



**A Strong Bank,
Delivering Growth**

1Q16 Results

A Solid Start to the Year

May 6, 2016

INTESA  SANPAOLO

A Solid Start to the Year

€902m Net income excluding charges for the Resolution Fund⁽¹⁾

€806m stated Net income, above the quarterly quota of our 2016 dividend commitment

€895m additional net capital gain from recently signed Setefi and ISP Card disposal to be booked during 2016

Common Equity⁽²⁾ ratio at 13.1%

Cost/Income at 50.5%, with Operating costs down 2.4% YoY

Declining NPL stock and NPL inflow, with LLPs down ~10% YoY

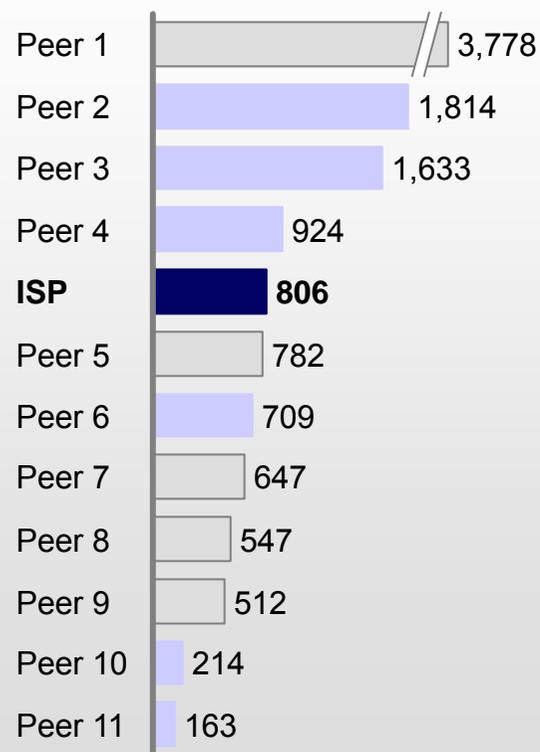
(1) €136m pre-tax and €96m after tax; our estimated commitment for the year fully funded

(2) Pro-forma fully loaded Basel 3 (31.3.16 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans, the expected absorption of DTA on losses carried forward and the expected distribution of 1Q16 Net income of insurance companies); including estimated benefits from the Danish Compromise (13bps); after dividends

1Q16: ISP Clearly a European Champion

Net income⁽¹⁾

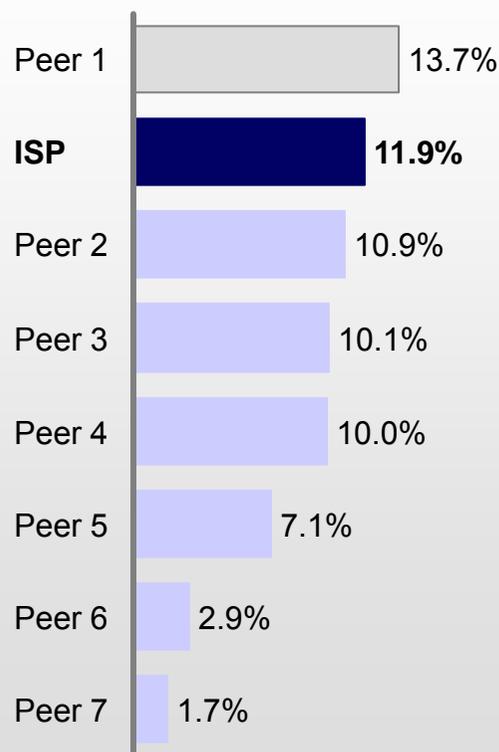
1Q16, € m Eurozone Non-Eurozone



#4 in the Eurozone

Net income / Fully Loaded SREP + SIB required capital⁽²⁾

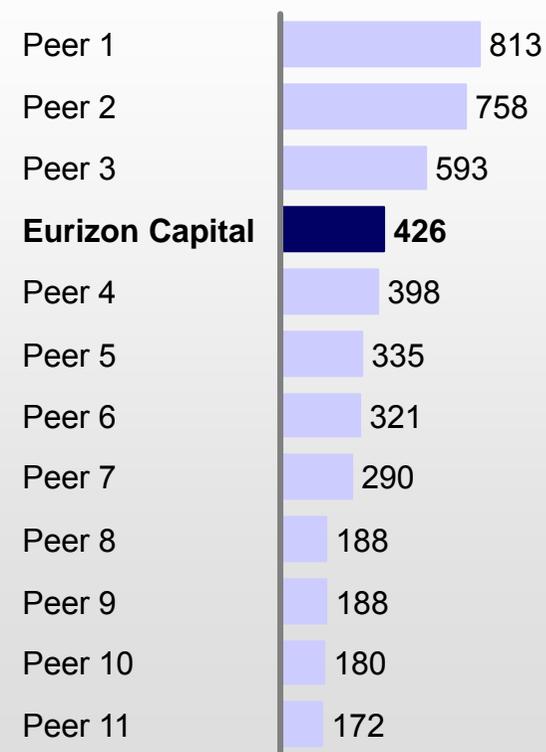
31.3.16, % Eurozone Non-Eurozone



#1 in the Eurozone

Net inflows of mutual funds in Europe⁽³⁾

January-March 2016, indexed⁽⁴⁾



#4 in Europe

(1) Sample: Barclays, BBVA, BNP Paribas, Commerzbank, Deutsche Bank, HSBC, Lloyds Banking Group, Nordea, Santander, Société Générale and UBS as of 31.3.16; only top European banks that have already communicated 1Q16 results

(2) Sample: BBVA, BNP Paribas, Commerzbank, Deutsche Bank, Nordea, Santander and Société Générale as of 31.3.16; only top European banks that have communicated 1Q16 results and their SREP requirement

(3) Excluding money market funds. Source: Strategic Insights / Simfund Global. Sample: Aviva Investors, BlackRock, Credit Suisse, DNB Group, ETF Securities, KBC, Nordea, Standard Life, State Street Global Advisors, Union Investment and Vanguard

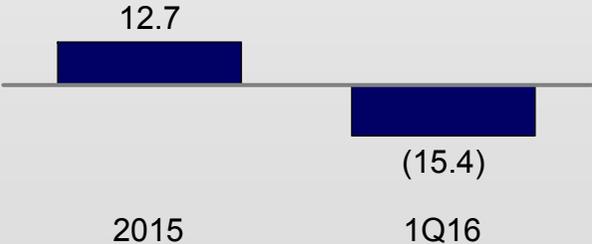
(4) Data indexed to top 100 wealth managers' average of Net inflows of mutual funds in Europe

Challenging Environment in Q1. Improving Market Conditions in April Provide Upside Potential

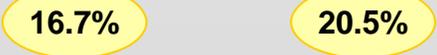
1Q16: solid performance in a challenging environment

- **€902m Net income** excluding charges for the Resolution Fund delivered
- **€1bn Net inflows into AuM in 1Q16** with only **€1bn** of retail bonds maturing (vs **€14bn** and **€10bn** in 1Q15 respectively)

Market performance
FTSE MIB Index, %



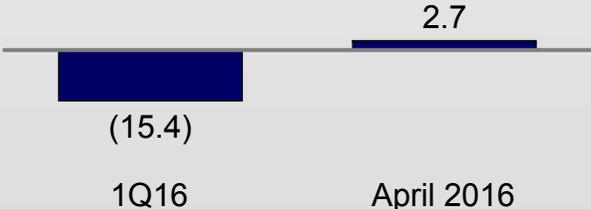
Volatility⁽¹⁾



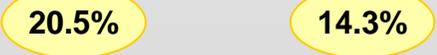
April 2016: improving market conditions provide upside potential

- **€2bn Net inflows into AuM** in April 2016 alone
- **Strong potential for conversion into AuM:**
 - **>€10bn in new Direct Deposits** gathered in the past few months
 - **€153bn of AuA**
 - **€10bn of retail bonds maturing** between April and year-end 2016

Market performance
FTSE MIB Index, %

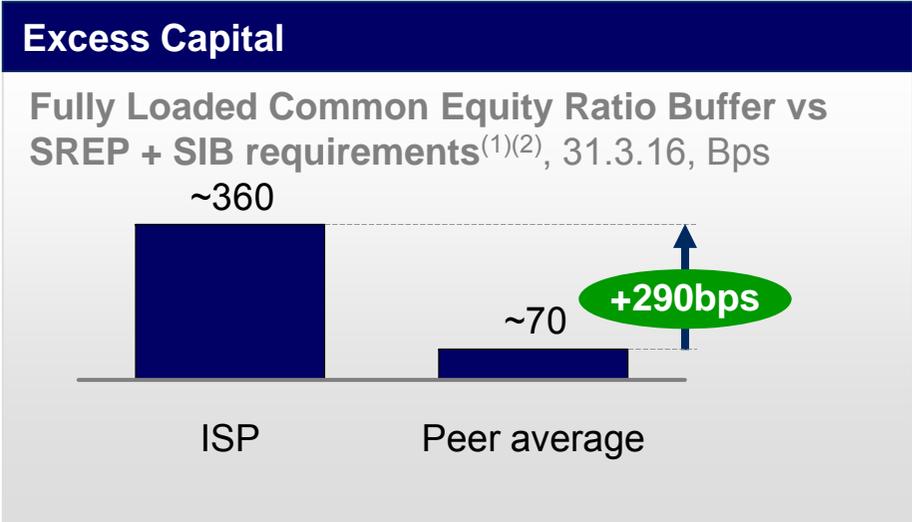
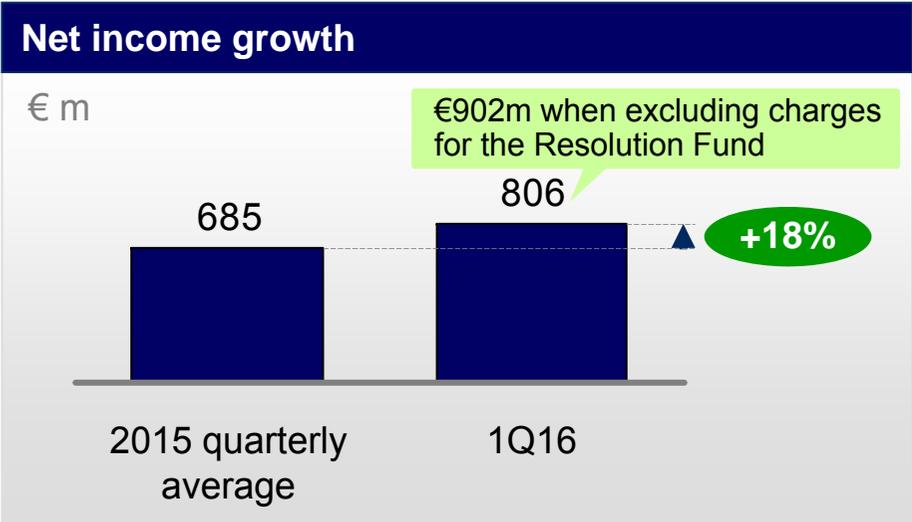
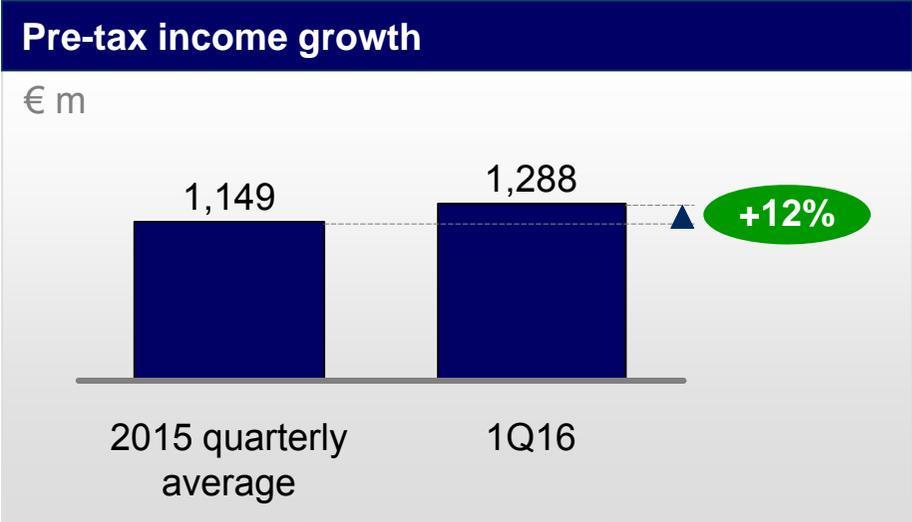
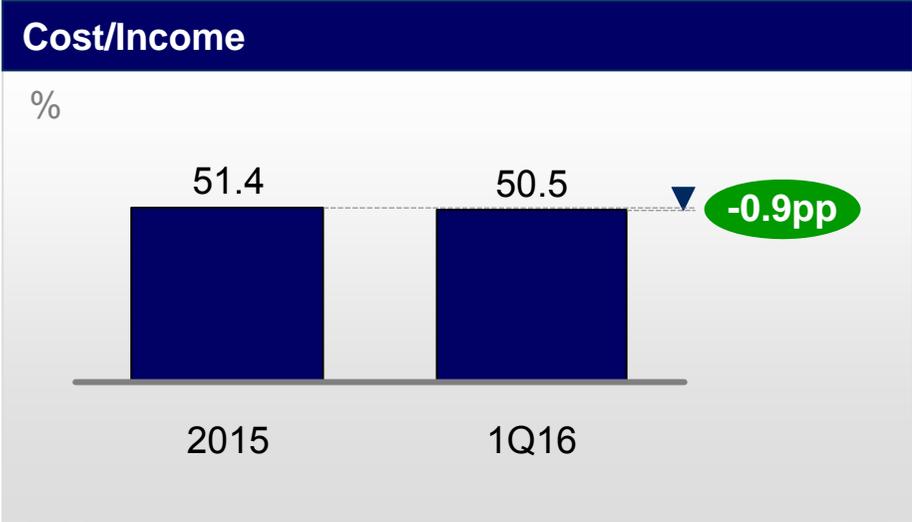


Volatility⁽¹⁾



(1) Chicago Board Options Exchange (CBOE) Volatility Index
Source: Bloomberg

Q1: Solid Performance Delivered



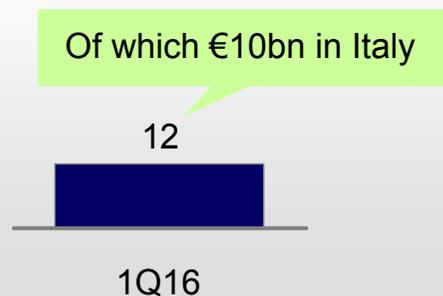
(1) Sample: BBVA, BNP Paribas, Commerzbank, Deutsche Bank, Nordea, Santander and Société Générale as of 31.3.16; BPCE, Crédit Agricole Group, ING and UniCredit as of 31.12.15 or previous available data. Data may not be fully comparable due to different estimates hypothesis. Source: Investors' Presentations, Press Releases, Conference Calls

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

All Stakeholders Benefit from Our Performance

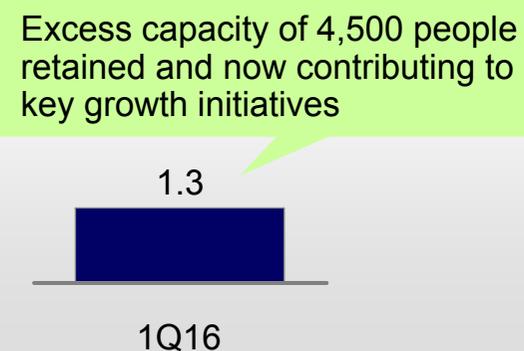
Households and Businesses

Medium/Long-term new lending, € bn



Employees

Personnel expenses, € bn



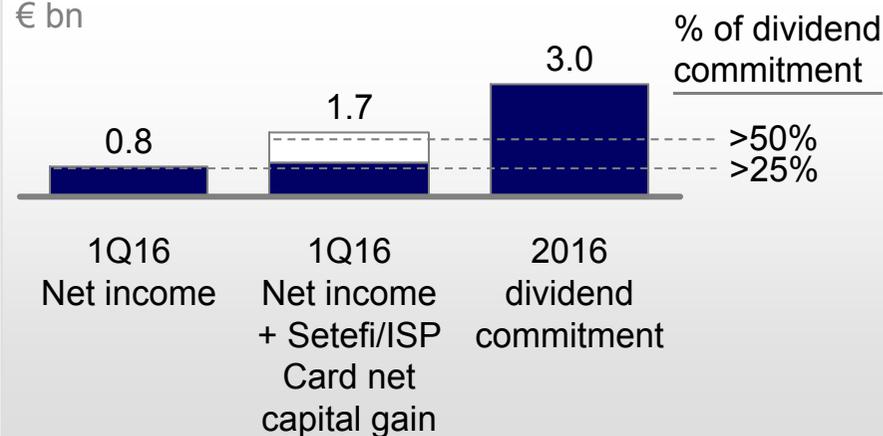
Public Sector

Taxes⁽¹⁾, € bn



Shareholders

€ bn



(1) Direct and indirect

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

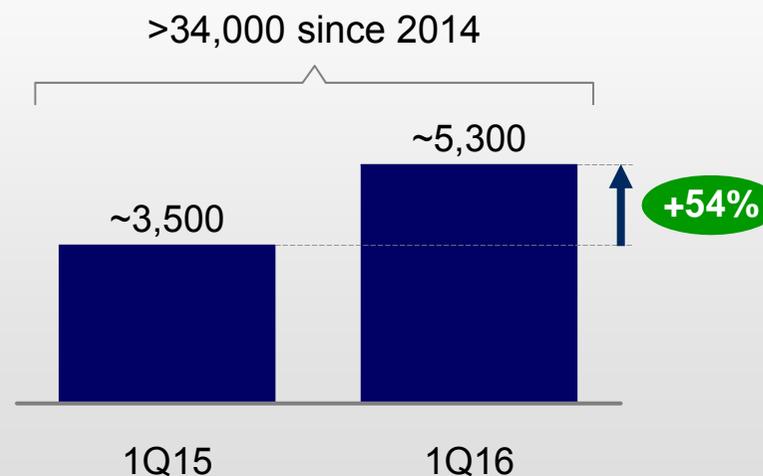
ISP: supporting the Italian real economy to grow...

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



...and to recover

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



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

(1) Deriving from Non-performing loans outflow

1Q16: Highlights

■ Solid economic performance:

- **€902m Net income** excluding charges for the Resolution Fund; stated Net income at **€806m (+18% vs 2015 quarterly average)** 
- **Pre-tax income at €1,288m (+12% vs 2015 quarterly average)** 
- **Continued strong cost management with C/I at 50.5% (-0.9pp vs FY15); C/I at 48.9% excluding charges for the Resolution Fund** 
- **Downward trend in loan loss provisions (-16% vs 2015 quarterly average, -10% vs 1Q15), driven by decreasing NPL inflow; cost of risk at 77bps** 

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

- **Low leverage ratio (6.7%) and high capital base (pro-forma fully loaded Common Equity ratio at 13.1%⁽¹⁾)** 
- **Strong liquidity position and funding capability with LCR and NSFR well above 100%** 
- **Decreasing NPL stock, the lowest of the past 6 quarters** 
- **€95m additional net capital gain from recently signed Setefi and ISP Card disposal to be booked during 2016** 

(1) Pro-forma fully loaded Basel 3 (31.3.16 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans, the expected absorption of DTA on losses carried forward and the expected distribution of 1Q16 Net income of insurance companies); including estimated benefits from the Danish Compromise (13bps); after dividends

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1Q16: A solid start to the year

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

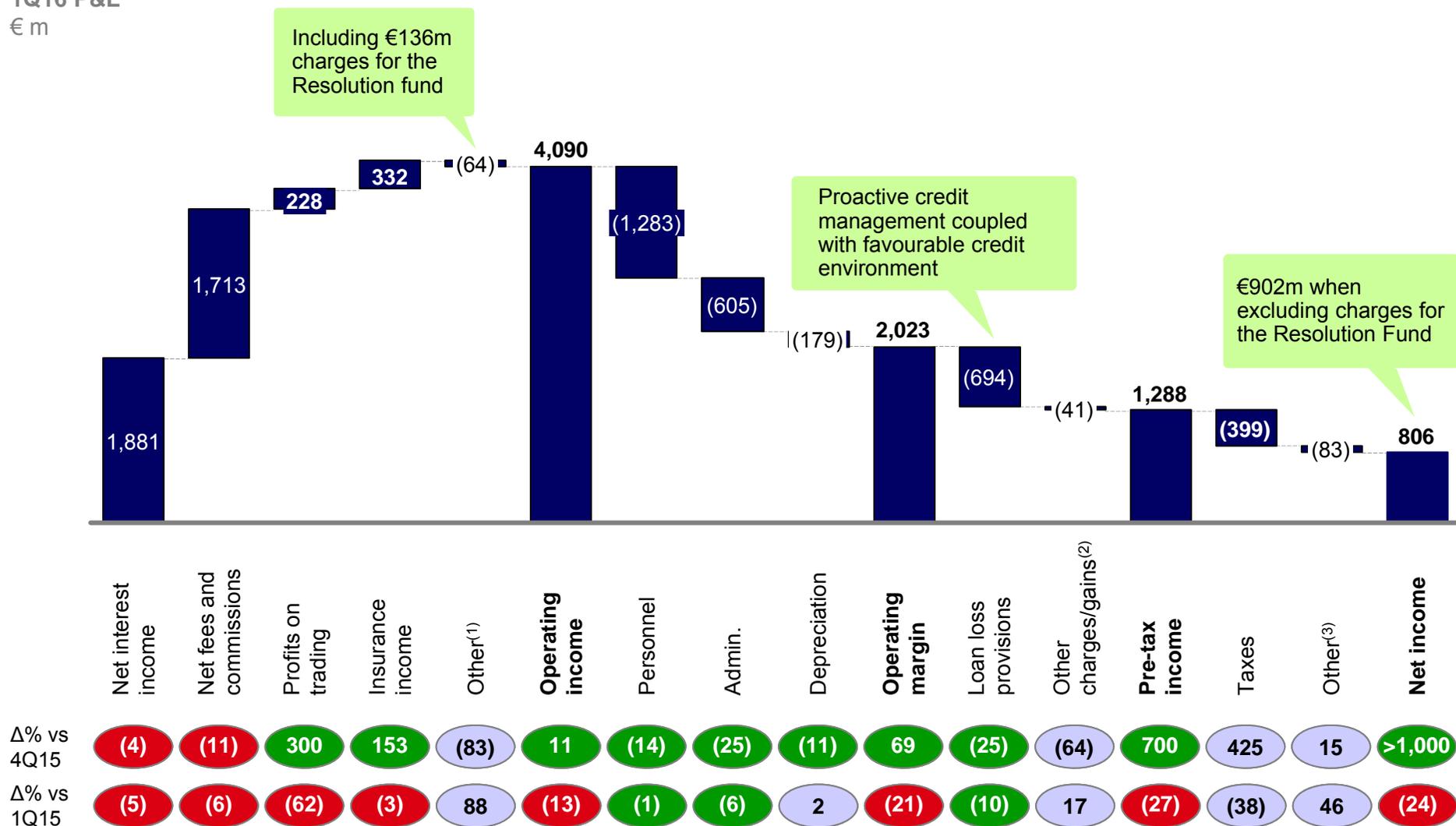
Key recent events: Setefi/ISP Card disposal and Atlante Fund

