



# A Strong Bank, Delivering Growth

# Contents

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## ISP: Group's Highlights

9M15 Results

# ISP at a glance

- Total Assets: €668bn
- Loans to Customers: €345bn
- Direct Deposits from Banking Business: €359bn
- Net Income: €2,726m in 9M15 (€1,251m<sup>(1)</sup> in 2014)
- Leverage ratio at 6.9%
- Pro-forma fully loaded Common Equity ratio at 13.4%<sup>(2)</sup>
- Presence in 41 countries
- ~5,600 branches serving ~19.3 million customers
- ~91,000 employees
- Market cap: €51.6bn<sup>(3)</sup>



**Moody's Investors Service**

- Short-term credit rating: P-2
- Long-term credit rating: Baa1
- Outlook: Stable

**STANDARD  
& POOR'S**

- Short-term credit rating: A-3
- Long-term credit rating: BBB-
- Outlook: Stable

**FitchRatings**

- Short-term credit rating: F-2
- Long-term credit rating: BBB+
- Outlook: Stable
- Viability rating: bbb+



*Insight beyond the rating.*

- Short-term credit rating: R-1 (low)
- Long-term credit rating: A (low)
- Long-term Trend: Stable
- Short-term Trend: Stable

Figures as at 30 September 2015

(1) €1,690m excluding the one-off tax charge (tax rate increase from 12% to 26% on the gain from Bank of Italy stake booked in 4Q13)

(2) Pro-forma fully loaded Basel 3 (30.9.2015 financial statements considering the total absorption of DTA related to goodwill realignment, the expected absorption of DTA on losses carried forward and the announced distribution of reserves of insurance companies); including estimated benefits from the Danish Compromise (6bps)

(3) As at 30 December 2015

# ISP: the Clear Italian Market Leader in Retail Banking and in Corporate & Investment Banking

| Ranking in Italy  |      |                             |
|-------------------|------|-----------------------------|
| Business          | Rank | Market share <sup>(1)</sup> |
| Retail Banking    | #1   | 15.1%                       |
| Wealth Management | #1   | 21.7%                       |
| Corporate Banking | #1   | 31.9%                       |

- 11 million customers
- ~4,200 branches

- 15,000 Corporate clients
- The Bank of reference for all top Italian corporates and key global companies
- Italian leader in Capital Markets and Investment Banking

Figures as at 30 September 2015

(1) Not exhaustive. Retail Banking share is on deposits, including bonds as at 30.9.15; Wealth Management share is on mutual funds as at 30.6.15; Corporate Banking share is the share of wallet on loans as at 30.6.15

# Strategic International Presence

## International Subsidiary Banks Division

- **Retail and Commercial Banking** in Eastern Europe and North Africa serving **~8 million customers** in **11 countries** (with ~1,100 branches)
  - **Leading position** in a number of countries with very good risk-return profiles (e.g. ~18% market share by assets in Slovakia)
- 

## Corporate & Investment Banking Foreign Network

- **Strong international presence** in key international hubs: 28 countries with a presence ranging from London to New York, San Paolo, Moscow, Dubai, Hong Kong, Beijing, Shanghai, Sydney, Singapore, Tokyo

# Contents

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ISP: Group's Highlights

**9M15 Results**

## 9M: Over-Delivery Continues

**More than €2.7bn Net Income, the best since 2008  
and well above our 2015 dividend commitment**

**Revenues up 7% with Commissions up 13%**

**€7.3bn Operating Margin, the highest since 2007**

**Continued trend of reduction in new NPL inflow:  
LLPs down 32%**

**Pre-tax income up 52%**

**Common Equity<sup>(1)</sup> ratio up at 13.4%**

(1) Pro-forma fully loaded Basel 3 (30.9.2015 financial statements considering the total absorption of DTA related to goodwill realignment, the expected absorption of DTA on losses carried forward and the announced distribution of reserves of insurance companies); including estimated benefits from the Danish Compromise (6bps)

## 9M: Highlights

### ■ Excellent economic performance driven by high quality earnings:

- Net income at €2,726m (+127% vs 9M14), the highest since 2008 
- Pre-tax income at €4.4bn (+52% vs 9M14), the highest since 2008 
- Increase in Operating income (+7% vs 9M14) driven by the highest Net fees and commissions ever (+13% vs 9M14) 
- Continued strong cost management with C/I down to 46.5% (-2.7pp vs 9M14) 
- Operating margin at €7.3bn (+13% vs 9M14), the highest since 2007 
- Downward trend in loan loss provisions (-32% vs 9M14), coupled with the lowest NPL inflow since 2007 

### ■ Best-in-class capital position with a solid balance sheet:

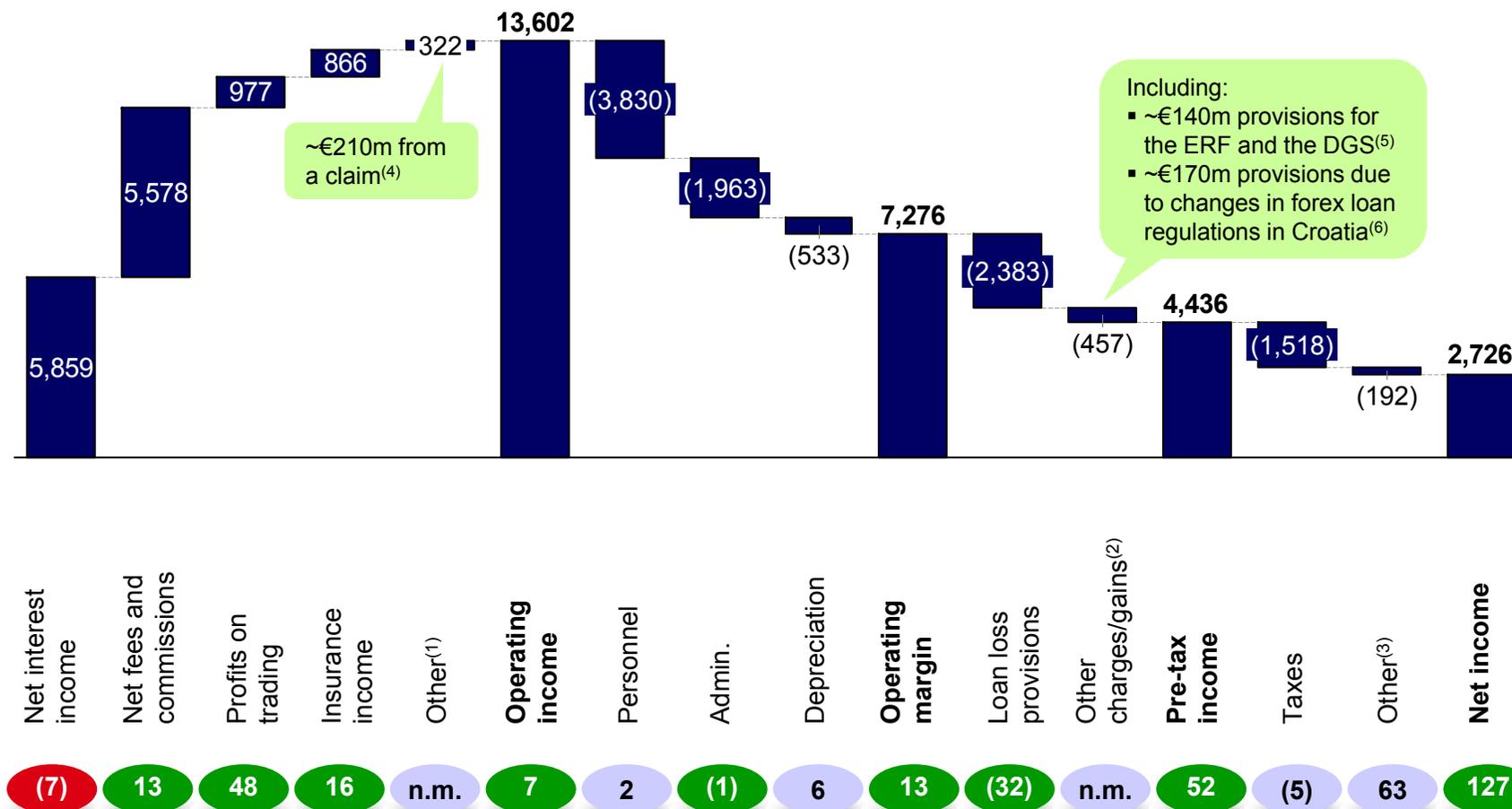
- Low leverage ratio at 6.9% and high and increased capital base (pro-forma fully loaded Common Equity ratio at 13.4%<sup>(1)</sup>) 
- Strong liquidity position and funding capability with LCR and NSFR well above 100% 
- NPL cash coverage stable at 47% 

(1) Pro-forma fully loaded Basel 3 (30.9.2015 financial statements considering the total absorption of DTA related to goodwill realignment, the expected absorption of DTA on losses carried forward and the announced distribution of reserves of insurance companies); including estimated benefits from the Danish Compromise (6bps)

# 9M15 vs 9M14: More Than €2.7bn Net Income Driven by Quality Earnings and Improved Credit Environment

9M15 P&L  
€ m

Δ vs 9M14



(1) Dividends and other operating income (expenses)

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

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

(4) €149m after tax

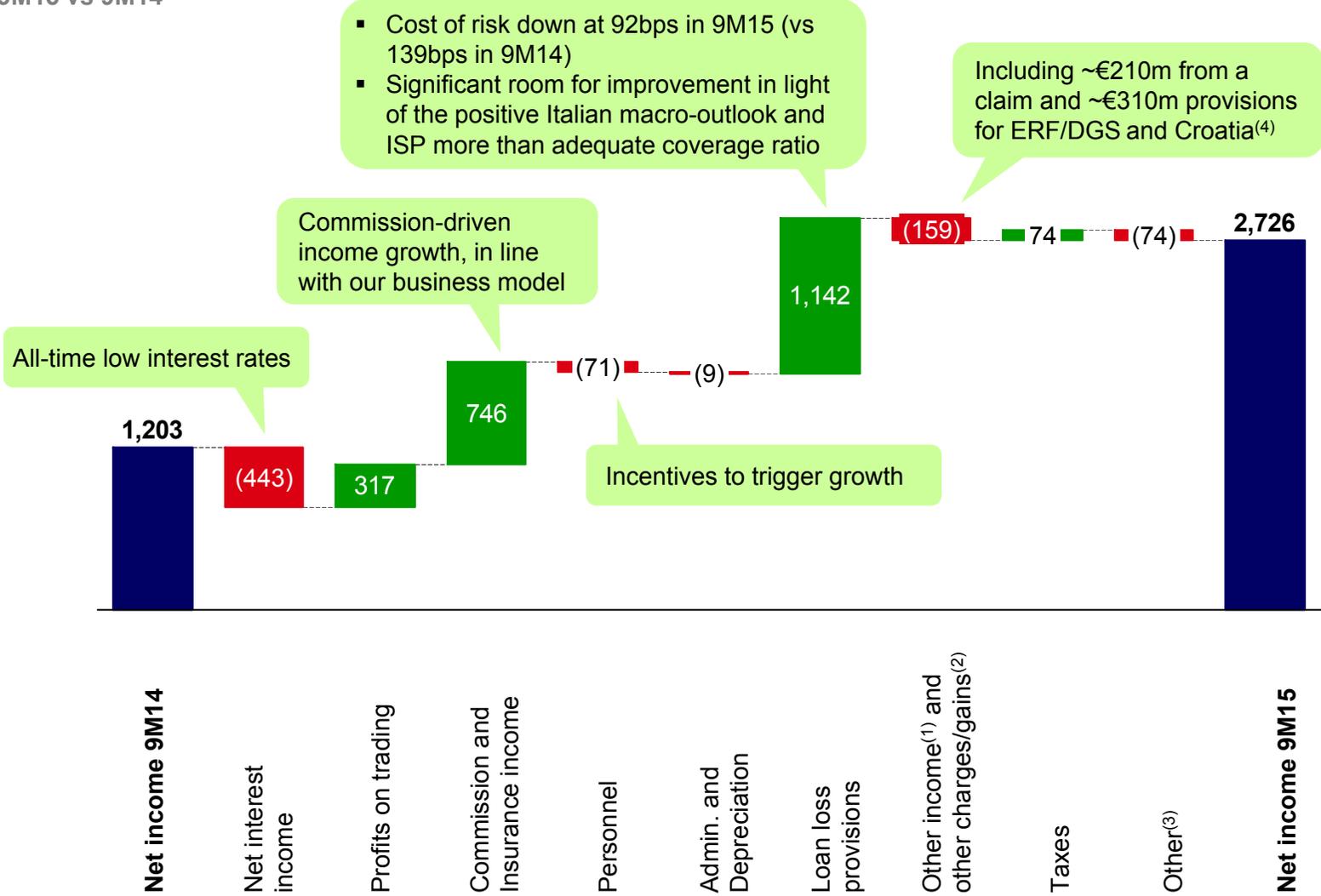
(5) European Resolution Fund and the Deposit Guarantee Scheme; our estimated commitments for the year fully funded

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

Note: 9M14 data restated to reflect scope of consolidation for 9M15. Figures may not add up exactly due to rounding differences

# Substantial Increase in Net Income Driven by Quality Earnings and Improved Credit Environment

Δ YoY 9M15 vs 9M14  
€ m



(1) Dividends and Other operating income (expenses)

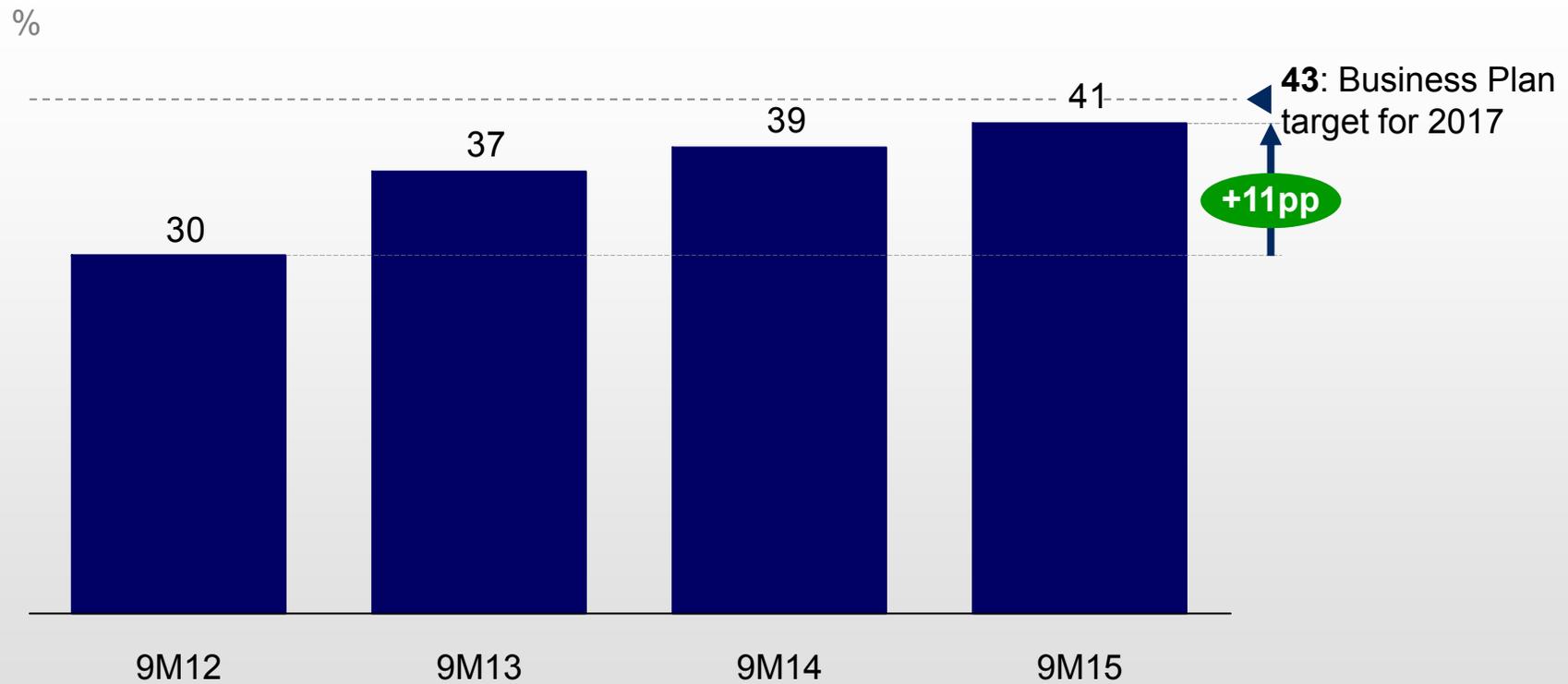
(2) Net impairment losses on assets, Profits (Losses) on HTM and on other investments, Provisions for risks and charges

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

(4) ~€140m provisions for the European Resolution Fund and the Deposit Guarantee Scheme (our estimated commitments for the year fully funded) and ~€170m provisions due to loan regulations change in Croatia (for the conversion into Euro of CHF loans)

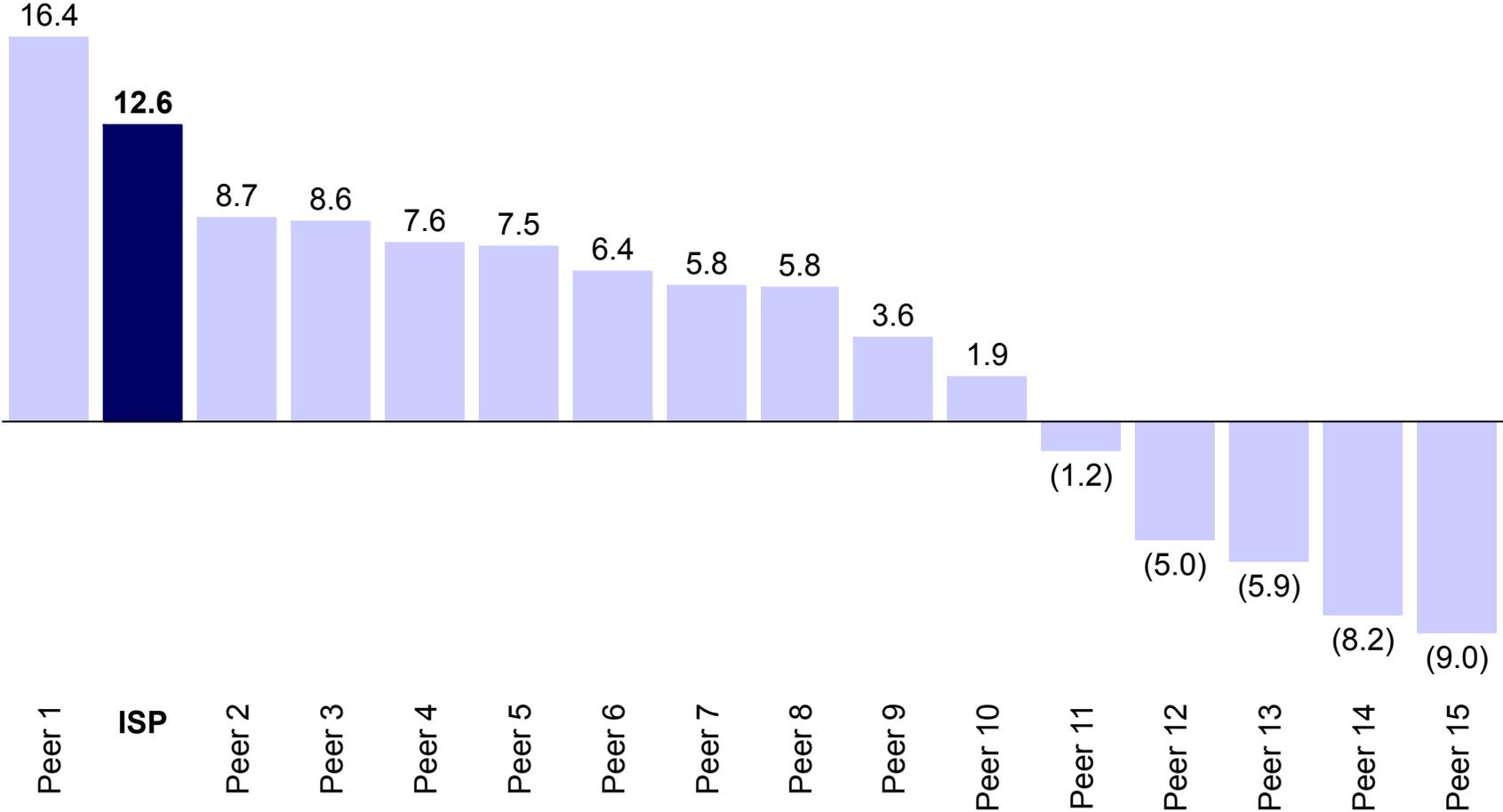
# Business Model Becoming More Commission Driven

