1H17 Results

A Solid First Half

A Strong Bank,
Delivering Growth

August 1, 2017

INTESA SANPAOLO

1H17: A Solid First Half

€5.2bn stated Net income(1) including €3.5bn public cash contribution offsetting the impact on ISP's capital ratios of the acquisition of certain assets of the two former Venetian banks

~€6bn pro-forma Net income(2) including ~€800m additional net capital gain from Allfunds Bank disposal to be booked in H2 2017

€1,738m Net income(3) excluding public cash contribution (~€2.2bn excluding Levies and other charges concerning the banking industry)

Common Equity(4) ratio at 13.0%, well above regulatory requirements even under EBA stress test adverse scenario

Well in line with the pro-quota 2017 dividend commitment

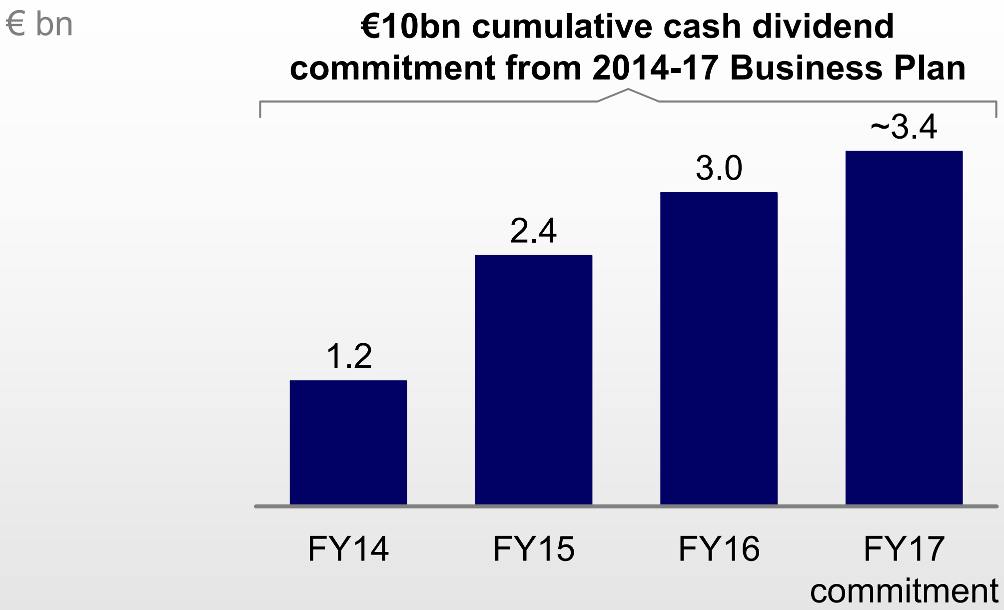
Cost/Income at 49.2%, among the best in Europe

~€10bn Gross NPL stock reduction over the past seven quarters at no cost to shareholders and the lowest H1 NPL inflow since ISP was created

(1) Including Levies and other charges concerning the banking industry: €672m pre-tax (€460m net of tax) of which charges for the Resolution Fund €163m pre-tax (€114m net of tax) - our estimated commitment for the year fully funded - and charges for the additional Atlante Fund stake write-down: €449m pre-tax (€301m net of tax), of which €188m pre-tax (€126m net of tax) in Q2
(2) Including public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
(3) Excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
(4) Pro-forma fully loaded Basel 3 (30.6.17 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of operations of the two former Venetian banks, the full consolidation of the subsidiaries of the two former Venetian banks included in the operations acquired, the expected absorption of DTA on losses carried forward and the expected distribution of 1H17 Net income of insurance companies); including estimated benefits from the Danish Compromise (8bps) and non-taxable public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios

ISP Continues to Deliver on its Dividend Commitment

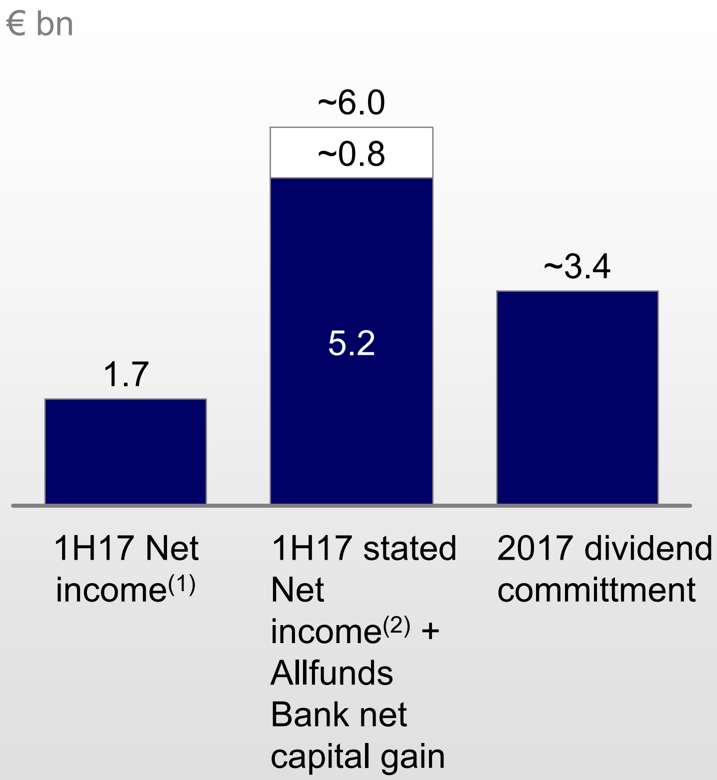
Cash dividend evolution



	FY14	FY15	FY16
DPS ordinary (€)	**0.07**	**0.14**	**0.18**
DPS saving (€)	**0.08**	**0.15**	**0.19**

Rewarding shareholders with sustainable dividends confirmed as a management priority

1H17 Net income vs 2017 cash dividend commitment



Well on track to deliver on our 2017 cash dividend commitment

(1) Excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
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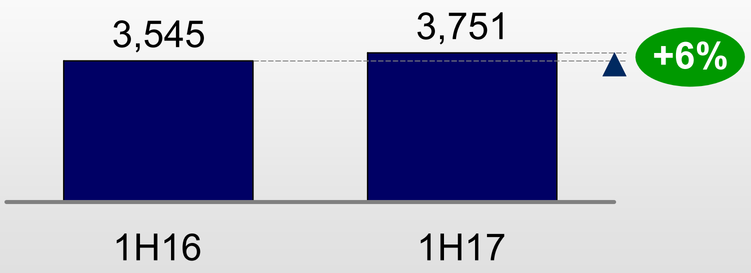
1H17: Strong Performance Delivered

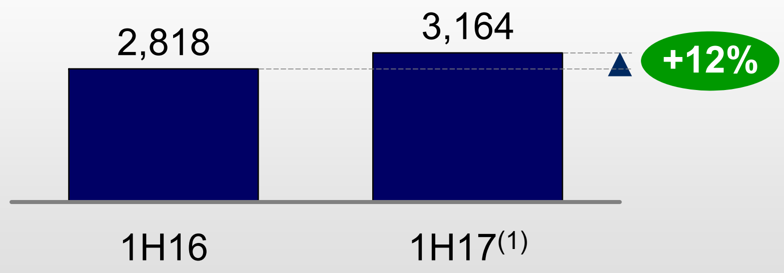
Net fees and commissions

€ m



Gross income

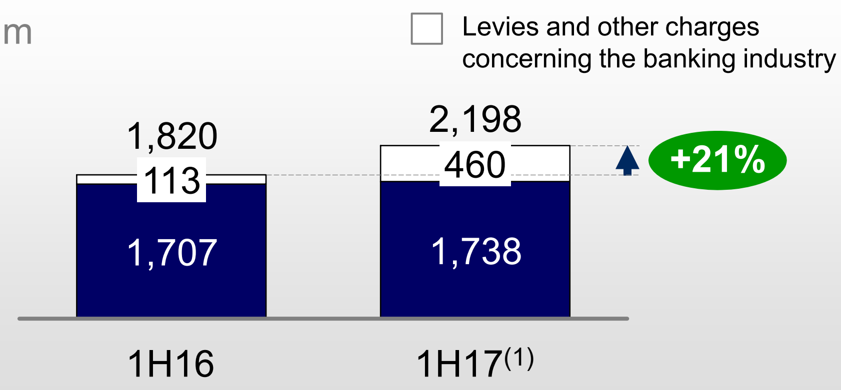
€ m



Cost/Income at 49.2%, top-tier in Europe

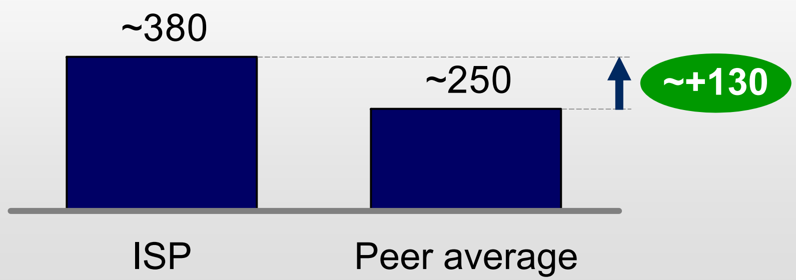
Net income

€ m



Excess capital

Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer[2][3], 30.6.17, Bps



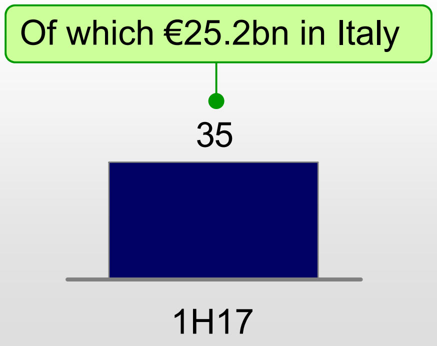
Excess capital due to internal capital management

(1) Excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
(2) Sample: BBVA, BNP Paribas, Deutsche Bank, Nordea and Santander as of 30.6.17; BPCE, Commerzbank, Crédit Agricole Group, ING, Société Générale and UniCredit as of 31.3.17. Data may not be fully comparable due to different estimates hypothesis. Source: Investors' Presentations, Press Releases, Conference Calls and Financial Statements
(3) Calculated as the difference between the Fully Loaded CET1 ratio vs requirements SREP + Combined Buffer; only top European banks that have communicated their SREP requirement

All Stakeholders Benefit from Our Performance

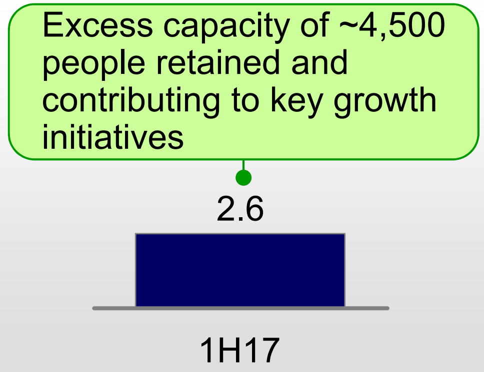
Households and Businesses

Medium/Long-term new lending, € bn



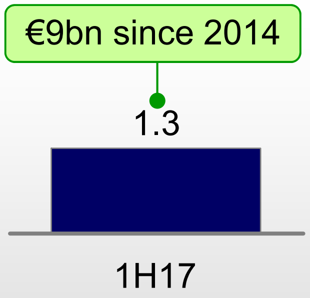
Employees

Personnel expenses, € bn



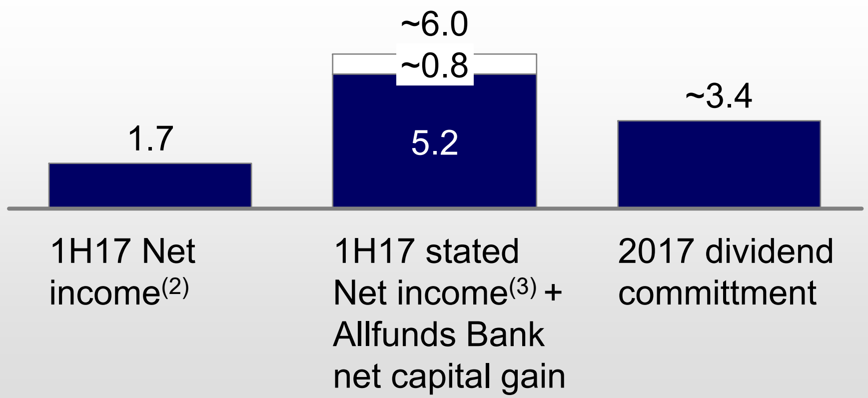
Public Sector

Taxes(1), € bn



Shareholders

€ bn



(1) Direct and indirect
(2) Excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
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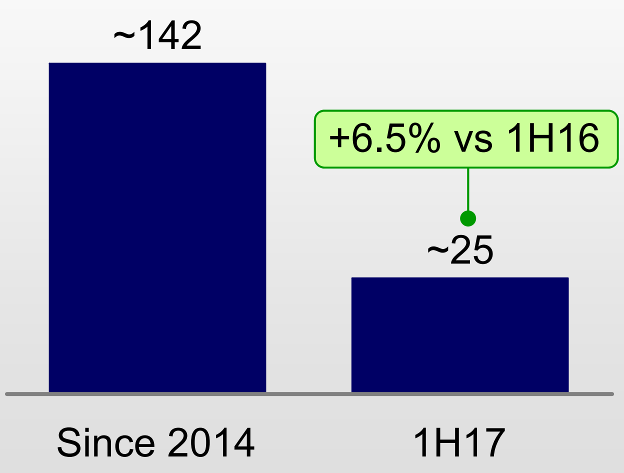
ISP: An Accelerator for the Growth of the Real Economy in Italy

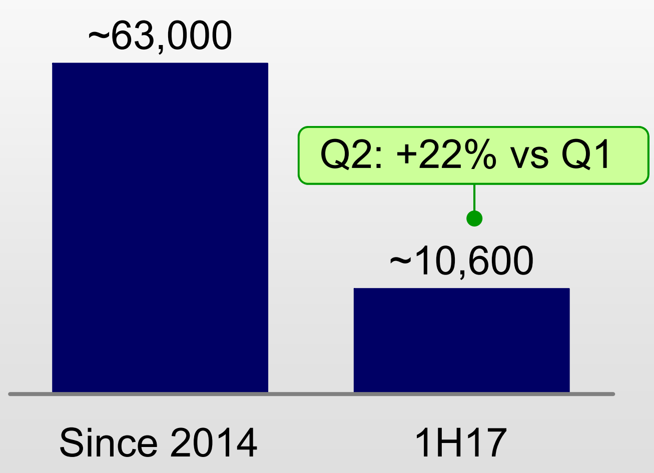
ISP: supporting the Italian real economy to grow…

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



…and to recover

Italian companies helped to get back to performing status(1)



(1) Deriving from Non-performing loans outflow

1H17: Highlights

- **Solid economic performance driven by high quality earnings:**
  - €1,738m Net income[(1)] (~€2.2bn excluding Levies and other charges concerning the banking industry)
  - Growth in Net interest income for the second quarter in a row in 2Q17 (+0.6% vs 1Q17)
  - Double-digit increase in Gross income[(1)] (+12% vs 1H16)
  - Best first half ever for Commissions, coupled with strong acceleration in AuM Net Inflows
  - Continued strong cost management with C/I ratio at 49.2%
  - Downward trend in loan loss provisions with cost of risk down to 78bps (vs 102 in FY16)
- **Best-in-class capital position with a solid balance sheet:**
  - Decreasing Gross NPL stock (~-€10bn vs 30.9.15), the lowest since 2012, coupled with increasing coverage ratio (49.1% vs 47.0% as at 30.9.15) and the lowest NPL inflow since ISP was created
  - Common Equity ratio at 13.0%[(2)] well above regulatory requirements even under EBA stress test adverse scenario
  - Low leverage ratio at 6.4%
  - Strong liquidity position and funding capability with LCR and NSFR well above 100%

(1) Excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
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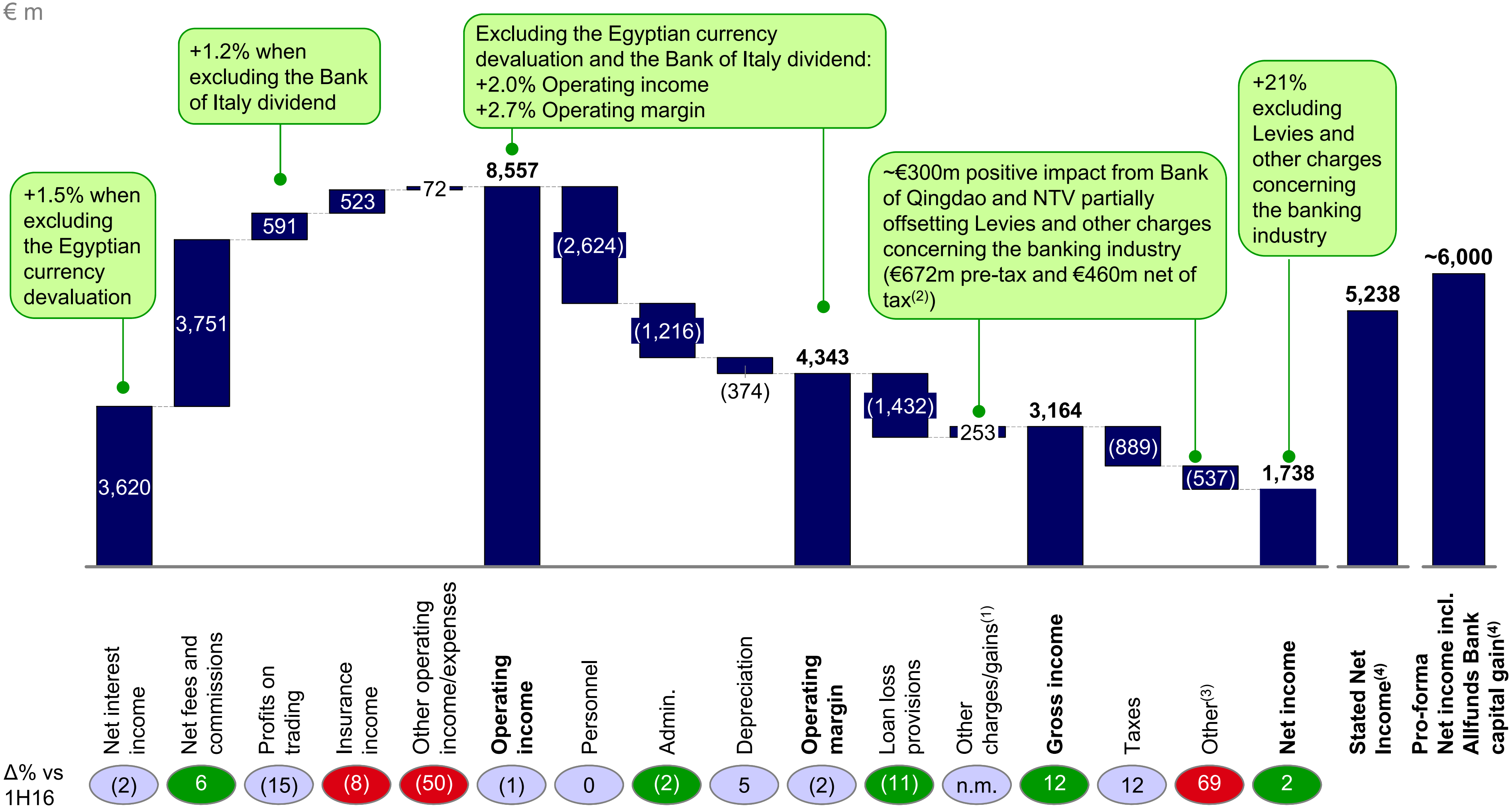
Best-in-class capital position and leverage with a solid balance sheet

Acquisition of certain assets and liabilities of the two former Venetian banks

Successful delivery of our Business Plan almost completed

1H17: ~€6bn Pro-forma Net Income Including Allfunds Bank Capital Gain

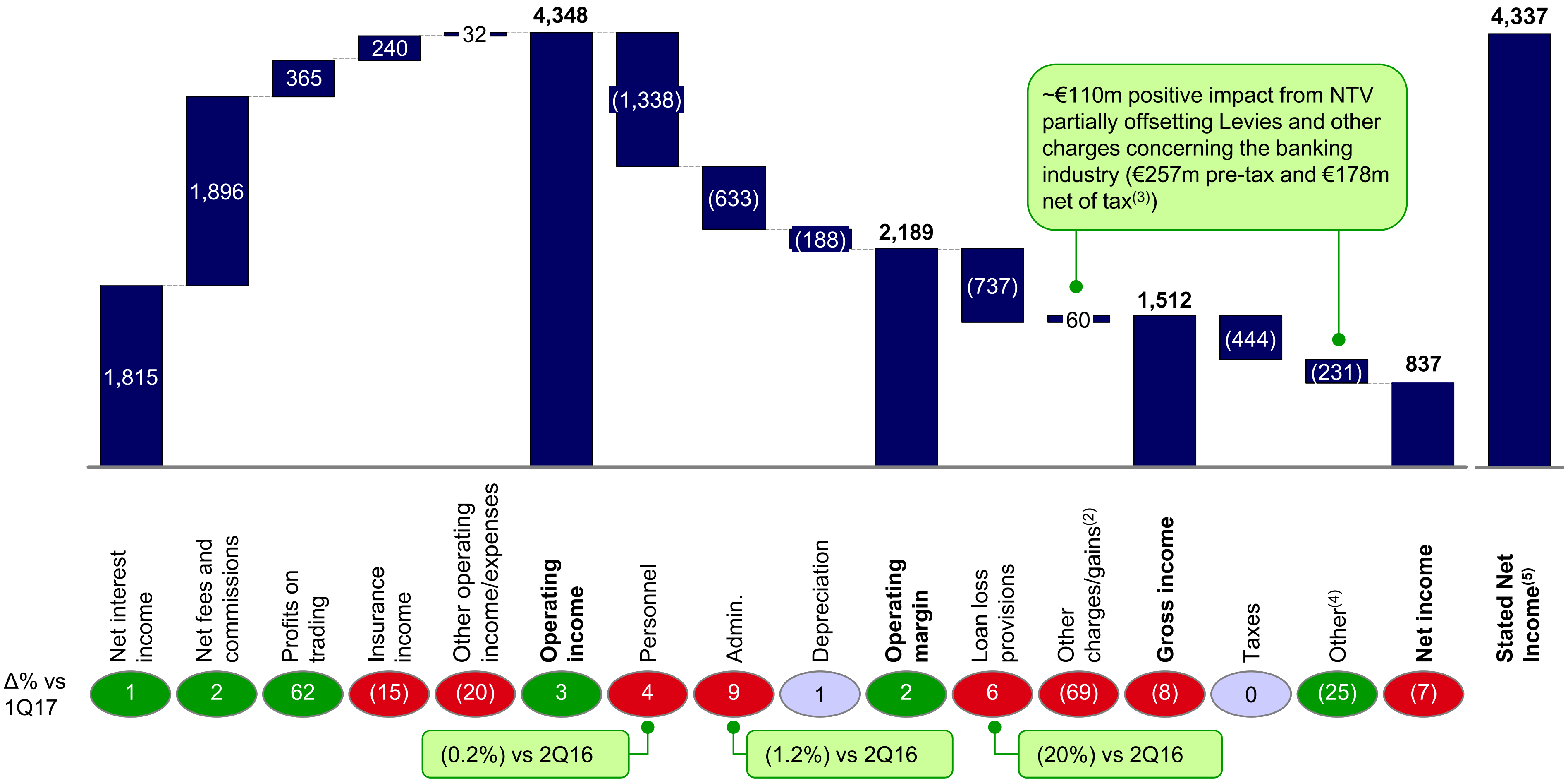
1H17 P&L (excluding public cash contribution)
€ m



(1) Net provisions and net impairment losses on other assets, Other income (expenses), Income (Loss) from discontinued operations
(2) Including charges for the Resolution Fund: €163m pre-tax (€114m net of tax) - our estimated commitment for the year fully funded - and charges for the additional Atlante Fund stake write-down: €449m pre-tax (€301m net of tax), of which €188m pre-tax (€126m net of tax) in Q2
(3) Charges (net of tax) for integration and exit incentives, Effect of purchase price allocation (net of tax), Levies and other charges concerning the banking industry (net of tax), Impairment (net of tax) of goodwill and other intangible assets, Minority interests
(4) Including public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
Note: figures may not add up exactly due to rounding differences

2Q17: €837m Net Income(1), €1bn Excluding Levies and Other Charges Concerning the Banking Industry

2Q17 P&L (excluding public cash contribution)
€ m



(1) Excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
(2) Net provisions and net impairment losses on other assets, Other income (expenses), Income (Loss) from discontinued operations
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(4) Charges (net of tax) for integration and exit incentives, Effect of purchase price allocation (net of tax), Levies and other charges concerning the banking industry (net of tax), Impairment (net of tax) of goodwill and other intangible assets, Minority interests
(5) Including public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
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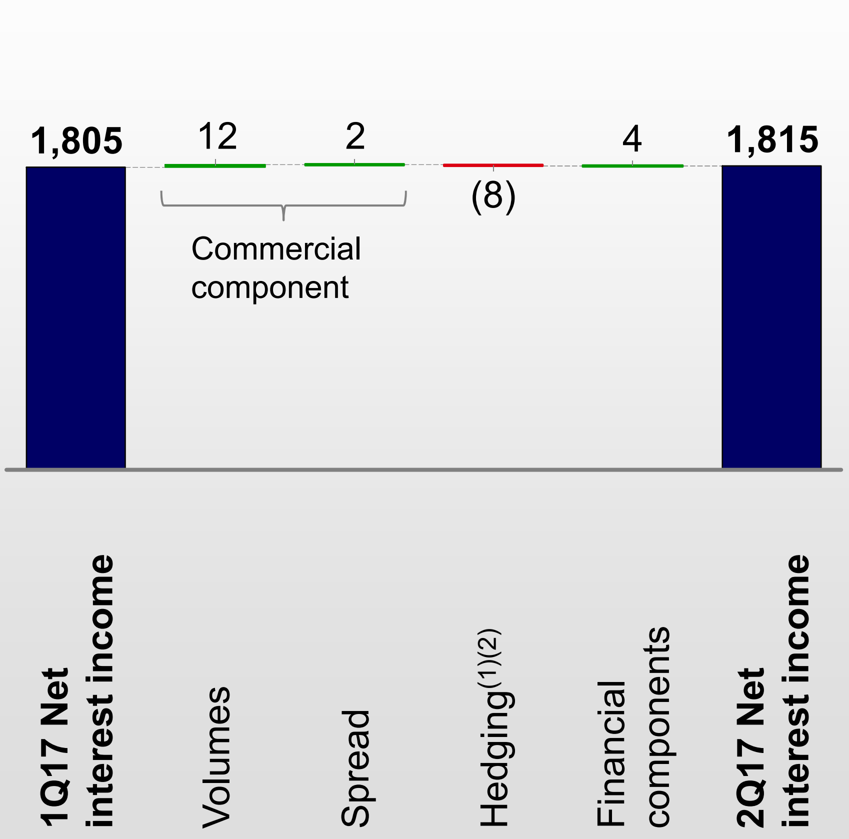
Strong Improvement in Net Interest Income from Commercial Component Despite Low Interest Rate Environment

