



**A Strong Bank,  
Delivering Growth**

# 2015 Results

**An Excellent Year:  
Over-Delivering on Our  
Business Plan**

February 5, 2016

INTESA  SANPAOLO

# FY15: An Excellent Year, Over-Delivering on Our Business Plan

**€2.4bn cash dividends**

**~€3.0bn Net income<sup>(1)</sup>, best since 2007**

**Common Equity<sup>(2)</sup> ratio at 13.1%**

**Operating margin up 8%<sup>(3)</sup>**

**Declining NPL stock, LLPs down 28%,  
NPL coverage up 60bps**

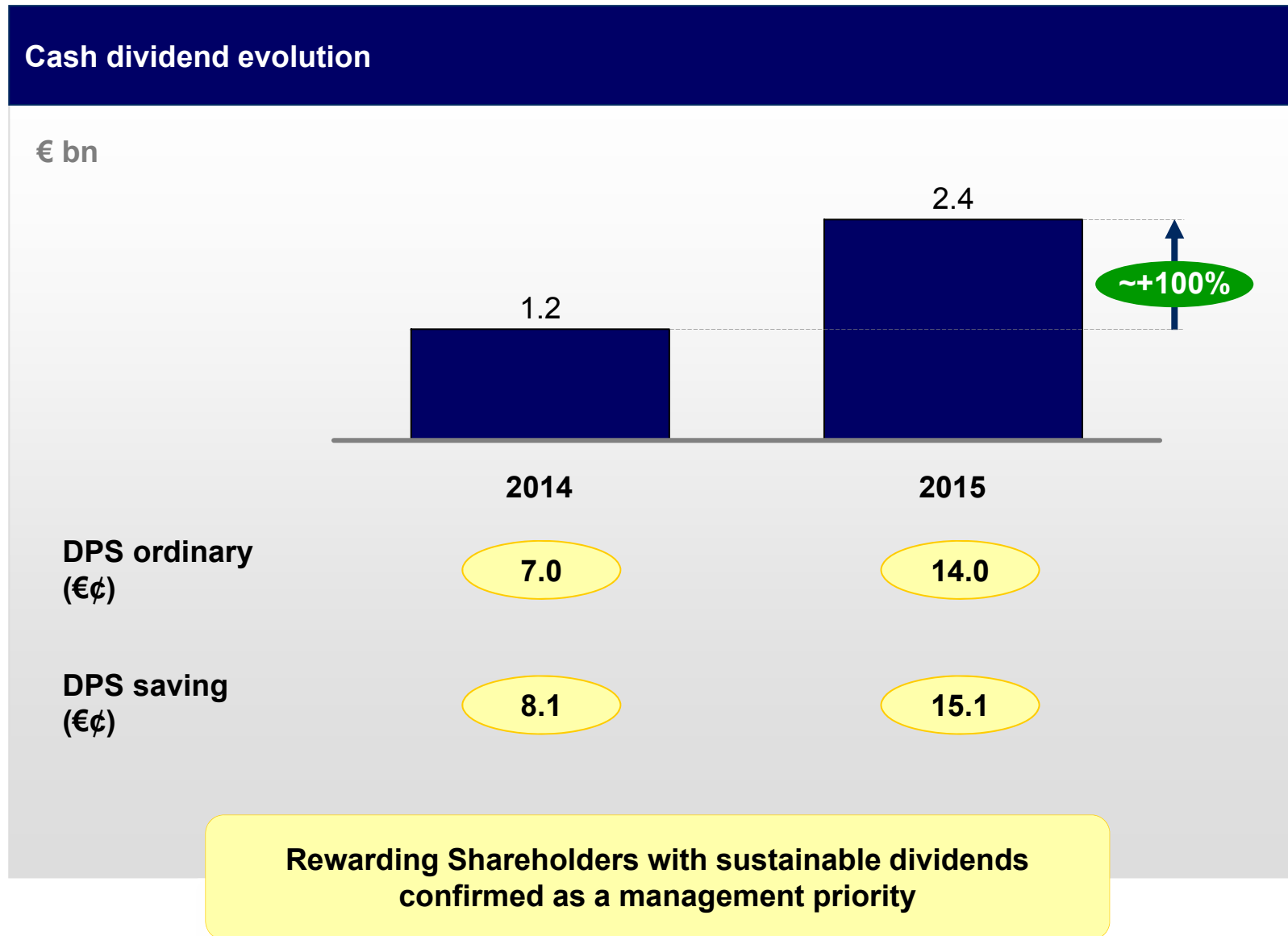
**Pre-tax income up 41%**

(1) Excluding extraordinary charges for the Resolution Fund (RF). Stated net income at €2.7bn

(2) Pro-forma fully loaded Basel 3 (31.12.15 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans and the expected absorption of DTA on losses carried forward); including estimated benefits from the Danish Compromise (14bps); after dividends

(3) Excluding charges for the Resolution Fund and Deposit Guarantee Scheme (RF/ DGS)

# €2.4bn Cash Dividends

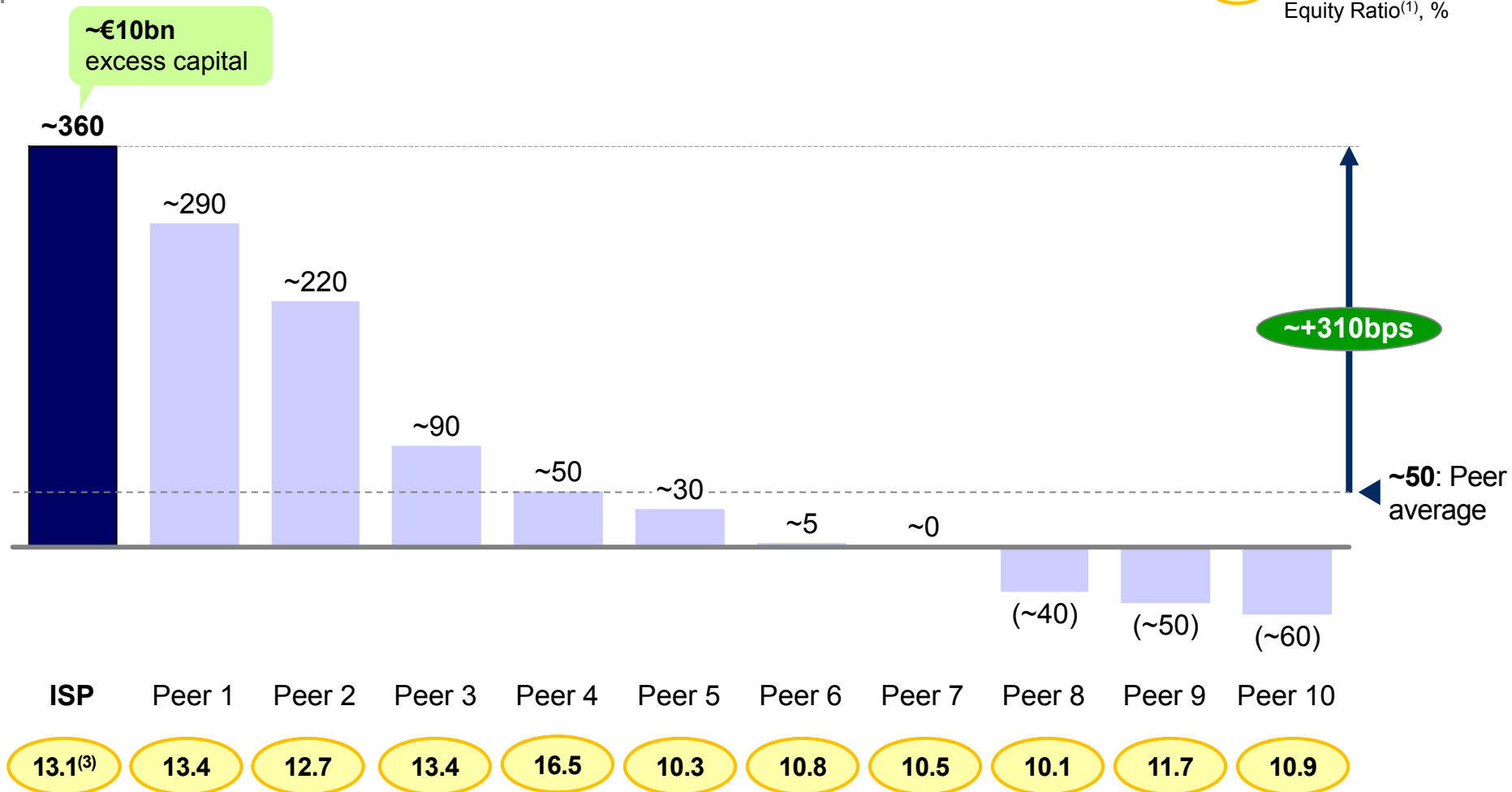


# A Best-in-Class Excess Capital

Fully Loaded Common Equity Ratio Buffer vs SREP + SIB requirements<sup>(1)(2)</sup>

Bps

Fully Loaded Common Equity Ratio<sup>(1)</sup>, %

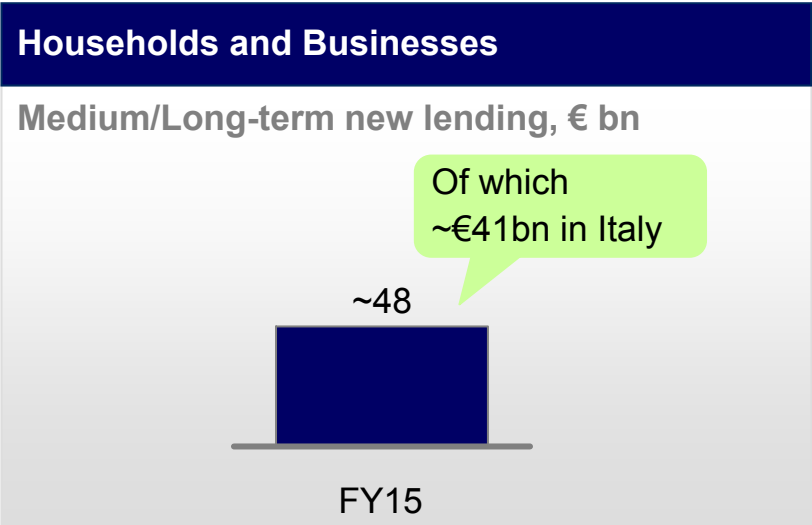
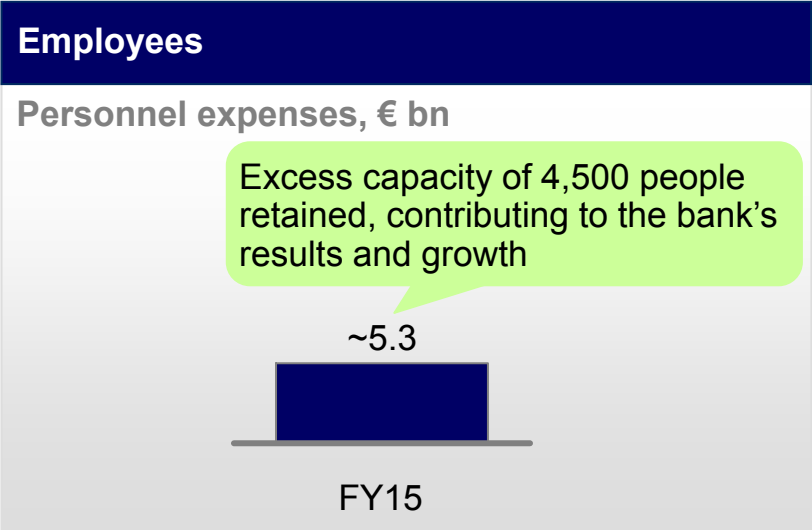
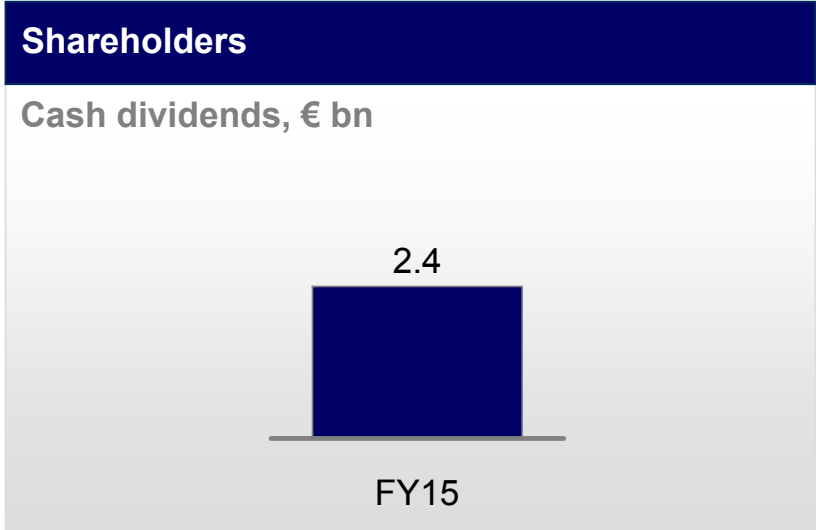


(1) Sample: BBVA, BNP Paribas, Deutsche Bank, ING, Nordea and Santander as of 31.12.15; BPCE, Crédit Agricole Group, Société Générale and UniCredit as of 30.9.15 or previous available data. Data may not be fully comparable due to different estimates hypothesis. Source: Investors' Presentations, Press Releases, Conference Calls

(2) Calculated as the difference between the Fully Loaded Common Equity ratio vs SREP and SIB requirements; only top European banks that have communicated their SREP requirement

(3) Pro-forma fully loaded Basel 3 (31.12.15 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans and the expected absorption of DTA on losses carried forward); including estimated benefits from the Danish Compromise (14bps)

# All Stakeholders Benefiting From Our Performance

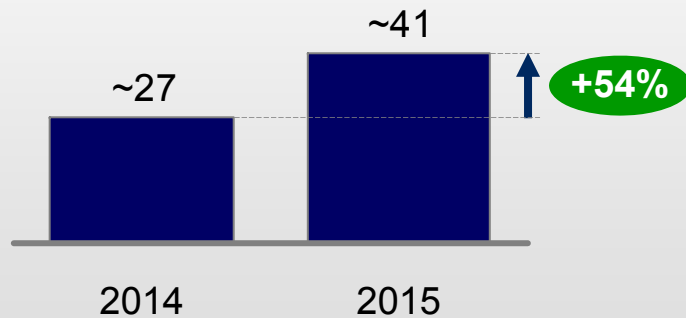


(1) Direct and indirect

# ISP: an Accelerator for the Growth of the Real Economy in Italy

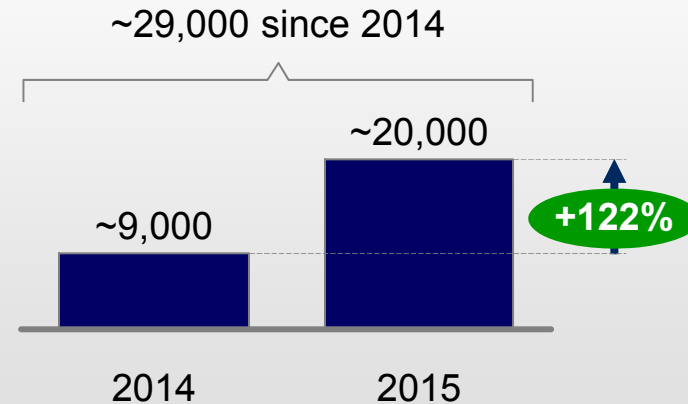
## ISP: supporting the Italian real economy to grow...

Medium/Long-term new lending to Italian households and businesses, € bn



## ...and to recover

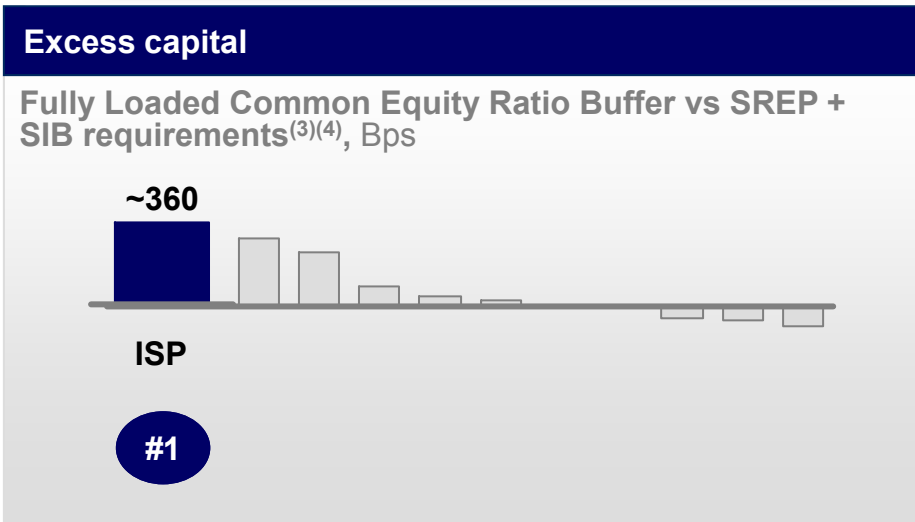
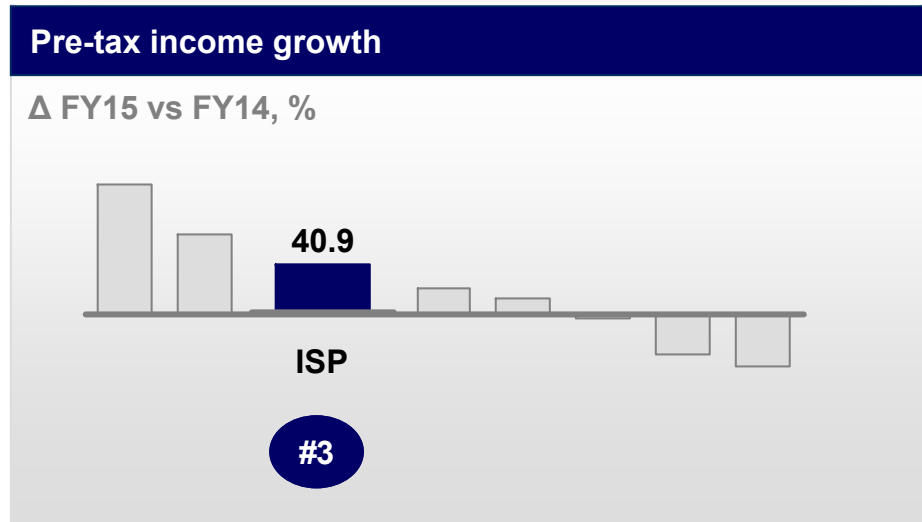
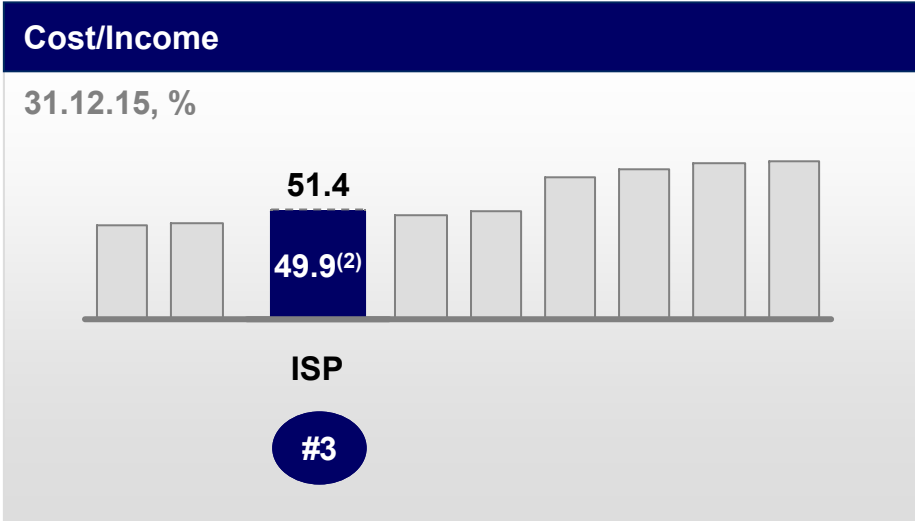
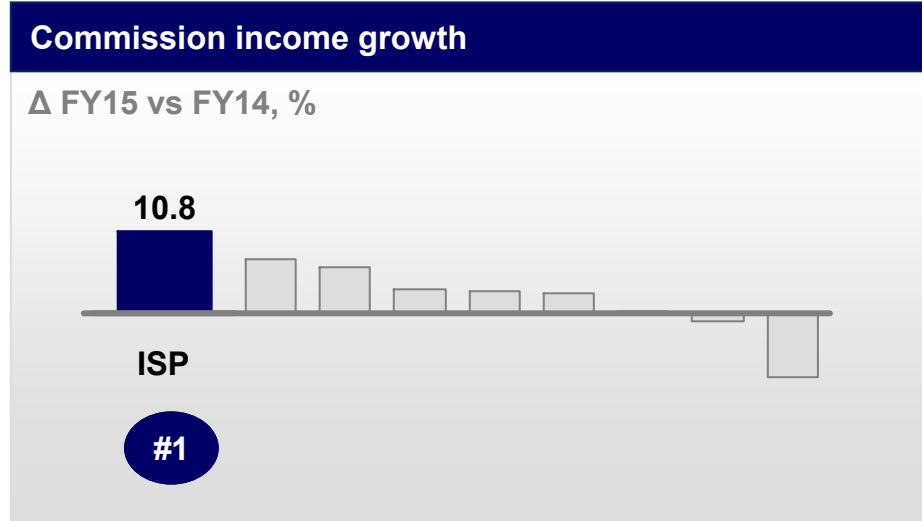
Italian companies helped to get back to performing status<sup>(1)</sup>



- ISP: a bridge towards internationalisation (e.g., Global Financial Partner of Expo 2015)
- ISP: an innovation driver (e.g., innovation centre located in the new ISP tower in Turin)
- ISP: an engine for social sector initiatives (e.g., Banca Prossima, the largest lender to the Social Sector in Italy)

(1) Deriving from Non-performing loans outflow

# A First Class European Bank

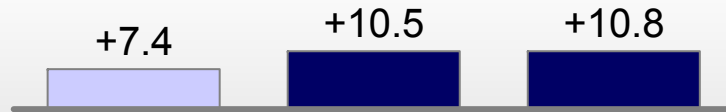


(1) Sample: BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, ING, Nordea, Santander and UBS (31.12.15 data); only top European banks that have already communicated FY15 results  
 (2) Excluding charges for the RF/DGS (Resolution Fund and Deposit Guarantee Scheme)  
 (3) Pro-forma fully loaded Basel 3 (31.12.15 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans and the expected absorption of DTA on losses carried forward); including estimated benefits from the Danish Compromise (14bps)  
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# Continuing to Over-Deliver on Our Business Plan

## Net fee and commission income

%

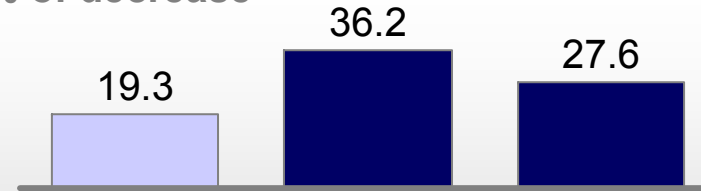


Business Plan CAGR 13-17  
 Δ FY13-14  
 Δ FY14-15



## Loan loss provisions

% of decrease



Business Plan CAGR 13-17  
 Δ FY13-14  
 Δ FY14-15



## Pre-tax income

%

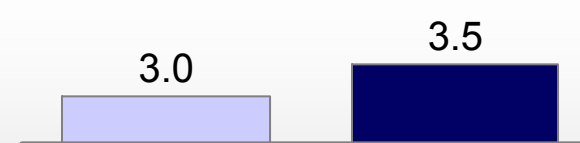


Business Plan CAGR 13-17  
 Δ FY13-14  
 Δ FY14-15



## Cash Dividends

€ bn













Business Plan dividend commitment 2014-2015  
 Dividends distributed in 2014-2015





# FY15: Highlights

- **€2.4bn cash dividends** (~+100% vs FY14) 
- **Excellent economic performance driven by high quality earnings and improved credit trend:**
  - **~€3.0bn Net income** excluding the extraordinary charges for the Resolution Fund (+77% vs FY14<sup>(1)</sup>), the highest since 2007; stated Net income at €2.7bn 
  - **Pre-tax income at €4,597m** (+41% vs FY14) 
  - **Increase in Operating income** (+5%<sup>(2)</sup> vs FY14) thanks to a double-digit increase in Net fees and commissions (+11%) 
  - **Continued strong cost management with C/I at 49.9%<sup>(2)</sup>** (-1.2pp vs FY14) 
  - **Operating margin at €8.8bn<sup>(2)</sup>** (+8% vs FY14) 
  - **Downward trend in loan loss provisions** (-28% vs FY14), driven by **decreasing NPL inflow** 
- **Best-in-class capital position with a solid balance sheet:**
  - **Low leverage ratio (6.8%) and high capital base** (pro-forma fully loaded **Common Equity ratio at 13.1%<sup>(3)</sup>**) 
  - **Strong liquidity position and funding capability with LCR and NSFR well above 100%** 
  - **NPL cash coverage increased by 60bps at 47.6%, with decreasing NPL stock** 

(1) Calculated taking into account 2014 Net income at €1,690m excluding the one-off impact of the higher tax rate on the gain from Bank of Italy stake (gain booked in 4Q13)

(2) Excluding charges for the Resolution Fund and the Deposit Guarantee Scheme

(3) Pro-forma fully loaded Basel 3 (31.12.15 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans and the expected absorption of DTA on losses carried forward); including estimated benefits from the Danish Compromise (14bps); after dividends

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**FY15: An excellent year, over-delivering on our Business Plan**

Best-in-class capital position and leverage with a solid balance sheet

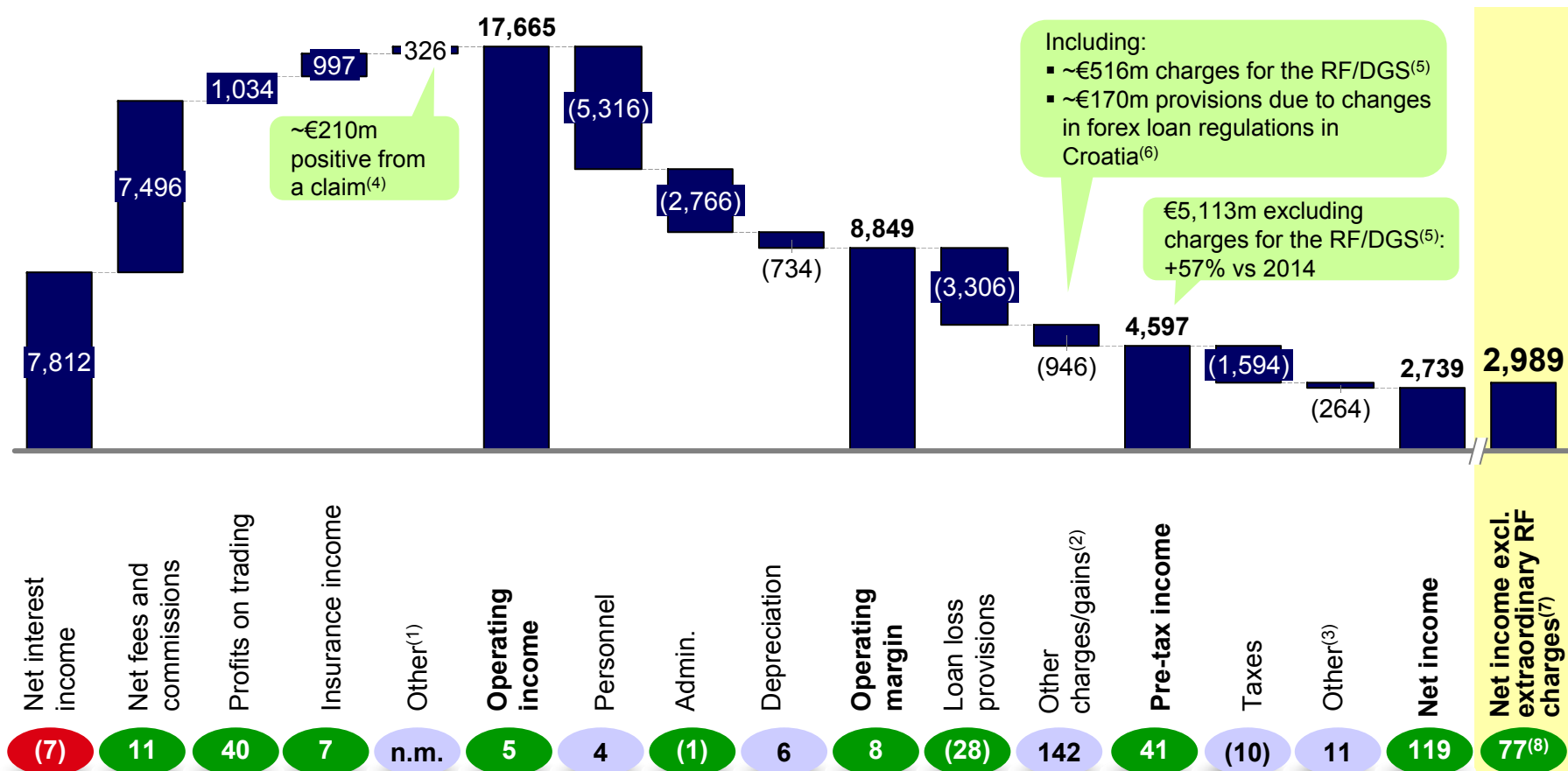
Well ahead of our Business Plan

# ~€3bn Net Income Driven by Quality Earnings and Improved Credit Trend

2015 P&L, Restated including charges for the RF/DGS in Other charges/gains

€ m

⊘ % Δ vs 2014



(1) Dividends and other operating income (expenses), excluding charges for the RF/DGS