## Contribution of Net fees and commissions to Operating income



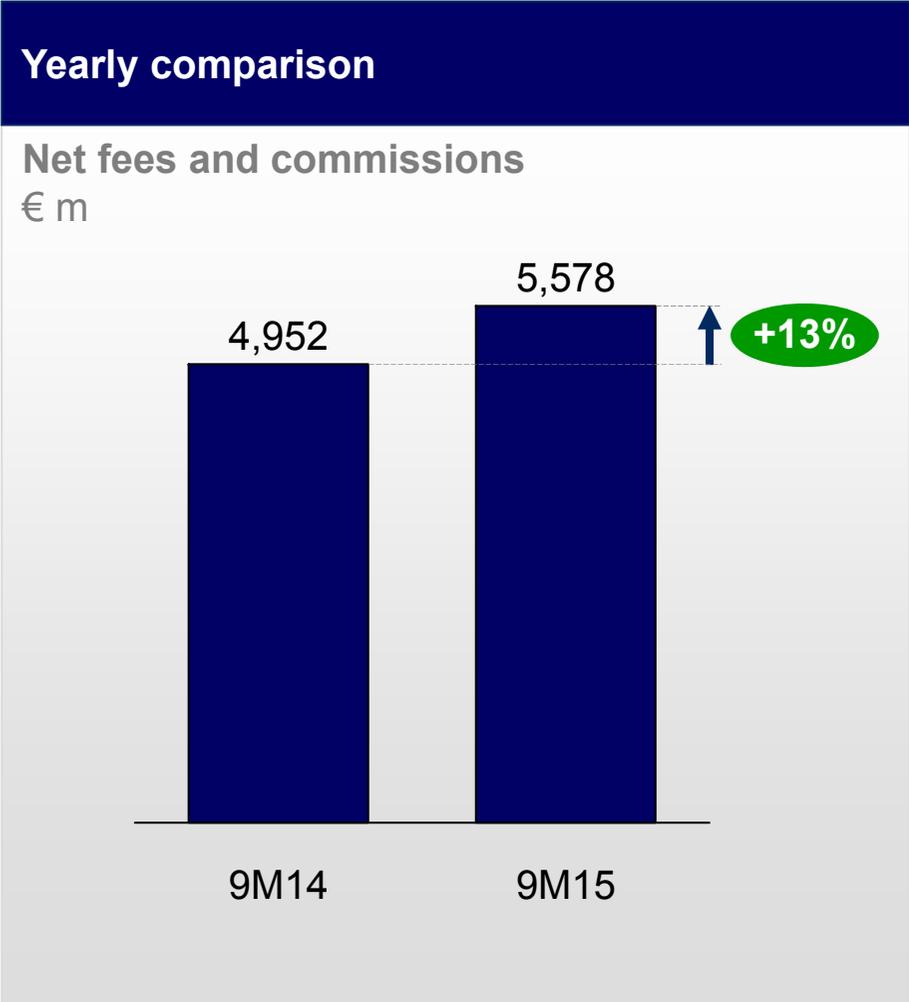
# ISP: Market Leading Net Fee and Commission Income Growth in Europe

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



(1) Sample: BBVA, Commerzbank, Credit Suisse, Deutsche Bank, HSBC, ING, Nordea, Santander, UBS and UniCredit (30.9.2015 data); Barclays, BNP Paribas, Crédit Agricole SA, Société Générale and Standard Chartered (30.6.2015 data)

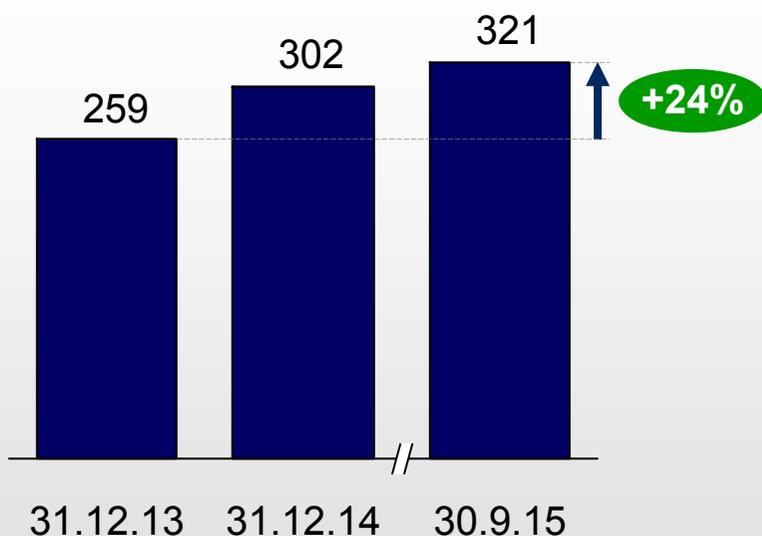
# All-time High in Net Fee and Commission Income...



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

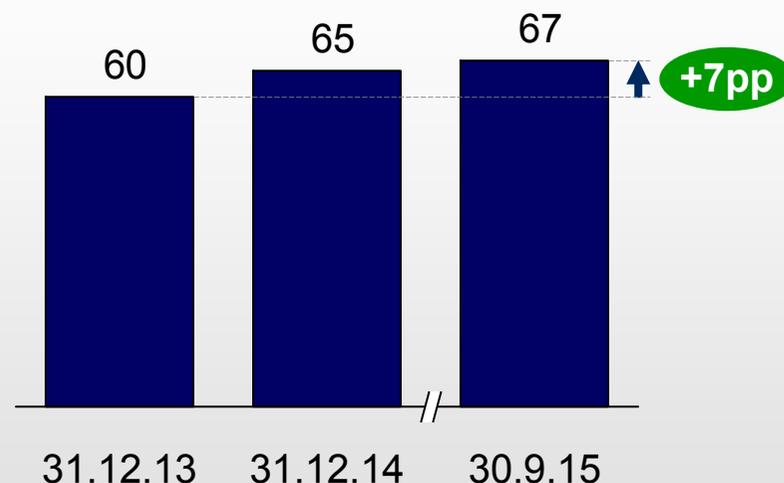
### Assets under Management

€ bn



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

%



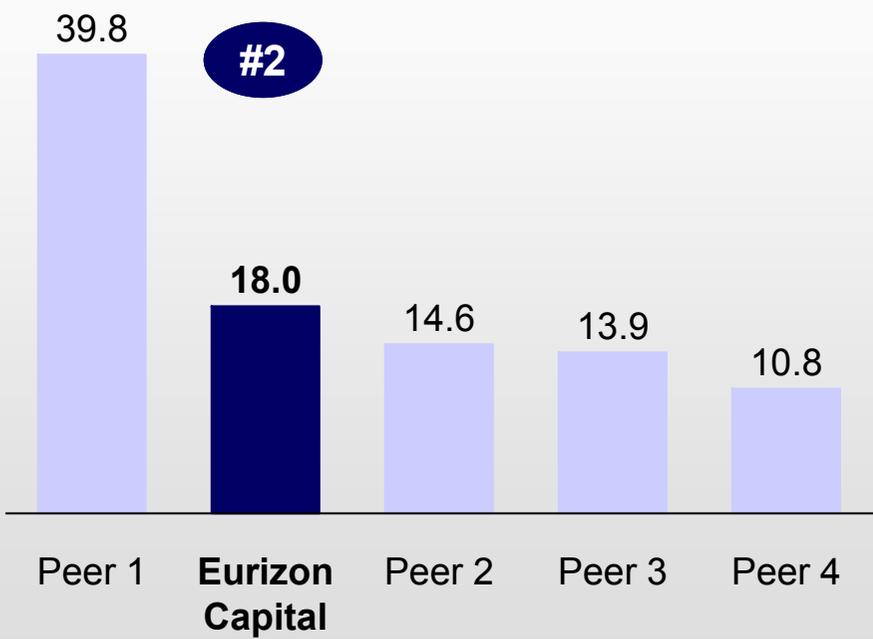
- Continued shift from Assets under Administration to Assets under Management (€29bn since 31.12.13)
- €3.7bn AuM net inflow in Q3 in spite of adverse financial market conditions
- ~€156bn of AuA and relatively low market penetration of Wealth Management products support further sustainable growth

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

# A European Leader in Asset Management

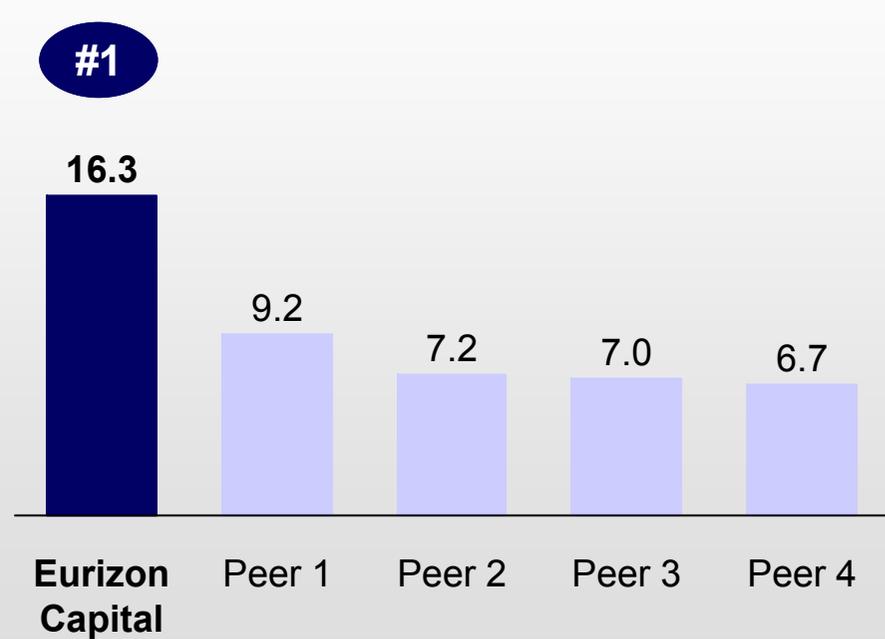
## Net Inflows<sup>(1)</sup> of mutual funds in Europe<sup>(2)</sup>

Jan-August 2015, € bn



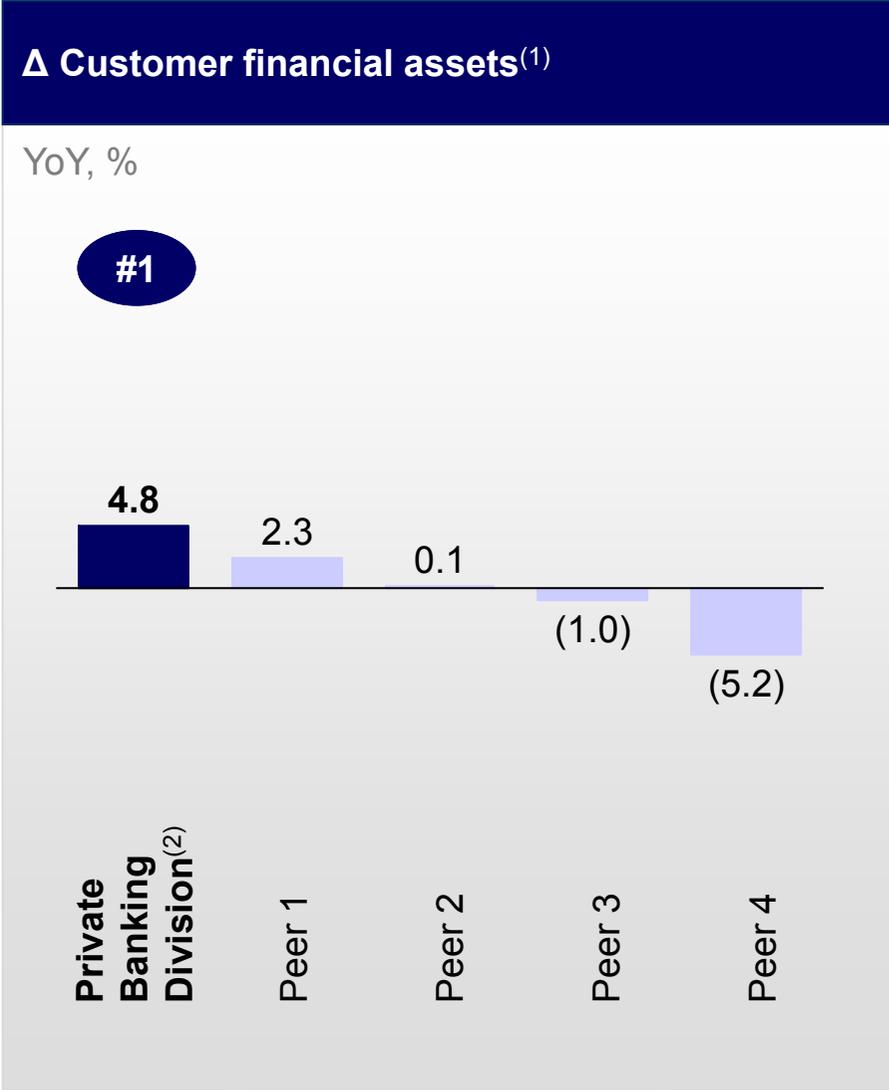
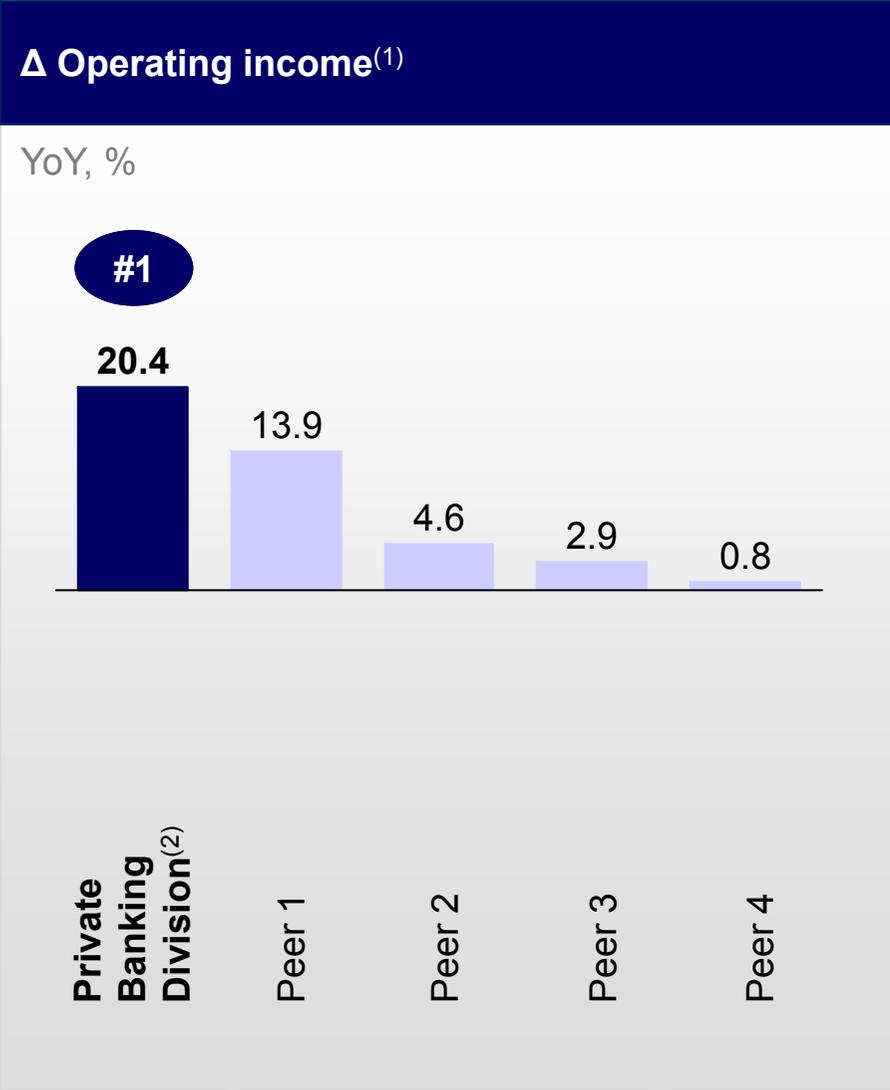
## Net Inflows<sup>(1)</sup> of mutual funds in Europe<sup>(2)</sup> as percentage of AuM stock

Jan-August 2015, %



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

# A European Leader in Private Banking



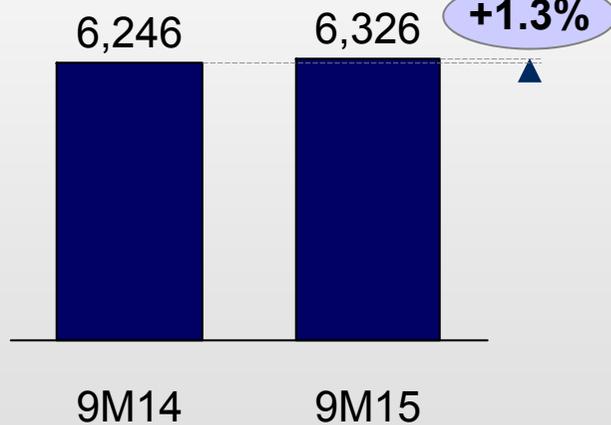
(1) Sample: Credit Suisse Private Banking (30.9.2015 data); EFG International, Julius Baer and UBS WM & WMA (30.6.2015 data)  
 (2) Fideuram, Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Bank (Suisse) and Sirefid

# Continued Focus on Efficiency...

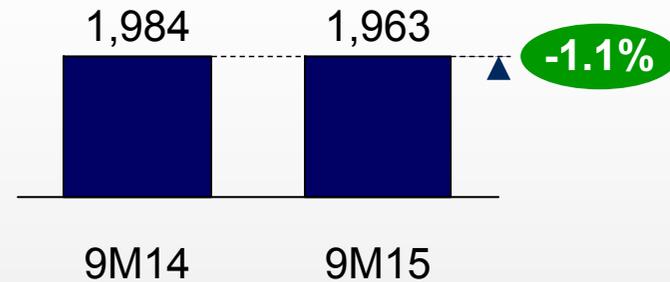
## Operating costs

€ m

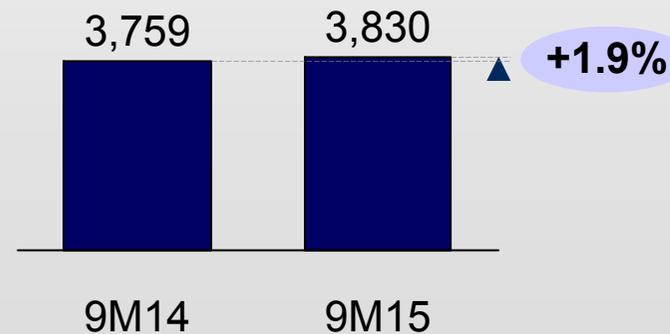
### Total operating costs



### Administrative costs



### Personnel costs



f(x)

