Position as at 31.03.10					31.03.10 income statement Profits (Losses) on trading
Product	Nominal value of the underlying asset	Fair value of the underlying asset (net of accrued interests)	Credit risk exposure to primary International banks (fair value of the CDS) *pre* write-down	Credit risk exposure to primary International banks (fair value of the CDS) *post* write-down	Fair value cumulated write-downs of the hedge from primary international banks	Fair value write-back of the hedge from primary International banks
Non-monoline packages[1]	383	287	96	94	-2[2]	0

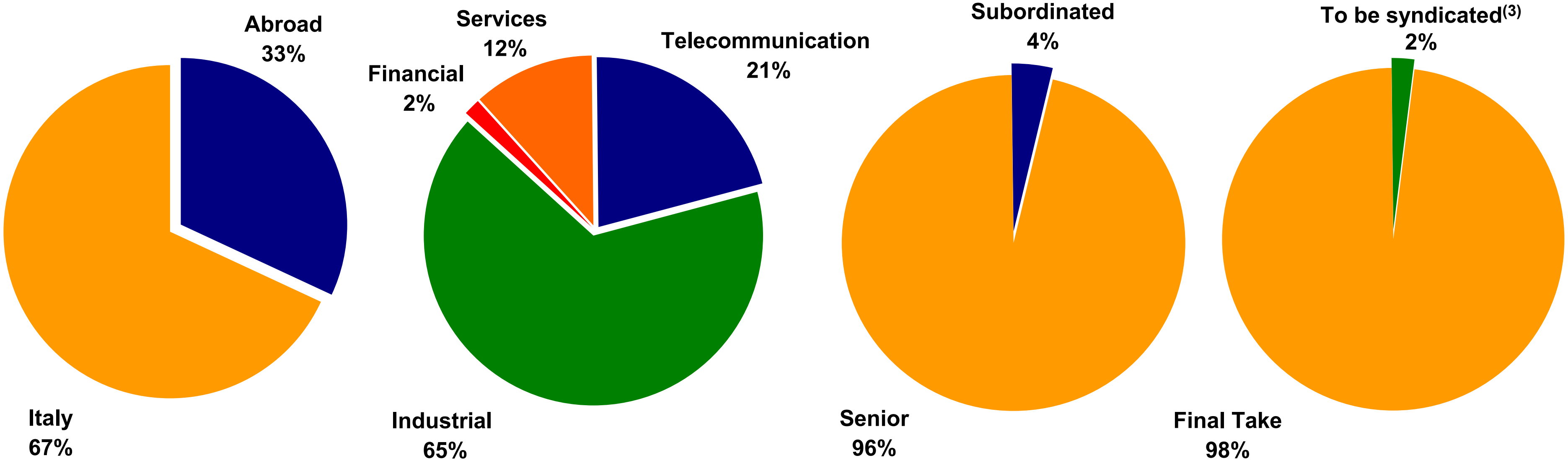
(€ m)	Position as at 31.03.10			31.03.10 income statement Profits (Losses) on trading		
Product	Nominal value	Risk exposure (including write-downs and write-backs)	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	Total income statement
ABS/CDO [3]	2,889[4]	2,654	-235	6[3]	-2[3]	4[5]
Unfunded super senior multisector CDOs and corporate risk [6]	913	812	-101	0	12	12
Other [7]	158	131	-27			

(1) Underlying assets were mostly made up of CLOs and ABS CDOs with a limited portion of US subprime (equal to approximately 21%)
(2) According to systematic adjustments made on the entire derivatives universe to incorporate in the fair value the credit risk, in this particular case minimum, of the counterparty (so-called credit risk adjustment), even considering that the operations are mainly object of specific collateral agreement
(3) US component reclassified into Loans & Receivables for an amount equal to €808m of nominal value and to €761m of net exposure, with an income statement benefit equal to €9m before tax in 1Q10. EU component belonging to Intesa Sanpaolo reclassified into Loans & Receivables for an amount equal to €1,227m of nominal value and to €1,133m of net exposure, with an income statement benefit equal to -€62m before tax in 1Q10; EU component belonging to Banca IMI reclassified into Loans & Receivables for an amount equal to €148m of nominal value and to €138m of net exposure, with an income statement benefit equal to €10m before tax in 1Q10; EU component belonging to CR Firenze reclassified into Loans & Receivables for an amount equal to €8m of nominal value and to €5m of net exposure, with a benefit on Shareholders' equity equal to €0m before tax as at 31.03.10 of which -€3m in 1Q10; EU component belonging to Banca Fideuram reclassified into Loans & Receivables for an amount equal to €8m of nominal value and to €7m of net exposure, with a benefit on Shareholders' equity equal to €2m before tax as at 31.03.10, of which €0m in 1Q10. It should be noted that impairment losses were originated by some securities belonging to the same portfolio in 2010. The related impact in the income statement was negative for -€5m (wholly belonging to the Parent Company) and was recognized to item 130a "Net losses/recoveries on impairment of loans"
(4) Of which €626m belonging to Banca IMI (of which €13m unfunded positions), €1,232m to Intesa Sanpaolo, €9m to CR Firenze, €87m belonging to Banca Fideuram, €9m to Sud Polo Vita and €44m to EurizonVita
(5) Wholly ascribable to Banca IMI
(6) Including an unfunded portfolio of €22m of nominal value and €9m of fair value
(7) Risk position of the Romulus vehicle (fully consolidated entity)

Leveraged Finance[1]: contained, high quality exposure

No. Transactions	Amount[2]
~110	€4,529m

Breakdown



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

Disclaimer

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

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This presentation contains certain forward-looking statements and forecasts reflecting the Intesa Sanpaolo management's current views with respect to certain future events. Forward-looking statements are generally identifiable by the use of the words "may," "will," "should," "plan," "expect," "anticipate," "estimate," "believe," "intend," "project," "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding Intesa Sanpaolo's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where Intesa Sanpaolo participates or is seeking to participate.

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- the impact of regulatory decisions and changes in the regulatory environment;
- the impact of political and economic developments in Italy and other countries in which the Group operates;
- the impact of fluctuations in currency exchange and interest rates;
- the Group's ability to achieve the expected return on the investments and capital expenditures it has made in Italy and in foreign countries; and
- the Group's ability to finalise capital management actions on its non-core assets (including disposals, either full or partial, partnerships, listings, etc.).

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