Well ahead of our Business Plan

Q1: Solid Performance with Robust Net Income

1Q16 P&L

€ m



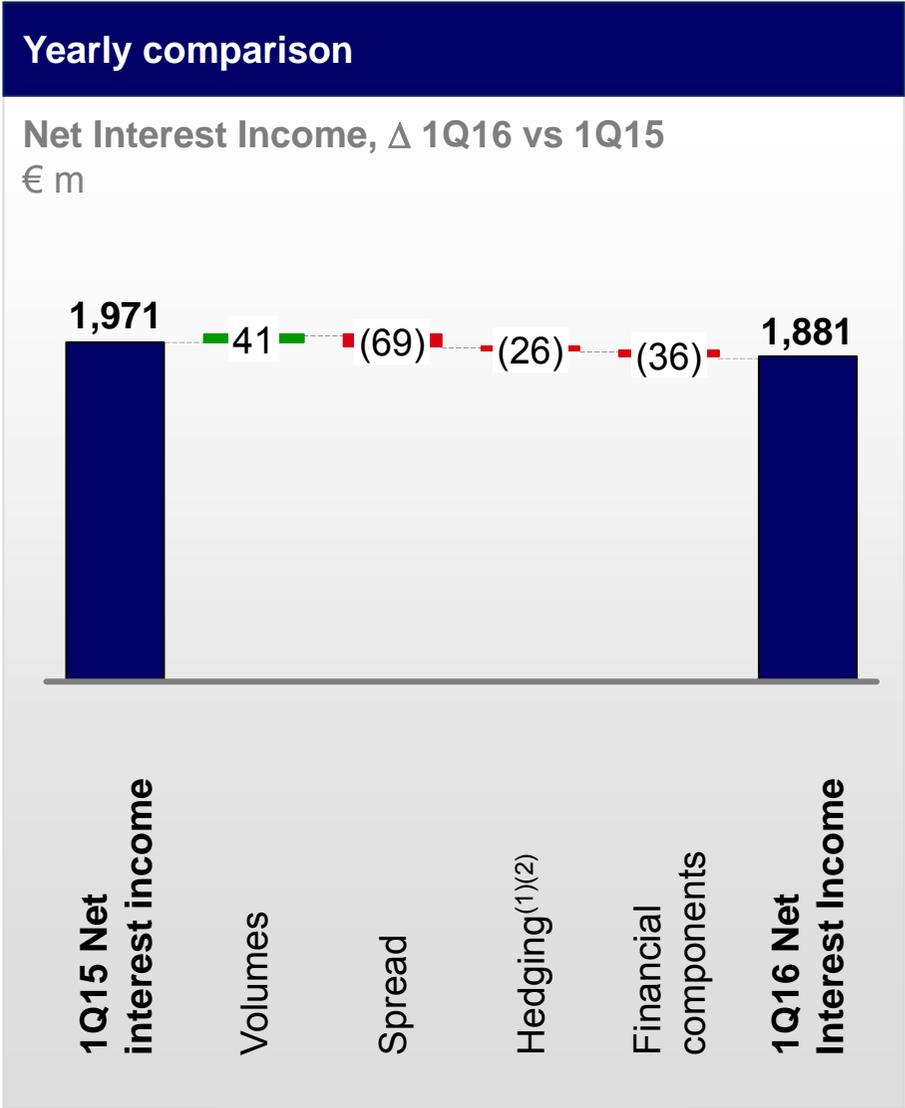
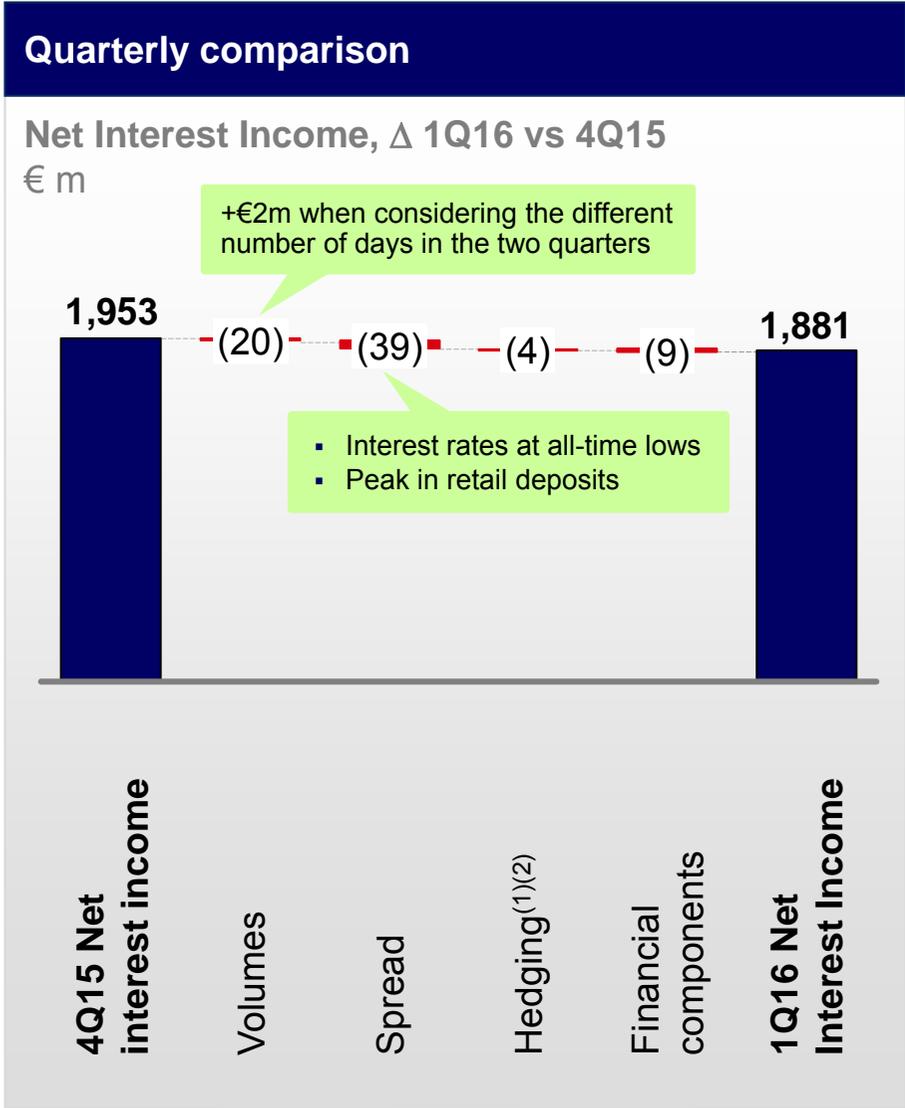
(1) Dividends and other operating income (expenses), including €136m charges (€96m after tax) for the Resolution Fund (our commitment for the year fully funded)

(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)

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

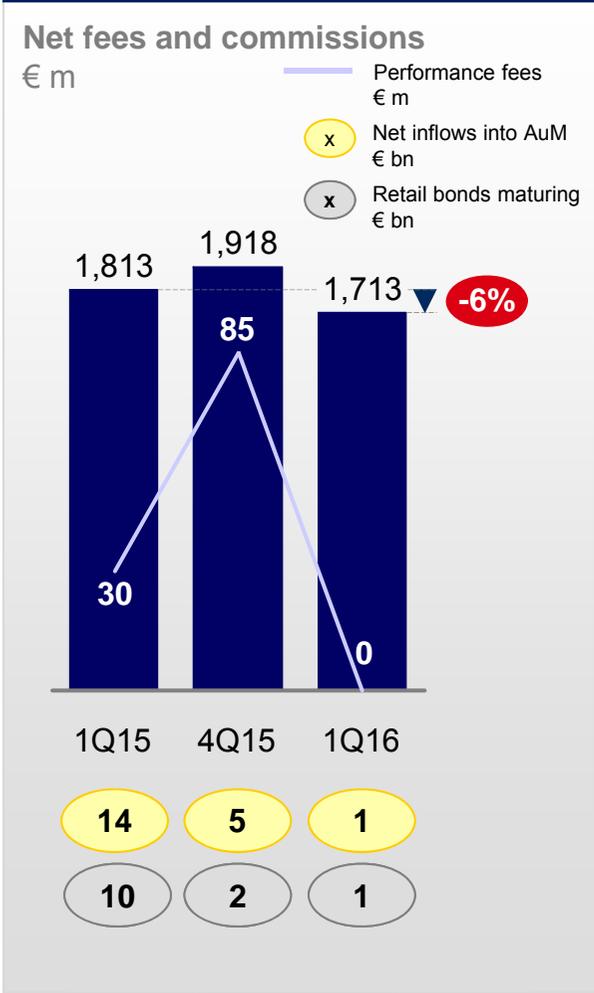
Net Interest Income Evolution Affected by All-Time Low Interest Rates



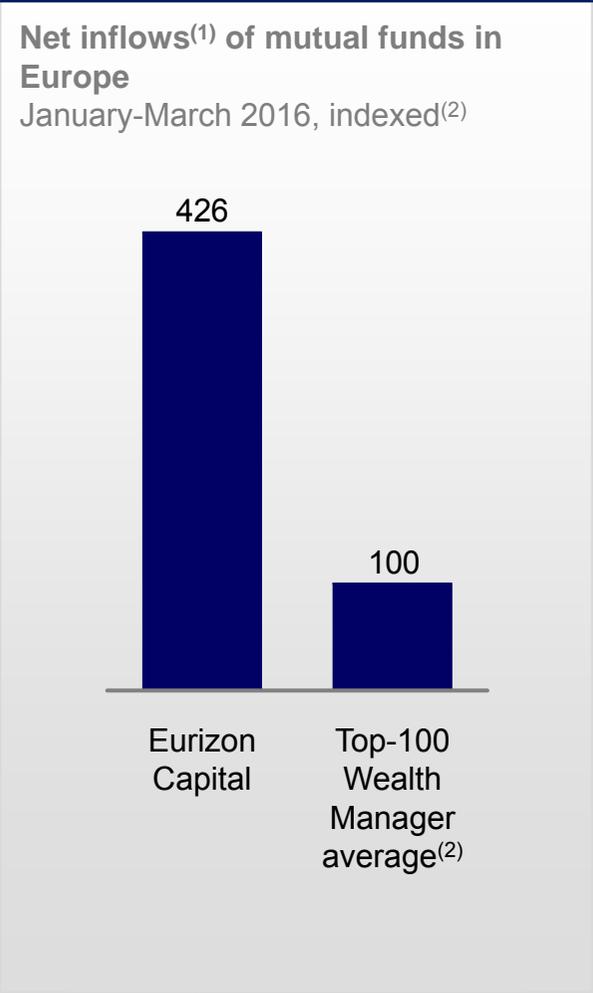
(1) €170m benefit from core deposits hedging in 1Q16
 (2) Hedging on core deposits
 Note: Figures may not add up exactly due to rounding differences

Net Fee and Commission Income Evolution Impacted by Challenging Market Conditions, with Potential Upside Ahead

Net fees and commissions impacted by low new AuM...



...in a challenging market for all Wealth Managers...

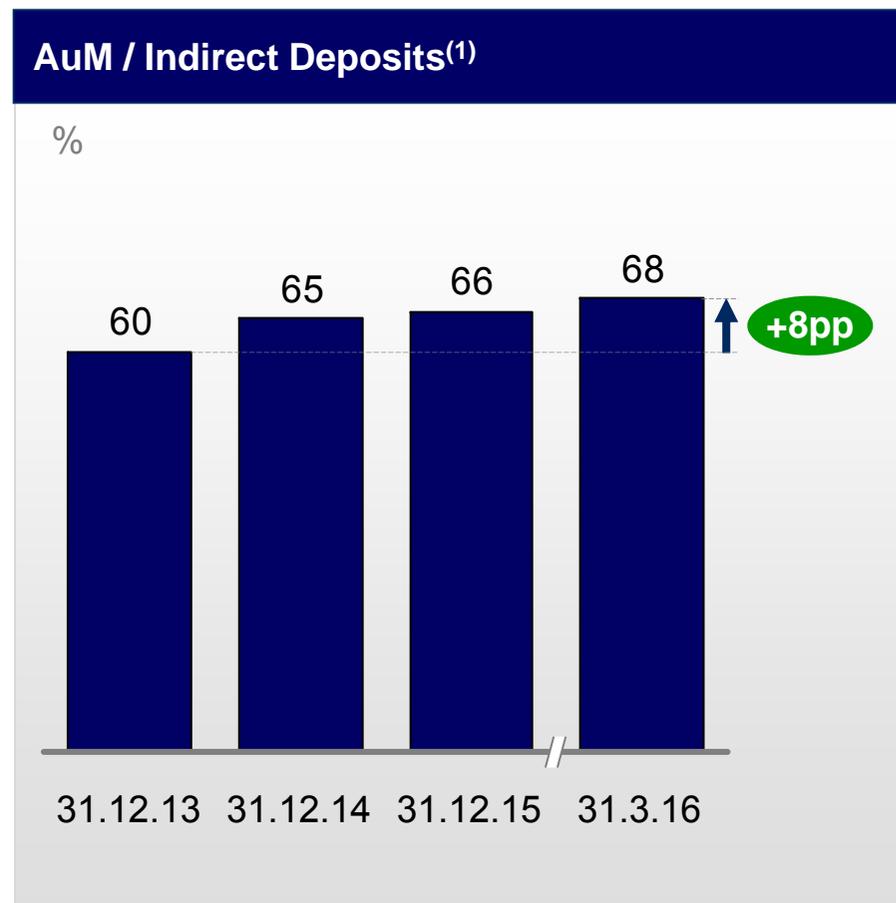
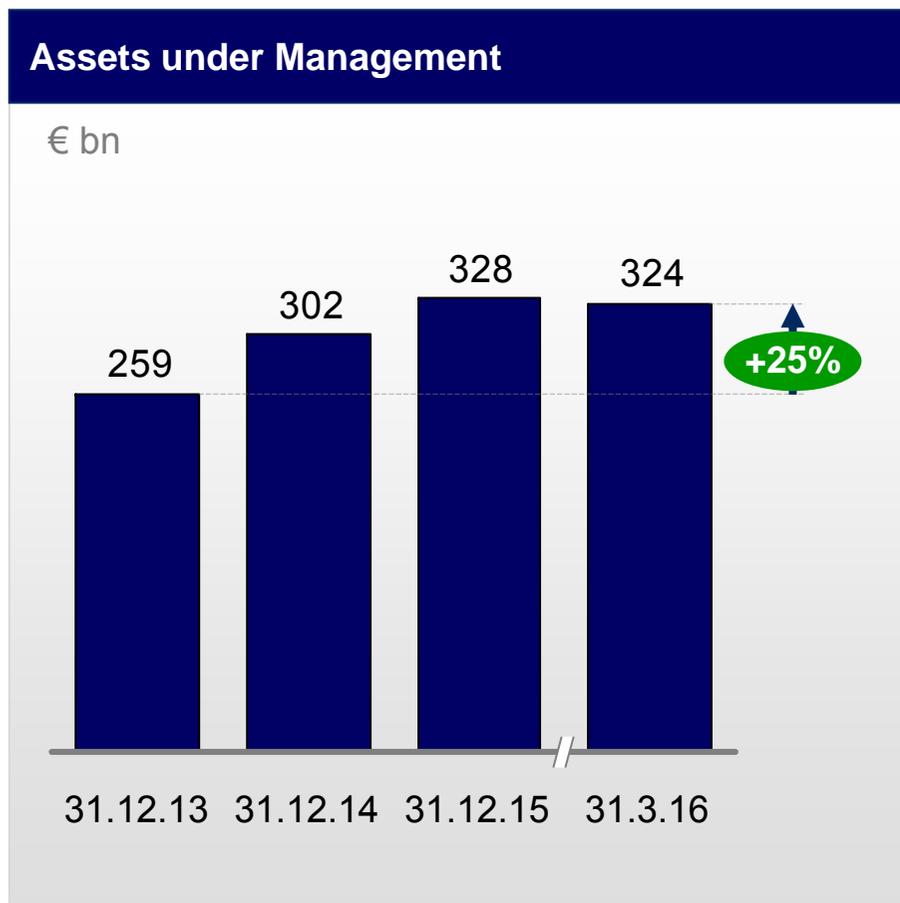


...with potential upside ahead for ISP



(1) Excluding money market funds. Source: Strategic Insights / Simfund Global
 (2) Data indexed to top 100 wealth managers' average of Net inflows of mutual funds in Europe
 (3) Private Banking and Banca dei Territori Divisions

Assets Under Management: Further Upside Going Forward

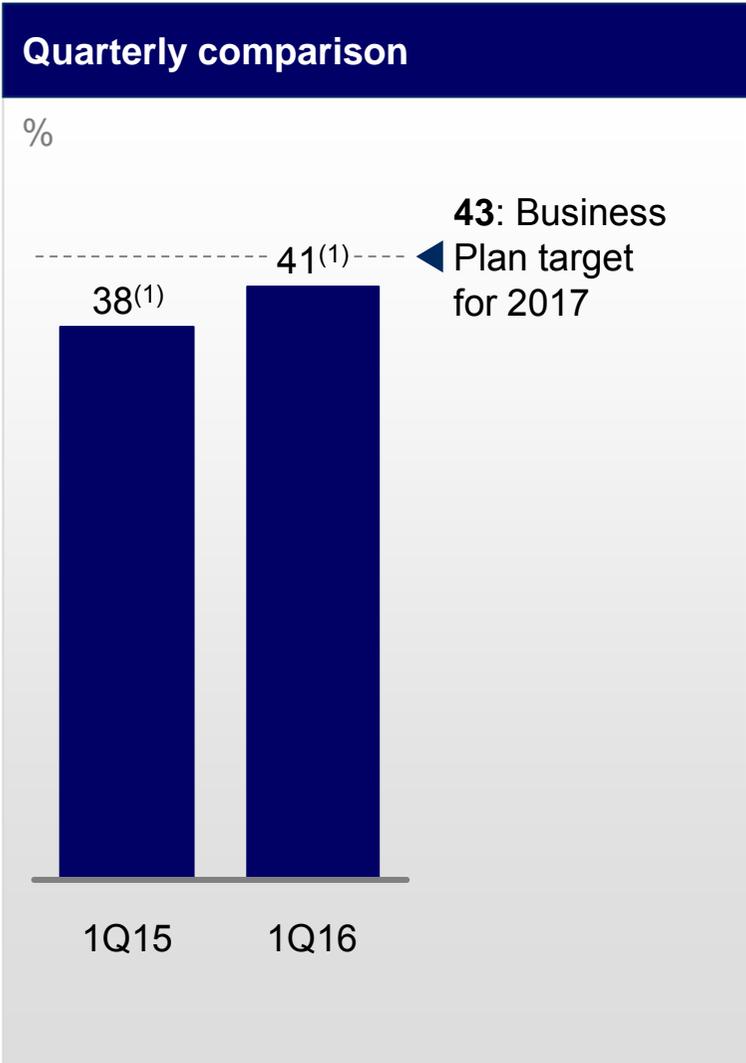
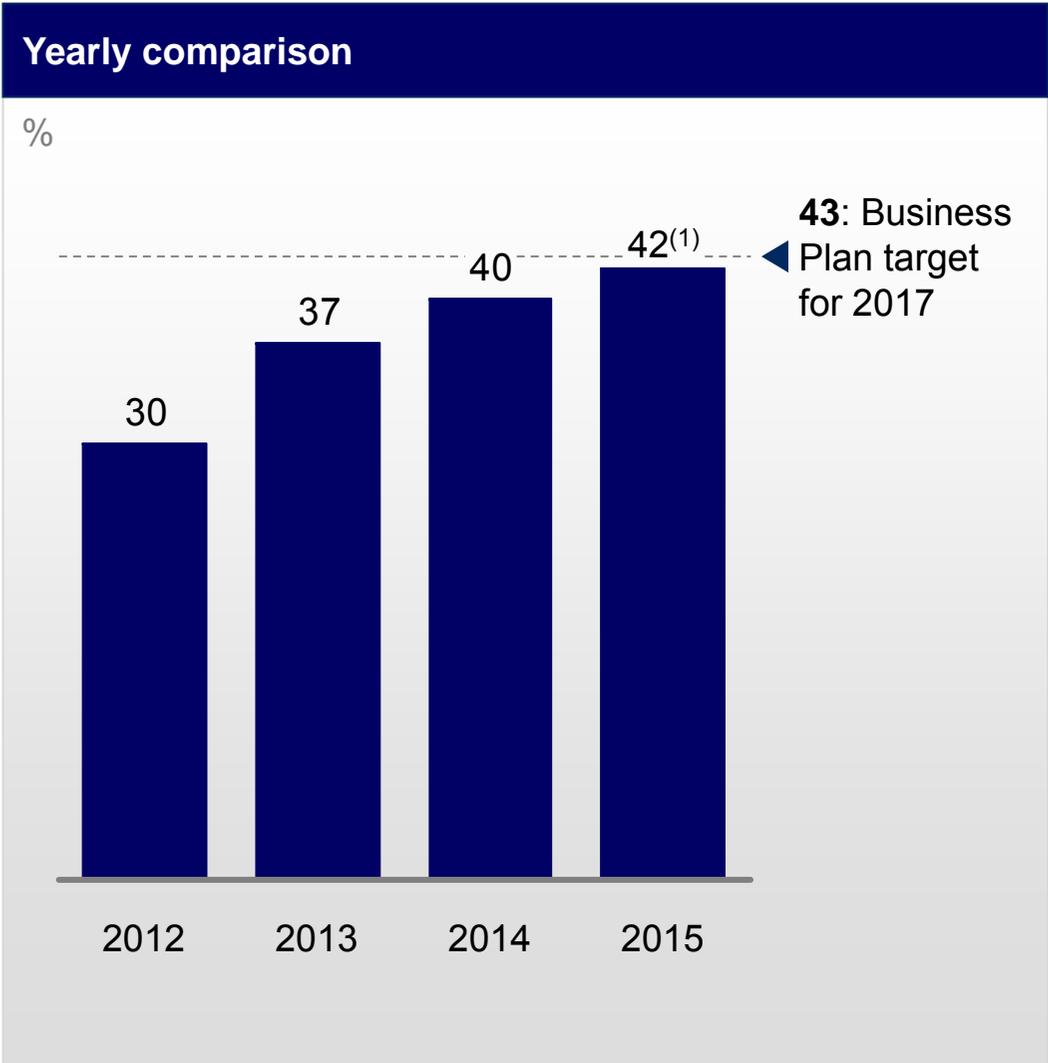