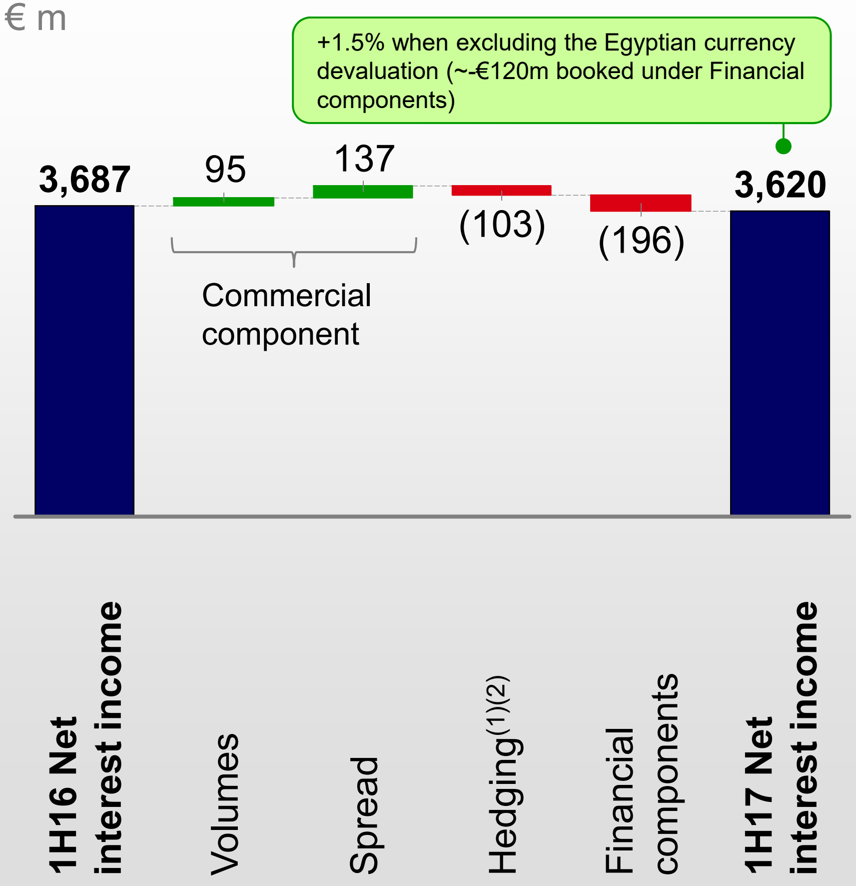
Quarterly comparison

Net Interest Income, Δ 2Q17 vs 1Q17
€ m



Yearly comparison

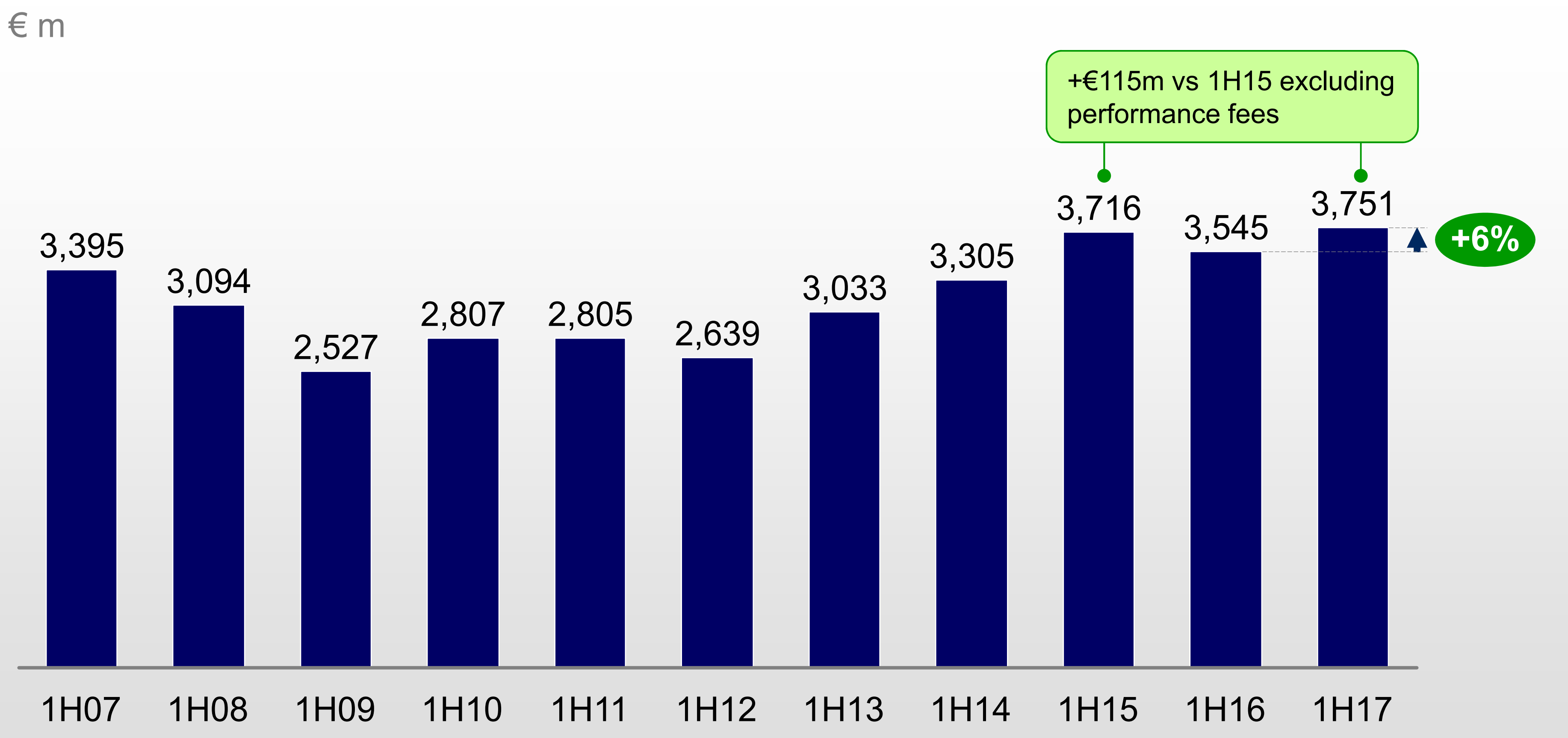
Net Interest Income, Δ 1H17 vs 1H16
€ m



(1) ~€230m benefit from core deposits hedging in 1H17, of which ~€110m in 2Q17
(2) Hedging on core deposits
Note: figures may not add up exactly due to rounding differences

Best First Half Ever for Commissions

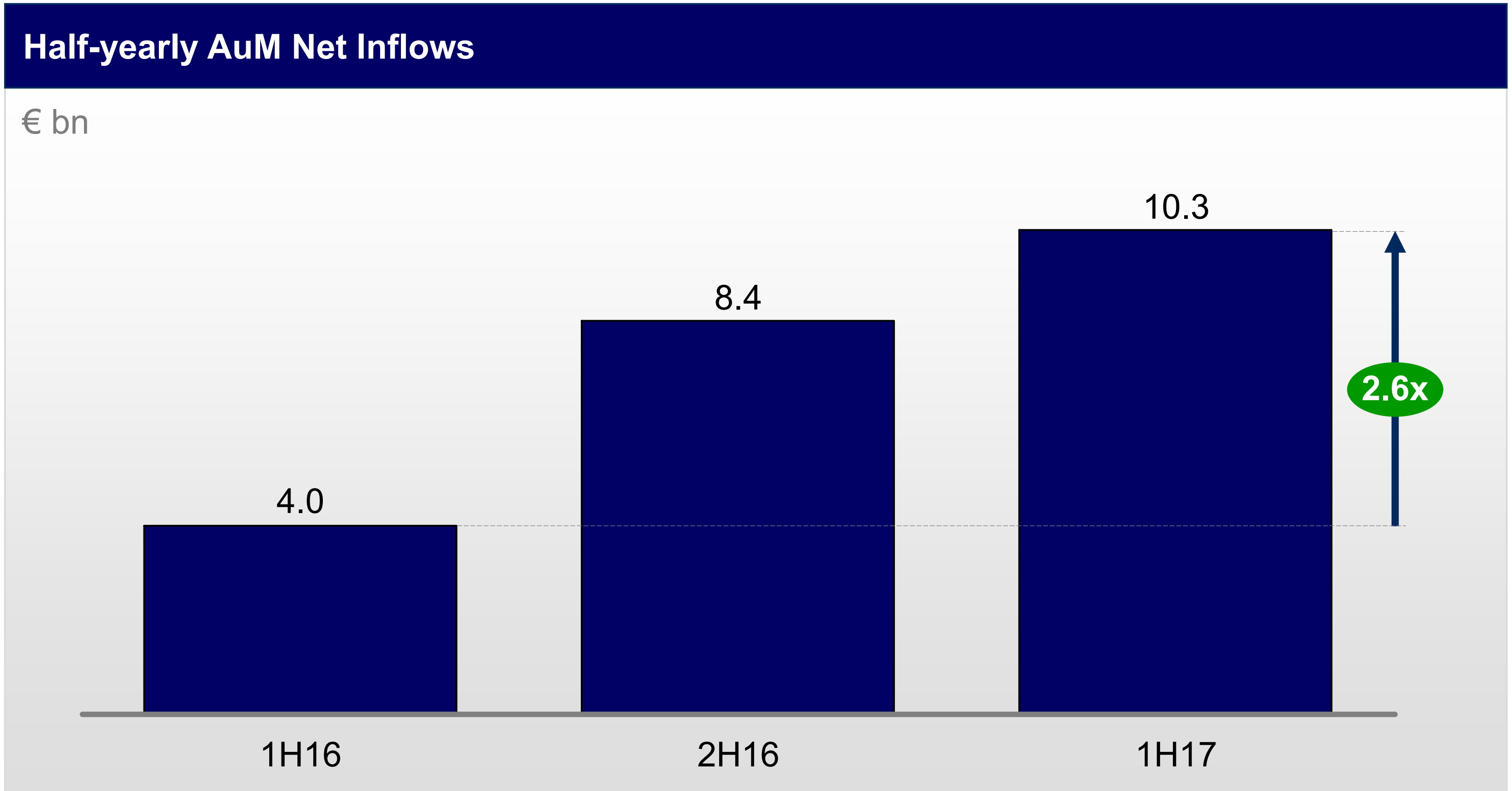
Net fees and commissions



2Q17 +2.2% vs 1Q17, the highest growth in Europe[(1)]

(1) Top European banks that have already communicated the H1 results

Strong Acceleration in AuM Net Inflows

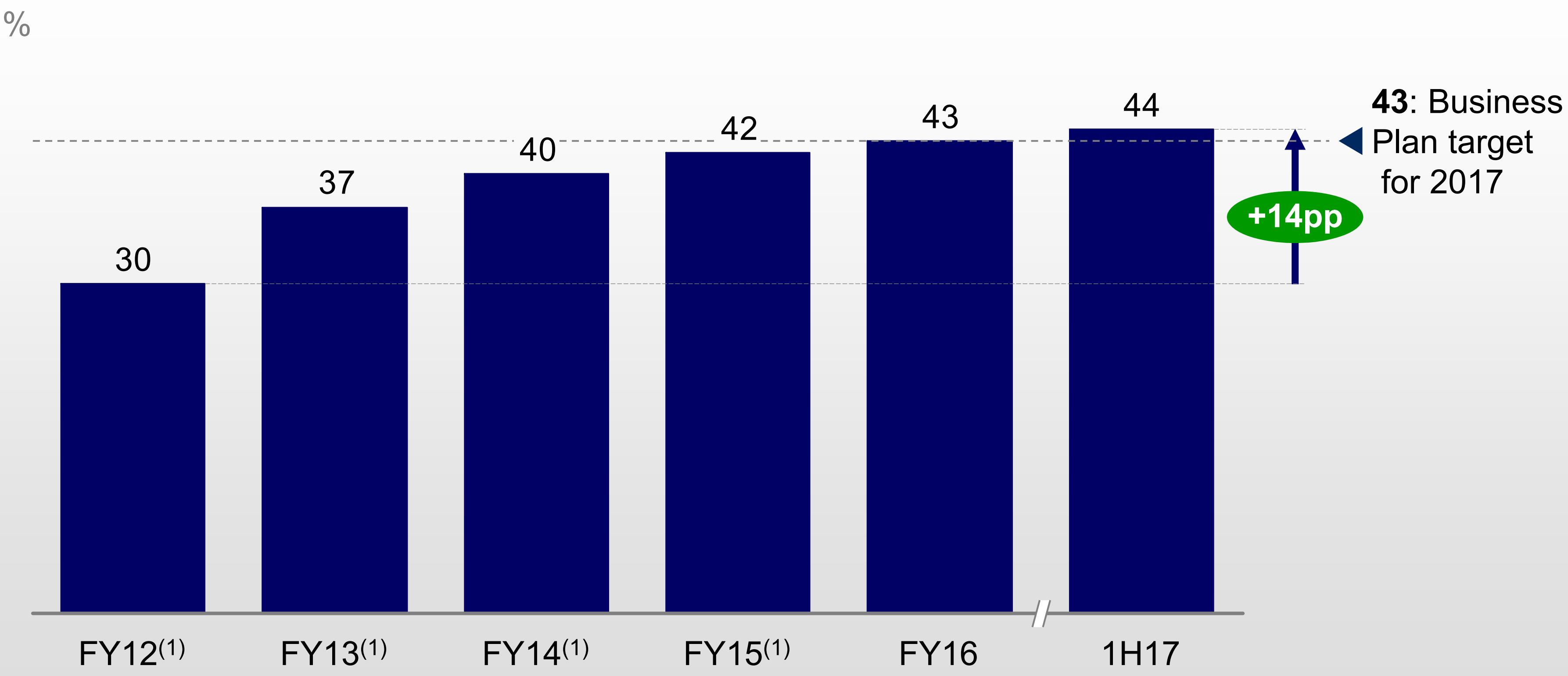


- €83bn of Net inflows into AuM since 31.12.13: Business Plan target for 2017 already exceeded
- Eurizon Capital among the top 3 in Europe for Net inflows in 2017[(1)]

(1) Source: Morningstar; January-May 2017

Well-balanced and Highly Resilient Business Model

Contribution of Net fees and commissions to Operating income

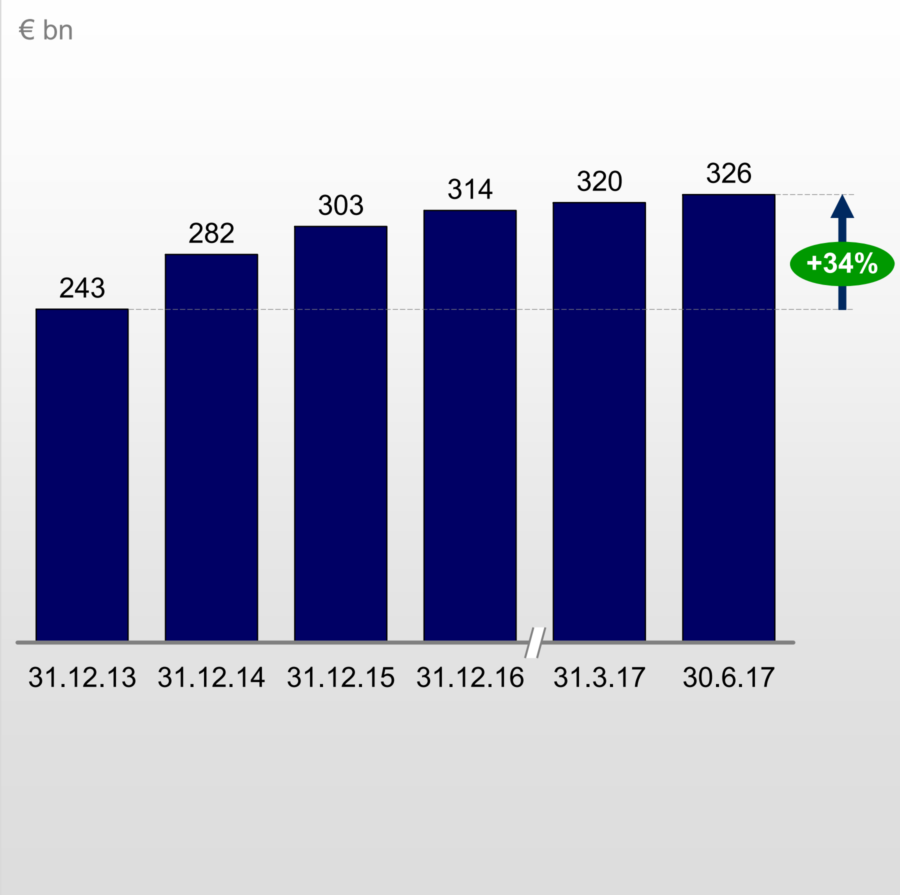


1H17 already above the Business Plan target for 2017

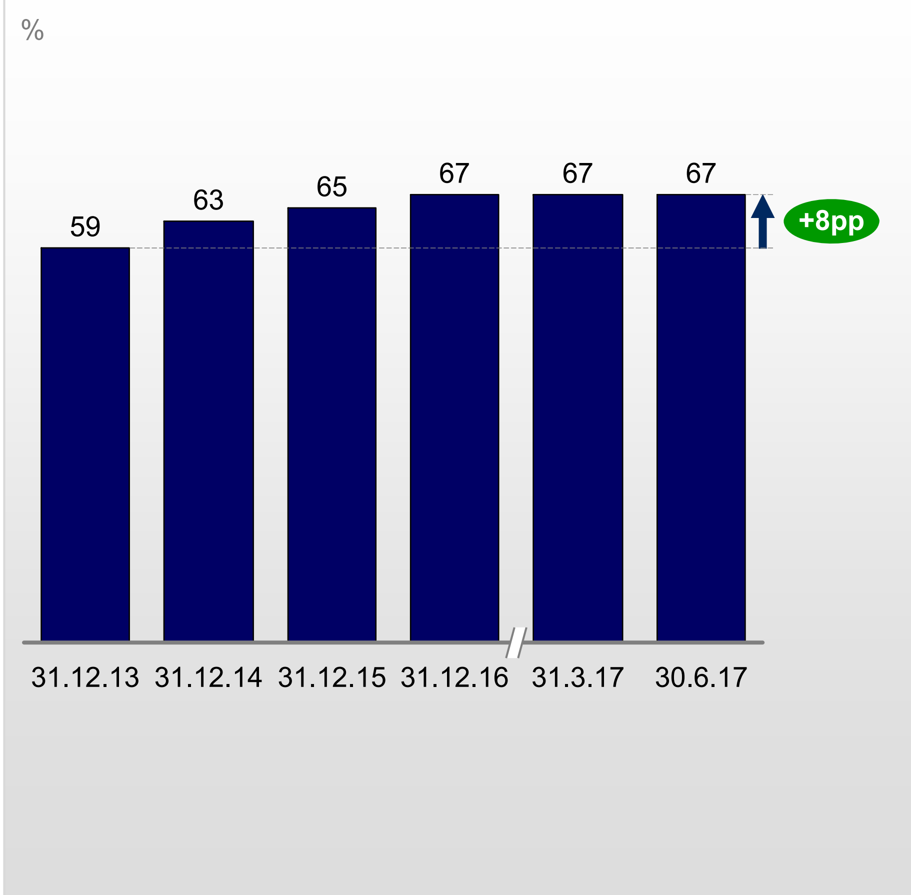
(1) Not restated

Assets Under Management: Increase of €6bn in Q2 with Further Upside Going Forward

Assets under Management[1]



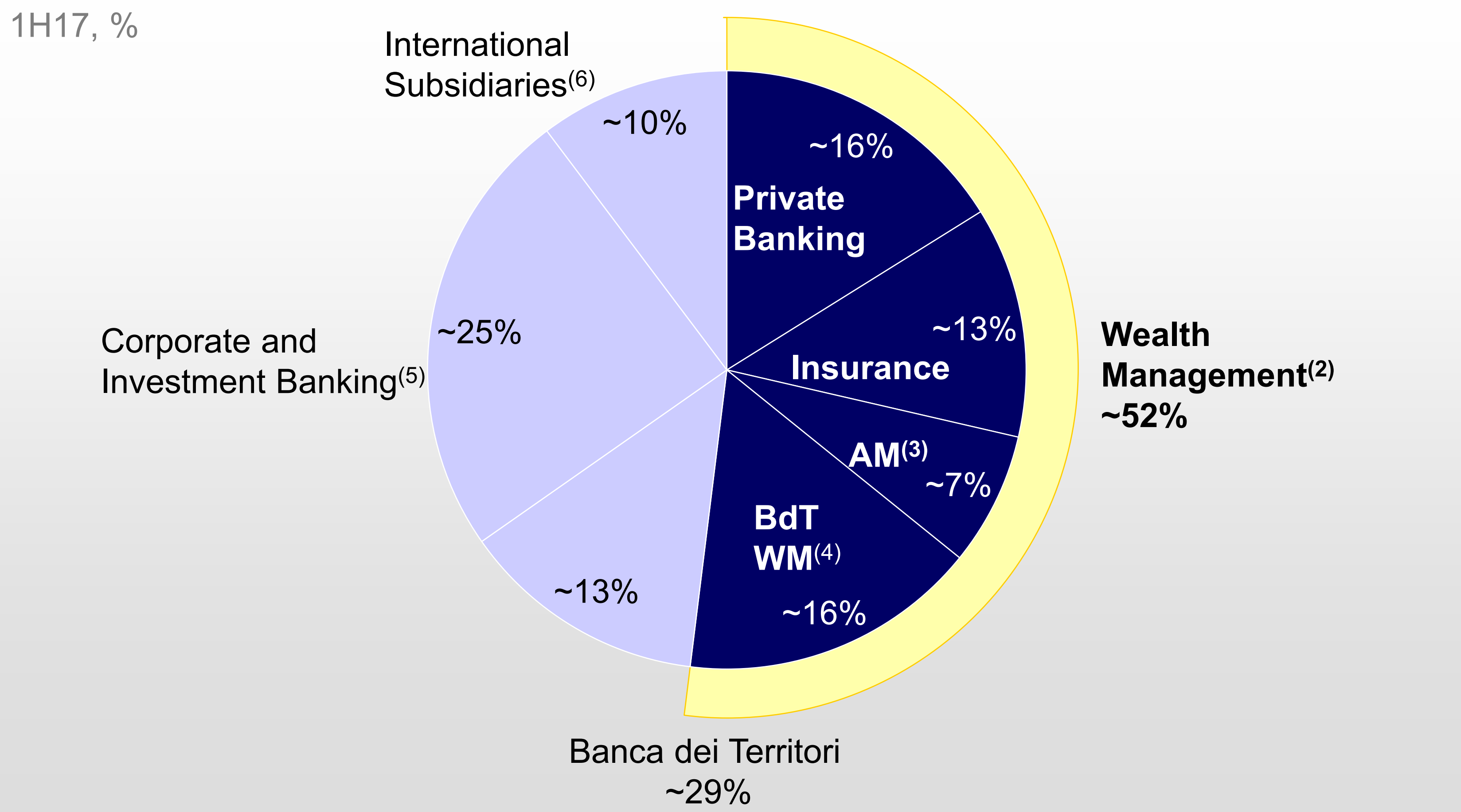
AuM / Indirect Deposits[1][2]



(1) 2013, 2014 and 2015 data not restated
(2) Sum of Assets under Management (AuM) and Assets under Administration (AuA)
Note: data excluding components related to the acquisition of operations of the two former Venetian banks: ~€10bn of AuM in third-parties products

ISP: A Successful Wealth Management Company

Gross income breakdown(1)

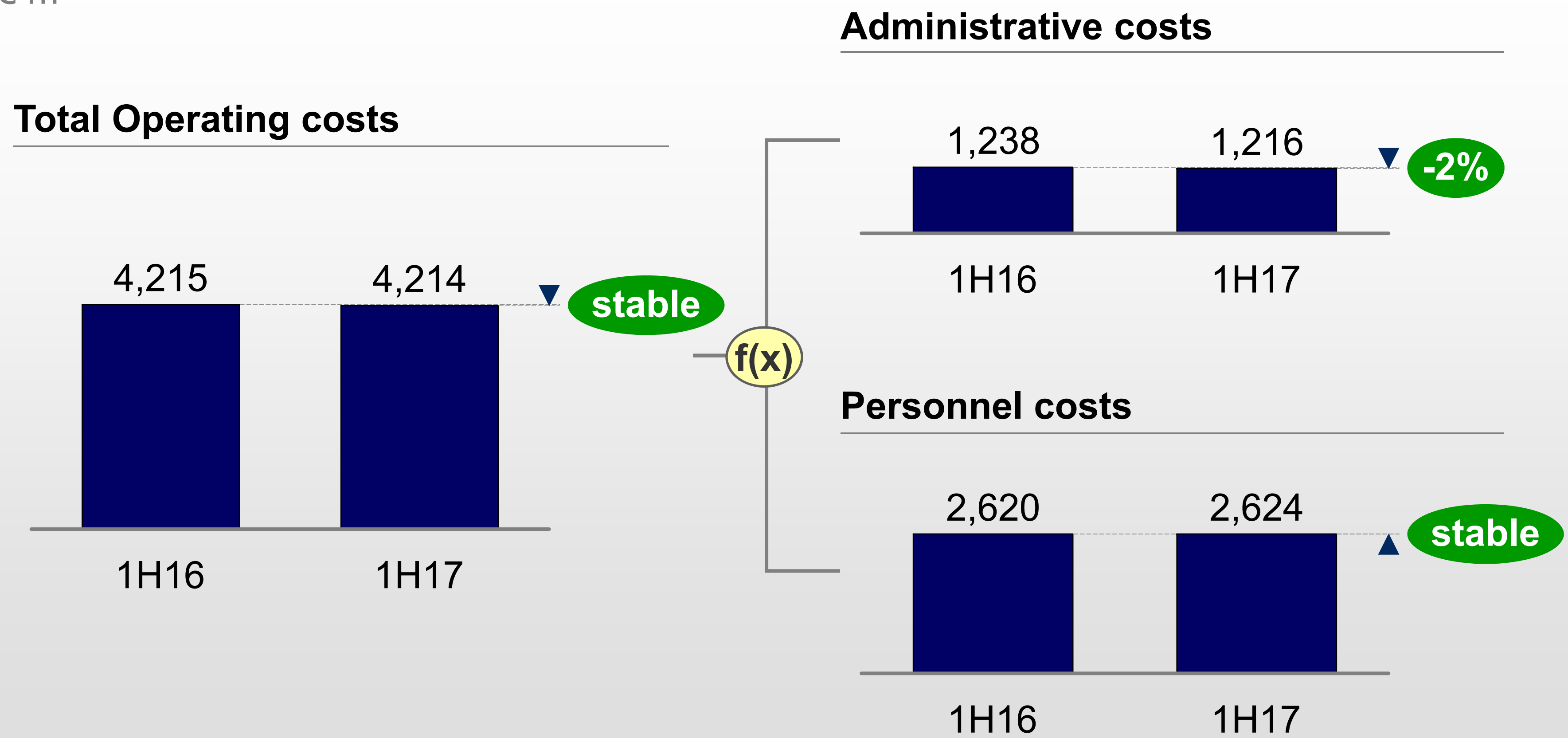


(1) Excluding Corporate Centre and positive impact from Bank of Qingdao and NTV
(2) Private Banking includes Fideuram, Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Bank (Suisse) and Sirefid; Insurance includes Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo Vita; Asset Management includes Eurizon; BdT WM includes ~€994m revenues from WM products included in Banca dei Territori (applying a C/I of 35.6%)
(3) Asset Management
(4) Banca dei Territori Wealth Management
(5) Excluding positive impact from NTV
(6) Excluding positive impact from Bank of Qingdao
Note: figures may not add up exactly due to rounding differences

Effective Cost Management

Operating costs

€ m



- Lowest ever H1 administrative costs
- Best-in-class Cost/Income at 49.2%
- ISP maintains high strategic flexibility in managing costs and remains a Cost/Income leader

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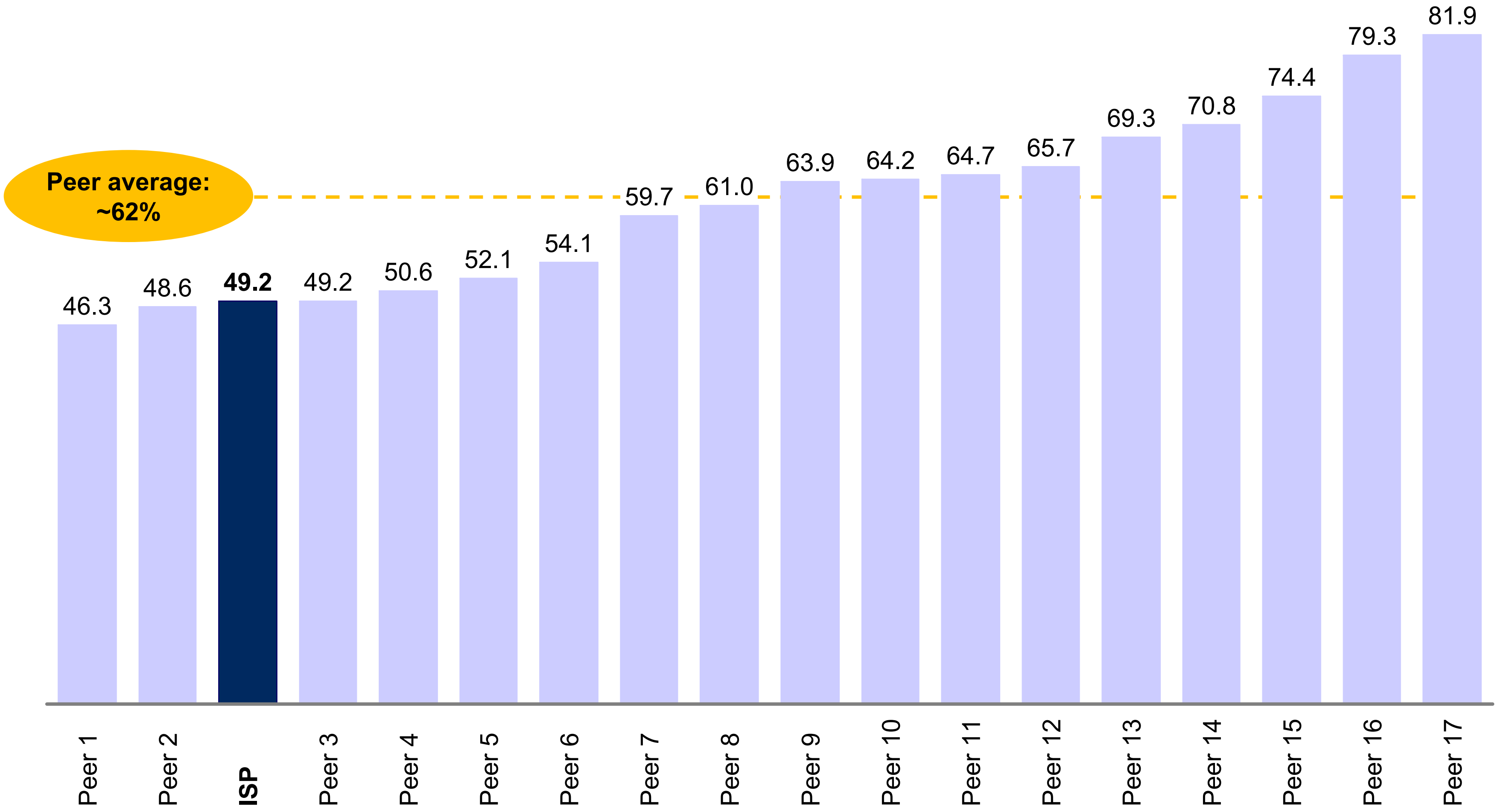
Best-in-class Cost/Income Ratio in Europe