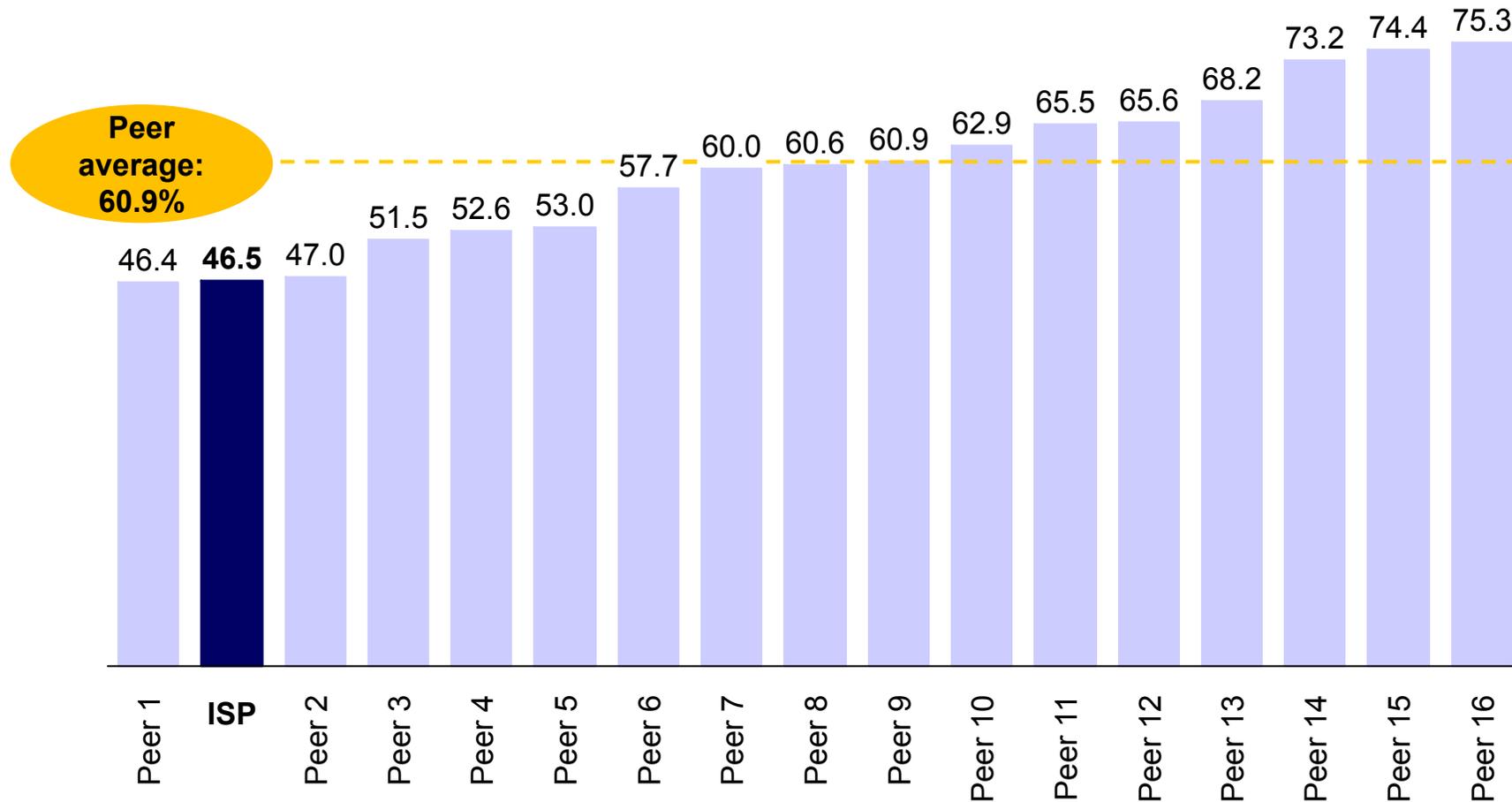
Pro-quota incentives to trigger growth already factored into personnel costs

## ...Delivering Further Improvement in Cost/Income Ratio



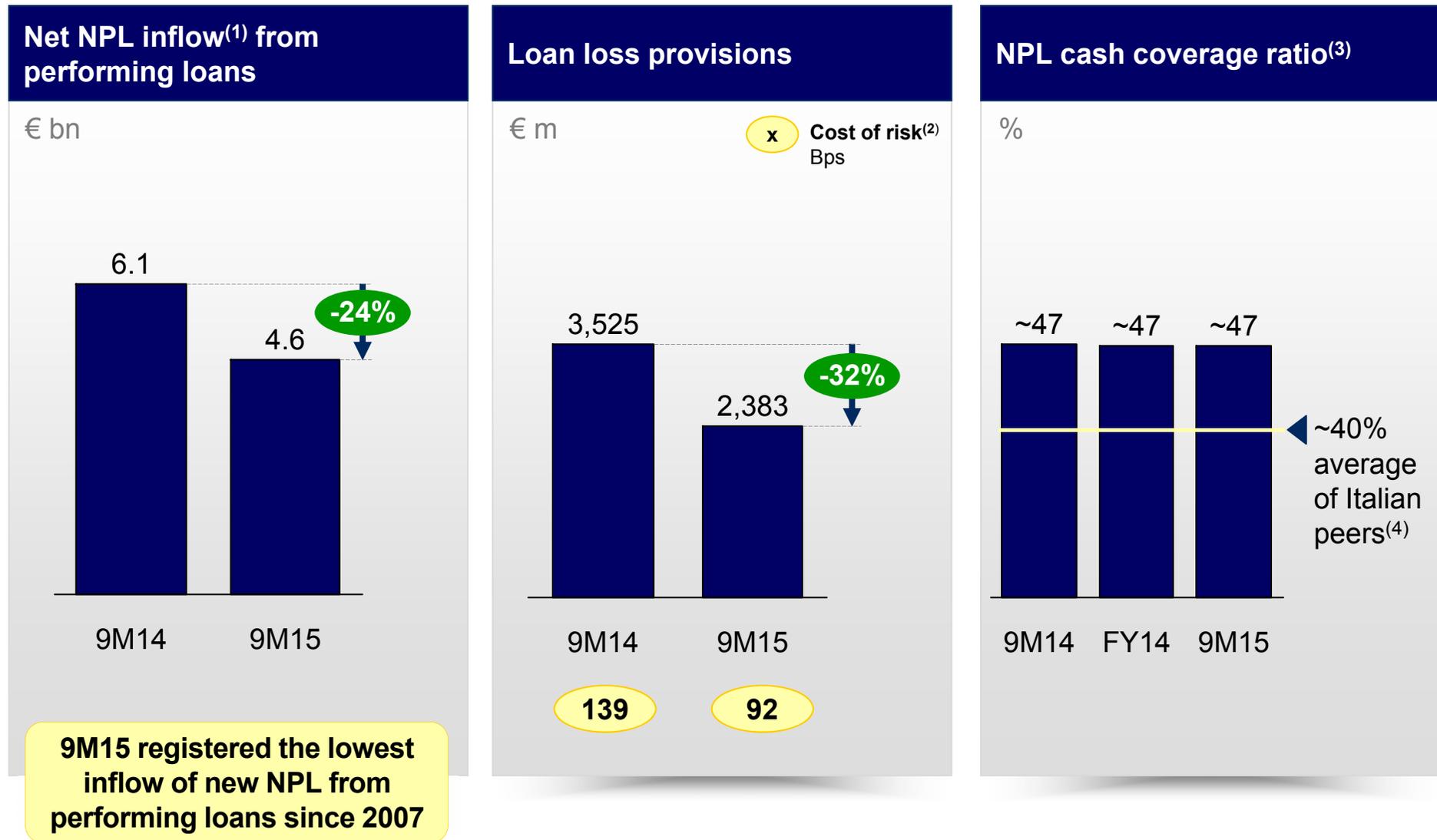
# Best-in-Class Cost/Income Ratio in Europe

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



(1) Sample: Barclays, BBVA, BNP Paribas, BPCE, Commerzbank, Crédit Agricole SA, Credit Suisse, Deutsche Bank, HSBC, ING, Nordea, Santander, Société Générale, Standard Chartered, UBS and UniCredit (30.9.2015 data)

# Significant Improvement in NPL Inflows Driving Reduction in Provisions and Stable Coverage Ratio



(1) Inflow to NPL (Doubtful Loans, Unlikely to Pay and Past Due) from performing loans minus outflow from NPL to performing loans. As of 2015, Forborne loans cease being non-performing only when one year has passed since the extension of forbearance, subject to other performing conditions being met. This constraint affects a potential quarterly average outflow currently estimated at ~€1bn

(2) Annualised

(3) Excluding collateral

(4) Sample: BPOP, MPS, UBI and UniCredit (data as of 30.9.2015)

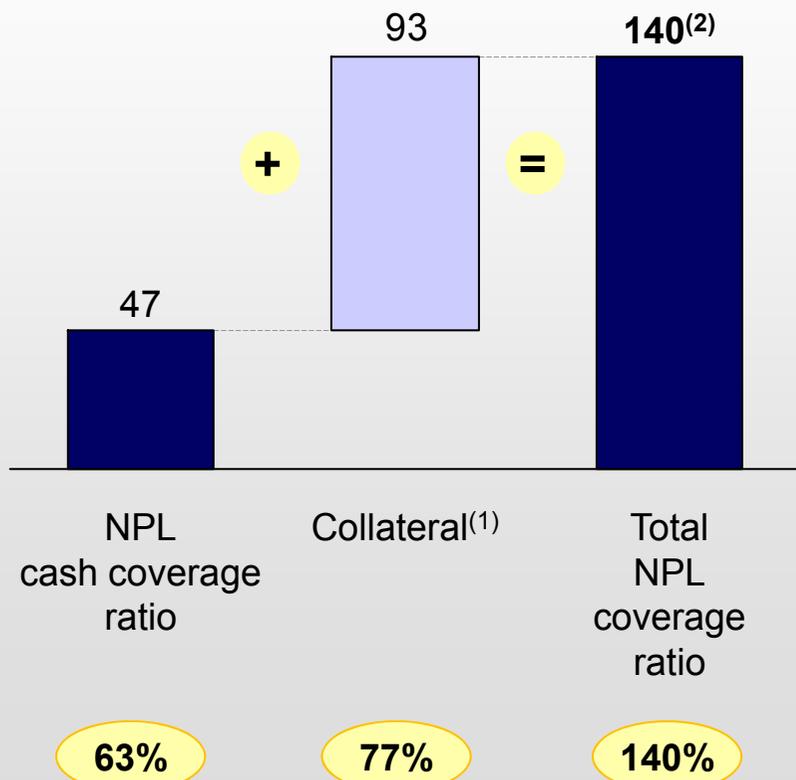
# Even Stronger NPL Coverage When Collateral is Included

Incidence on Group Total Loans (gross values)

## Total NPL coverage (including collateral<sup>(1)</sup>)

30.9.15  
%

Doubtful loans coverage ratio

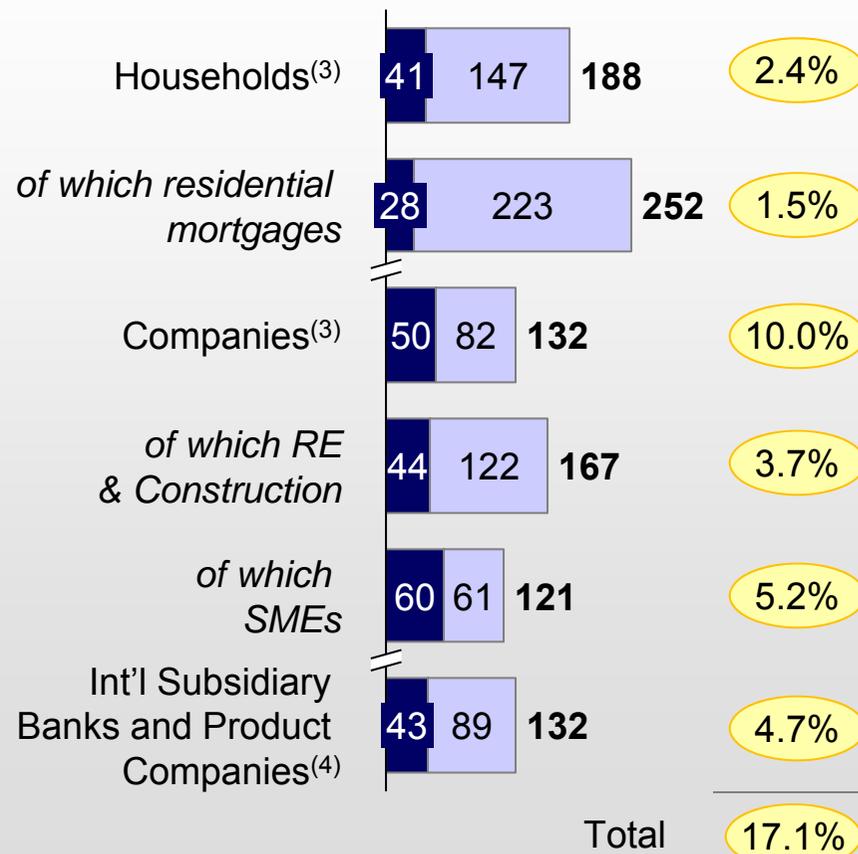


## Total NPL coverage (including collateral<sup>(1)</sup>) breakdown

30.9.15  
%

NPL cash coverage ratio

Collateral<sup>(1)</sup>



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

(1) Excluding personal guarantees

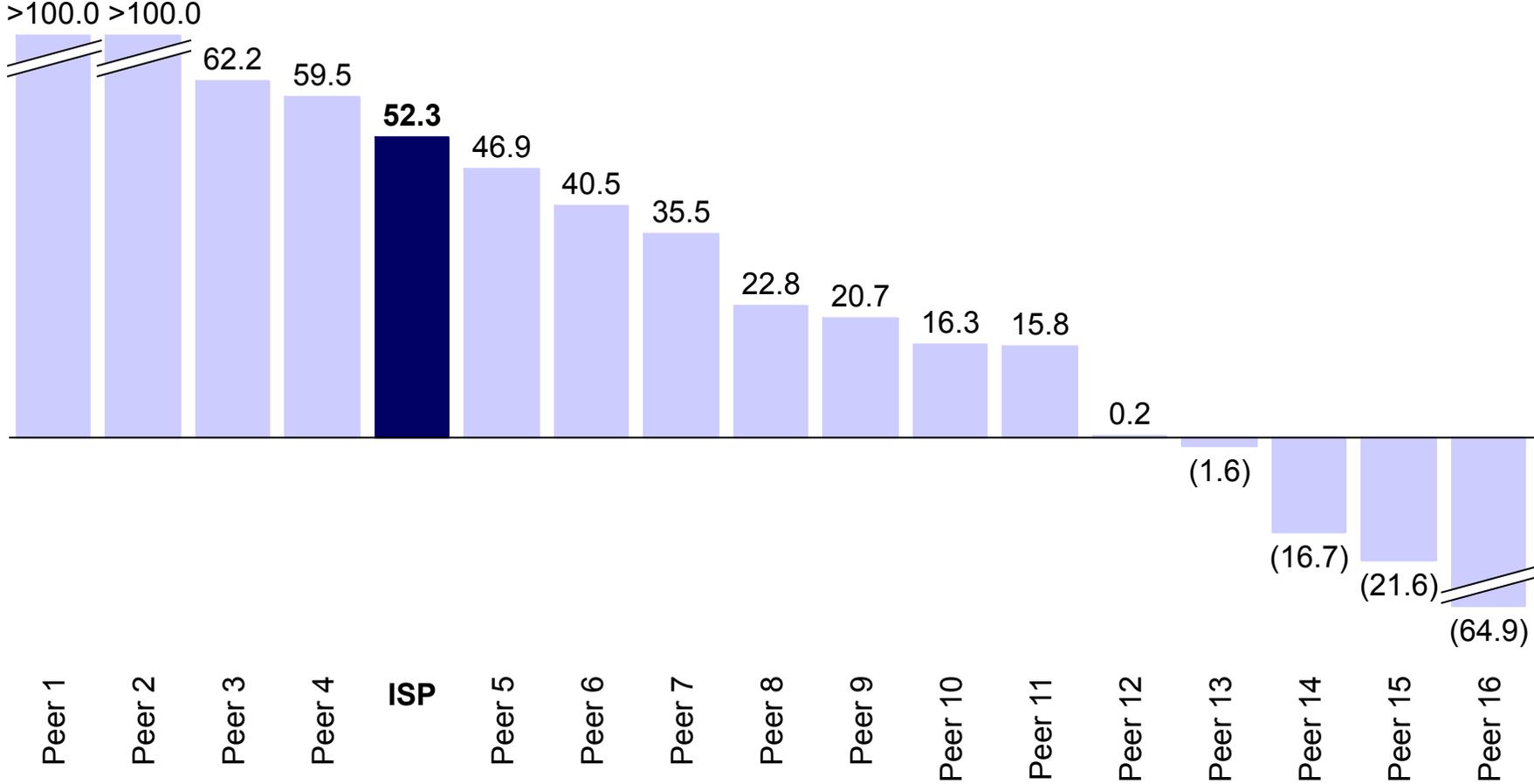
(2) 147% including personal guarantees

(3) Parent Bank and Italian Subsidiary Banks

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

# Top-Tier Pre-tax Income Growth in Europe

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

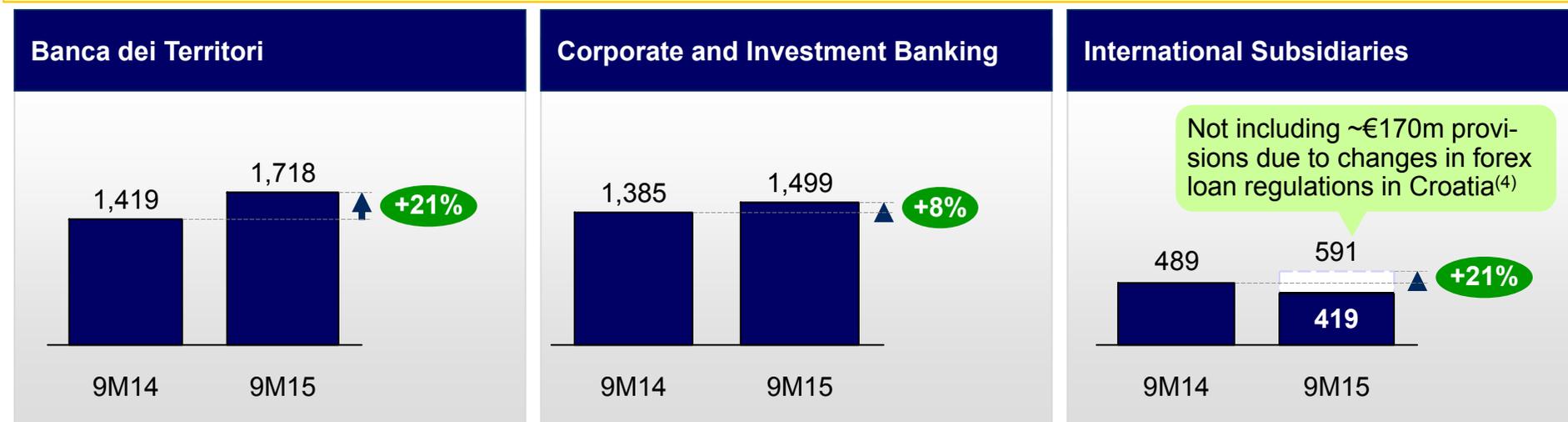
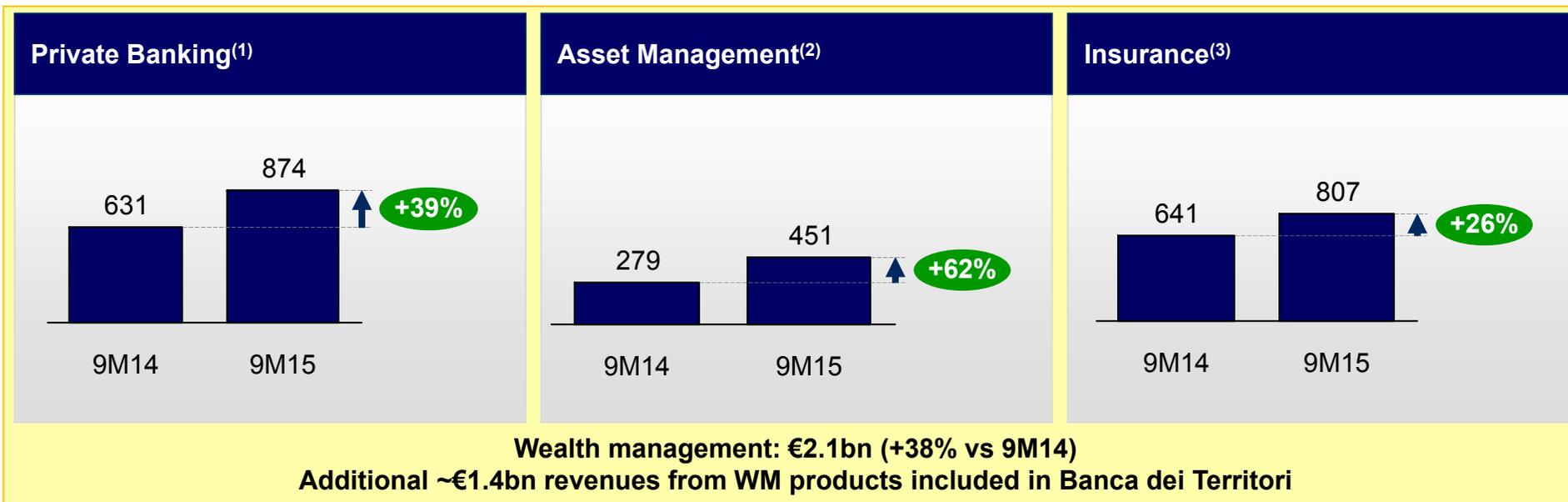


**9M15 Pre-tax income is the highest since 2008**

(1) Sample: Barclays, BBVA, BNP Paribas, BPCE, Commerzbank, Crédit Agricole SA, Credit Suisse, Deutsche Bank, HSBC, ING, Nordea, Santander, Société Générale, Standard Chartered, UBS and UniCredit (30.9.2015 data)