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

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

(4) €149m after tax

(5) Resolution Fund and Deposit Guarantee Scheme

(6) For the conversion into Euro of CHF loans; €138m after tax

(7) €376m pre-tax, €250m net of taxes, booked in Q4

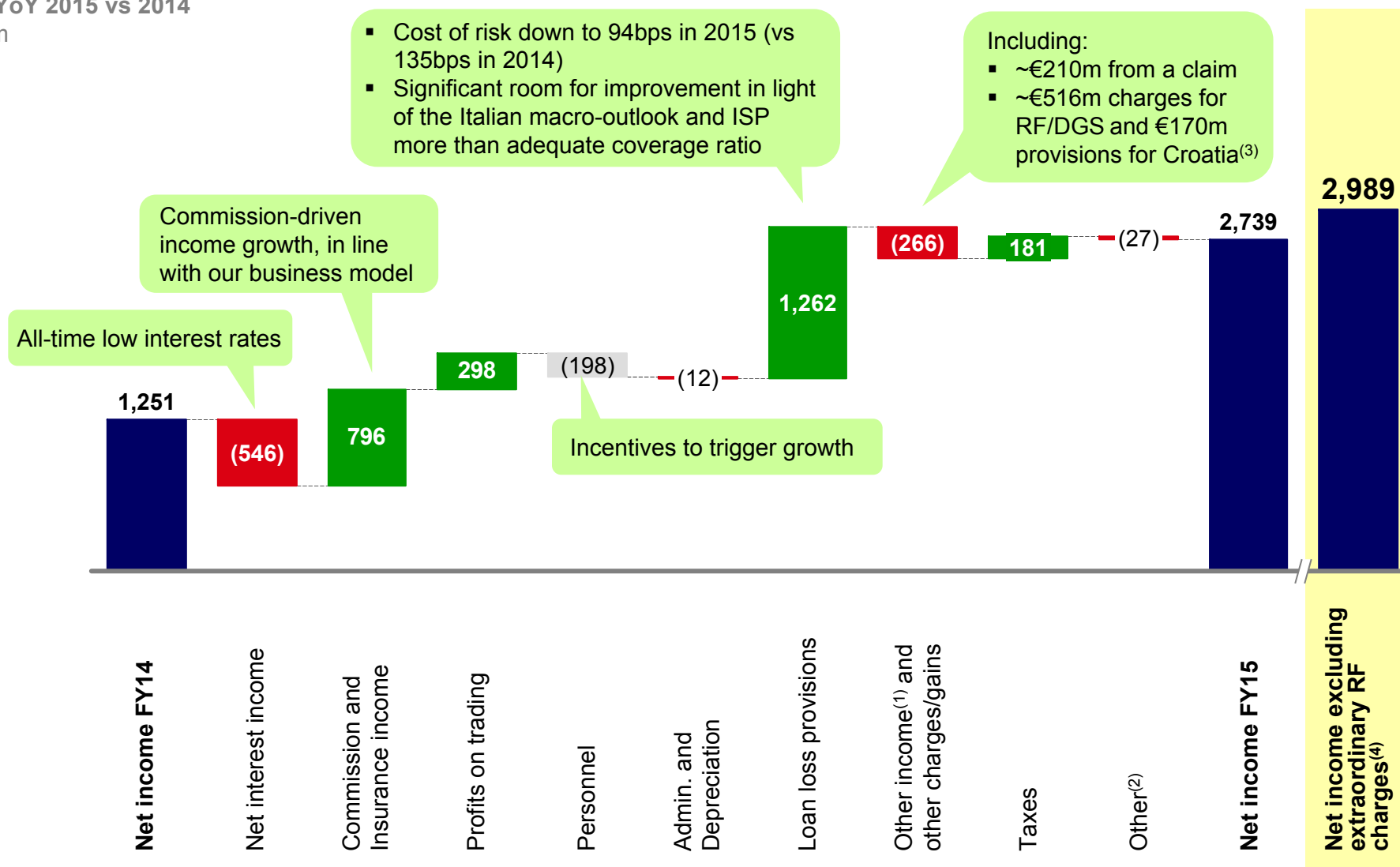
(8) Calculated excluding the one-off tax charge in 2014 due to the tax rate increase from 12% to 26% on the gain from Bank of Italy stake (gain booked in 4Q13)

Note: 2014 data restated to reflect scope of consolidation for 2015. Figures may not add up exactly due to rounding differences

# Net Income More Than Doubled, Driven by Shift in Business Model and Improved Credit Trend

Δ YoY 2015 vs 2014

€ m



(1) Dividends and Other operating income (expenses)

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

(3) Due to loan regulations change in Croatia (for the conversion into Euro of CHF loans)

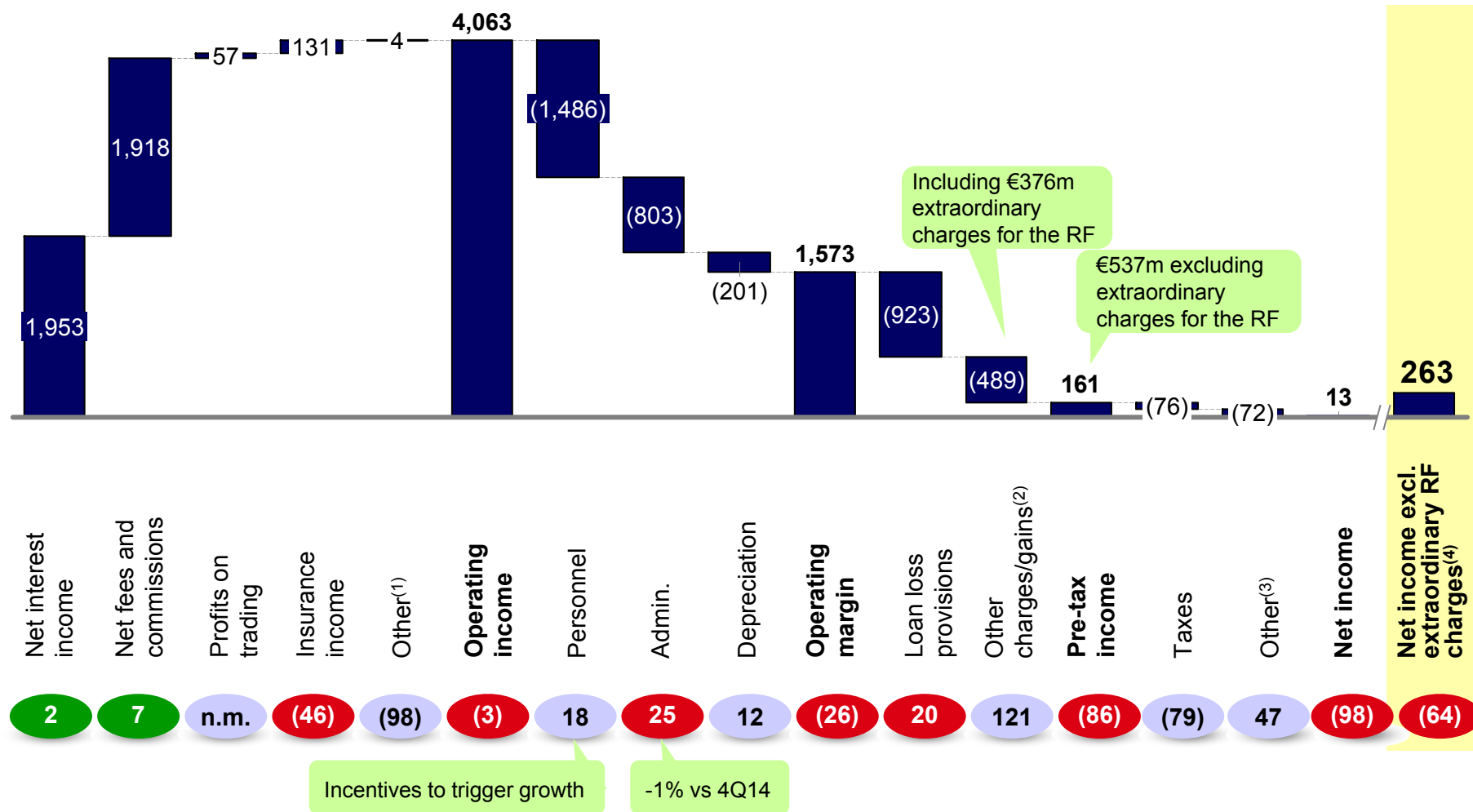
(4) €376m pre-tax, €250m net of taxes

# 4Q15: Growth in Net Interest Income and Commissions

4Q15 P&L, Restated including extraordinary charges for the RF in Other charges/gains

€ m

⊘ Δ vs 3Q15



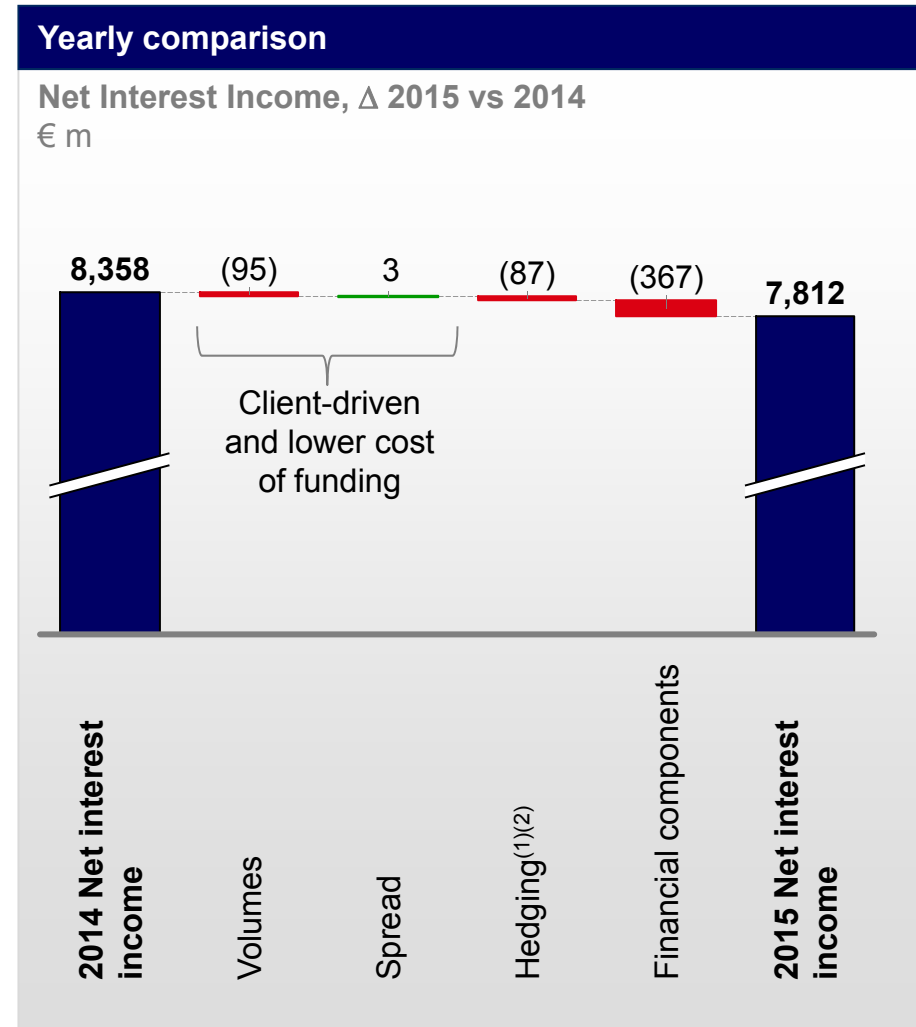
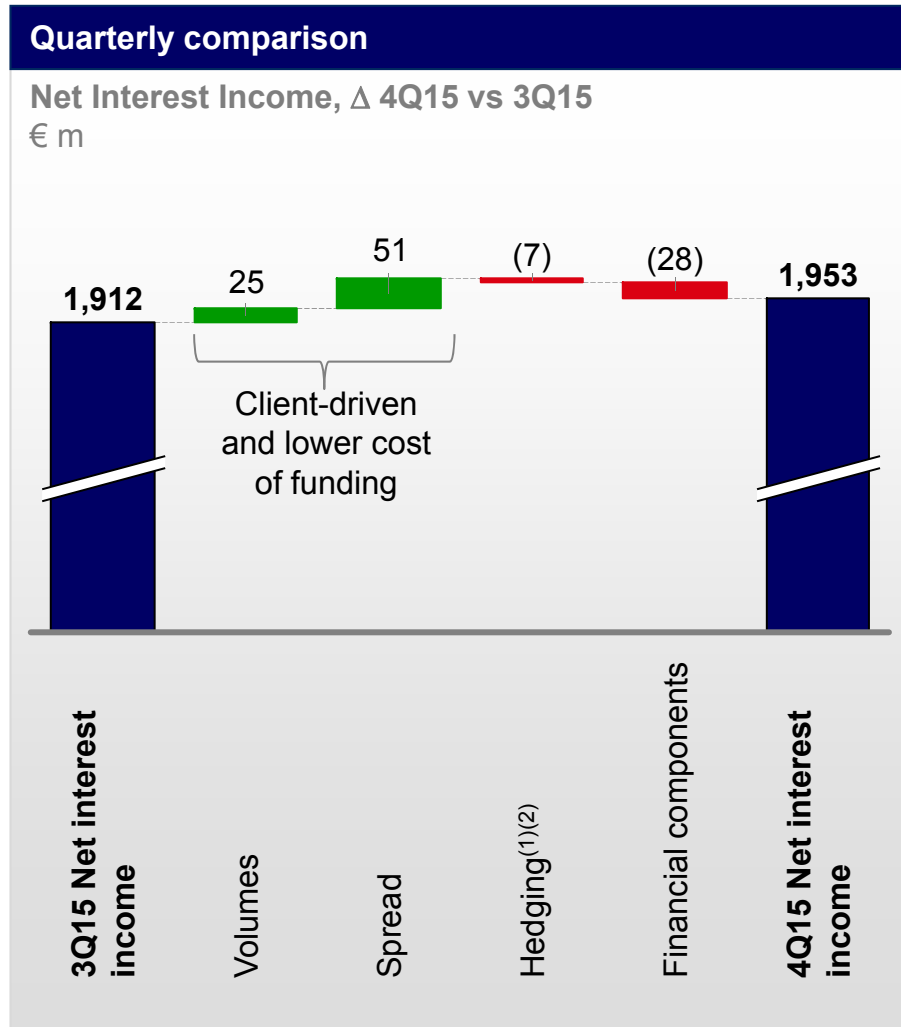
(1) Dividends and Other operating income (expenses), excluding charges for the RF

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

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

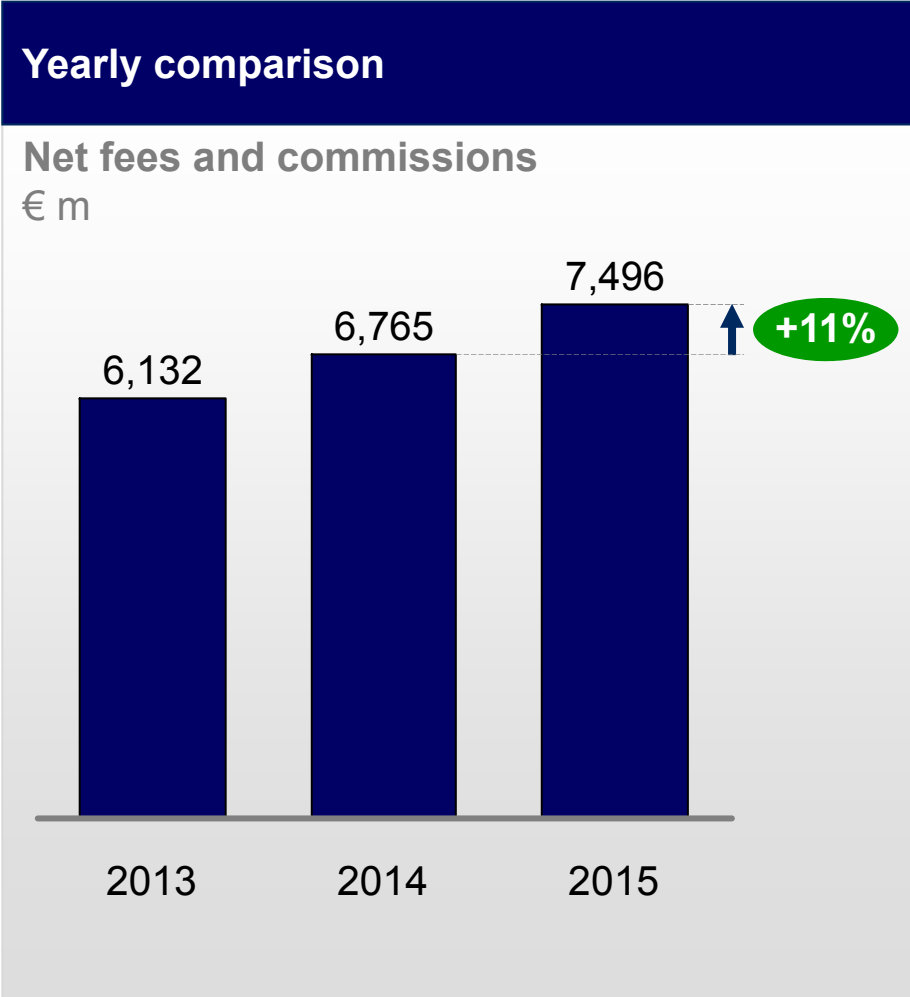
(4) €376m pre-tax, €250m net of taxes

# Quarterly Improvement in Net Interest Income



(1) €743m benefit from core deposits hedging in 2015, of which €175m in 4Q15  
 (2) Hedging on core deposits

# All-time High in Net Fee and Commission Income...



## ...Driven by Strong Growth in Assets Under Management

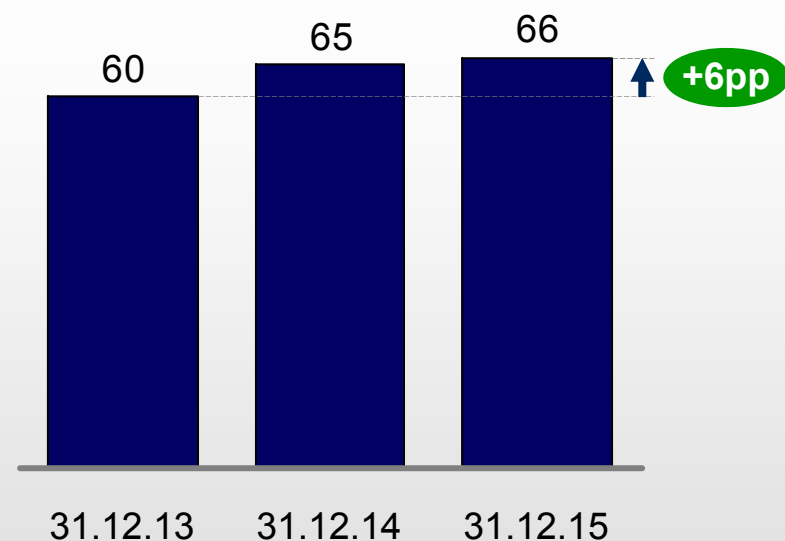
### Assets under Management

€ bn



### AuM / Indirect Deposits<sup>(1)</sup>

%



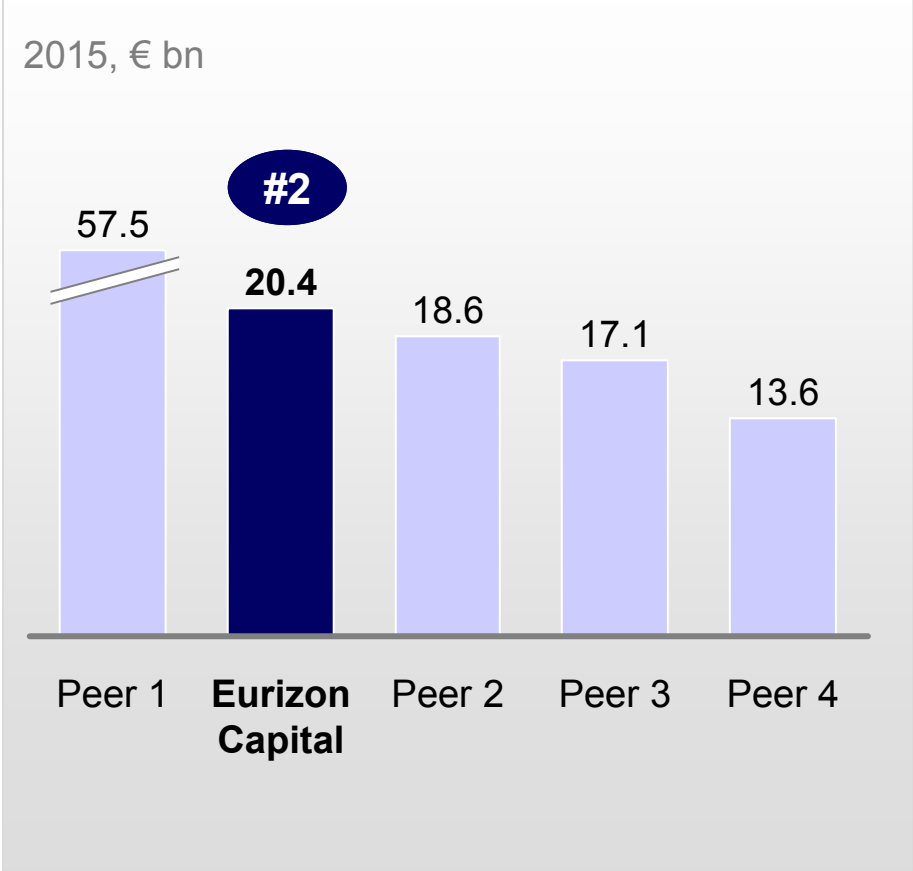
- ~€60bn of Net Inflow into AuM since 31.12.13: Business Plan target for 2017 already achieved
- ~€30bn switched from AuA to AuM since 31.12.13
- ~€30bn increase in Total Customer Financial Assets in Q4
- ~€166bn of AuA and relatively low market penetration of Wealth Management products support further sustainable growth

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

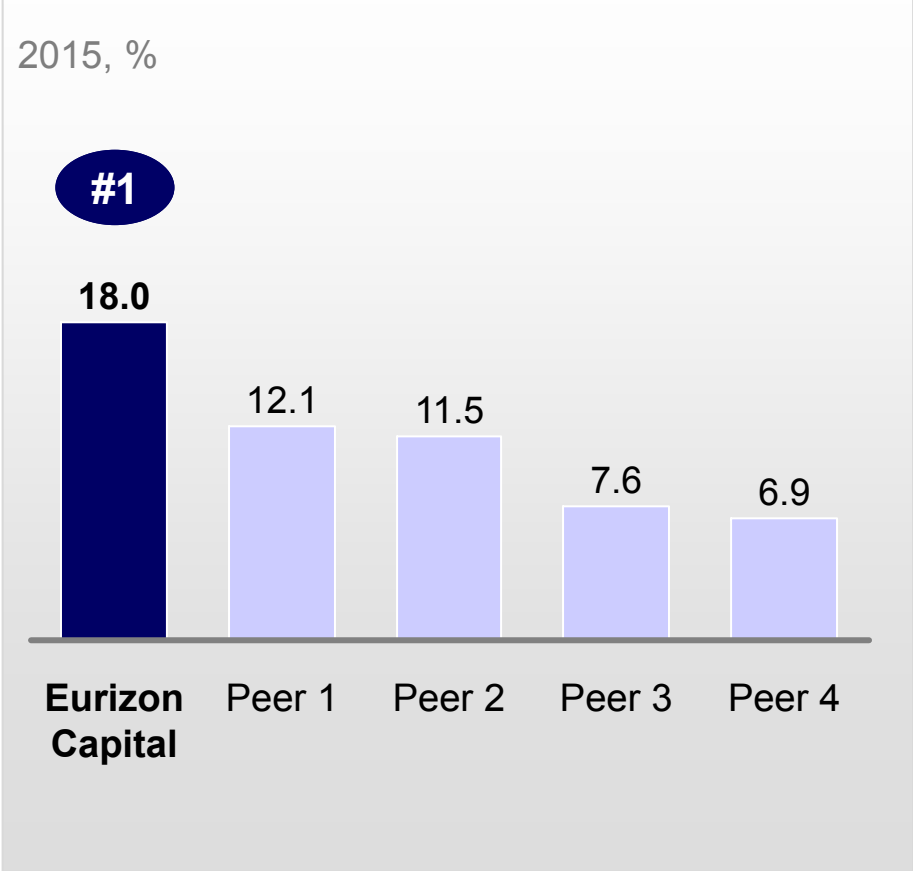


# A European Leader in Asset Management

**Net Inflows<sup>(1)</sup> of mutual funds in Europe<sup>(2)</sup>**

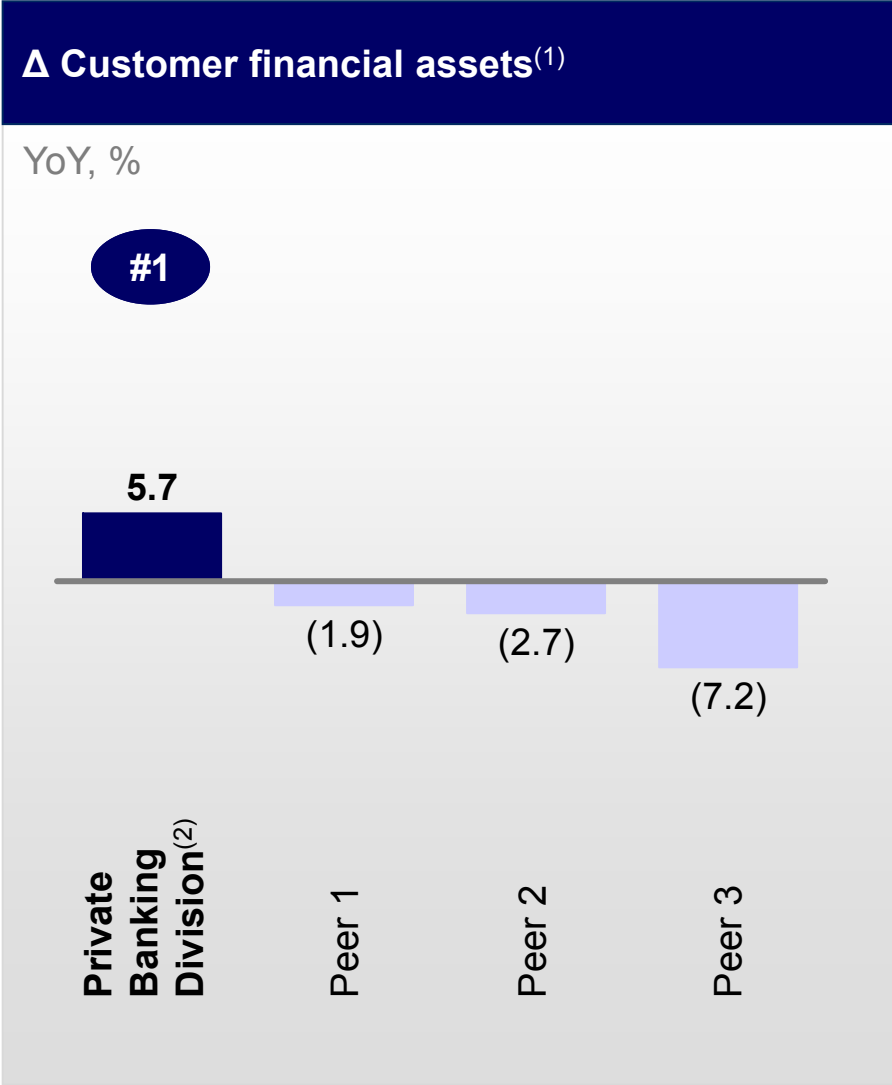
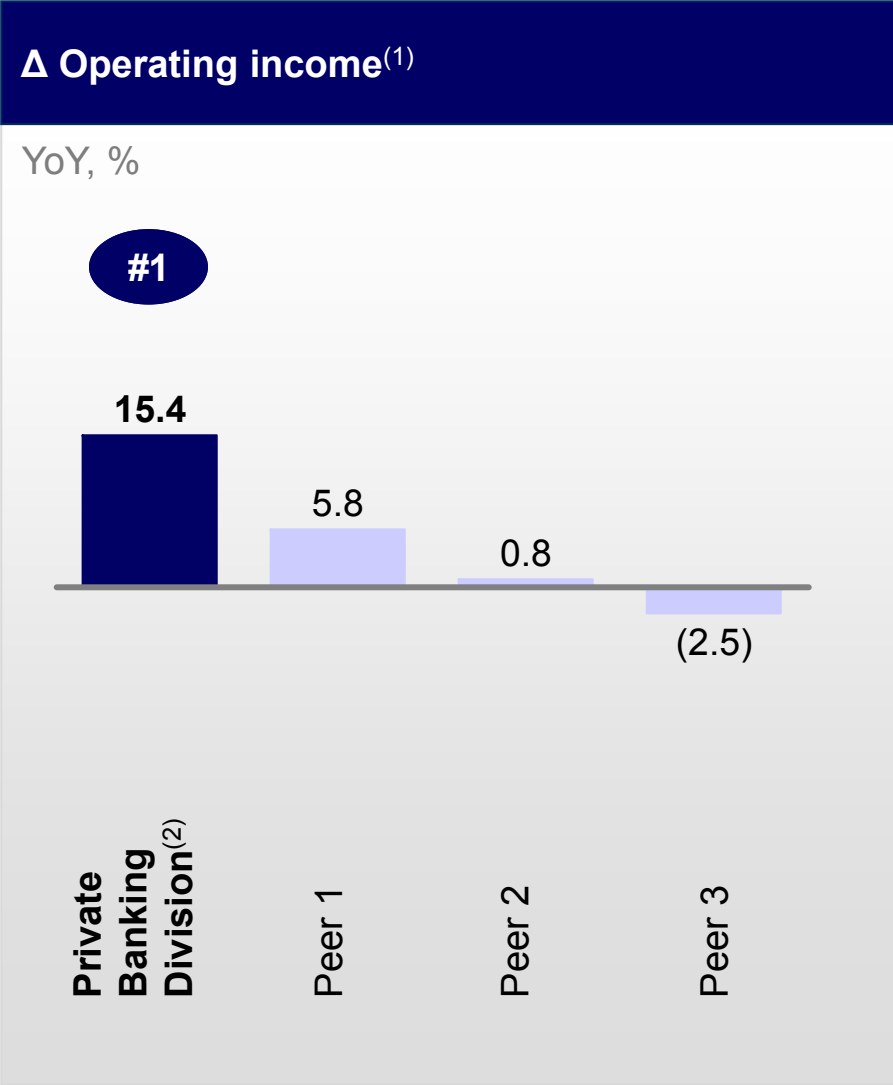


**Net Inflows<sup>(1)</sup> of mutual funds in Europe<sup>(2)</sup> as percentage of AuM stock**



(1) Excluding money market funds  
 (2) Sample: BlackRock, Deutsche AWM, Standard Life and UBS  
 Source: Strategic Insights / Simfund Global

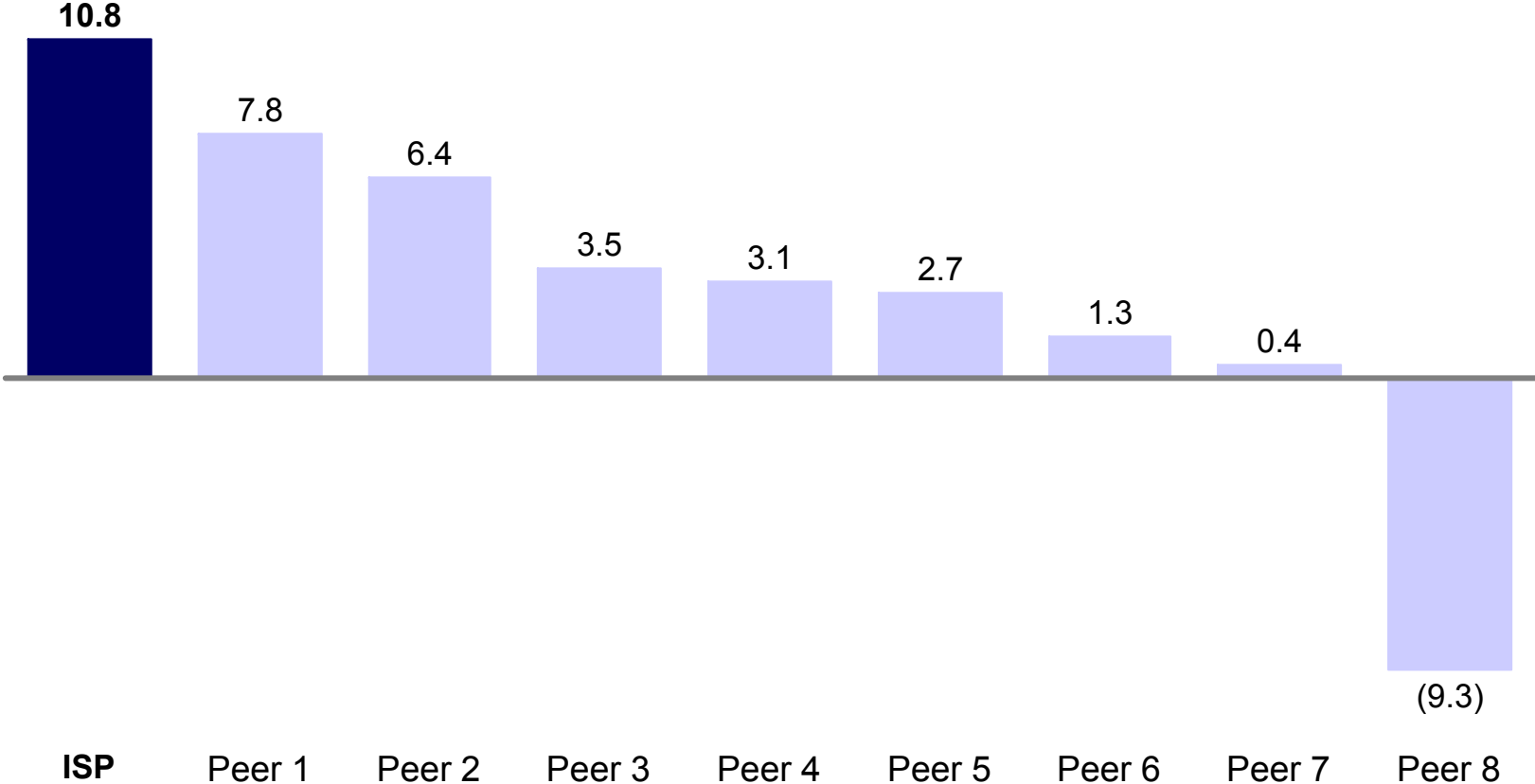
# A European Leader in Private Banking



(1) Sample: Credit Suisse Private Banking (sum of Private Banking businesses of SUB, IWM, Asia Pacific divisions), Julius Baer and UBS WM & WMA (31.12.15 data)  
 (2) Fideuram, Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Bank (Suisse) and Sirefid