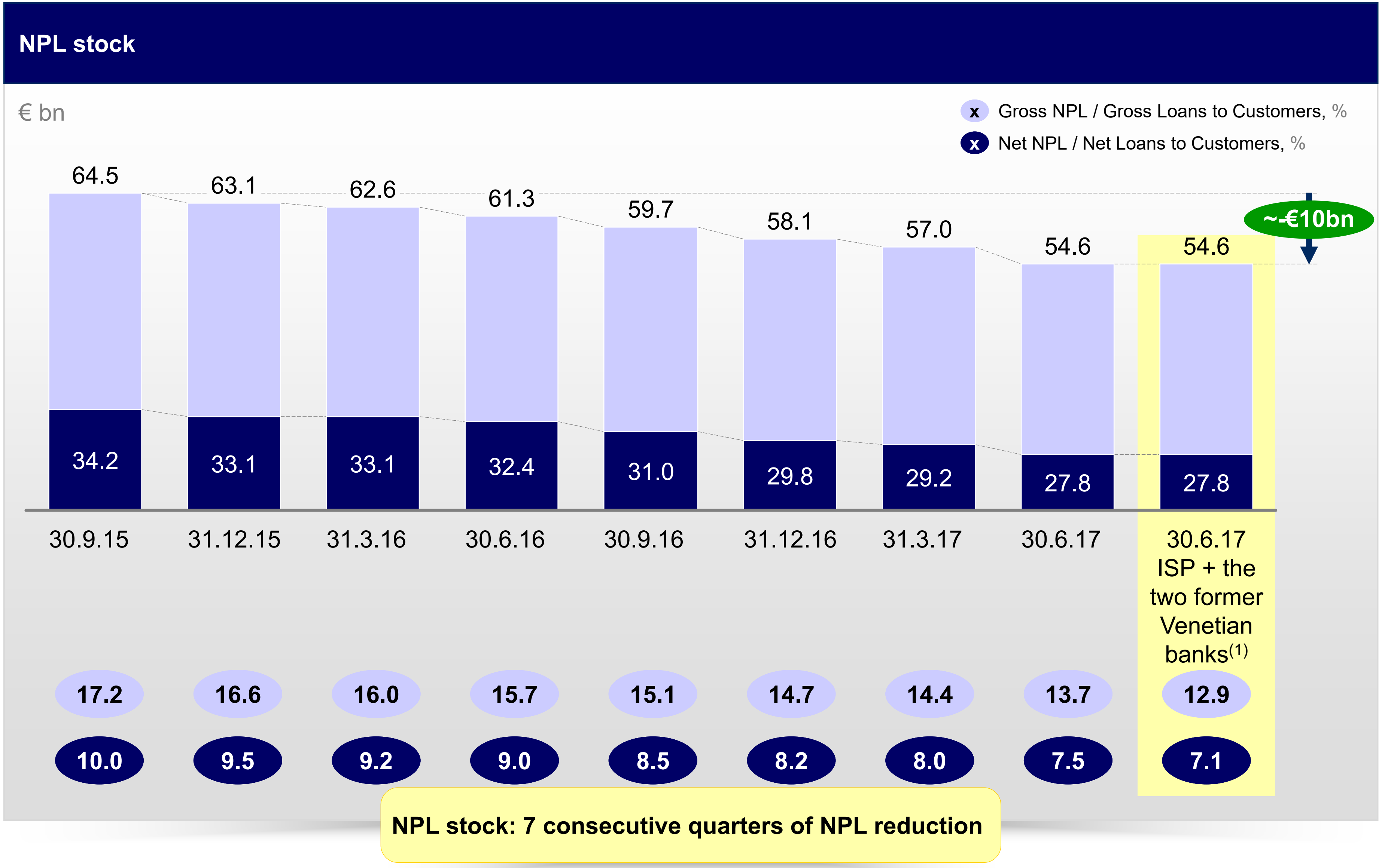
Cost/Income[(1)]

%



(1) Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, Lloyds Banking Group, Nordea, Santander and UBS as of 30.6.17; BPCE, Commerzbank, Crédit Agricole S.A., ING, Société Générale, Standard Chartered and UniCredit as of 31.3.17

The Lowest Gross NPL Stock since 2012: ~€10bn NPL Reduction in the Past 21 Months at No Cost to Shareholders

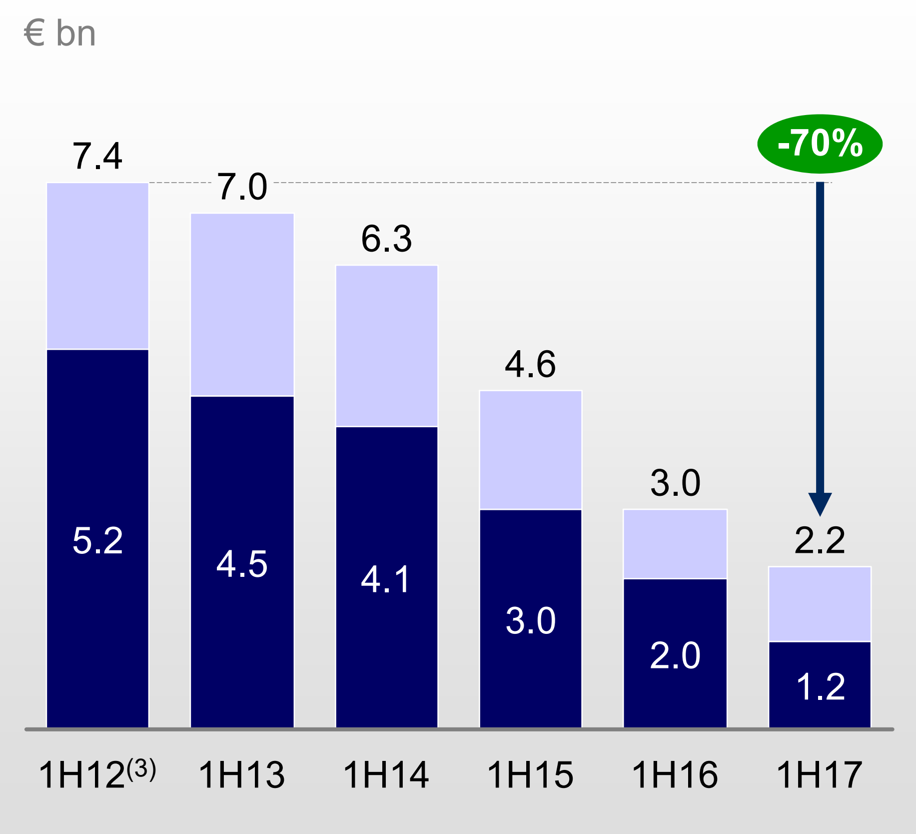


(1) Including components related to the acquisition of operations of the two former Venetian banks

Strong Decline in NPL Inflows

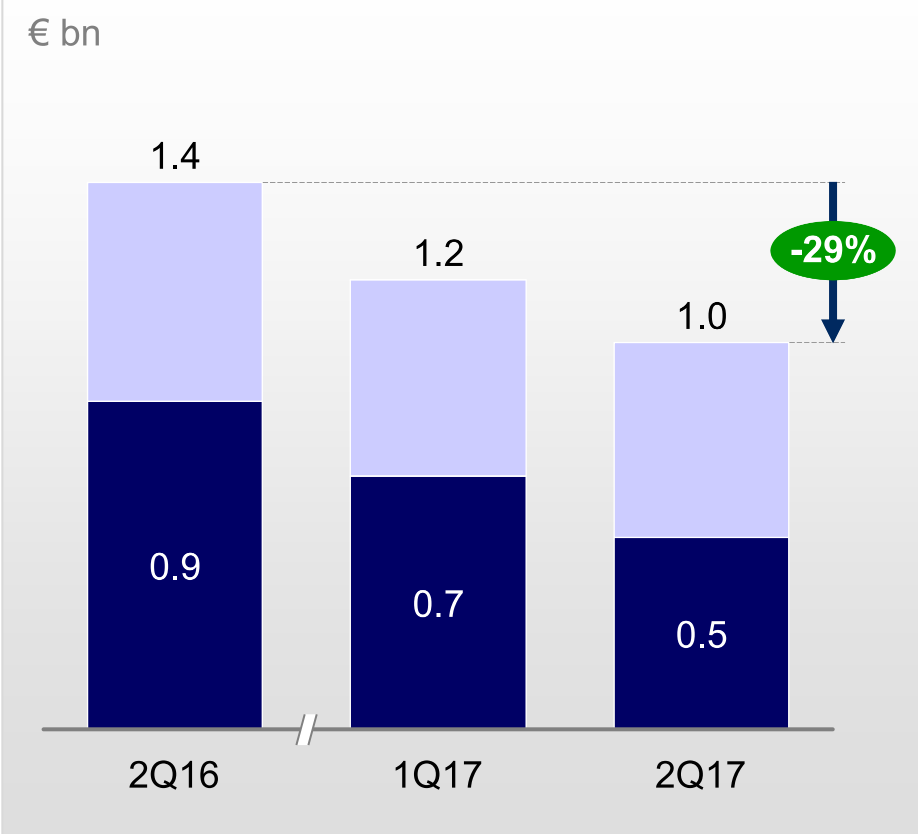
Net inflow[2]

Half-yearly NPL inflow[1] from performing loans



Lowest H1 NPL inflow since 2007

Quarterly NPL inflow[1] from performing loans



Lowest quarterly gross NPL inflow since 2007

(1) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans
(2) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans minus outflow from NPL into performing loans
(3) 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)

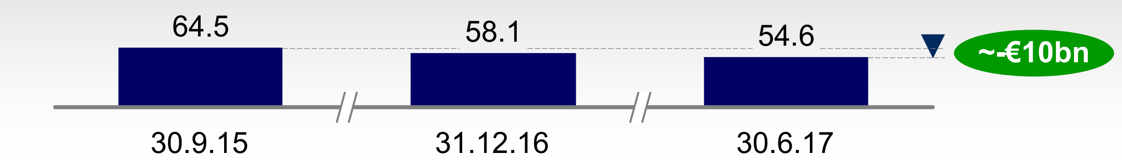
Several Successful Actions on NPL Portfolio Fully Implemented

Dynamic NPL management

- **Proactive credit management fully rolled out (~300 dedicated people)**
- **Integrated management of NPLs in place (~500 dedicated people)**
- **Capital Light Bank fully operational (~780 dedicated people)**
- **New workout processes, products and policies**

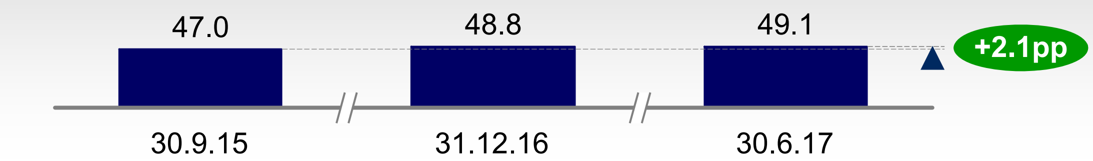
ISP delivered substantial deleveraging…

Gross NPL stock, € bn



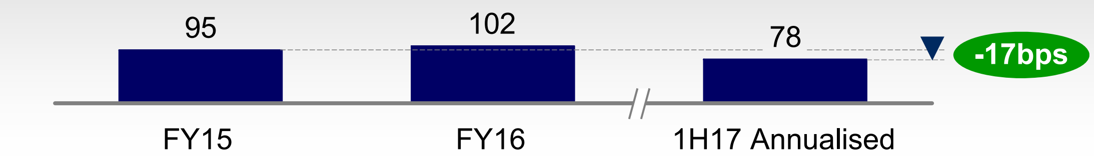
…increasing a prudent coverage ratio…

NPL cash coverage ratio, %



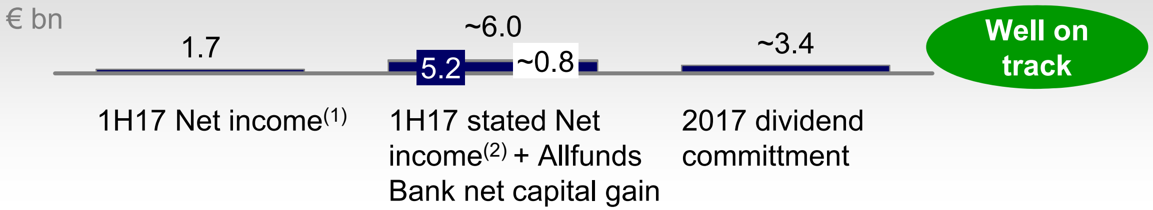
…with declining cost of risk…

Cost of risk, Bps



…without impacting the ability to remunerate shareholders

€ bn



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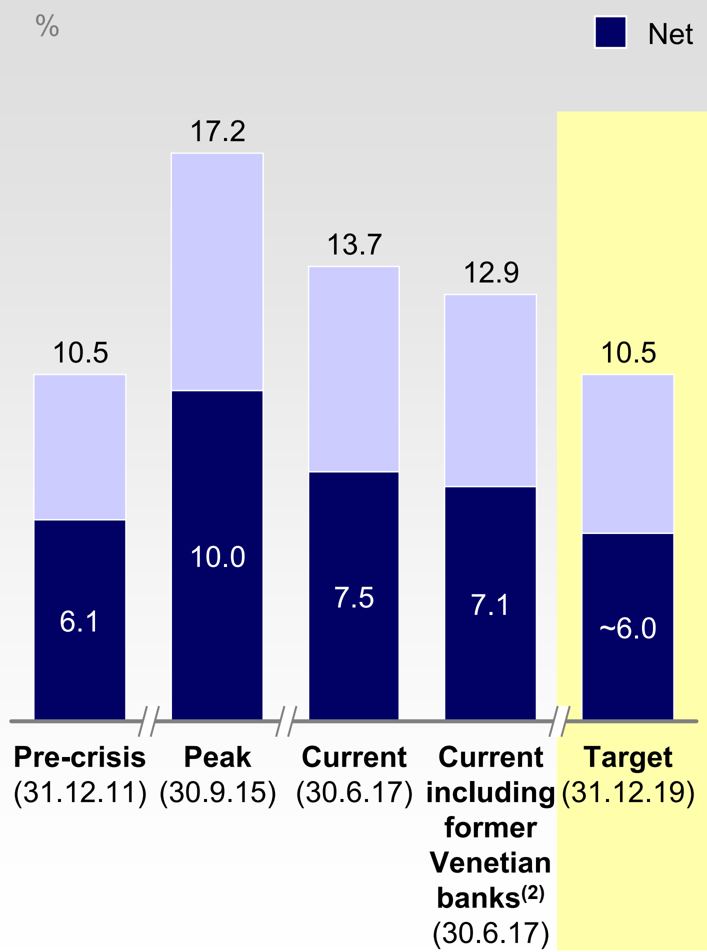
Targeting a Pre-crisis NPL Ratio: Additional Initiatives Already Underway

Main NPL initiatives

Banca dei Territori	▪ Launch of **dedicated campaigns** on both **Retail customers and SMEs** ▪ **~130 dedicated people** already trained and in role ▪ Revision of **rescheduling solutions** underway
Corporate and Investment Banking	▪ "**Credit Turnaround Solutions**" designed and launched, with further recruitment underway ▪ **Proactive Credit management** strengthened
Capital Light Bank	▪ First **cluster-based recovery initiatives** launched, showing a strong acceleration of deleveraging ▪ Strengthening of **Re.O.Co.**(1) ongoing, with a significant increase in auction participation ▪ **~100 people** to be **hired** in 2017, of which **~50 already operating**
International Subsidiaries	▪ **Sharing of best-practices** across all international subsidiaries ongoing ▪ **Early Warning System platform** already up and running in most international subsidiaries
Enablers	▪ **~€260m investments** in data and operating infrastructure, incentives and additional dedicated people

Selective NPL sales limited to positions with no adequate recovery potential for ISP and at a price in line with book value

Gross NPL / Gross Loans to Customers



Target Gross NPL reduction of ~€16bn in 2017-19, of which €3.5bn already achieved in 1H17

(1) Real Estate Owned Company
(2) Including components related to the acquisition of operations of the two former Venetian banks

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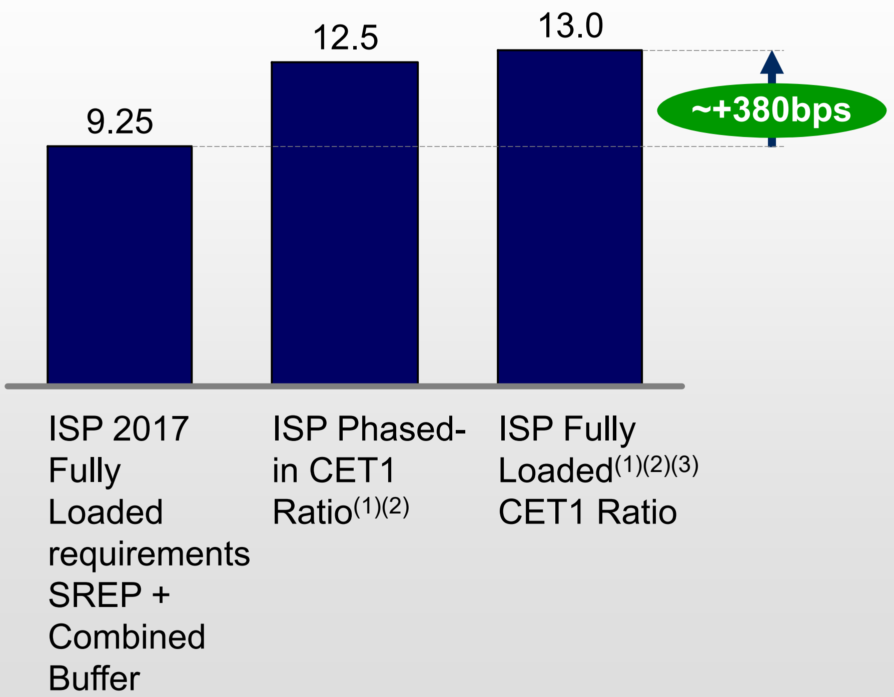
Solid Capital Base, Well Ahead of Regulatory Requirements

ISP CET1 Ratios vs requirements SREP + Combined Buffer

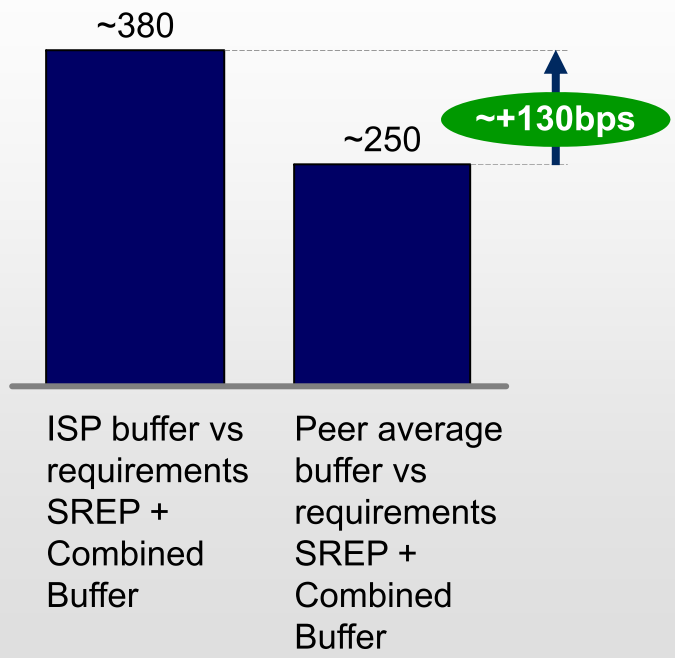
30.6.17, %



Best-in-class leverage ratio: 6.4%

Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer[4][5]

30.6.17, Bps



Excess capital due to internal capital management

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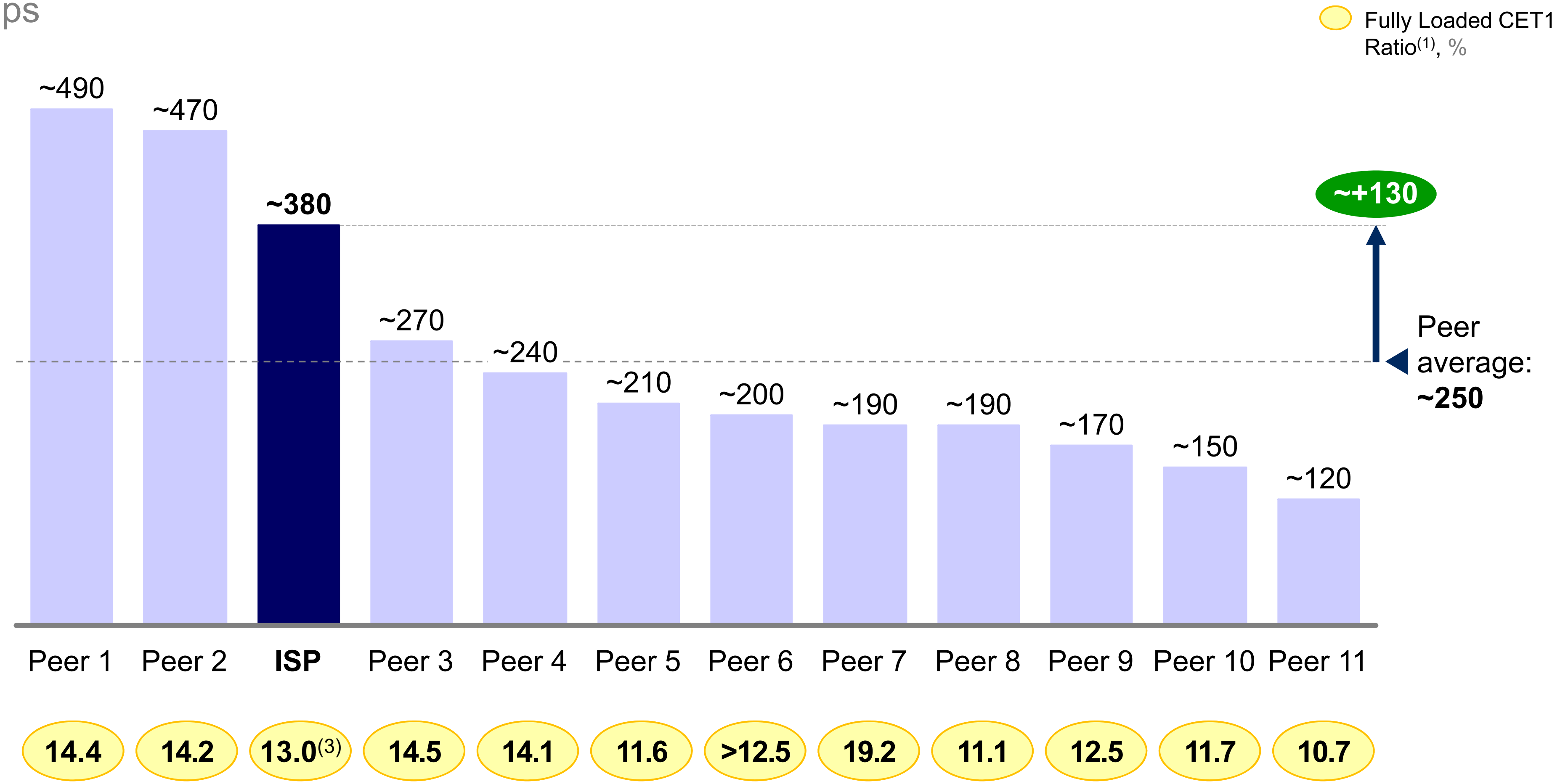
Best-in-Class Excess Capital

Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer(1)(2)

Bps



(1) Sample: BBVA, BNP Paribas, Deutsche Bank, Nordea and Santander as of 30.6.17; BPCE, Commerzbank, Crédit Agricole Group, ING, Société Générale and UniCredit as of 31.3.17. Data may not be fully comparable due to different estimates hypothesis. Source: Investors' Presentations, Press Releases, Conference Calls and Financial Statements

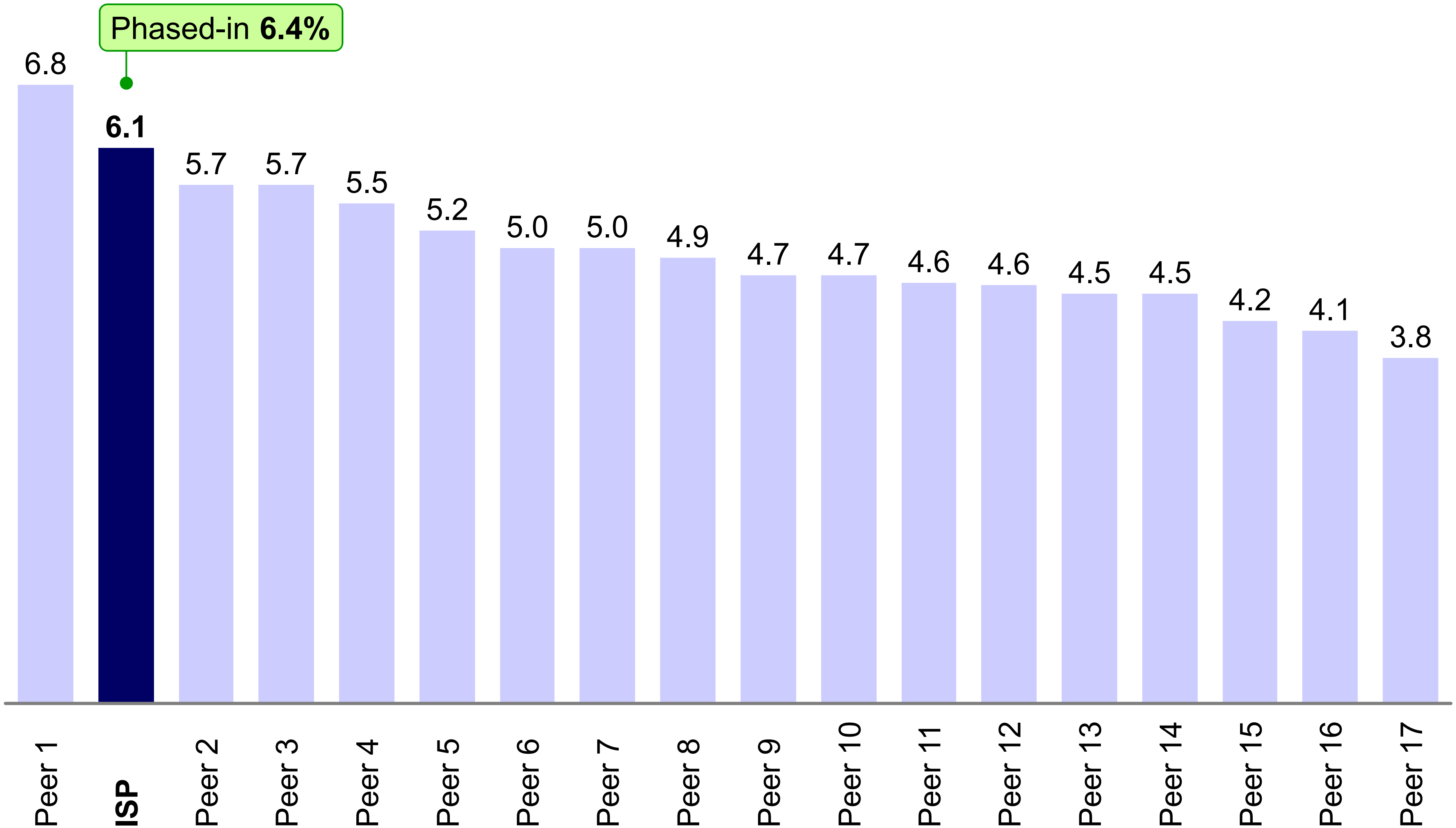
(2) Calculated as the difference between the Fully Loaded CET1 ratio vs requirements SREP + Combined Buffer; only top European banks that have communicated their SREP requirement

(3) Pro-forma fully loaded Basel 3 (30.6.17 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of operations of the two former Venetian banks, the full consolidation of the subsidiaries of the two former Venetian banks included in the operations acquired, the expected absorption of DTA on losses carried forward and the expected distribution of 1H17 Net income of insurance companies); including estimated benefits from the Danish Compromise (8bps) and non-taxable public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios

Outstanding Leverage Ratio

Fully loaded Basel 3 pro-forma Leverage ratio(1)

%



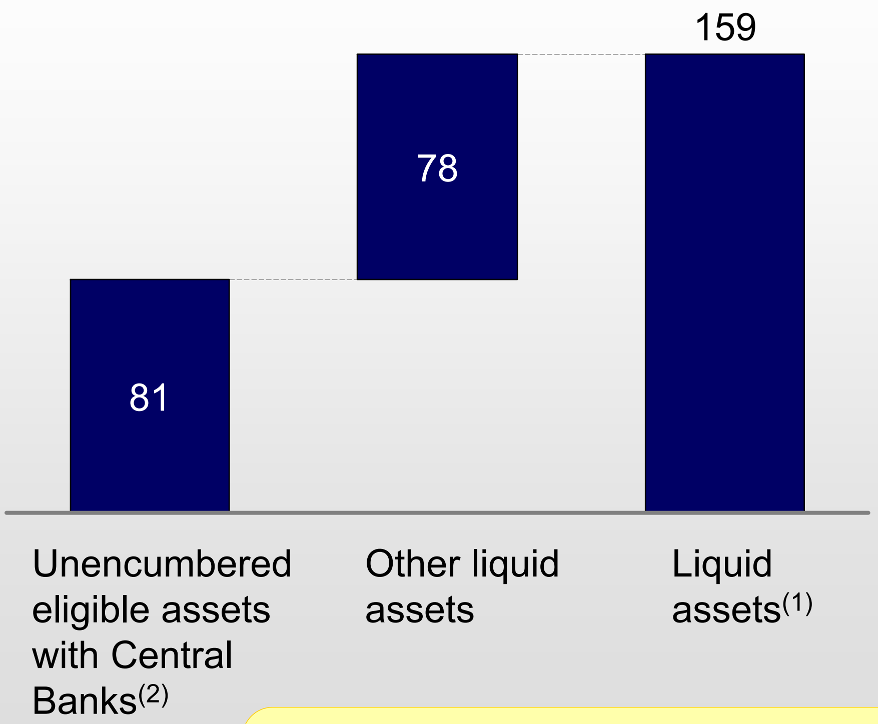
(1) Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, Lloyds Banking Group, Nordea, Santander and UBS as of 30.6.17; BPCE, Commerzbank, Crédit Agricole Group, ING, Société Générale and UniCredit as of 31.3.17; Standard Chartered as of 31.12.16. Data may not be fully comparable due to different estimates hypothesis. Credit Suisse and UBS leverage ratio calculated on the basis of fully applied Swiss SRB rules. Source: Investors' Presentations, Press Releases, Conference Calls and Financial Statements