# Significant Pre-tax Income Contribution from All Divisions

€ m

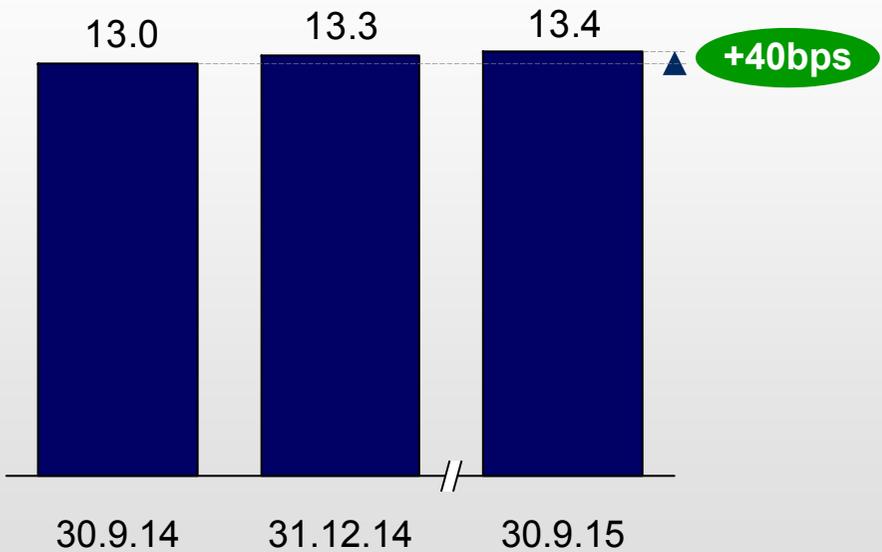


(1) Fideuram, Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Bank (Suisse) and Sirefid; (2) Eurizon Capital; (3) Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo Vita; (4) For the conversion into Euro of CHF loans  
 Note: Figures may not add up exactly due to rounding differences;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

# Solid Capital Base

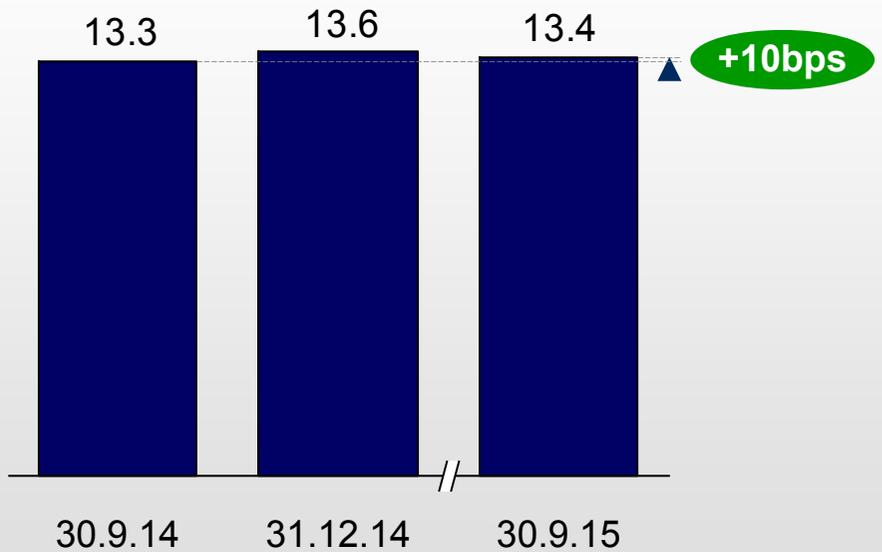
## Fully Loaded<sup>(1)</sup> Common Equity Ratio

After pro quota dividends (€1.5bn in 9M15<sup>(2)</sup>)  
%



## Phased-in Common Equity Ratio

After pro quota dividends (€1.5bn in 9M15<sup>(2)</sup>)  
%

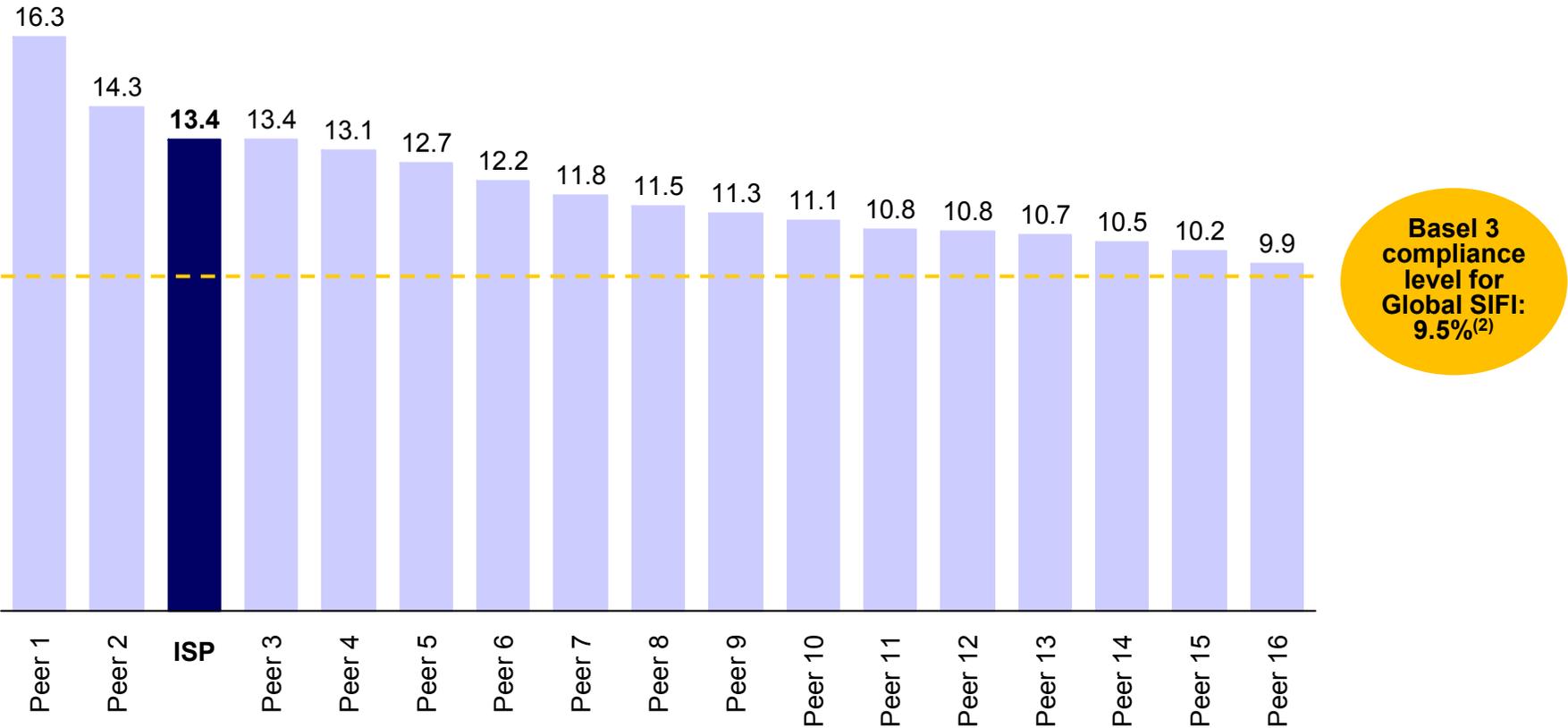


**Best-in-class leverage ratio: 6.9%**

(1) Pro-forma fully loaded Basel 3 (30.9.2015 financial statements considering the total absorption of DTA related to goodwill realignment, the expected absorption of DTA on losses carried forward and the announced distribution of reserves of insurance companies); including estimated benefits from the Danish Compromise (6bps)  
 (2) Ratio after pro quota dividends (€1.5bn in 9M15 assuming the nine-month quota of €2bn cash dividends envisaged in the Business Plan 2014-17 to be paid in 2016 for 2015)

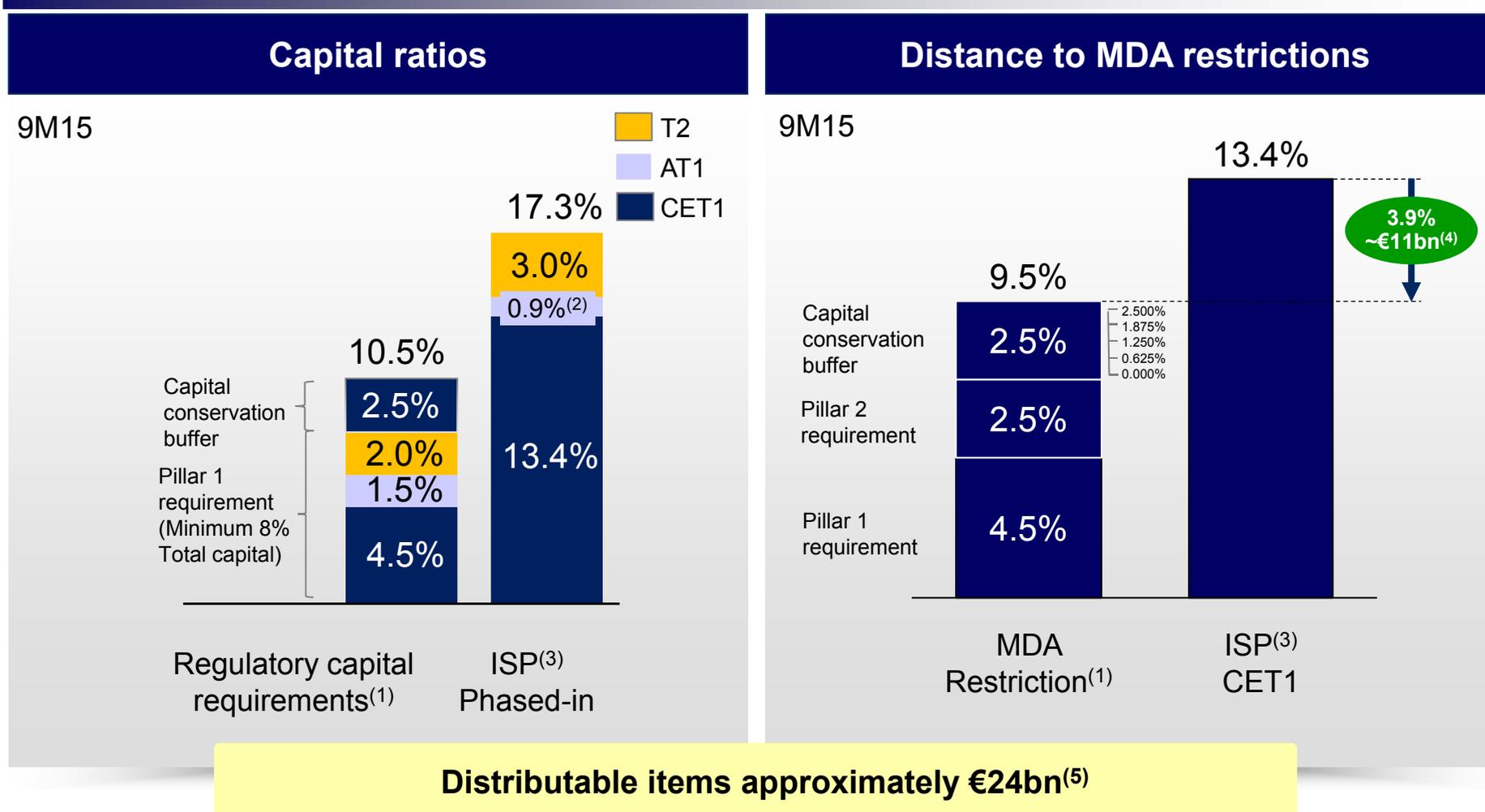
# A Best-in-Class Capital Position in Europe

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



(1) Sample: Barclays, BBVA, BNP Paribas, BPCE, Commerzbank, Crédit Agricole SA, Credit Suisse, Deutsche Bank, HSBC, ING, Nordea, Santander, Société Générale, Standard Chartered, UBS and UniCredit (30.9.2015 data). Data may not be fully comparable due to different estimates hypothesis. Source: Investors' Presentations, Press Releases, Conference Calls  
 (2) Maximum level assuming a Common Equity ratio of 9.5% (4.5% minimum capital requirement, +2.5% conservation buffer, +2.5% maximum GSIBs buffer), excluding any additional Pillar 2 requirements

# Sizeable Distance to Regulatory Capital Requirements and MDA Restrictions



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

(1) The minimum capital requirements and the capital conservation buffer have no phased-in introduction; 2016 SREP set by the ECB at 9.5% CET1 ratio (including a 2.5% Pillar 2 requirement)

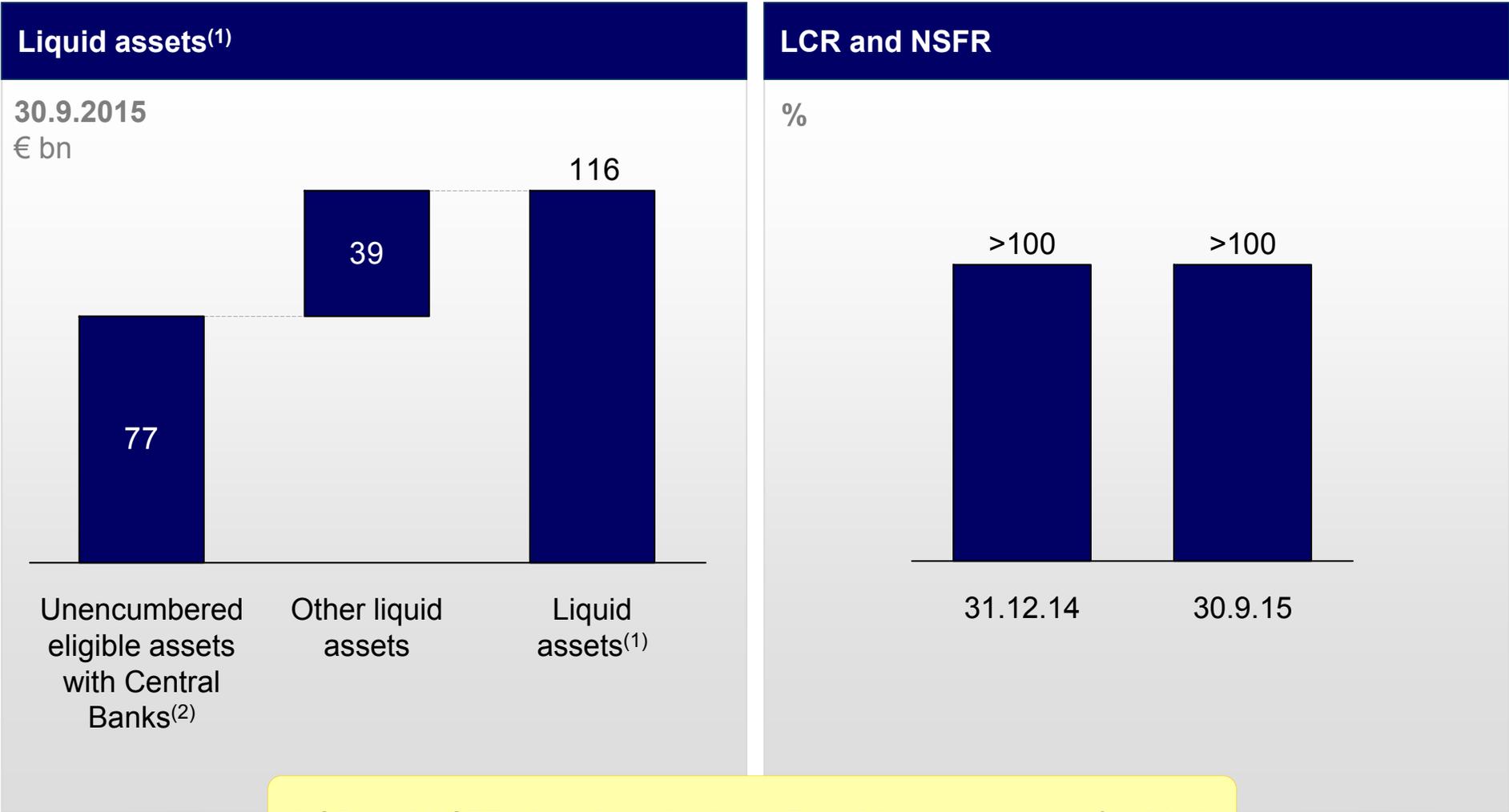
(2) Savings shares + Additional Tier 1 Instruments + grandfathered Tier 1 instruments - transitional deductions from AT1

(3) Consolidated figures

(4) The distance to MDA restrictions is substantially equivalent both in phased-in and in fully loaded frameworks; this percentage assumes the fulfilment of the Additional Tier1 regulatory bucket. The 2014-2017 Business Plan includes a management target of €4bn in issuance of Additional Tier1 Instruments (of which \$1bn was issued in September 2015)

(5) Parent Company data as of 31.12.14

# Strong Liquidity Position Confirmed



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

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

## 9M15 Summary: Strong Improvements in All Key Indicators

|   | 9M15 | Δ vs 9M14 |   |
|---|------|-----------|---|
| Operating income (€ bn)                   | 13.6 | +7%       |    |
| Operating margin (€ bn)                   | 7.3  | +13%      |    |
| Cost/Income (%)                           | 46.5 | -2.7pp    |    |
| Pre-tax income (€ bn)                     | 4.4  | +52%      |    |
| Net income (€ bn)                         | 2.7  | +127%     |   |
| Common Equity ratio <sup>(1)(2)</sup> (%) | 13.4 | +40bps    |  |

(1) After pro quota dividends

(2) Pro-forma fully loaded Basel 3 (30.9.2015 financial statements considering the total absorption of DTA related to goodwill realignment, the expected absorption of DTA on losses carried forward and the announced distribution of reserves of insurance companies); including estimated benefits from the Danish Compromise (6bps)

# Well Ahead on the Delivery of Our Business Plan Targets

|                               | Business Plan<br>CAGR 13-17<br>% | 9M15 vs 9M14<br>% | FY14 vs FY13<br>% |
|-------------------------------|----------------------------------|-------------------|-------------------|
| Net fee and commission income | +7.4%                            | +12.6%            | +10.5%            |
| Operating income              | +4.1%                            | +7.1%             | +4.0%             |
| Operating costs               | +1.4%                            | +1.3%             | +3.0%             |
| Pre-tax income                | +29.6%                           | +52.3%            | +36.5%            |

# Our Business Plan Initiatives: New Growth Bank

## Key highlights on New Growth Bank initiatives

|                                 |  |             |
|---------------------------------|--|-------------|
| Banca 5 <sup>®</sup>            | <ul style="list-style-type: none"> <li>▪ Banca 5<sup>®</sup> “specialised” business model introduced in more than 2,400 branches, with more than 3,000 dedicated Relationship Managers: revenues per client already increased from €70 to €96</li> </ul>   | ✓           |
| Multichannel Bank               | <ul style="list-style-type: none"> <li>▪ “Real Estate” project underway with 13 real estate agencies already opened</li> <li>▪ New multichannel processes successfully tested:               <ul style="list-style-type: none"> <li>– ~830,000 additional multichannel clients since 2014, raising the total to ~5.3m clients</li> <li>– 2.4m mobile App for smartphone/tablet downloaded by customers</li> <li>– The first multichannel bank in Italy with ~80% of products available via multichannel platforms</li> </ul> </li> </ul> | ✓<br>✓<br>✓ |
| Private Banking Hub             | <ul style="list-style-type: none"> <li>▪ New entity Fideuram ISPB successfully operational as of July 1<sup>st</sup></li> <li>▪ Private Banking branch in London to be opened at the beginning of December and strengthening of ISPB Suisse</li> <li>▪ First wave of new products available to the entire Division already launched (e.g., Fideuram Vita Insieme gathered ~€800m through ISPB network)</li> </ul>  | ✓<br>✓<br>✓ |
| Asset Management Hub            | <ul style="list-style-type: none"> <li>▪ New product range introduced into Banca dei Territori and the Private Banking Division (e.g., “Riserva” and “Best expertise” products)</li> <li>▪ New product range dedicated to the Insurance Hub (e.g., “Multiramo” products)</li> </ul>  | ✓<br>✓      |
| Insurance Hub                   | <ul style="list-style-type: none"> <li>▪ Steering of product mix towards capital-efficient products making good progress (i.e., Unit Linked at 57% of new production vs 36% in 9M14)</li> <li>▪ Launched new distinctive and innovative product offering both in P&amp;C insurance (new products for home, car and motorcycle) and in life insurance (Fideuram Vita Insieme for the Private Banking Hub and Giusto Mix – Multiramo for Banca dei Territori branches)</li> <li>▪ Full integration of pension fund business</li> </ul>     | ✓<br>✓<br>✓ |
| Bank 360° for corporate clients | <ul style="list-style-type: none"> <li>▪ New Transaction Banking Group unit set up and new commercial initiatives ongoing/ready to be launched</li> <li>▪ New commercial model and product offering for SMEs</li> <li>▪ Specialised finance hub – new Mediocredito Italiano – fully up and running</li> </ul>  | ✓<br>✓<br>✓ |