# ISP: Market Leading Net Fee and Commission Income Growth in Europe

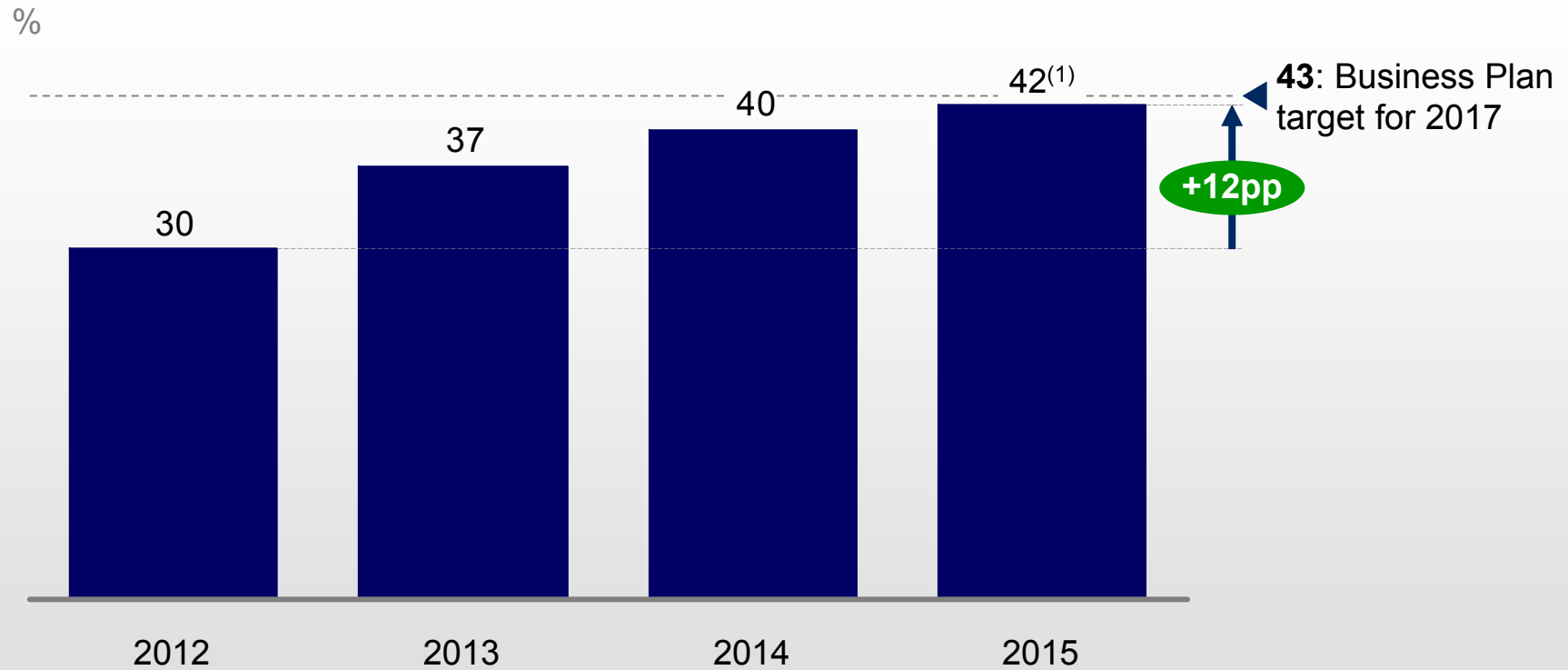
Δ YoY Net Fee and Commission Income<sup>(1)</sup>  
%



(1) Sample: BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, ING, Nordea, Santander and UBS as of 31.12.15; only top European banks that have already communicated FY15 results

# Business Model Becoming More Commission Driven

## Contribution of Net fees and commissions to Operating income



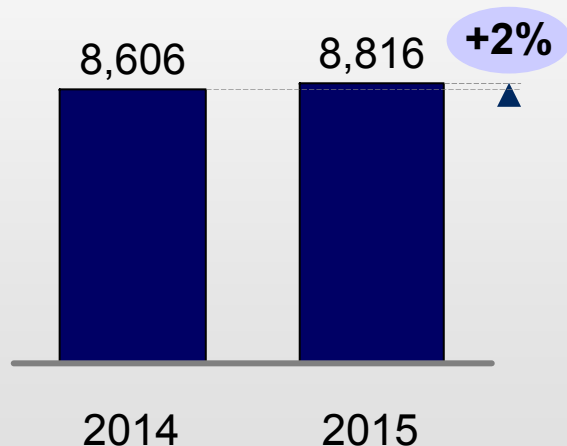
(1) Operating income calculated excluding charges for the RF/DGS (Resolution Fund and Deposit Guarantee Scheme)

# Operating Costs Increase Due to Incentives to Trigger Growth

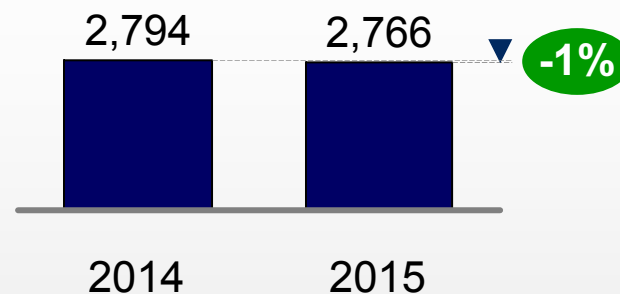
## Operating costs

€ m

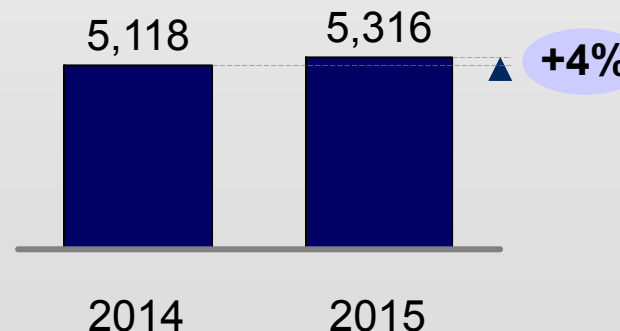
### Total operating costs



### Administrative costs



### Personnel costs



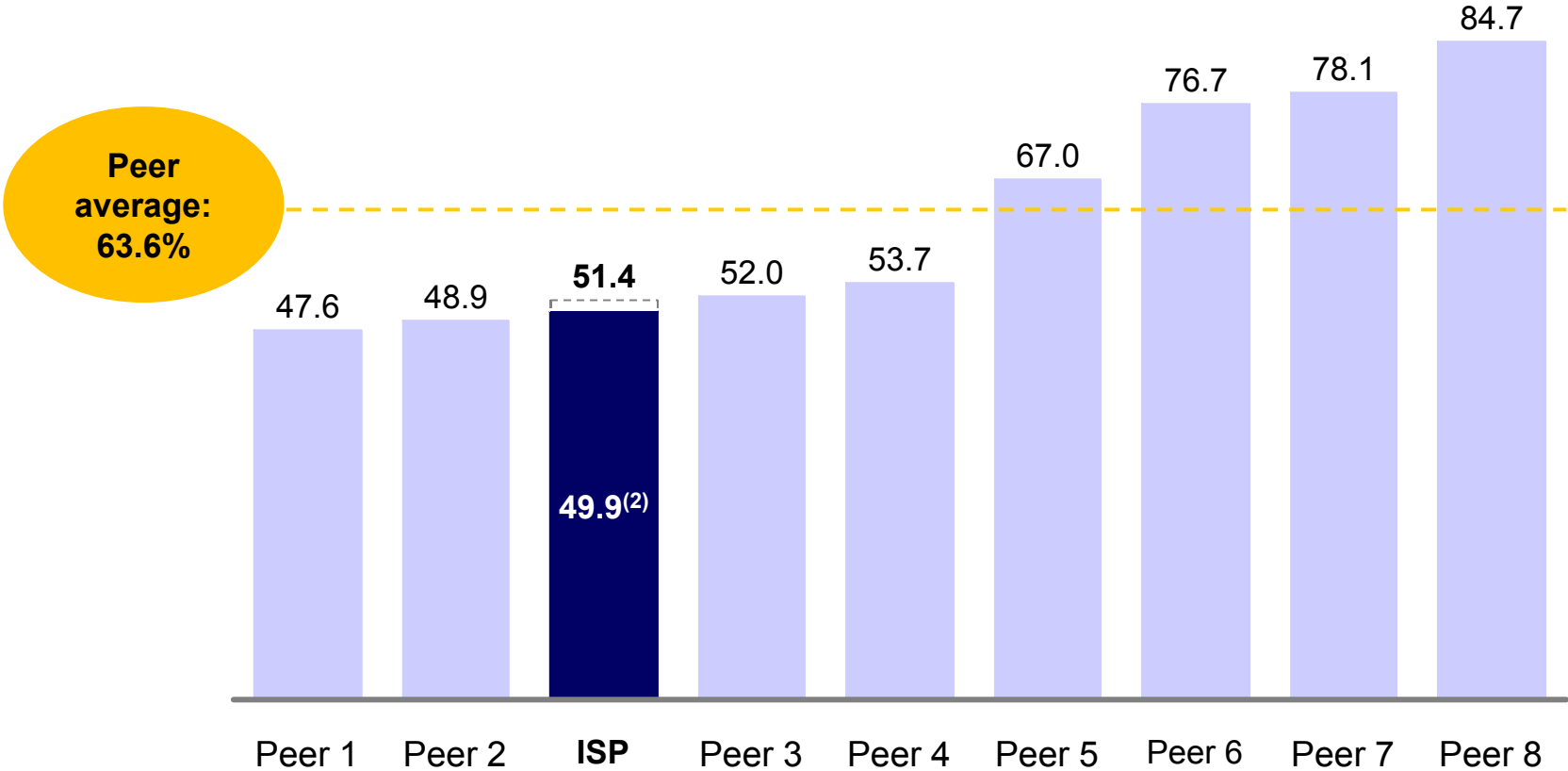
f(x)

- Cost/income at 49.9% (51.4% including charges for the RF/DGS<sup>(1)</sup>)
- ISP strategy is to remain a cost management champion

(1) Resolution Fund and Deposit Guarantee Scheme

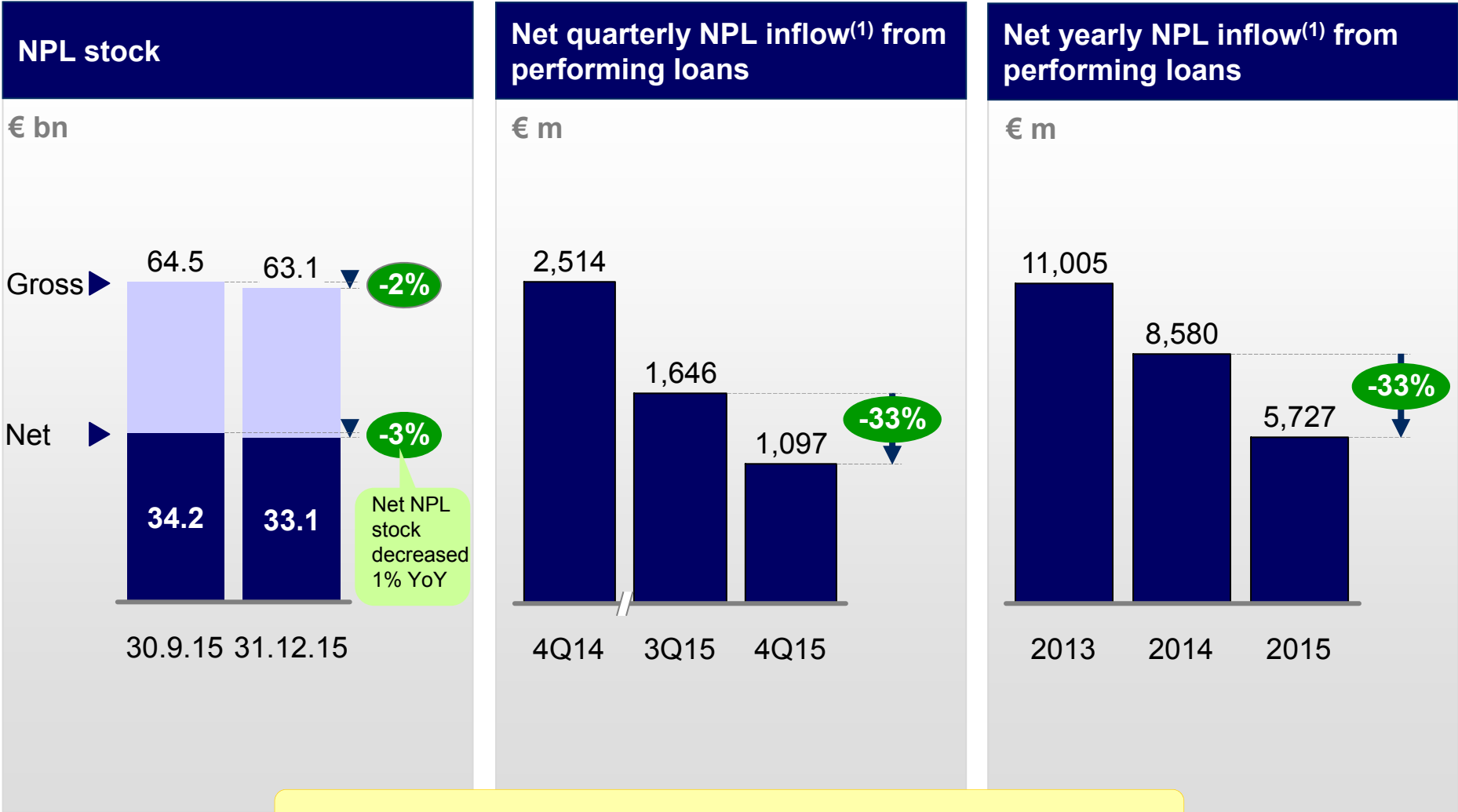
# Top-Tier Cost/Income Ratio in Europe

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



(1) Sample: BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, ING, Nordea, Santander and UBS as of 31.12.15; only top European banks that have already communicated FY15 results  
(2) Excluding charges for the RF/DGS

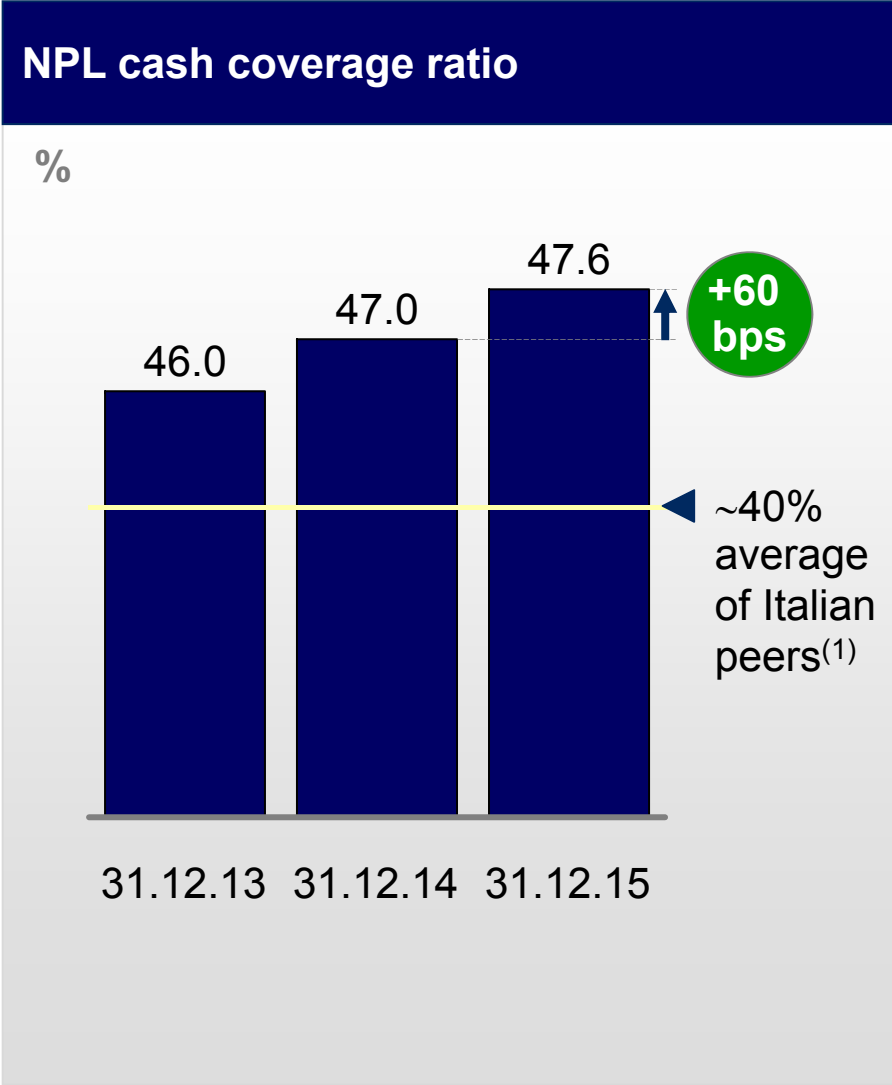
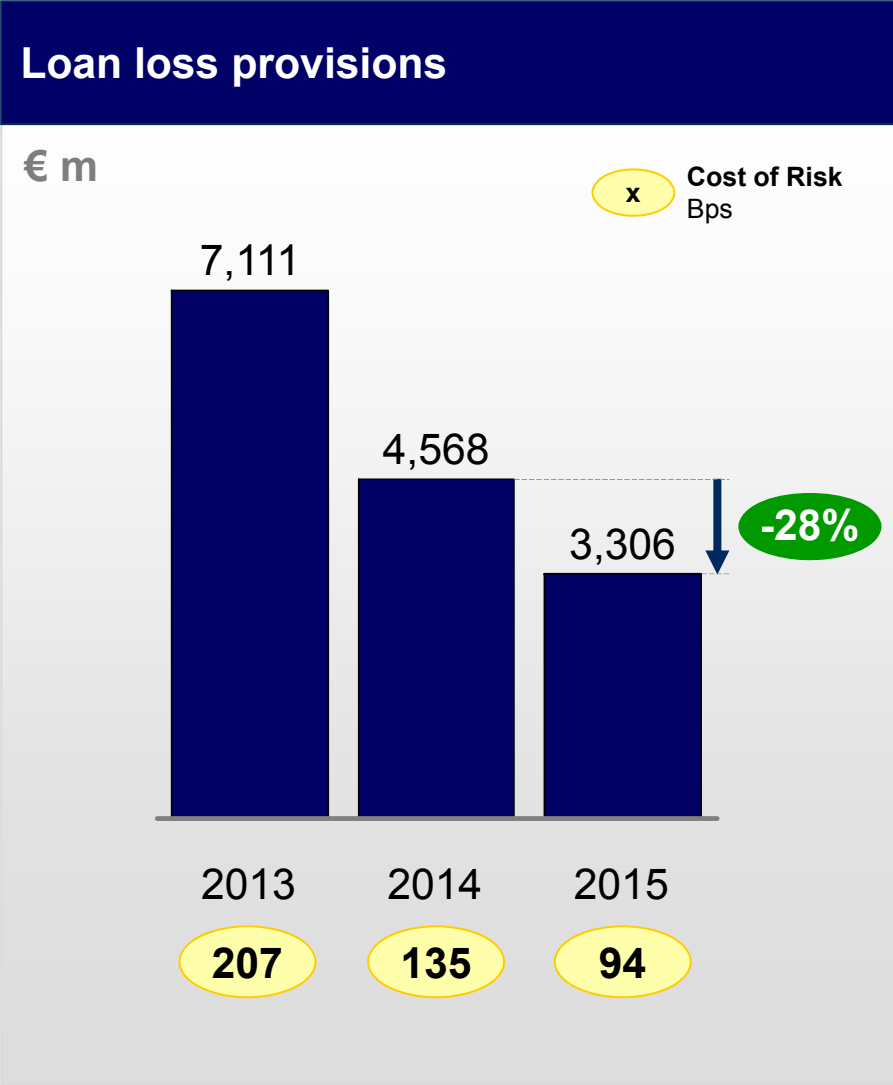
# First Decline of NPL Stock Since the Beginning of the Crisis and Strong Reduction in NPL Inflow



**The lowest inflow of new NPL from performing loans since 2007**

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

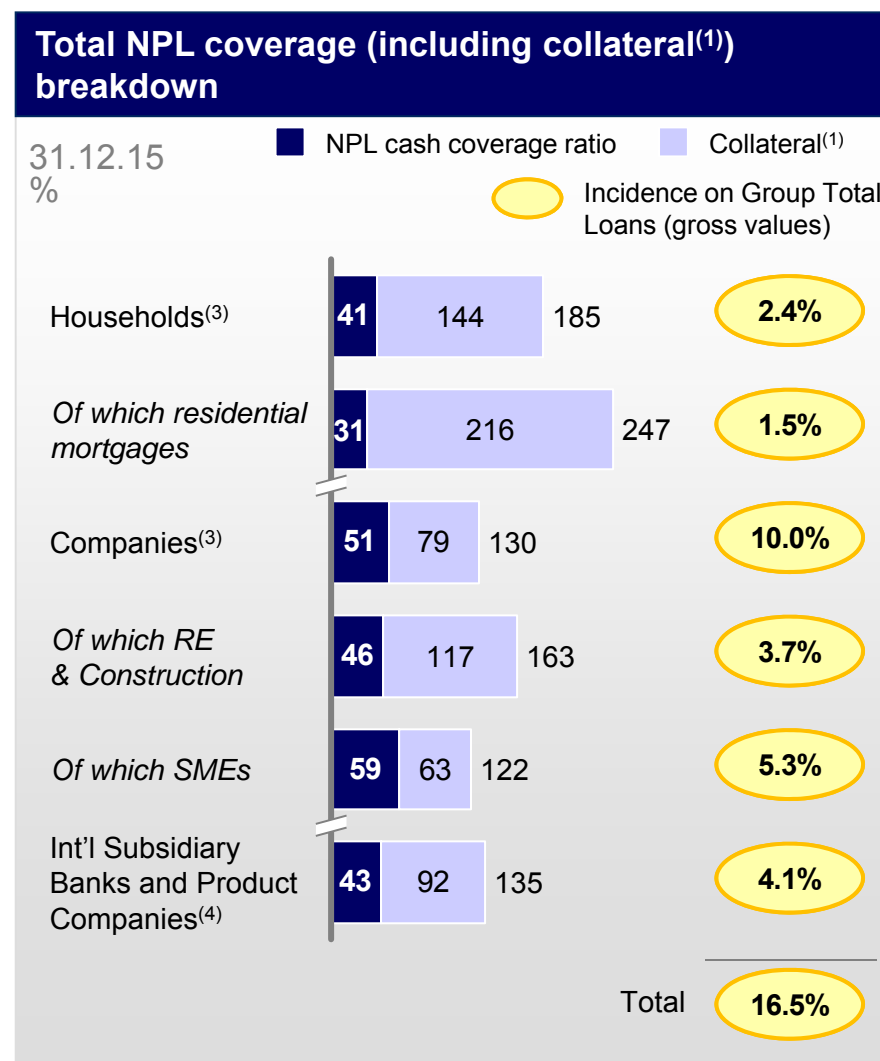
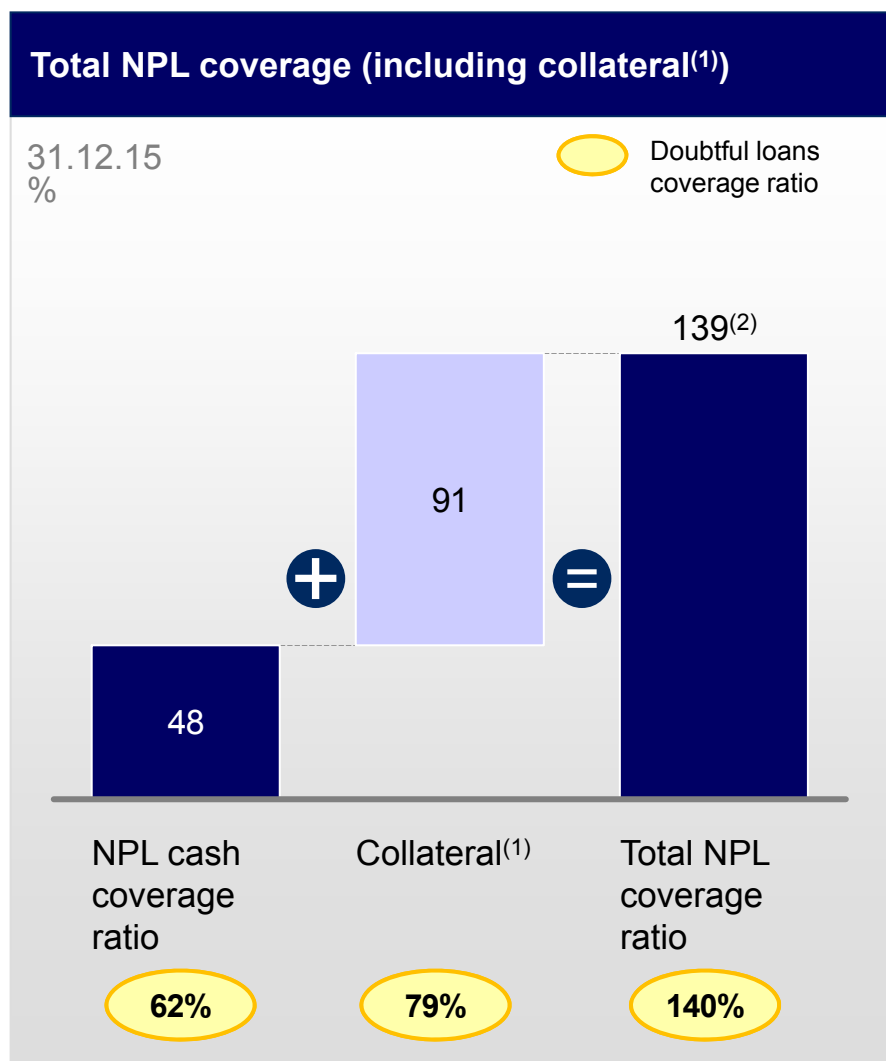
# Significant Reduction in Loan Loss Provision Coupled with Increased NPL Coverage



(1) Sample: BPOP, MPS, UBI and UniCredit (data as of 30.9.15)



# Very Strong NPL Coverage When Collateral is Considered



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

(1) Excluding personal guarantees

(2) 146% including personal guarantees

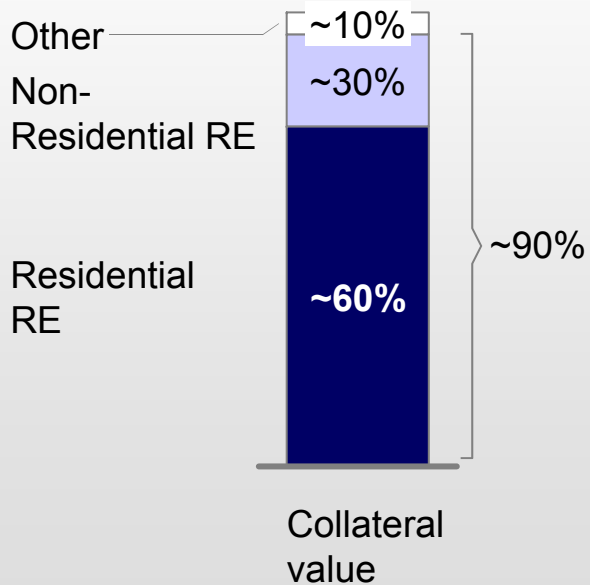
(3) Parent Bank and Italian Subsidiary Banks

(4) Mediocredito Italiano (Industrial Credit, Factoring and Leasing) and Banca IMI (Capital Markets and Investment Banking)

# Significant Upside in Collateral Value Driven by Market Outlook

## The majority of ISP collateral is Residential Real Estate...

### ISP collateral value breakdown



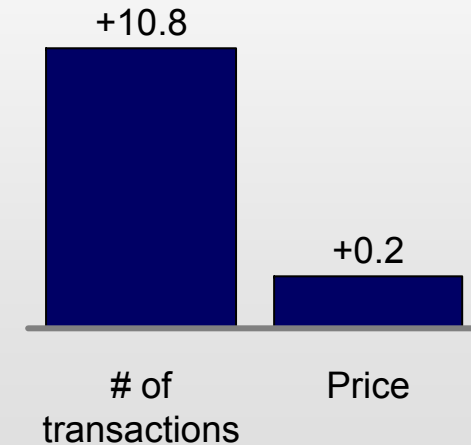
## ...in an Italian residential RE market that has been resilient throughout the crisis...