- €1bn of Net inflows into AuM since 31.12.13: Business Plan target for 2017 already achieved
- €32bn switched from AuA to AuM since 31.12.13
- €153bn of AuA and relatively low market penetration of Wealth Management products support further sustainable growth

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

Resilient Business Model

Contribution of Net fees and commissions to Operating income

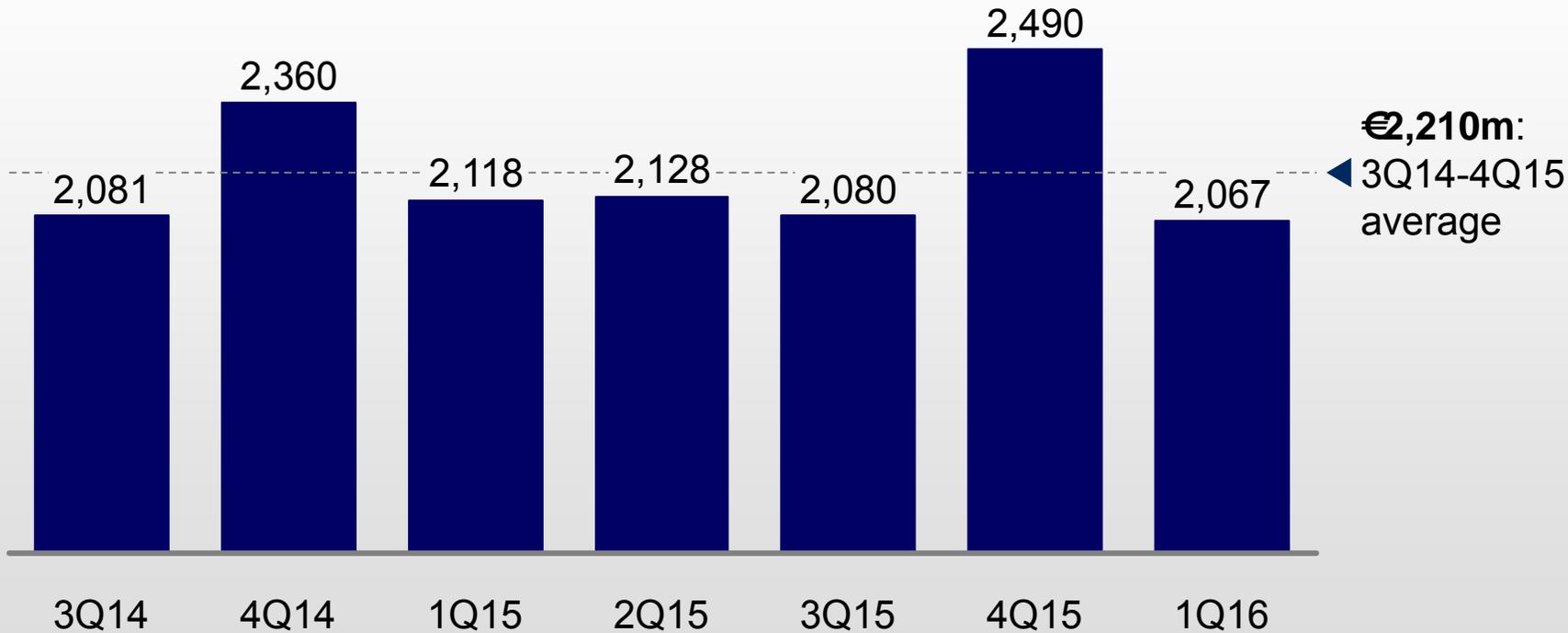


(1) Operating income calculated excluding charges for the Resolution Fund

Lowest Operating Costs of the Past 7 Quarters

Operating Costs⁽¹⁾

€ m



ISP maintains high strategic flexibility in managing costs and remains a Cost/Income champion

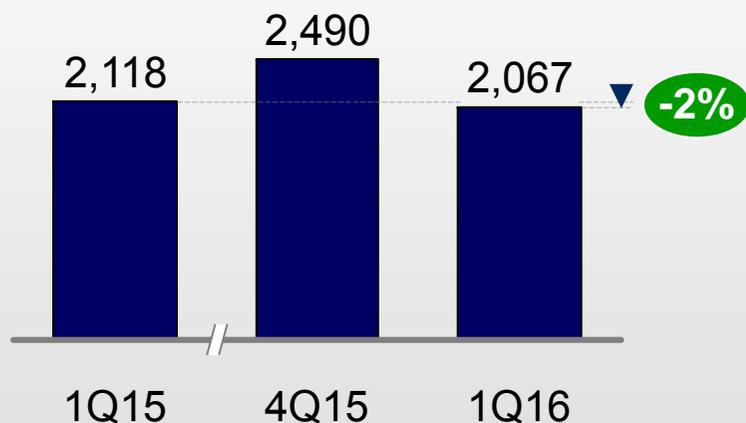
(1) Includes Personnel Expenses, Other Administrative Expenses and Depreciation

Effective Management of Administrative and Personnel Costs

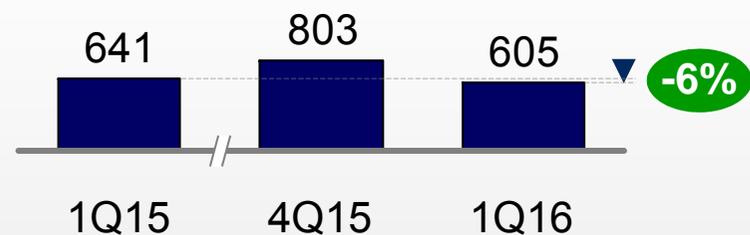
Operating costs

€ m

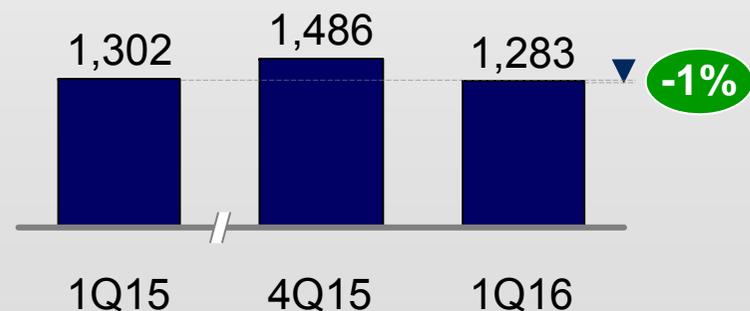
Total operating costs



Administrative costs



Personnel costs

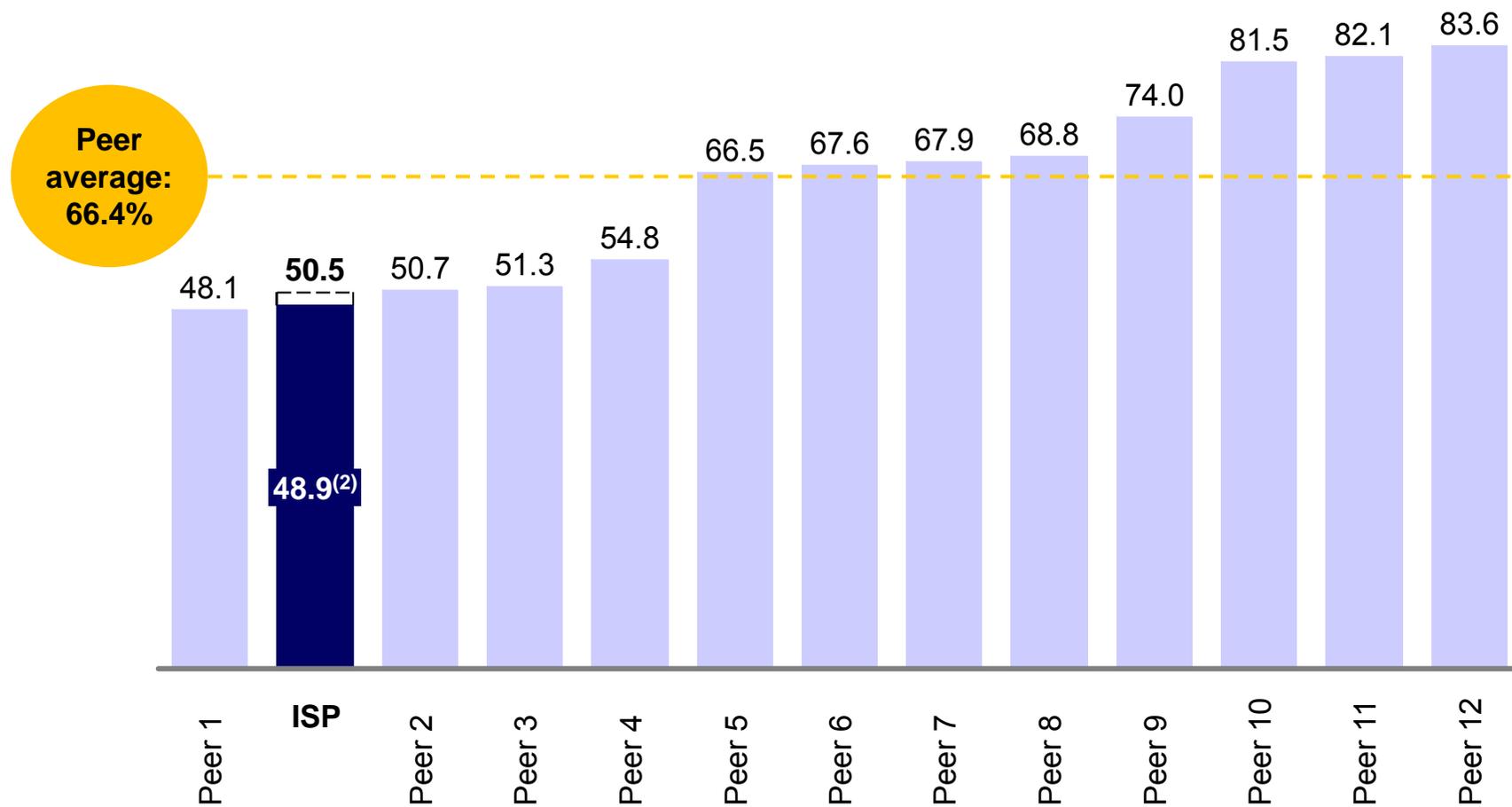


f(x)

Best-in-class Cost/Income at 50.5%
(48.9% excluding charges for the Resolution Fund)

Top-Tier Cost/Income Ratio in Europe

Cost/Income⁽¹⁾
%

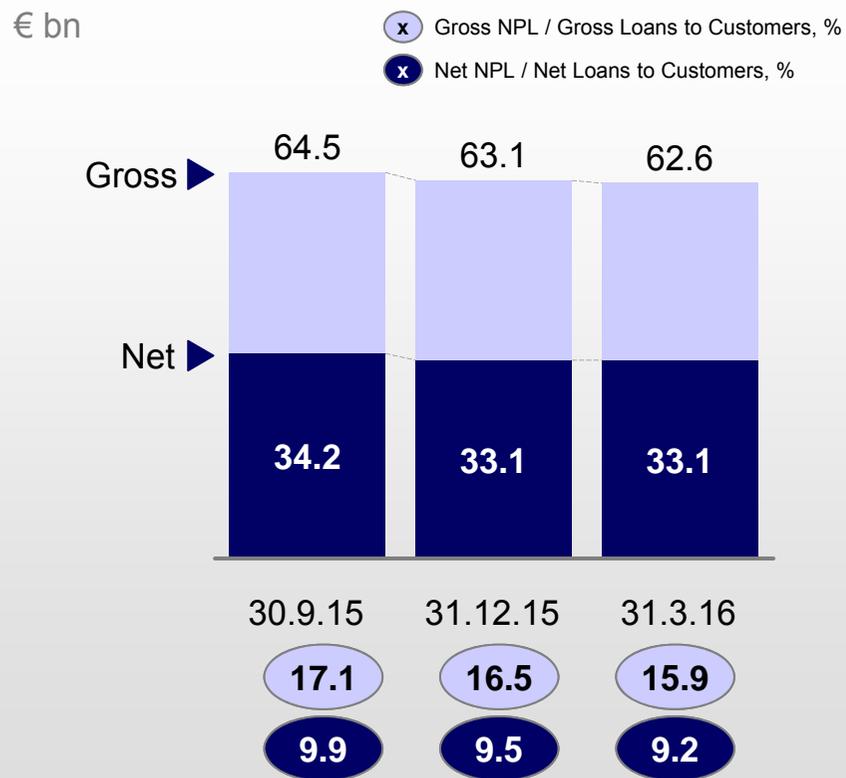


(1) Sample: Barclays, BBVA, BNP Paribas, Commerzbank, Deutsche Bank, HSBC, Lloyds Banking Group, Nordea, Santander, Société Générale, Standard Chartered and UBS as of 31.3.16; only top European banks that have already communicated 1Q16 results

(2) Excluding charges for the Resolution Fund

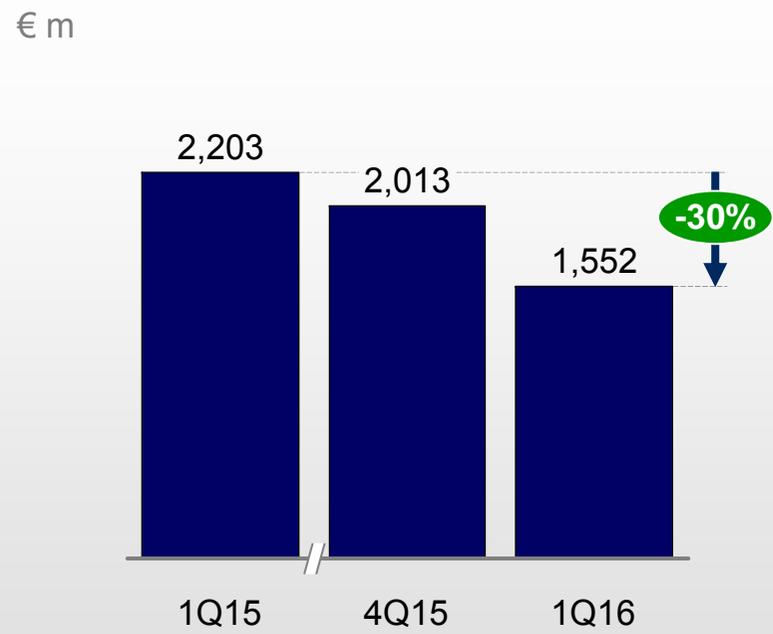
Declining NPL Stock and NPL Inflows

NPL stock



- Second consecutive quarterly reduction in gross NPL stock, leading to the lowest level of the past 6 quarters
- Potential for significant reduction through Atlante Fund's intervention

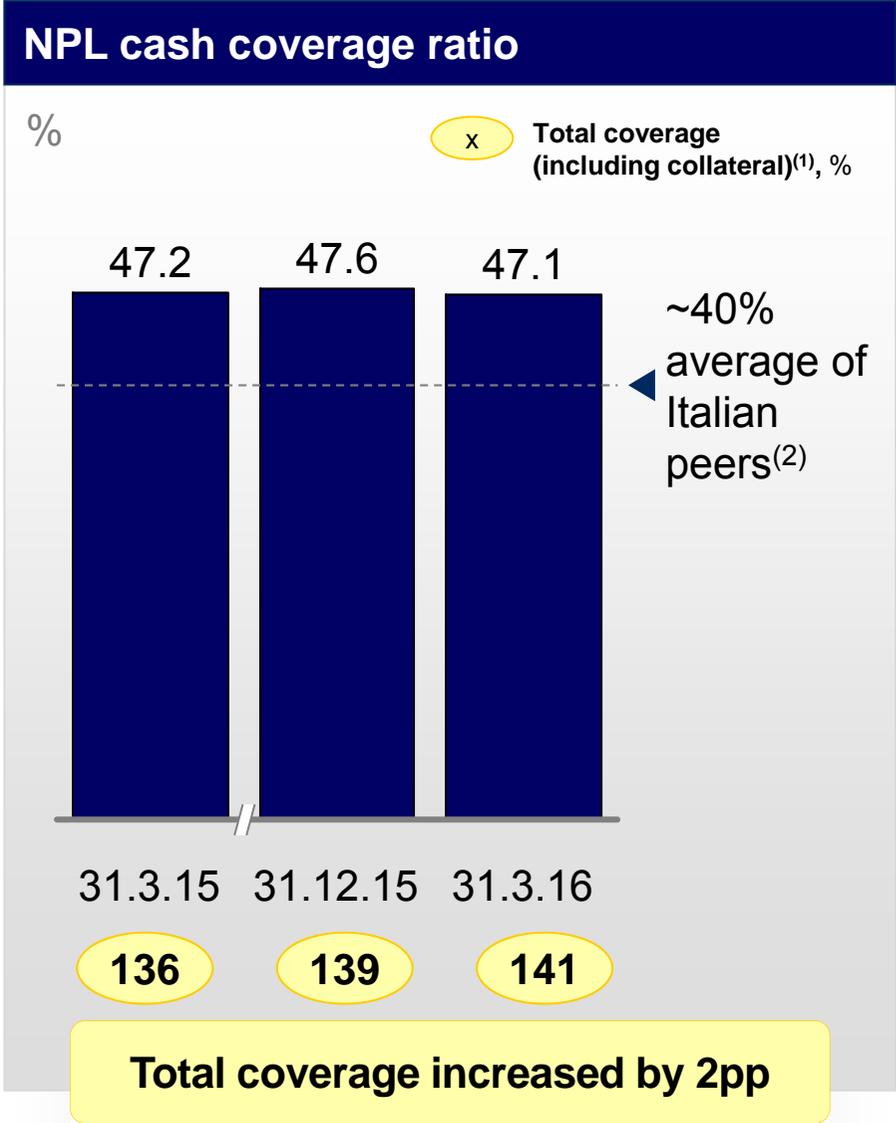
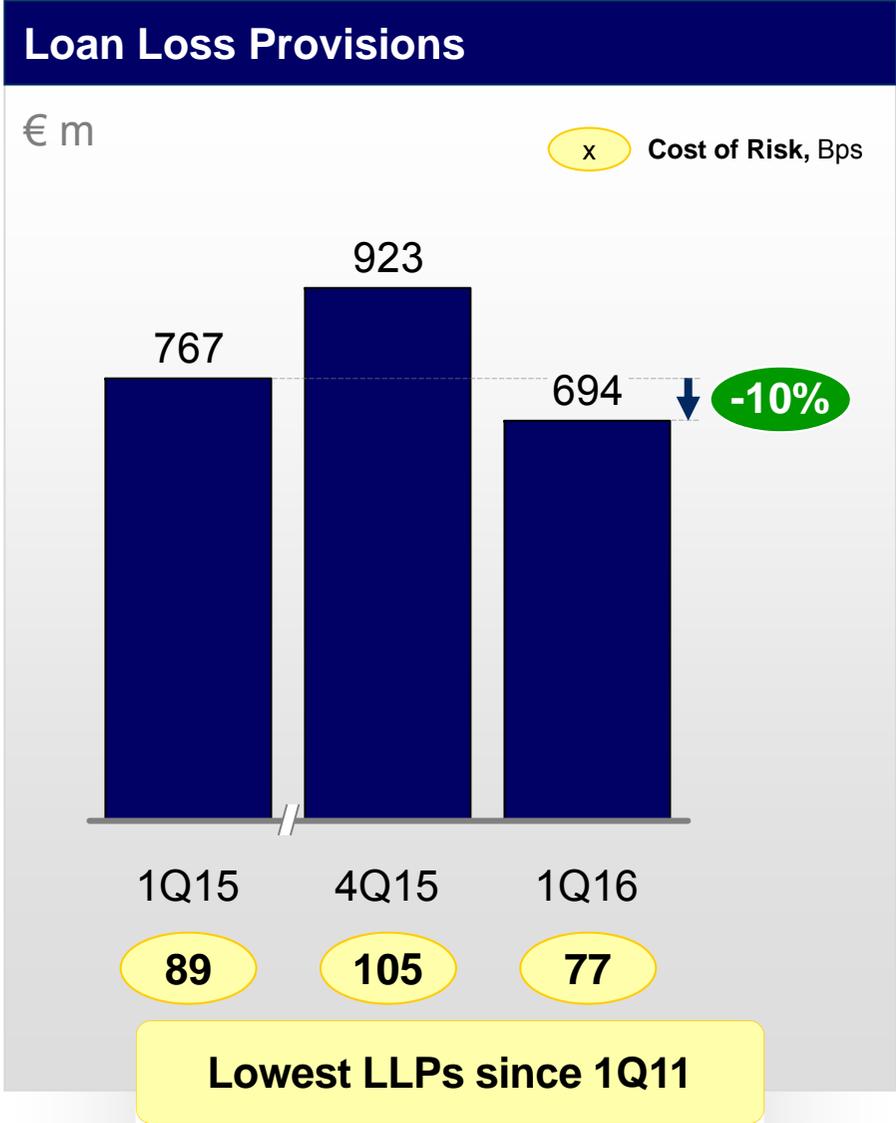
Gross quarterly NPL inflow⁽¹⁾ from performing loans