# Our Business Plan Initiatives: Core Growth Bank

| Key highlights on Core Growth Bank initiatives |  |   |
|--|--|---|
| Capturing Untapped Revenue Potential           | <ul style="list-style-type: none"> <li>Project "cash desk service evolution" in progress: already ~1,600 branches with cash desk closing at 1pm and ~170 branches fully dedicated to advisory services</li> </ul>                          | ✓ |
|  | <ul style="list-style-type: none"> <li>New e-commerce portal to continue seizing business potential after EXPO 2015</li> </ul>   | ✓ |
|  | <ul style="list-style-type: none"> <li>New Service Model introduced in Banca dei Territori: introduction of 3 specialised commercial value chains, creation of ~1,200 new managerial roles, innovation of the SME Service Model</li> </ul> | ✓ |
|  | <ul style="list-style-type: none"> <li>Integration of consumer finance in branch network</li> </ul>  | ✓ |
|  | <ul style="list-style-type: none"> <li>C&amp;IB Asset Light model fully operational, with benefits in terms of cross selling; undergoing a distribution reinforcement</li> </ul>   | ✓ |
|  | <ul style="list-style-type: none"> <li>Front-line excellence programme in C&amp;IB ongoing</li> </ul>  | ✓ |
|  | <ul style="list-style-type: none"> <li>New C&amp;IB International organisation in place to serve top international clients</li> </ul>  | ✓ |
|  | <ul style="list-style-type: none"> <li>New Segmentation and Service Model for International Subsidiaries Affluent clients launched</li> </ul>  | ✓ |
|  | <ul style="list-style-type: none"> <li>Banca IMI international strategy being implemented, with focus on core selected products</li> </ul>   | ✓ |
|  | <ul style="list-style-type: none"> <li>JV in merchant banking with specialised investor (Neuberger) completed, with deconsolidation of activities</li> </ul>   | ✓ |
| Continuous Cost Management                     | <ul style="list-style-type: none"> <li>Geographical footprint simplification ongoing: ~150 branches closed since the beginning of 2015 and ~420 since 2014</li> </ul>  | ✓ |
|  | <ul style="list-style-type: none"> <li>Legal entity simplification ongoing: from 7 to 1 product factories in specialised finance and advisory, leasing and factoring and 7 local banks merged into ISP</li> </ul>                          | ✓ |
| Dynamic Credit and Risk Management             | <ul style="list-style-type: none"> <li>Proactive credit management value chain empowered across all Divisions</li> </ul>   | ✓ |
|  | <ul style="list-style-type: none"> <li>Integrated management of NPLs<sup>(1)</sup> in place</li> </ul>   | ✓ |
|  | <ul style="list-style-type: none"> <li>New organisation of CLO area, structured by Business Units</li> </ul>   | ✓ |
|  | <ul style="list-style-type: none"> <li>Split of Risk and Compliance, with two Chiefs (CRO and CCO) directly reporting to the CEO</li> </ul>  | ✓ |

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

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

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

### Capital Light Bank (CLB)

- CLB fully operational with:
  - ~680 dedicated people
  - ~€7.8bn of deleveraging already achieved
- New performance management system fully operational on each asset class
- Re.O.Co.<sup>(1)</sup> fully up and running with an estimated positive impact for the Group of €24m since 2014



### People and investments as key enablers

- ~4,000 people already reallocated to high priority initiatives
- Investment Plan for Group employees finalised: plan with the highest number of participants in Group's history
- "Big Financial Data" programme for integrated management of customer and financial data being implemented, with first deliveries expected before year-end
- Chief Innovation Officer fully operational and "Innovation Centre" created to train staff and develop new products, processes and "ideal branches", located in the new ISP Tower in Turin, fully operative
- Large-scale digitisation programme launched to improve efficiency and service level on top priority operating processes
- Digital Factory fully operative, with dedicated resources representing all functions to innovate and improve top priority operating processes
- Investment to renew the layout of 1,000 branches already activated (50 branches converted by year end)



# Further Upside Potential from the Positive Italian Macroeconomic Outlook

## Key drivers

### Consumer sentiment

The highest level in 13 years reached in October (116.9 vs 84 three years ago)



### Business sentiment

The highest level in 8 years reached in October (107.5 vs ~80 three years ago)



### Private consumption

+0.6% YoY growth in 2Q15 (a record in 4 years), with durable goods +9.2% (the highest result in 11 years)



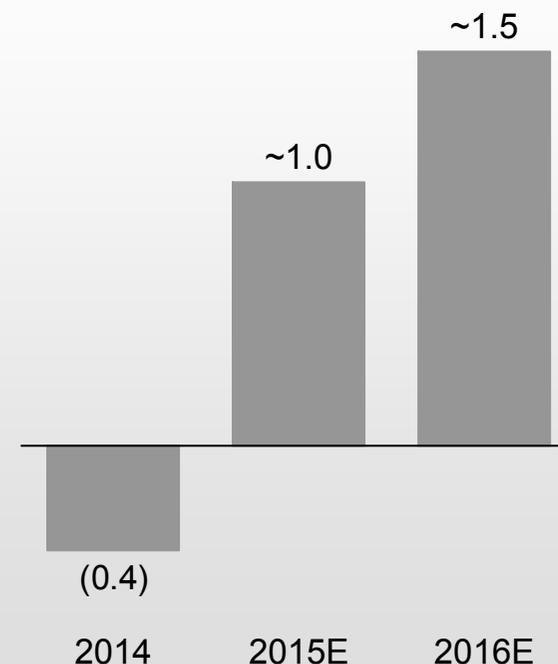
### Real estate transactions

+8.2% YoY growth in 2Q15 (a record in 4 years), with potential upside from announced reduction on property taxes



## GDP evolution in Italy<sup>(1)</sup>

%



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

## 9M: Over-Delivery Continues

**More than €2.7bn Net Income, the best since 2008  
and well above our 2015 dividend commitment**

**Revenues up 7%, with Commissions up 13%**

**€7.3bn Operating Margin, the highest since 2007**

**Continued trend of reduction in new NPL inflow:  
LLPs down 32%**

**Pre-tax income up 52%**

**Common Equity<sup>(1)</sup> ratio up at 13.4%**

**Well ahead of our 2014-17 Business Plan commitments**

(1) Pro-forma fully loaded Basel 3 (30.9.2015 financial statements considering the total absorption of DTA related to goodwill realignment, the expected absorption of DTA on losses carried forward and the announced distribution of reserves of insurance companies); including estimated benefits from the Danish Compromise (6bps)

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# Appendix

# Contents

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**Detailed Consolidated P&L Results**

Liquidity, Funding and Capital Base

Asset Quality

Divisional Results and Other Information

## 9M vs 9M: More Than €2.7bn Net Income, the Highest Since 9M08

€ m

|   | 9M14<br>Restated | 9M15           | Δ%           |
|---|------------------|----------------|--------------|
| Net interest income   | 6,302            | 5,859          | (7.0)        |
| Dividends and P/L on investments carried at equity              | 23               | 95             | 313.0        |
| Net fee and commission income                                   | 4,952            | 5,578          | 12.6         |
| Profits (Losses) on trading                                     | 660              | 977            | 48.0         |
| Income from insurance business                                  | 746              | 866            | 16.1         |
| Other operating income  | 12               | 227            | n.m.         |
| <b>Operating income</b>   | <b>12,695</b>    | <b>13,602</b>  | <b>7.1</b>   |
| Personnel expenses  | (3,759)          | (3,830)        | 1.9          |
| Other administrative expenses                                   | (1,984)          | (1,963)        | (1.1)        |
| Adjustments to property, equipment and intangible assets        | (503)            | (533)          | 6.0          |
| <b>Operating costs</b>  | <b>(6,246)</b>   | <b>(6,326)</b> | <b>1.3</b>   |
| <b>Operating margin</b>   | <b>6,449</b>     | <b>7,276</b>   | <b>12.8</b>  |
| Net provisions for risks and charges                            | (251)            | (484)          | 92.8         |
| Net adjustments to loans  | (3,525)          | (2,383)        | (32.4)       |
| Net impairment losses on assets                                 | (143)            | (60)           | (58.0)       |
| Profits (Losses) on HTM and on other investments                | 383              | 87             | (77.3)       |
| <b>Income before tax from continuing operations</b>             | <b>2,913</b>     | <b>4,436</b>   | <b>52.3</b>  |
| Taxes on income from continuing operations                      | (1,592)          | (1,518)        | (4.6)        |
| Charges (net of tax) for integration and exit incentives        | (29)             | (46)           | 58.6         |
| Effect of purchase cost allocation (net of tax)                 | (148)            | (86)           | (41.9)       |
| Impairment (net of tax) of goodwill and other intangible assets | 0                | 0              | n.m.         |
| Income (Loss) after tax from discontinued operations            | 280              | (1)            | n.m.         |
| Minority interests  | (221)            | (59)           | (73.3)       |
| <b>Net income</b>   | <b>1,203</b>     | <b>2,726</b>   | <b>126.6</b> |

Note: 9M14 data restated to reflect scope of consolidation for 9M15. Figures may not add up exactly due to rounding differences

# Net Interest Income: Decline Driven by Financial Components and Strategic Focus on Wealth Management

## Quarterly Analysis

€ m

—◆— Euribor 1M; %  
 (○) % Δ 3Q15 vs 3Q14 and 2Q15

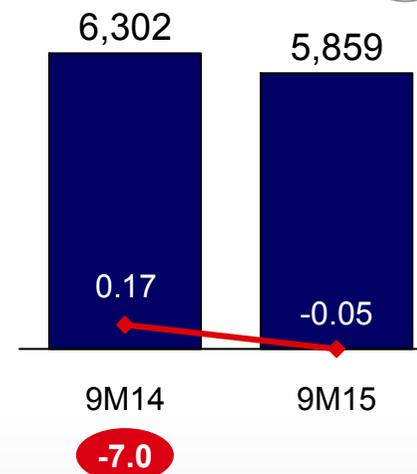


- 3.2% decrease vs 2Q15 due to lower contribution from financial components and strategic focus on wealth management

## Yearly Analysis

€ m

—◆— Euribor 1M; %  
 (○) % Δ 9M15 vs 9M14

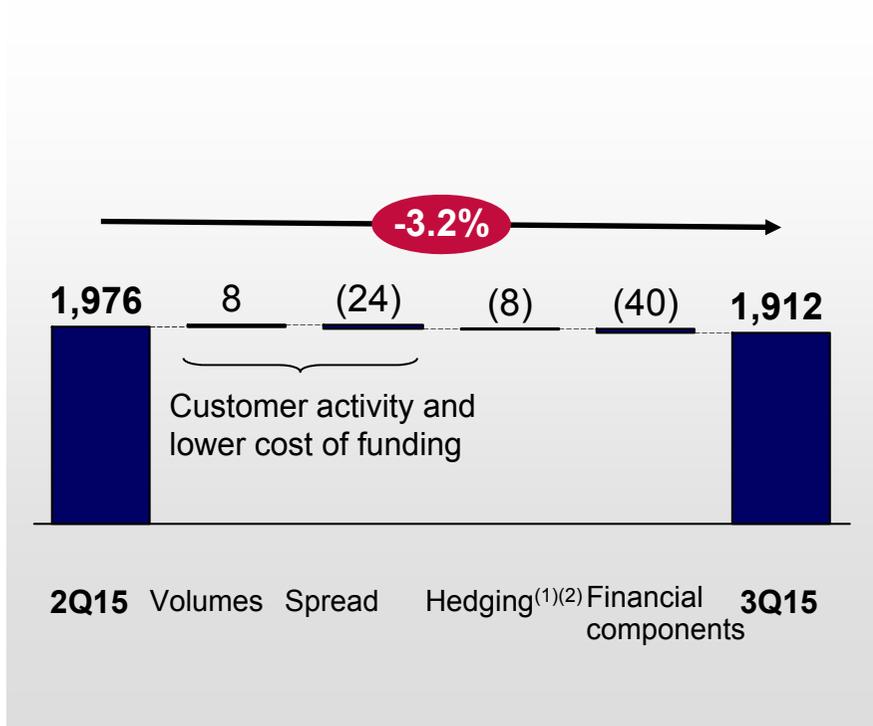


- Decrease due to management of securities portfolio, volume decline and strategic focus on wealth management
- 1.4% contraction in average Performing loans to customers (vs -1.5% in 1H15 and -2.5% in 1Q15)

# Net Interest Income: Decline Driven by Financial Components and Strategic Focus on Wealth Management

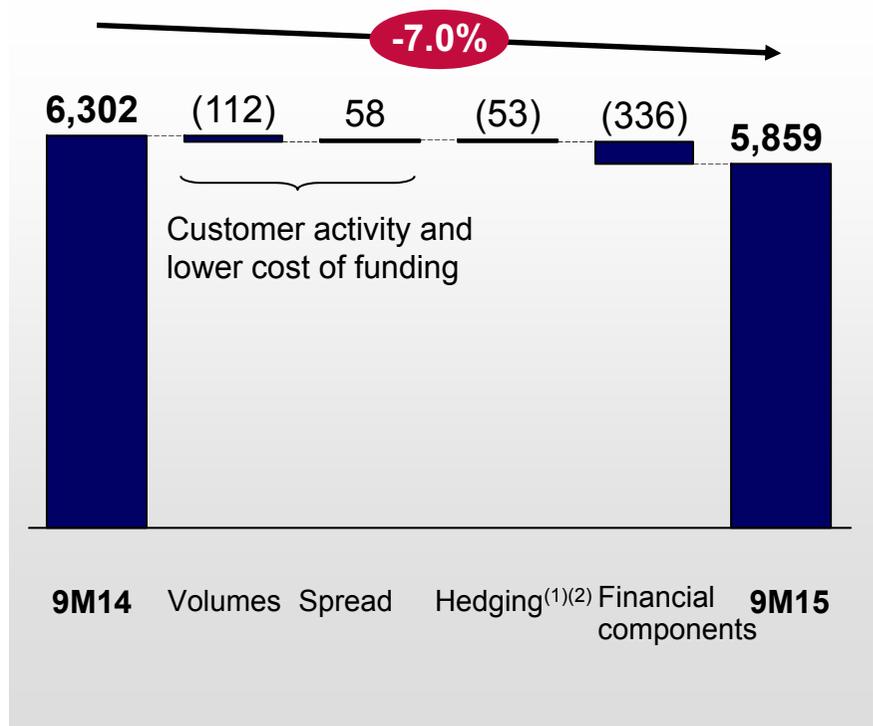
## Quarterly Analysis

€ m



## Yearly Analysis

€ m



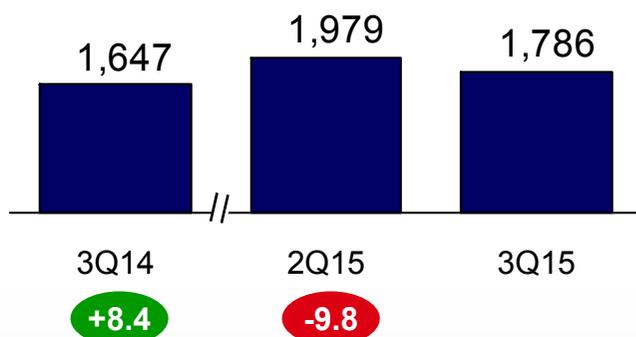
Note: figures may not add up exactly due to rounding differences  
 (1) €568m benefit from hedging in 9M15, of which €182m in 3Q15  
 (2) Hedging on core deposits

# Net Fee and Commission Income: Double-digit Growth on a Yearly Basis

## Quarterly Analysis

€ m

(%) Δ 3Q15 vs 3Q14 and 2Q15

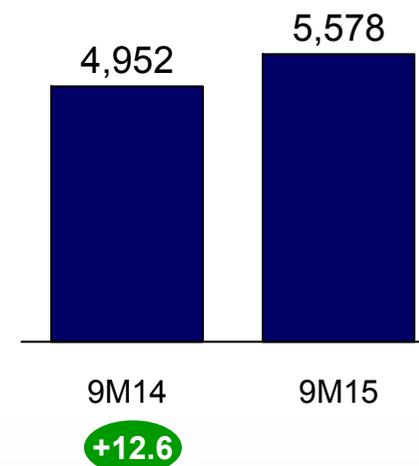


- 8.4% increase vs 3Q14 a result of the strong growth in commissions from Management, dealing and consultancy activities (+19.0%; +€159m)
- Decrease vs 2Q15 mostly attributable to a reduction in commissions from Management, dealing and consultancy activities (-14.3%; -€169m) mainly due to the seasonal business slowdown in summer and lower performance fees (€27m in 3Q15 vs €60m in 2Q15)
- 4.6% growth in fees from Commercial banking activities vs 2Q15 (+€26m)

## Yearly Analysis

€ m

(%) Δ 9M15 vs 9M14



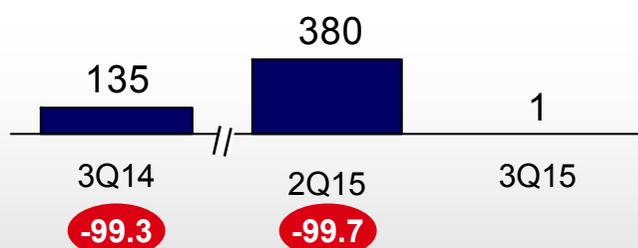
- The best 9M since the creation of ISP
- Sustained growth in commissions from Management, dealing and consultancy activities (+26.0%; +€673m) owing mainly to AuM and insurance products
- €31bn increase in AuM stock vs 9M14

# Profits on Trading: €1bn in 9M15

## Quarterly Analysis

€ m

(%) Δ 3Q15 vs 3Q14 and 2Q15

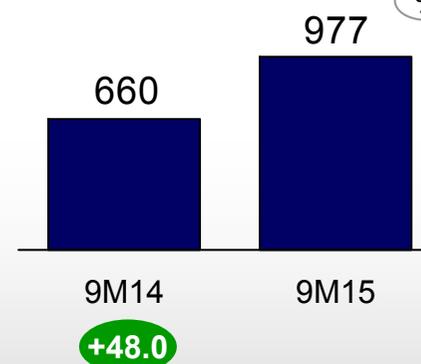


- Decrease vs 2Q15 partially due to €144m Bank of Italy dividend booked in the previous quarter and to the seasonal summer slowdown in customer driven activity

## Yearly Analysis

€ m

(%) Δ 9M15 vs 9M14



- Positive 9M15 with sustained growth in customer driven activity

## Contributions by Activity

|  | 3Q14 | 2Q15               | 3Q15 | 9M14 | 9M15 |
|--|------|--------------------|------|------|------|
| Customers                              | 53   | 69                 | 50   | 199  | 277  |
| Capital markets & Financial assets AFS | 8    | 57                 | (15) | 91   | 131  |
| Trading and Treasury                   | 65   | 251 <sup>(1)</sup> | (32) | 336  | 571  |
| Structured credit products             | 9    | 3                  | (3)  | 34   | (2)  |

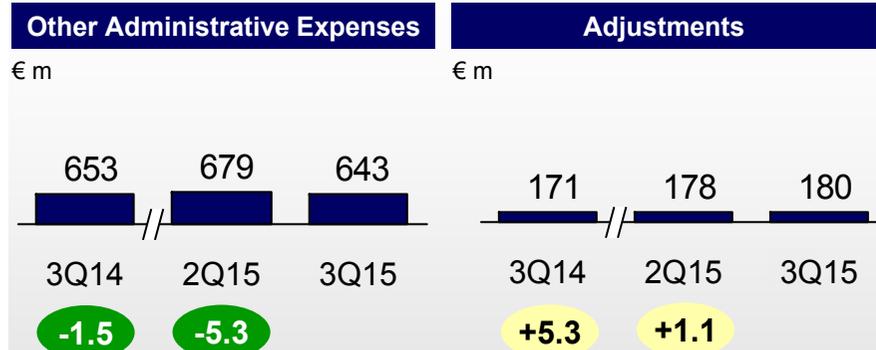
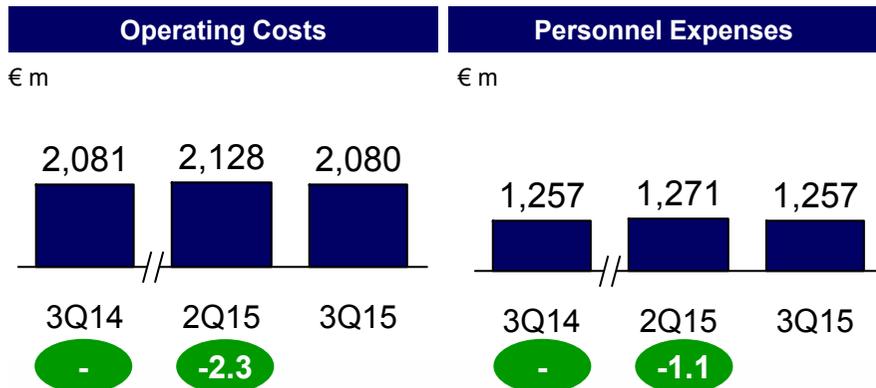
Note: figures may not add up exactly due to rounding differences