### Avg. transaction price, 2014 vs 2007, %



## ...and with upside going forward

### Italian Residential Real Estate Transactions: 3Q15 vs 3Q14, Price: 3Q15 vs 2Q15, %

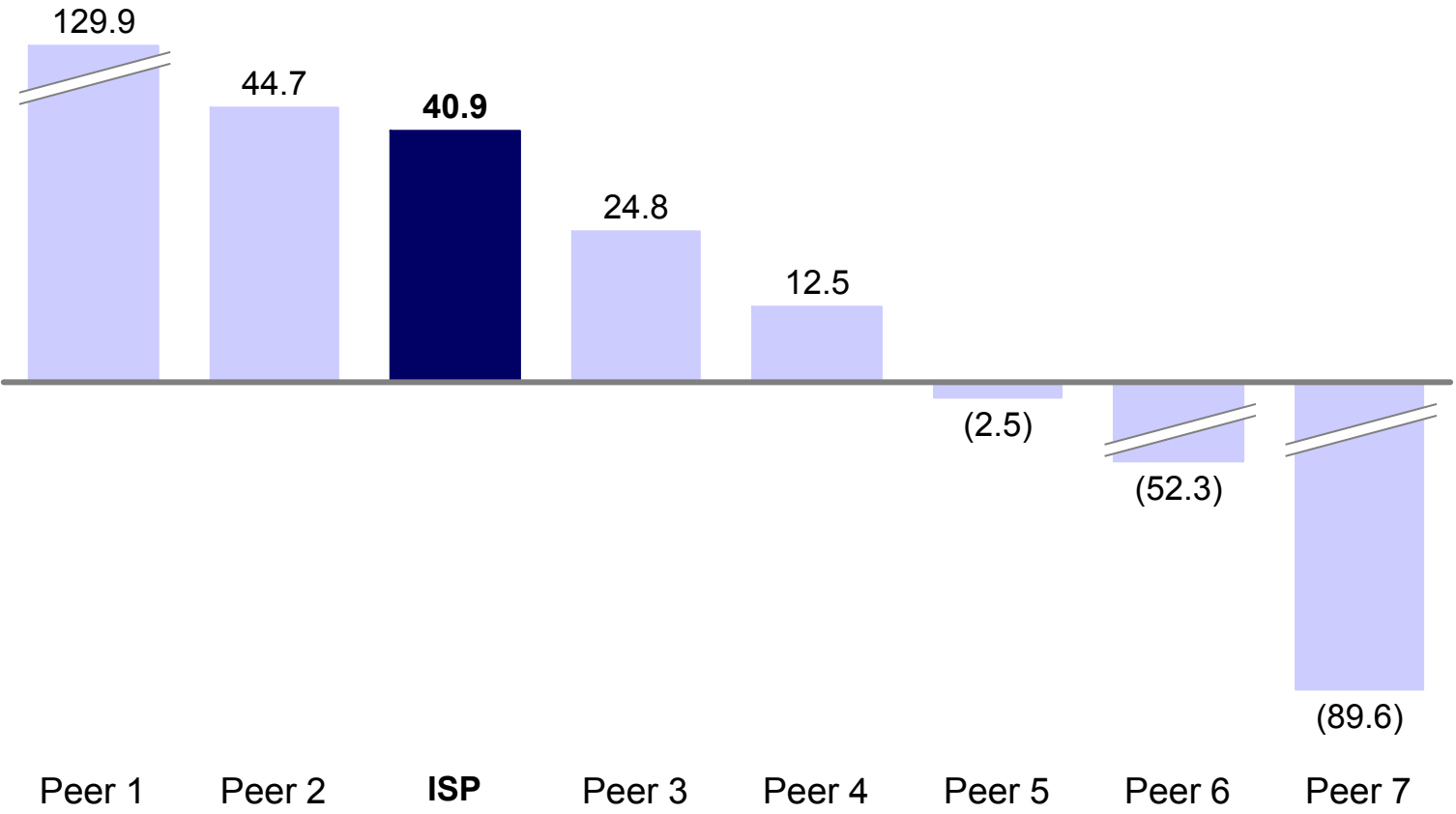


**New residential mortgages almost doubled in 2015<sup>(1)</sup>**

(1) System data as of November 2015  
Source: Agenzia delle Entrate (Italian Revenue Agency), ABI (Italian Banking Association), Ministerio de Fomento (Spanish Ministry of Development)

# Top-Tier Pre-tax Income Growth in Europe

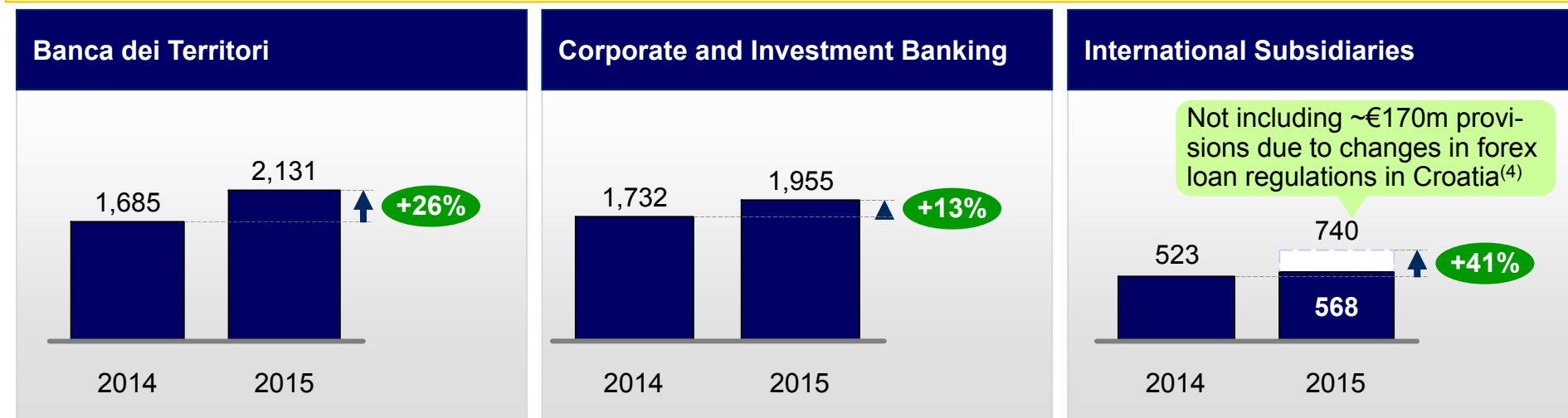
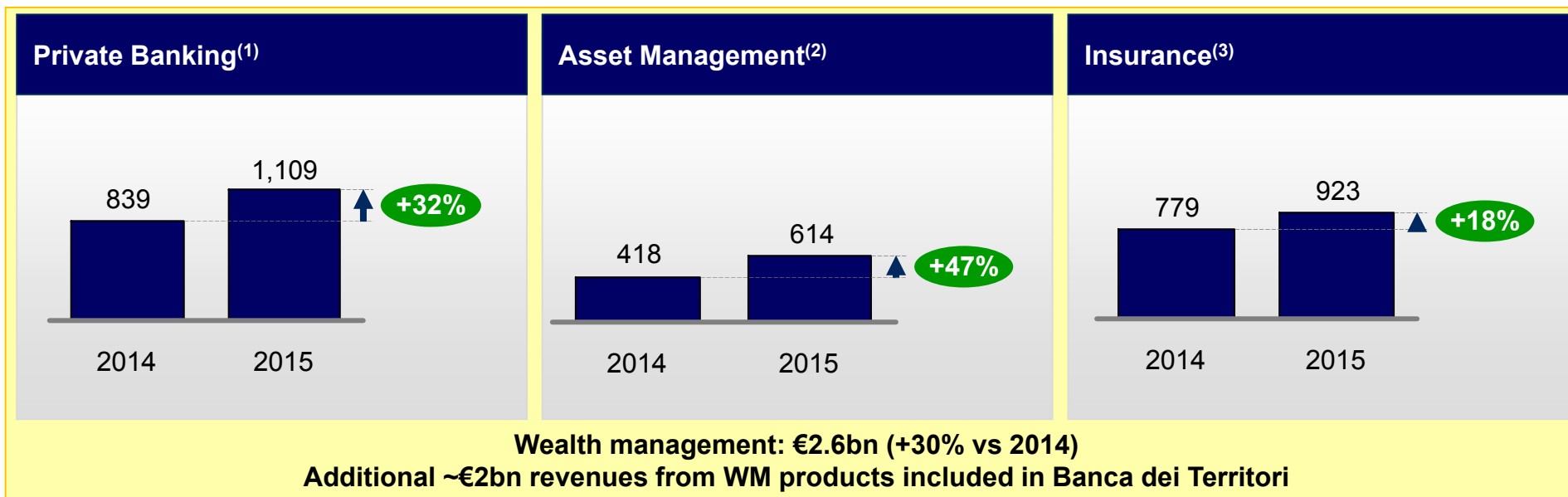
Δ YoY Pre-tax Income<sup>(1)</sup>  
%



(1) Sample: BBVA, Credit Suisse, Deutsche Bank, ING, Nordea, Santander and UBS as of 31.12.15, BNP Paribas n.m.; only top European banks that have already communicated FY15 results

# Significant Pre-tax Income Contribution from All Divisions

€ m



(1) Fideuram, Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Bank (Suisse) and Sirefid; (2) Eurizon Capital; (3) Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo Vita; (4) For the conversion into Euro of CHF loans  
 Note: Figures may not add up exactly due to rounding differences; figures restated to reflect the new organisational structure (creation of Private Banking, Asset Management, Insurance Divisions and Capital Light Bank)

# Contents

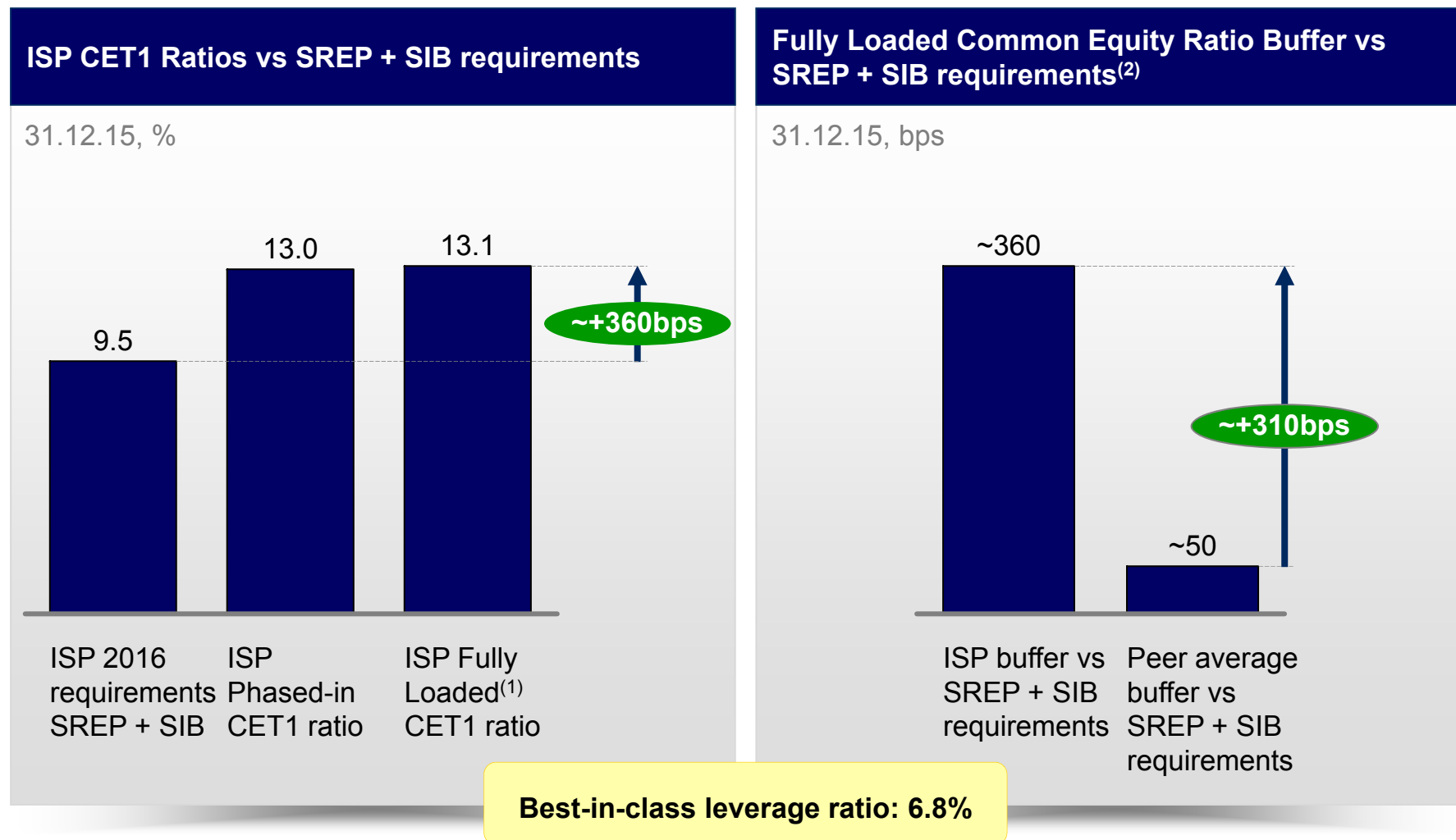
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FY15: An excellent year, over-delivering on our Business Plan

**Best-in-class capital position and leverage with a solid balance sheet**

Well ahead of our Business Plan

# Solid Capital Base, Well Ahead of Regulatory Requirements

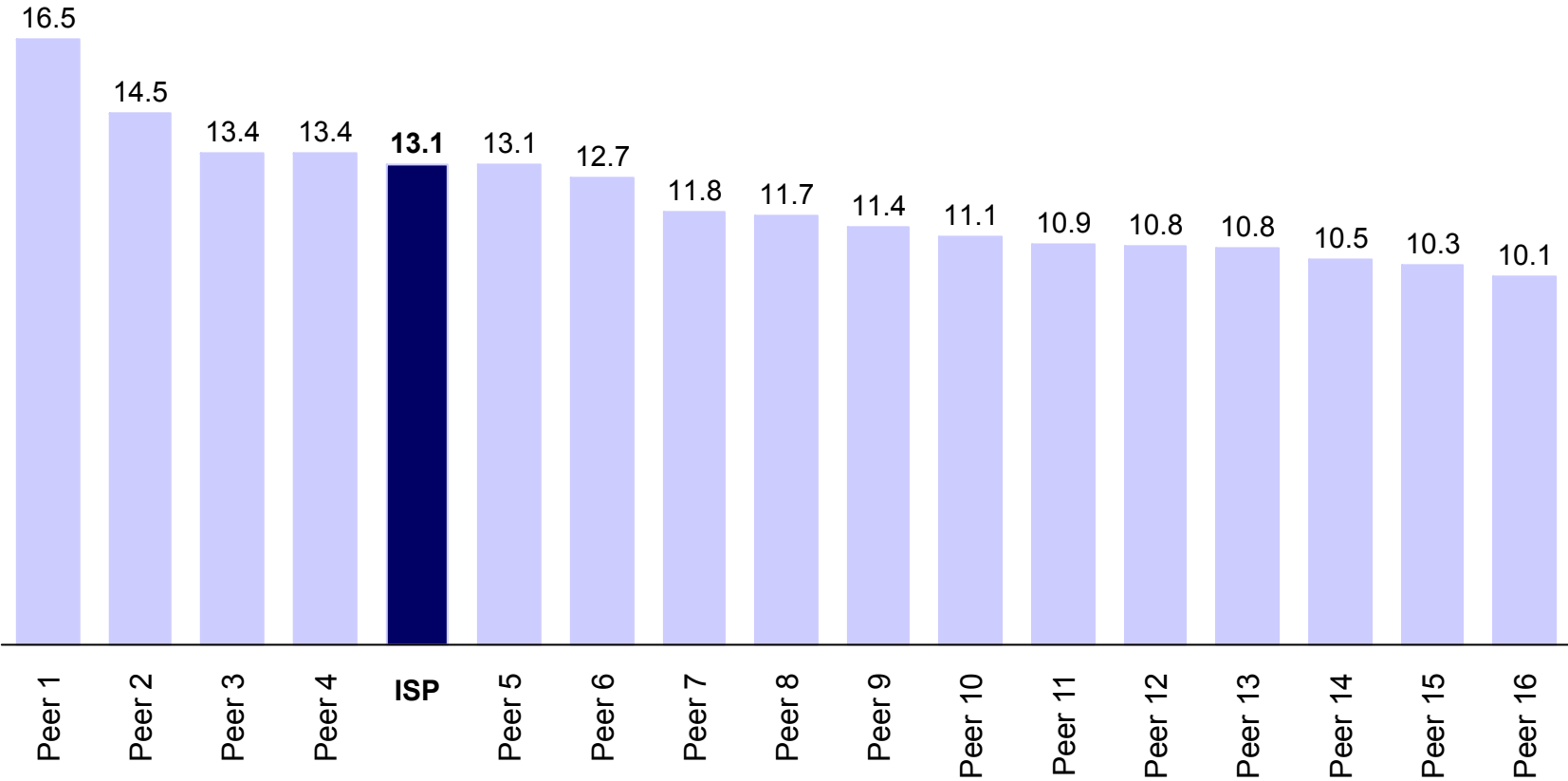


(1) Pro-forma fully loaded Basel 3 (31.12.15 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans and the expected absorption of DTA on losses carried forward); including estimated benefits from the Danish Compromise (14bps)

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# Top-Tier Capital Position in Europe

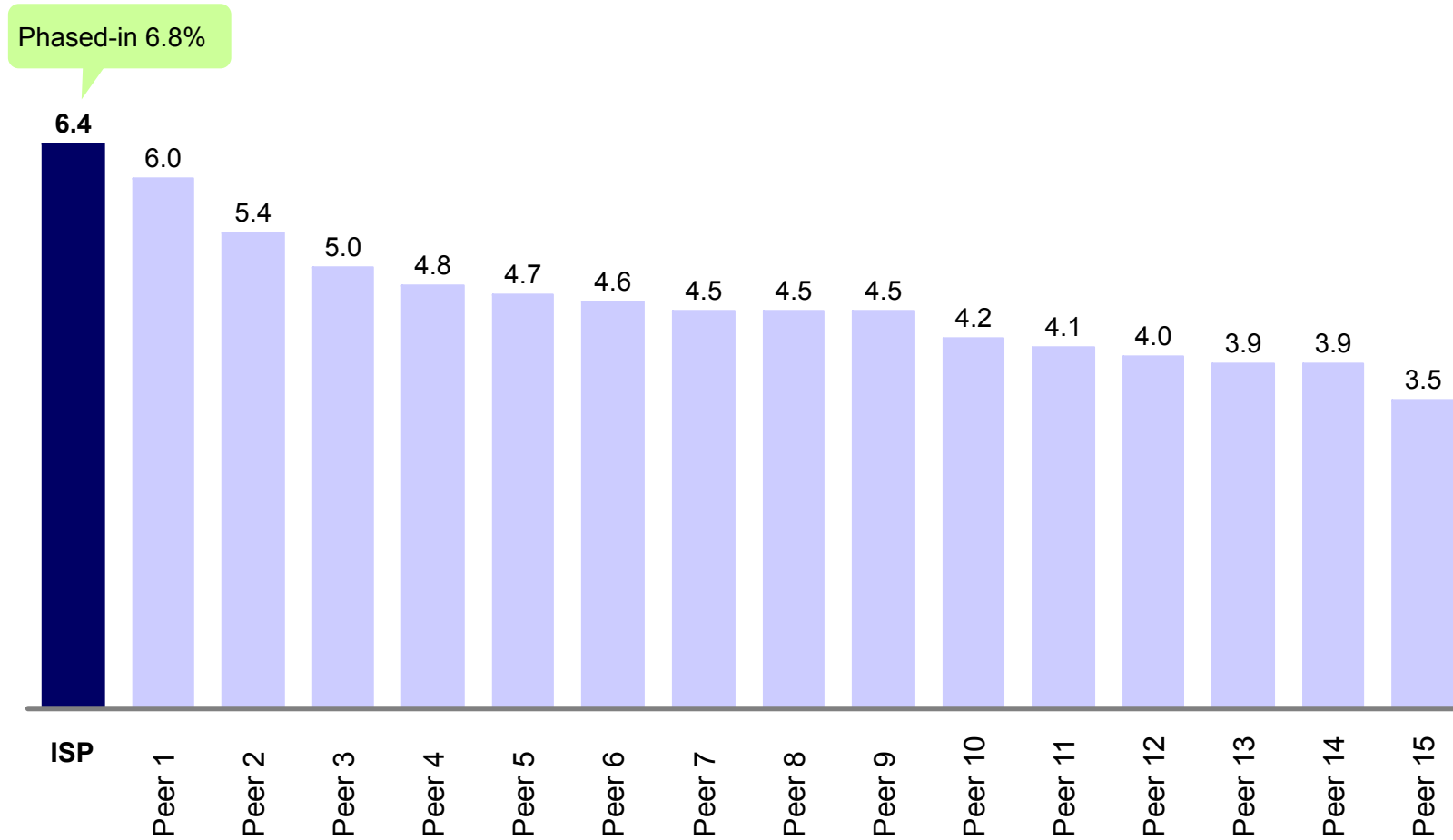
Estimated pro-forma fully loaded Basel 3 Common Equity ratio<sup>(1)</sup>  
%



(1) Sample: BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, ING, Nordea, Santander and UBS as of 31.12.15; Barclays, BPCE, Commerzbank, Crédit Agricole Group, HSBC, Société Générale, Standard Chartered and UniCredit as of 30.9.15 or previous available data. Data may not be fully comparable due to different estimates hypothesis. Source: Investors' Presentations, Press Releases, Conference Calls

# A Best-in-Class Leverage Ratio

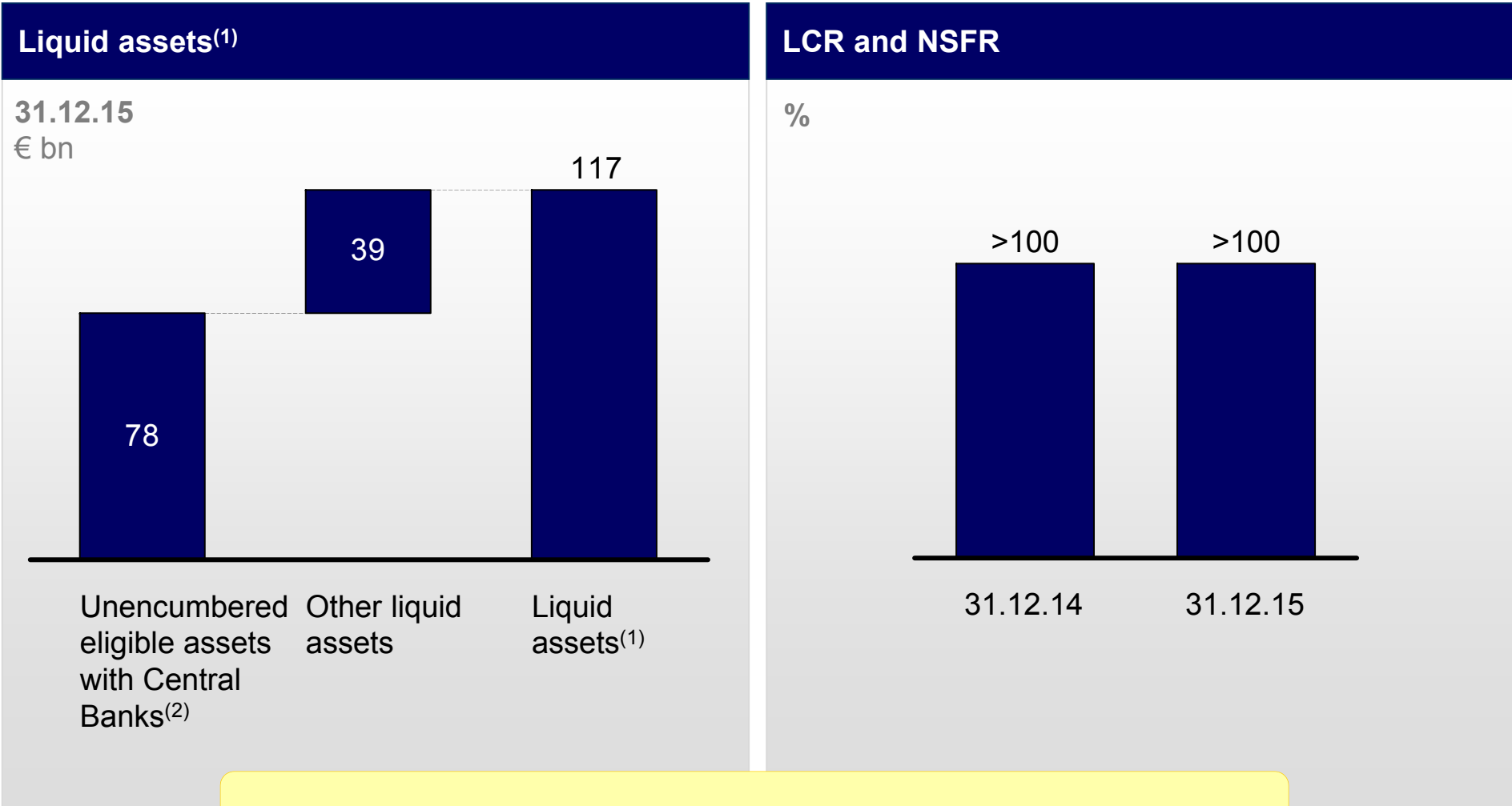
Fully loaded Basel 3 pro-forma Leverage ratio<sup>(1)</sup>  
%



(1) Sample: BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, ING Bank, Nordea and Santander as of 31.12.15; Barclays, BPCE, Commerzbank, HSBC, Société Générale, Standard Chartered, UBS and UniCredit as of 30.9.15 or previous available data. Data may not be fully comparable due to different estimates hypothesis. Source: Investors' Presentations, Press Releases, Conference Calls








# Strong Liquidity Position Confirmed



**LCR and NSFR already well above Basel 3 requirements for 2018**

(1) Stock of own-account eligible assets (including assets used as collateral and excluding eligible assets received as collateral) and cash & deposits with Central Banks  
 (2) Eligible assets freely available (excluding assets used as collateral and including eligible assets received as collateral), net of haircuts; including cash & deposits with Central Banks

## FY15 Summary: Significant YoY Improvements in All Key Indicators

	2015	Δ vs 2014	
Cash Dividends (€ bn)	2.4	~+100%	
Operating margin <sup>(1)</sup> (€ bn)	8.8	+8%	
Cost/Income <sup>(1)</sup> (%)	49.9	-1.2pp	
Pre-tax income (€ bn)	4.6	+41%	
Net income <sup>(2)</sup> (€ bn)	3.0	+77% <sup>(3)</sup>	

(1) Excluding charges for the Resolution Fund and Deposit Guarantee Scheme (Cost/Income at 51.4% including the charges for the RF/DGS)

(2) Excluding extraordinary charges for the RF

(3) Calculated considering 2014 Net Income and excluding the one-off impact of the higher tax rate on the gain from the Bank of Italy stake (gain booked in 2013)

# Contents

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FY15: An excellent year, over-delivering on our Business Plan

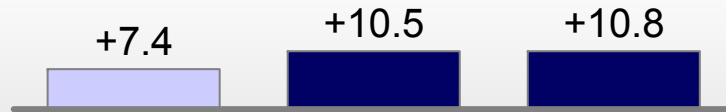
Best-in-class capital position and leverage with a solid balance sheet

**Well ahead of our Business Plan**

# Continuing to Over-Deliver on Our Business Plan

## Net fee and commission income

%



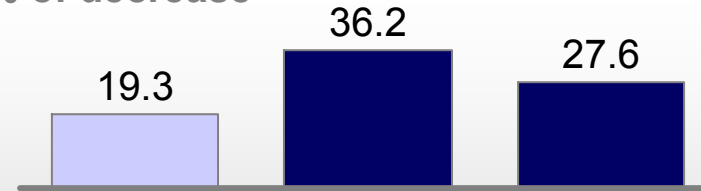
Business Plan  
CAGR 13-17

Δ FY13-14

Δ FY14-15

## Loan loss provisions

% of decrease



Business Plan  
CAGR 13-17

Δ FY13-14

Δ FY14-15

## Pre-tax income

%



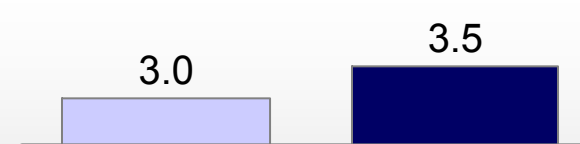
Business Plan  
CAGR 13-17

Δ FY13-14

Δ FY14-15

## Cash Dividends

€ bn






















Business Plan  
dividend  
commitment  
2014-2015

Dividends  
distributed in  
2014-2015

# Our Business Plan Initiatives: New Growth Bank

## Key highlights on New Growth Bank initiatives

Banca 5®	<ul style="list-style-type: none"> <li>▪ Banca 5® “specialised” business model introduced in more than 65% of branches, with more than 3,000 dedicated Relationship Managers: revenues per client already increased from €70 to €102</li> <li>▪ “Real Estate” project underway with 18 real estate agencies already opened</li> </ul>	 
Multichannel Bank	<ul style="list-style-type: none"> <li>▪ New multichannel processes successfully tested:               <ul style="list-style-type: none"> <li>– ~950,000 additional multichannel clients since 2014, raising the total to ~5.4m clients</li> <li>– 2.9m mobile Apps for smartphone/tablet downloaded by customers</li> <li>– The first multichannel bank in Italy with ~80% of products available via multichannel platforms</li> <li>– +50% transactions through direct channels vs 2014</li> </ul> </li> </ul>	  
Private Banking Hub	<ul style="list-style-type: none"> <li>▪ New entity Fideuram ISPB successfully operational as of July 1<sup>st</sup></li> <li>▪ Private Banking branch in London fully up and running and strengthening of ISPB Suisse</li> <li>▪ Launched first wave of new products for the entire Division (Fideuram Private Mix) and extended the range of advanced advisory tools to ISPB</li> <li>▪ Opened dedicated HNWI boutiques (Milan, Turin) with targeted service model for HNW clientele</li> </ul>	   
Asset Management Hub	<ul style="list-style-type: none"> <li>▪ New product range introduced into Banca dei Territori and the Private Banking Division (e.g., “Riserva” and “Best expertise” products)</li> <li>▪ New product range dedicated to the Insurance Hub (e.g., “Multiramo” products)</li> <li>▪ New product range dedicated to SMEs (GP Unico Imprese)</li> </ul>	  
Insurance Hub	<ul style="list-style-type: none"> <li>▪ Steering of product mix towards capital-efficient products making good progress (i.e., Unit Linked at 56% of new production vs 39% in 2014)</li> <li>▪ Launched new distinctive and innovative product offering both in P&amp;C (e.g, development of a new Health offer and a dedicated range for SMEs) and in life insurance (“Synthesis” – Multiramo product for the Private Banking Hub)</li> <li>▪ Full integration of Pension Fund business</li> </ul>	  
Bank 360° for corporate clients	<ul style="list-style-type: none"> <li>▪ New Transaction Banking Group unit set up and new commercial initiatives ongoing/ready to be launched</li> <li>▪ Strengthening of the international presence of C&amp;IB Division (e.g., set up an office in Washington)</li> <li>▪ New commercial model and product offering for SMEs</li> <li>▪ Specialised finance hub – new Mediocredito Italiano – fully up and running</li> </ul>	   

# Our Business Plan Initiatives: Core Growth Bank

Key highlights on Core Growth Bank initiatives		
Capturing Untapped Revenue Potential	▪ Project <b>"cash desk service evolution"</b> in progress: already <b>~44%</b> of branches with <b>cash desk closing at 1pm</b> and <b>~4% of branches</b> fully dedicated to <b>advisory services</b>	✓
	▪ <b>New e-commerce portal</b> to continue seizing <b>business potential</b> after <b>EXPO 2015</b>	✓
	▪ <b>New Service Model introduced in Banca dei Territori</b> : introduction of 3 specialised commercial value chains, creation of ~1,200 new managerial roles, innovation of the SME Service Model	✓
	▪ Launch of the "Programma Filiere" with important initiatives in relevant economic sectors (Agriculture)	✓
	▪ <b>Integration of consumer finance in branch network</b>	✓
	▪ <b>C&amp;IB Asset Light model fully operational</b> , with benefits in terms of cross selling; undergoing a distribution reinforcement	✓
	▪ <b>Front-line excellence programme</b> in C&IB ongoing, reinforcing a sector-oriented business model	✓
	▪ New C&IB International <b>organisation</b> in place to serve <b>top international clients</b>	✓
	▪ <b>New Segmentation and Service Model for International Subsidiaries Affluent</b> clients launched	✓
	▪ <b>Banca IMI international strategy</b> being implemented, with focus on core selected products	✓
▪ <b>JV in merchant banking</b> with specialised investor (Neuberger) completed, with deconsolidation of activities	✓	
Continuous Cost Management	▪ <b>Geographical footprint simplification</b> ongoing: <b>~300 branches closed since the beginning of 2015</b> and <b>~570 since 2014</b>	✓
	▪ <b>Legal entity simplification</b> ongoing: <b>from 7 to 1 product factories</b> in specialised finance and advisory, leasing and factoring and <b>7 local banks merged</b> into ISP	✓
Dynamic Credit and Risk Management	▪ <b>Proactive credit management value chain</b> empowered across <b>all Divisions</b>	✓
	▪ <b>Integrated management of NPLs<sup>(1)</sup></b> in place	✓
	▪ <b>New organisation of CLO area</b> , structured by Business Units	✓
	▪ <b>Split of Risk and Compliance</b> , with two Chiefs (CRO and CCO) <b>reporting directly to the CEO</b>	✓

(1) Excluding doubtful loans (managed within the Capital Light Bank)

# Our Business Plan Initiatives: Capital Light Bank, People Initiatives and Investments

## Key highlights on Capital Light Bank and People initiatives and investments

### Capital Light Bank (CLB)

- CLB fully operational with:
  - ~690 dedicated people
  - ~€10bn of deleveraging of non-core assets already achieved
- New performance management system fully operational for each asset class
- Re.O.Co.<sup>(1)</sup> fully up and running with an estimated positive impact for the Group of €33m since 2014



### People and investments as key enablers

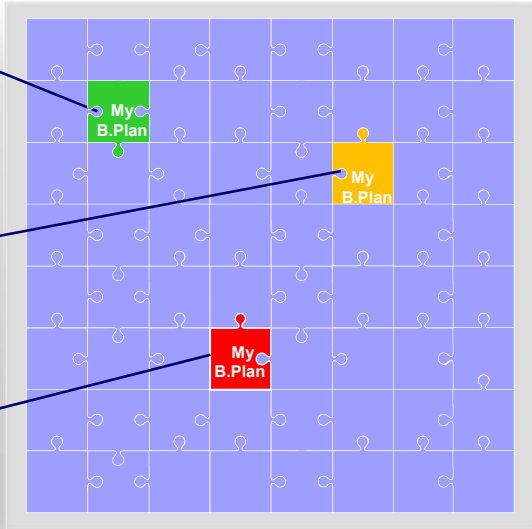
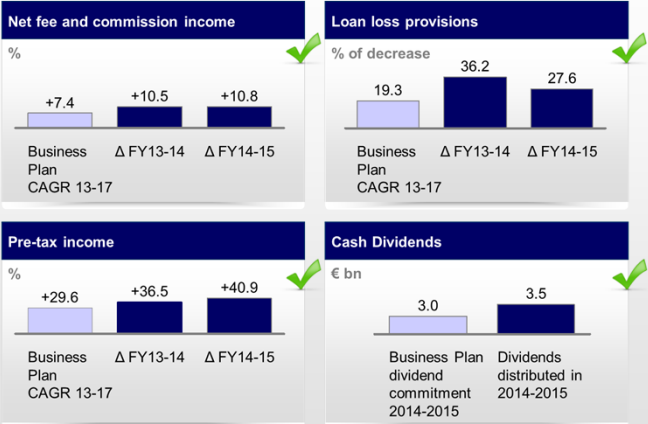
- More than 4,000 people already reallocated to high priority initiatives
- Investment Plan for Group employees finalised: plan with the highest number of participants in Group history
- “Big Financial Data” programme fully in line with our targets (more than 300 employees involved)
- Chief Innovation Officer fully operational and “Innovation Centre” created to train staff and develop new products, processes and “ideal branches”, located in the new ISP Tower in Turin, fully operative
- Large-scale digitisation programme launched to improve efficiency and service level on top priority operating processes
- Digital Factory fully operative, with dedicated resources representing all functions to innovate and improve top priority operating processes
- Investment to renew the layout of 1,000 branches already activated (50 branches converted by the end of the month)
- More than 140 agreements with labour unions signed
- More than 3,000 employees have already adopted “smart working”
- Launched an “Integrated Welfare Programme”



# Over-Delivery on Our Business Plan Commitments Thanks to the Contributions of All Our People

...thanks to the contributions of all our people...