The lowest inflow of new NPL from performing loans since 2007

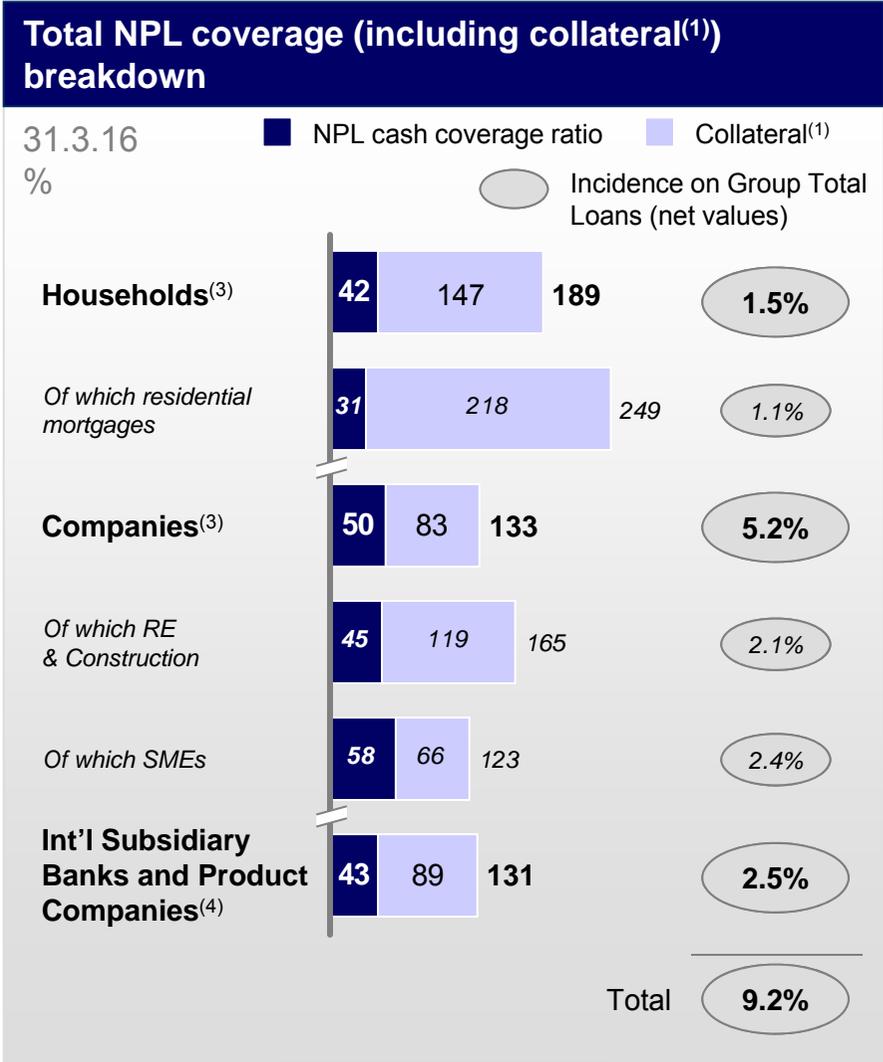
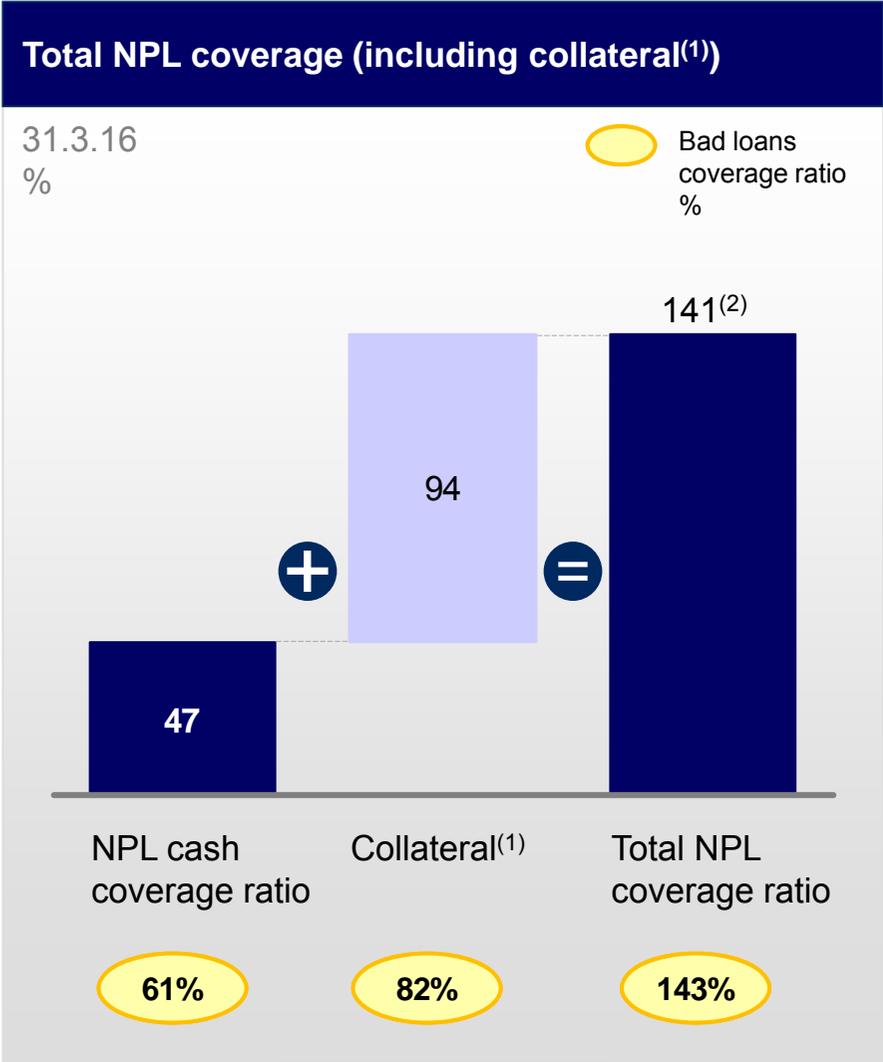
(1) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans

Significant Reduction in Loan Loss Provisions Coupled with Stable NPL Coverage Ratio



(1) Excluding personal guarantees
 (2) Sample: BPOP, MPS, UBI and UniCredit (data as of 31.12.15)

Very Strong NPL Coverage when Considering Collateral

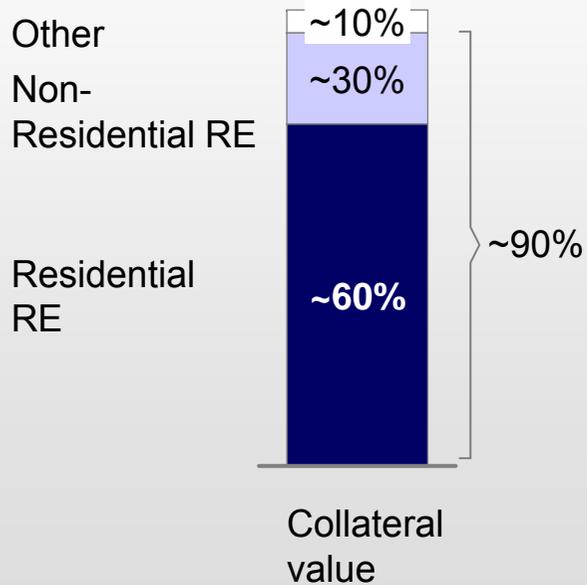


Note: figures may not add up exactly due to rounding differences
 (1) Excluding personal guarantees
 (2) 149% including personal guarantees
 (3) Parent Bank and Italian Subsidiary Banks
 (4) Mediocredito Italiano (Industrial Credit, Factoring and Leasing) and Banca IMI (Capital Markets and Investment Banking)

Significant Upside in Collateral Value Driven by Market Outlook

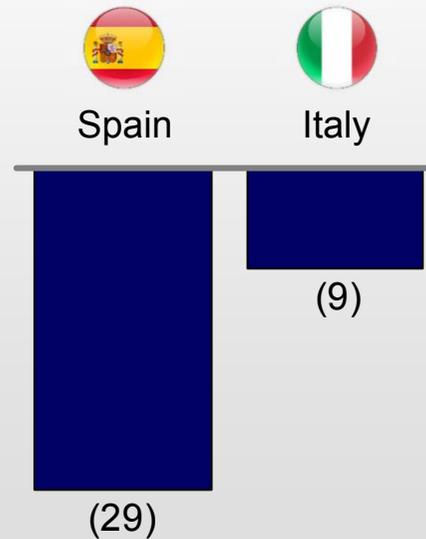
The majority of ISP collateral is Residential Real Estate...

ISP collateral value breakdown



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

Avg. transaction price, 2014 vs 2007, %



...with upside going forward

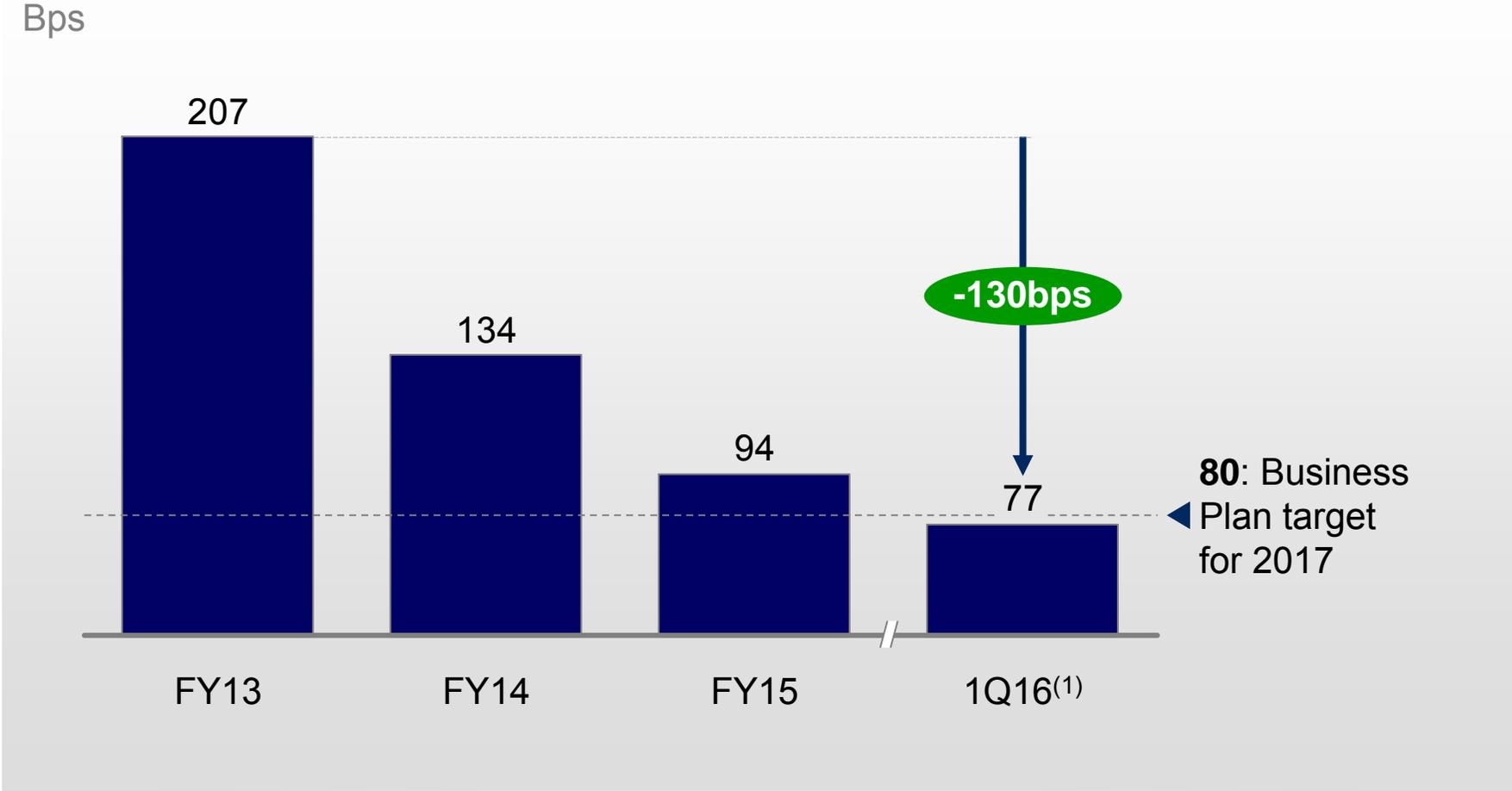
Italian Residential Real Estate Transactions: 4Q15 vs 4Q14, Price: 2H15 vs 1H15, %



Reform of NPL recovery process will have a positive effect on bad loans portfolio

Cost of Risk: Continuous Reduction Trend

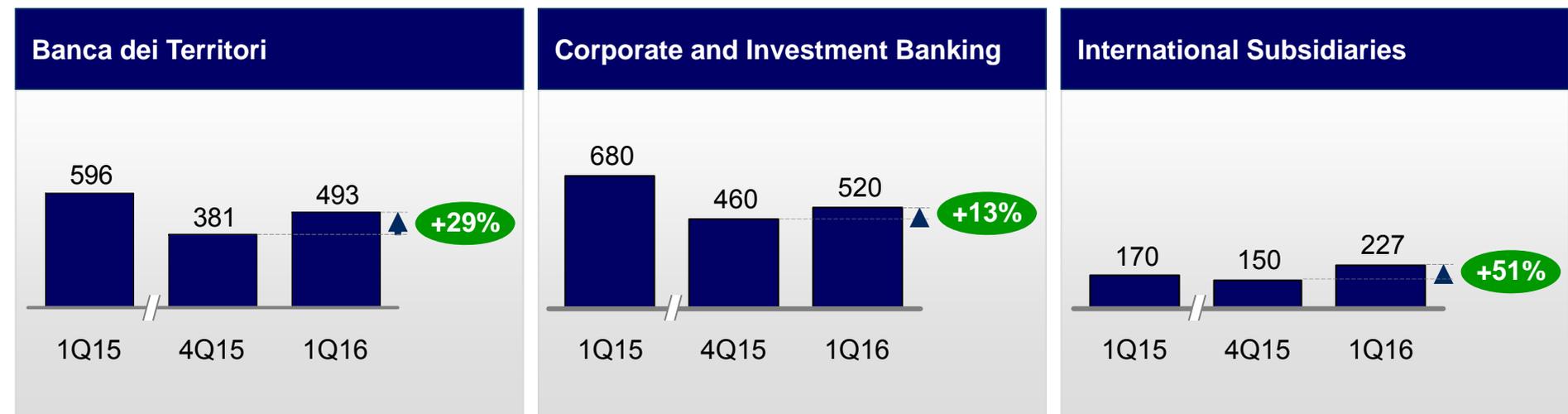
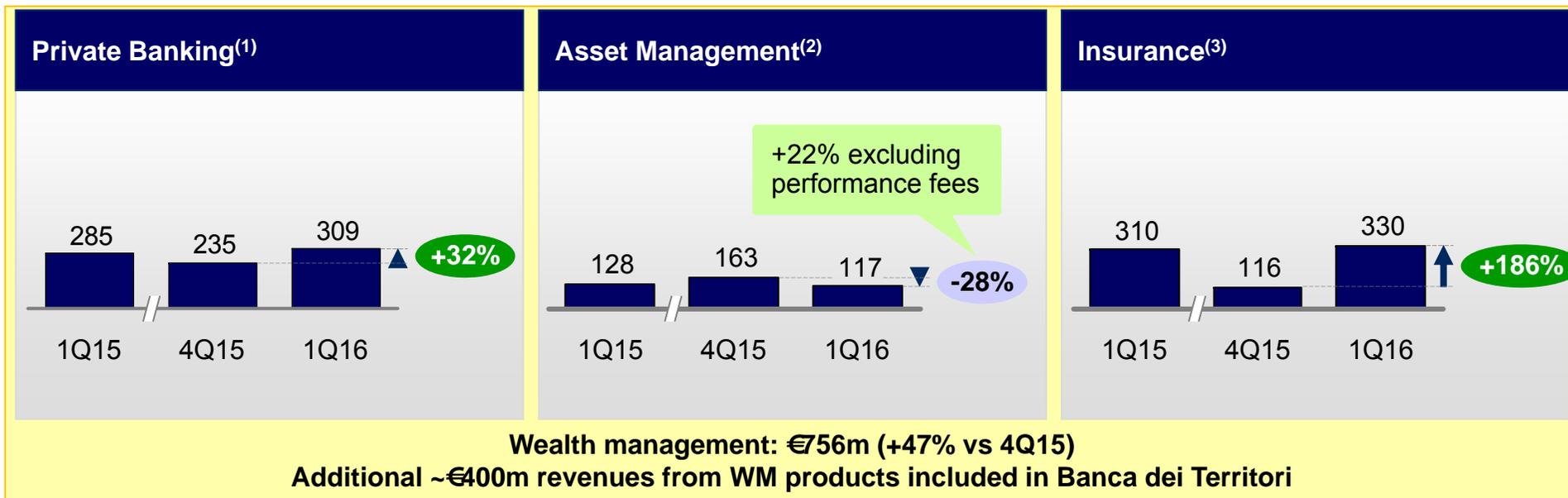
Evolution of Cost of Risk



(1) Annualised

Solid 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
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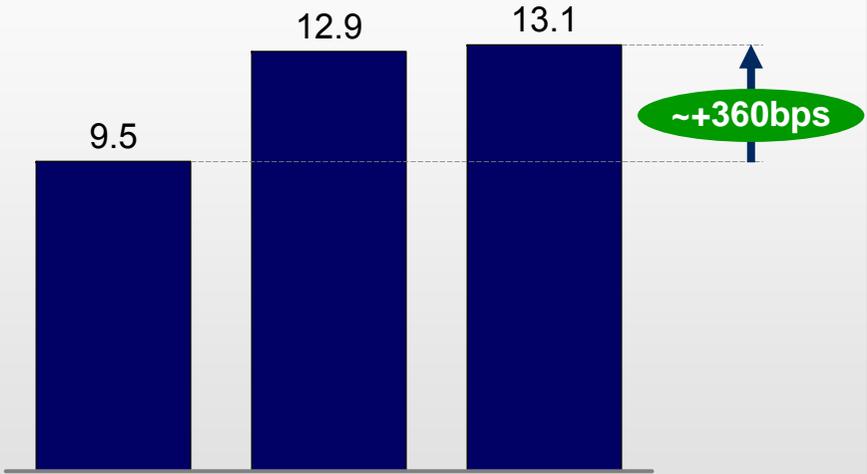
Key recent events: Setefi/ISP Card disposal and Atlante Fund

Well ahead of our Business Plan

Solid Capital Base, Well Ahead of Regulatory Requirements

ISP CET1 Ratios vs SREP + SIB requirements

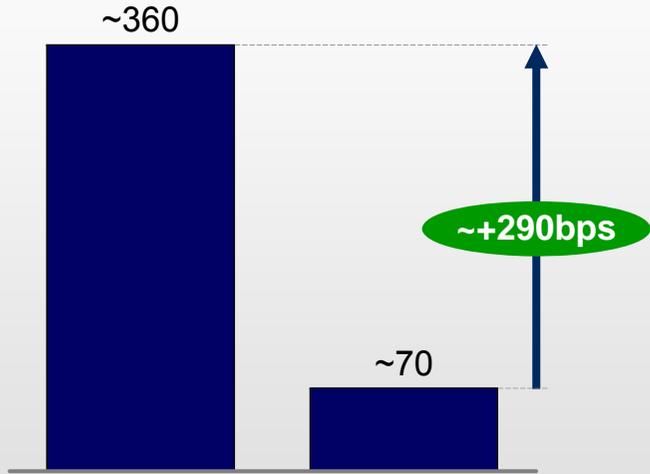
31.3.16, %



ISP 2016 requirements SREP + SIB
 ISP Phased-in CET1 ratio
 ISP Fully Loaded CET1 ratio⁽¹⁾