(1) Of which €144m Bank of Italy dividend

# Operating Costs: Cost/Income Down to 46.5%

## Quarterly Analysis

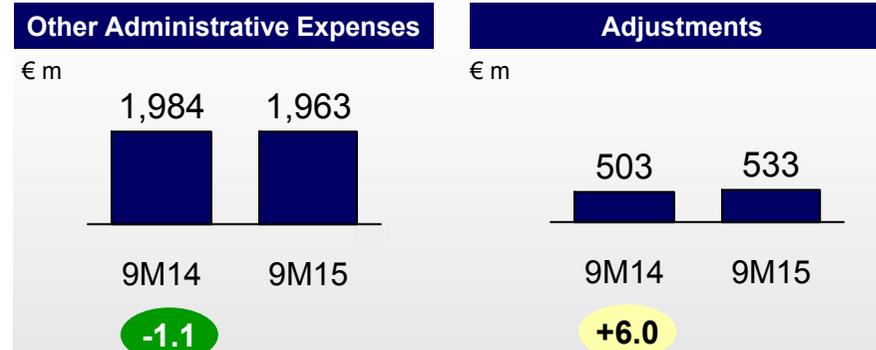
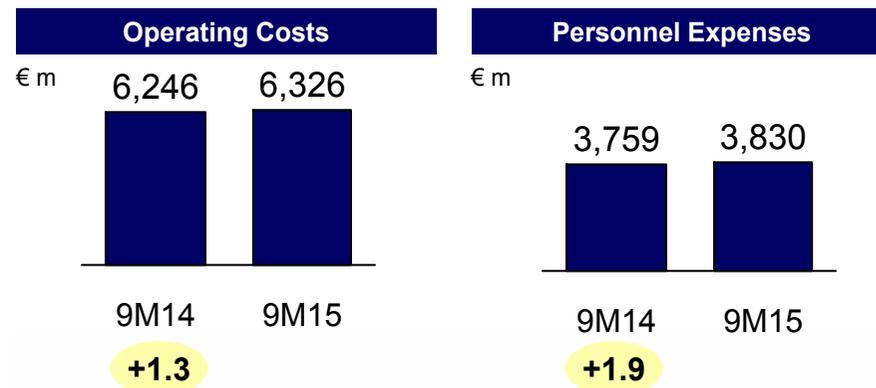
(%) Δ 3Q15 vs 3Q14 and 2Q15



- Other administrative expenses down 5.3% vs 2Q15 and 1.5% vs 3Q14
- ~700 headcount reduction in 3Q15

## Yearly Analysis

(%) Δ 9M15 vs 9M14



- 1.1% decline in Other Administrative Expenses
- 2.7pp decrease in Cost/Income to 46.5%
- ~1,600 headcount reduction

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

## Quarterly Analysis

€ m

(%) Δ 3Q15 vs 3Q14 and 2Q15

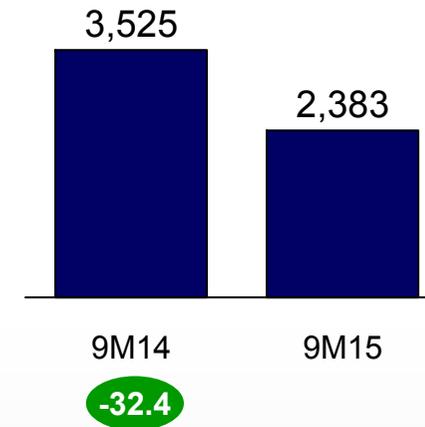


- 38.8% decrease vs 3Q14 and 9.2% vs 2Q15
- Annualised cost of credit down to 89bps (vs 149bps in 3Q14 and vs 98bps in 2Q15)
- Strong decline in gross inflow from Performing loans to Non-performing loans (-13.4% vs 2Q15 and -21.8% vs 3Q14)

## Yearly Analysis

€ m

(%) Δ 9M15 vs 9M14



- 9M15 saw the lowest inflow of new NPL from Performing loans since 2007
- Annualised cost of credit down to 92bps (vs 139bps)
- Strong decline in inflow from Performing loans to Non-performing loans (-25.4% gross and -23.7% net)
- Non-performing loans cash coverage stable at 47%

# Contents

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Detailed Consolidated P&L Results

**Liquidity, Funding and Capital Base**

Asset Quality

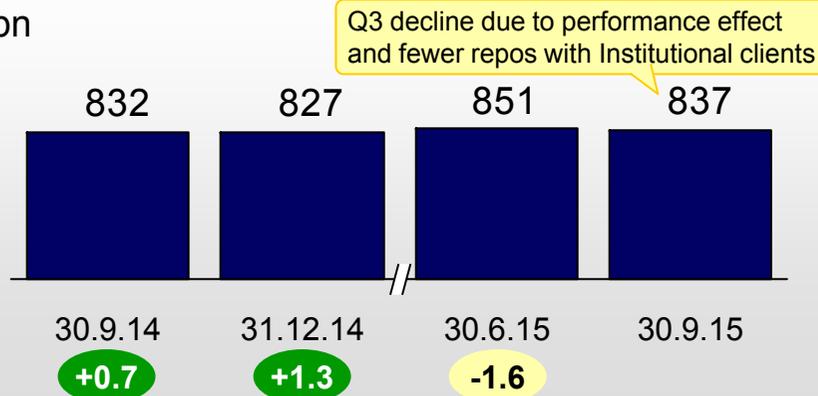
Divisional Results and Other Information

# Yearly Growth in Customer Financial Assets Driven by a Strong Increase in AuM

% Δ 30.9.15 vs 30.9.14, 31.12.14 and 30.6.15

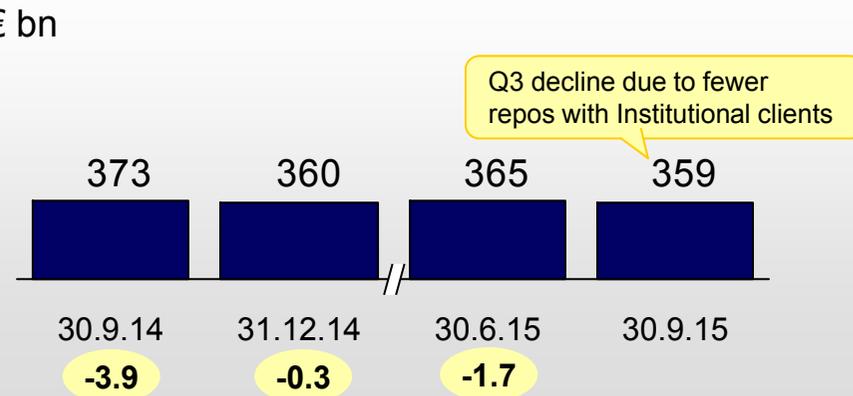
## Customer Financial Assets<sup>(1)</sup>

€ bn



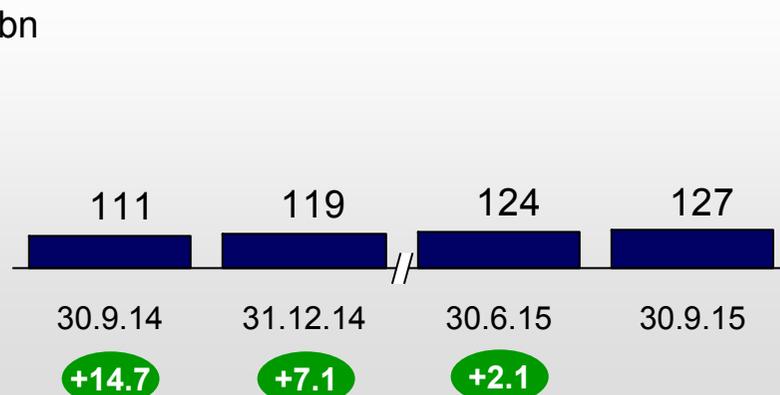
## Direct Deposits from Banking Business

€ bn



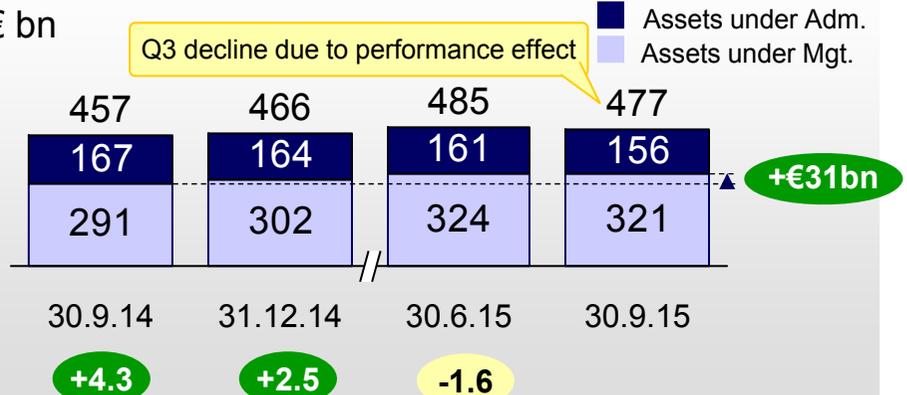
## Direct Deposits from Insurance Business and Technical Reserves

€ bn



## Indirect Customer Deposits

€ bn



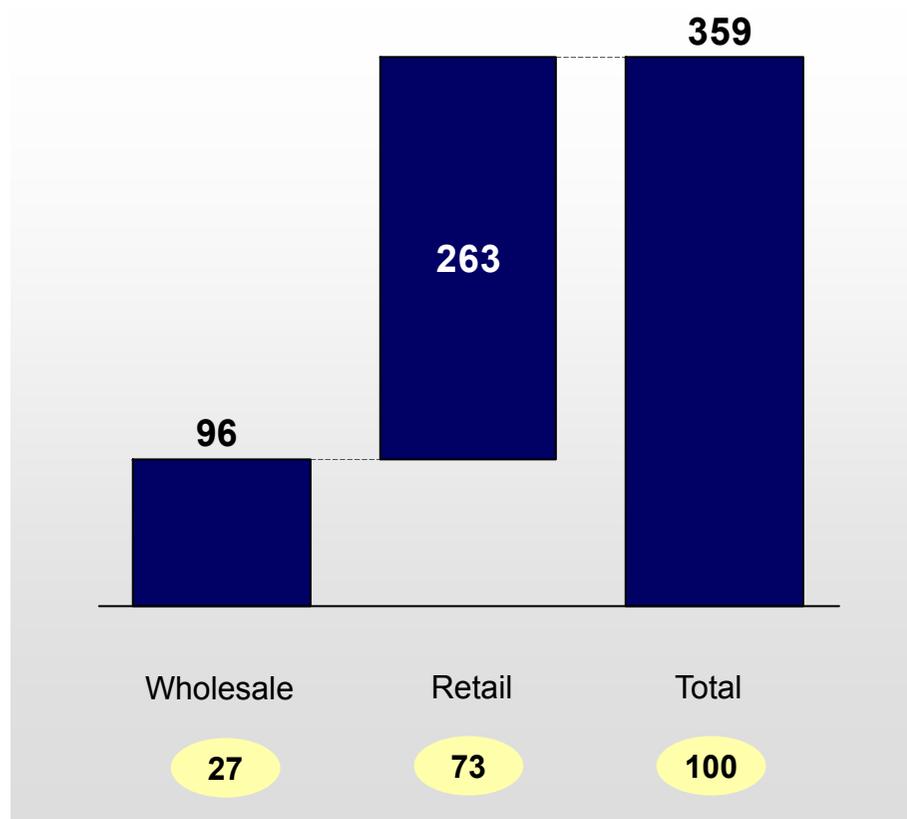
**AuM / Indirect Customer Deposits ratio up to 67.4% vs 66.9% as of 30.6.15**

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

# Stable and Reliable Source of Funding from Retail Branch Network

## Breakdown of Direct Deposits from Banking Business

€ bn as of 30.9.15; % Percentage of total



|   | Wholesale | Retail |
|---|-----------|--------|
| ■ Current accounts and deposits               | 6         | 205    |
| ■ Repos and securities lending                | 18        | -      |
| ■ Senior bonds                                | 34        | 37     |
| ■ Covered bonds                               | 14        | -      |
| ■ EMTN puttable                               | 4         | -      |
| ■ Certificates of deposit + Commercial papers | 8         | 1      |
| ■ Subordinated liabilities                    | 11        | 3      |
| ■ Other deposits                              | 1         | 16     |

**Retail funding represents 73% of Direct deposits from banking business**

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

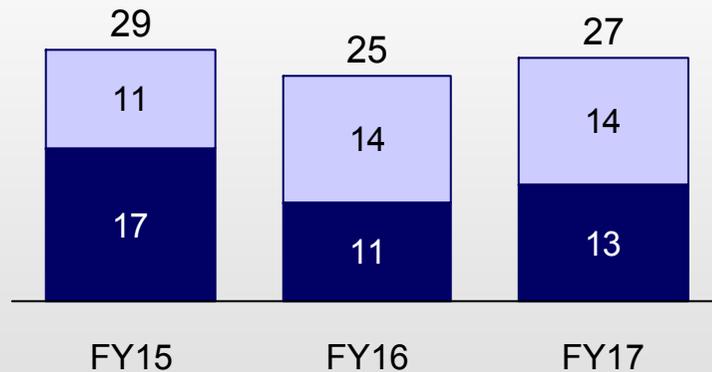
# Strong Funding Capability: Broad and Continued Access to International Markets

## 2015-2017 MLT Bond Maturities

€ bn

Wholesale  
Retail

€16bn of bonds already placed, of which €11bn wholesale<sup>(1)</sup>



## Main Wholesale Issues

### 2014

- €5bn of Euro denominated bonds (of which €1bn subordinated Tier 2 and €1.25bn of covered bonds), \$4.5bn of US bonds (of which \$2bn subordinated Tier 2) and CNY 650m senior bonds placed on international markets. On average more than 80% demand from foreign investors; targets exceeded by more than 140%

### 2015

- €5.25bn of eurobonds (of which €1bn of covered bonds) and \$1bn Additional Tier 1 placed. On average more than 80% demand from foreign investors; targets exceeded by 200%:
  - January: €1.25bn 5y senior unsecured eurobond issue and €1bn 7y covered bonds backed by residential mortgages
  - February: €1.5bn 7y senior unsecured eurobond issue
  - April: €500m 10y subordinated Tier 2 eurobond issue
  - June: €1bn 5y senior unsecured eurobond issue
  - September: \$1bn Additional Tier 1 issue targeted at the US and Canadian markets

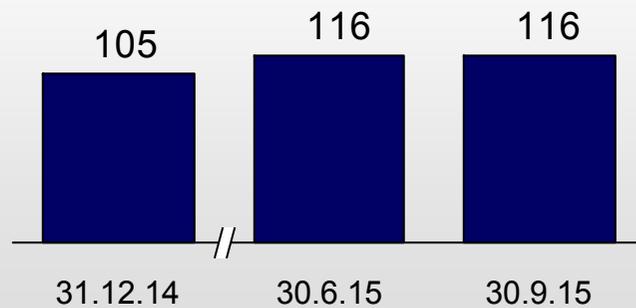
Note: figures may not add up exactly due to rounding differences

(1) Data as of 30.9.15

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

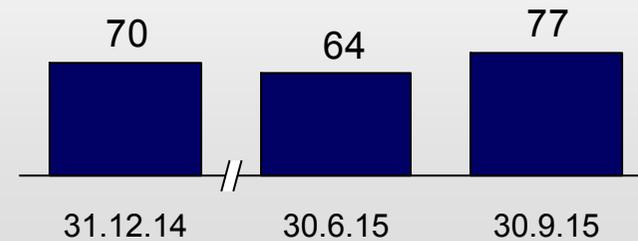
## Liquid assets<sup>(1)</sup>

€ bn



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

€ bn



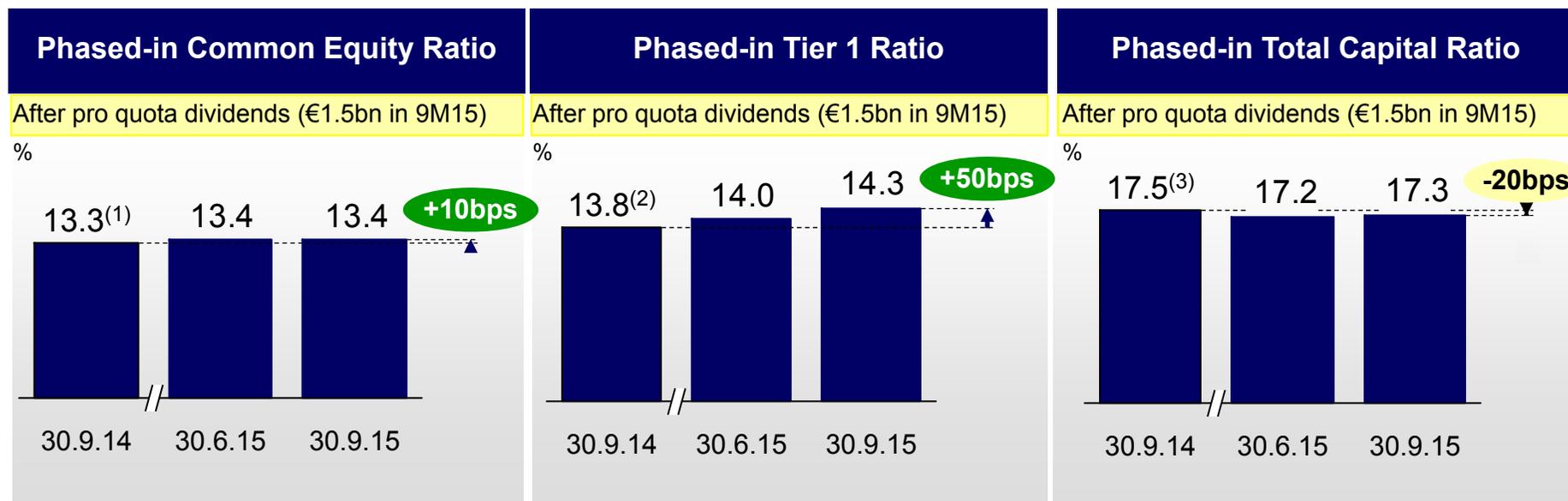
- ~€27.6bn TLTRO: ~€12.6bn in 2014, €10bn in March 2015 and €5bn in June 2015
- Loan to Deposit ratio<sup>(3)</sup> at 96.2%

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

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

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

# Solid and Increased Capital Base



**13.4% pro-forma fully loaded Common Equity ratio<sup>(4)</sup>**

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

(1) 13.2% not considering 3Q14 Net income after pro quota dividends

(2) 13.7% not considering 3Q14 Net income after pro quota dividends

(3) 17.3% not considering 3Q14 Net income after pro quota dividends

(4) Pro-forma fully loaded Basel 3 (30.9.15 financial statements considering the total absorption of DTA related to goodwill realignment, the expected absorption of DTA on losses carried forward and the announced distribution of reserves of insurance companies); including estimated benefits from the Danish Compromise (6bps)

# Common Equity Ratio as of 30.9.15: from Phased-in to Pro-forma Fully Loaded

|  | ~€ bn        | ~bps         |
|--|--------------|--------------|
| <b>Transitional adjustments</b>                                      |              |              |
| Reserve shortfall  | (0.0)        | (0)          |
| Valuation reserves   | 0.1          | 4            |
| Minorities exceeding requirements                                    | (0.1)        | (4)          |
| DTA on losses carried forward <sup>(1)</sup>                         | 0.1          | 4            |
| <b>Total</b>   | <b>0.1</b>   | <b>3</b>     |
| <b>Deductions exceeding cap<sup>(*)</sup></b>                        |              |              |
| <b>Total</b>   | <b>(0.8)</b> | <b>(33)</b>  |
| <sup>(*)</sup> as a memo, constituents of deductions subject to cap: |              |              |
| - Other DTA <sup>(2)</sup>   | 1.4          |              |
| - Investments in banking and financial companies                     | 0.7          |              |
| - Investments in insurance companies <sup>(3)</sup>                  | 4.6          |              |
| <b>RWA from 100% weighted DTA<sup>(4)</sup></b>                      | <b>(4.8)</b> | <b>23</b>    |
| Benefit from the Danish Compromise                                   |              | 6            |
| <b>Total estimated impact</b>  |              | <b>(1)</b>   |
| <b>Pro-forma fully loaded Common Equity ratio</b>                    |              | <b>13.4%</b> |