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



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



# ISP: 2014-2017 Business Plan Targets Confirmed with a Positive Outlook for 2016

## ISP outlook for 2016

**Growth in Operating income  
- driven by Commissions and  
Loan volumes - and continued  
Cost management...**



**... leading to additional  
growth in Operating margin**

**Decline in cost of risk...**








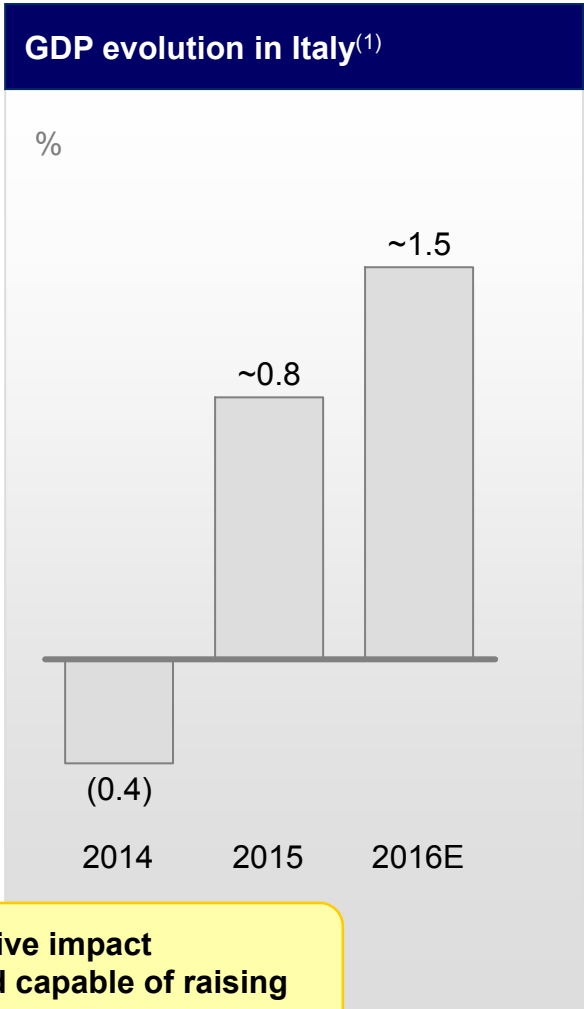
**... triggering additional  
growth in Pre-tax income**

**€3bn cash dividends commitment confirmed**



# 2016 Italian Outlook Provides for Further Upside

Key drivers	
<b>Consumer and business sentiment</b>	The highest levels in <b>21 years</b> and <b>8 years</b> (reached in January 2016 and October 2015, respectively) 
<b>Employment</b>	<b>Employment increased by 247,000 units</b> (YoY change in 3Q15) and <b>salaries rose 1.3%</b> (YoY % change at end-2015) 
<b>Lending</b>	<b>Lending to corporates and households</b> has been at a <b>peak since April 2012</b> (e.g., residential mortgages grew by 97%) 
<b>Private consumption</b>	<b>+1.1% YoY growth in 3Q15</b> (a record in 4 and a half years), with <b>durable goods +6.9%</b> (new car registrations: +15.7% in 2015, a record since 1997) 
<b>Real estate transactions</b>	<b>+10.8% YoY growth in 3Q15</b> for residential properties, with <b>prices starting to rebound</b> 



- **Government reforms for growth already displaying a positive impact**
- **Further reforms to improve productivity in the pipeline and capable of raising GDP by almost 2pp in 5 years on top of expected growth**

(1) Source: Bank of Italy, ISTAT

# FY15: An Excellent Year, Over-Delivering on Our Business Plan

**€2.4bn cash dividends**

**~€3.0bn Net income<sup>(1)</sup>, best since 2007**

**Common Equity<sup>(2)</sup> ratio at 13.1%**

**Operating margin up 8%<sup>(3)</sup>**

**Declining NPL stock, LLPs down 28%,  
NPL coverage up 60bps**

**Pre-tax income up 41%**

(1) Excluding extraordinary charges for the Resolution Fund (RF). Stated net income at €2.7bn

(2) Pro-forma fully loaded Basel 3 (31.12.15 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans and the expected absorption of DTA on losses carried forward); including estimated benefits from the Danish Compromise (14bps); after dividends

(3) Excluding charges for the Resolution Fund and Deposit Guarantee Scheme (RF/ DGS)



# 2015 Results

Detailed Information

February 5, 2016

INTESA  SANPAOLO

## Key P&L Figures

	2015 (€ m)	Δ vs 2014	Δ vs 2014 excluding charges for the RF/DGS <sup>(1)</sup>
Operating income	17,149	+1.9%	+5.0%
Operating costs	(8,816)	+2.4%	
Cost/Income	51.4%	+0.3pp	(1.2pp)
Operating margin	8,333	+1.4%	+7.6%
Pre-tax income	4,597	+40.9%	+56.7%
Net income	2,739	+118.9%	
Net income excluding extraordinary charges for the Resolution Fund (2015) <sup>(2)</sup> and the one-off tax charge (2014) <sup>(3)</sup>	2,989	+76.9%	

(1) Charges for the Resolution Fund/Deposit Guarantee Scheme: €516m pre-tax (of which €376m extraordinary booked in 4Q15 in Other operating income (expenses)) and €352m net of taxes (of which €250m extraordinary booked in 4Q15)

(2) €376m pre-tax (booked in 4Q15 in Other operating income (expenses)) and €250m net of taxes

(3) Tax rate increase from 12% to 26% on the gain booked for the Bank of Italy stake: gain booked in 4Q13 and impact from higher taxation (€439m) booked in 2Q14

## Key Balance Sheet Figures

	31.12.15 (€ m)	Δ vs 31.12.14 (%)
Loans to Customers	350,010	+3.2
Customer Financial Assets <sup>(1)</sup>	867,230	+4.9
of which Direct Deposits from Banking Business	372,183	+3.4
of which Direct Deposits from Insurance Business and Technical Reserves	132,948	+12.1
of which Indirect Customer Deposits	493,737	+6.0
- Assets under Management	327,826	+8.7
- Assets under Administration	165,911	+1.1
RWA	284,319	+5.4

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

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**Detailed Consolidated P&L Results**

Liquidity, Funding and Capital Base

Asset Quality

Divisional Results and Other Information

# 2015: Solid Growth in Profitability

€ m

	2014 Restated	2015	Δ%
Net interest income	8,358	7,812	(6.5)
Dividends and P/L on investments carried at equity	35	96	174.3
Net fee and commission income	6,765	7,496	10.8
Profits (Losses) on trading	736	1,034	40.5
Income from insurance business	932	997	7.0
Other operating income	2	(286)	n.m.
<b>Operating income</b>	<b>16,828</b>	<b>17,149</b>	<b>1.9</b>
Personnel expenses	(5,118)	(5,316)	3.9
Other administrative expenses	(2,794)	(2,766)	(1.0)
Adjustments to property, equipment and intangible assets	(694)	(734)	5.8
<b>Operating costs</b>	<b>(8,606)</b>	<b>(8,816)</b>	<b>2.4</b>
<b>Operating margin</b>	<b>8,222</b>	<b>8,333</b>	<b>1.4</b>
Net provisions for risks and charges	(542)	(400)	(26.2)
Net adjustments to loans	(4,568)	(3,306)	(27.6)
Net impairment losses on assets	(237)	(168)	(29.1)
Profits (Losses) on HTM and on other investments	388	138	(64.4)
<b>Income before tax from continuing operations</b>	<b>3,263</b>	<b>4,597</b>	<b>40.9</b>
Taxes on income from continuing operations	(1,775)	(1,594)	(10.2)
Charges (net of tax) for integration and exit incentives	(103)	(83)	(19.4)
Effect of purchase cost allocation (net of tax)	(193)	(119)	(38.3)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	276	(3)	n.m.
Minority interests	(217)	(59)	(72.8)
<b>Net income</b>	<b>1,251</b>	<b>2,739</b>	<b>118.9</b>
<b>Net income excluding extraordinary charges for the Resolution Fund (2015)<sup>(2)</sup> and the one-off tax charge (2014)<sup>(3)</sup></b>	<b>1,690</b>	<b>2,989</b>	<b>76.9</b>

+5.0% excluding charges for the RF/DGS<sup>(1)</sup>

+7.6% excluding charges for the RF/DGS<sup>(1)</sup>

+56.7% excluding charges for the RF/DGS<sup>(1)</sup>

Note: 2014 data restated to reflect scope of consolidation for 2015. Figures may not add up exactly due to rounding differences

(1) Charges for the Resolution Fund/Deposit Guarantee Scheme: €516m pre-tax (of which €376m extraordinary booked in 4Q15 in Other operating income (expenses)) and €352m net of taxes (of which €250m extraordinary booked in 4Q15)

(2) €376m pre-tax (booked in 4Q15 in Other operating income (expenses)) and €250m net of taxes

(3) Tax rate increase from 12% to 26% on the gain booked for the Bank of Italy stake: gain booked in 4Q13 and impact from higher taxation (€439m) booked in 2Q14



## Q4 vs Q3: Growth in NII and Commissions

€ m

	3Q15 Restated	4Q15	Δ%
Net interest income	1,912	1,953	2.1
Dividends and P/L on investments carried at equity	41	1	(97.6)
Net fee and commission income	1,786	1,918	7.4
Profits (Losses) on trading	1	57	n.m.
Income from insurance business	241	131	(45.6)
Other operating income (expenses)	214	(373)	n.m.
<b>Operating income</b>	<b>4,195</b>	<b>3,687</b>	<b>(12.1)</b>
Personnel expenses	(1,257)	(1,486)	18.2
Other administrative expenses	(643)	(803)	24.9
Adjustments to property, equipment and intangible assets	(180)	(201)	11.7
<b>Operating costs</b>	<b>(2,080)</b>	<b>(2,490)</b>	<b>19.7</b>
<b>Operating margin</b>	<b>2,115</b>	<b>1,197</b>	<b>(43.4)</b>
Net provisions for risks and charges	(222)	(56)	(74.8)
Net adjustments to loans	(769)	(923)	20.0
Net impairment losses on other assets	(20)	(108)	440.0
Profits (Losses) on HTM and on other investments	21	51	142.9
<b>Income before tax from continuing operations</b>	<b>1,125</b>	<b>161</b>	<b>(85.7)</b>
Taxes on income from continuing operations	(354)	(76)	(78.5)
Charges (net of tax) for integration and exit incentives	(15)	(37)	146.7
Effect of purchase cost allocation (net of tax)	(27)	(33)	22.2
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	(2)	n.m.
Minority interests	(7)	0	(100.0)
<b>Net income</b>	<b>722</b>	<b>13</b>	<b>(98.2)</b>
<b>Net income excluding extraordinary charges for the Resolution Fund<sup>(1)</sup></b>	<b>722</b>	<b>263</b>	<b>(63.6)</b>

-3.1% excluding extraordinary charges for the Resolution Fund<sup>(1)</sup>

-25.6% excluding extraordinary charges for the Resolution Fund<sup>(1)</sup>

-52.3% excluding extraordinary charges for the Resolution Fund<sup>(1)</sup>

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

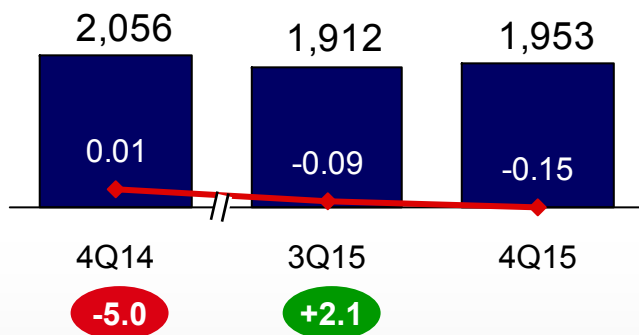
(1) €376m pre-tax (booked in 4Q15 in Other operating income (expenses)) and €250m net of taxes

# Net Interest Income: Quarterly Increase Despite a Further Decline in Market Rates

## Quarterly Analysis

€ m

—◆— Euribor 1M; %  
 (○) % Δ 4Q15 vs 4Q14 and 3Q15

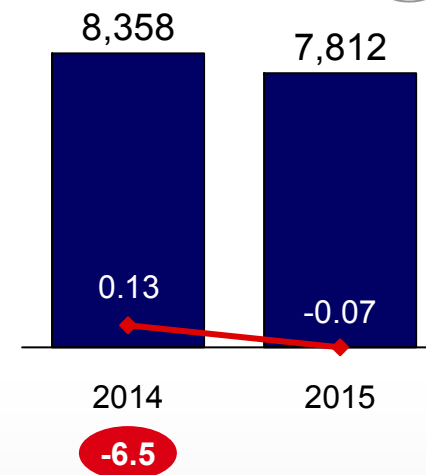


- 2.1% increase vs 3Q15
- 1.5% growth in average Performing loans to customers vs 3Q15

## Yearly Analysis

€ m

—◆— Euribor 1M; %  
 (○) % Δ 2015 vs 2014

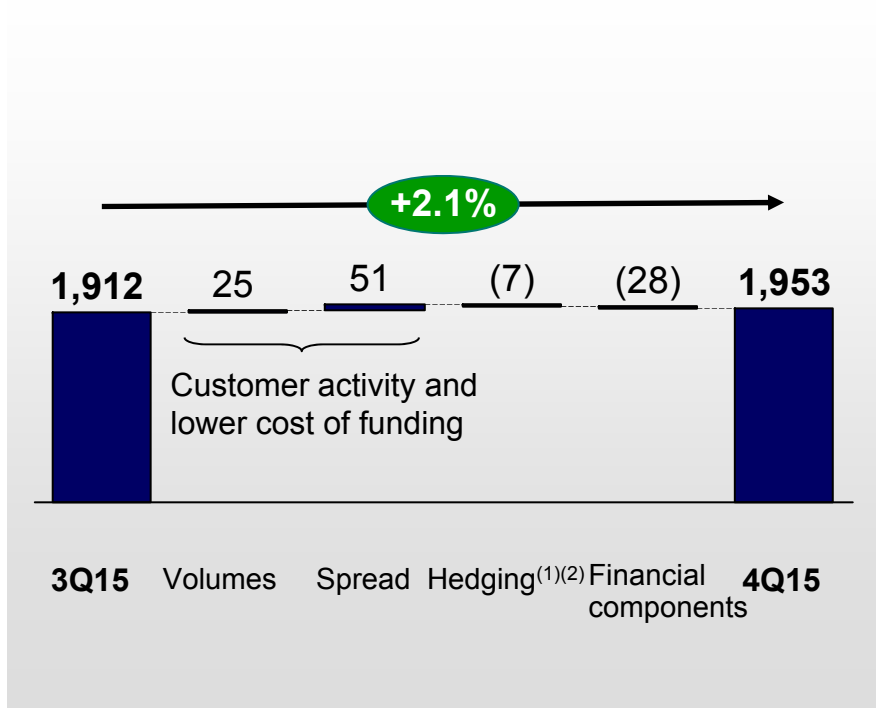


- Decrease due to management of securities portfolio, volume decline and strategic focus on wealth management
- 0.8% contraction in average Performing loans to customers

# Net Interest Income: Quarterly Increase Driven by Customer Activity and Lower Cost of Funding

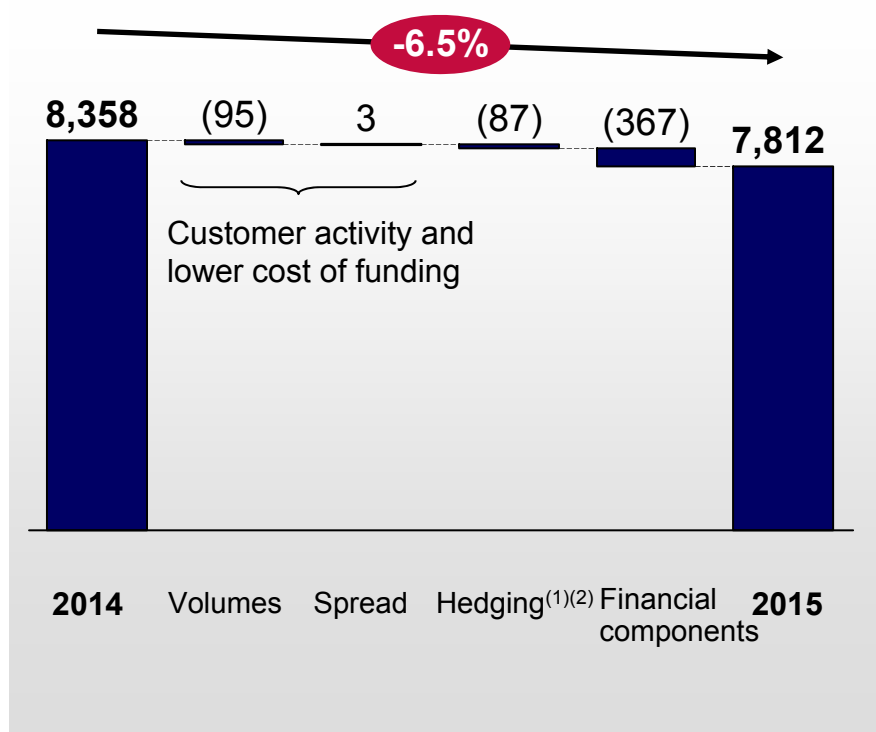
## Quarterly Analysis

€ m



## Yearly Analysis

€ m



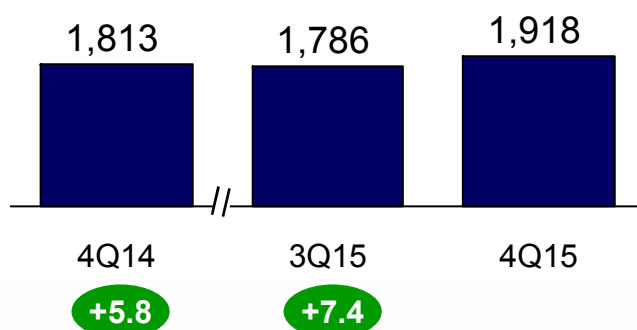
Note: figures may not add up exactly due to rounding differences  
 (1) €743m benefit from hedging in 2015, of which €175m in 4Q15  
 (2) Hedging on core deposits

# Net Fee and Commission Income: Highest Yearly Result Ever

## Quarterly Analysis

€ m

(%) Δ 4Q15 vs 4Q14 and 3Q15

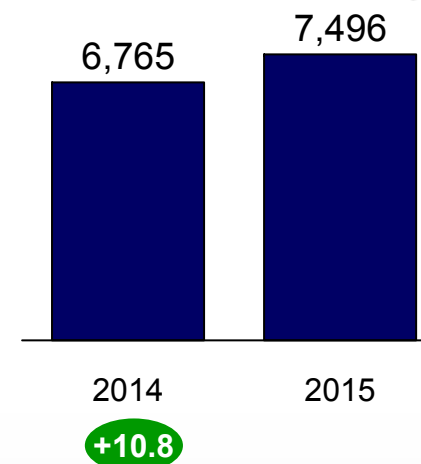


- Increase vs 4Q14 mostly due to insurance products (+23.9%; +€64m) and AUM (+8.9%; +€44m)
- Growth vs 3Q15 mostly attributable to the increase in commissions from Management, dealing and consultancy activities (+6.1%; +€62m) due to AuM and insurance products
- Solid growth on a quarterly basis even when excluding performance commissions (€85m in 4Q15 vs €27m in 3Q15)
- More than €6bn increase in AuM stock in 4Q15

## Yearly Analysis

€ m

(%) Δ 2015 vs 2014



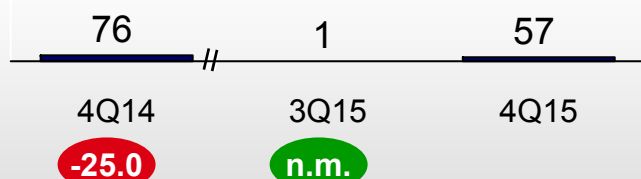
- Strong growth in commissions from Management, dealing and consultancy activities (+21.2%; +€759m) owing mainly to AuM and insurance products
- €26bn increase in AuM stock vs 2014

# Profits on Trading: More than €1bn in FY15 with Sustained Growth in Customer Driven Activity

## Quarterly Analysis

€ m

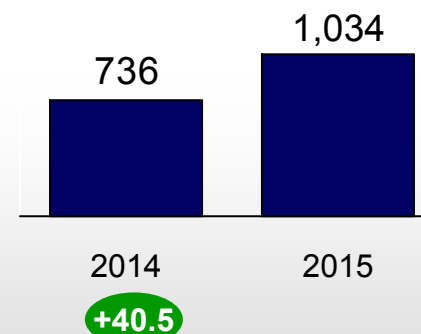
(%) Δ 4Q15 vs 4Q14 and 3Q15



## Yearly Analysis

€ m

(%) Δ 2015 vs 2014



## Contributions by Activity

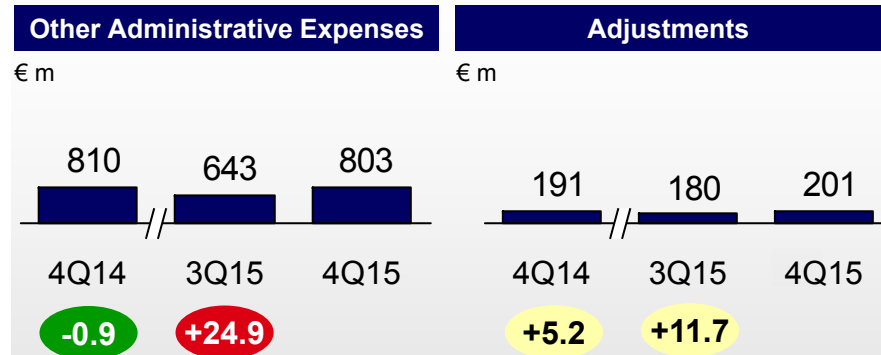
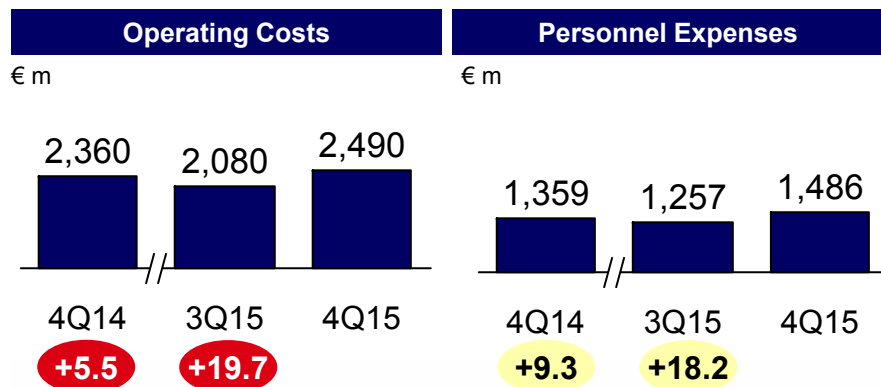
	4Q14	3Q15	4Q15	2014	2015
Customers	40	50	44	240	321
Capital markets & Financial assets AFS	34	(15)	21	125	152
Trading and Treasury	(2)	(32)	(10)	334	561
Structured credit products	4	(3)	2	38	-

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

# Operating Costs: Further Decrease in Other Administrative Expenses

## Quarterly Analysis

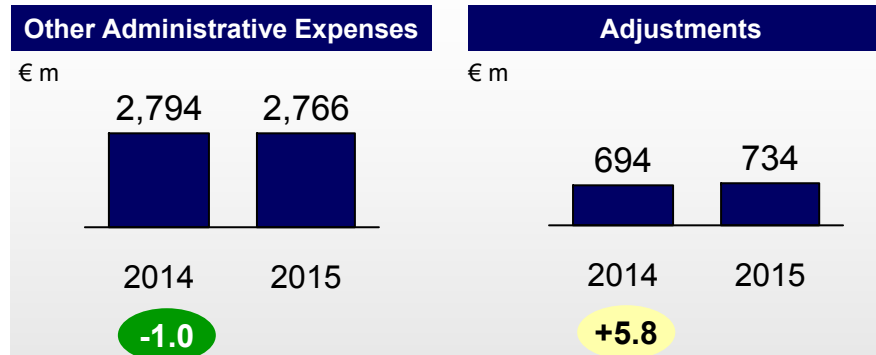
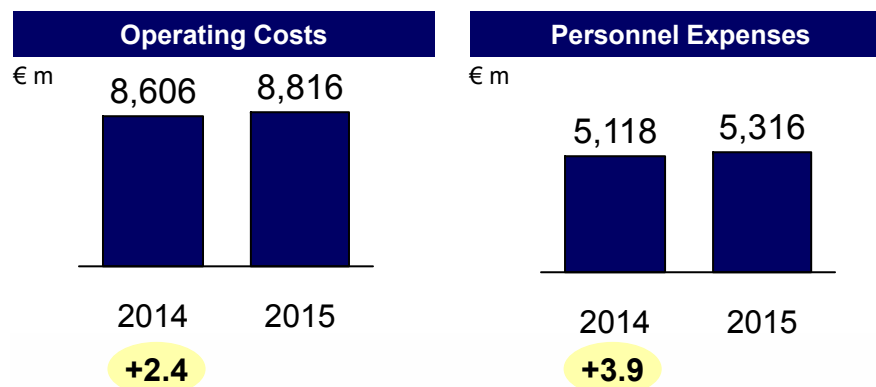
(%) Δ 4Q15 vs 4Q14 and 3Q15



- Personnel expenses up vs 3Q15 due to incentives to trigger growth
- Increase in Other Administrative Expenses vs 3Q15 due to seasonal effects at year-end and advertising costs
- ~600 headcount reduction in 4Q15

## Yearly Analysis

(%) Δ 2015 vs 2014



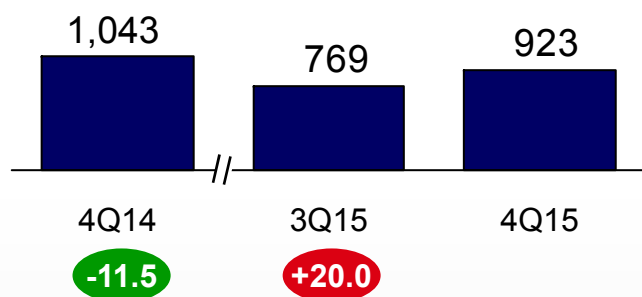
- 1.0% decrease in Other Administrative Expenses
- Decline in Cost/Income to 49.9% (-1.2pp), excluding charges for the RF/DGS<sup>(1)</sup>
- ~1,930 headcount reduction

# Net Adjustments to Loans: Significant Yearly Reduction in Provisions and Cost of Credit

## Quarterly Analysis

€ m

(%) Δ 4Q15 vs 4Q14 and 3Q15

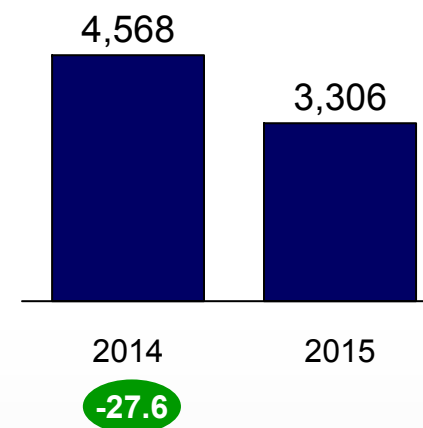


- Strong decline in net inflow from Performing loans to Non-performing loans (-33.4% vs 3Q15 and -56.4% vs 4Q14)
- Decline in Non-performing loans stock in 4Q15

## Yearly Analysis

€ m

(%) Δ 2015 vs 2014



- 2015 saw the lowest inflow of new NPL from Performing loans since 2007
- Cost of credit down to 94bps (vs 135bps)
- Strong decline in inflow from Performing loans to Non-performing loans (-29.2% gross and -33.3% net)
- Non-performing loans cash coverage up 60bps to 47.6%