Fully Loaded Common Equity Ratio Buffer vs SREP + SIB requirements⁽²⁾

31.3.16, Bps



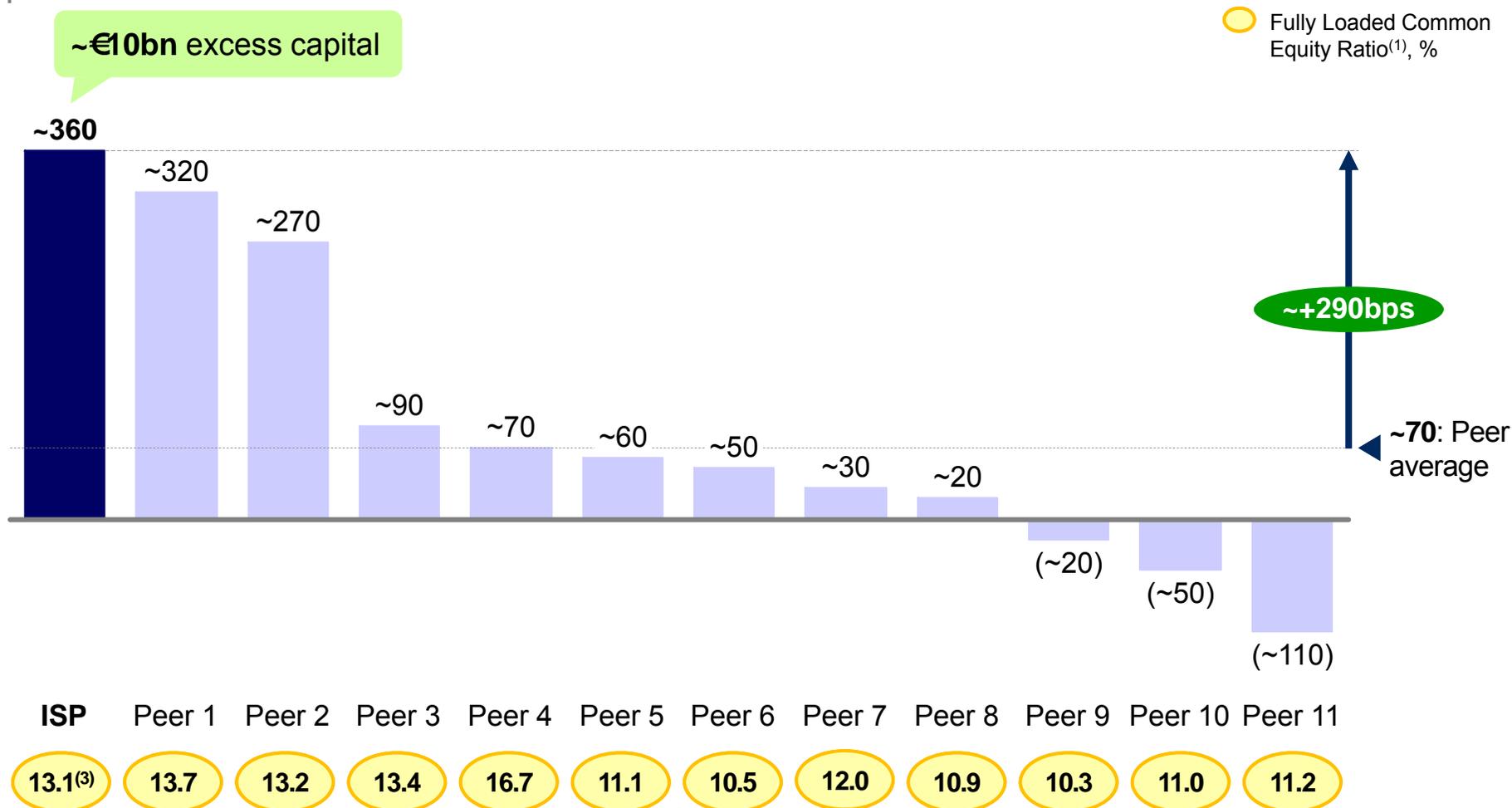
ISP buffer vs SREP + SIB requirements
 Peer average buffer vs SREP + SIB requirements

Best-in-class leverage ratio: 6.7%

(1) Pro-forma fully loaded Basel 3 (31.3.16 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans, the expected absorption of DTA on losses carried forward and the expected distribution of 1Q16 Net income of insurance companies); including estimated benefits from the Danish Compromise (13bps)
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Best-in-Class Excess Capital

Fully Loaded Common Equity Ratio Buffer vs SREP + SIB requirements⁽¹⁾⁽²⁾
Bps



(1) Sample: BBVA, BNP Paribas, Commerzbank, Deutsche Bank, Nordea, Santander and Société Générale as of 31.3.16; BPCE, Crédit Agricole Group, ING and UniCredit as of 31.12.15 or previous available data. Data may not be fully comparable due to different estimates hypothesis. Source: Investor Presentations, Press Releases, Conference Calls

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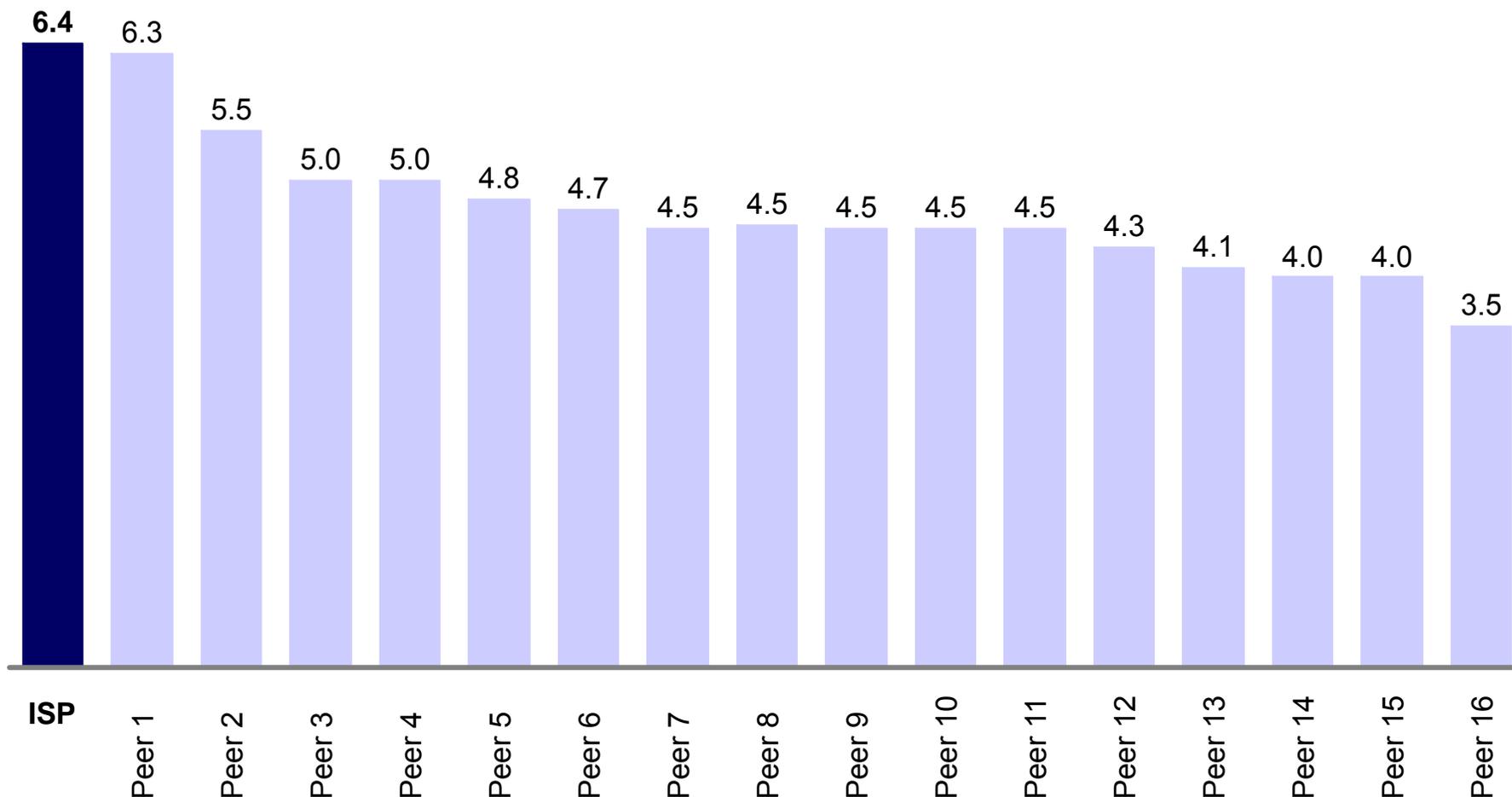
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Best-in-Class Leverage Ratio

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

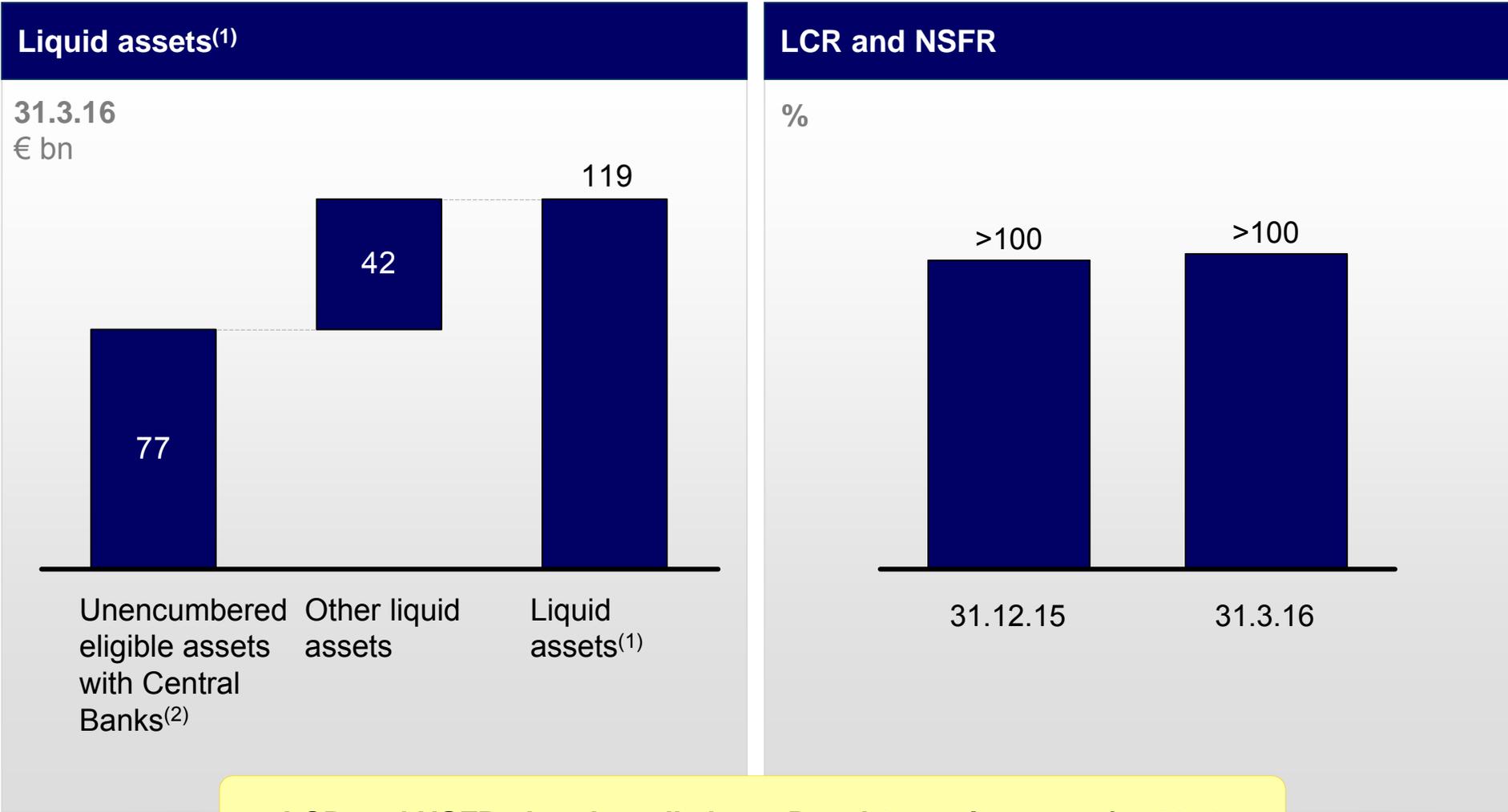
%

Phased-in
6.7%



(1) Sample: Barclays, BBVA, BNP Paribas, Commerzbank, Deutsche Bank, HSBC, Lloyds Banking Group, Nordea, Santander, Société Générale, Standard Chartered and UBS as of 31.3.16; BPCE, Credit Suisse, ING and UniCredit as of 31.12.15 or previous available data. Data may not be fully comparable due to different estimates hypothesis. Source: Investor Presentations, Press Releases, Conference Calls

Strong Liquidity Position Confirmed



LCR and NSFR already well above Basel 3 requirements for 2018

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

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1Q16: A solid start to the year

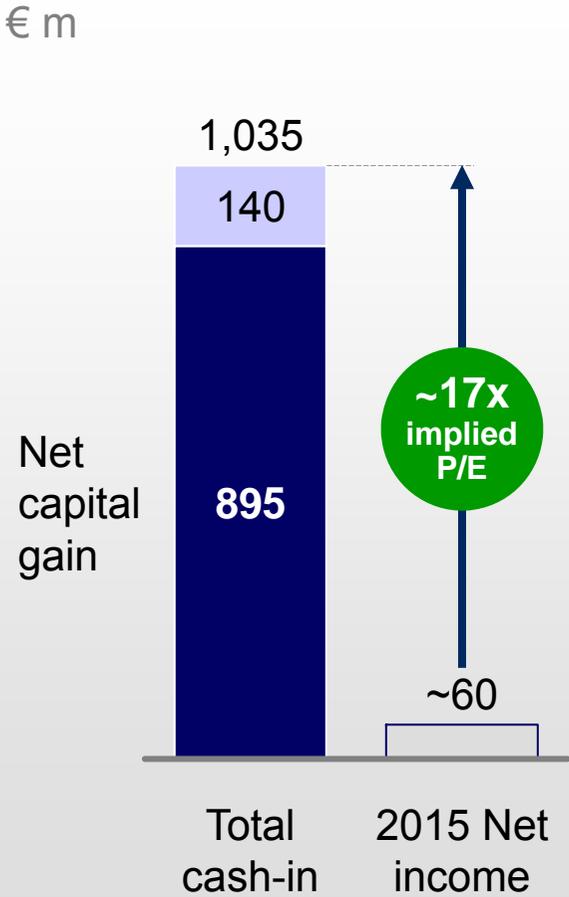
Best-in-class capital position and leverage
with a solid balance sheet

**Key recent events: Setefi/ISP Card
disposal and Atlante Fund**

Well ahead of our Business Plan

Setefi and ISP Card Disposal: €895m Net Capital Gain To Be Booked during 2016

Key transaction figures



Transaction rationale

Industry context

- Industry undergoing significant changes, with increasing regulatory scrutiny, technological progress and sector consolidation, requiring larger scale and relevant investments

Business rationale

- Disposal of low value-added and non client-facing processing activities, through a long-term partnership with an industry leader already at scale
- ISP focus on high value-added commercial activities related to client-facing services (i.e., issuing, acquiring)

Atlante Fund: a Potential “Game Changer” for the Italian NPL Market

Key aspects of Atlante Fund

Overview

- Atlante is a “fully-private” investment fund with **€4.25bn equity at inception**

Objectives

- The main aim of the Fund is to **remove the tail risk within the Italian Banking system** supporting its re-rating. This will be achieved by:
 - **Acting as a backstop facility in capital increases** by banks with capital ratios below regulatory requirements (up to 70% of Atlante’s equity)
 - **Revamping the NPL market in Italy** while reducing the bid/ask spread (at least 30% of Atlante’s equity), with **potential deleveraging of up to €50bn gross NPLs for the market**

ISP commitment

- **ISP commitment** in Atlante set at **€845m** (so far **~€300m already contributed**)
- **Expected impact** on Common Equity Ratio equal to **8bps as of today** (up to a maximum of **~20bps** when considering the full commitment); **positive contribution from Setefi and ISP Card disposal will be ~35bps**

Potential benefits for ISP



Overall stabilisation of the Italian banking market



Lower underwriting risk in capital increases where ISP is one of the key arrangers



Potentially significant reduction in ISP current stock of bad loans

Contents

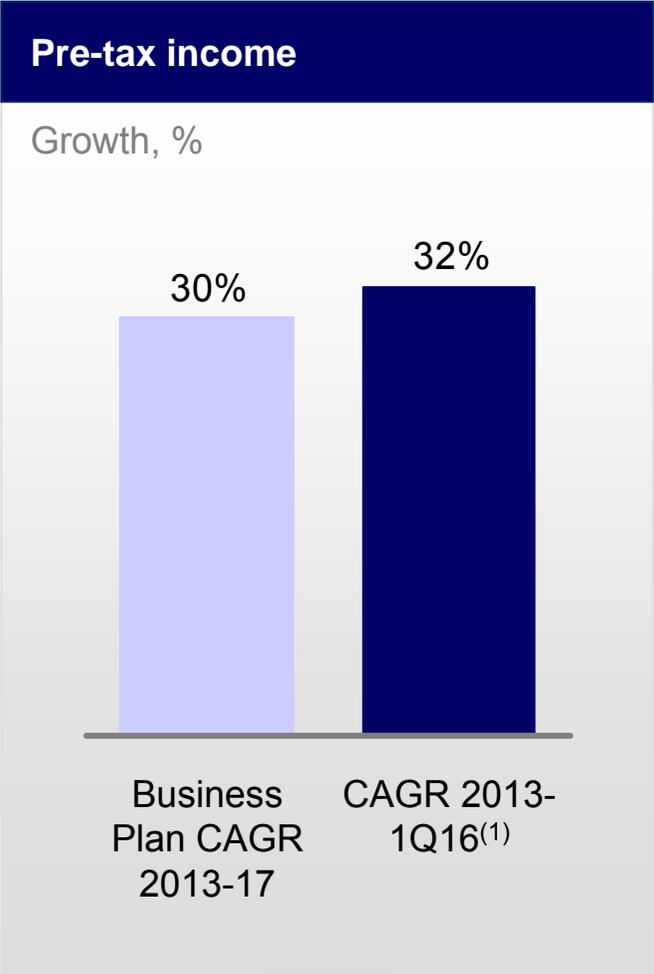
1Q16: A solid start to the year

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

Key recent events: Setefi/ISP Card disposal
and Atlante Fund

Well ahead of our Business Plan

Well Ahead of Our Business Plan



Dividends

- 2014 dividend commitment: €1bn**

(Over) Delivered

- 2015 dividend commitment: €2bn**

(Over) Delivered

- 2016 dividend commitment: €3bn**

€806m Net income in 1Q16 above pro-quota dividend commitment

€95m additional net capital gain from recently signed Setefi and ISP Card disposal to be booked during 2016

(1) For 1Q16, growth vs 2015 quarterly average

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

Key highlights on New Growth Bank initiatives

Banca 5[®]

- Banca 5[®] “specialised” business model introduced in ~70% of the branches, with 3,600 dedicated Relationship Managers: **revenues per client increased from €70 to €105** ✓
- “Real Estate” project underway with 18 real estate agencies already opened and 5 new additional branches by May ✓

Multichannel Bank

- **New multichannel processes successfully launched:**
 - ~1.1m additional multichannel clients since beginning 2014, raising the total to **~5.5m clients** ✓
 - 3.3m mobile Apps for smartphone/tablet downloaded by customers ✓
 - The first multichannel bank in Italy with ~80% of products available via multichannel platforms ✓
 - **Digitisation across all branches, with paperless transactions at ~60% of the total** at the end of March ✓
 - “Online Branch” fully active for “Service To Sale”, with ~7,000 products sold in the first months of 2016 ✓
 - **New digital marketing capabilities** built to fully exploit search engines and social media presence ✓

Private Banking Hub

- **New entity Fideuram ISPB successfully operational as of July 1st, 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) and extended the range of **advanced advisory tools** to ISPB ✓
- Opened **5 dedicated HNWI boutiques** with targeted service model for HNWI clientele ✓

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**, the **Private Banking Division**, and the **Insurance Hub** and new offer dedicated to **international clients** (e.g., “Best expertise”) and to **SMEs** (e.g., *GP Unica Imprese*)



Insurance Hub

- Steering of product mix towards **capital-efficient products making good progress** (i.e., Unit Linked at 56% of new production vs 39% in 2014)
- Launch of **new Unit Linked Product with capital protection** (“Exclusive Insurance”)
- Continuation of **offer diversification in P&C business** with products in the **health-care sector** (“*Infortuni*”) and in the **home sector** (“*RC Capofamiglia*”) and offer consolidation in the **motor sector** with a new rate based on actual distances covered
- Consolidation of **products available for the Private Banking Division** (Fideuram Private Mix and Synthesis)
- **Full integration of Pension Fund business**



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., set up of an office in Washington)



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 **more than 56% of branches with cash desks closing at 1pm** and **~7% of branches fully dedicated to advisory services** ✓
- **New e-commerce portal** to continue seizing **business potential** after EXPO 2015 ✓
- Offer aimed at **growth in lending to private sector** reinforced (e.g., new “*Mutuo Giovani*”) ✓
- **New Service Model introduced at Banca dei Territori**: introduction of 3 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 the “*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; undergoing a distribution reinforcement ✓
- **Front-line excellence programme** in C&IB ongoing, reinforcing a sector-oriented business model ✓
- New C&IB International **organisation** in place to serve **top international clients** ✓
- **New segmentation and service model for International Subsidiaries Affluent** clients launched ✓
- **Banca IMI international strategy** being implemented, with focus on core selected products ✓
- **JV in merchant banking** with specialised investor (Neuberger) completed, with deconsolidation of activities ✓

Continuous Cost Management

- **Geographical footprint simplification** ongoing: **37 branches closed since the beginning of 2016 and 602 since 2014** ✓
- **Legal entity simplification** ongoing: **from 7 to 1 product factories** in specialised finance and advisory, leasing and factoring and **8 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:
 - ~715 dedicated people
 - €12bn 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 €35m since 2014
- Partnership with KKR-Pillarstone up and running



People and investments as key enablers

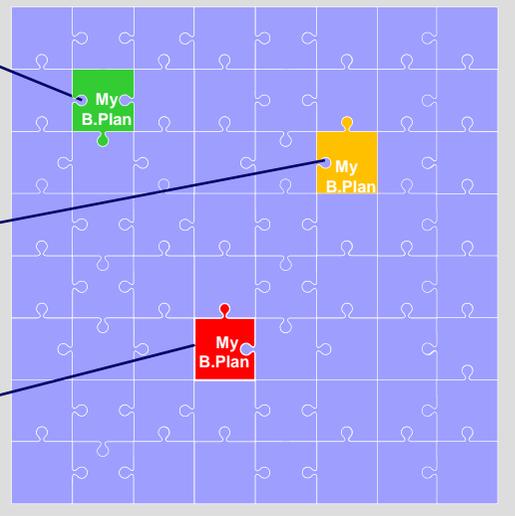
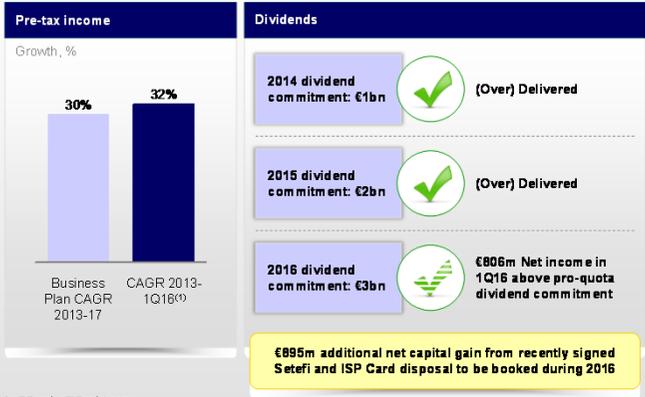
- More than 4,000 people already reallocated to high priority initiatives
- Investment Plan for Group employees finalised: plan with the highest number of participants in Group history
- “Big Financial Data” programme fully in line with our targets (more than 300 employees involved)
- Chief Innovation Officer 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, fully operational
- Large-scale digitisation programme launched to improve efficiency and service level on top priority operating processes; Digital Factory fully operative, with 3 main processes already digitised (i.e., mortgages, inheritance planning, proactive credit management)
- Investment to renew the layout of 1,000 branches already activated (50 branches converted up to now)
- More than 160 agreements with labour unions signed
- More than 4,000 employees have already adopted “smart working”
- Launched an “Integrated Welfare Programme”



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

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

Strong delivery on Group Business Plan targets...