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

(1) Considering the expected absorption of DTA on losses carried forward (€0.2bn as of 30.9.15)

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

(3) Considering the announced distribution of reserves of insurance companies

(4) Considering the total absorption of DTA related to goodwill realignment (€4.9bn as of 30.9.15)

# Contents

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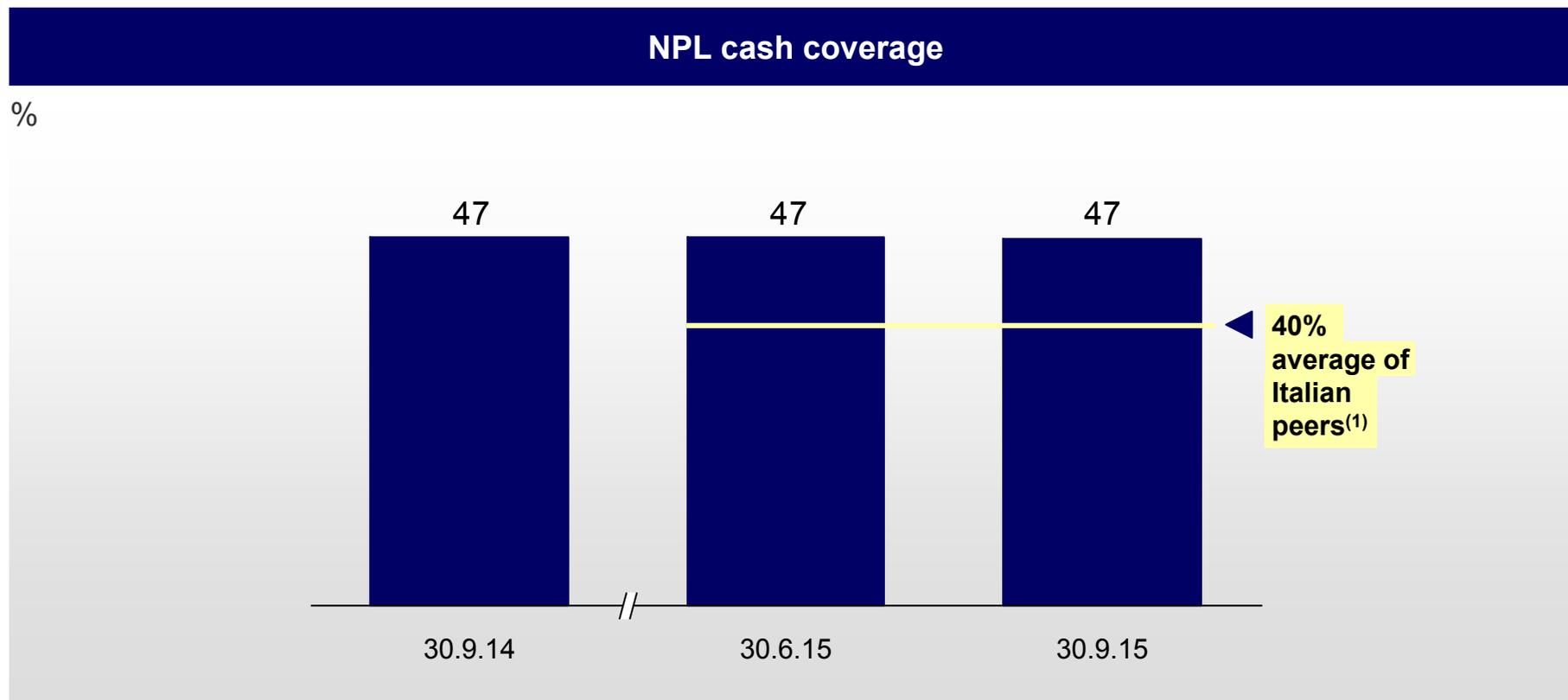
Detailed Consolidated P&L Results

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**Asset Quality**

Divisional Results and Other Information

## Non-performing Loans: Sizeable Cash Coverage



- Doubtful Loans recovery rate<sup>(2)</sup> at 134% in the period 2009 - 30.9.15
- Stable Performing Loans cash coverage at 0.8%

(1) Sample: BPOP, MPS, UBI and UniCredit (data as of 30.6.15)

(2) Repayment on Doubtful Loans/Net book value

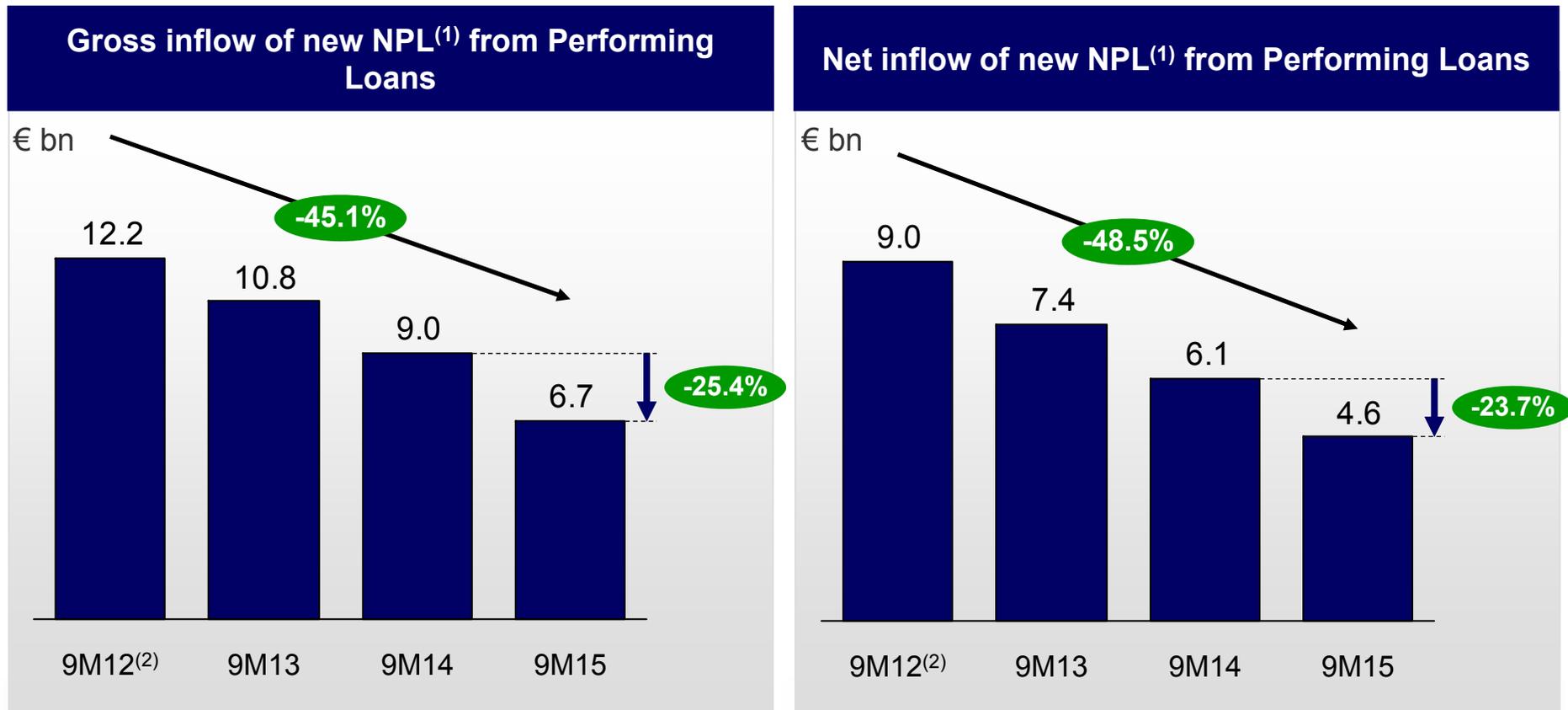
# Non-performing Loans: Sizeable Cash Coverage

Cash coverage; %



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

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



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

(2) 2012 figures recalculated to take into consideration the regulatory changes to Past Due classification criteria introduced by Bank of Italy (90 days since 2012 vs 180 days up until 31.12.11). As of 2015, Forborne loans cease being non-performing only when one year has passed since the extension of forbearance, subject to other performing conditions being met. This constraint affects a potential quarterly average outflow currently estimated at ~€1bn

## Non-performing Loans: Breakdown by Category

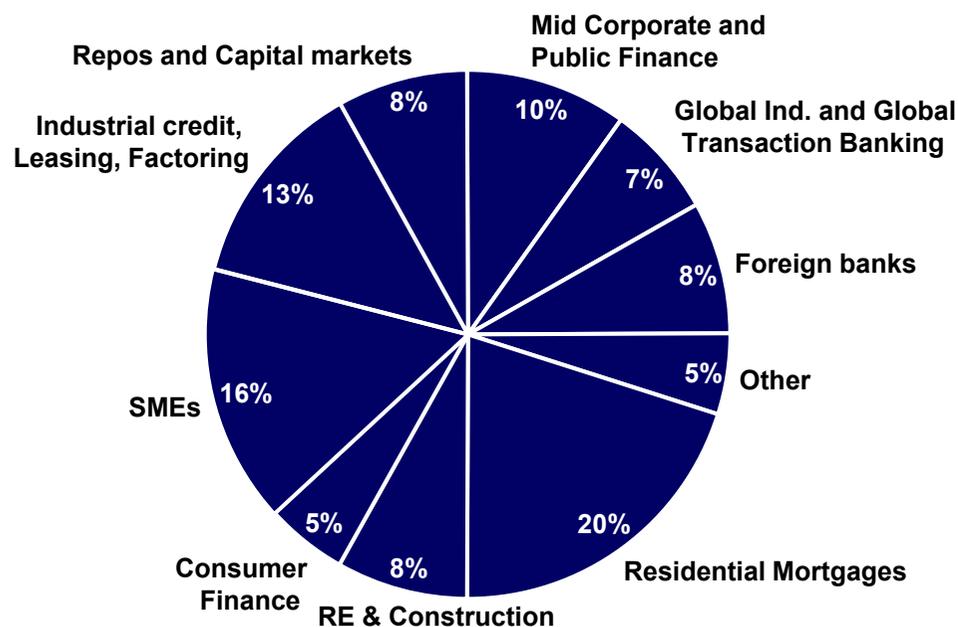
| Gross NPL           |               |               |               |
|---------------------|---------------|---------------|---------------|
| € m                 | 31.12.14      | 30.6.15       | 30.9.15       |
| <b>Total</b>        | <b>62,838</b> | <b>63,756</b> | <b>64,477</b> |
| Past Due            | 1,472         | 1,433         | 1,358         |
| - of which forborne | 224           | 359           | 237           |
| Unlikely to pay     | 23,156        | 23,721        | 24,151        |
| - of which forborne | 8,295         | 9,063         | 9,285         |
| Doubtful            | 38,210        | 38,602        | 38,968        |
| - of which forborne | 886           | 944           | 1,344         |

| Net NPL             |               |               |               |
|---------------------|---------------|---------------|---------------|
| € m                 | 31.12.14      | 30.6.15       | 30.9.15       |
| <b>Total</b>        | <b>33,316</b> | <b>33,600</b> | <b>34,176</b> |
| Past Due            | 1,253         | 1,216         | 1,133         |
| - of which forborne | 197           | 314           | 207           |
| Unlikely to pay     | 17,845        | 18,129        | 18,559        |
| - of which forborne | 6,595         | 7,087         | 7,321         |
| Doubtful            | 14,218        | 14,255        | 14,484        |
| - of which forborne | 398           | 437           | 590           |

- 9M15 increase in gross NPL stock is the lowest since 2007
- Decline in Past due stock in Q3

# Loans to Customers: Well-Diversified Portfolio

**Breakdown by business area**  
(Data as of 30.9.15)



## ■ Low risk profile of residential mortgage portfolio

- Instalment/available income ratio at 36%
- Average Loan-to-Value equal to 53%
- Original average maturity equal to ~22 years
- Residual average life equal to ~18 years

**Breakdown by economic business sectors**

|  | 30.6.15       | 30.9.15       |
|--|---------------|---------------|
| <b>Loans of the Italian banks and companies of the Group</b> |               |               |
| Households   | 24.9%         | 25.5%         |
| Public Administration  | 5.5%          | 5.4%          |
| Financial companies  | 5.4%          | 5.6%          |
| Non-financial companies                                      | 43.0%         | 42.1%         |
| <i>of which:</i>   |               |               |
| DISTRIBUTION   | 6.4%          | 6.4%          |
| SERVICES   | 6.3%          | 6.2%          |
| REAL ESTATE  | 5.7%          | 5.6%          |
| CONSTRUCTION   | 4.2%          | 4.0%          |
| UTILITIES  | 3.9%          | 3.4%          |
| METALS AND METAL PRODUCTS                                    | 2.5%          | 2.5%          |
| TRANSPORT  | 2.3%          | 2.2%          |
| AGRICULTURE  | 1.9%          | 1.9%          |
| FOOD AND DRINK   | 1.4%          | 1.4%          |
| MECHANICAL   | 1.3%          | 1.3%          |
| INTERMEDIATE INDUSTRIAL PRODUCTS                             | 1.2%          | 1.2%          |
| FASHION  | 1.1%          | 1.1%          |
| ELECTROTECHNICAL AND ELECTRONIC                              | 0.7%          | 0.7%          |
| HOLDING AND OTHER  | 0.5%          | 0.5%          |
| TRANSPORTATION MEANS   | 0.5%          | 0.5%          |
| MATERIALS FOR CONSTRUCTION                                   | 0.5%          | 0.5%          |
| BASE AND INTERMEDIATE CHEMICALS                              | 0.5%          | 0.5%          |
| PUBLISHING AND PRINTING                                      | 0.5%          | 0.5%          |
| ENERGY AND EXTRACTION  | 0.4%          | 0.5%          |
| INFRASTRUCTURE   | 0.4%          | 0.4%          |
| FURNITURE  | 0.3%          | 0.3%          |
| OTHER CONSUMPTION GOODS                                      | 0.2%          | 0.2%          |
| PHARMACEUTICAL   | 0.2%          | 0.2%          |
| MASS CONSUMPTION GOODS                                       | 0.1%          | 0.1%          |
| WHITE GOODS  | 0.0%          | 0.1%          |
| NON-CLASSIFIED UNITS   | 0.1%          | 0.0%          |
| <b>Rest of the world</b>                                     | <b>8.3%</b>   | <b>8.1%</b>   |
| <b>Loans of the foreign banks and companies of the Group</b> | <b>8.8%</b>   | <b>9.1%</b>   |
| <b>Doubtful Loans</b>  | <b>4.1%</b>   | <b>4.2%</b>   |
| <b>TOTAL</b>   | <b>100.0%</b> | <b>100.0%</b> |

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

# Contents

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Detailed Consolidated P&L Results

Liquidity, Funding and Capital Base

Asset Quality

**Divisional Results and Other Information**

# Divisional Financial Highlights

Data as of 30.9.15

|  | Divisions           |                                |   |                                |                                 |                          |  | Total  |
|--|---------------------|--------------------------------|---|--------------------------------|---------------------------------|--------------------------|--|--------|
|  | Banca dei Territori | Corporate & Investment Banking | International Subsidiary Banks <sup>(1)</sup> | Private Banking <sup>(2)</sup> | Asset Management <sup>(3)</sup> | Insurance <sup>(4)</sup> | Corporate Centre / Others <sup>(5)</sup> |        |
| Operating Income (€ m)                       | 6,916               | 2,363                          | 1,585   | 1,284                          | 552                             | 931                      | (29)                                     | 13,602 |
| Operating Margin (€ m)                       | 3,282               | 1,691                          | 819   | 897                            | 452                             | 820                      | (685)                                    | 7,276  |
| Net Income (€ m)                             | 989                 | 1,041                          | 303   | 527                            | 337                             | 544                      | (1,015)                                  | 2,726  |
| Cost/Income (%)                              | 52.5                | 28.4                           | 48.3  | 30.1                           | 18.1                            | 11.9                     | n.m.                                     | 46.5   |
| RWA (€ bn)                                   | 91.1                | 84.1                           | 31.0  | 8.5                            | 1.1                             | 0.0                      | 66.0                                     | 281.8  |
| Direct Deposits from Banking Business (€ bn) | 156.2               | 106.2                          | 31.6  | 20.6                           | 0.0                             | 0.2                      | 43.9                                     | 358.7  |
| Loans to Customers (€ bn)                    | 184.5               | 84.8                           | 25.5  | 8.4                            | 0.2                             | 0.0                      | 41.6                                     | 345.1  |

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

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

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

(3) Eurizon Capital

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

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

## Banca dei Territori: 9M vs 9M

€ m

|   | 9M14           | 9M15           | Δ%           |
|---|----------------|----------------|--------------|
|   | Restated       |                |              |
| Net interest income   | 4,114          | 3,658          | (11.1)       |
| Dividends and P/L on investments carried at equity              | 0              | 0              | n.m.         |
| Net fee and commission income                                   | 2,949          | 3,175          | 7.7          |
| Profits (Losses) on trading                                     | 40             | 49             | 22.5         |
| Income from insurance business                                  | 0              | 0              | n.m.         |
| Other operating income (expenses)                               | 37             | 34             | (8.1)        |
| <b>Operating income</b>   | <b>7,140</b>   | <b>6,916</b>   | <b>(3.1)</b> |
| Personnel expenses  | (2,226)        | (2,221)        | (0.2)        |
| Other administrative expenses                                   | (1,457)        | (1,411)        | (3.2)        |
| Adjustments to property, equipment and intangible assets        | (3)            | (2)            | (33.3)       |
| <b>Operating costs</b>  | <b>(3,686)</b> | <b>(3,634)</b> | <b>(1.4)</b> |
| <b>Operating margin</b>   | <b>3,454</b>   | <b>3,282</b>   | <b>(5.0)</b> |
| Net provisions for risks and charges                            | (32)           | (48)           | 50.0         |
| Net adjustments to loans  | (2,003)        | (1,516)        | (24.3)       |
| Net impairment losses on other assets                           | 0              | 0              | n.m.         |
| Profits (Losses) on HTM and on other investments                | 0              | 0              | n.m.         |
| <b>Income before tax from continuing operations</b>             | <b>1,419</b>   | <b>1,718</b>   | <b>21.1</b>  |
| Taxes on income from continuing operations                      | (556)          | (711)          | 27.9         |
| Charges (net of tax) for integration and exit incentives        | (22)           | (17)           | (22.7)       |
| Effect of purchase cost allocation (net of tax)                 | (23)           | (1)            | (95.7)       |
| Impairment (net of tax) of goodwill and other intangible assets | 0              | 0              | n.m.         |
| Income (Loss) after tax from discontinued operations            | 0              | 0              | n.m.         |
| Minority interests  | 0              | 0              | n.m.         |
| <b>Net income</b>   | <b>818</b>     | <b>989</b>     | <b>20.9</b>  |

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

## Corporate and Investment Banking: 9M vs 9M

€ m

|   | 9M14<br>Restated | 9M15         | Δ%           |
|---|------------------|--------------|--------------|
| Net interest income   | 1,346            | 1,158        | (14.0)       |
| Dividends and P/L on investments carried at equity              | 3                | 5            | 66.7         |
| Net fee and commission income                                   | 581              | 594          | 2.2          |
| Profits (Losses) on trading                                     | 440              | 600          | 36.4         |
| Income from insurance business                                  | 0                | 0            | n.m.         |
| Other operating income (expenses)                               | (2)              | 6            | n.m.         |
| <b>Operating income</b>   | <b>2,368</b>     | <b>2,363</b> | <b>(0.2)</b> |
| Personnel expenses  | (234)            | (248)        | 6.0          |
| Other administrative expenses                                   | (378)            | (422)        | 11.6         |
| Adjustments to property, equipment and intangible assets        | (2)              | (2)          | 0.0          |
| <b>Operating costs</b>  | <b>(614)</b>     | <b>(672)</b> | <b>9.4</b>   |
| <b>Operating margin</b>   | <b>1,754</b>     | <b>1,691</b> | <b>(3.6)</b> |
| Net provisions for risks and charges                            | (3)              | 2            | n.m.         |
| Net adjustments to loans  | (370)            | (190)        | (48.6)       |
| Net impairment losses on other assets                           | 0                | (4)          | n.m.         |
| Profits (Losses) on HTM and on other investments                | 4                | 0            | (100.0)      |
| <b>Income before tax from continuing operations</b>             | <b>1,385</b>     | <b>1,499</b> | <b>8.2</b>   |
| Taxes on income from continuing operations                      | (445)            | (458)        | 2.9          |
| Charges (net of tax) for integration and exit incentives        | (1)              | 0            | (100.0)      |
| Effect of purchase cost allocation (net of tax)                 | 0                | 0            | n.m.         |
| Impairment (net of tax) of goodwill and other intangible assets | 0                | 0            | n.m.         |
| Income (Loss) after tax from discontinued operations            | 0                | 0            | n.m.         |
| Minority interests  | 0                | 0            | n.m.         |
| <b>Net income</b>   | <b>939</b>       | <b>1,041</b> | <b>10.9</b>  |