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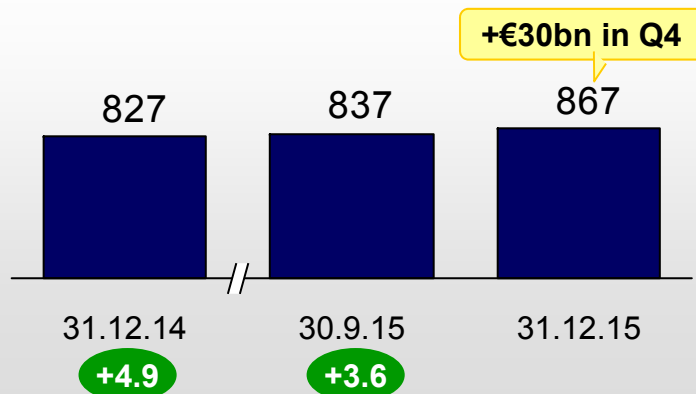


# Sustained Growth in Customer Financial Assets Accelerating in Q4, Driven by an Increase in AuM

% Δ 31.12.15 vs 31.12.14 and 30.9.15

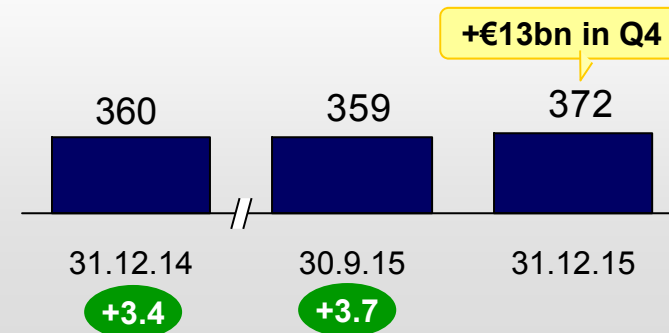
## Customer Financial Assets<sup>(1)</sup>

€ bn



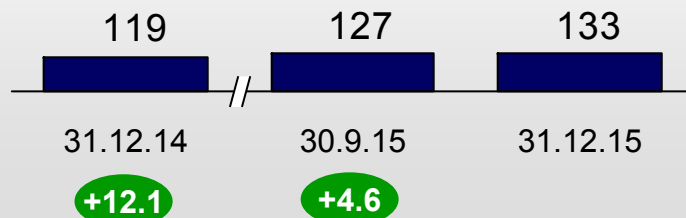
## Direct Deposits from Banking Business

€ bn



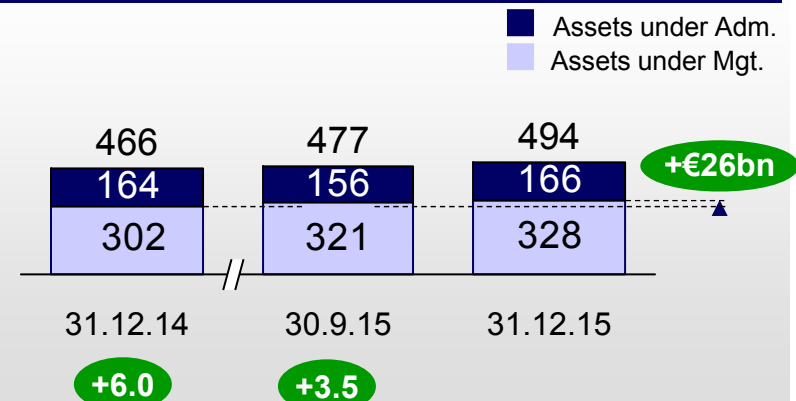
## Direct Deposits from Insurance Business and Technical Reserves

€ bn



## Indirect Customer Deposits

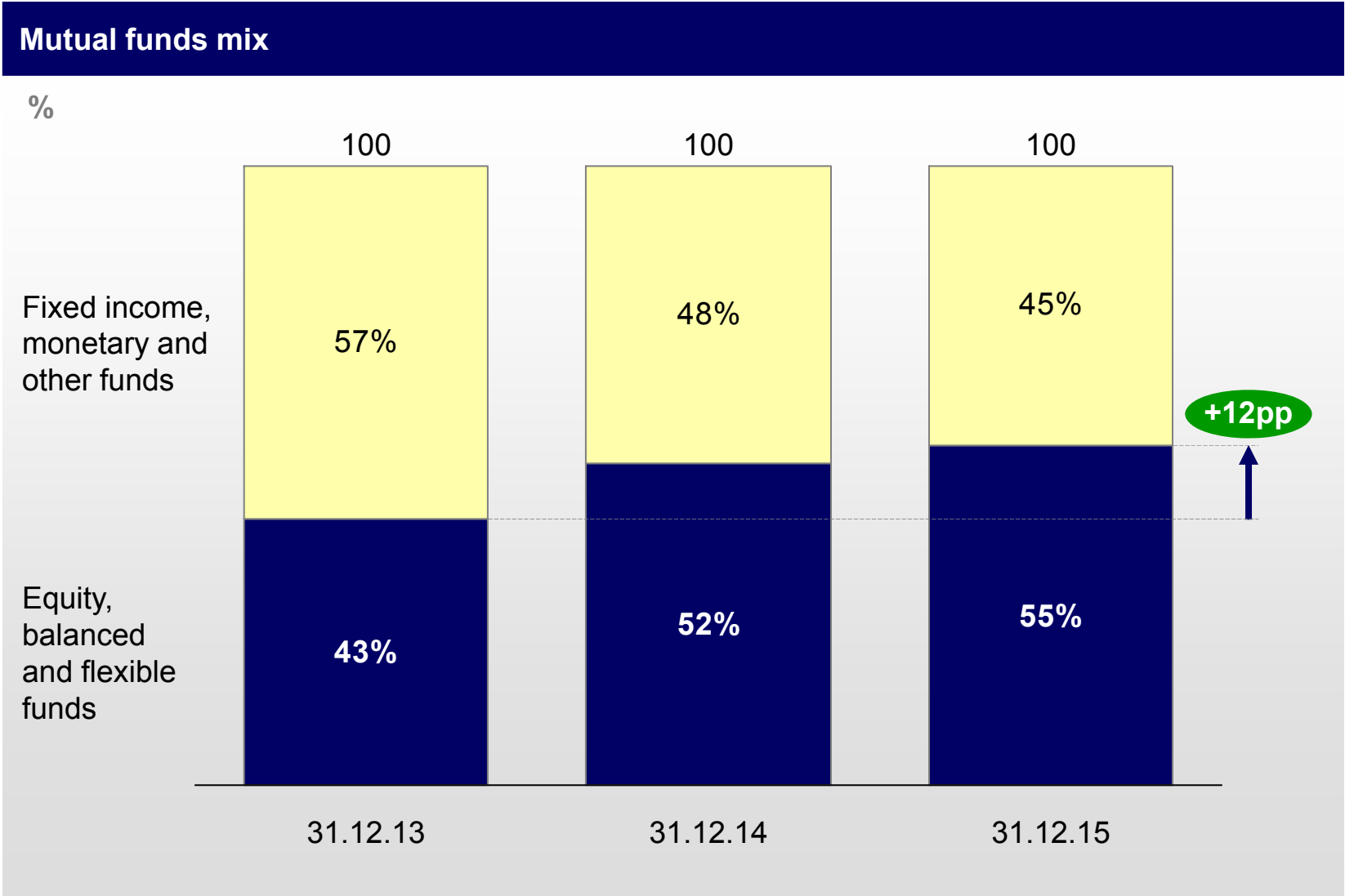
€ bn



**AuM / Indirect Customer Deposits ratio up to 66%**

Note: figures may not add up exactly due to rounding differences  
 (1) Net of duplications between Direct Deposits and Indirect Customer Deposits

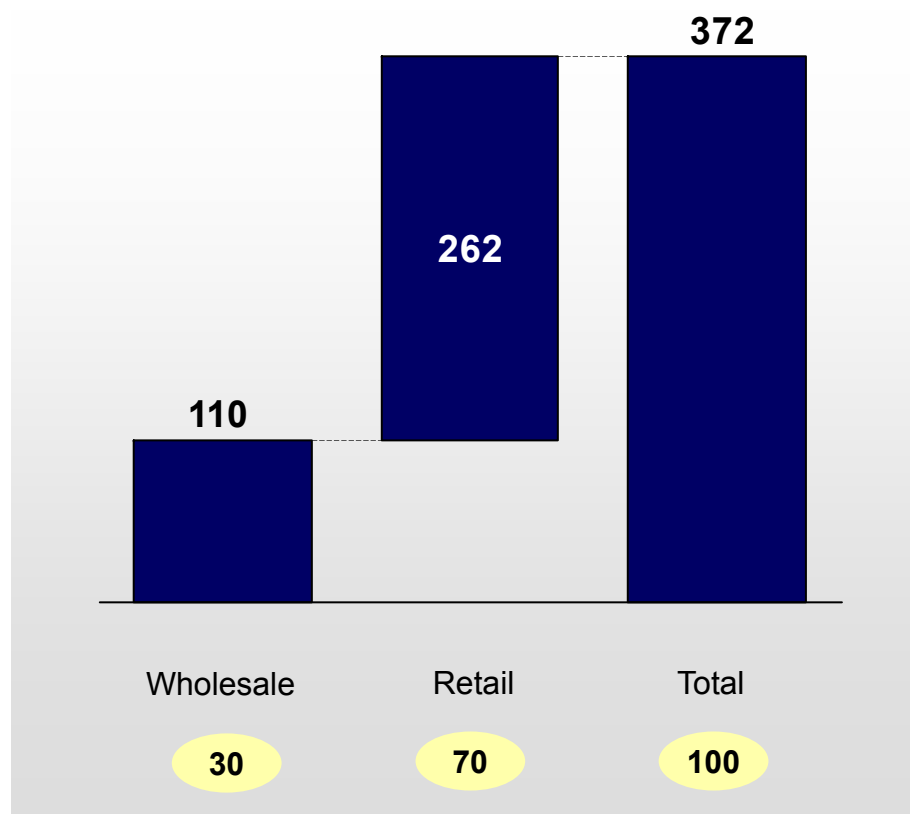
# Favourable Change in Mutual Funds Mix



# Stable and Reliable Source of Funding from Retail Branch Network

## Breakdown of Direct Deposits from Banking Business

€ bn as of 31.12.15; % Percentage of total



	Wholesale	Retail
■ Current accounts and deposits	6	219
■ Repos and securities lending	20	-
■ Senior bonds	45	24 <sup>(1)</sup>
■ Covered bonds	14	-
■ EMTN puttable	5	-
■ Certificates of deposit + Commercial papers	8	1
■ Subordinated liabilities	11	3
■ Other deposits	1	16

Placed with PB clients<sup>(2)</sup>

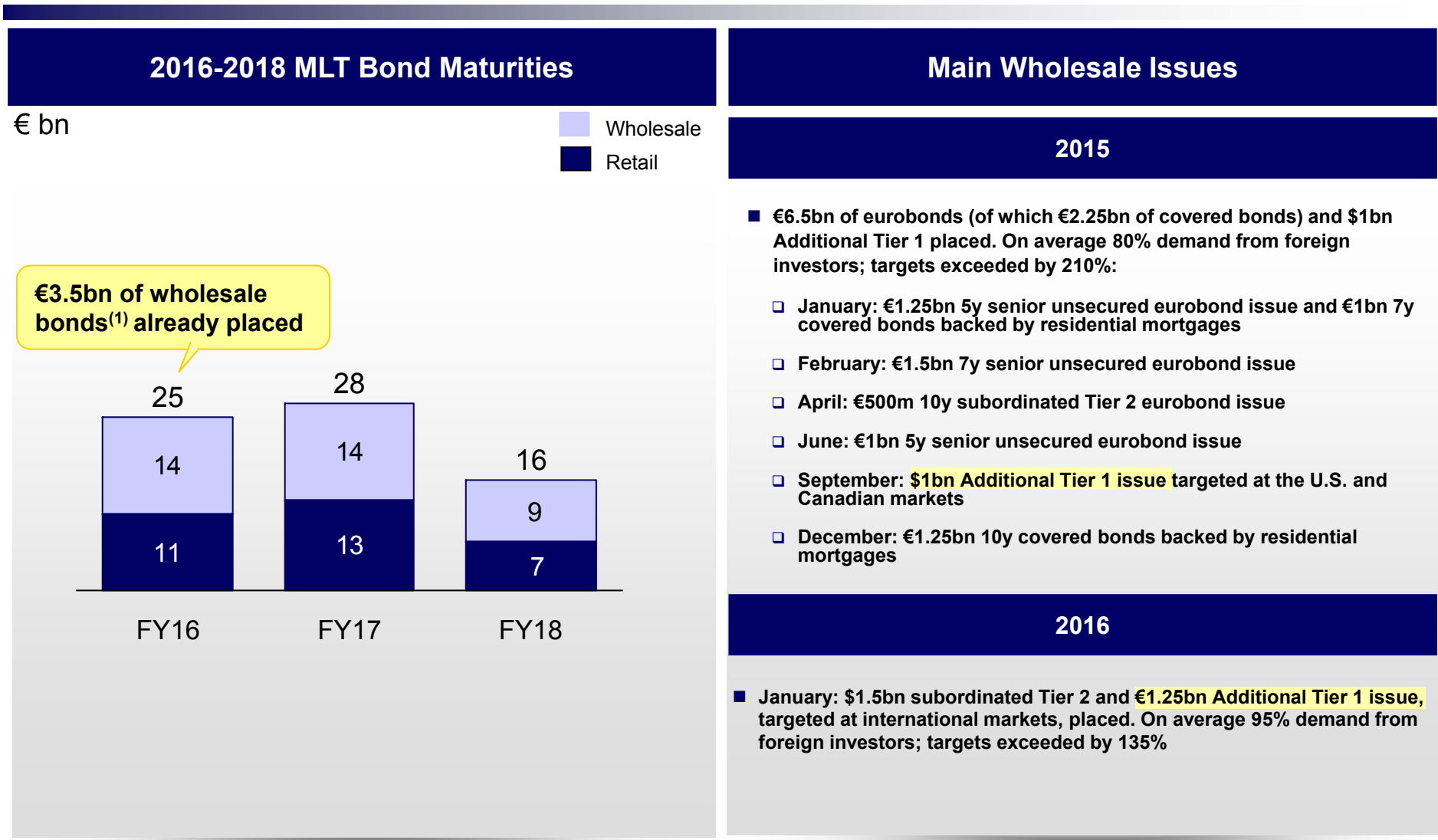
**Retail funding represents 70% of Direct deposits from banking business**

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

(1) ~20% placed with Private Banking clients

(2) Private Banking clients

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



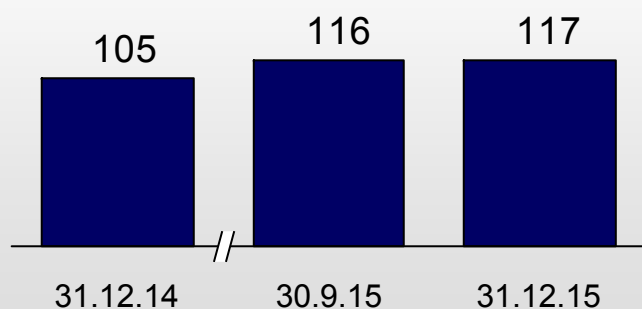
Note: figures may not add up exactly due to rounding differences

(1) Data as of 31.1.16

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

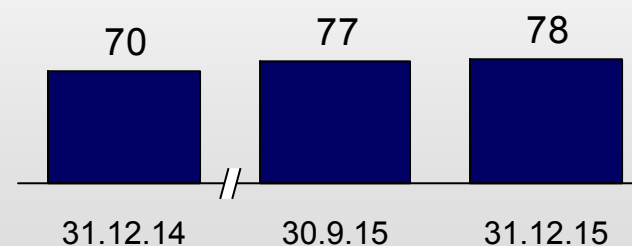
## Liquid assets<sup>(1)</sup>

€ bn



## Unencumbered eligible assets with Central Banks<sup>(2)</sup> (net of haircuts)

€ bn



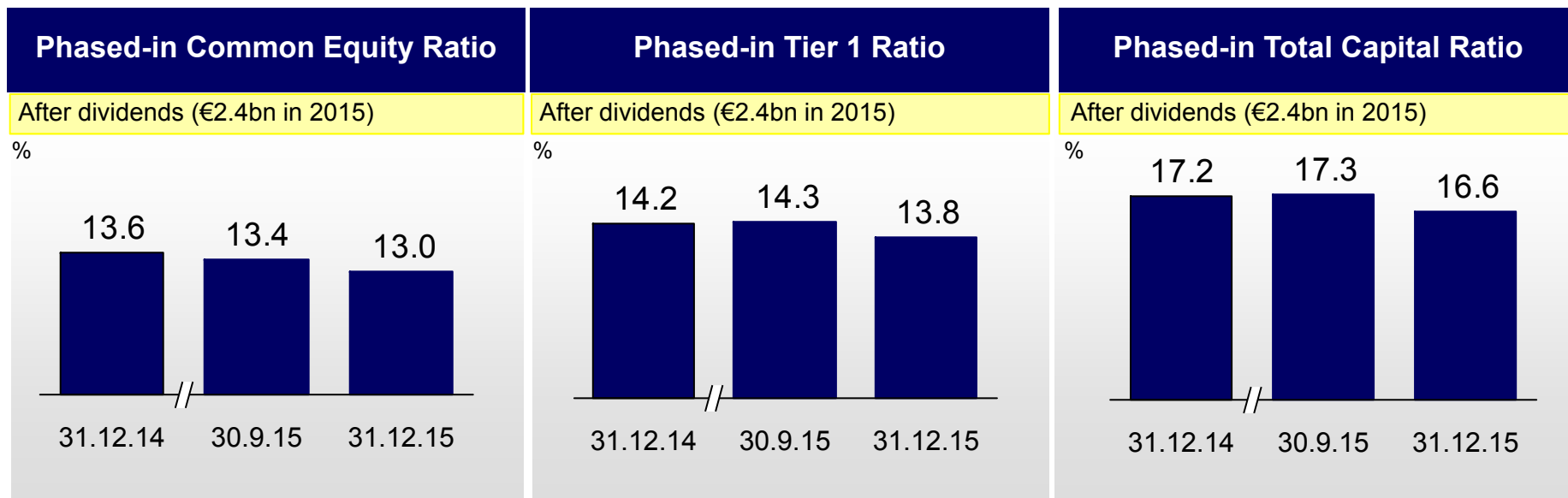
- ~€27.6bn TLTRO: ~€12.6bn in 2014, €10bn in March 2015 and €5bn in June 2015
- Loan to Deposit ratio<sup>(3)</sup> at 94.0%

(1) Stock of own-account eligible assets (including assets used as collateral and excluding eligible assets received as collateral) and cash & deposits with Central Banks

(2) Eligible assets freely available (excluding assets used as collateral and including eligible assets received as collateral) and cash & deposits with Central Banks

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

# Solid Capital Base



- **13.1% pro-forma fully loaded Common Equity ratio<sup>(1)</sup>**
- **6.8% leverage ratio**

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

(1) Pro-forma fully loaded Basel 3 (31.12.15 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans and the expected absorption of DTA on losses carried forward); including estimated benefits from the Danish Compromise (14bps)

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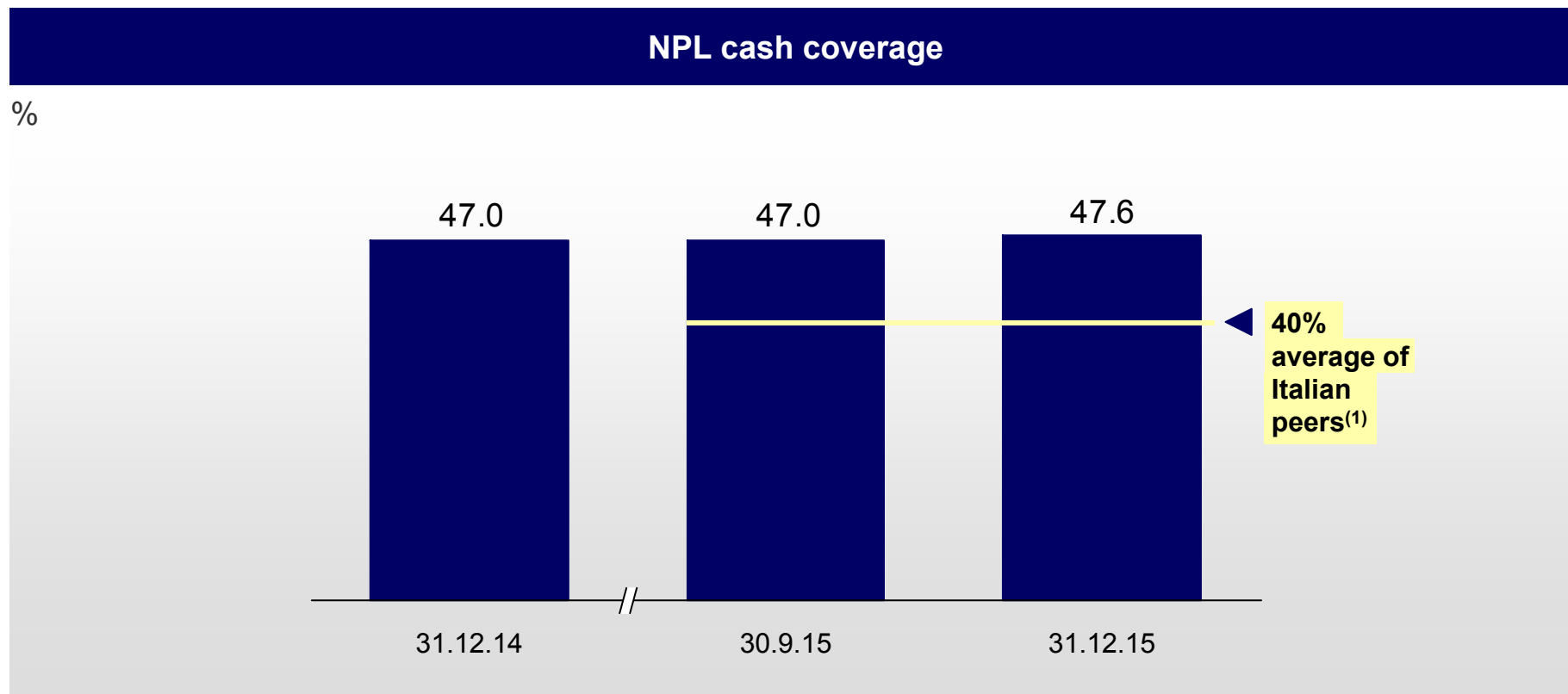
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## Non-performing Loans: Sizeable and Increased Cash Coverage



- Doubtful Loans recovery rate<sup>(2)</sup> at 134% in the period 2009 - 2015
- Performing Loans cash coverage at 0.7%

(1) Sample: BPOP, MPS, UBI and UniCredit (data as of 30.9.15)

(2) Repayment on Doubtful Loans/Net book value



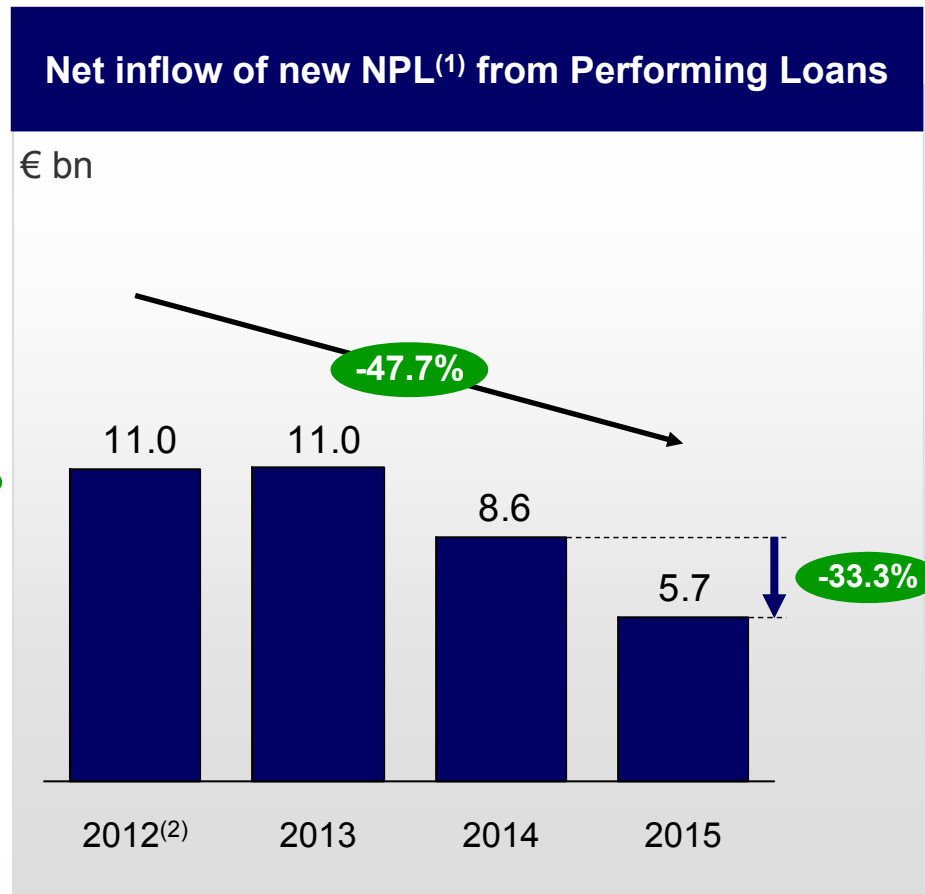
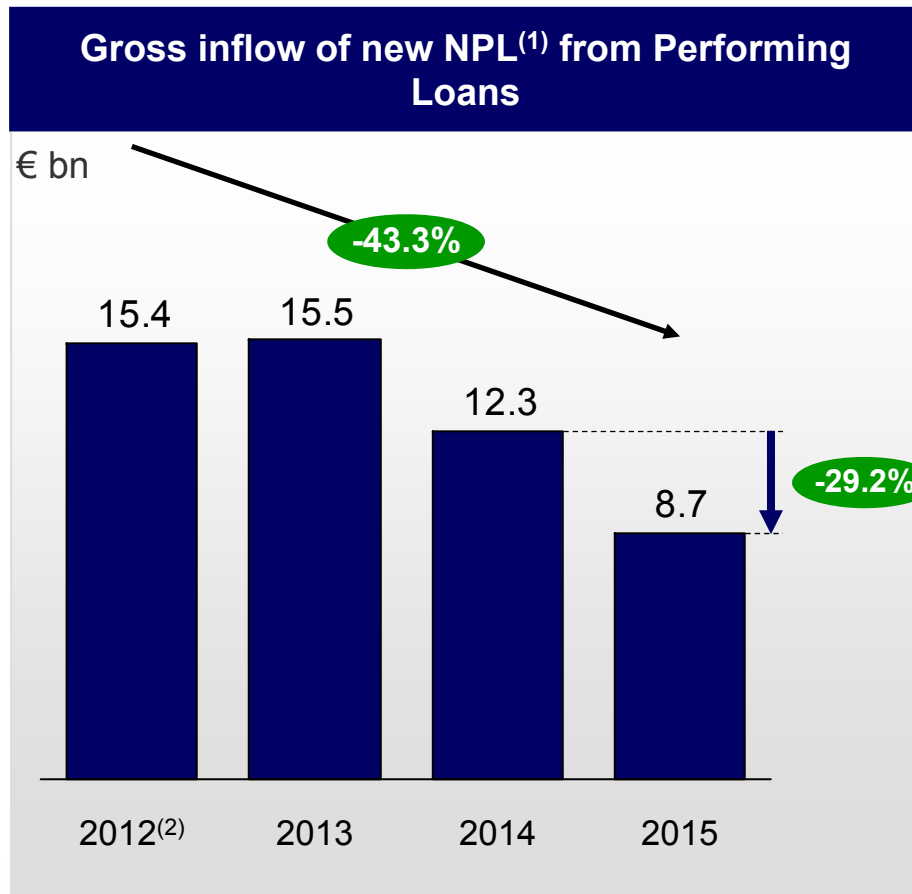
# Non-performing Loans: Increase in Cash Coverage

Cash coverage; %



(1) Doubtful Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

# Non-performing Loans: the Lowest Inflow of New NPL from Performing Loans since 2007

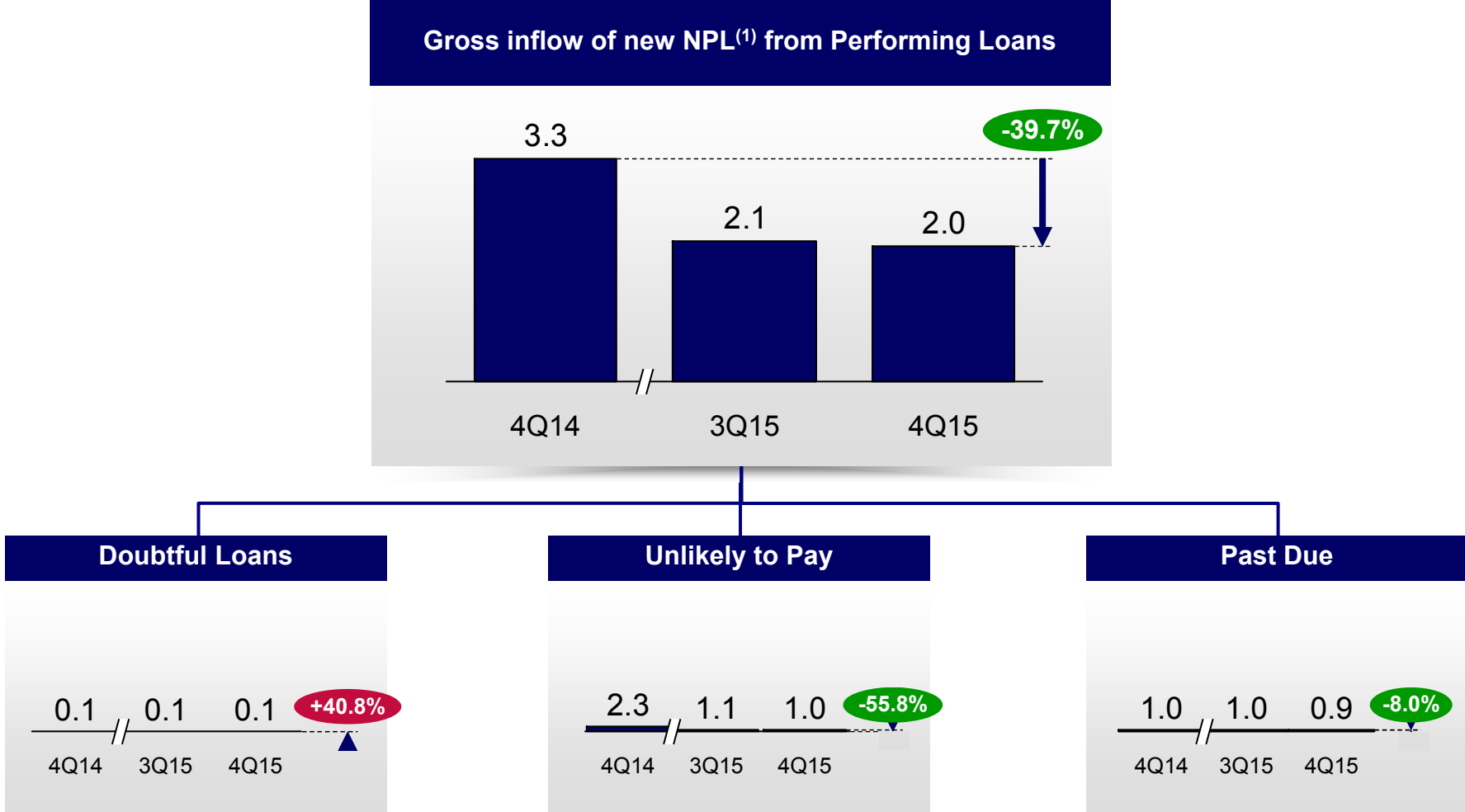


(1) Doubtful Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

(2) 2012 figures recalculated to take into consideration the regulatory changes to Past Due classification criteria introduced by the Bank of Italy (90 days since 2012 vs 180 days up until 31.12.11)