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

2014-17 Business Plan Targets Confirmed



ISP outlook for 2016

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



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

Decline in cost of risk...



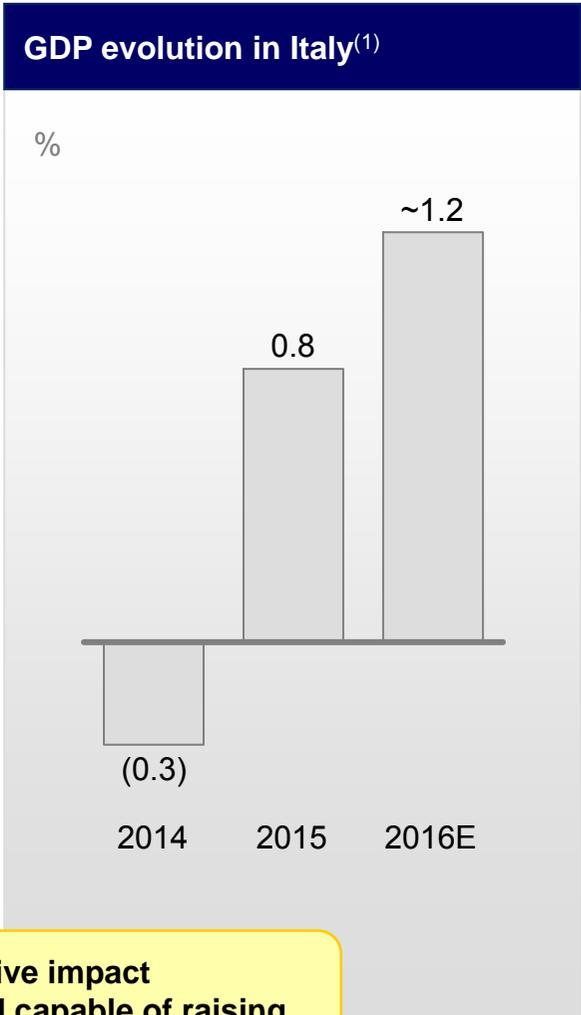
**... triggering additional
growth in Pre-tax income**

€3bn cash dividend commitment confirmed



2016 Italian Outlook Provides for Further Upside

Key drivers	
Employment	<p>Employment increased by 263,000 YoY in March 2016 and the unemployment rate fell to 11.4% (the lowest since 2012)</p> 
Real disposable income	<p>Households' real disposable income grew by 0.8% in 2015 (for the first time since 2007) and is expected to rise by a further +1.3% in 2016</p> 
Lending	<p>Lending volumes to the private sector at a peak since May 2012 (as at February 2016; e.g., new residential mortgages up by 97% in 2015)</p> 
Private consumption	<p>Retail sales rose +2.7% YoY in February 2016 and new car registrations jumped +21% in 1Q16, the highest since 1997</p> 
Real estate transactions	<p>+9.4% YoY growth in 4Q15 for residential real estate properties, with prices stabilising in 2H15</p> 



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

(1) Source: ISTAT, Italian Government, Intesa Sanpaolo

A Solid Start to the Year

€902m Net income excluding charges for the Resolution Fund⁽¹⁾

€806m stated Net income, above the quarterly quota of our 2016 dividend commitment

€895m additional net capital gain from recently signed Setefi and ISP Card disposal to be booked during 2016

Common Equity⁽²⁾ ratio at 13.1%

Cost/Income at 50.5%, with Operating costs down 2.4% YoY

Declining NPL stock and NPL inflow, with LLPs down ~10% YoY

(1) €136m pre-tax and €96m after tax; our estimated commitment for the year fully funded

(2) Pro-forma fully loaded Basel 3 (31.3.16 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans, the expected absorption of DTA on losses carried forward and the expected distribution of 1Q16 Net income of insurance companies); including estimated benefits from the Danish Compromise (13bps); after dividends



1Q16 Results

Detailed Information

May 6, 2016

INTESA  SANPAOLO

Key P&L and Balance Sheet Figures

€ m

	1Q16		31.3.16
Operating income	4,090 ⁽¹⁾	Loans to Customers	361,035
Operating costs	(2,067)	Customer Financial Assets ⁽²⁾	859,034
Cost/Income	50.5%	of which Direct Deposits from Banking Business	379,927
Operating margin	2,023 ⁽¹⁾	of which Direct Deposits from Insurance Business and Technical Reserves	136,056
Pre-tax income	1,288 ⁽¹⁾	of which Indirect Customer Deposits	477,746
Net income	806 ⁽¹⁾	- Assets under Management	324,474
		- Assets under Administration	153,272
		RWA	282,000

+3% vs 31.12.15

(1) Including charges for the Resolution Fund: €136m pre-tax in Other operating income (expenses) and €96m net of taxes; our estimated commitment for the year fully funded

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

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Detailed Consolidated P&L Results

Liquidity, Funding and Capital Base

Asset Quality

Divisional Results and Other Information

Q1 vs Q1: Net Income at More Than €800m

€ m

	1Q15 Restated	1Q16	Δ%
Net interest income	1,971	1,881	(4.6)
Dividends and P/L on investments carried at equity	39	74	89.7
Net fee and commission income	1,813	1,713	(5.5)
Profits (Losses) on trading	596	228	(61.7)
Income from insurance business	343	332	(3.2)
Other operating income	(73)	(138)	89.0
Operating income	4,689	4,090	(12.8)
Personnel expenses	(1,302)	(1,283)	(1.5)
Other administrative expenses	(641)	(605)	(5.6)
Adjustments to property, equipment and intangible assets	(175)	(179)	2.3
Operating costs	(2,118)	(2,067)	(2.4)
Operating margin	2,571	2,023	(21.3)
Net provisions for risks and charges	(54)	(16)	(70.4)
Net adjustments to loans	(767)	(694)	(9.5)
Net impairment losses on assets	(9)	(20)	122.2
Profits (Losses) on HTM and on other investments	28	(5)	n.m.
Income before tax from continuing operations	1,769	1,288	(27.2)
Taxes on income from continuing operations	(648)	(399)	(38.4)
Charges (net of tax) for integration and exit incentives	(6)	(13)	116.7
Effect of purchase cost allocation (net of tax)	(26)	(29)	11.5
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	(1)	n.m.
Minority interests	(25)	(40)	60.0
Net income	1,064	806	(24.2)

€02m excluding charges for the Resolution Fund⁽¹⁾

Note: 1Q15 data restated to reflect scope of consolidation for 1Q16. Figures may not add up exactly due to rounding differences

(1) €136m pre-tax in Other operating income (expenses) and €96m net of taxes; our estimated commitment for the year fully funded

Q1 vs Q4: Strong Growth in Profitability

€ m	4Q15	1Q16	Δ%
Net interest income	1,953	1,881	(3.7)
Dividends and P/L on investments carried at equity	1	74	n.m.
Net fee and commission income	1,918	1,713	(10.7)
Profits (Losses) on trading	57	228	300.0
Income from insurance business	131	332	153.4
Other operating income (expenses)	(373)	(138)	(63.0)
Operating income	3,687	4,090	10.9
Personnel expenses	(1,486)	(1,283)	(13.7)
Other administrative expenses	(803)	(605)	(24.7)
Adjustments to property, equipment and intangible assets	(201)	(179)	(10.9)
Operating costs	(2,490)	(2,067)	(17.0)
Operating margin	1,197	2,023	69.0
Net provisions for risks and charges	(56)	(16)	(71.4)
Net adjustments to loans	(923)	(694)	(24.8)
Net impairment losses on other assets	(108)	(20)	(81.5)
Profits (Losses) on HTM and on other investments	51	(5)	n.m.
Income before tax from continuing operations	161	1,288	700.0
Taxes on income from continuing operations	(76)	(399)	425.0
Charges (net of tax) for integration and exit incentives	(37)	(13)	(64.9)
Effect of purchase cost allocation (net of tax)	(33)	(29)	(12.1)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	(2)	(1)	(50.0)
Minority interests	0	(40)	n.m.
Net income	13	806	n.m.

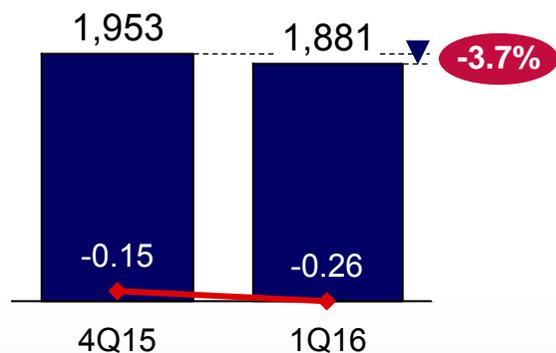
Note: figures may not add up exactly due to rounding differences

Net Interest Income: Impacted by All-Time Low Interest Rates

Quarterly Analysis

€ m

—◆— Euribor 1M; %

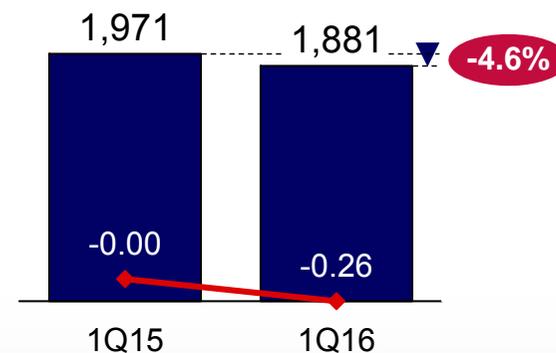


- Decrease due to one less day in the quarter, a decline in market rates and a peak in retail deposits
- Average Performing loans to customers stable vs 4Q15, with a 0.4% increase in the Banca dei Territori Division

Yearly Analysis

€ m

—◆— Euribor 1M; %

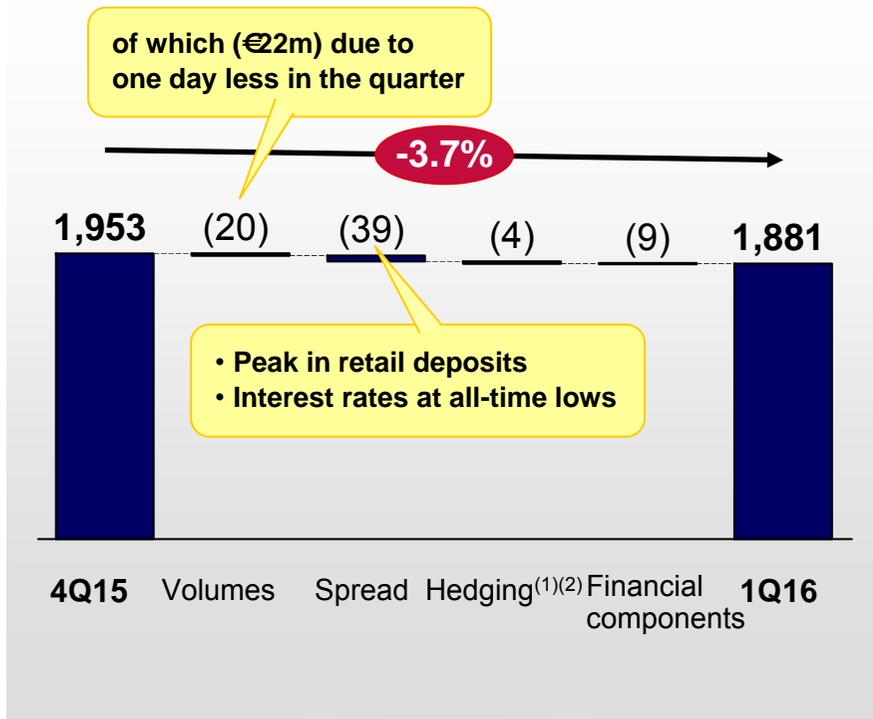


- Decrease due to active management of securities portfolio, a decline in market rates and lower contribution from core deposit hedging
- 1.4% growth in average Performing loans to customers after several quarters of decline on a yearly basis

Net Interest Income: Impacted by All-Time Low Interest Rates

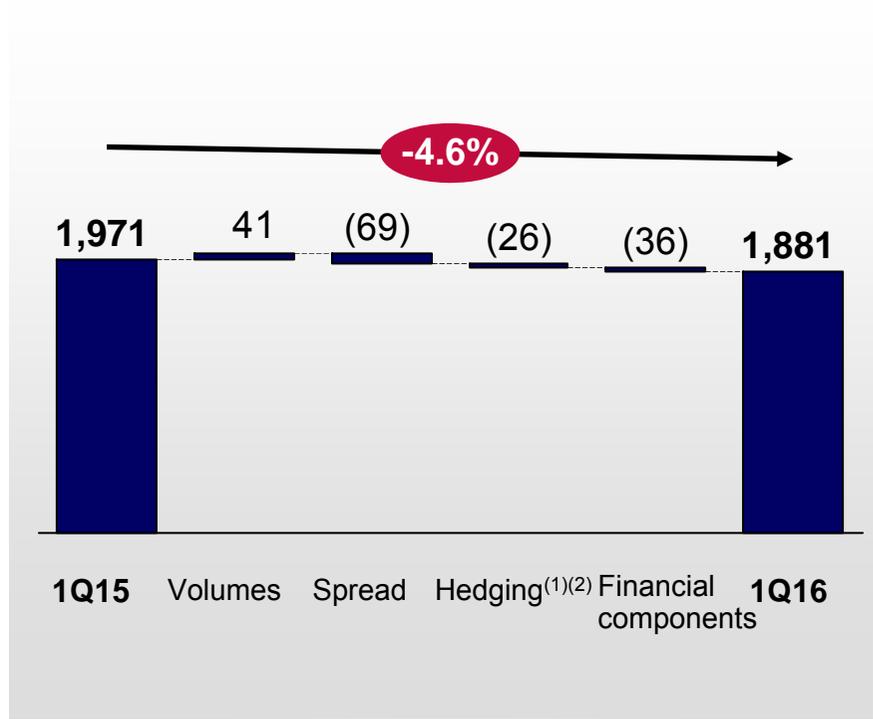
Quarterly Analysis

€ m



Yearly Analysis

€ m

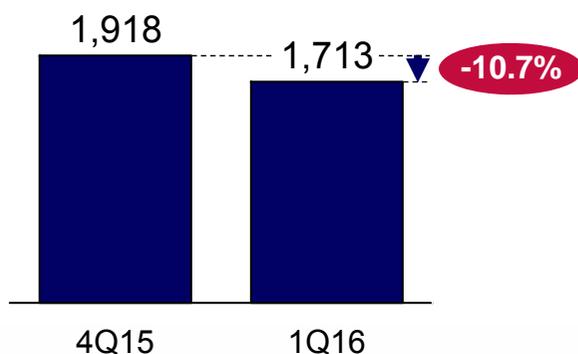


Note: figures may not add up exactly due to rounding differences
 (1) €170m benefit from hedging in 1Q16
 (2) Hedging on core deposits

Net Fee and Commission Income: Impacted by the Difficult Market Environment in the First Months of the Year

Quarterly Analysis

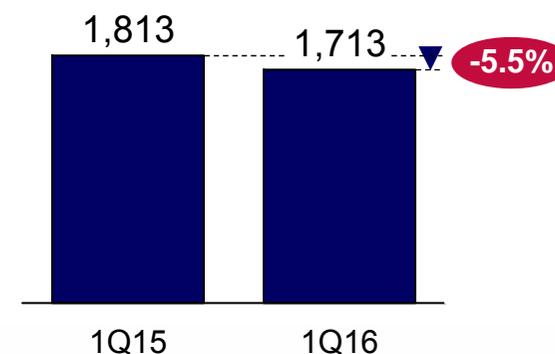
€ m



- Decrease mostly due to commissions from Management, dealing and consultancy activities (-10%; -€112m) and also for the absence of performance fees recorded in 4Q15 (€5m)

Yearly Analysis

€ m

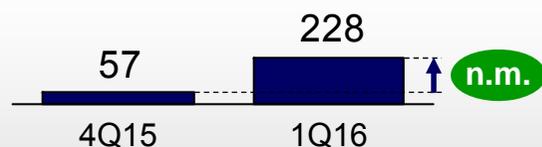


- Decrease due to the decline in commissions from Management, dealing and consultancy activities (-10%; -€106m) caused by the difficult market environment in the first months of 2016 and the absence of performance fees recorded in 1Q15 (€30m)

Profits on Trading: A Good Quarter

Quarterly Analysis

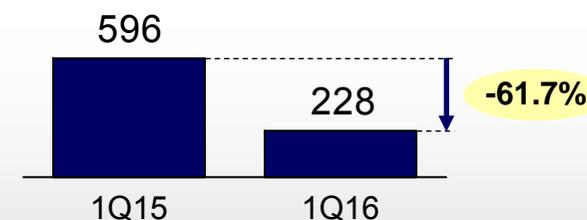
€ m



- Growth mostly due to customer driven activity

Yearly Analysis

€ m



- 1Q15 saw the best results since 4Q12 thanks to the QE-driven specific strategy on securities portfolio

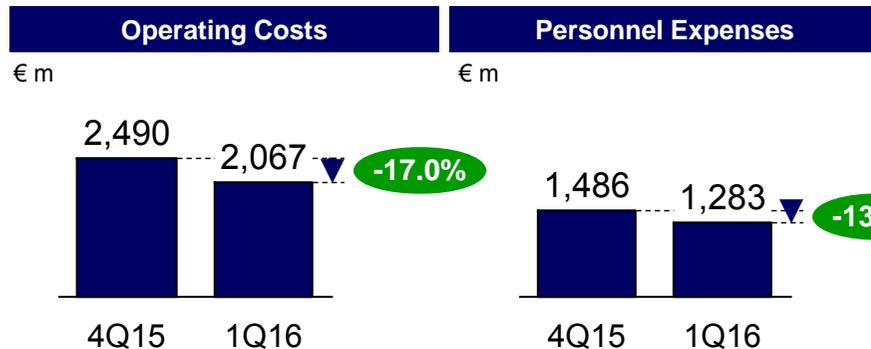
Contributions by Activity

	1Q15	4Q15	1Q16
Customers	157	44	106
Capital markets & Financial assets AFS	88	21	74
Trading and Treasury	352	(10)	48
Structured credit products	(2)	2	(1)

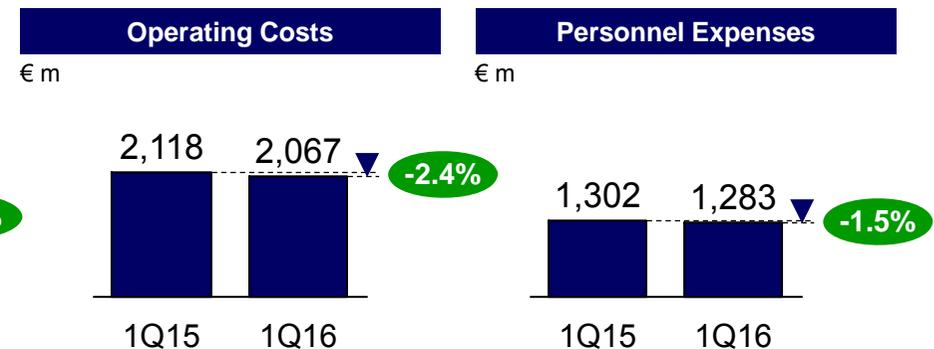
Note: figures may not add up exactly due to rounding differences

Operating Costs: Significant Decrease

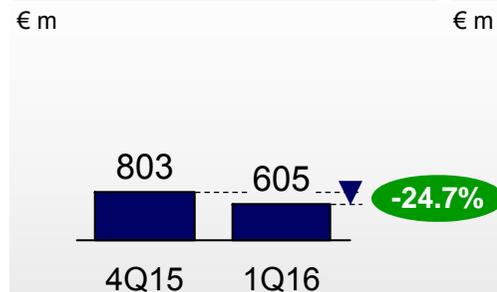
Quarterly Analysis



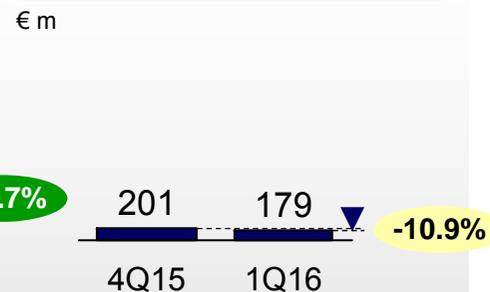
Yearly Analysis



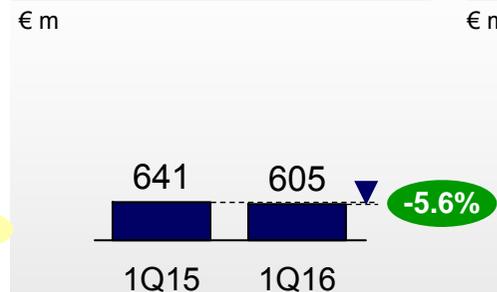
Other Administrative Expenses



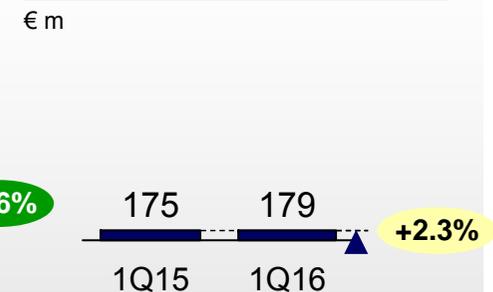
Adjustments



Other Administrative Expenses



Adjustments



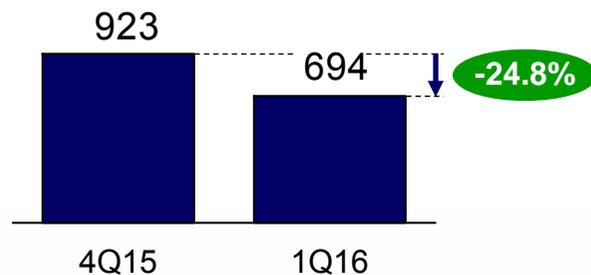
- Other Administrative Expenses down 25% vs 4Q15, a quarter affected by the seasonal year-end effect
- ~290 headcount reduction in 1Q16