Note: data including components related to the acquisition of operations of the two former Venetian banks

Strong Liquidity Position Confirmed

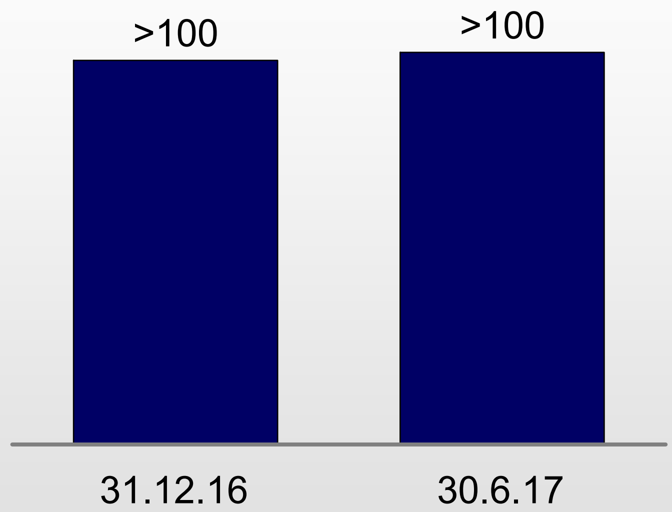
Liquid assets(1)

30.6.17, € bn



LCR and NSFR

%



- **LCR and NSFR already well above Basel 3 requirements for 2018**
- **~€57bn(3) taken under TLTRO II (the maximum borrowing allowance) against the pay-back of the €27.6bn borrowed under TLTRO I**
- **Loan to Deposit ratio(4) at 96%**

(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
(3) ~€64bn including components related to the acquisition of operations of the two former Venetian banks
(4) Loans to Customers/Direct Deposits from Banking Business
Note: data including components related to the acquisition of operations of the two former Venetian banks

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INTESA SANPAOLO

Scope of the Acquisition

Legal entities[1]

Veneto Banca Group	VENETO BANCA BANCAPULIA[3] VENETO BANKA CROAZIA GRUPPO VENETO BANCA VENETO BANKA ALBANIA GRUPPO VENETO BANCA (Moldova) EXIMBANK SEC SERVIZI[4]
Banca Popolare di Vicenza Group	Banca Popolare di Vicenza Servizi Bancari S.c.p.a. Banca Nuova

Assets, liabilities, personnel, customers and branches[2]

Loans to customers	▪ **~€30bn** performing loans[5]
Direct deposits from banking business	▪ **~€25.8bn** due to **customers** ▪ **~€11.8bn senior bonds**
Indirect customer deposits	▪ **~€23bn,** of which **~€10.4bn AuM**[6]
Personnel	▪ **~9,960** in **Italy** ▪ **~880 abroad**
Customers	▪ **~2m** (retail and corporate)
Branches	▪ **~900** in **Italy**, mostly in the North-East ▪ **~60 abroad**

(1) Scope of consolidation upon completion
(2) Data as at 31.3.17
(3) 70.41% held by Veneto Banca
(4) 25.66% held by Veneto Banca, 0.27% held by Banca Apulia, 47.95% held by Banca Popolare di Vicenza and 1.66% held by Banca Nuova
(5) Of which ~€4bn high risk performing loans, which can be given back in case of classification to Unlikely to Pay and Bad Loans
(6) Third parties' products

Key Terms and Conditions of the Acquisition

- Public cash contribution of **€3.5bn[(1)]** to offset the impact on ISP's capital ratios
- Public cash contribution of **€1.285bn[(2)]** to cover **integration and rationalisation charges** in relation to the acquisition[(3)]
- Public guarantees equal to **€1.5bn after tax**, in order to sterilise **risks, obligations and claims** against Intesa Sanpaolo[(4)]
- Right to **give the €4bn high-risk performing loans back** to the banks in compulsory administrative liquidation[(5)]
- Full eligibility of Intesa Sanpaolo to use the **deferred tax assets** of the banks acquired

Neutral on ISP's CET1 ratio and dividend commitment

(1) Recorded as income in the income statement, in accordance with the IAS 20 accounting principle, and not subject to taxation. Its size leads to a phased-in CET1 ratio of 12.5% to risk-weighted assets (RWA) acquired
(2) Recorded as income in the income statement, in accordance with the IAS 20 accounting principle, and not subject to taxation. This amount has been set aside in a specific fund, considering the tax effects related to its use
(3) These charges include those relating to the closure of ~600 branches and the use of the solidarity allowance mechanism in relation to the exit, on a voluntary basis, of ~4,000 people of the Group resulting from the acquisition. These charges also relate to other actions to be taken to safeguard jobs, such as redeploying and retraining people
(4) Relative to events occurring prior to the sale or relating to assets/liabilities or relationships not included among those transferred. In any case, the banks in compulsory administrative liquidation will be liable for damages that may derive from past disputes and from disputes relating to the rules regulating the purchase of own shares and/or investment services. This includes disputes brought by parties who participated/did not participate in, or were excluded from the so-called "Offers for Settlement" and from "Welfare Incentives"
(5) Should conditions occur, during the period up to the approval of the financial statement as at 31 December 2020, requiring that these loans be classified as bad loans or unlikely-to-pay loans

Acquisition Rationale

Rationale

Strengthening ISP's position

- **Become** the **main player** in one of the **richest areas** of the Country

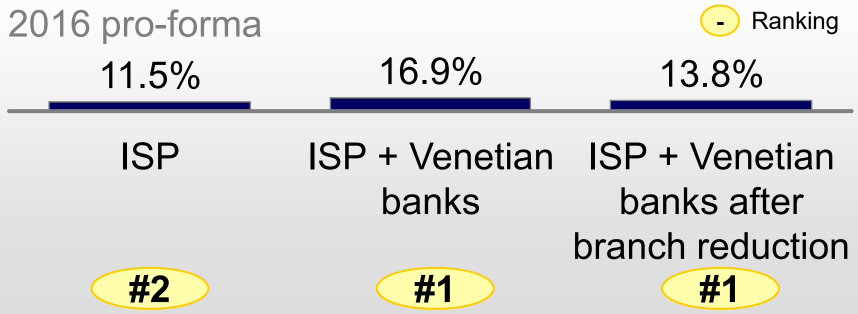
Enhancing value of the two former Venetian banks

- Apply **ISP Group best practices**

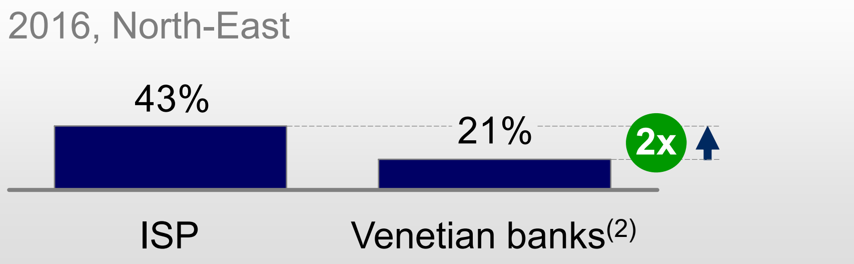
Stabilising the Italian banking system

- **Improve investor perception** of the Italian banking system
- Support the **real economy** and preserve **employment**

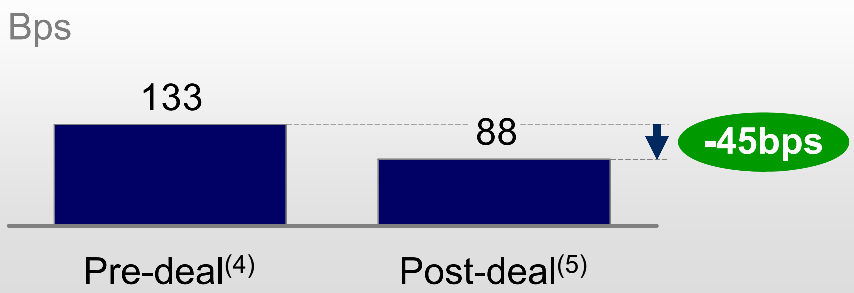
Branch market share in the North-East



AuM / Customer financial assets(1)



5-year CDS spread on Italian Banks(3)



(1) Net of duplications between Direct Deposits and Indirect Customer Deposits
(2) Third parties' products
(3) Sample includes: ISP, Mediobanca, UBI and UniCredit (median of CDS on senior debt)
(4) 19.6.17
(5) 28.7.17

Enhancing Value of the Two Former Venetian Banks

Key levers

Improvement of commercial performance	▪ Alignment **of revenues per client** with ISP levels
Reduction in cost of funding	▪ Alignment with ISP **costs** and **practices**
Rationalisation of branch network	▪ Closure of **~600 retail branches** within 1.5km of ISP branches
Decrease in personnel expenses	▪ Activation **of voluntary early retirement** for **~4,000 people**
Reduction in administrative expenses	▪ Alignment with ISP **per capita administrative cost structure** (currently best practice at the European level)

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ISP Delivery Machine Immediately at Work

	Description	Date	
Actions already taken	▪ Signature of the **contract** to acquire **certain assets and liabilities of the two former Venetian banks**	**26 June**	✔
	▪ Set-up of a **new regional governance centre**, within the Banca dei Territori Division, to oversee the businesses composed of the assets of the two former Venetian banks	**26 June**	✔
	▪ Appointment of the **Head** of the businesses of the two former Venetian banks	**26 June**	✔
	▪ Set-up of a **core team** dedicated to **integration**	**28 June**	✔
	▪ First meeting with the local **industrial and production associations**	**28 June**	✔
	▪ First **meeting** with the **area managers**	**30 June**	✔
	▪ Alignment of **ATM withdrawal fees**	**03 July**	✔
	▪ **Eurizon products available for distribution** across the two former Venetian banks network	**05 July**	✔
	▪ Initiation of the **addition of the Intesa Sanpaolo brand** to the two former Venetian banks' branches (over 700 branches with the Intesa Sanpaolo brand as of today)	**06 July**	✔
	▪ Signed the **first agreement** with trade unions for the **early retirement on a voluntary basis** of **~4,000 people** and launched the **collection of the first 1,000 applications** among the people of the two former Venetian banks to leave the Group in Q4	**13 July**	✔
	▪ First **meeting** with the **branch managers**	**27 July**	✔
Next steps	▪ **IT migration process:** to be completed by **1Q18** ▪ Closure of **~600 branches** and full **rebranding** of the branches of the two former Venetian banks: to be completed by **1H19**		

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Fully On Track to Deliver Our 2014-17 Dividend Commitment

Dividends

2014 dividend commitment

2015 dividend commitment

2016 dividend commitment

2017 dividend commitment: ~€3.4bn

Over-delivered: ~€6.6bn cumulative cash dividends

Fully on track thanks to H1 €1,738m(1) Net income and €5.2bn Stated Net income(2), reaching ~€6bn including Allfunds Bank net capital gain

€10bn cash dividend commitment from 2014-17 Business Plan confirmed

(1) Excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
(2) Including public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios

Our Business Plan Initiatives: New Growth Bank (1/2)

Key highlights on New Growth Bank initiatives

Banca 5®	▪ **Banca 5® "specialized" business model** introduced in **~70% of the branches,** with **3,600 dedicated Relationship Managers: revenues per client increased by 80%** from **€70 to €126** ✔ ▪ **"Real Estate"** project (Intesa Sanpaolo Casa) underway with **33 real estate agencies already opened** ✔ ▪ **Acquisition of Banca ITB** to create the **first "proximity bank" in Italy**, focused on **instant banking** through a **lean network of ~22,000 points of sale representing ~25 million potential customers**, of which ~12 million are already Banca ITB's customers ✔
Multichannel Bank	▪ **New multichannel processes successfully launched**: – ~**1.8m additional multichannel clients since the beginning of 2014,** raising the total to **~6.6m** ✔ – ~4.8m mobile Apps for smartphone/tablet downloaded by customers ✔ – The first multichannel bank in Italy with ~85% of products available via multichannel platforms ✔ – **Digitisation across all branches** with **~100% paperless transactions for all priority products** (**~8.1m** transactions completed in 1H17 and more than 16.3m since the start of the initiative) ✔ – **Online Branch** fully **active for "Service To Sale"**, with ~19,000 products sold in 1H17 ✔ – **New digital marketing capabilities** built to fully exploit search engines and social media presence ✔ – Launch of **new Intesa Sanpaolo digital experience**, with new internet banking site, new website and new Apps ✔ – Development of **new digital channels** in **Croatia**, **Hungary** and **Egypt** ✔
Private Banking Hub	▪ **Fideuram-ISPB successfully operational since July 2015** ✔ ▪ **PB branch** in **London fully up and running** and **strengthening of ISPB Suisse** ✔ ▪ **Launched first wave** of new products for the **entire Division** (e.g., Fideuram *Private Mix*, *Piano Investimento Italia - PIR*, *Obiettivo 2022, Obiettivo 2023 Piano Investimento Italia,* creation of a dedicated *SICAV*) ✔ ▪ **Targeted service model for HNWI clientele:** – Opened **7 dedicated HNWI boutiques** – Launch of **new advisory services** for clients with sophisticated financial needs ✔ ▪ **Continuous expansion of advisory tool "View" on the ISPB network with ~€5bn of assets** under advisory ✔ ▪ **New digital office for private bankers fully up and running** ✔ ▪ **Broadening advisory services** across different client segments ✔

Our Business Plan Initiatives: New Growth Bank (2/2)

Key highlights on New Growth Bank initiatives

Asset Management Hub	▪ **Digital platform enriched** (e.g., "model portfolio", "scenario analysis" added) ▪ **New product range** introduced into **Banca dei Territori** (e.g., Eurizon Evolution Target, Eurizon *Difesa 100*, Epsilon *Soluzione Obbligazionaria x 4*), the **Private Banking Division** (e.g., Eurizon High Income, Eurizon ESG Target 40, Eurizon Global Inflation Strategy), the **Insurance Hub,** CIB clients (e.g., EF Sustainable Global Equity) and new offers dedicated to **international clients** (e.g., "Best expertise"), **SMEs** (e.g., GP *Unica Imprese*), and **institutional and wholesale clients** (e.g., Eurizon Fund SLJ Emerging Local Market Debt, Eurizon Fund Equity Small Mid Cap Italy) ▪ **Product range enhanced** with **moderate risk profile** solutions aimed at **responding to current market volatility** (e.g., Epsilon *Difesa Attiva*) ▪ Launch of products allowing investors to **sustain the real economy** while capturing the evolution of the **European structured credit market** (Eurizon Easy Fund – Securitised Bond Fund) ▪ Launch of **PIR compliant investment solutions** aimed at sustaining Italian enterprises' long-term growth (e.g., Eurizon *Progetto Italia*), ~€1bn net inflows since launch ▪ Asset Management Division **growing in Europe** (e.g., partnership in London, new branch in Paris) **and Asia** (e.g., set up of Wealth Management Yicai in China) ▪ **Integration of Group's Asset Management activities in Eastern Europe** within Eurizon Capital ▪ Strengthening of wealth management offering "Eurizon *GP Unica*" and "Eurizon *GP Unica Facile*" with the option for clients to subscribe to **a service for individual protection**
Insurance Hub	▪ Steering of product mix towards **capital-efficient products making good progress** (e.g., Unit Linked products account for 73% of new production vs 66% at 2016 year-end) ▪ Launch of **new Unit Linked with capital protection** ("Exclusive Insurance", "*LaTuaScelta*") ▪ **Expansion of life-business products** with the launch of "*Base Sicura Tutelati*", designed for underage clients and those with disabilities, and "*Vicino a Te*" for minors who lost parents in the earthquake ▪ Consolidation of **products available to the Private Banking Hub** (Fideuram Private Mix and Synthesis) and **launch of new composite product with capital protection and a new Unit Linked ("*Selezione* Private") providing access to 50 "best in class" external funds** ▪ **Restyling of product "*Giusto* Mix"** with introduction of a volatility reduction tool ▪ Continuation of **offer diversification in P&C business** with products in the **healthcare sector** (new product dedicated to surgery, prevention and illnesses with "Dread Disease") and in the **corporate sector** (new product dedicated to agriculture) ▪ **Consolidation** of **activities** for the **development of a Pension Fund offer dedicated to company employees** ▪ **Full integration of Pension Fund Business** ▪ **Healthcare products remote offering** completed ▪ **Launch of pilot initiatives to support P&C business growth** through **specialized relationship managers** and over the **phone** (online branches) ▪ **Launch of a pilot initiative** with Insurance broker AON for **SMEs** ▪ Continuation of **auto insurance offer** through a system which targets new customers based on the **registration of license plates**, **automatically generating commercial proposals** and through the **deployment of remote offerings for vehicle insurance products**
Bank 360° for corporate clients	▪ **New Transaction Banking Group unit set up** and **new commercial initiatives** ongoing ▪ **New commercial model** and **product offering** for **SMEs** ▪ **Specialised finance hub** – new Mediocredito Italiano – fully up and running ▪ Strengthening of the **international presence of C&IB Division** (e.g., office in Washington up and running, strengthening of ISP Bank Luxembourg)

Our Business Plan Initiatives: Core Growth Bank

Key highlights on Core Growth Bank initiatives

Capturing Untapped Revenue Potential	▪ Project **"cash desk service evolution"** in progress: already **~1,900 branches with cash desks closing at 1pm** and **~230 branches** fully dedicated to **advisory services** ✔ ▪ **New e-commerce portal** to continue seizing **business potential** after **EXPO 2015** ✔ ▪ Enhanced offer aimed at **growth in lending to private sector** (e.g., new innovative **"*Mutuo Up*"**) ✔ ▪ **New Service Model introduced at Banca dei Territori:** introduction of three specialised commercial value chains, creation of ~1,200 new managerial roles, innovation of the SME Service Model ✔ ▪ **New advanced analytics / machine learning models** to identify high potential clients ✔ ▪ Launch of "***Programma Filiere***" with important initiatives in relevant economic sectors (Agriculture) ✔ ▪ **Integration** of **consumer finance** in **branch network** ✔ ▪ **C&IB Asset Light model fully operational**, with benefits in terms of cross-selling; distribution capabilities eventually being enhanced ✔ ▪ **Front-line excellence programme** in C&IB ongoing ✔ ▪ New **C&IB organisation** in place to reinforce the "industry driven" client service model and international growth ✔ ▪ **Launch of new C&IB international strategy**, with focus on **further growth in core selected products, clients and geographies** ✔ ▪ New **branch openings** in Doha and Abu Dhabi ✔ ▪ **New segmentation** and **service model for International Subsidiaries Affluent** clients launched ✔ ▪ **CRM system extension to Slovakia** in progress **and new advisory model** for investment products **under implementation** in Slovakia, Croatia, Hungary and Slovenia ✔ ▪ **JV** in **merchant banking** with specialised investor (Neuberger) completed, with deconsolidation of activities ✔ ▪ **Integration of the Bank in Bosnia** into the Croatian bank underway. Authorisation process concluded for the integration of the Bank in Slovenia into the Croatian Bank ✔
Continuous Cost Management	▪ **Geographical footprint simplification** ongoing: **67 branches closed in 1H17 and 794 since 2014** ✔ ▪ **Legal entity simplification ongoing: from 7 to 1 product factories** in specialised finance and advisory, leasing and factoring and **9 local banks merged into ISP** ✔
Dynamic Credit and Risk Management	▪ **Proactive credit management value chain** empowered across **all Divisions** ✔ ▪ **Integrated management** of **NPLs**(1) in place ✔ ▪ **New organisation** of **CLO area**, structured by Business Unit ✔ ▪ **Split of Risk and Compliance**, with two Chiefs (CRO and CCO) **reporting directly** to the **CEO** ✔

(1) Excluding Bad 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: – **~780 dedicated people** – **~€24bn of deleveraging of non-core assets** already achieved – **New performance management system** fully operational for each asset class ▪ **Re.O.Co.[1] fully up and running** with an estimated **positive impact** for the Group of **~€58m** since 2014 ▪ **Partnership with KKR-Pillarstone fully operational**
People and investments as key enablers	▪ **~4,500 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 (~500 employees involved) ▪ **Chief Innovation Officer** established in role and **"Innovation Centre" created** to train staff and develop new products, processes and "ideal branches", located in the **new ISP Tower** in Turin ▪ **Large-scale digitisation programme** launched to improve efficiency and service level on top priority operating processes; **Digital Factory fully operational**, digitisation of 15 key processes launched, 13 already up and running ▪ **Advanced Analytics programme** launched on commercial/operating initiatives in several business / governance units ▪ Investment to renew the **layout of 1,000 branches already activated** (~90 branches converted up to now) ▪ **More than 200 agreements** with **labour unions** signed ▪ **~7,700 employees** have already adopted **"smart working"** and our **"smart learning"** plan has also been launched, allowing ~29,000 employees to access training courses from home ▪ "**Integrated Welfare Programme**" fully underway, and further improved ▪ "**Lavoro misto**" pilot project launched, with two parallel contracts in place for the same person (one part-time contract as a bank employee and one as financial advisor): first activations at the end of July

(1) Real Estate Owned Company

Fully On Track to Deliver Our Business Plan Commitments Thanks to the Contributions of All Our People

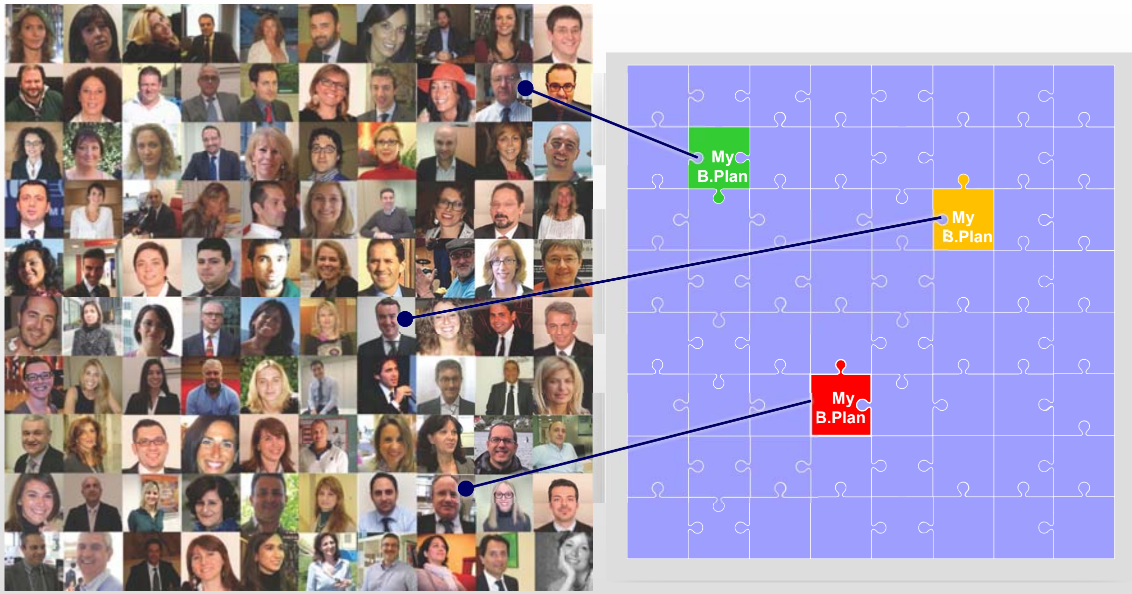
Strong delivery on Group Business Plan targets…

Fully On Track to Deliver Our 2014-17 Dividend Commitment

Dividends

2014 dividend commitment	Over-delivered: ~€6.6bn cumulative cash dividends	€10bn cash dividend commitment from 2014-17 Business Plan confirmed
2015 dividend commitment		
2016 dividend commitment		
2017 dividend commitment: ~€3.4bn	Fully on track thanks to H1 €1,738m[(1)] Net income and €5.2bn Stated Net income[(2)], reaching ~€6bn including Allfunds Bank net capital gain	

…thanks to the contributions of all our people…



…and a Business Plan for each individual to deliver

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Italian Macroeconomic Outlook: Recovery Continues

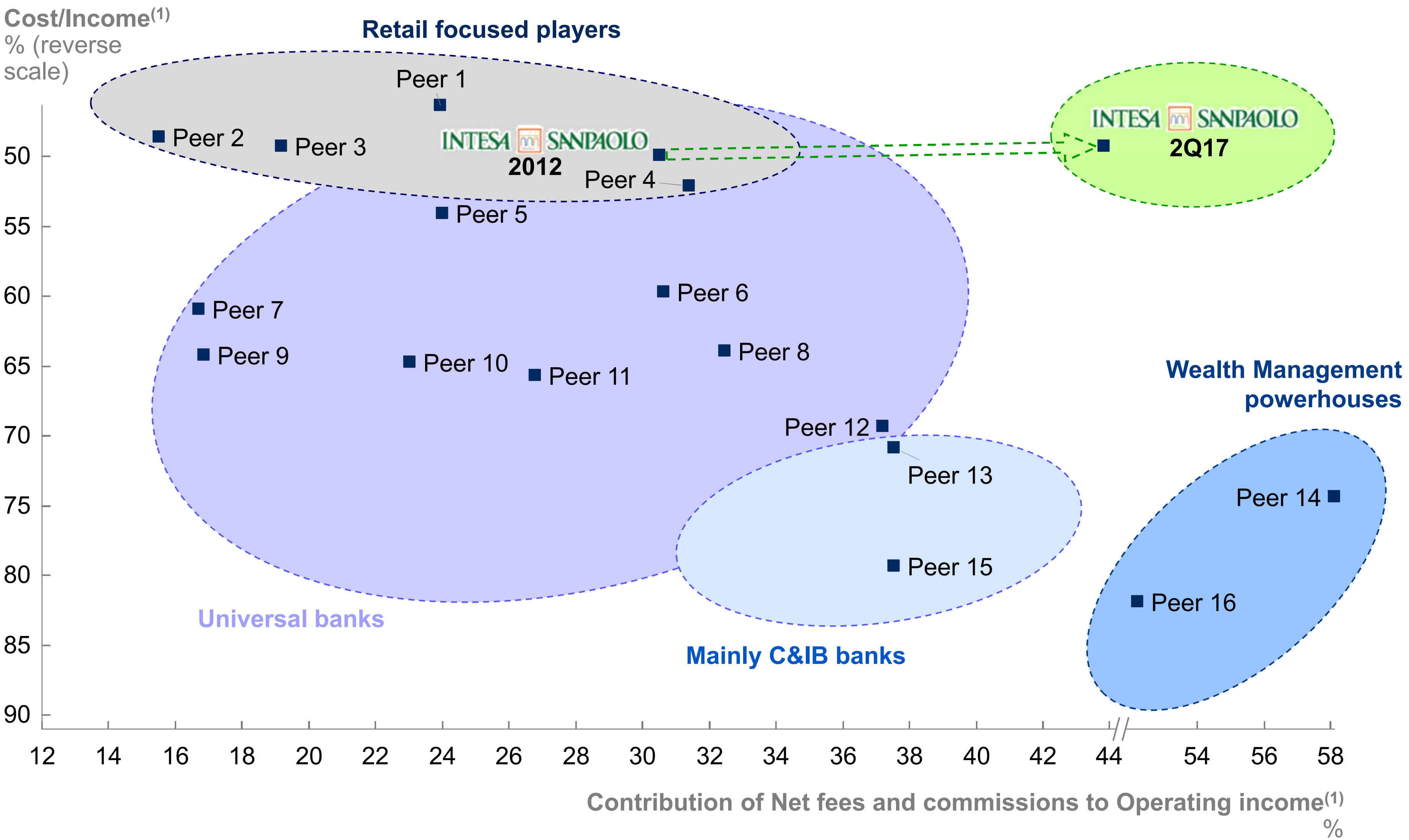
Macro outlook

- In 1Q17, both **household disposable income and consumption** increased at the strongest pace in over 5 years (+2.4% and +2.6% YoY, respectively)
- **Unemployment rate** declined to 11.3% in 2Q17, marking the lowest level since 2012
- **Business confidence** reached a 10-year record in 2Q17 both in the manufacturing and construction sectors
- The recovery in **foreign trade** is ongoing: in May, exports increased by +13.1% YoY, imports by +17.5% YoY (a record since 2011)
- The recovery in **residential real estate transactions,** which started 2 years ago**,** continues: +8.6% YoY in 1Q17, coupled with a strong increase of **foreign investments** in the Italian **real estate market** (+67% YoY in 1H17). For the first time in 5 years, prices of existing homes are stabilising
- **Structural reforms approved in 2014-17** (labour market, justice, PA, education, measures on NPLs and bankruptcy, Industry 4.0, competition) are estimated to have a positive impact of ~10% on GDP in the medium term

Widespread upward revision of GDP estimates for the current year: Bank of Italy +1.4% and IMF +1.3%

Note: Italian Govt estimates on the impact of reforms

ISP: Setting a New Standard with an Efficient Business Model that Fully Leverages Growth Engines