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

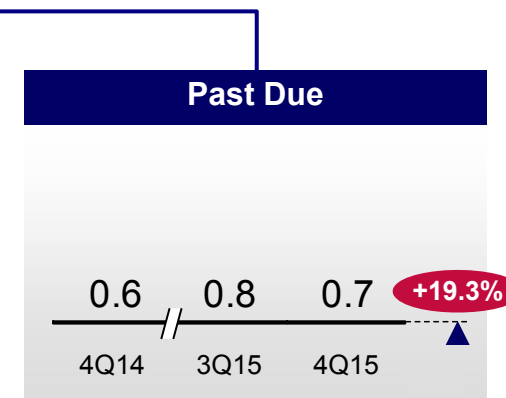
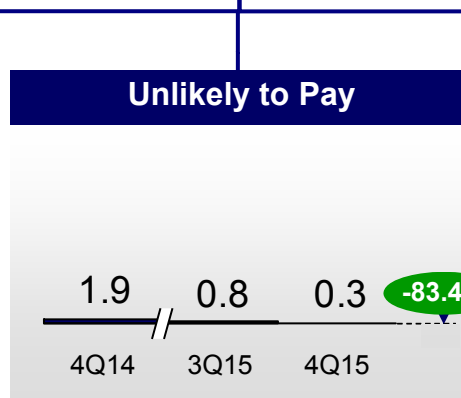
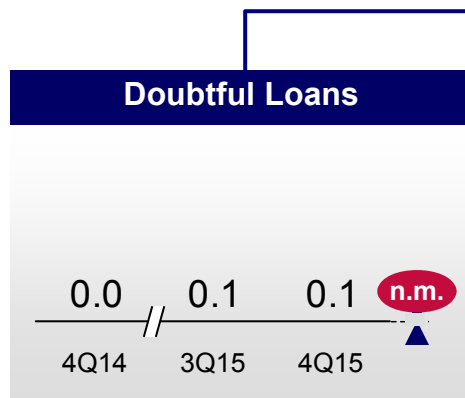
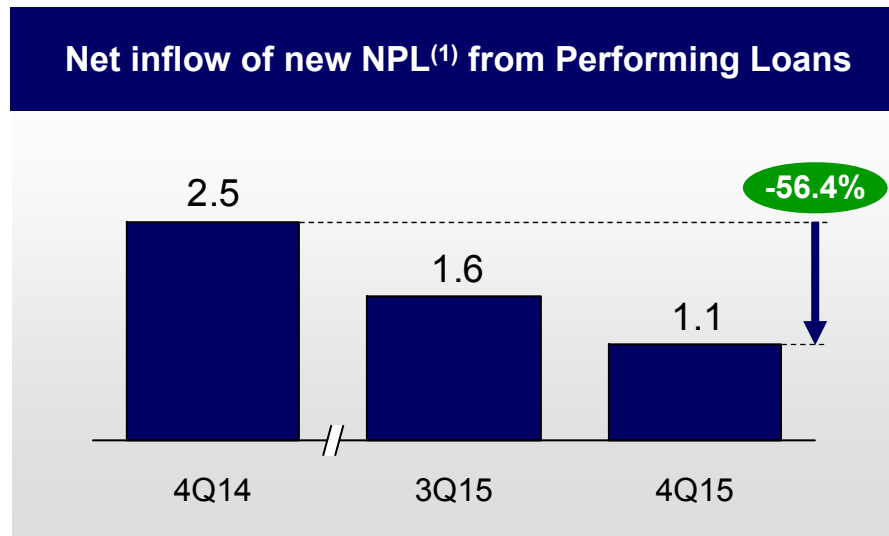
€ bn



Note: figures may not add up exactly due to rounding differences  
 (1) Doubtful Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

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

€ bn

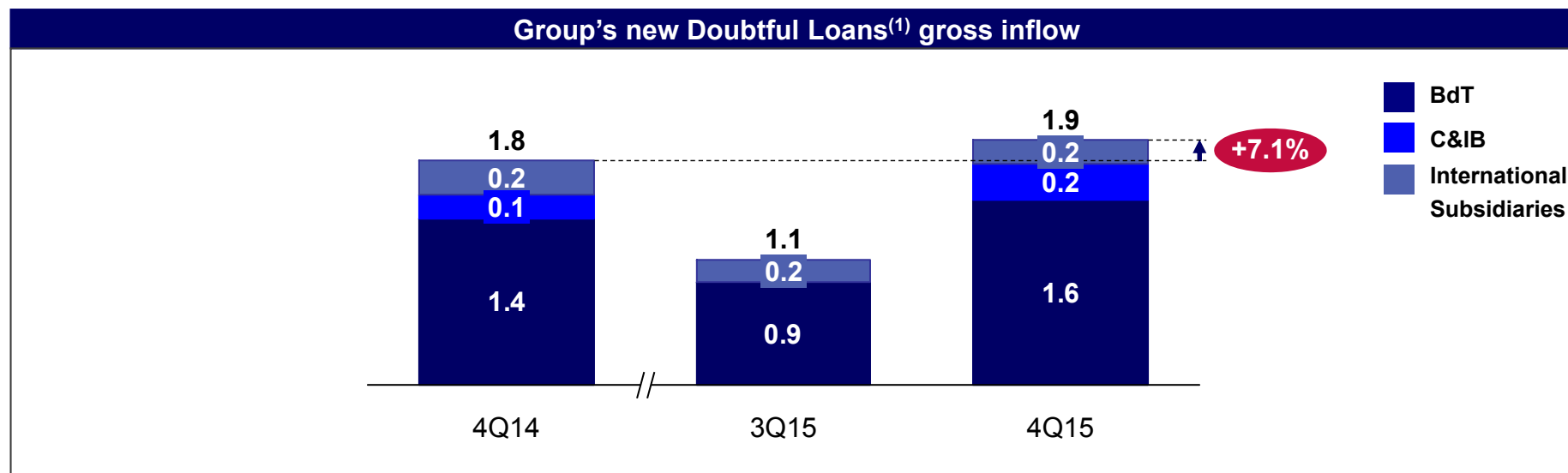


Note: figures may not add up exactly due to rounding differences

(1) Doubtful Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

# New Doubtful Loans: Increase in Gross Inflow

€ bn



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

	4Q14	3Q15	4Q15
<b>Total</b>	<b>1.4</b>	<b>0.9</b>	<b>1.6</b>
Mediocredito Italiano <sup>(2)</sup>	0.2	0.2	0.3
Households	0.4	0.2	0.4
SMEs	0.8	0.5	0.9

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

	4Q14	3Q15	4Q15
<b>Total</b>	<b>0.1</b>	<b>-</b>	<b>0.2</b>
Banca IMI <sup>(3)</sup>	-	-	-
Corporate and Public Finance	-	-	0.1
International Network & Global Industries	0.1	-	-
Financial Institutions	-	-	-

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

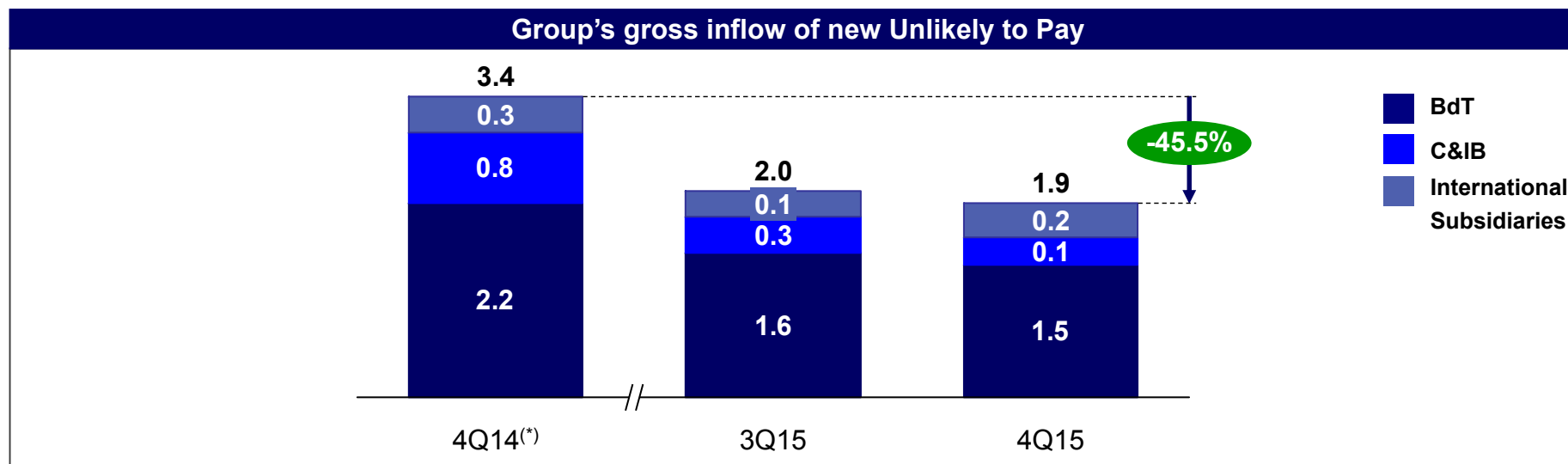
(1) Sofferenze

(2) Industrial Credit, Factoring and Leasing

(3) Capital Markets and Investment Banking

# New Unlikely to Pay: Strong Decline in Gross Inflow

€ bn



## BdT's gross inflow of new Unlikely to Pay

## C&IB's gross inflow of new Unlikely to Pay

	4Q14(*)	3Q15	4Q15		4Q14(*)	3Q15	4Q15
<b>Total</b>	<b>2.2</b>	<b>1.6</b>	<b>1.5</b>	<b>Total</b>	<b>0.8</b>	<b>0.3</b>	<b>0.1</b>
Mediocredito Italiano <sup>(1)</sup>	0.6	0.3	0.3	Banca IMI <sup>(2)</sup>	-	0.1	0.1
Households	0.5	0.4	0.3	Corporate and Public Finance	0.2	-	-
SMEs	1.1	0.9	0.9	International Network & Global Industries	0.6	0.2	-
				Financial Institutions	-	-	-

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

(\*) Gross inflow Substandard loans (*Incagli*)

(1) Industrial Credit, Factoring and Leasing

(2) Capital Markets and Investment Banking

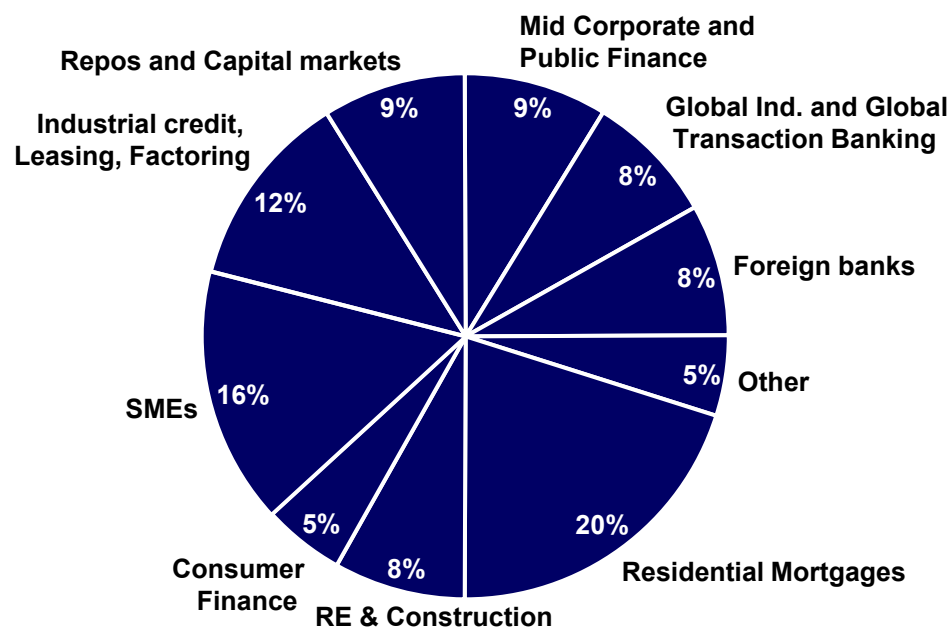
## Non-performing Loans: Q4 Saw the First Decline in NPL Stock Since the Beginning of the Crisis

Gross NPL			
€ m	31.12.14	30.9.15	31.12.15
<b>Total</b>	<b>62,838</b>	<b>64,477</b>	<b>63,114</b>
Past Due	1,472	1,358	1,239
- of which forborne	224	237	146
Unlikely to pay	23,156	24,151	22,725
- of which forborne	8,295	9,285	9,020
Doubtful	38,210	38,968	39,150
- of which forborne	886	1,344	1,690

Net NPL			
€ m	31.12.14	30.9.15	31.12.15
<b>Total</b>	<b>33,316</b>	<b>34,176</b>	<b>33,086</b>
Past Due	1,253	1,133	1,022
- of which forborne	197	207	126
Unlikely to pay	17,845	18,559	17,091
- of which forborne	6,595	7,321	6,824
Doubtful	14,218	14,484	14,973
- of which forborne	398	590	755

# Loans to Customers: Well-Diversified Portfolio

**Breakdown by business area**  
(Data as of 31.12.15)



## ■ Low risk profile of residential mortgage portfolio

- Instalment/available income ratio at 35%
- Average Loan-to-Value equal to 53%
- Original average maturity equal to ~22 years
- Residual average life equal to ~18 years

**Breakdown by economic business sectors**

	30.9.15	31.12.15
<b>Loans of the Italian banks and companies of the Group</b>		
Households	25.5%	26.3%
Public Administration	5.4%	5.4%
Financial companies	5.6%	5.3%
Non-financial companies	42.1%	40.8%
<i>of which:</i>		
SERVICES	6.2%	6.3%
DISTRIBUTION	6.4%	6.1%
REAL ESTATE	5.6%	5.4%
CONSTRUCTION	4.0%	3.7%
UTILITIES	3.4%	3.3%
METALS AND METAL PRODUCTS	2.5%	2.4%
TRANSPORT	2.2%	2.1%
AGRICULTURE	1.9%	1.8%
FOOD AND DRINK	1.4%	1.4%
MECHANICAL	1.3%	1.2%
INTERMEDIATE INDUSTRIAL PRODUCTS	1.2%	1.2%
FASHION	1.1%	1.0%
ELECTROTECHNICAL AND ELECTRONIC	0.7%	0.6%
HOLDING AND OTHER	0.5%	0.6%
TRANSPORTATION MEANS	0.5%	0.5%
INFRASTRUCTURE	0.4%	0.5%
ENERGY AND EXTRACTION	0.5%	0.5%
MATERIALS FOR CONSTRUCTION	0.5%	0.4%
PUBLISHING AND PRINTING	0.5%	0.4%
BASE AND INTERMEDIATE CHEMICALS	0.5%	0.4%
FURNITURE	0.3%	0.2%
OTHER CONSUMPTION GOODS	0.2%	0.2%
PHARMACEUTICAL	0.2%	0.2%
MASS CONSUMPTION GOODS	0.1%	0.1%
WHITE GOODS	0.1%	0.1%
NON-CLASSIFIED UNITS	0.0%	0.0%
<b>Rest of the world</b>	<b>8.1%</b>	<b>8.9%</b>
<b>Loans of the foreign banks and companies of the Group</b>	<b>9.1%</b>	<b>9.0%</b>
<b>Doubtful Loans</b>	<b>4.2%</b>	<b>4.3%</b>
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

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



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# Divisional Financial Highlights

Data as of 31.12.15

	Divisions							Total
	Banca dei Territori	Corporate & Investment Banking	International Subsidiary Banks <sup>(1)</sup>	Private Banking <sup>(2)</sup>	Asset Management <sup>(3)</sup>	Insurance <sup>(4)</sup>	Corporate Centre / Others <sup>(5)</sup>	
Operating Income (€ m)	9,255	3,109	2,102	1,680	759	1,102	(858)	17,149
Operating Margin (€ m)	4,269	2,178	1,069	1,148	617	942	(1,890)	8,333
Net Income (€ m)	1,199	1,347	418	663	466	630	(1,984)	2,739
Cost/Income (%)	53.9	29.9	49.1	31.7	18.7	14.5	n.m.	51.4
RWA (€ bn)	90.9	89.7	31.0	8.6	1.1	0.0	62.9	284.3
Direct Deposits from Banking Business (€ bn)	159.9	109.9	32.5	20.9	0.0	0.2	48.8	372.2
Loans to Customers (€ bn)	184.8	89.7	25.8	9.0	0.4	0.0	40.4	350.0

Note: figures may not add up exactly due to rounding differences. Income statement and balance sheet figures for the 2014 business areas have been restated to take into account the new organisational structure defined in 4Q14 with the creation of three new Divisions (Private Banking, Asset Management and Insurance) and a new business unit (Capital Light Bank)

(1) Excluding the Ukrainian subsidiary Pravex-Bank and the Hungarian “bad bank” included in the Capital Light Bank

(2) Fideuram, Intesa Sanpaolo Private Bank (Suisse), Intesa Sanpaolo Private Banking and Sirefid

(3) Eurizon Capital

(4) Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo Vita

(5) Treasury Department, Central Structures, Capital Light Bank and consolidation adjustments

## Banca dei Territori: 2015 vs 2014

€ m

	2014	2015	Δ%
	Restated		
Net interest income	5,415	4,902	(9.5)
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	3,957	4,242	7.2
Profits (Losses) on trading	53	66	24.5
Income from insurance business	0	0	n.m.
Other operating income (expenses)	42	45	7.1
<b>Operating income</b>	<b>9,467</b>	<b>9,255</b>	<b>(2.2)</b>
Personnel expenses	(2,953)	(3,061)	3.7
Other administrative expenses	(2,010)	(1,922)	(4.4)
Adjustments to property, equipment and intangible assets	(3)	(3)	0.0
<b>Operating costs</b>	<b>(4,966)</b>	<b>(4,986)</b>	<b>0.4</b>
<b>Operating margin</b>	<b>4,501</b>	<b>4,269</b>	<b>(5.2)</b>
Net provisions for risks and charges	(39)	(60)	53.8
Net adjustments to loans	(2,774)	(2,076)	(25.2)
Net impairment losses on other assets	(3)	(2)	(33.3)
Profits (Losses) on HTM and on other investments	0	0	n.m.
<b>Income before tax from continuing operations</b>	<b>1,685</b>	<b>2,131</b>	<b>26.5</b>
Taxes on income from continuing operations	(665)	(893)	34.3
Charges (net of tax) for integration and exit incentives	(80)	(37)	(53.8)
Effect of purchase cost allocation (net of tax)	(32)	(2)	(93.8)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>908</b>	<b>1,199</b>	<b>32.0</b>

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

## Banca dei Territori: Q4 vs Q3

€ m

	3Q15	4Q15	Δ%
Net interest income	1,193	1,236	3.5
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	1,003	1,067	6.4
Profits (Losses) on trading	17	17	(0.8)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	13	11	(14.0)
<b>Operating income</b>	<b>2,226</b>	<b>2,330</b>	<b>4.7</b>
Personnel expenses	(734)	(841)	14.5
Other administrative expenses	(466)	(510)	9.5
Adjustments to property, equipment and intangible assets	(1)	(1)	31.3
<b>Operating costs</b>	<b>(1,201)</b>	<b>(1,352)</b>	<b>12.6</b>
<b>Operating margin</b>	<b>1,025</b>	<b>978</b>	<b>(4.6)</b>
Net provisions for risks and charges	(20)	(12)	(41.4)
Net adjustments to loans	(493)	(564)	14.5
Net impairment losses on other assets	0	(2)	n.m.
Profits (Losses) on HTM and on other investments	(0)	(0)	n.m.
<b>Income before tax from continuing operations</b>	<b>513</b>	<b>401</b>	<b>(21.8)</b>
Taxes on income from continuing operations	(210)	(177)	(15.7)
Charges (net of tax) for integration and exit incentives	(6)	(20)	237.7
Effect of purchase cost allocation (net of tax)	1	(1)	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>298</b>	<b>203</b>	<b>(31.8)</b>

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

## Corporate and Investment Banking: 2015 vs 2014

€ m

	2014 Restated	2015	Δ%
Net interest income	1,782	1,544	(13.4)
Dividends and P/L on investments carried at equity	10	8	(20.0)
Net fee and commission income	804	843	4.9
Profits (Losses) on trading	479	712	48.6
Income from insurance business	0	0	n.m.
Other operating income (expenses)	0	2	n.m.
<b>Operating income</b>	<b>3,075</b>	<b>3,109</b>	<b>1.1</b>
Personnel expenses	(331)	(361)	9.1
Other administrative expenses	(538)	(567)	5.4
Adjustments to property, equipment and intangible assets	(3)	(3)	0.0
<b>Operating costs</b>	<b>(872)</b>	<b>(931)</b>	<b>6.8</b>
<b>Operating margin</b>	<b>2,203</b>	<b>2,178</b>	<b>(1.1)</b>
Net provisions for risks and charges	(4)	2	n.m.
Net adjustments to loans	(470)	(203)	(56.8)
Net impairment losses on other assets	(1)	(22)	n.m.
Profits (Losses) on HTM and on other investments	4	0	(100.0)
<b>Income before tax from continuing operations</b>	<b>1,732</b>	<b>1,955</b>	<b>12.9</b>
Taxes on income from continuing operations	(535)	(605)	13.1
Charges (net of tax) for integration and exit incentives	(3)	(3)	0.0
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>1,194</b>	<b>1,347</b>	<b>12.8</b>

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

# Banca IMI: A Significant Contribution to Group Results

2015 Results

## Banca IMI Operating Income<sup>(1)</sup>

€ m

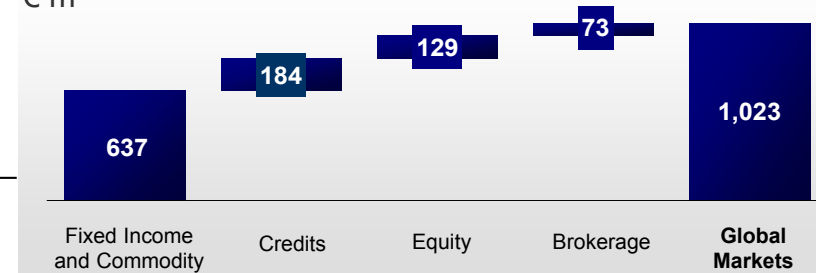


Cost/Income	32.1%	29.9%	31.5%
RWA (€ bn)	17.5	7.1	24.6

- ~70% of Operating income is customer driven
- 2015 average VaR at €82m
- 2015 Net income at €622m

## of which: Global Markets

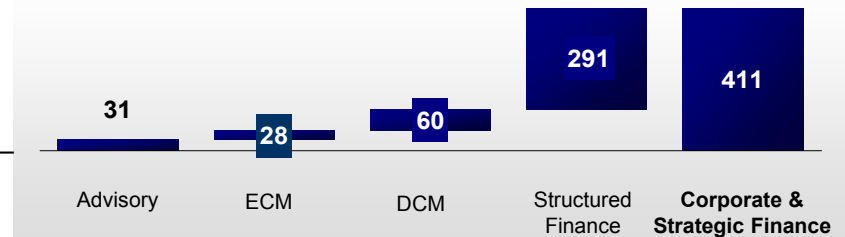
€ m



+

## of which: Corporate & Strategic Finance

€ m



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

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

## Corporate and Investment Banking: Q4 vs Q3

€ m

	3Q15	4Q15	Δ%
Net interest income	380	387	1.9
Dividends and P/L on investments carried at equity	1	2	120.0
Net fee and commission income	194	249	28.5
Profits (Losses) on trading	(1)	112	n.m.
Income from insurance business	0	0	n.m.
Other operating income (expenses)	5	(4)	n.m.
<b>Operating income</b>	<b>579</b>	<b>746</b>	<b>28.9</b>
Personnel expenses	(80)	(113)	40.7
Other administrative expenses	(143)	(145)	1.5
Adjustments to property, equipment and intangible assets	(1)	(1)	70.4
<b>Operating costs</b>	<b>(224)</b>	<b>(259)</b>	<b>15.7</b>
<b>Operating margin</b>	<b>355</b>	<b>487</b>	<b>37.3</b>
Net provisions for risks and charges	(1)	(0)	(86.3)
Net adjustments to loans	(58)	(13)	(78.2)
Net impairment losses on other assets	(2)	(18)	746.1
Profits (Losses) on HTM and on other investments	0	0	n.m.
<b>Income before tax from continuing operations</b>	<b>293</b>	<b>456</b>	<b>55.8</b>
Taxes on income from continuing operations	(78)	(148)	88.7
Charges (net of tax) for integration and exit incentives	0	(3)	n.m.
Effect of purchase cost allocation (net of tax)	(0)	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>215</b>	<b>306</b>	<b>42.6</b>

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

## International Subsidiary Banks: 2015 vs 2014

€ m

	2014	2015	Δ%
	Restated		
Net interest income	1,440	1,479	2.7
Dividends and P/L on investments carried at equity	43	51	18.6
Net fee and commission income	521	532	2.1
Profits (Losses) on trading	122	101	(17.2)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(97)	(61)	(37.1)
<b>Operating income</b>	<b>2,029</b>	<b>2,102</b>	<b>3.6</b>
Personnel expenses	(554)	(567)	2.3
Other administrative expenses	(386)	(369)	(4.4)
Adjustments to property, equipment and intangible assets	(105)	(97)	(7.6)
<b>Operating costs</b>	<b>(1,045)</b>	<b>(1,033)</b>	<b>(1.1)</b>
<b>Operating margin</b>	<b>984</b>	<b>1,069</b>	<b>8.6</b>
Net provisions for risks and charges	(55)	(159)	189.1
Net adjustments to loans	(377)	(340)	(9.8)
Net impairment losses on other assets	(29)	(2)	(93.1)
Profits (Losses) on HTM and on other investments	0	0	n.m.
<b>Income before tax from continuing operations</b>	<b>523</b>	<b>568</b>	<b>8.6</b>
Taxes on income from continuing operations	(144)	(145)	0.7
Charges (net of tax) for integration and exit incentives	(2)	(4)	100.0
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(1)	(1)	0.0
<b>Net income</b>	<b>376</b>	<b>418</b>	<b>11.2</b>

€740m excluding provisions due to the regulation for the conversion of CHF loans into Euros in Croatia

€556m excluding provisions due to the regulation for the conversion of CHF loans into Euros in Croatia

Note: figures may not add up exactly due to rounding differences. Excluding the Ukrainian subsidiary Pravex-Bank and the Hungarian "bad bank" which are included in the Capital Light Bank



## International Subsidiary Banks: Q4 vs Q3

€ m

	3Q15	4Q15	Δ%
Net interest income	370	374	1.2
Dividends and P/L on investments carried at equity	15	1	(94.7)
Net fee and commission income	135	136	0.2
Profits (Losses) on trading	34	19	(43.1)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(16)	(13)	18.9
<b>Operating income</b>	<b>538</b>	<b>517</b>	<b>(3.8)</b>
Personnel expenses	(141)	(149)	5.7
Other administrative expenses	(90)	(96)	6.7
Adjustments to property, equipment and intangible assets	(24)	(23)	(3.9)
<b>Operating costs</b>	<b>(255)</b>	<b>(268)</b>	<b>5.1</b>
<b>Operating margin</b>	<b>283</b>	<b>249</b>	<b>(11.9)</b>
Net provisions for risks and charges	(171)	19	n.m.
Net adjustments to loans	(65)	(118)	81.4
Net impairment losses on other assets	(1)	(1)	88.5
Profits (Losses) on HTM and on other investments	0	(0)	n.m.
<b>Income before tax from continuing operations</b>	<b>47</b>	<b>149</b>	<b>216.2</b>
Taxes on income from continuing operations	(17)	(33)	93.0
Charges (net of tax) for integration and exit incentives	(2)	(0)	(85.0)
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(0)	(0)	(17.8)
<b>Net income</b>	<b>28</b>	<b>115</b>	<b>314.7</b>

Note: figures may not add up exactly due to rounding differences. Excluding the Ukrainian subsidiary Pravex-Bank and the Hungarian "bad bank" which are included in the Capital Light Bank

## Private Banking: 2015 vs 2014

€ m

	2014	2015	Δ%
Net interest income	219	201	(8.2)
Dividends and P/L on investments carried at equity	10	9	(10.0)
Net fee and commission income	1,199	1,449	20.9
Profits (Losses) on trading	31	27	(12.9)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(3)	(6)	n.m.
<b>Operating income</b>	<b>1,456</b>	<b>1,680</b>	<b>15.4</b>
Personnel expenses	(288)	(290)	0.7
Other administrative expenses	(225)	(226)	0.4
Adjustments to property, equipment and intangible assets	(14)	(16)	14.3
<b>Operating costs</b>	<b>(527)</b>	<b>(532)</b>	<b>0.9</b>
<b>Operating margin</b>	<b>929</b>	<b>1,148</b>	<b>23.6</b>
Net provisions for risks and charges	(89)	(39)	(56.2)
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.
<b>Income before tax from continuing operations</b>	<b>839</b>	<b>1,109</b>	<b>32.2</b>
Taxes on income from continuing operations	(248)	(332)	33.9
Charges (net of tax) for integration and exit incentives	(7)	(30)	n.m.
Effect of purchase cost allocation (net of tax)	(85)	(84)	(1.2)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>499</b>	<b>663</b>	<b>32.9</b>

2015 result at €747m excluding the Effect of purchase cost allocation

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

## Private Banking: Q4 vs Q3

€ m

	3Q15	4Q15	Δ%
Net interest income	51	51	0.3
Dividends and P/L on investments carried at equity	2	0	(76.2)
Net fee and commission income	345	339	(1.8)
Profits (Losses) on trading	(2)	7	n.m.
Income from insurance business	0	0	n.m.
Other operating income (expenses)	1	(2)	n.m.
<b>Operating income</b>	<b>397</b>	<b>396</b>	<b>(0.2)</b>
Personnel expenses	(68)	(79)	16.5
Other administrative expenses	(55)	(62)	12.5
Adjustments to property, equipment and intangible assets	(4)	(4)	(4.3)
<b>Operating costs</b>	<b>(127)</b>	<b>(145)</b>	<b>14.1</b>
<b>Operating margin</b>	<b>270</b>	<b>252</b>	<b>(6.9)</b>
Net provisions for risks and charges	(11)	(17)	57.1
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	0	(0)	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
<b>Income before tax from continuing operations</b>	<b>260</b>	<b>235</b>	<b>(9.7)</b>
Taxes on income from continuing operations	(76)	(71)	(6.2)
Charges (net of tax) for integration and exit incentives	(7)	(7)	2.0
Effect of purchase cost allocation (net of tax)	(22)	(21)	(1.8)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(0)	0	(100.0)
<b>Net income</b>	<b>156</b>	<b>136</b>	<b>(12.9)</b>

4Q15 result at €157m excluding the Effect of purchase cost allocation

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

## Asset Management: 2015 vs 2014

€ m

	2014	2015	Δ%
Net interest income	1	1	0.0
Dividends and P/L on investments carried at equity	38	85	123.7
Net fee and commission income	501	670	33.7
Profits (Losses) on trading	6	1	(83.3)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	1	2	100.0
<b>Operating income</b>	<b>547</b>	<b>759</b>	<b>38.8</b>
Personnel expenses	(59)	(65)	10.2
Other administrative expenses	(71)	(77)	8.5
Adjustments to property, equipment and intangible assets	0	0	n.m.
<b>Operating costs</b>	<b>(130)</b>	<b>(142)</b>	<b>9.2</b>
<b>Operating margin</b>	<b>417</b>	<b>617</b>	<b>48.0</b>
Net provisions for risks and charges	1	(3)	n.m.
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
<b>Income before tax from continuing operations</b>	<b>418</b>	<b>614</b>	<b>46.9</b>
Taxes on income from continuing operations	(101)	(139)	37.6
Charges (net of tax) for integration and exit incentives	(1)	0	(100.0)
Effect of purchase cost allocation (net of tax)	(38)	0	(100.0)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(8)	(9)	12.5
<b>Net income</b>	<b>270</b>	<b>466</b>	<b>72.6</b>