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

## International Subsidiary Banks: 9M vs 9M

€ m

|   | 9M14         | 9M15         | Δ%            |
|---|--------------|--------------|---------------|
|   | Restated     |              |               |
| Net interest income   | 1,072        | 1,105        | 3.1           |
| Dividends and P/L on investments carried at equity              | 39           | 51           | 30.8          |
| Net fee and commission income                                   | 389          | 397          | 2.1           |
| Profits (Losses) on trading                                     | 106          | 81           | (23.6)        |
| Income from insurance business                                  | 0            | 0            | n.m.          |
| Other operating income (expenses)                               | (84)         | (49)         | (41.7)        |
| <b>Operating income</b>   | <b>1,522</b> | <b>1,585</b> | <b>4.1</b>    |
| Personnel expenses  | (401)        | (419)        | 4.5           |
| Other administrative expenses                                   | (282)        | (273)        | (3.2)         |
| Adjustments to property, equipment and intangible assets        | (79)         | (74)         | (6.3)         |
| <b>Operating costs</b>  | <b>(762)</b> | <b>(766)</b> | <b>0.5</b>    |
| <b>Operating margin</b>   | <b>760</b>   | <b>819</b>   | <b>7.8</b>    |
| Net provisions for risks and charges                            | (16)         | (178)        | n.m.          |
| Net adjustments to loans  | (251)        | (222)        | (11.6)        |
| Net impairment losses on other assets                           | (5)          | (1)          | (80.0)        |
| Profits (Losses) on HTM and on other investments                | 1            | 1            | 0.0           |
| <b>Income before tax from continuing operations</b>             | <b>489</b>   | <b>419</b>   | <b>(14.3)</b> |
| Taxes on income from continuing operations                      | (117)        | (113)        | (3.4)         |
| Charges (net of tax) for integration and exit incentives        | (2)          | (3)          | 50.0          |
| Effect of purchase cost allocation (net of tax)                 | 0            | 0            | n.m.          |
| Impairment (net of tax) of goodwill and other intangible assets | 0            | 0            | n.m.          |
| Income (Loss) after tax from discontinued operations            | 0            | 0            | n.m.          |
| Minority interests  | 0            | 0            | n.m.          |
| <b>Net income</b>   | <b>370</b>   | <b>303</b>   | <b>(18.1)</b> |

€591m excluding provisions due to the regulation for the conversion of CHF loans into Euros in Croatia

€441m excluding provisions due to the regulation for the conversion of CHF loans into Euros in Croatia

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

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

Data as of 30.9.15

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

|                                 |             |             |             |             |             |             |             |             |             |             |             |              |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| <b>Oper. Income (€ m)</b>       | 108         | 396         | 62          | 327         | 177         | 29          | 32          | 31          | 71          | 1,231       | 287         | 1,518        |
| <b>% of Group total</b>         | <b>0.8%</b> | <b>2.9%</b> | <b>0.5%</b> | <b>2.4%</b> | <b>1.3%</b> | <b>0.2%</b> | <b>0.2%</b> | <b>0.2%</b> | <b>0.5%</b> | <b>9.1%</b> | <b>2.1%</b> | <b>11.2%</b> |
| <b>Net income (€ m)</b>         | (25)        | 124         | 9           | (5)         | 52          | 10          | 15          | 7           | (13)        | 174         | 93          | 266          |
| <b>% of Group total</b>         | <b>n.m.</b> | <b>4.6%</b> | <b>0.3%</b> | <b>n.m.</b> | <b>1.9%</b> | <b>0.4%</b> | <b>0.5%</b> | <b>0.3%</b> | <b>n.m.</b> | <b>6.4%</b> | <b>3.4%</b> | <b>9.8%</b>  |
| <b>Customer Deposits (€ bn)</b> | 3.7         | 9.6         | 1.8         | 6.9         | 2.8         | 0.6         | 0.8         | 0.7         | 0.5         | 27.3        | 4.4         | 31.7         |
| <b>% of Group total</b>         | <b>1.0%</b> | <b>2.7%</b> | <b>0.5%</b> | <b>1.9%</b> | <b>0.8%</b> | <b>0.2%</b> | <b>0.2%</b> | <b>0.2%</b> | <b>0.1%</b> | <b>7.6%</b> | <b>1.2%</b> | <b>8.8%</b>  |
| <b>Customer Loans (€ bn)</b>    | 3.0         | 8.8         | 1.6         | 6.2         | 2.2         | 0.6         | 0.3         | 0.7         | 0.7         | 24.0        | 2.7         | 26.8         |
| <b>% of Group total</b>         | <b>0.9%</b> | <b>2.6%</b> | <b>0.5%</b> | <b>1.8%</b> | <b>0.6%</b> | <b>0.2%</b> | <b>0.1%</b> | <b>0.2%</b> | <b>0.2%</b> | <b>7.0%</b> | <b>0.8%</b> | <b>7.8%</b>  |
| <b>Total Assets (€ bn)</b>      | 5.2         | 12.0        | 2.4         | 9.7         | 4.1         | 0.8         | 1.0         | 1.0         | 1.0         | 37.1        | 5.4         | 42.4         |
| <b>% of Group total</b>         | <b>0.8%</b> | <b>1.8%</b> | <b>0.4%</b> | <b>1.4%</b> | <b>0.6%</b> | <b>0.1%</b> | <b>0.2%</b> | <b>0.1%</b> | <b>0.1%</b> | <b>5.5%</b> | <b>0.8%</b> | <b>6.3%</b>  |
| <b>Book value (€ m)</b>         | 507         | 1,374       | 276         | 1,622       | 944         | 109         | 130         | 152         | 183         | 5,297       | 458         | 5,755        |
| <b>- goodwill/intangibles</b>   | 19          | 56          | 4           | 13          | 6           | 2           | 4           | 5           | 7           | 116         | 3           | 119          |

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 30.9.15

|  |  Hungary <sup>(*)</sup> |  Slovakia |  Slovenia |  Croatia |  Serbia |  Bosnia |  Albania |  Romania |  Russian F. |  CEE Total |  Egypt |  Total |
|--|--|--|---|---|--|--|---|---|--|---|---|---|
| <b>Performing loans (€ bn)</b>                       | 2.4  | 8.6  | 1.3   | 5.8   | 2.0  | 0.6  | 0.2   | 0.6   | 0.6  | <b>22.1</b>   | 2.6   | <b>24.7</b>   |
| <b>of which:</b>                                     |  |  |   |   |  |  |   |   |  |   |   |   |
| <b>Retail local currency</b>                         | 35%  | 55%  | 54%   | 18%   | 18%  | 7%   | 7%  | 34%   | 4%   | <b>36%</b>  | 58%   | <b>39%</b>  |
| <b>Retail foreign currency</b>                       | 2%   | 0%   | 0%  | 34%   | 25%  | 42%  | 17%   | 58%   | 0%   | <b>14%</b>  | 0%  | <b>13%</b>  |
| <b>Corporate local currency</b>                      | 28%  | 39%  | 43%   | 12%   | 6%   | 25%  | 27%   | 5%  | 82%  | <b>28%</b>  | 28%   | <b>28%</b>  |
| <b>Corporate foreign currency</b>                    | 34%  | 6%   | 2%  | 35%   | 51%  | 27%  | 49%   | 3%  | 13%  | <b>21%</b>  | 14%   | <b>21%</b>  |
| <b>Doubtful loans<sup>(1)</sup> (€ m)</b>            | 193  | 128  | 72  | 142   | 125  | 14   | 23  | 78  | 19   | <b>794</b>  | 5   | <b>799</b>  |
| <b>Unlikely to pay<sup>(2)</sup> (€ m)</b>           | 353  | 138  | 75  | 300   | 108  | 5  | 13  | 13  | 32   | <b>1,037</b>  | 130   | <b>1,167</b>  |
| <b>Performing loans coverage</b>                     | 2.4%   | 1.1%   | 1.0%  | 1.2%  | 1.3%   | 0.9%   | 4.5%  | 1.2%  | 1.3%   | <b>1.3%</b>   | 2.4%  | <b>1.4%</b>   |
| <b>Doubtful loans<sup>(1)</sup> coverage</b>         | 65%  | 64%  | 60%   | 67%   | 56%  | 74%  | 51%   | 72%   | 77%  | <b>65%</b>  | 96%   | <b>67%</b>  |
| <b>Unlikely to pay<sup>(2)</sup> coverage</b>        | 40%  | 31%  | 19%   | 36%   | 33%  | 29%  | 43%   | 41%   | 42%  | <b>36%</b>  | 31%   | <b>35%</b>  |
| <b>Annualised Cost of credit<sup>(3)</sup> (bps)</b> | 269  | 92   | 131   | 28  | 297  | 82   | 86  | 93  | 871  | <b>142</b>  | 106   | <b>138</b>  |

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

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

(1) Sofferenze

(2) Including Past due

(3) Net adjustments to loans/Net customer loans

# Private Banking: 9M vs 9M

€ m

|   | 9M14         | 9M15         | Δ%          |
|---|--------------|--------------|-------------|
| Net interest income   | 171          | 149          | (12.9)      |
| Dividends and P/L on investments carried at equity              | 9            | 9            | 0.0         |
| Net fee and commission income                                   | 872          | 1,111        | 27.4        |
| Profits (Losses) on trading                                     | 18           | 20           | 11.1        |
| Income from insurance business                                  | 0            | 0            | n.m.        |
| Other operating income (expenses)                               | (4)          | (5)          | 25.0        |
| <b>Operating income</b>   | <b>1,066</b> | <b>1,284</b> | <b>20.5</b> |
| Personnel expenses  | (206)        | (211)        | 2.4         |
| Other administrative expenses                                   | (163)        | (164)        | 0.6         |
| Adjustments to property, equipment and intangible assets        | (11)         | (12)         | 9.1         |
| <b>Operating costs</b>  | <b>(380)</b> | <b>(387)</b> | <b>1.8</b>  |
| <b>Operating margin</b>   | <b>686</b>   | <b>897</b>   | <b>30.8</b> |
| Net provisions for risks and charges                            | (55)         | (23)         | (58.2)      |
| Net adjustments to loans  | 0            | 0            | n.m.        |
| Net impairment losses on other assets                           | 0            | 0            | n.m.        |
| Profits (Losses) on HTM and on other investments                | 0            | 0            | n.m.        |
| <b>Income before tax from continuing operations</b>             | <b>631</b>   | <b>874</b>   | <b>38.5</b> |
| Taxes on income from continuing operations                      | (189)        | (261)        | 38.1        |
| Charges (net of tax) for integration and exit incentives        | (1)          | (23)         | n.m.        |
| Effect of purchase cost allocation (net of tax)                 | (68)         | (63)         | (7.4)       |
| Impairment (net of tax) of goodwill and other intangible assets | 0            | 0            | n.m.        |
| Income (Loss) after tax from discontinued operations            | 0            | 0            | n.m.        |
| Minority interests  | 0            | 0            | n.m.        |
| <b>Net income</b>   | <b>373</b>   | <b>527</b>   | <b>41.3</b> |

9M15 result at €590m excluding the Effect of purchase cost allocation

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

## Asset Management: 9M vs 9M

€ m

|   | 9M14        | 9M15         | Δ%          |
|---|-------------|--------------|-------------|
| Net interest income   | 1           | 1            | 0.0         |
| Dividends and P/L on investments carried at equity              | 27          | 66           | 144.4       |
| Net fee and commission income                                   | 334         | 482          | 44.3        |
| Profits (Losses) on trading                                     | 6           | 1            | (83.3)      |
| Income from insurance business                                  | 0           | 0            | n.m.        |
| Other operating income (expenses)                               | 1           | 2            | 100.0       |
| <b>Operating income</b>   | <b>369</b>  | <b>552</b>   | <b>49.6</b> |
| Personnel expenses  | (42)        | (45)         | 7.1         |
| Other administrative expenses                                   | (50)        | (55)         | 10.0        |
| Adjustments to property, equipment and intangible assets        | 0           | 0            | n.m.        |
| <b>Operating costs</b>  | <b>(92)</b> | <b>(100)</b> | <b>8.7</b>  |
| <b>Operating margin</b>   | <b>277</b>  | <b>452</b>   | <b>63.2</b> |
| Net provisions for risks and charges                            | 2           | (1)          | n.m.        |
| Net adjustments to loans  | 0           | 0            | n.m.        |
| Net impairment losses on other assets                           | 0           | 0            | n.m.        |
| Profits (Losses) on HTM and on other investments                | 0           | 0            | n.m.        |
| <b>Income before tax from continuing operations</b>             | <b>279</b>  | <b>451</b>   | <b>61.6</b> |
| Taxes on income from continuing operations                      | (68)        | (108)        | 58.8        |
| Charges (net of tax) for integration and exit incentives        | (1)         | 0            | (100.0)     |
| Effect of purchase cost allocation (net of tax)                 | (28)        | 0            | (100.0)     |
| Impairment (net of tax) of goodwill and other intangible assets | 0           | 0            | n.m.        |
| Income (Loss) after tax from discontinued operations            | 0           | 0            | n.m.        |
| Minority interests  | (5)         | (6)          | 20.0        |
| <b>Net income</b>   | <b>177</b>  | <b>337</b>   | <b>90.4</b> |

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

## Insurance: 9M vs 9M

€ m

|   | 9M14         | 9M15         | Δ%          |
|---|--------------|--------------|-------------|
| Net interest income   | 0            | 0            | n.m.        |
| Dividends and P/L on investments carried at equity              | 0            | 0            | n.m.        |
| Net fee and commission income                                   | 0            | 0            | n.m.        |
| Profits (Losses) on trading                                     | 0            | 0            | n.m.        |
| Income from insurance business                                  | 745          | 934          | 25.4        |
| Other operating income (expenses)                               | 4            | (3)          | n.m.        |
| <b>Operating income</b>   | <b>749</b>   | <b>931</b>   | <b>24.3</b> |
| Personnel expenses  | (44)         | (47)         | 6.8         |
| Other administrative expenses                                   | (62)         | (62)         | 0.0         |
| Adjustments to property, equipment and intangible assets        | (2)          | (2)          | 0.0         |
| <b>Operating costs</b>  | <b>(108)</b> | <b>(111)</b> | <b>2.8</b>  |
| <b>Operating margin</b>   | <b>641</b>   | <b>820</b>   | <b>27.9</b> |
| Net provisions for risks and charges                            | 1            | 0            | (100.0)     |
| Net adjustments to loans  | 0            | 0            | n.m.        |
| Net impairment losses on other assets                           | (1)          | (13)         | n.m.        |
| Profits (Losses) on HTM and on other investments                | 0            | 0            | n.m.        |
| <b>Income before tax from continuing operations</b>             | <b>641</b>   | <b>807</b>   | <b>25.9</b> |
| Taxes on income from continuing operations                      | (183)        | (238)        | 30.1        |
| Charges (net of tax) for integration and exit incentives        | (1)          | (3)          | 200.0       |
| Effect of purchase cost allocation (net of tax)                 | (27)         | (22)         | (18.5)      |
| Impairment (net of tax) of goodwill and other intangible assets | 0            | 0            | n.m.        |
| Income (Loss) after tax from discontinued operations            | 0            | 0            | n.m.        |
| Minority interests  | 0            | 0            | n.m.        |
| <b>Net income</b>   | <b>430</b>   | <b>544</b>   | <b>26.5</b> |

9M15 result at €566m excluding the Effect of purchase cost allocation

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

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

€ m

|                                | DEBT SECURITIES  |               |            |                    |               |               |                    |                |                            | LOANS         |
|--------------------------------|------------------|---------------|------------|--------------------|---------------|---------------|--------------------|----------------|----------------------------|---------------|
|                                | Banking Business |               |            |                    |               | Total         | Insurance Business | Total          | AFS Reserve <sup>(3)</sup> |               |
|                                | L&R              | AFS           | HTM        | CFV <sup>(2)</sup> | HFT           |               |                    |                |                            |               |
| <b>EU Countries</b>            | <b>7,603</b>     | <b>47,588</b> | <b>973</b> | <b>724</b>         | <b>10,145</b> | <b>67,033</b> | <b>54,848</b>      | <b>121,881</b> | <b>347</b>                 | <b>19,319</b> |
| Austria                        |                  | 205           | 3          |                    | 44            | 252           | 7                  | 259            |                            |               |
| Belgium                        |                  | 1,177         |            |                    | 84            | 1,261         | 10                 | 1,271          | 4                          |               |
| Bulgaria                       |                  |               |            |                    |               |               | 36                 | 36             |                            |               |
| Croatia                        | 101              | 108           | 2          | 724                | 7             | 942           | 39                 | 981            |                            | 1,005         |
| Cyprus                         |                  |               |            |                    |               |               |                    |                |                            |               |
| Czech Republic                 |                  |               |            |                    |               |               |                    |                |                            |               |
| Denmark                        |                  |               |            |                    | 18            | 18            |                    | 18             |                            |               |
| Estonia                        |                  |               |            |                    |               |               |                    |                |                            |               |
| Finland                        |                  | 81            |            |                    | 189           | 270           | 10                 | 280            |                            | 9             |
| France                         | 95               | 6,392         |            |                    | 867           | 7,354         | 129                | 7,483          | -15                        | 15            |
| Germany                        | 41               | 5,161         |            |                    | 1,699         | 6,901         | 1,561              | 8,462          | 7                          |               |
| Greece                         |                  |               |            |                    | 1             | 1             |                    | 1              |                            |               |
| Hungary                        | 1                | 285           |            |                    | 238           | 524           | 31                 | 555            |                            | 173           |
| Ireland                        |                  | 233           |            |                    | 8             | 241           | 90                 | 331            |                            |               |
| Italy                          | 7,050            | 25,549        | 355        |                    | 5,530         | 38,484        | 51,825             | 90,309         | 377                        | 17,235        |
| Latvia                         |                  |               |            |                    |               |               |                    |                |                            | 54            |
| Lithuania                      |                  | 40            |            |                    |               | 40            |                    | 40             |                            |               |
| Luxembourg                     | 7                |               |            |                    |               | 7             |                    | 7              |                            |               |
| Malta                          |                  |               |            |                    |               |               |                    |                |                            |               |
| The Netherlands                |                  | 624           |            |                    | 652           | 1,276         | 141                | 1,417          | 1                          |               |
| Poland                         | 27               | 48            |            |                    | 154           | 229           | 18                 | 247            | 1                          |               |
| Portugal                       | 18               |               |            |                    | 41            | 59            |                    | 59             |                            | 25            |
| Romania                        |                  | 156           |            |                    | 6             | 162           | 52                 | 214            | 1                          | 9             |
| Slovakia                       |                  | 973           | 613        |                    |               | 1,586         |                    | 1,586          | 17                         | 112           |
| Slovenia                       |                  | 202           |            |                    |               | 202           | 8                  | 210            | 7                          | 219           |
| Spain                          | 255              | 6,076         |            |                    | 270           | 6,601         | 891                | 7,492          | -53                        | 463           |
| Sweden                         |                  |               |            |                    | 337           | 337           |                    | 337            |                            |               |
| United Kingdom                 | 8                | 278           |            |                    |               | 286           |                    | 286            |                            |               |
| <b>North African Countries</b> |                  | <b>1,298</b>  |            |                    |               | <b>1,298</b>  |                    | <b>1,298</b>   | <b>-3</b>                  |               |
| Algeria                        |                  |               |            |                    |               |               |                    |                |                            |               |
| Egypt                          |                  | 1,298         |            |                    |               | 1,298         |                    | 1,298          | -3                         |               |
| Libya                          |                  |               |            |                    |               |               |                    |                |                            |               |
| Morocco                        |                  |               |            |                    |               |               |                    |                |                            |               |
| Tunisia                        |                  |               |            |                    |               |               |                    |                |                            |               |
| <b>Japan</b>                   |                  |               |            |                    | <b>343</b>    | <b>343</b>    |                    | <b>343</b>     |                            |               |

**Banking Business Government bond duration: ~4 years**  
**Adjusted duration due to hedging: ~0.4 years**

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

(1) Exposure to central and local governments. Book Value of Debt Securities and Net Loans as of 30.9.15

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

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

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