(1) Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, Nordea, Santander and UBS as of 30.6.17; Commerzbank, ING, and UniCredit as of 31.3.17; BPCE, Crédit Agricole S.A., Société Générale and Standard Chartered as of 31.3.17 for Cost/Income, as of 31.12.16 for Contribution of Net fees and commissions to Operating income

1H17: A Solid First Half

€5.2bn stated Net income(1) including €3.5bn public cash contribution offsetting the impact on ISP's capital ratios of the acquisition of certain assets of the two former Venetian banks

~€6bn pro-forma Net income(2) including ~€800m additional net capital gain from Allfunds Bank disposal to be booked in H2 2017

€1,738m Net income(3) excluding public cash contribution (~€2.2bn excluding Levies and other charges concerning the banking industry)

Common Equity(4) ratio at 13.0%, well above regulatory requirements even under EBA stress test adverse scenario

Well in line with the pro-quota 2017 dividend commitment

Cost/Income at 49.2%, among the best in Europe

~€10bn Gross NPL stock reduction over the past seven quarters at no cost to shareholders and the lowest H1 NPL inflow since ISP was created

(1) Including Levies and other charges concerning the banking industry: €672m pre-tax (€460m net of tax) of which charges for the Resolution Fund €163m pre-tax (€114m net of tax) - our estimated commitment for the year fully funded - and charges for the additional Atlante Fund stake write-down: €449m pre-tax (€301m net of tax), of which €188m pre-tax (€126m net of tax) in Q2
(2) Including public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
(3) Excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
(4) Pro-forma fully loaded Basel 3 (30.6.17 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of operations of the two former Venetian banks, the full consolidation of the subsidiaries of the two former Venetian banks included in the operations acquired, the expected absorption of DTA on losses carried forward and the expected distribution of 1H17 Net income of insurance companies); including estimated benefits from the Danish Compromise (8bps) and non-taxable public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios

1H17 Results

Detailed Information

Key P&L and Balance Sheet Figures

€ m

	1H17
Operating income	8,557
Operating costs	(4,214)
Cost/Income ratio	49.2%
Operating margin	4,343
Gross income (Loss)	6,664(1)
Net income	5,238(1)(2)
Net income excluding the public cash contribution	1,738(2)(3)

	30.6.17
Loans to Customers	393,517
Customer Financial Assets(4)	919,608
of which Direct Deposits from Banking Business	412,048
of which Direct Deposits from Insurance Business and Technical Reserves	147,755
of which Indirect Customer Deposits	506,221
- Assets under Management	*325,939*
- Assets under Administration	*180,282*
RWA	301,699

Note: Balance sheet data include components related to the acquisition of operations of the two former Venetian banks. Figures may not add up exactly due to rounding differences
(1) Including public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
(2) Including Levies and other charges concerning the banking industry: €672m pre-tax (€460m net of tax) of which charges for the Resolution Fund: €163m pre-tax (€114m net of tax) - our estimated commitment for the year fully funded - and charges for the additional Atlante Fund stake write-down: €449m pre-tax (€301m net of tax)
(3) Public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
(4) Net of duplications between Direct Deposits and Indirect Customer Deposits

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H1 vs H1: Growth in Profitability

€ m

	1H16 Restated	1H17	Δ%
Net interest income	3,687	3,620	(1.8)
Net fee and commission income	3,545	3,751	5.8
Income from insurance business	571	523	(8.4)
Profits (Losses) on trading	695	591	(15.0)
Other operating income (expenses)	143	72	(49.7)
Operating income	**8,641**	**8,557**	**(1.0)**
Personnel expenses	(2,620)	(2,624)	0.2
Other administrative expenses	(1,238)	(1,216)	(1.8)
Adjustments to property, equipment and intangible assets	(357)	(374)	4.8
Operating costs	**(4,215)**	**(4,214)**	**(0.0)**
Operating margin	**4,426**	**4,343**	**(1.9)**
Net adjustments to loans	(1,617)	(1,432)	(11.4)
Net provisions and net impairment losses on other assets	(240)	(60)	(75.0)
Other income (expenses)	201	3,813	n.m.
Income (Loss) from discontinued operations	48	0	(100.0)
Gross income (loss)	**2,818**	**6,664**	**136.5**
Taxes on income	(793)	(889)	12.1
Charges (net of tax) for integration and exit incentives	(51)	(53)	3.9
Effect of purchase price allocation (net of tax)	(56)	(11)	(80.4)
Levies and other charges concerning the banking industry (net of tax)	(113)	(460)	307.1
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(98)	(13)	(86.7)
Net income	**1,707**	**5,238**	**206.9**
Net income excluding the public cash contribution(1)	**1,707**	**1,738**	**1.8**

€3,164m excluding public cash contribution(1)

€2,198m (+21%) excluding Levies and other charges concerning the banking industry(2)

Note: figures may not add up exactly due to rounding differences. 2016 data restated to reflect Banca ITB consolidation

(1) Public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios

(2) €672m pre-tax (€460m net of tax) of which charges for the Resolution Fund: €163m pre-tax (€114m net of tax) - our estimated commitment for the year fully funded - and charges for the additional Atlante Fund stake write-down: €449m pre-tax (€301m net of tax)

Q2 vs Q1: €1bn Net Income Excluding Levies and other Charges Concerning the Banking Industry

€ m

	1Q17	2Q17	Δ%
Net interest income	1,805	1,815	0.6
Net fee and commission income	1,855	1,896	2.2
Income from insurance business	283	240	(15.2)
Profits (Losses) on trading	226	365	61.5
Other operating income (expenses)	40	32	(20.0)
Operating income	**4,209**	**4,348**	**3.3**
Personnel expenses	(1,286)	(1,338)	4.0
Other administrative expenses	(583)	(633)	8.6
Adjustments to property, equipment and intangible assets	(186)	(188)	1.1
Operating costs	**(2,055)**	**(2,159)**	**5.1**
Operating margin	**2,154**	**2,189**	**1.6**
Net adjustments to loans	(695)	(737)	6.0
Net provisions and net impairment losses on other assets	(3)	(57)	n.m.
Other income (expenses)	196	3,617	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**1,652**	**5,012**	**203.4**
Taxes on income	(445)	(444)	(0.2)
Charges (net of tax) for integration and exit incentives	(12)	(41)	241.7
Effect of purchase price allocation (net of tax)	(6)	(5)	(16.7)
Levies and other charges concerning the banking industry (net of tax)	(282)	(178)	(36.9)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(6)	(7)	16.7
Net income	**901**	**4,337**	**381.4**
Net income excluding the public cash contribution[1]	**901**	**837**	**(7.1)**

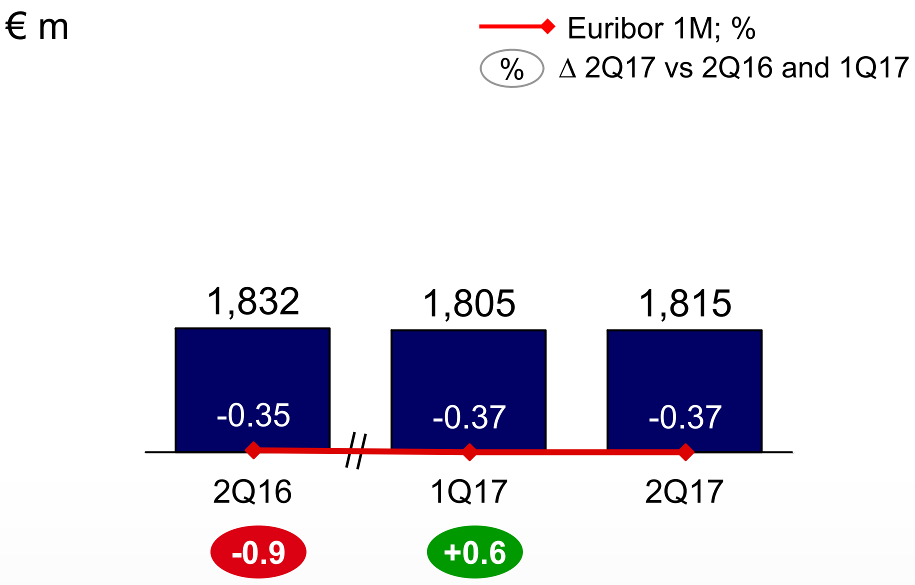
€1,512m excluding public cash contribution[1]

€1,015m excluding Levies and other charges concerning the banking industry[2]

Note: figures may not add up exactly due to rounding differences
(1) Public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
(2) €257m pre-tax (€178m net of tax) of which charges for the additional Atlante Fund stake write-down: €188m pre-tax (€126m net of tax)

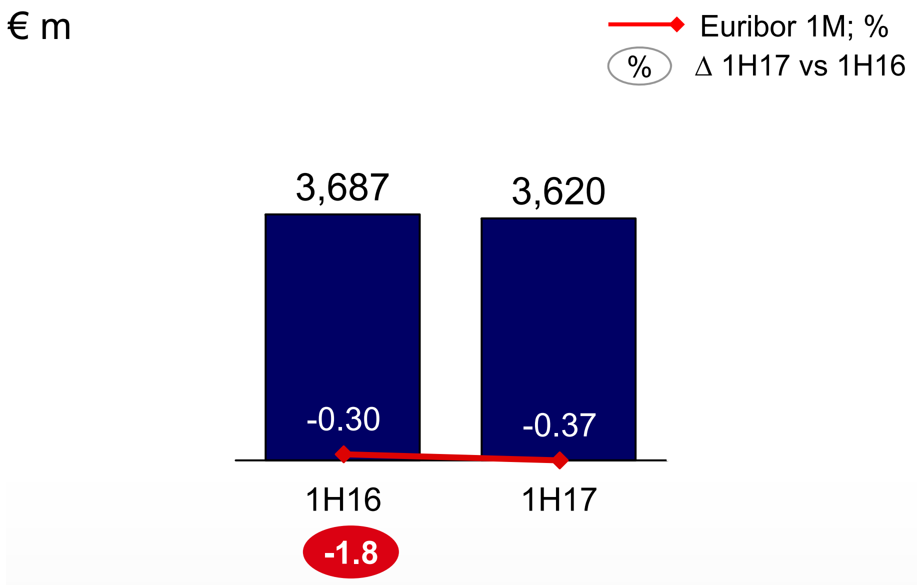
Net Interest Income: Quarterly Increase Despite Continued All-Time Low Interest Rates

Quarterly Analysis



- Growth for the second quarter in a row
- 1.2% increase vs 2Q16 excluding the impact from the Egyptian currency devaluation
- Average Performing loans to customers up 3.3% vs 2Q16
- Average Direct deposits from banking business up 5.3% vs 2Q16

Yearly Analysis

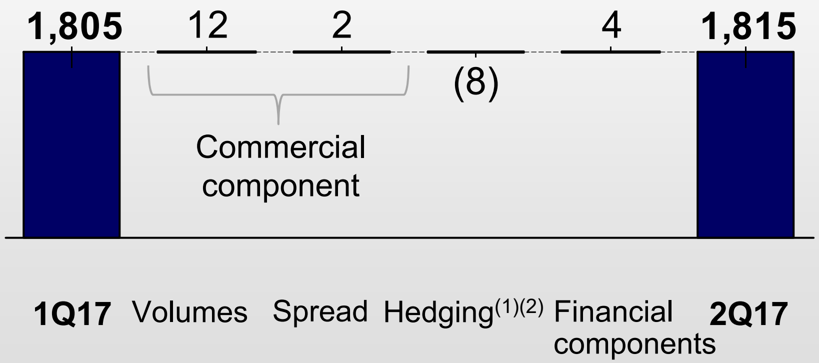


- 1.5% increase excluding the impact from the Egyptian currency devaluation
- ~€230m growth in the commercial component
- Decrease due to active management of securities portfolio, decline in market rates, Egyptian currency devaluation and lower contribution from core deposit hedging
- 4.1% growth in average Performing loans to customers, +4.7% excluding the Capital Light Bank
- 5.6% growth in average Direct deposits from banking business

Net Interest Income: Strong Increase in the Commercial Component

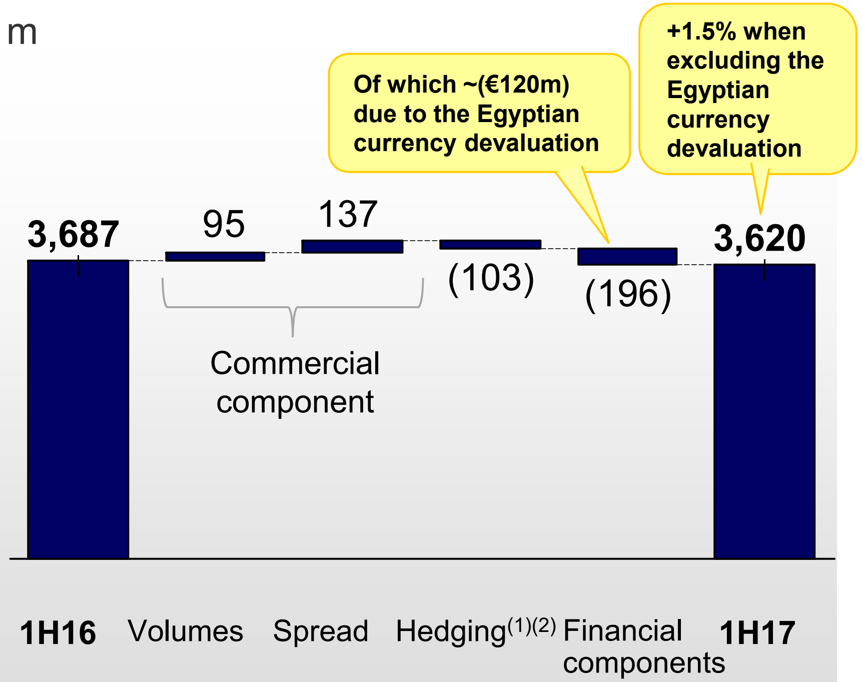
Quarterly Analysis

€ m



Yearly Analysis

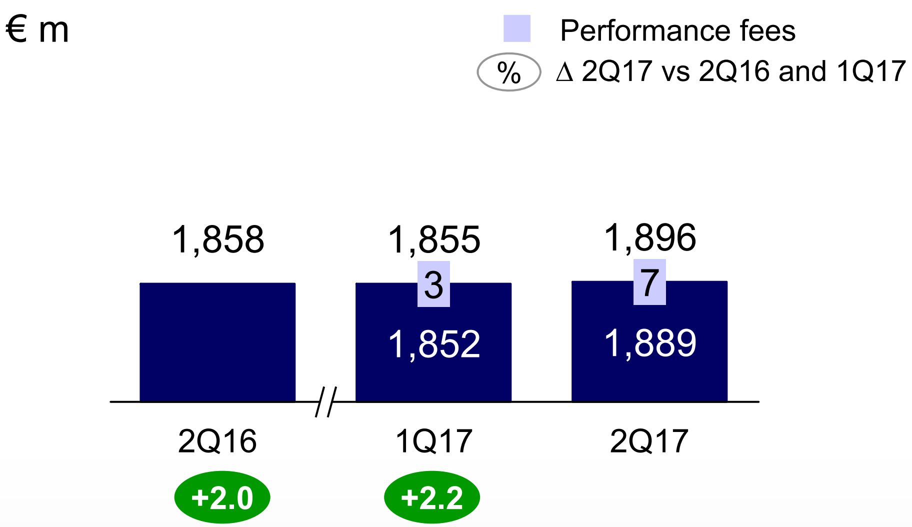
€ m



Note: figures may not add up exactly due to rounding differences
(1) ~€230m benefit from hedging in 1H17, of which ~€110m in 2Q17
(2) Hedging on core deposits

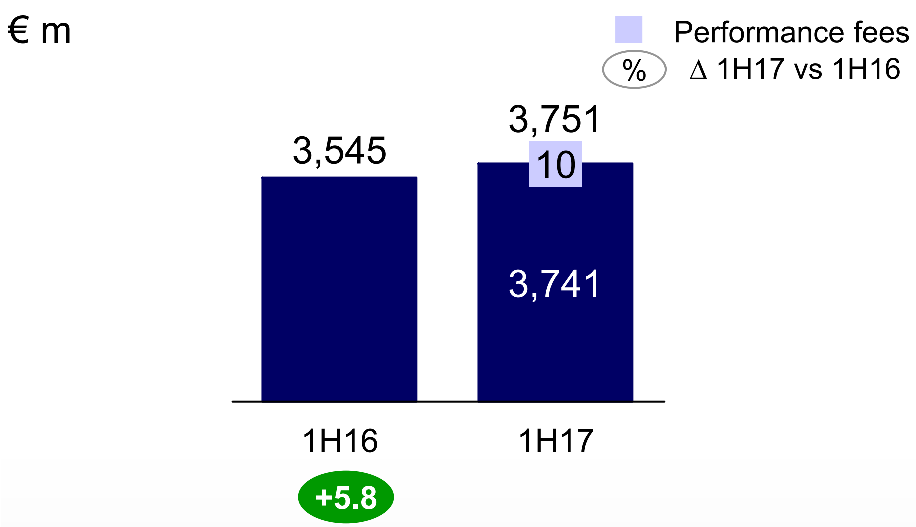
Net Fee and Commission Income: Best First Half Ever

Quarterly Analysis



- **2Q17 is the second best quarter ever**
- **€20m growth in commissions from Management, dealing and consultancy activities vs Q1**
- **Commercial banking activities up by €17m vs Q1**
- **~€6bn increase in AuM stock in Q2**

Yearly Analysis



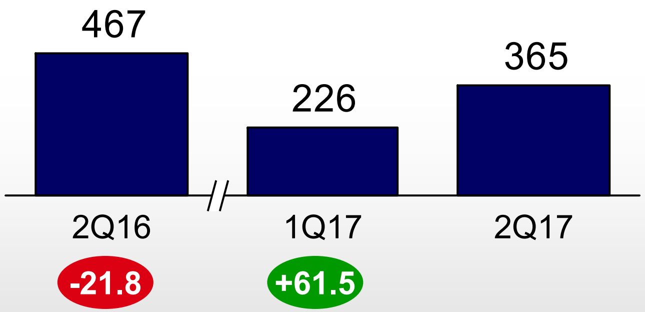
- **The best H1 ever**
- **Strong growth in commissions from Management, dealing and consultancy activities (+12.7%; +€259m) owing mainly to AuM and insurance products**
- **~€25bn increase in AuM stock on a yearly basis**

Profits on Trading: Strong Quarterly Increase

Quarterly Analysis

€ m

% Δ 2Q17 vs 2Q16 and 1Q17

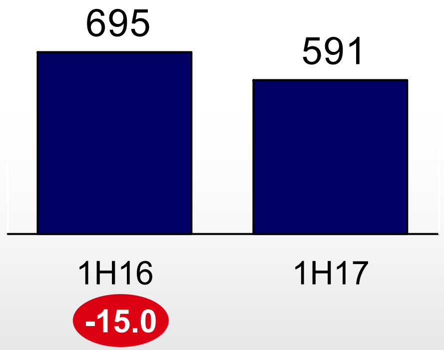


- 2.6% increase vs 2Q16 when excluding the Bank of Italy dividend
- 8% growth in customer driven activity vs Q1

Yearly Analysis

€ m

% Δ 1H17 vs 1H16



- 1.2% increase when excluding the Bank of Italy dividend

Contributions by Activity

	2Q16	1Q17	2Q17	1H16	1H17
Customers	136	129	139	243	268
Capital markets & Financial assets AFS	85	17	20	159	37
Trading and Treasury	240[1]	72	194[2]	288[1]	266[2]
Structured credit products	6	8	12	5	20

Note: figures may not add up exactly due to rounding differences
(1) Of which €121m Bank of Italy dividend
(2) Of which €10m Bank of Italy dividend

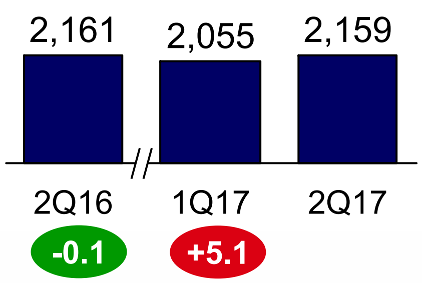
Operating Costs: Lowest Ever H1 Administrative Costs

Quarterly Analysis

% Δ 2Q17 vs 2Q16 and 1Q17

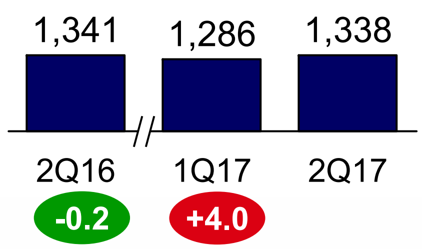
Operating Costs

€ m



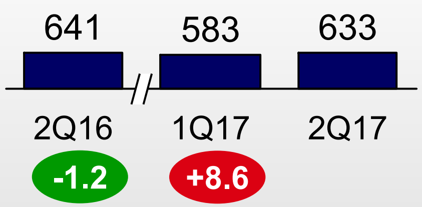
Personnel Expenses

€ m



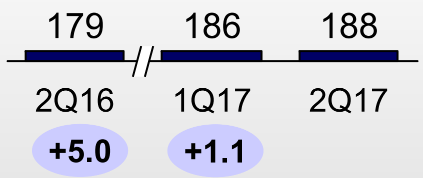
Other Administrative Expenses

€ m



Adjustments

€ m



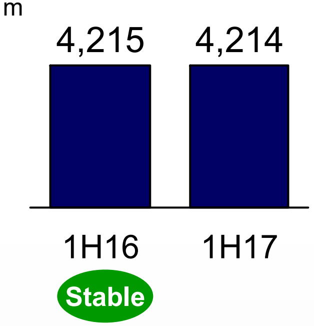
- Other Administrative Expenses increase vs Q1 mainly due to seasonal effects (-1.2% vs 2Q16)
- ~300 headcount reduction in Q2

Yearly Analysis

% Δ 1H17 vs 1H16

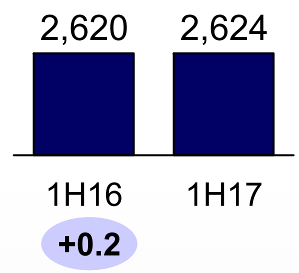
Operating Costs

€ m



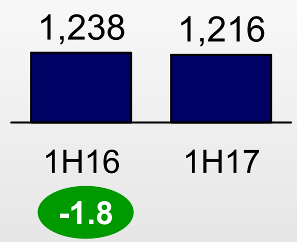
Personnel Expenses

€ m



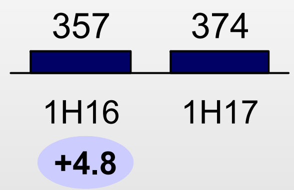
Other Administrative Expenses

€ m



Adjustments

€ m



- 1.8% decrease in Other Administrative Expenses
- Cost/Income ratio at 49.2%
- ~1,300 headcount reduction

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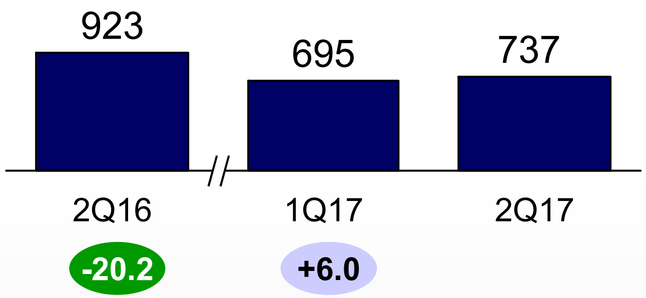
Net Adjustments to Loans: Cost of Credit Down, Coupled with a Strong Reduction in NPL Stock and Inflow

Quarterly Analysis

€ m

% Δ 2Q17 vs 2Q16 and 1Q17

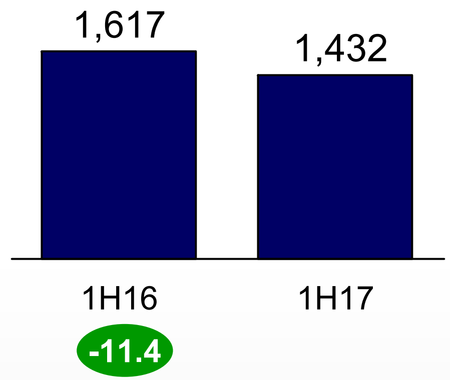


- Seventh consecutive quarterly reduction in NPL stock, marking the lowest level since 2012
- 2Q17 saw the lowest gross inflow of NPL from Performing loans since ISP was created (2007)
- ~€10bn decrease in gross NPL stock since 30.9.15 (€2.4bn in Q2)

Yearly Analysis

€ m

% Δ 1H17 vs 1H16



- Annualised cost of credit down to 78bps (vs 90bps in 1H16 and 102bps in FY16)
- 1H17 saw the lowest inflow of NPL from Performing loans since ISP was created (2007)
- Strong decline in NPL inflow (-26% gross and -42% net)
- Non-performing loans cash coverage up to 49.1% (vs 47.3% as of 30.6.16)

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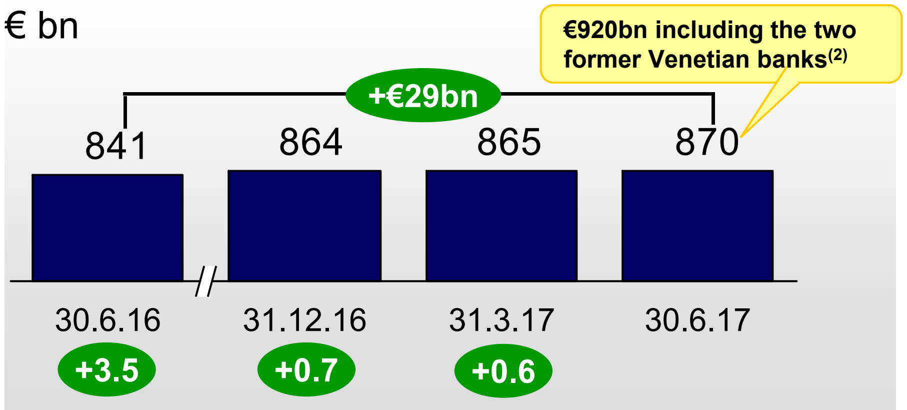
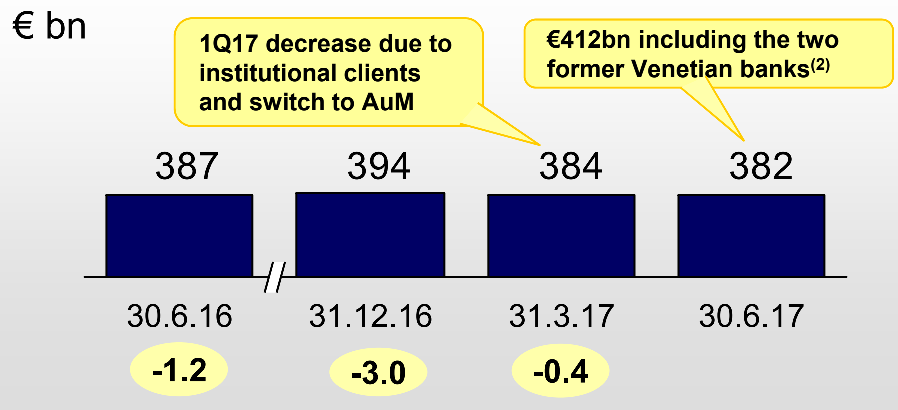
Growth in Customer Financial Assets

% Δ 30.6.17 vs 30.6.16, 31.12.16 and 31.3.17

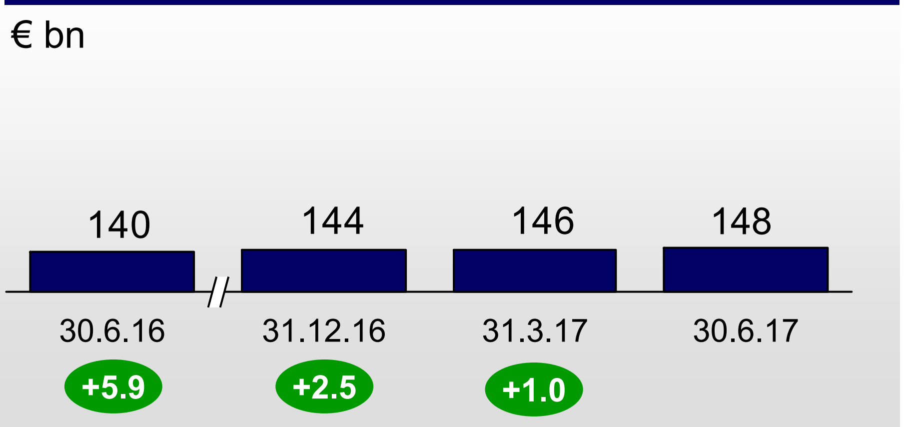
Customer Financial Assets(1)



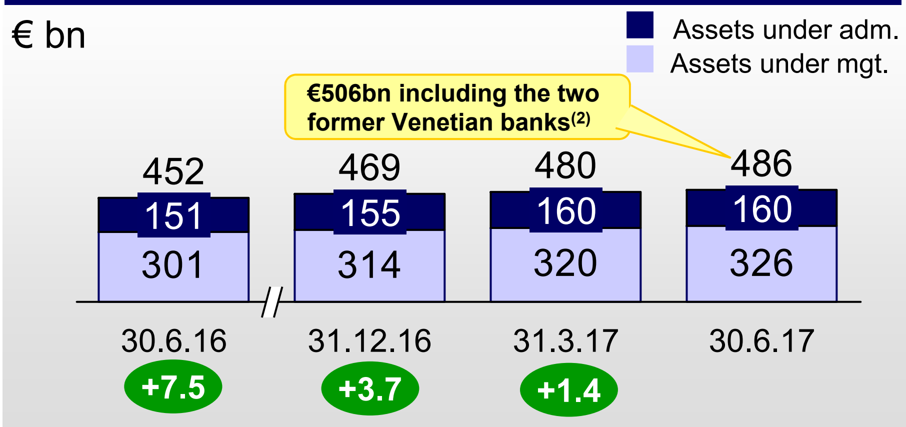
Direct Deposits from Banking Business



Direct Deposits from Insurance Business and Technical Reserves



Indirect Customer Deposits



~€12bn increase in AuM in H1

Note: figures may not add up exactly due to rounding differences
(1) Net of duplications between Direct Deposits and Indirect Customer Deposits
(2) Including components related to the acquisition of operations of the two former Venetian banks