- 6% decrease in Other Administrative Expenses
- Cost/Income at 50.5%
- ~1,800 headcount reduction

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

Quarterly Analysis

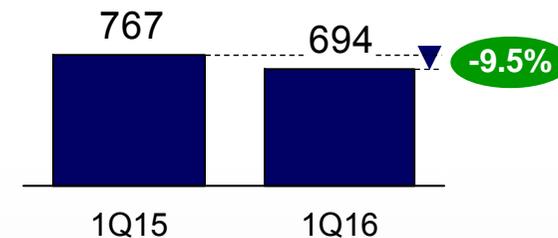
€ m



- Further decline in Non-performing loans stock in 1Q16
- Strong decrease in gross inflow from Performing loans to Non-performing loans (-23% vs 4Q15)

Yearly Analysis

€ m



- 1Q16 Net adjustments to loans at their lowest levels since 1Q11
- 1Q16 saw the lowest gross inflow of new NPL from Performing loans since 2007
- Strong decline in inflow from Performing loans to Non-performing loans (-30% gross and -12% net)
- Annualised cost of credit down to 77bps (vs 89bps in 1Q15 and 94bps in FY15)

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Detailed Consolidated P&L Results

Liquidity, Funding and Capital Base

Asset Quality

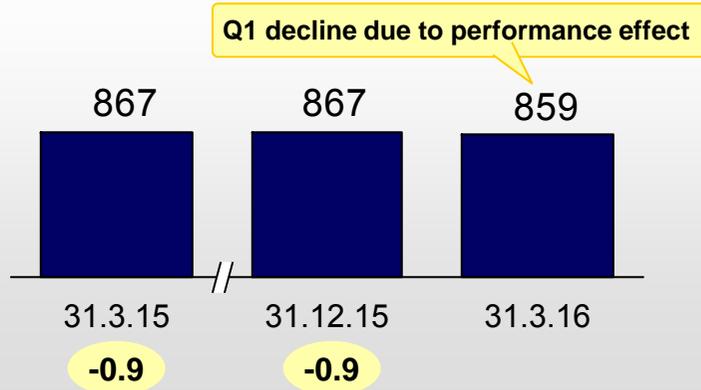
Divisional Results and Other Information

Growth in Direct Deposits

% Δ 31.3.16 vs 31.12.15 and 31.3.15

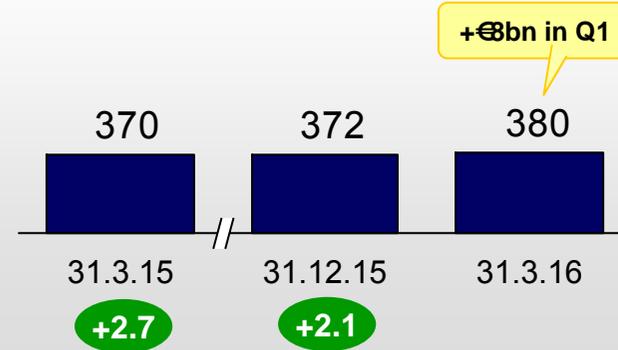
Customer Financial Assets⁽¹⁾

€ bn



Direct Deposits from Banking Business

€ bn



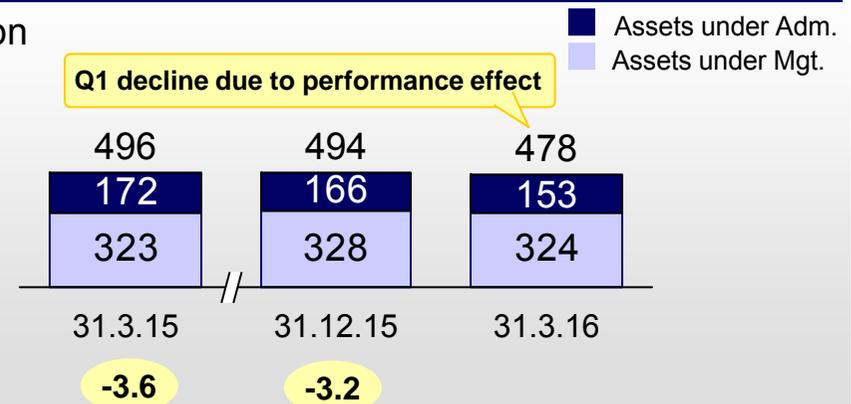
Direct Deposits from Insurance Business and Technical Reserves

€ bn



Indirect Customer Deposits

€ bn

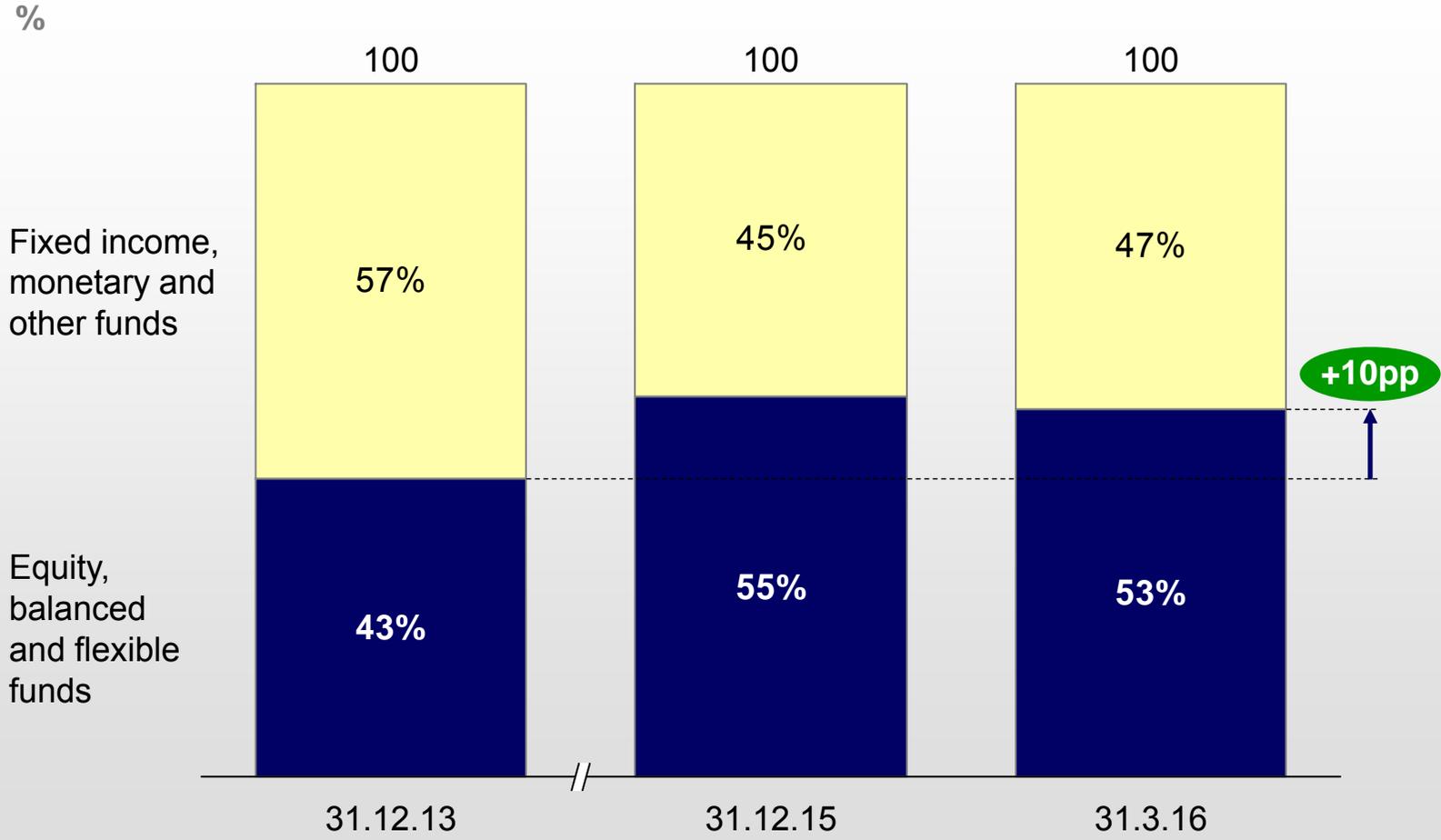


AuM/Indirect Customer Deposits ratio up to 68%

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

Mutual Funds Mix

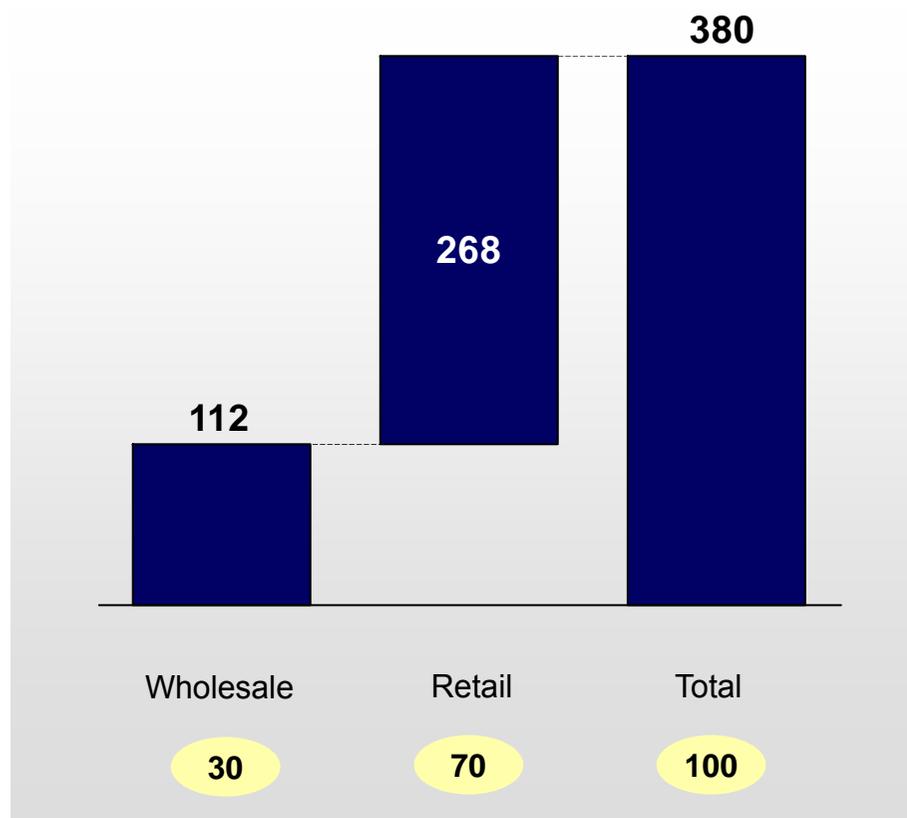
Mutual funds mix



Stable and Reliable Source of Funding from Retail Branch Network

Breakdown of Direct Deposits from Banking Business

€ bn as of 31.3.16; % Percentage of total



	Wholesale	Retail
■ Current accounts and deposits	7	220
■ Repos and securities lending	25	-
■ Senior bonds	42	27 ⁽¹⁾
■ Covered bonds	15	-
■ EMTN puttable	2	-
■ Certificates of deposit + Commercial papers	8	2
■ Subordinated liabilities	12	2
■ Other deposits	2	17 ⁽³⁾

Placed with PB clients⁽²⁾

Retail funding represents 70% of Direct deposits from banking business

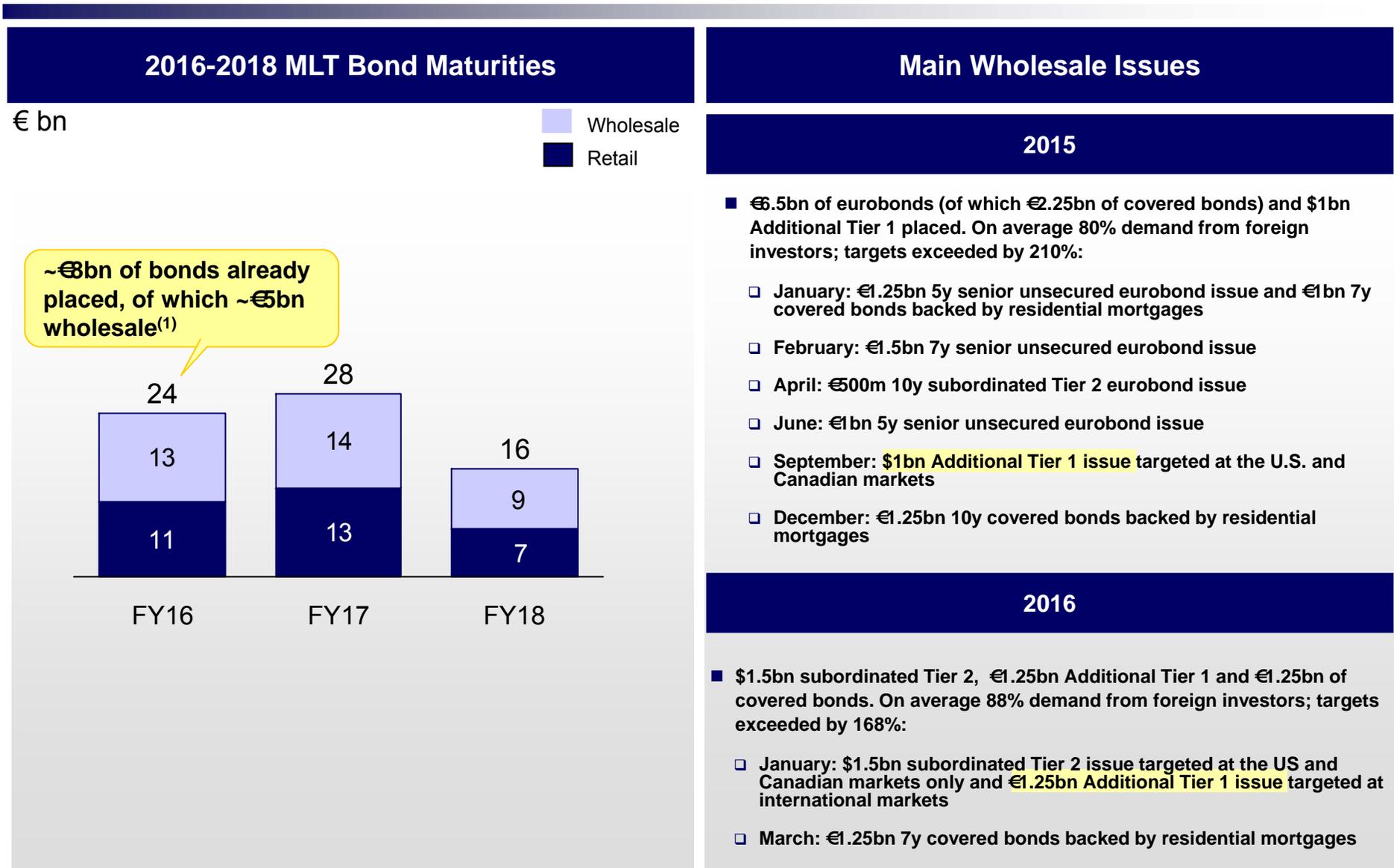
Note: figures may not add up exactly due to rounding differences

(1) ~20% placed with Private Banking clients

(2) Private Banking clients

(3) Including Certificates

Strong Funding Capability: Broad and Continued Access to International Markets



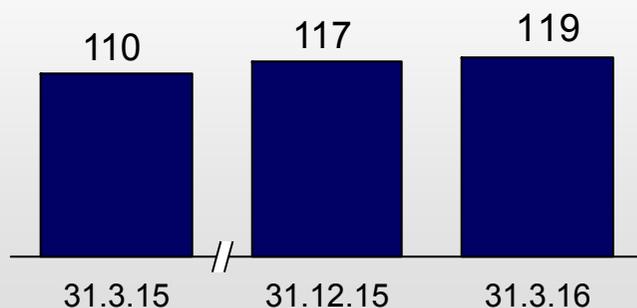
Note: figures may not add up exactly due to rounding differences

(1) Data as of 30.4.16

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

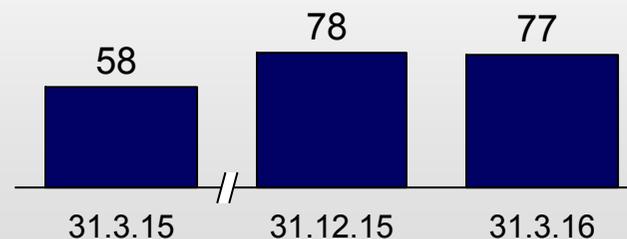
Liquid assets⁽¹⁾

€ bn



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

€ bn



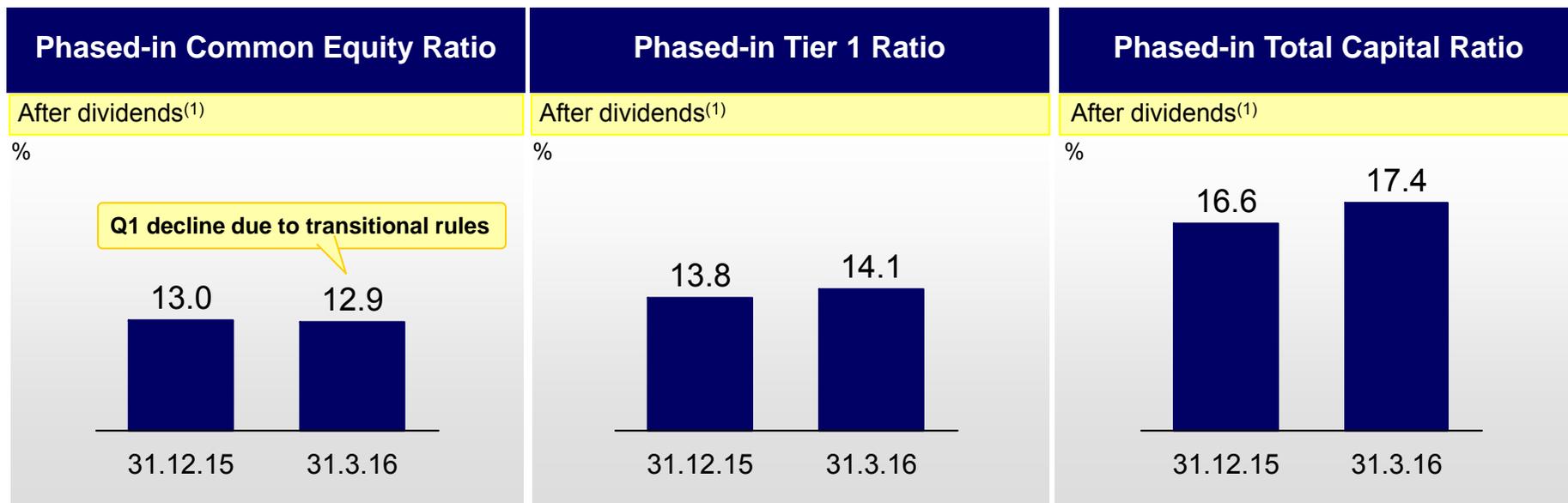
- ~€27.6bn TLTRO: ~€12.6bn in 2014, €10bn in March 2015 and €5bn in June 2015
- Loan to Deposit ratio⁽³⁾ at 95.0%

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

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

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

Solid Capital Base



- **13.1% pro-forma fully loaded Common Equity ratio⁽²⁾**
- **6.7% leverage ratio**

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

(1) After deduction of accrued dividends (€790m), assumed equal to the Net income for the quarter minus accrued coupons on Additional Tier 1 issues

(2) Pro-forma fully loaded Basel 3 (31.3.16 financial statements considering the total absorption of DTA related to goodwill realignment/adjustments to loans, the expected absorption of DTA on losses carried forward and the expected distribution of 1Q16 Net income of insurance companies); including estimated benefits from the Danish Compromise (13bps)