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

## Asset Management: Q4 vs Q3

€ m

	3Q15	4Q15	Δ%
Net interest income	0	0	8.1
Dividends and P/L on investments carried at equity	27	19	(28.8)
Net fee and commission income	154	187	22.0
Profits (Losses) on trading	0	(0)	n.m.
Income from insurance business	0	0	n.m.
Other operating income (expenses)	0	0	13.9
<b>Operating income</b>	<b>181</b>	<b>207</b>	<b>14.2</b>
Personnel expenses	(14)	(20)	39.4
Other administrative expenses	(19)	(22)	18.1
Adjustments to property, equipment and intangible assets	(0)	(0)	1.3
<b>Operating costs</b>	<b>(33)</b>	<b>(42)</b>	<b>27.3</b>
<b>Operating margin</b>	<b>148</b>	<b>165</b>	<b>11.3</b>
Net provisions for risks and charges	0	(2)	n.m.
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
<b>Income before tax from continuing operations</b>	<b>149</b>	<b>163</b>	<b>9.6</b>
Taxes on income from continuing operations	(33)	(31)	(5.3)
Charges (net of tax) for integration and exit incentives	0	0	n.m.
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(2)	(3)	63.6
<b>Net income</b>	<b>114</b>	<b>129</b>	<b>13.0</b>

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

## Insurance: 2015 vs 2014

€ m

	2014	2015	Δ%
Net interest income	0	0	n.m.
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	0	0	n.m.
Profits (Losses) on trading	0	0	n.m.
Income from insurance business	930	1,100	18.3
Other operating income (expenses)	1	2	100.0
<b>Operating income</b>	<b>931</b>	<b>1,102</b>	<b>18.4</b>
Personnel expenses	(59)	(67)	13.6
Other administrative expenses	(89)	(90)	1.1
Adjustments to property, equipment and intangible assets	(3)	(3)	0.0
<b>Operating costs</b>	<b>(151)</b>	<b>(160)</b>	<b>6.0</b>
<b>Operating margin</b>	<b>780</b>	<b>942</b>	<b>20.8</b>
Net provisions for risks and charges	0	1	n.m.
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	(1)	(20)	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
<b>Income before tax from continuing operations</b>	<b>779</b>	<b>923</b>	<b>18.5</b>
Taxes on income from continuing operations	(240)	(258)	7.5
Charges (net of tax) for integration and exit incentives	(2)	(4)	100.0
Effect of purchase cost allocation (net of tax)	(36)	(31)	(13.9)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>501</b>	<b>630</b>	<b>25.7</b>

2015 result at €661m excluding the Effect of purchase cost allocation

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

## Insurance: Q4 vs Q3

€ m

	3Q15	4Q15	Δ%
Net interest income	0	0	n.m.
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	0	0	n.m.
Profits (Losses) on trading	0	0	n.m.
Income from insurance business	283	166	(41.3)
Other operating income (expenses)	(1)	5	n.m.
<b>Operating income</b>	<b>281</b>	<b>171</b>	<b>(39.3)</b>
Personnel expenses	(15)	(20)	35.3
Other administrative expenses	(23)	(27)	19.0
Adjustments to property, equipment and intangible assets	(1)	(1)	23.1
<b>Operating costs</b>	<b>(39)</b>	<b>(48)</b>	<b>25.3</b>
<b>Operating margin</b>	<b>243</b>	<b>122</b>	<b>(49.6)</b>
Net provisions for risks and charges	0	1	n.m.
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	(13)	(7)	(42.1)
Profits (Losses) on HTM and on other investments	(0)	0	(100.0)
<b>Income before tax from continuing operations</b>	<b>230</b>	<b>116</b>	<b>(49.8)</b>
Taxes on income from continuing operations	(70)	(19)	(72.3)
Charges (net of tax) for integration and exit incentives	(1)	(1)	7.2
Effect of purchase cost allocation (net of tax)	(7)	(8)	13.3
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	(100.0)
Minority interests	0	0	n.m.
<b>Net income</b>	<b>151</b>	<b>86</b>	<b>(42.9)</b>

4Q15 result at €94m excluding the Effect of purchase cost allocation

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

# Quarterly P&L Analysis

€ m

	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
	Restated							
Net interest income	2,095	2,100	2,107	2,056	1,971	1,976	1,912	1,953
Dividends and P/L on investments carried at equity	36	(19)	6	12	39	15	41	1
Net fee and commission income	1,580	1,725	1,647	1,813	1,813	1,979	1,786	1,918
Profits (Losses) on trading	144	381	135	76	596	380	1	57
Income from insurance business	255	251	240	186	343	282	241	131
Other operating income (expenses)	(4)	(9)	25	(10)	(73)	(54)	214	(373)
<b>Operating income</b>	<b>4,106</b>	<b>4,429</b>	<b>4,160</b>	<b>4,133</b>	<b>4,689</b>	<b>4,578</b>	<b>4,195</b>	<b>3,687</b>
Personnel expenses	(1,280)	(1,222)	(1,257)	(1,359)	(1,302)	(1,271)	(1,257)	(1,486)
Other administrative expenses	(658)	(673)	(653)	(810)	(641)	(679)	(643)	(803)
Adjustments to property, equipment and intangible assets	(166)	(166)	(171)	(191)	(175)	(178)	(180)	(201)
<b>Operating costs</b>	<b>(2,104)</b>	<b>(2,061)</b>	<b>(2,081)</b>	<b>(2,360)</b>	<b>(2,118)</b>	<b>(2,128)</b>	<b>(2,080)</b>	<b>(2,490)</b>
<b>Operating margin</b>	<b>2,002</b>	<b>2,368</b>	<b>2,079</b>	<b>1,773</b>	<b>2,571</b>	<b>2,450</b>	<b>2,115</b>	<b>1,197</b>
Net provisions for risks and charges	(55)	(182)	(14)	(291)	(54)	(68)	(222)	(56)
Net adjustments to loans	(1,082)	(1,186)	(1,257)	(1,043)	(767)	(847)	(769)	(923)
Net impairment losses on other assets	(12)	(67)	(64)	(94)	(9)	(31)	(20)	(108)
Profits (Losses) on HTM and on other investments	75	235	73	5	28	38	21	51
<b>Income before tax from continuing operations</b>	<b>928</b>	<b>1,168</b>	<b>817</b>	<b>350</b>	<b>1,769</b>	<b>1,542</b>	<b>1,125</b>	<b>161</b>
Taxes on income from continuing operations	(364)	(904)	(324)	(183)	(648)	(516)	(354)	(76)
Charges (net of tax) for integration and exit incentives	(7)	(13)	(9)	(74)	(6)	(25)	(15)	(37)
Effect of purchase cost allocation (net of tax)	(46)	(53)	(49)	(45)	(26)	(33)	(27)	(33)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	0	0	0	0	0
Income (Loss) after tax from discontinued operations	(3)	238	45	(4)	0	(1)	0	(2)
Minority interests	(5)	(219)	3	4	(25)	(27)	(7)	0
<b>Net income</b>	<b>503</b>	<b>217</b>	<b>483</b>	<b>48</b>	<b>1,064</b>	<b>940</b>	<b>722</b>	<b>13</b>

Note: Figures restated, where necessary, to reflect scope of consolidation for 4Q15. Figures may not add up exactly due to rounding differences



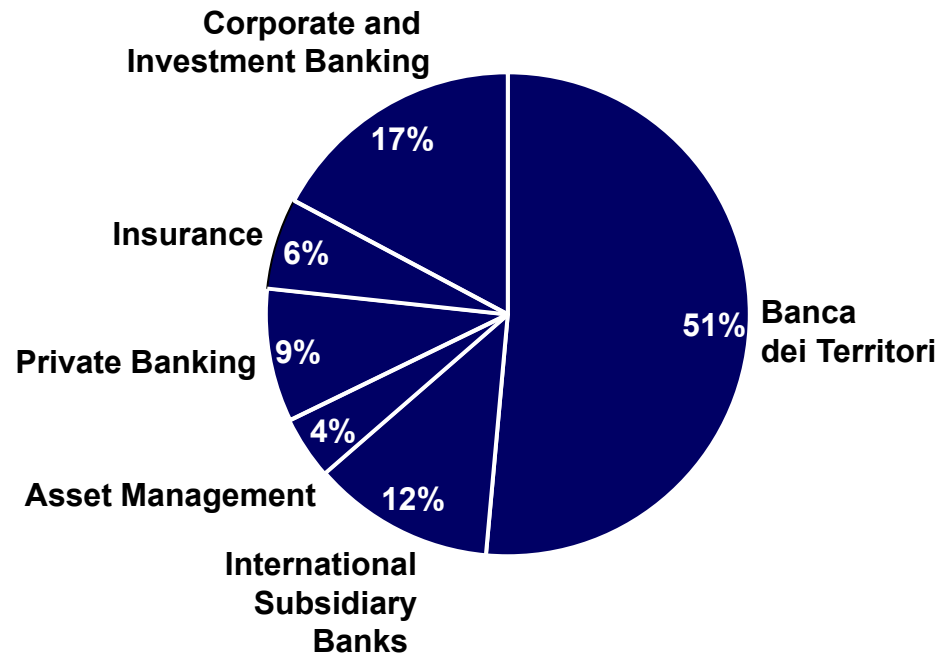
# Net Fee and Commission Income: Quarterly Development

€ m

Net Fee and Commission Income								
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Guarantees given / received	70	85	92	79	92	78	88	86
Collection and payment services	88	101	87	108	86	95	89	104
Current accounts	277	279	277	271	254	255	268	255
Credit and debit cards	117	130	135	126	121	132	141	130
<b>Commercial banking activities</b>	<b>552</b>	<b>595</b>	<b>591</b>	<b>584</b>	<b>553</b>	<b>560</b>	<b>586</b>	<b>575</b>
Dealing and placement of securities	204	231	176	170	259	225	137	142
Currency dealing	10	10	11	10	11	11	11	11
Portfolio management	336	396	393	496	488	562	522	540
Distribution of insurance products	227	242	234	268	265	335	300	332
Other	40	39	39	44	45	48	42	49
<b>Management, dealing and consultancy activities</b>	<b>817</b>	<b>918</b>	<b>853</b>	<b>988</b>	<b>1,068</b>	<b>1,181</b>	<b>1,012</b>	<b>1,074</b>
Other net fee and commission income	211	212	203	241	192	238	188	269
<b>Net fee and commission income</b>	<b>1,580</b>	<b>1,725</b>	<b>1,647</b>	<b>1,813</b>	<b>1,813</b>	<b>1,979</b>	<b>1,786</b>	<b>1,918</b>

# Market Leadership in Italy

## 2015 Operating Income Breakdown by business area<sup>(1)</sup>



## Leader in Italy (data as of 31.12.15)

Ranking	Market share
1	Loans 15.3%
1	Deposits <sup>(2)</sup> 15.5%
1	Asset Management <sup>(3)</sup> 20.6%
1	Life Premiums <sup>(4)</sup> 20.8%
1	Pension Funds <sup>(4)</sup> 21.7%
1	Factoring 28.8%

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

(1) Excluding Corporate Centre

(2) Including bonds

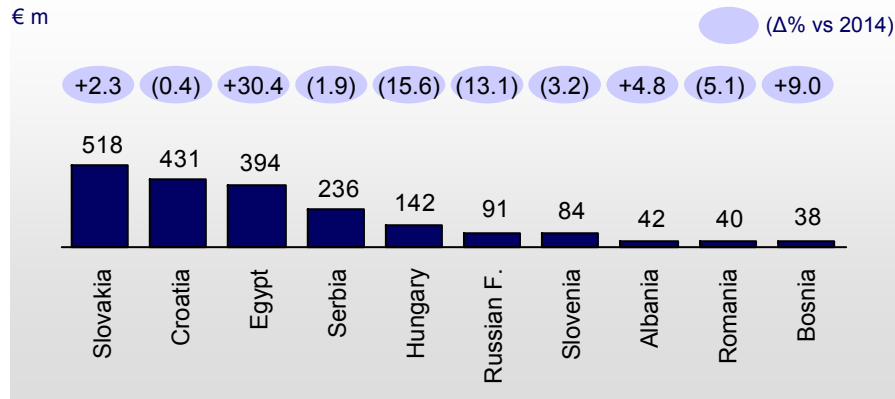
(3) Mutual funds; data as of 30.9.15

(4) Data as of 30.9.15

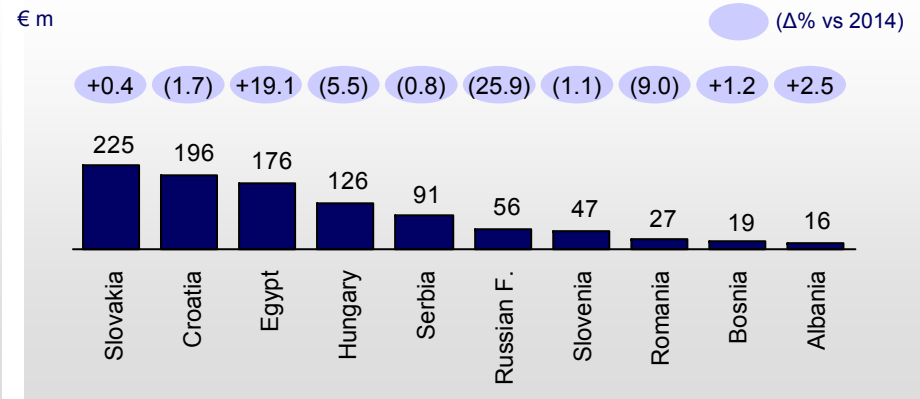
# International Subsidiary Banks: Key P&L Data by Country

Data as of 31.12.15

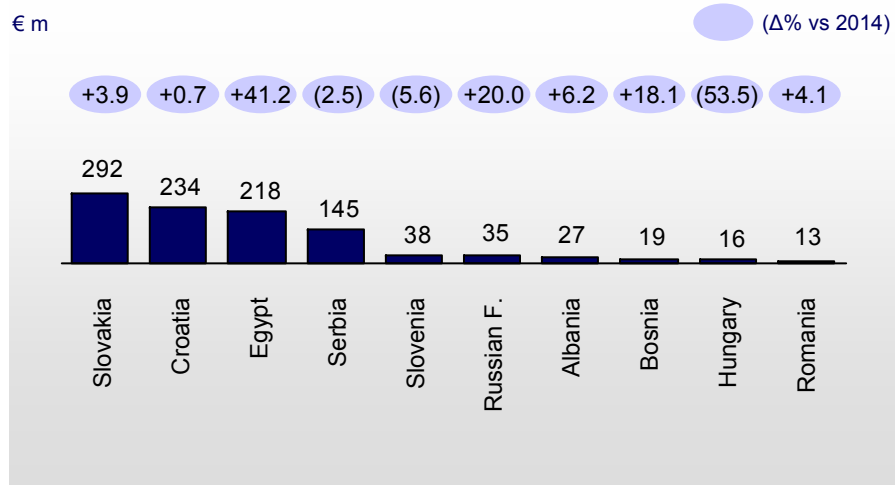
## Operating Income



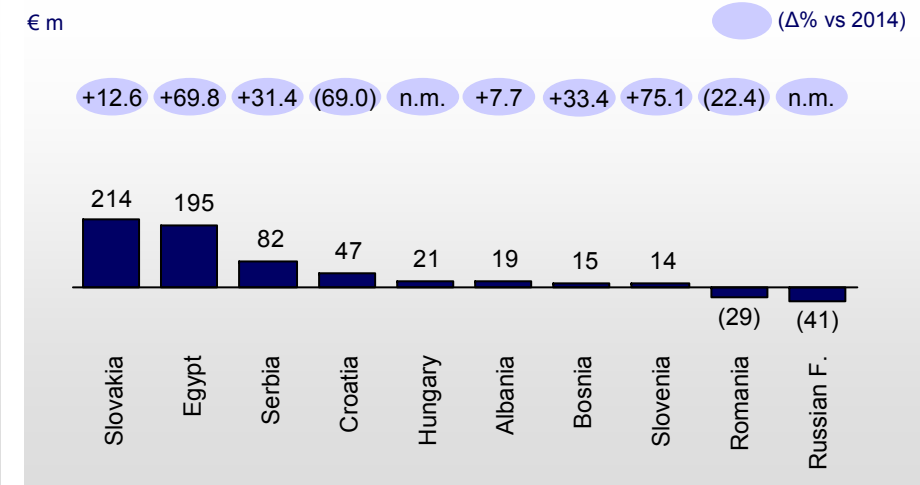
## Operating Costs



## Operating Margin



## Pre-Tax Income



Note: excluding the Ukrainian subsidiary Pravex-Bank and the Hungarian "bad bank" included in the Capital Light Bank

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

Data as of 31.12.15

									<b>CEE Total</b>		<b>Total</b>
Hungary(*)	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Russian F.		Egypt	













<b>Oper. Income (€ m)</b>	142	518	84	431	236	38	42	40	91	1,621	394	2,015
<b>% of Group total</b>	<b>0.8%</b>	<b>3.0%</b>	<b>0.5%</b>	<b>2.5%</b>	<b>1.4%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.5%</b>	<b>9.5%</b>	<b>2.3%</b>	<b>11.8%</b>
<b>Net income (€ m)</b>	(14)	164	12	36	72	13	16	(29)	(33)	237	145	382
<b>% of Group total</b>	<b>n.m.</b>	<b>6.0%</b>	<b>0.4%</b>	<b>1.3%</b>	<b>2.6%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>n.m.</b>	<b>n.m.</b>	<b>8.7%</b>	<b>5.3%</b>	<b>13.9%</b>
<b>Customer Deposits (€ bn)</b>	3.8	10.2	1.8	7.1	2.8	0.6	0.9	0.6	0.4	28.1	4.4	32.6
<b>% of Group total</b>	<b>1.0%</b>	<b>2.7%</b>	<b>0.5%</b>	<b>1.9%</b>	<b>0.8%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>7.6%</b>	<b>1.2%</b>	<b>8.7%</b>
<b>Customer Loans (€ bn)</b>	2.9	9.1	1.5	6.2	2.2	0.6	0.3	0.6	0.6	23.9	2.9	26.8
<b>% of Group total</b>	<b>0.8%</b>	<b>2.6%</b>	<b>0.4%</b>	<b>1.8%</b>	<b>0.6%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>6.8%</b>	<b>0.8%</b>	<b>7.7%</b>
<b>Total Assets (€ bn)</b>	5.3	12.6	2.3	9.5	4.1	0.8	1.0	0.9	0.9	37.5	5.6	43.1
<b>% of Group total</b>	<b>0.8%</b>	<b>1.9%</b>	<b>0.3%</b>	<b>1.4%</b>	<b>0.6%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>5.5%</b>	<b>0.8%</b>	<b>6.4%</b>
<b>Book value (€ m)</b>	471	1,416	279	1,674	949	111	133	108	148	5,289	509	5,798
<b>- goodwill/intangibles</b>	25	64	5	15	7	2	4	5	6	133	6	139

Note: figures may not add up exactly due to rounding differences. Excluding the Ukrainian subsidiary Pravex-Bank which is included in the Capital Light Bank

(\*) Balance sheet figures incorporate the Hungarian "bad bank" which is included in the Capital Light Bank

# International Subsidiary Banks by Country: Loans Breakdown and Coverage

Data as of 31.12.15

	 Hungary <sup>(*)</sup>	 Slovakia	 Slovenia	 Croatia	 Serbia	 Bosnia	 Albania	 Romania	 Russian F.	 CEE Total	 Egypt	 Total
<b>Performing loans (€ bn)</b>	2.4	8.9	1.3	5.8	2.0	0.6	0.3	0.6	0.5	<b>22.3</b>	2.8	<b>25.1</b>
<b>of which:</b>												
<b>Retail local currency</b>	37%	55%	48%	17%	17%	7%	8%	30%	4%	<b>36%</b>	57%	<b>38%</b>
<b>Retail foreign currency</b>	0%	0%	0%	35%	25%	42%	16%	41%	1%	<b>14%</b>	0%	<b>12%</b>
<b>Corporate local currency</b>	31%	39%	50%	13%	6%	24%	25%	8%	81%	<b>29%</b>	29%	<b>29%</b>
<b>Corporate foreign currency</b>	32%	7%	2%	35%	51%	26%	52%	21%	15%	<b>22%</b>	14%	<b>21%</b>
<b>Doubtful loans<sup>(1)</sup> (€ m)</b>	157	143	64	146	109	12	23	45	16	<b>715</b>	5	<b>720</b>
<b>Unlikely to pay<sup>(2)</sup> (€ m)</b>	319	130	65	246	93	5	13	11	20	<b>902</b>	128	<b>1,030</b>
<b>Performing loans coverage</b>	2.7%	1.0%	1.1%	1.3%	1.2%	0.9%	4.2%	1.9%	1.3%	<b>1.3%</b>	2.3%	<b>1.4%</b>
<b>Doubtful loans<sup>(1)</sup> coverage</b>	63%	63%	62%	66%	55%	76%	43%	83%	80%	<b>66%</b>	96%	<b>68%</b>
<b>Unlikely to pay<sup>(2)</sup> coverage</b>	44%	27%	24%	36%	40%	29%	48%	31%	56%	<b>39%</b>	32%	<b>38%</b>
<b>Cost of credit<sup>(3)</sup> (bps)</b>	353	87	152	31	284	69	225	673	1,289	<b>173</b>	65	<b>161</b>

Note: figures may not add up exactly due to rounding differences. Excluding the Ukrainian subsidiary Pravex-Bank which is included in the Capital Light Bank

(\*) Including the Hungarian "bad bank" which is included in the Capital Light Bank

(1) *Sofferenze*

(2) Including Past due

(3) Net adjustments to loans/Net customer loans

# Common Equity Ratio as of 31.12.15: from Phased-in to Pro-forma Fully Loaded

	~€ bn	~bps
<b>Transitional adjustments</b>		
Reserve shortfall	(0.2)	(6)
Valuation reserves	0.2	8
Minorities exceeding requirements	(0.1)	(4)
DTA on losses carried forward <sup>(1)</sup>	0.1	3
<b>Total</b>	<b>0.0</b>	<b>1</b>
<b>Deductions exceeding cap<sup>(*)</sup></b>		
<b>Total</b>	<b>(1.3)</b>	<b>(47)</b>
<sup>(*)</sup> as a memo, constituents of deductions subject to cap:		
- Other DTA <sup>(2)</sup>	1.5	
- Investments in banking and financial companies	0.7	
- Investments in insurance companies	4.8	
<b>RWA from 100% weighted DTA<sup>(3)</sup></b>	<b>(8.7)</b>	<b>40</b>
Benefit from the Danish Compromise		14
<b>Total estimated impact</b>		<b>7</b>
<b>Pro-forma fully loaded Common Equity ratio</b>		<b>13.1%</b>

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

(1) Considering the expected absorption of DTA on losses carried forward (€0.2bn as of 31.12.15)

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

(3) Considering the total absorption of DTA convertible into tax credit related to goodwill realignment (€5.0bn as of 31.12.15) and adjustments to loans (€3.7bn as of 31.12.15)

# Total Exposure<sup>(1)</sup> by Main Countries

€ m

	DEBT SECURITIES								LOANS
	Banking Business					Total	Insurance Business	Total	
	L&R	AFS	HTM	CFV <sup>(2)</sup>	HFT				
<b>EU Countries</b>	<b>10,021</b>	<b>44,133</b>	<b>1,116</b>	<b>963</b>	<b>12,167</b>	<b>68,400</b>	<b>63,787</b>	<b>132,187</b>	<b>334,015</b>
Austria	134	24	3		68	229	9	238	498
Belgium		262			295	557	127	684	850
Bulgaria							54	54	24
Croatia	117	125	2	758	11	1,013	58	1,071	6,362
Cyprus									42
Czech Republic									592
Denmark		24			35	59	45	104	185
Estonia									3
Finland	105	138			149	392	19	411	45
France	204	5,104		197	645	6,150	1,124	7,274	2,266
Germany	179	4,495	4		1,231	5,909	1,929	7,838	3,808
Greece	15				1	16		16	10
Hungary	45	295			202	542	34	576	2,891
Ireland	205	312			235	752	280	1,032	441
Italy	7,714	25,163	453		6,559	39,889	56,226	96,115	281,247
Latvia		5				5		5	53
Lithuania		46				46		46	11
Luxembourg	144	13			315	472	326	798	3,394
Malta									232
The Netherlands	82	315	38		1,163	1,598	701	2,299	2,865
Poland	28	67			125	220	19	239	495
Portugal	203	12			25	240	14	254	219
Romania		133				133	80	213	712
Slovakia		1,023	616			1,639		1,639	8,370
Slovenia		234				234	8	242	1,457
Spain	463	5,832			376	6,671	1,557	8,228	2,133
Sweden		124			317	441	5	446	24
United Kingdom	383	387		8	415	1,193	1,172	2,365	14,786
<b>North African Countries</b>		<b>1,413</b>				<b>1,413</b>		<b>1,413</b>	<b>2,984</b>
Algeria									3
Egypt		1,413				1,413		1,413	2,954
Libya									5
Morocco									16
Tunisia									6
<b>Japan</b>		<b>14</b>			<b>907</b>	<b>921</b>	<b>116</b>	<b>1,037</b>	<b>386</b>

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

(1) Exposure to sovereign risks (central and local governments), banks and other customers. Book Value of Debt Securities and Net Loans as of 31.12.15

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

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

€ m

	DEBT SECURITIES									LOANS
	Banking Business					Total	Insurance Business	Total	AFS Reserve <sup>(4)</sup>	
	L&R	AFS	HTM	CFV <sup>(2)</sup>	HFT <sup>(3)</sup>					
<b>EU Countries</b>	<b>7,314</b>	<b>41,212</b>	<b>977</b>	<b>754</b>	<b>8,028</b>	<b>58,285</b>	<b>55,111</b>	<b>113,396</b>	<b>537</b>	<b>19,161</b>
Austria			3		45	48	7	55		
Belgium		262			27	289	10	299	1	
Bulgaria							44	44		
Croatia	95	125	2	754	7	983	45	1,028		1,052
Cyprus										
Czech Republic										
Denmark		14			19	33		33		
Estonia										
Finland	105	81			119	305	9	314		8
France	104	4,800			347	5,251	118	5,369	-14	15
Germany	40	4,405			879	5,324	1,277	6,601	2	
Greece					1	1		1		
Hungary	31	295			200	526	34	560		175
Ireland		196			6	202	91	293	1	
Italy	6,640	23,525	356		5,041	35,562	52,464	88,026	536	17,115
Latvia		5				5		5		53
Lithuania		46				46		46		
Luxembourg										
Malta										
The Netherlands		40			826	866	141	1,007	2	
Poland	28	67			120	215	19	234	-1	
Portugal	17				1	18		18		25
Romania		133				133	80	213	2	2
Slovakia		923	616			1,539		1,539	12	141
Slovenia		202				202	8	210	7	209
Spain	254	5,768			120	6,142	764	6,906	-11	366
Sweden		116			270	386		386		
United Kingdom		209				209		209		
<b>North African Countries</b>		<b>1,405</b>				<b>1,405</b>		<b>1,405</b>	<b>-1</b>	
Algeria										
Egypt		1,405				1,405		1,405	-1	
Libya										
Morocco										
Tunisia										
<b>Japan</b>					<b>825</b>	<b>825</b>		<b>825</b>		

**Banking Business Government bond  
duration: ~4.5 years  
Adjusted duration due to hedging: ~0.3 years**

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

(1) Exposure to central and local governments. Book Value of Debt Securities and Net Loans as of 31.12.15

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

(3) Taking into account cash short positions

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



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

€ m

	DEBT SECURITIES								LOANS
	Banking Business					Total	Insurance Business	Total	
	L&R	AFS	HTM	CFV <sup>(2)</sup>	HFT				
<b>EU Countries</b>	<b>595</b>	<b>1,466</b>	<b>139</b>	<b>200</b>	<b>1,876</b>	<b>4,276</b>	<b>3,766</b>	<b>8,042</b>	<b>19,110</b>
Austria	124					124		124	213
Belgium					204	204	32	236	573
Bulgaria									2
Croatia				3	4	7		7	42
Cyprus									1
Czech Republic									1
Denmark		10			16	26	21	47	85
Estonia									1
Finland		16			30	46		46	34
France		195		197	160	552	294	846	917
Germany	71	37	4		232	344	172	516	1,676
Greece									4
Hungary									66
Ireland					68	68	92	160	35
Italy	87	888	97		414	1,486	1,917	3,403	7,089
Latvia									7
Lithuania									1,956
Luxembourg	50				257	307	295	602	191
Malta									434
The Netherlands	22	82	38		96	238	255	493	155
Poland									7
Portugal					3	3	1	4	18
Romania									2
Slovakia		100				100		100	2
Slovenia		25				25		25	696
Spain	100	5			197	302	231	533	10
Sweden					29	29	2	31	4,896
United Kingdom	141	108			166	415	454	869	
<b>North African Countries</b>		<b>1</b>				<b>1</b>		<b>1</b>	<b>63</b>
Algeria									45
Egypt		1				1		1	
Libya									16
Morocco									2
Tunisia									9
<b>Japan</b>		<b>14</b>			<b>33</b>	<b>47</b>	<b>44</b>	<b>91</b>	

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

(1) Book Value of Debt Securities and Net Loans as of 31.12.15

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

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

€ m

	DEBT SECURITIES								LOANS
	Banking Business					Total	Insurance Business	Total	
	L&R	AFS	HTM	CFV <sup>(2)</sup>	HFT				
<b>EU Countries</b>	<b>2,112</b>	<b>1,455</b>		<b>9</b>	<b>2,263</b>	<b>5,839</b>	<b>4,910</b>	<b>10,749</b>	<b>295,744</b>
Austria	10	24			23	57	2	59	285
Belgium					64	64	85	149	277
Bulgaria							10	10	22
Croatia	22			1		23	13	36	5,268
Cyprus									42
Czech Republic									591
Denmark							24	24	100
Estonia									2
Finland		41				41	10	51	3
France	100	109			138	347	712	1,059	1,334
Germany	68	53			120	241	480	721	2,132
Greece	15					15		15	6
Hungary	14				2	16		16	2,650
Ireland	205	116			161	482	97	579	406
Italy	987	750			1,104	2,841	1,845	4,686	257,043
Latvia									4
Lithuania									4
Luxembourg	94	13			58	165	31	196	1,438
Malta									41
The Netherlands	60	193			241	494	305	799	2,431
Poland					5	5		5	340
Portugal	186	12			21	219	13	232	187
Romania									692
Slovakia									8,229
Slovenia		7				7		7	1,246
Spain	109	59			59	227	562	789	1,071
Sweden		8			18	26	3	29	14
United Kingdom	242	70		8	249	569	718	1,287	9,890
<b>North African Countries</b>		<b>7</b>				<b>7</b>		<b>7</b>	<b>2,921</b>
Algeria									3
Egypt		7				7		7	2,909
Libya									5
Morocco									4
Tunisia									4
<b>Japan</b>					<b>49</b>	<b>49</b>	<b>72</b>	<b>121</b>	<b>377</b>

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

(1) Book Value of Debt Securities and Net Loans as of 31.12.15

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

# Disclaimer

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

\* \* \*

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

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

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