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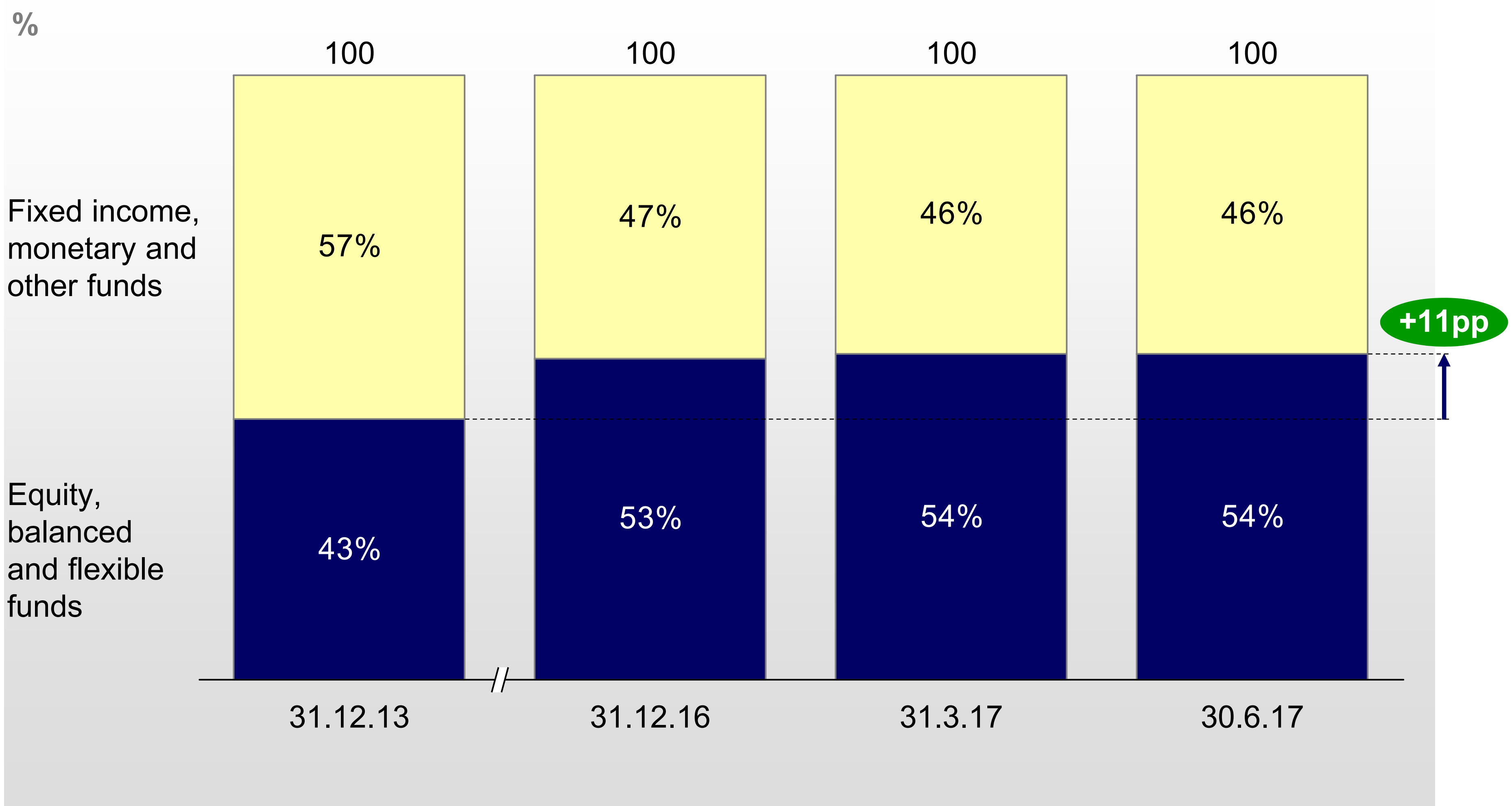
Mutual Funds Mix

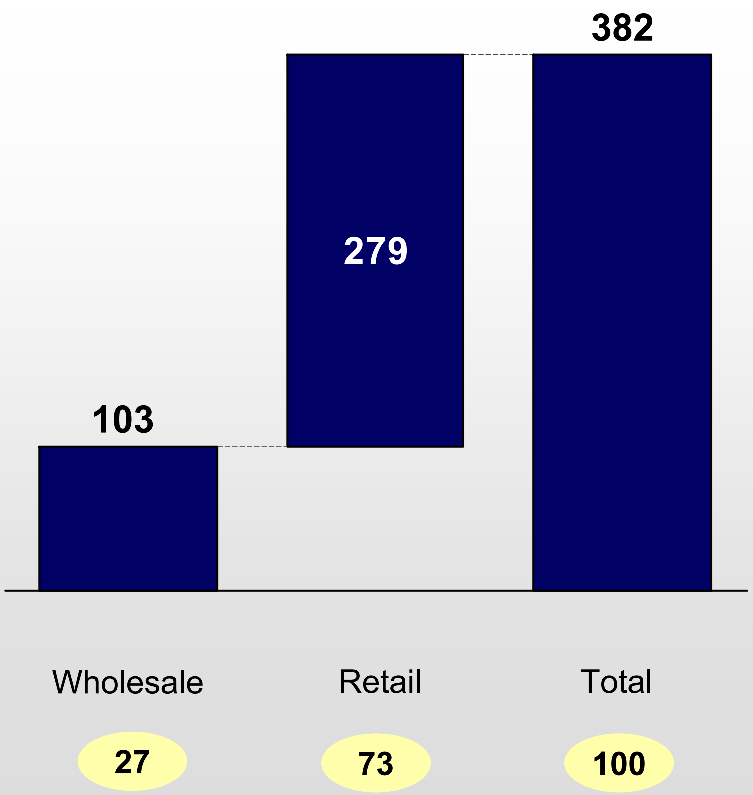
Mutual funds mix



Stable and Reliable Source of Funding from Retail Branch Network

Breakdown of Direct Deposits from Banking Business

€ bn as of 30.6.17; % Percentage of total



	Wholesale	Retail
Current accounts and deposits	9	245
Repos and securities lending	24	-
Senior bonds	38	17(1)
Covered bonds	12	-
EMTN puttable	-	-
Certificates of deposit + Commercial papers	8	-
Subordinated liabilities	12	2
Other deposits	1	16(2)

Placed with Private Banking clients

Retail funding represents 73% of Direct deposits from banking business

Note: data excluding the two former Venetian banks. Figures may not add up exactly due to rounding differences
(1) ~26% placed with Private Banking clients
(2) Including Certificates

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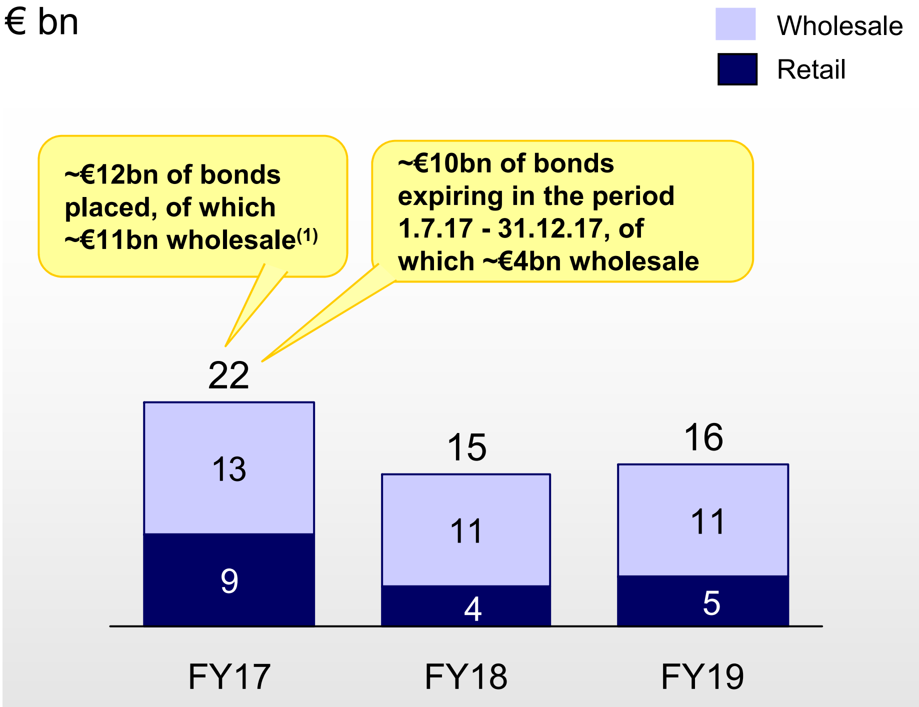
Strong Funding Capability: Broad Access to International Markets

2017-2019 MLT Bond Maturities



Main Wholesale Issues

2015

- €6.5bn of eurobonds (of which €2.25bn of covered bonds) and $1bn Additional Tier 1 placed. On average 80% demand from foreign investors; targets exceeded by 210%

2016

- $1.5bn subordinated Tier 2, €1.25bn Additional Tier 1 and €1.25bn of covered bonds placed. On average 88% demand from foreign investors; targets exceeded by 168%:
  - January: $1.5bn subordinated Tier 2 issue targeted at the US and Canadian markets only and €1.25bn Additional Tier 1 issue targeted at international markets
  - March: €1.25bn 7y covered bonds backed by residential mortgages

2017

- €2bn Additional Tier 1, €2.5bn senior unsecured eurobond, €1bn of covered bonds, €500m green bond and $2.5bn senior unsecured placed. On average 83% demand from foreign investors; targets exceeded by 167%
  - January: €1.25bn Additional Tier 1 issue and €1bn 7y senior unsecured eurobond issue
  - April: €1.5bn 5y senior unsecured eurobond issue
  - May: €750m Additional Tier 1 issue
  - June: €1bn 10y covered bonds backed by residential mortgages and inaugural €500m 5y senior unsecured green bond, first Italian bank to debut as a "green" issuer
  - July: $2.5bn senior unsecured issue equally split between 5y and 10y tranches

Note: data excluding the two former Venetian banks. Figures may not add up exactly due to rounding differences
(1) Data as of 24.7.17

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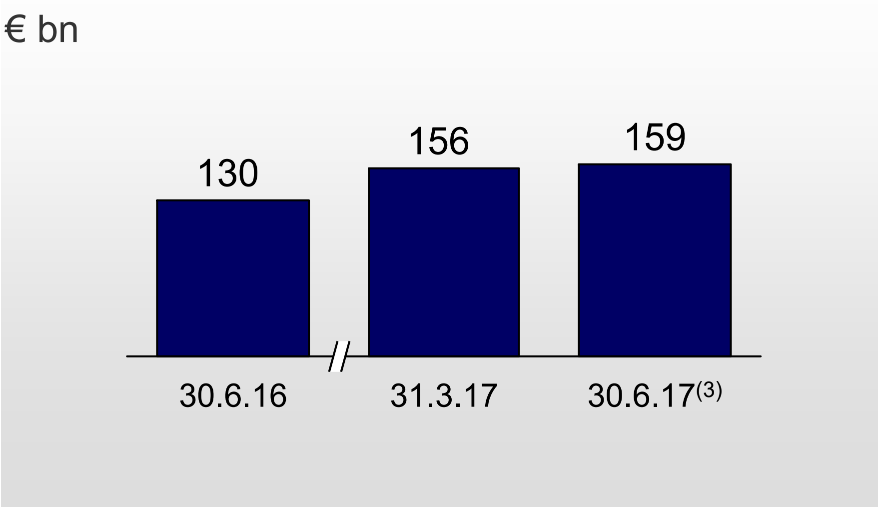
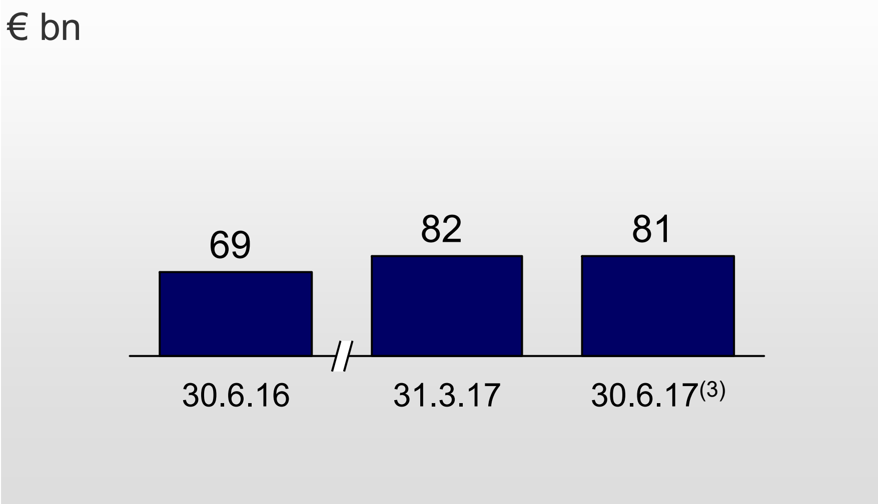
High Liquidity: LCR and NSFR Well Above Basel 3 Requirements for 2018

Liquid assets[1]



Unencumbered eligible assets with Central Banks[2] (net of haircuts)



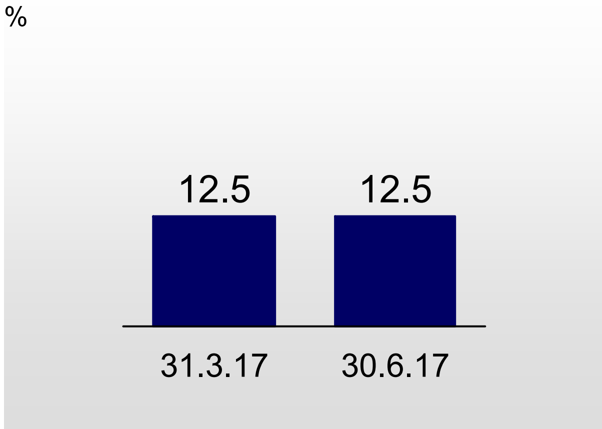
- **TLTRO II: ~€57bn[4] (the maximum borrowing allowance)**
  - **June 2016: ~€36bn against a repayment of the €27.6bn borrowed under TLTRO I**
  - **September 2016: ~€5bn**
  - **December 2016: ~€3.5bn**
  - **March 2017: €12bn**
- **Loan to Deposit ratio[3][5] at 96%**

(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) Including components related to the acquisition of operations of the two former Venetian banks
(4) ~€64bn including components related to the acquisition of operations of the two former Venetian banks
(5) Loans to Customers/Direct Deposits from Banking Business

Solid Capital Base Confirmed by the EBA Stress Test

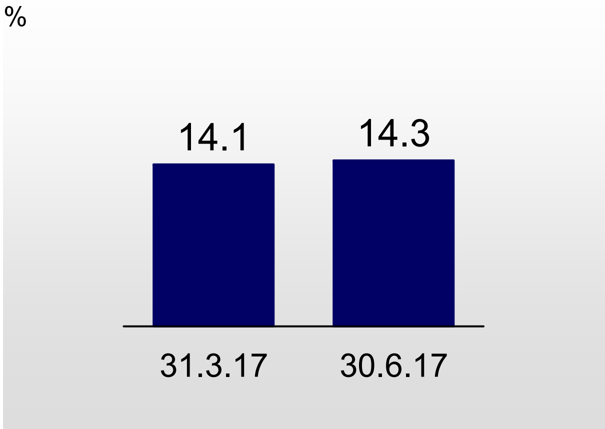
Phased-in Common Equity Ratio

After dividends[1]



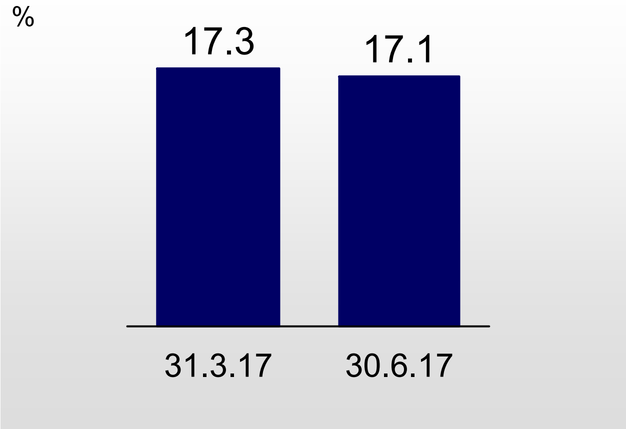
Phased-in Tier 1 Ratio

After dividends[1]



Phased-in Total Capital Ratio

After dividends[1]



- **13.0% pro-forma fully loaded Common Equity ratio[2]**
- **6.4% leverage ratio**

Note: 30.6.17 capital ratios and leverage ratio including the acquisition of certain assets of the two former Venetian banks. Figures may not add up exactly due to rounding differences

(1) After deduction of accrued dividends (~€1,640m), assumed equal to the Net income for the half-year minus accrued coupons on AT1 issues and non-taxable public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios

(2) Pro-forma fully loaded Basel 3 (30.6.17 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward, the full consolidation of the subsidiaries of the two former Venetian banks included in the operations acquired and the expected distribution of 1H17 Net income of insurance companies); including estimated benefits from the Danish Compromise (8bps)

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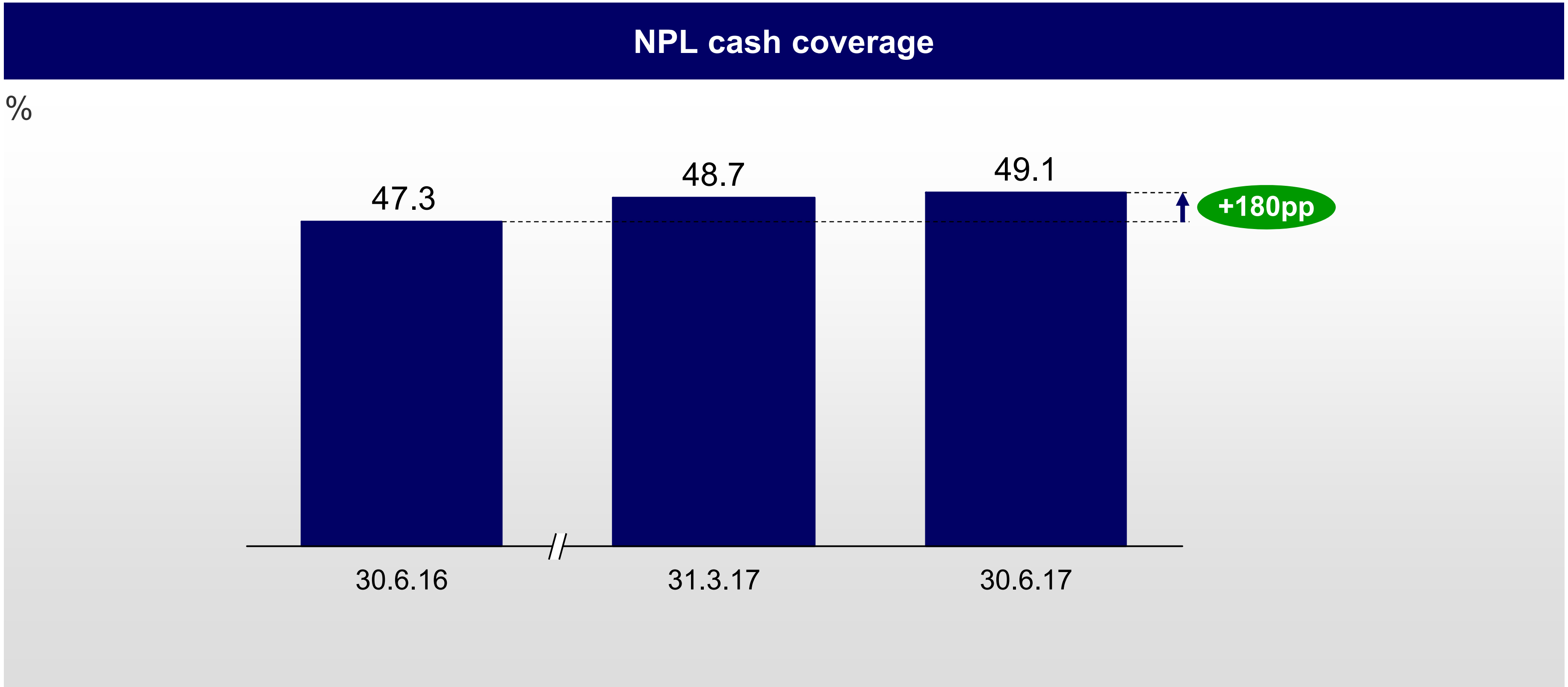
Non-performing Loans: Sizeable and Increased Coverage

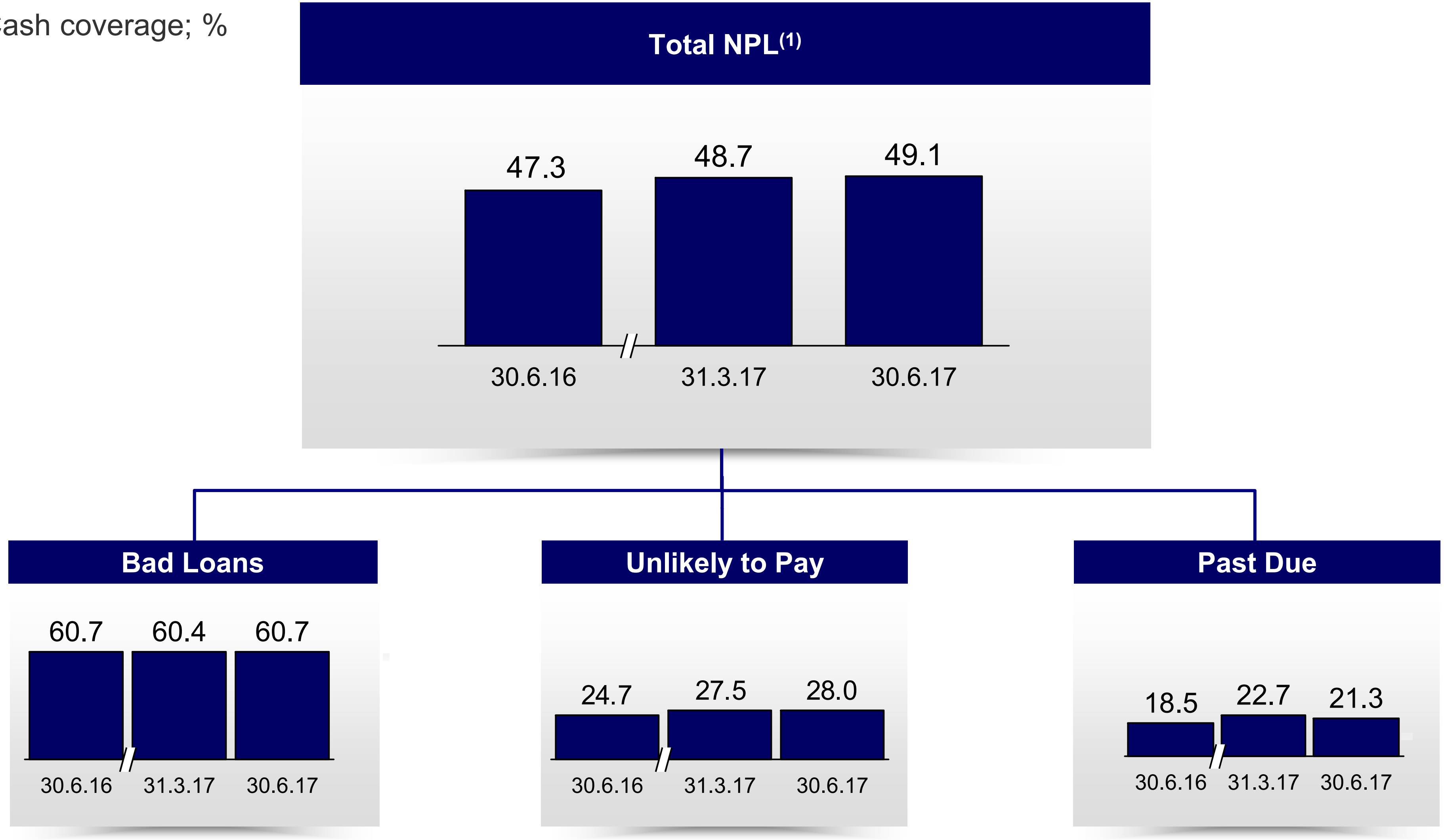


Bad Loans recovery rate[(1)] at ~126% in the period 2009 - 30.6.17

(1) Repayment on Bad Loans/Net book value

Non-performing Loans: Strong Increase in Coverage

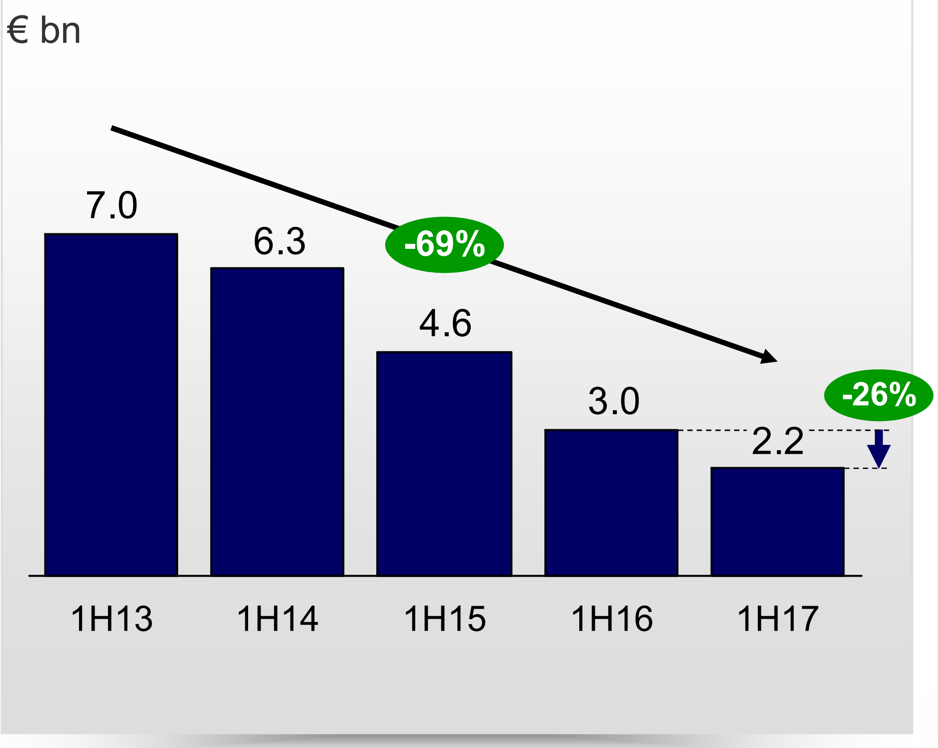
Cash coverage; %



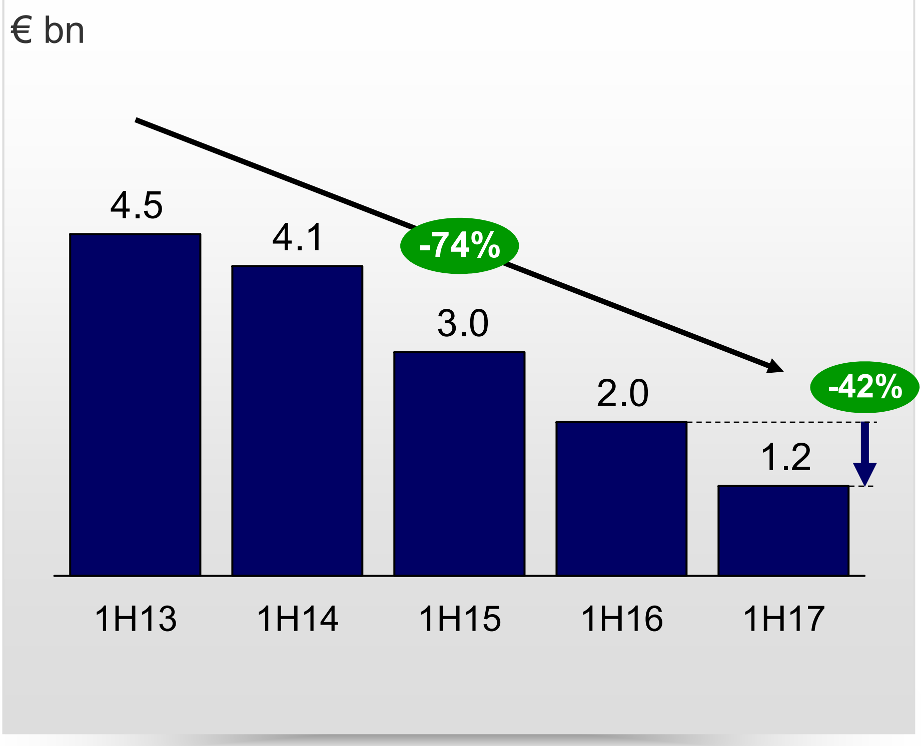
(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

Non-performing Loans: Lowest H1 NPL Inflow since ISP was Created (2007)

Gross inflow of new NPL[(1)] from Performing Loans



Net inflow of new NPL[(1)] from Performing Loans



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

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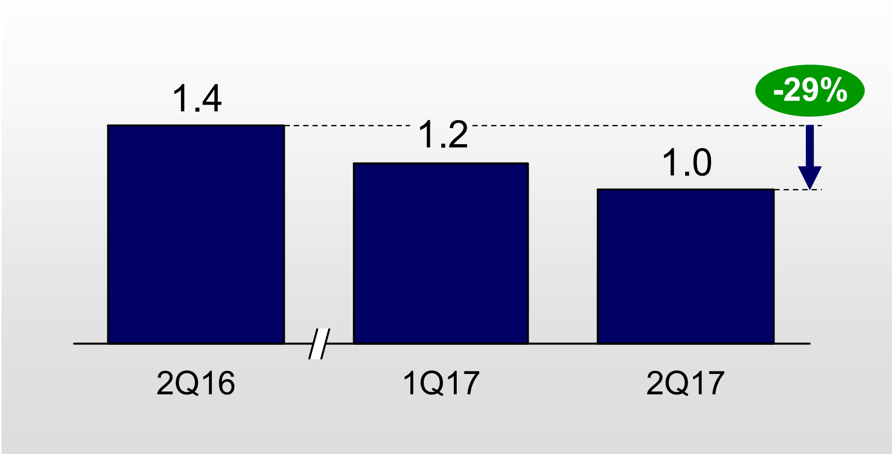
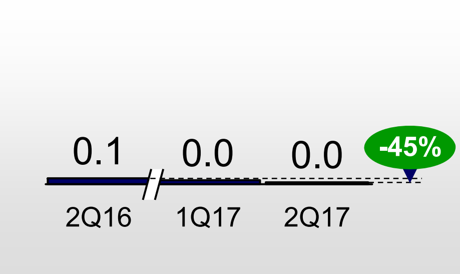
Non-performing Loans: Lowest Gross Quarterly Inflow since 2007

€ bn

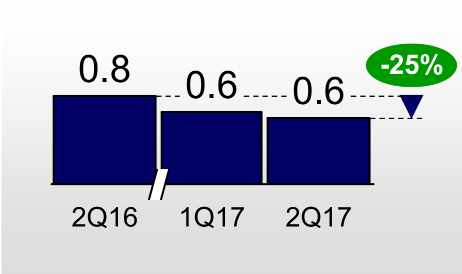
Gross inflow of new NPL[1] from Performing Loans



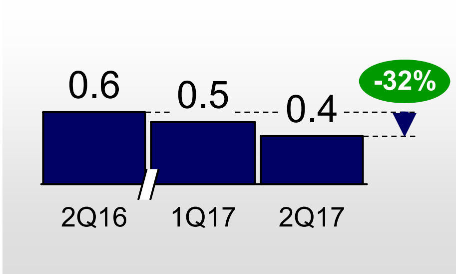
Bad Loans



Unlikely to Pay



Past Due

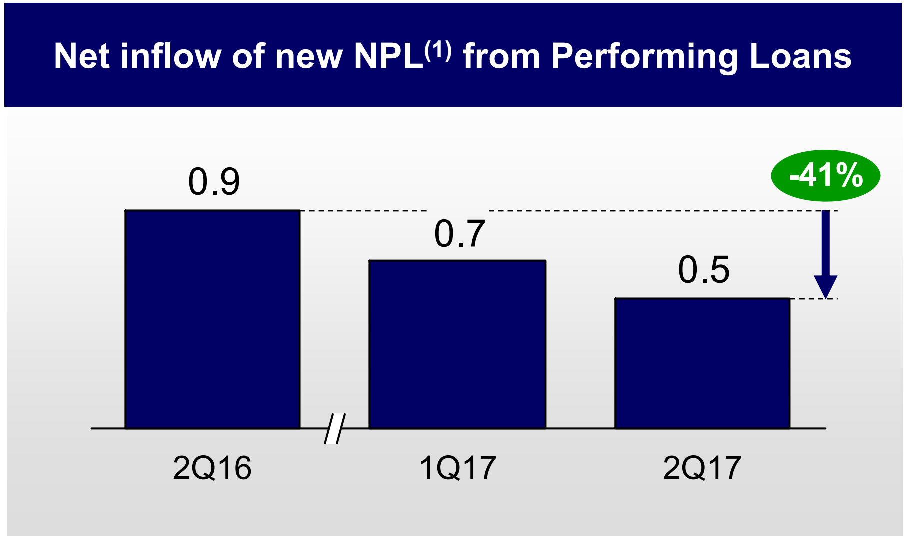


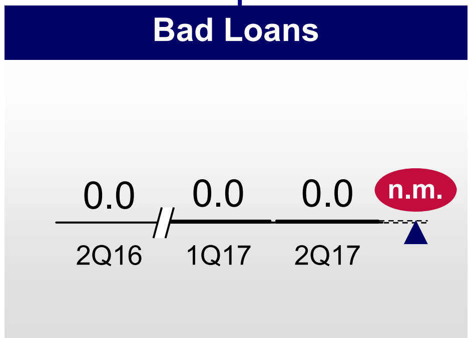
Note: figures may not add up exactly due to rounding differences

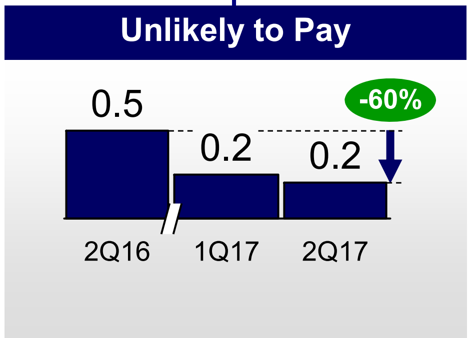
(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

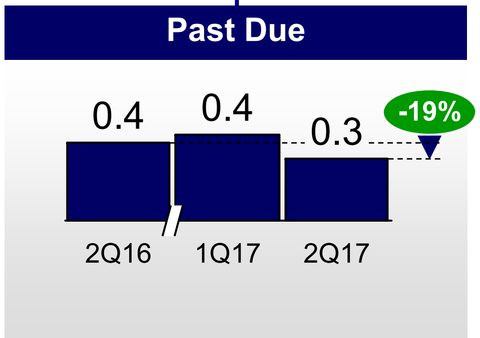
Non-performing Loans: Second Lowest Net Quarterly Inflow since 2007

€ bn







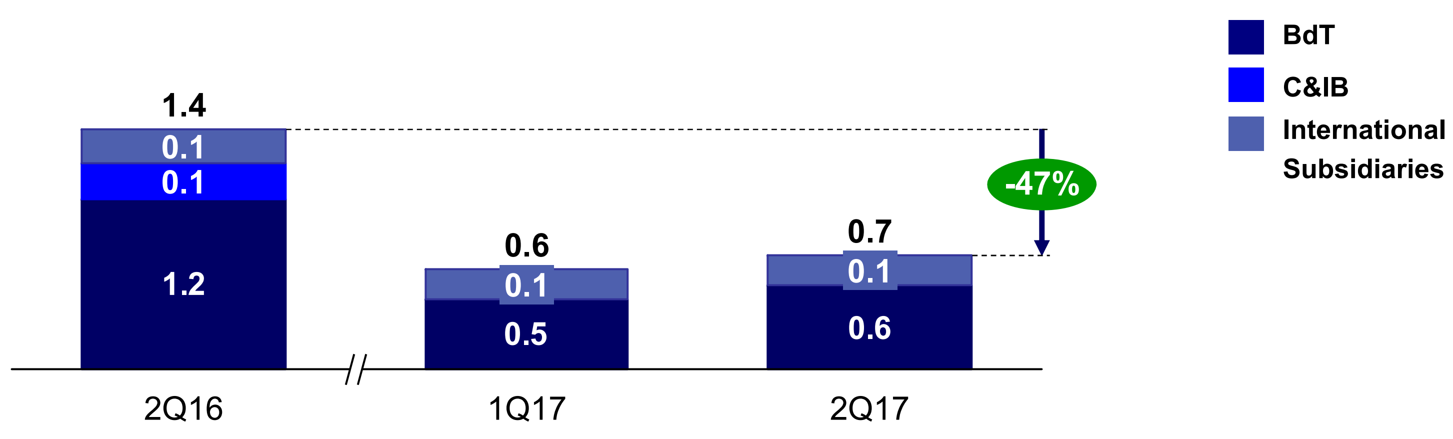


Note: figures may not add up exactly due to rounding differences
(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

New Bad Loans: Strong Decrease in Gross Inflow on a Yearly Basis

€ bn

Group's new Bad Loans(1) gross inflow



BdT's new Bad Loans(1) gross inflow

	2Q16	1Q17	2Q17
Total	**1.2**	**0.5**	**0.6**
Mediocredito Italiano(2)	0.3	-	0.1
Households	0.3	0.1	0.1
SMEs	0.6	0.3	0.4

C&IB's new Bad Loans(1) gross inflow

	2Q16	1Q17	2Q17
Total	**0.1**	**-**	**-**
Banca IMI(3)	-	-	-
Global Corporate	-	-	-
International	-	-	-
Financial Institutions	-	-	-

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

(1) *Sofferenze*

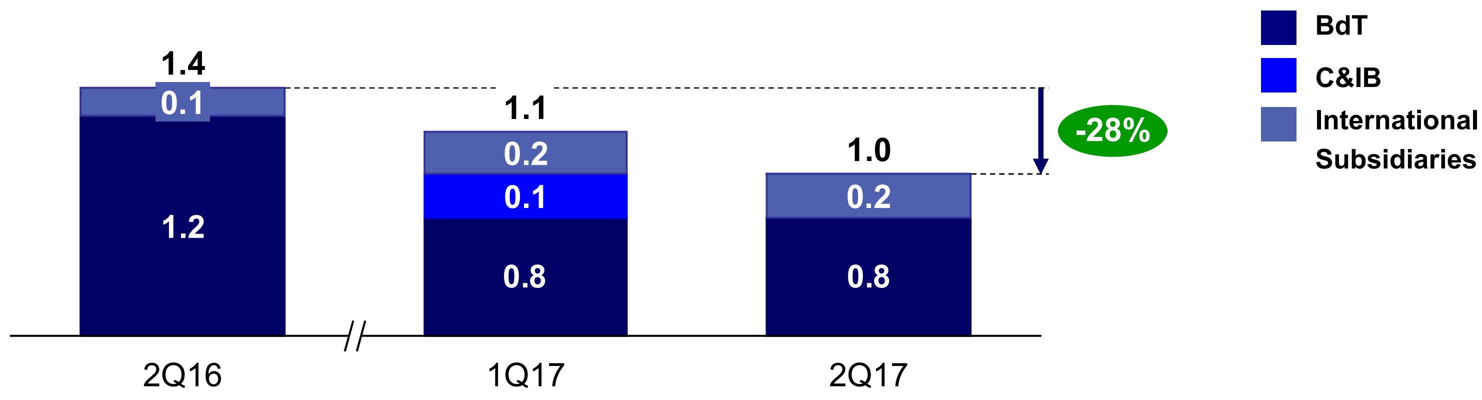
(2) Industrial Credit, Factoring and Leasing

(3) Capital Markets and Investment Banking

New Unlikely to Pay: Strong Decrease in Gross Inflow

€ bn

Group's gross inflow of new Unlikely to Pay



BdT's gross inflow of new Unlikely to Pay

	2Q16	1Q17	2Q17
Total	**1.2**	**0.8**	**0.8**
Mediocredito Italiano(1)	0.3	0.1	0.1
Households	0.3	0.2	0.2
SMEs	0.7	0.5	0.5

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

	2Q16	1Q17	2Q17
Total	**-**	**0.1**	**-**
Banca IMI(2)	-	-	-
Global Corporate	-	0.1	-
International	-	-	-
Financial Institutions	-	-	-

Note: figures may not add up exactly due to rounding differences
(1) Industrial Credit, Factoring and Leasing
(2) Capital Markets and Investment Banking

Non-performing Loans: Seventh Consecutive Quarterly Decline in Stock, Marking the Lowest Level since 2012

Gross NPL

€ m

	31.12.16	31.3.17	30.6.17
Bad Loans	37,834	36,817	35,386
- of which forborne	*2,397*	*2,515*	*2,515*
Unlikely to pay	19,745	19,599	18,821
- of which forborne	*9,256*	*9,189*	*8,993*
Past Due	558	568	427
- of which forborne	*74*	*48*	*48*
Total	**58,137**	**56,984**	**54,634**

-6%

Net NPL

€ m

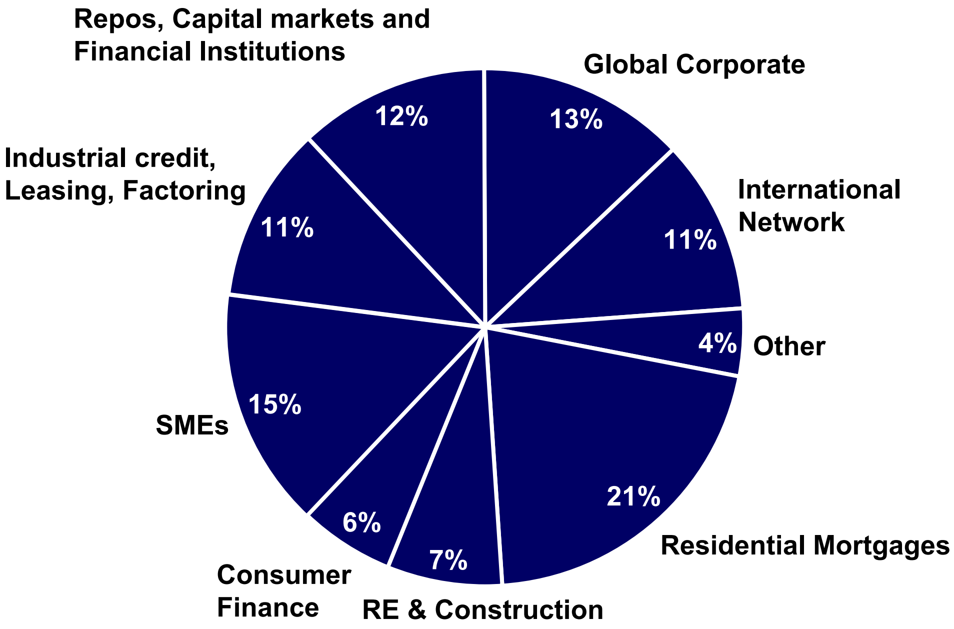
	31.12.16	31.3.17	30.6.17
Bad Loans	14,895	14,568	13,920
- of which forborne	*1,089*	*1,132*	*1,105*
Unlikely to pay	14,435	14,215	13,546
- of which forborne	*7,053*	*6,908*	*6,689*
Past Due	437	439	336
- of which forborne	*62*	*40*	*41*
Total	**29,767**	**29,222**	**27,802**

-7%

~€10bn decrease in Gross NPL stock since 30.9.15, of which €2.4bn in Q2

Loans to Customers: Well-Diversified Portfolio

Breakdown by business area
(Data as of 30.6.17)



- Low risk profile of residential mortgage portfolio
  - Instalment/available income ratio at 33%
  - Average Loan-to-Value equal to 55%
  - Original average maturity equal to ~23 years
  - Residual average life equal to ~18 years

Breakdown by economic business sector

	31.3.17	30.6.17
Loans of the Italian banks and companies of the Group		
Households	**24.4%**	**25.0%**
Public Administration	**3.8%**	**3.7%**
Financial companies	**8.9%**	**9.0%**
Non-financial companies	**34.4%**	**34.7%**
of which:		
SERVICES	5.6%	5.7%
DISTRIBUTION	5.6%	5.7%
REAL ESTATE	4.0%	4.0%
UTILITIES	2.9%	3.0%
CONSTRUCTION	2.4%	2.3%
METALS AND METAL PRODUCTS	1.9%	1.9%
AGRICULTURE	1.6%	1.6%
FOOD AND DRINK	1.4%	1.4%
TRANSPORT	1.6%	1.4%
MECHANICAL	1.1%	1.0%
INTERMEDIATE INDUSTRIAL PRODUCTS	1.0%	1.0%
FASHION	0.9%	0.9%
ELECTROTECHNICAL AND ELECTRONIC	0.6%	0.6%
HOLDING AND OTHER	0.5%	0.6%
TRANSPORTATION MEANS	0.5%	0.6%
ENERGY AND EXTRACTION	0.4%	0.5%
INFRASTRUCTURE	0.4%	0.4%
BASE AND INTERMEDIATE CHEMICALS	0.4%	0.4%
PUBLISHING AND PRINTING	0.4%	0.4%
MATERIALS FOR CONSTRUCTION	0.3%	0.3%
FURNITURE	0.2%	0.2%
PHARMACEUTICAL	0.2%	0.2%
OTHER CONSUMPTION GOODS	0.2%	0.2%
NON-CLASSIFIED UNITS	0.1%	0.1%
MASS CONSUMPTION GOODS	0.1%	0.1%
WHITE GOODS	0.1%	0.1%
Rest of the world	**11.3%**	**10.5%**
Loans of international banks and companies of the Group	**9.3%**	**9.6%**
Non-performing loans	**8.0%**	**7.5%**
TOTAL	**100.0%**	**100.0%**

Note: data excluding the two former Venetian banks. Figures may not add up exactly due to rounding differences

Contents

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Liquidity, Funding and Capital Base

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Divisional Results and Other Information

Divisional Financial Highlights

Data as of 30.6.17

	Divisions							
	Banca dei Territori	Corporate & Investment Banking	International Subsidiary Banks(1)	Private Banking(2)	Asset Management(3)	Insurance(4)	Corporate Centre / Others(5)	Total
Operating Income (€ m)	4,375	1,649	958	932	369	595	(321)	8,557
Operating Margin (€ m)	1,960	1,182	505	663	297	510	(774)	4,343
Net Income (€ m)	693	797	501	445	235	357	2,210(6)	5,238(6)
Cost/Income (%)	55.2	28.3	47.3	28.9	19.5	14.3	n.m.	49.2
RWA (€ bn)	105.0(7)	93.2	30.5	9.9	1.2	0.0	62.0	301.7(7)
Direct Deposits from Banking Business (€ bn)	201.5(7)	106.6	34.2	28.4	0.0	0.0	41.4	412.0(7)
Loans to Customers (€ bn)	218.3(7)	102.2	27.6	9.2	0.3	0.0	35.9	393.5(7)

Note: figures may not add up exactly due to rounding differences
(1) Excluding the Ukrainian subsidiary Pravex-Bank and the Hungarian "bad bank" which are included in the Capital Light Bank
(2) Fideuram, Intesa Sanpaolo Private Bank (Suisse), Intesa Sanpaolo Private Banking and Sirefid
(3) Eurizon
(4) Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo Vita
(5) Treasury Department, Central Structures, Capital Light Bank and consolidation adjustments
(6) Including public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
(7) Including components related to the acquisition of operations of the two former Venetian banks

Banca dei Territori: H1 vs H1

€ m

	1H16 Restated	1H17	Δ%
Net interest income	2,301	2,255	(2.0)
Net fee and commission income	1,964	2,063	5.0
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	30	34	13.3
Other operating income (expenses)	12	23	91.7
Operating income	**4,307**	**4,375**	**1.6**
Personnel expenses	(1,518)	(1,502)	(1.1)
Other administrative expenses	(930)	(911)	(2.0)
Adjustments to property, equipment and intangible assets	(2)	(2)	0.0
Operating costs	**(2,450)**	**(2,415)**	**(1.4)**
Operating margin	**1,857**	**1,960**	**5.5**
Net adjustments to loans	(930)	(774)	(16.8)
Net provisions and net impairment losses on other assets	(30)	(6)	(80.0)
Other income (expenses)	109	0	(100.0)
Income (Loss) from discontinued operations	42	0	(100.0)
Gross income (loss)	**1,048**	**1,180**	**12.6**
Taxes on income	(396)	(462)	16.7
Charges (net of tax) for integration and exit incentives	(10)	(23)	130.0
Effect of purchase price allocation (net of tax)	(4)	(2)	(50.0)
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(6)	0	n.m.
Net income	**632**	**693**	**9.7**

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

Banca dei Territori: Q2 vs Q1

€ m

	1Q17	2Q17	Δ%
Net interest income	1,131	1,124	(0.7)
Net fee and commission income	1,017	1,047	2.9
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	17	17	(2.2)
Other operating income (expenses)	14	9	(34.8)
Operating income	**2,179**	**2,196**	**0.8**
Personnel expenses	(738)	(763)	3.4
Other administrative expenses	(446)	(466)	4.5
Adjustments to property, equipment and intangible assets	(1)	(1)	11.7
Operating costs	**(1,185)**	**(1,230)**	**3.8**
Operating margin	**994**	**966**	**(2.8)**
Net adjustments to loans	(415)	(360)	(13.3)
Net provisions and net impairment losses on other assets	2	(8)	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**581**	**599**	**3.0**
Taxes on income	(227)	(235)	3.7
Charges (net of tax) for integration and exit incentives	(2)	(21)	968.4
Effect of purchase price allocation (net of tax)	(2)	0	(100.0)
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**351**	**342**	**(2.3)**

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

Corporate and Investment Banking: H1 vs H1

€ m

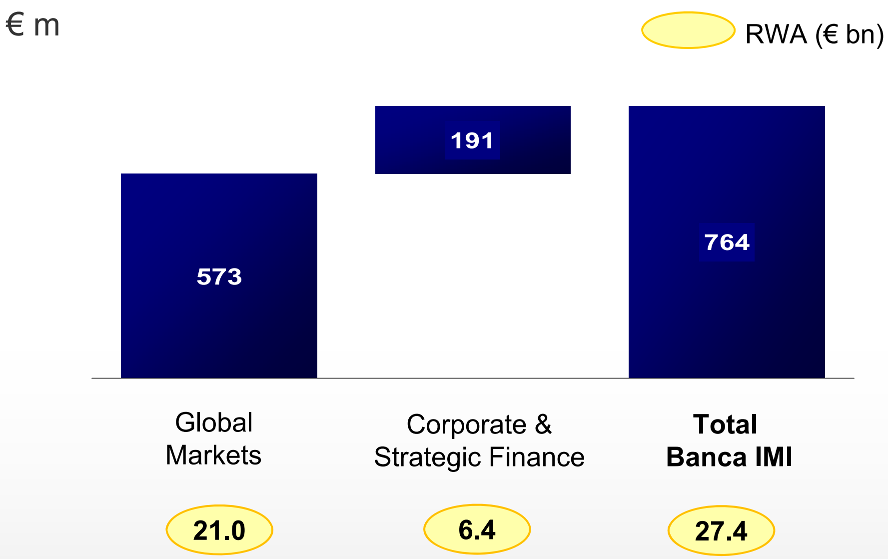
	1H16 Restated	1H17	Δ%
Net interest income	712	796	11.8
Net fee and commission income	483	469	(2.9)
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	480	378	(21.3)
Other operating income (expenses)	3	6	100.0
Operating income	**1,678**	**1,649**	**(1.7)**
Personnel expenses	(173)	(181)	4.6
Other administrative expenses	(286)	(285)	(0.3)
Adjustments to property, equipment and intangible assets	(1)	(1)	0.0
Operating costs	**(460)**	**(467)**	**1.5**
Operating margin	**1,218**	**1,182**	**(3.0)**
Net adjustments to loans	(123)	(164)	33.3
Net provisions and net impairment losses on other assets	(2)	(23)	n.m.
Other income (expenses)	18	109	505.6
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**1,111**	**1,104**	**(0.6)**
Taxes on income	(350)	(305)	(12.9)
Charges (net of tax) for integration and exit incentives	(3)	(2)	(33.3)
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**758**	**797**	**5.1**

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

Banca IMI: A Significant Contribution to Group Results

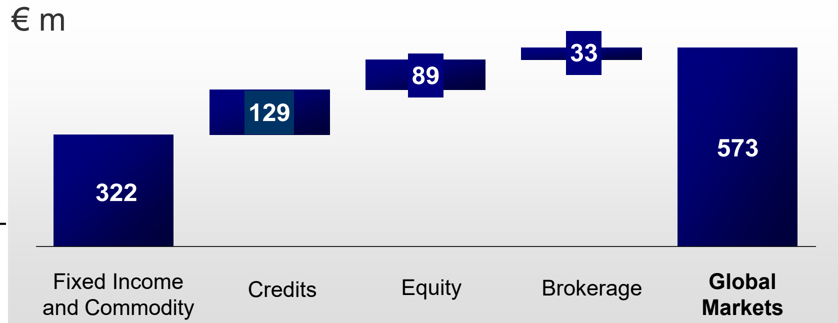
1H17 Results

Banca IMI Operating Income(1)

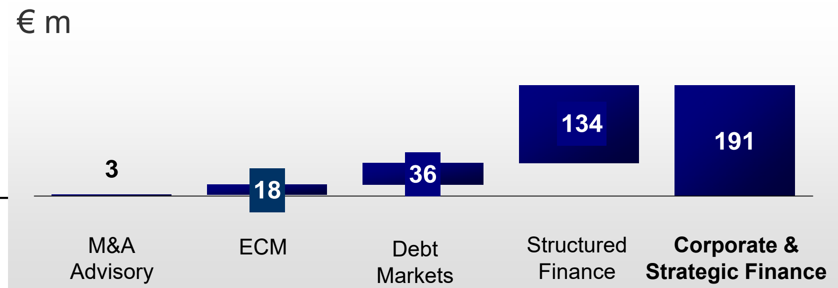


- ~76% of Operating income is customer driven
- H1 average VaR at €66m
- Cost/Income ratio at 29.5%
- H1 Net income at €290m

of which: Global Markets



of which: Corporate & Strategic Finance



Note: figures may not add up exactly due to rounding differences
(1) Banca IMI S.p.A. and its subsidiaries

Corporate and Investment Banking: Q2 vs Q1

€ m

	1Q17	2Q17	Δ%
Net interest income	379	417	9.9
Net fee and commission income	245	223	(8.8)
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	178	201	13.0
Other operating income (expenses)	2	4	75.7
Operating income	**804**	**845**	**5.1**
Personnel expenses	(88)	(93)	5.2
Other administrative expenses	(137)	(147)	7.5
Adjustments to property, equipment and intangible assets	(1)	(1)	(24.5)
Operating costs	**(226)**	**(241)**	**6.5**
Operating margin	**578**	**604**	**4.5**
Net adjustments to loans	(79)	(85)	8.1
Net provisions and net impairment losses on other assets	(9)	(14)	46.0
Other income (expenses)	0	109	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**490**	**614**	**25.3**
Taxes on income	(139)	(166)	19.2
Charges (net of tax) for integration and exit incentives	(0)	(2)	n.m.
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**351**	**446**	**27.3**

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

International Subsidiary Banks: H1 vs H1

€ m

	1H16 Restated	1H17	Δ%
Net interest income	728	667	(8.4)
Net fee and commission income	236	241	2.1
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	60	80	33.3
Other operating income (expenses)	(16)	(30)	87.5
Operating income	**1,008**	**958**	**(5.0)**
Personnel expenses	(266)	(249)	(6.4)
Other administrative expenses	(168)	(164)	(2.4)
Adjustments to property, equipment and intangible assets	(44)	(40)	(9.1)
Operating costs	**(478)**	**(453)**	**(5.2)**
Operating margin	**530**	**505**	**(4.7)**
Net adjustments to loans	(106)	(114)	7.5
Net provisions and net impairment losses on other assets	18	16	(11.1)
Other income (expenses)	65	195	200.0
Income (Loss) from discontinued operations	2	0	(100.0)
Gross income (loss)	**509**	**602**	**18.3**
Taxes on income	(101)	(93)	(7.9)
Charges (net of tax) for integration and exit incentives	(19)	(8)	(57.9)
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**389**	**501**	**28.8**

+9% excluding the impact from the Egyptian currency devaluation

+12% excluding the impact from the Egyptian currency devaluation

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: Q2 vs Q1

€ m

	1Q17	2Q17	Δ%
Net interest income	332	336	1.2
Net fee and commission income	116	124	6.8
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	33	47	45.6
Other operating income (expenses)	(9)	(22)	(153.1)
Operating income	**472**	**486**	**2.9**
Personnel expenses	(123)	(126)	2.5
Other administrative expenses	(81)	(83)	2.3
Adjustments to property, equipment and intangible assets	(20)	(20)	0.3
Operating costs	**(224)**	**(229)**	**2.2**
Operating margin	**248**	**257**	**3.5**
Net adjustments to loans	(40)	(74)	87.6
Net provisions and net impairment losses on other assets	7	9	25.1
Other income (expenses)	194	1	(99.5)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**409**	**192**	**(53.0)**
Taxes on income	(56)	(38)	(31.7)
Charges (net of tax) for integration and exit incentives	(3)	(5)	44.8
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	(0)	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**351**	**150**	**(57.2)**

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: H1 vs H1

€ m

	1H16 Restated	1H17	Δ%
Net interest income	89	90	1.1
Net fee and commission income	763	819	7.3
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	10	17	70.0
Other operating income (expenses)	7	6	(14.3)
Operating income	**869**	**932**	**7.2**
Personnel expenses	(142)	(155)	9.2
Other administrative expenses	(108)	(107)	(0.9)
Adjustments to property, equipment and intangible assets	(8)	(7)	(12.5)
Operating costs	**(258)**	**(269)**	**4.3**
Operating margin	**611**	**663**	**8.5**
Net adjustments to loans	7	0	(100.0)
Net provisions and net impairment losses on other assets	(28)	(17)	(39.3)
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**590**	**646**	**9.5**
Taxes on income	(167)	(188)	12.6
Charges (net of tax) for integration and exit incentives	(17)	(13)	(23.5)
Effect of purchase price allocation (net of tax)	(42)	0	(100.0)
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**364**	**445**	**22.3**

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

Private Banking: Q2 vs Q1

€ m

	1Q17	2Q17	Δ%
Net interest income	43	46	6.0
Net fee and commission income	405	414	2.2
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	13	5	(60.8)
Other operating income (expenses)	3	3	24.0
Operating income	**463**	**468**	**1.0**
Personnel expenses	(75)	(80)	6.7
Other administrative expenses	(50)	(57)	13.7
Adjustments to property, equipment and intangible assets	(4)	(4)	(7.9)
Operating costs	**(128)**	**(140)**	**9.0**
Operating margin	**335**	**328**	**(2.0)**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(9)	(8)	(11.8)
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**326**	**320**	**(1.8)**
Taxes on income	(93)	(95)	1.8
Charges (net of tax) for integration and exit incentives	(5)	(7)	31.1
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(0)	0	n.m.
Net income	**227**	**218**	**(4.0)**

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

Asset Management: H1 vs H1

€ m

	1H16 Restated	1H17	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	261	322	23.4
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	4	0	(100.0)
Other operating income (expenses)	34	47	38.2
Operating income	**299**	**369**	**23.4**
Personnel expenses	(28)	(33)	17.9
Other administrative expenses	(36)	(39)	8.3
Adjustments to property, equipment and intangible assets	0	0	n.m.
Operating costs	**(64)**	**(72)**	**12.5**
Operating margin	**235**	**297**	**26.4**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	0	0	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**235**	**297**	**26.4**
Taxes on income	(51)	(55)	7.8
Charges (net of tax) for integration and exit incentives	0	0	n.m.
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(5)	(7)	40.0
Net income	**179**	**235**	**31.3**

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

Asset Management: Q2 vs Q1

€ m

	1Q17	2Q17	Δ%
Net interest income	0	0	(10.9)
Net fee and commission income	157	165	5.4
Income from insurance business	0	0	n.m.
Profits (Losses) on trading	(0)	0	n.m.
Other operating income (expenses)	21	26	22.0
Operating income	**178**	**191**	**7.4**
Personnel expenses	(16)	(17)	5.0
Other administrative expenses	(18)	(20)	11.0
Adjustments to property, equipment and intangible assets	(0)	(0)	2.8
Operating costs	**(34)**	**(37)**	**8.1**
Operating margin	**143**	**154**	**7.3**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(0)	(0)	155.4
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**143**	**154**	**7.3**
Taxes on income	(25)	(30)	20.4
Charges (net of tax) for integration and exit incentives	0	0	n.m.
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(3)	(3)	(15.1)
Net income	**115**	**121**	**5.1**

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

Insurance: H1 vs H1

€ m

	1H16 Restated	1H17	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	0	0	n.m.
Income from insurance business	675	599	(11.3)
Profits (Losses) on trading	0	0	n.m.
Other operating income (expenses)	(2)	(4)	(100.0)
Operating income	**673**	**595**	**(11.6)**
Personnel expenses	(33)	(39)	18.2
Other administrative expenses	(41)	(45)	9.8
Adjustments to property, equipment and intangible assets	(1)	(1)	0.0
Operating costs	**(75)**	**(85)**	**13.3**
Operating margin	**598**	**510**	**(14.7)**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(9)	0	(100.0)
Other income (expenses)	0	(3)	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**589**	**507**	**(13.9)**
Taxes on income	(184)	(138)	(25.0)
Charges (net of tax) for integration and exit incentives	(2)	(2)	0.0
Effect of purchase price allocation (net of tax)	(11)	(10)	(9.1)
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**392**	**357**	**(8.9)**

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

Insurance: Q2 vs Q1

€ m

	1Q17	2Q17	∆%
Net interest income	0	0	n.m.
Net fee and commission income	0	0	n.m.
Income from insurance business	320	279	(13.0)
Profits (Losses) on trading	0	0	n.m.
Other operating income (expenses)	(1)	(3)	(310.3)
Operating income	**319**	**275**	**(13.8)**
Personnel expenses	(19)	(20)	4.2
Other administrative expenses	(21)	(24)	17.1
Adjustments to property, equipment and intangible assets	(1)	(1)	17.0
Operating costs	**(40)**	**(45)**	**11.0**
Operating margin	**279**	**231**	**(17.4)**
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(0)	0	n.m.
Other income (expenses)	0	(3)	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	**279**	**228**	**(18.2)**
Taxes on income	(79)	(60)	(24.3)
Charges (net of tax) for integration and exit incentives	(1)	(2)	189.6
Effect of purchase price allocation (net of tax)	(5)	(5)	0.0
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**195**	**162**	**(16.9)**

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

Quarterly P&L Analysis

€ m

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
	Restated					
Net interest income	1,855	1,832	1,859	1,748	1,805	1,815
Net fee and commission income	1,687	1,858	1,756	2,030	1,855	1,896
Income from insurance business	332	239	258	166	283	240
Profits (Losses) on trading	228	467	248	247	226	365
Other operating income (expenses)	75	68	29	(7)	40	32
Operating income	**4,177**	**4,464**	**4,150**	**4,184**	**4,209**	**4,348**
Personnel expenses	(1,279)	(1,341)	(1,310)	(1,393)	(1,286)	(1,338)
Other administrative expenses	(597)	(641)	(627)	(765)	(583)	(633)
Adjustments to property, equipment and intangible assets	(178)	(179)	(186)	(206)	(186)	(188)
Operating costs	**(2,054)**	**(2,161)**	**(2,123)**	**(2,364)**	**(2,055)**	**(2,159)**
Operating margin	**2,123**	**2,303**	**2,027**	**1,820**	**2,154**	**2,189**
Net adjustments to loans	(694)	(923)	(917)	(1,174)	(695)	(737)
Net provisions and net impairment losses on other assets	(46)	(194)	(77)	(105)	(3)	(57)
Other income (expenses)	5	196	16	138	196	3,617
Income (Loss) from discontinued operations	20	28	23	881	0	0
Gross income (loss)(1)	**1,408**	**1,410**	**1,072**	**1,560**	**1,652**	**5,012**
Taxes on income	(432)	(361)	(321)	(314)	(445)	(444)
Charges (net of tax) for integration and exit incentives	(13)	(38)	(16)	(83)	(12)	(41)
Effect of purchase price allocation (net of tax)	(29)	(27)	(26)	(30)	(6)	(5)
Levies and other charges concerning the banking industry (net of tax)	(102)	(11)	(69)	(377)	(282)	(178)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	0	0	0
Minority interests	(26)	(72)	(12)	20	(6)	(7)
Net income(1)	**806**	**901**	**628**	**776**	**901**	**4,337**
Net income excluding the public cash contribution(2)	**806**	**901**	**628**	**776**	**901**	**837**

Note: figures may not add up exactly due to rounding differences. 2016 data restated to reflect Banca ITB consolidation
(1) 2Q17 including public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios
(2) 2Q17 excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios

Net Fee and Commission Income: Quarterly Development Breakdown

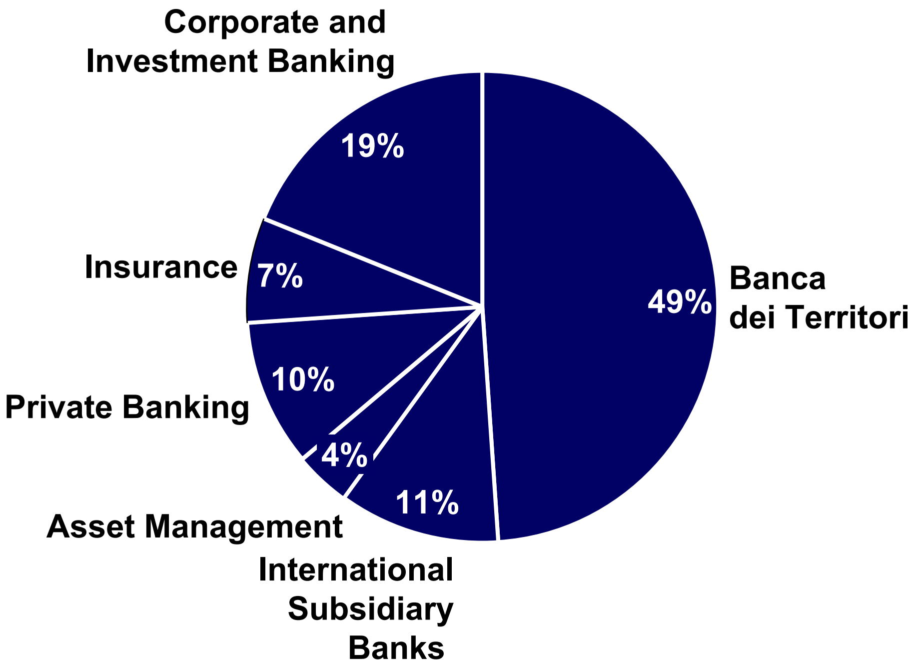
€ m

Net Fee and Commission Income	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
	Restated					
Guarantees given / received	83	83	90	86	81	86
Collection and payment services	92	98	97	103	95	97
Current accounts	251	258	255	259	252	253
Credit and debit cards	90	94	98	94	83	92
Commercial banking activities	**516**	**533**	**540**	**542**	**511**	**528**
Dealing and placement of securities	91	153	137	143	176	182
Currency dealing	10	10	10	11	10	11
Portfolio management	493	512	504	546	539	560
Distribution of insurance products	327	362	335	362	373	366
Other	41	38	47	89	40	39
Management, dealing and consultancy activities	**962**	**1,075**	**1,033**	**1,151**	**1,138**	**1,158**
Other net fee and commission income	209	250	183	337	206	210
Net fee and commission income	**1,687**	**1,858**	**1,756**	**2,030**	**1,855**	**1,896**

Note: figures may not add up exactly due to rounding differences. 2016 data restated to reflect Banca ITB consolidation

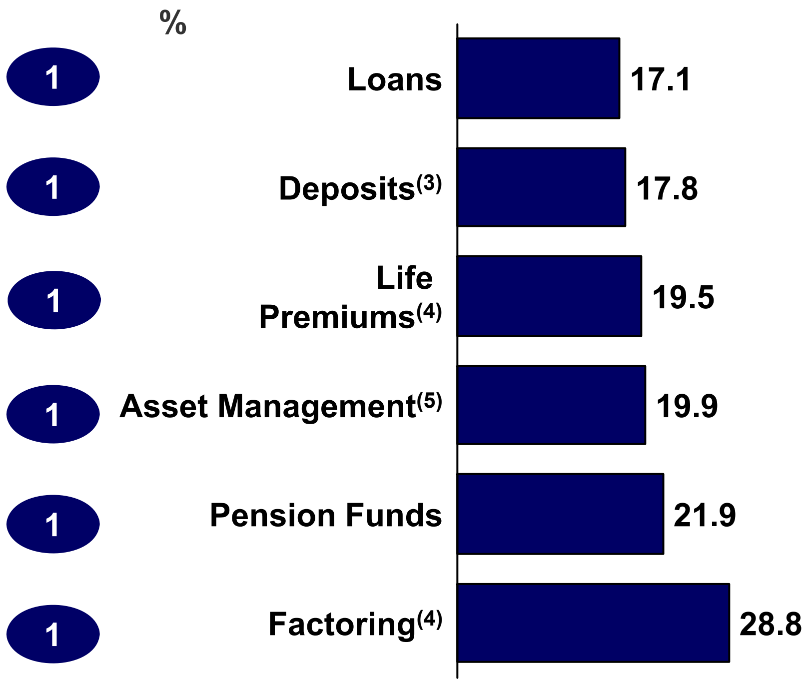
Market Leadership in Italy

1H17 Operating Income Breakdown by business area(1)



Leader in Italy
(data as of 30.6.17)

Ranking | Market share(2)



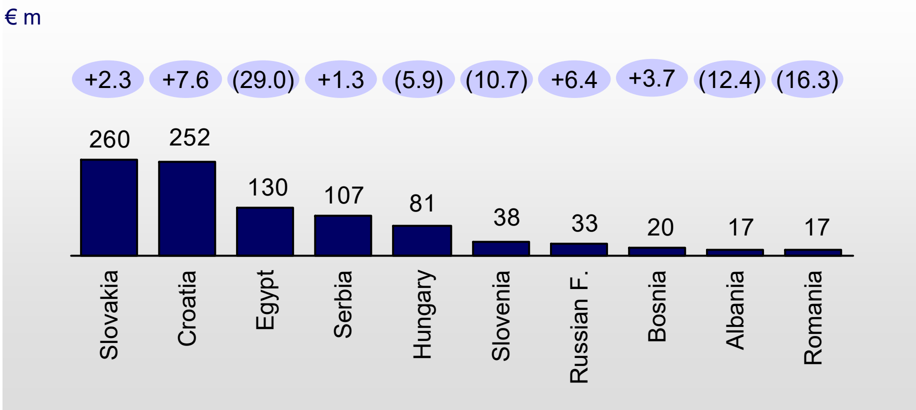
Note: figures may not add up exactly due to rounding differences
(1) Excluding Corporate Centre
(2) Including components related to the acquisition of operations of the two former Venetian banks
(3) Including bonds
(4) Data as of 31.3.17
(5) Mutual funds; data as of 31.3.17

International Subsidiary Banks: Key P&L Data by Country

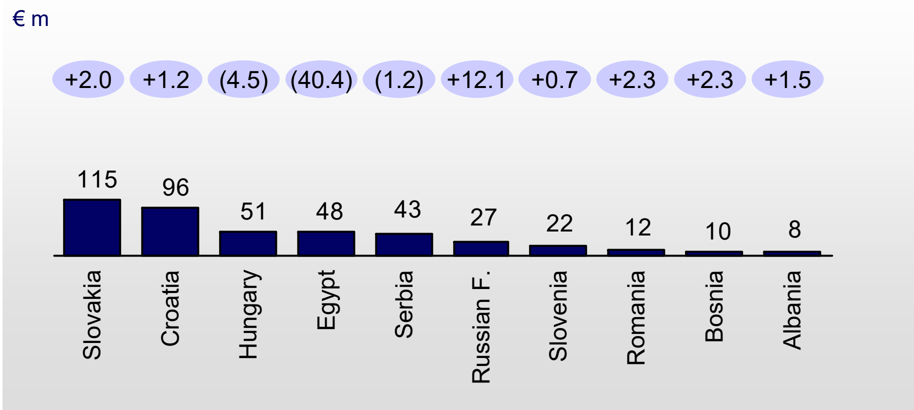
Data as of 30.6.17

(Δ% vs 1H16)

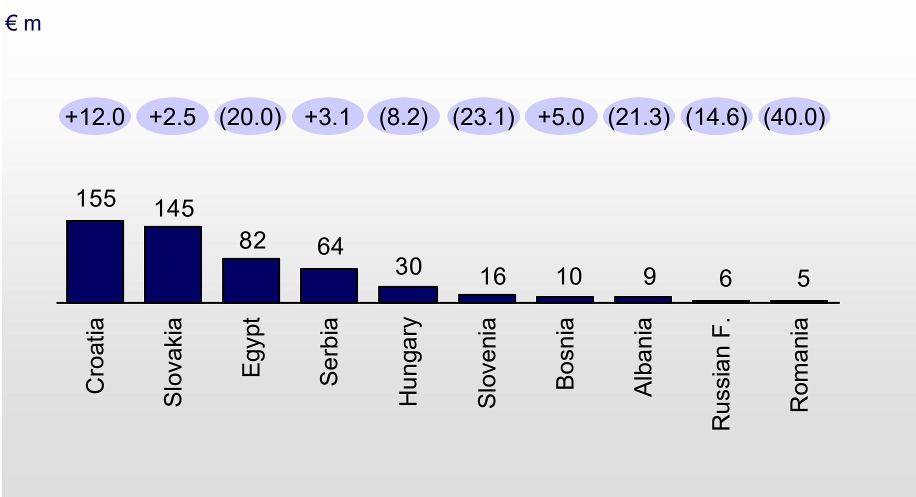
Operating Income



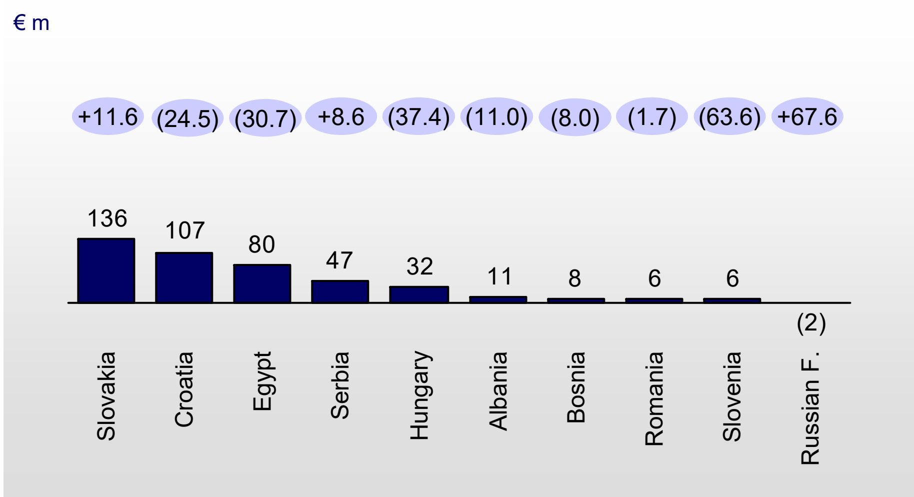
Operating Costs



Operating Margin



Gross Income



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

International Subsidiary Banks by Country: ~7% of the Group's Total Loans

Data as of 30.6.17

	Hungary(*)	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Russian F.	CEE Total	Egypt	Total
Oper. Income (€ m)	81	260	38	252	107	20	17	17	33	825	130	955
% of Group total	*1.0%*	*3.0%*	*0.4%*	*2.9%*	*1.3%*	*0.2%*	*0.2%*	*0.2%*	*0.4%*	*9.6%*	*1.5%*	*11.2%*
Net income (€ m)	15	101	3	79	39	6	9	4	(4)	252	58	310
% of Group total	*0.3%*	*1.9%*	*0.1%*	*1.5%*	*0.7%*	*0.1%*	*0.2%*	*0.1%*	*n.m.*	*4.8%*	*1.1%*	*5.9%*
Customer Deposits (€ bn)	3.6	12.3	1.9	7.8	3.3	0.6	1.0	0.6	0.5	31.4	2.8	34.2
% of Group total	*0.9%*	*3.0%*	*0.5%*	*1.9%*	*0.8%*	*0.1%*	*0.2%*	*0.1%*	*0.1%*	*7.6%*	*0.7%*	*8.3%*
Customer Loans (€ bn)	2.5	11.4	1.5	6.7	2.4	0.6	0.3	0.6	0.5	26.5	1.5	28.0
% of Group total	*0.6%*	*2.9%*	*0.4%*	*1.7%*	*0.6%*	*0.2%*	*0.1%*	*0.2%*	*0.1%*	*6.7%*	*0.4%*	*7.1%*
Total Assets (€ bn)	5.1	14.8	2.3	10.1	4.6	0.9	1.2	0.9	0.8	40.6	3.4	44.0
% of Group total	*0.6%*	*1.9%*	*0.3%*	*1.3%*	*0.6%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*5.2%*	*0.4%*	*5.6%*
Book value (€ m)	657	1,460	266	1,805	988	126	145	115	178	5,740	291	6,031
- goodwill/intangibles	*25*	*68*	*4*	*16*	*12*	*2*	*4*	*4*	*10*	*145*	*4*	*149*

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 30.6.17

	Hungary(*)	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Russian F.	CEE Total	Egypt	Total
Performing loans (€ bn)	2.3	11.2	1.4	6.3	2.3	0.6	0.3	0.6	0.4	**25.3**	1.4	**26.7**
of which:												
Retail local currency	39%	58%	46%	25%	24%	23%	15%	33%	5%	**41%**	52%	**42%**
Retail foreign currency	0%	0%	0%	26%	28%	27%	14%	31%	0%	**10%**	0%	**10%**
Corporate local currency	30%	36%	52%	13%	4%	18%	24%	20%	80%	**28%**	29%	**28%**
Corporate foreign currency	31%	6%	1%	36%	44%	32%	47%	16%	14%	**20%**	19%	**20%**
Bad loans(1) (€ m)	47	122	39	92	67	8	8	14	24	**421**	2	**423**
Unlikely to pay(2) (€ m)	143	97	63	300	68	4	15	8	18	**716**	115	**831**
Performing loans coverage	2.1%	0.7%	0.8%	1.0%	0.7%	0.5%	4.1%	2.2%	2.1%	**1.0%**	2.1%	**1.1%**
Bad loans(1) coverage	67%	66%	64%	71%	62%	83%	38%	56%	74%	**67%**	97%	**69%**
Unlikely to pay(2) coverage	50%	40%	34%	32%	49%	43%	35%	38%	57%	**41%**	25%	**39%**
Annualised cost of credit(3) (bps)	n.m.	52	128	149	141	79	n.m.	n.m.	316	**63**	24	**61**

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 30.6.17: from Phased-in to Pro-forma Fully Loaded

	~€ bn	~bps
Full consolidation of the subsidiaries of former Venetian banks	**0.4**	**12**
Transitional adjustments		
Reserve shortfall	(0.1)	(2)
Valuation reserves	(0.1)	(4)
Minorities exceeding requirements	(0.0)	(1)
DTA on losses carried forward(1)	0.0	1
Total	**(0.2)**	**(6)**
Deductions exceeding cap(*)		
Total	**0.0**	**3**
(*) as a memo, constituents of deductions subject to cap:		
- Other DTA(2)	1.7	
- Investments in banking and financial companies	0.9	
- Investments in insurance companies(3)	4.6	
RWA from 100% weighted DTA(4)	**(8.6)**	**37**
Benefit from the Danish Compromise		8
Total estimated impact		**54**
Pro-forma fully loaded Common Equity ratio		**13.0%**

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

(1) Considering the expected absorption of DTA on losses carried forward (€0.5bn as of 30.6.17)

(2) Other DTA: mostly related to provisions for risks and charges, considering the total absorption of €0.6bn DTA related to the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of operations of the two former Venetian banks. DTA related to goodwill realignment and adjustments to loans are excluded due to their treatment as credits to tax authorities

(3) Considering the expected distribution of 1H17 Net income of insurance companies

(4) Considering the total absorption of DTA convertible into tax credit related to goodwill realignment (€5bn as of 30.6.17) and adjustments to loans (€3.6bn as of 30.6.17)

Total Exposure(1) by Main Countries

€ m

	DEBT SECURITIES								LOANS
	Banking Business						Insurance Business (2)	Total	
	L&R	AFS	HTM	CFV	HFT	Total			
EU Countries	**9,951**	**52,995**	**1,962**	**882**	**5,489**	**71,279**	**62,801**	**134,080**	**387,281**
Austria	135	28	4		234	401	5	406	383
Belgium		392			213	605	186	791	1,631
Bulgaria							82	82	10
Croatia	120	388	2	672	64	1,246	103	1,349	6,705
Cyprus									255
Czech Republic									558
Denmark		58			54	112	29	141	164
Estonia									1
Finland		106			61	167	29	196	17
France	152	4,291		199	300	4,942	1,601	6,543	4,374
Germany	76	6,308			338	6,722	1,618	8,340	3,456
Greece	14					14		14	11
Hungary	43	656	94		224	1,017	36	1,053	2,393
Ireland	181	557			245	983	176	1,159	262
Italy	8,196	27,170	1,435		2,852	39,653	53,946	93,599	317,523
Latvia		11				11		11	48
Lithuania		47				47		47	13
Luxembourg	259	56			109	424	14	438	3,417
Malta									508
The Netherlands	61	302			489	852	868	1,720	4,058
Poland	17	50				67	30	97	913
Portugal	171				6	177	8	185	208
Romania		79			1	80	165	245	1,084
Slovakia		341	427		33	801		801	10,147
Slovenia		202				202	7	209	1,538
Spain	285	11,617			124	12,026	2,376	14,402	2,852
Sweden		31			52	83	5	88	232
United Kingdom	241	305		11	90	647	1,517	2,164	24,520
North African Countries		**733**				**733**		**733**	**1,734**
Algeria									13
Egypt		733				733		733	1,699
Libya									5
Morocco									7
Tunisia									10
Japan		**19**			**730**	**749**	**77**	**826**	**528**

Note: including components related to the acquisition of operations of the two former Venetian banks. 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 30.6.17
(2) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

Exposure to Sovereign Risks(1) by Main Countries

€ m

	DEBT SECURITIES – Banking Business – L&R	Banking Business – AFS	Banking Business – HTM	Banking Business – CFV	Banking Business – HFT (2)	Banking Business – Total	Insurance Business (3)	Total	AFS Reserve (4)	LOANS
EU Countries	**6,624**	**48,922**	**1,868**	**672**	**2,335**	**60,421**	**53,022**	**113,443**	**-19**	**15,690**
Austria			4		201	205	3	208		
Belgium		313			66	379	5	384	-1	
Bulgaria							60	60		
Croatia	7	388	2	672	64	1,133	87	1,220		1,245
Cyprus										
Czech Republic										
Denmark					10	10		10		
Estonia										
Finland		31			55	86	6	92		
France	100	3,700			139	3,939	92	4,031	-13	6
Germany		6,006			224	6,230	749	6,979	-28	
Greece										
Hungary	32	648			226	906	36	942	3	24
Ireland		177			17	194	117	311	1	
Italy	6,249	25,500	1,435		1,081	34,265	50,269	84,534	-15	13,916
Latvia		11				11		11		47
Lithuania		47				47		47		
Luxembourg										
Malta										
The Netherlands					195	195	99	294	1	
Poland	17	50				67	19	86		
Portugal	17				-6	11		11		25
Romania		79			1	80	165	245	1	
Slovakia		229	427		33	689		689	3	122
Slovenia		192				192	7	199	4	187
Spain	202	11,460			21	11,683	1,308	12,991	26	118
Sweden		3			52	55		55		
United Kingdom		88			-44	44		44	-1	
North African Countries		**733**				**733**		**733**	**-2**	
Algeria										
Egypt		733				733		733	-2	
Libya										
Morocco										
Tunisia										
Japan					**647**	**647**		**647**		

Banking Business Government bond duration: ~4.8 years
Adjusted duration due to hedging: ~0.3 years

Note: including components related to the acquisition of operations of the two former Venetian banks. 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 30.6.17
(2) Taking into account cash short positions
(3) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured
(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[(1)]

€ m

	DEBT SECURITIES								LOANS
	Banking Business						Insurance Business [(2)]	Total	
	L&R	AFS	HTM	CFV	HFT	Total			
EU Countries	**663**	**2,069**	**94**	**199**	**1,625**	**4,650**	**3,770**	**8,420**	**28,661**
Austria	125	5			33	163		163	177
Belgium		54			133	187	53	240	1,455
Bulgaria									
Croatia	87					87		87	58
Cyprus									1
Czech Republic									
Denmark		48			34	82	2	84	84
Estonia									
Finland		30			4	34		34	1
France		430		199	105	734	609	1,343	3,084
Germany	5	90			109	204	171	375	1,361
Greece									4
Hungary		8	94			102		102	16
Ireland		72			2	74		74	38
Italy	312	828			926	2,066	1,799	3,865	10,353
Latvia									
Lithuania									8
Luxembourg	60				85	145	1	146	1,851
Malta									469
The Netherlands	22	205			89	316	309	625	223
Poland									195
Portugal									7
Romania									26
Slovakia		112				112		112	
Slovenia		3				3		3	1
Spain		61			13	74	279	353	1,454
Sweden		5				5	2	7	93
United Kingdom	52	118			92	262	545	807	7,702
North African Countries									**125**
Algeria									1
Egypt									110
Libya									
Morocco									7
Tunisia									7
Japan					**10**	**10**	**52**	**62**	**20**

Note: including components related to the acquisition of operations of the two former Venetian banks. Figures may not add up exactly due to rounding differences

(1) Book Value of Debt Securities and Net Loans as of 30.6.17

(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(1)

€ m

	DEBT SECURITIES								LOANS
	Banking Business						Insurance Business (2)	Total	
	L&R	AFS	HTM	CFV	HFT	Total			
EU Countries	**2,664**	**2,004**		**11**	**1,529**	**6,208**	**6,009**	**12,217**	**342,930**
Austria	10	23				33	2	35	206
Belgium		25			14	39	128	167	176
Bulgaria							22	22	10
Croatia	26					26	16	42	5,402
Cyprus									254
Czech Republic									558
Denmark		10			10	20	27	47	80
Estonia									1
Finland		45			2	47	23	70	16
France	52	161			56	269	900	1,169	1,284
Germany	71	212			5	288	698	986	2,095
Greece	14					14		14	7
Hungary	11				-2	9		9	2,353
Ireland	181	308			226	715	59	774	224
Italy	1,635	842			845	3,322	1,878	5,200	293,254
Latvia									1
Lithuania									5
Luxembourg	199	56			24	279	13	292	1,566
Malta									39
The Netherlands	39	97			205	341	460	801	3,835
Poland							11	11	718
Portugal	154				12	166	8	174	176
Romania									1,058
Slovakia									10,025
Slovenia		7				7		7	1,350
Spain	83	96			90	269	789	1,058	1,280
Sweden		23				23	3	26	139
United Kingdom	189	99		11	42	341	972	1,313	16,818
North African Countries									**1,609**
Algeria									12
Egypt									1,589
Libya									5
Morocco									
Tunisia									3
Japan		**19**			**73**	**92**	**25**	**117**	**508**

Note: including components related to the acquisition of operations of the two former Venetian banks. Figures may not add up exactly due to rounding differences
(1) Book Value of Debt Securities and Net Loans as of 30.6.17
(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”.

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

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

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