Contents

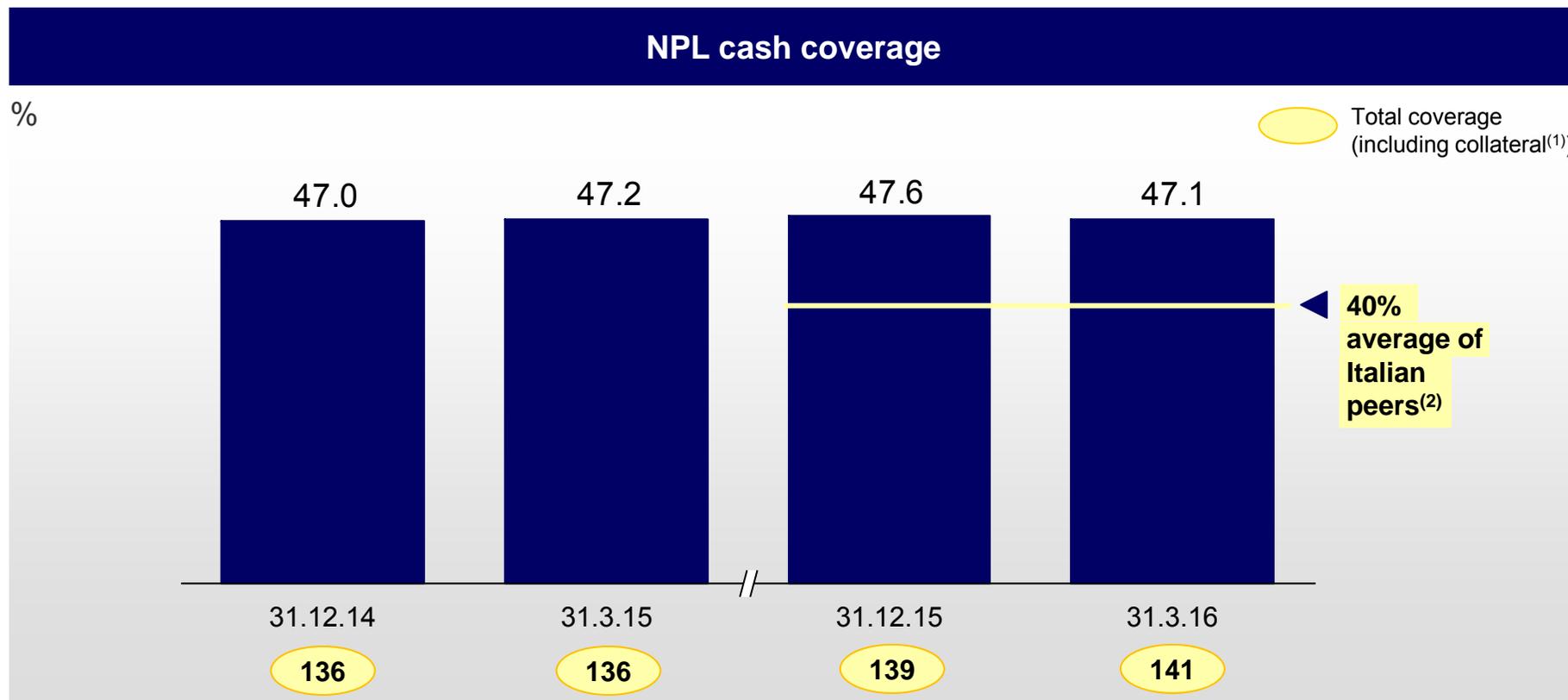
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Non-performing Loans: Sizeable Cash Coverage



- **Bad Loans recovery rate⁽³⁾ at ~130% in the period 2009 - 31.3.16**
- **Performing Loans cash coverage at 0.6%**

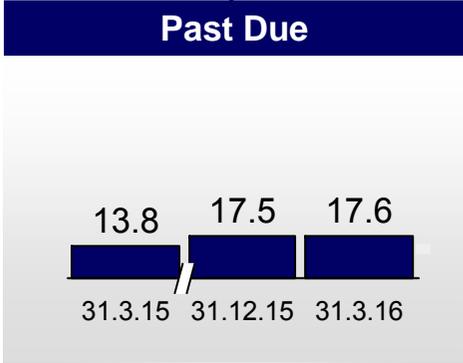
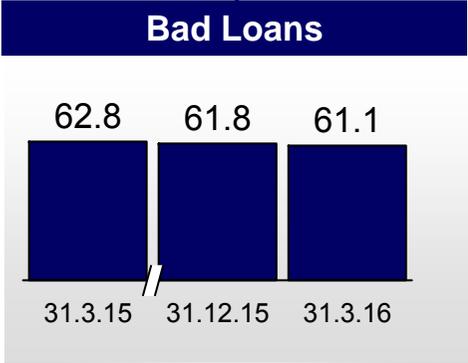
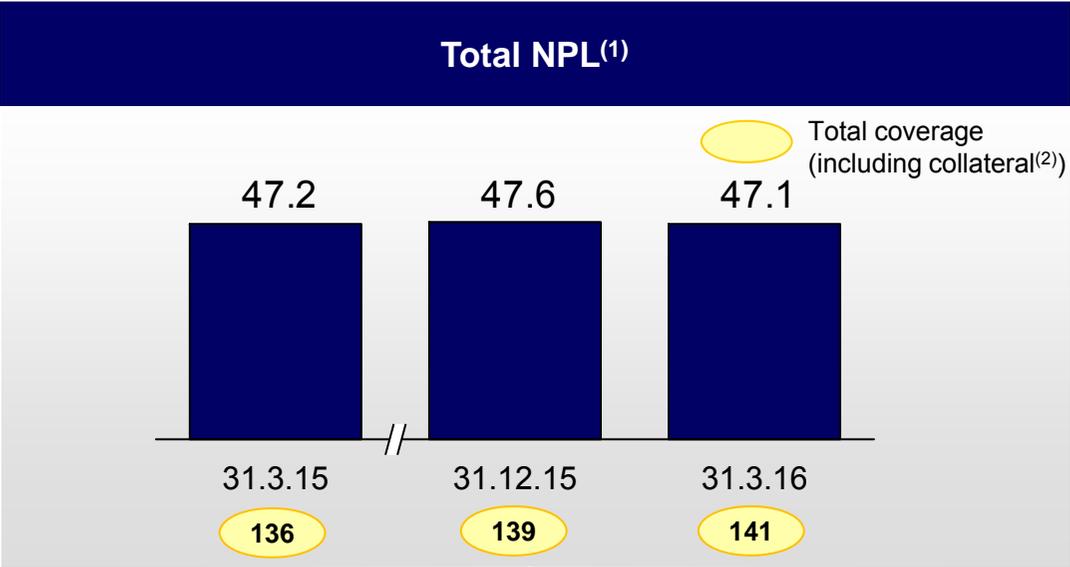
(1) Excluding personal guarantees

(2) Sample: BPOP, MPS, UBI and UniCredit (data as of 31.12.15)

(3) Repayment on Bad Loans/Net book value

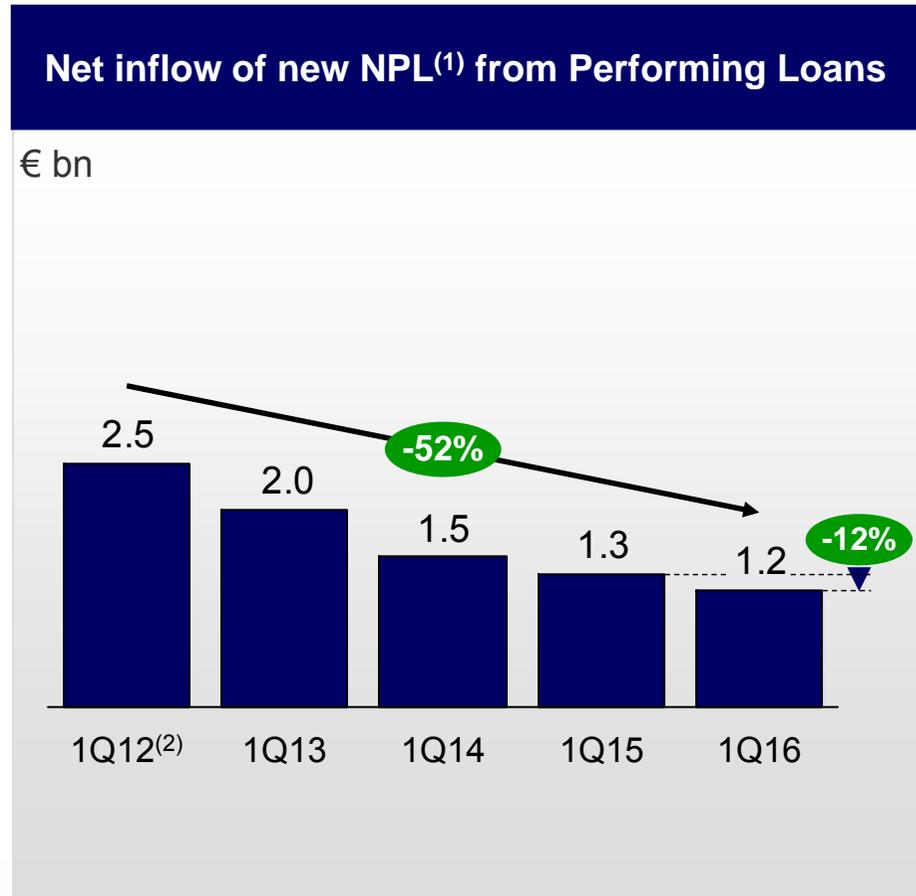
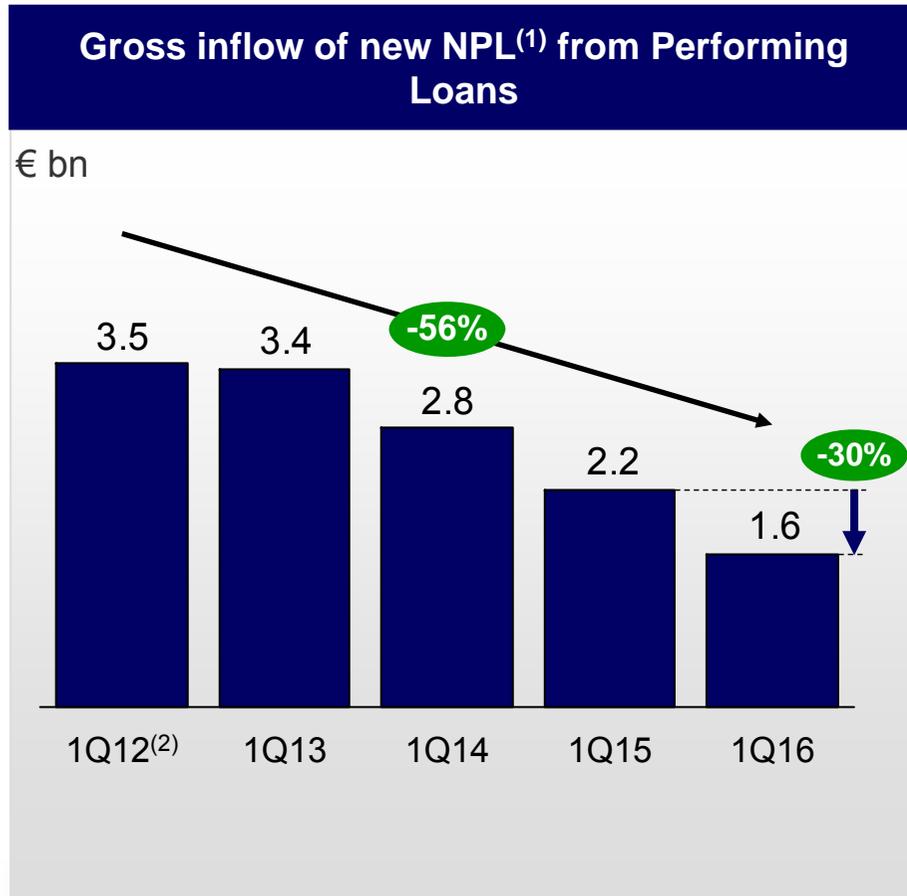
Non-performing Loans: Sizeable Cash Coverage

Cash coverage; %



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

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

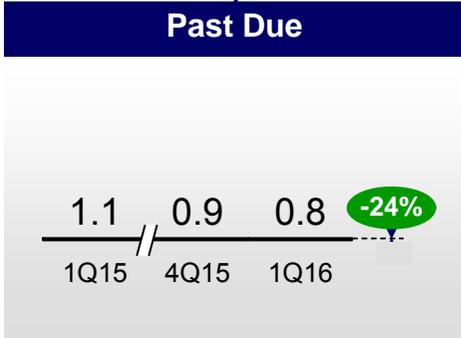
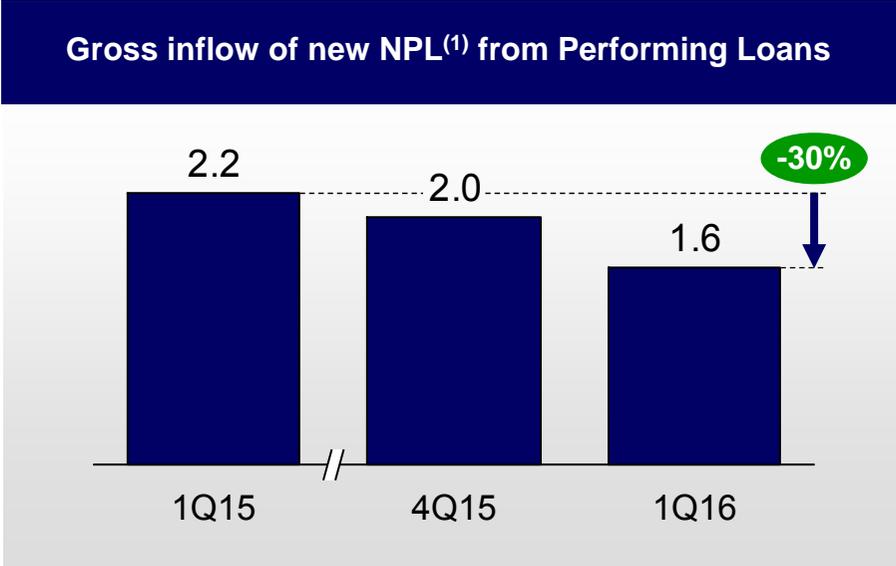


(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

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

Non-performing Loans: Strong Decline in Gross Inflow from Performing Loans

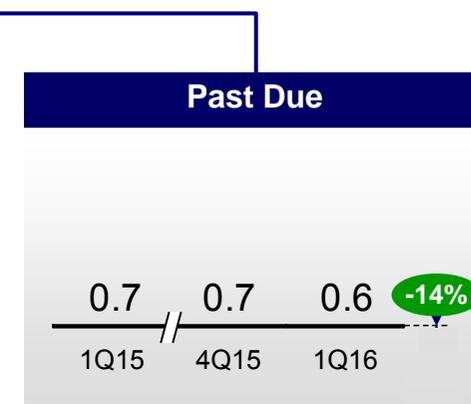
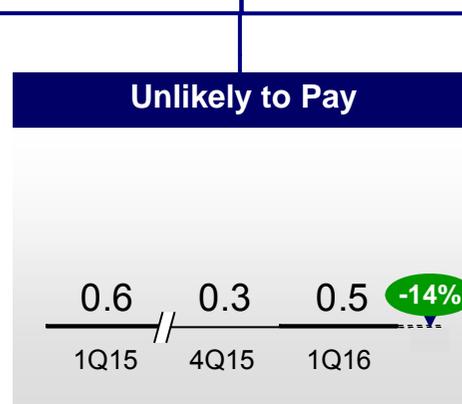
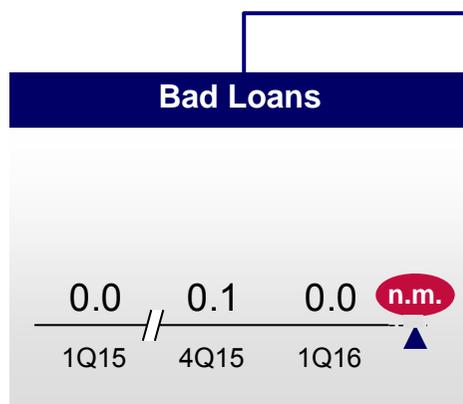
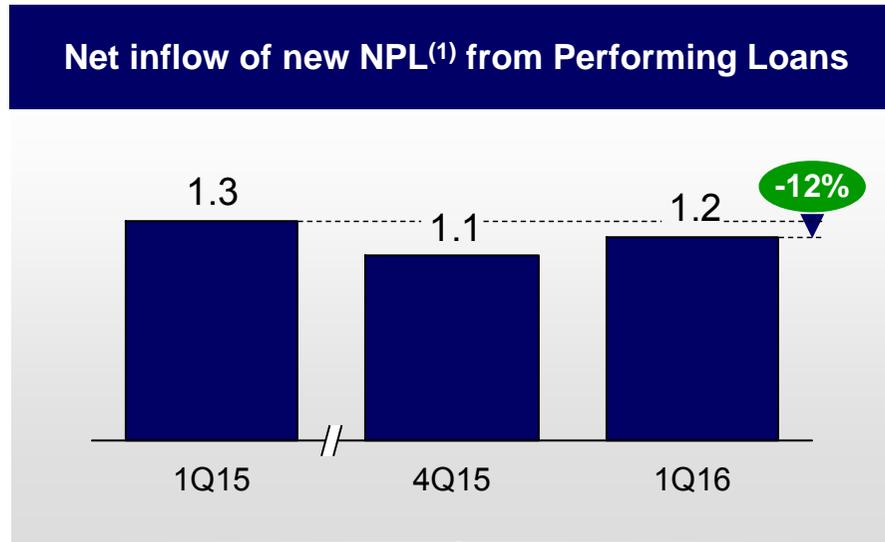
€ bn



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*)

Non-performing Loans: Decline in Net Inflow from Performing Loans vs 1Q15

€ bn

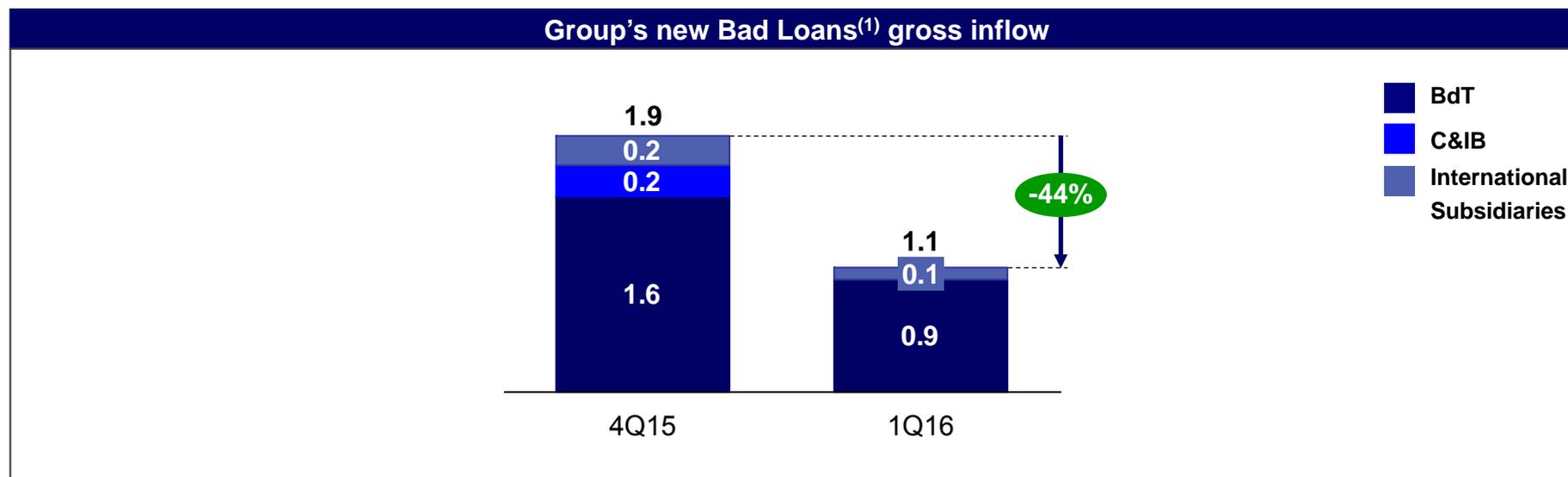


Note: figures may not add up exactly due to rounding differences

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

New Bad Loans: Strong Decrease in Gross Inflow

€ bn



BdT's new Bad Loans⁽¹⁾ gross inflow

	4Q15	1Q16
Total	1.6	0.9
Mediocredito Italiano ⁽²⁾	0.3	0.2
Households	0.4	0.2
SMEs	0.9	0.5

C&IB's new Bad Loans⁽¹⁾ gross inflow

	4Q15	1Q16
Total	0.2	-
Banca IMI ⁽³⁾	-	-
Corporate and Public Finance	0.1	-
International Network & Global Industries	-	-
Financial Institutions	-	-

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

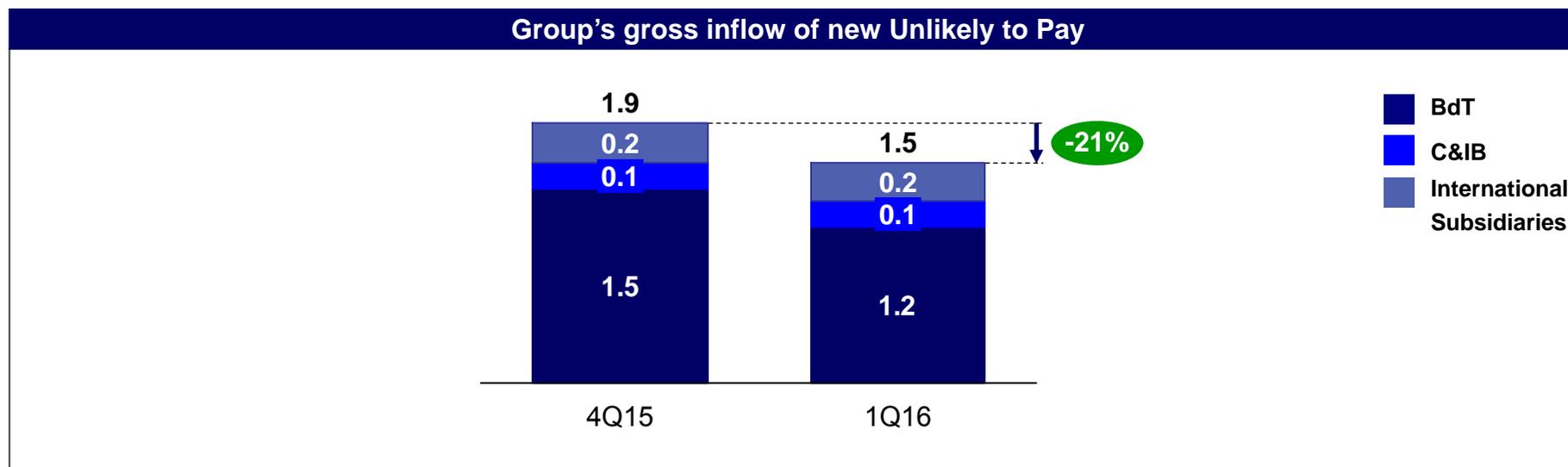
(1) *Sofferenze*

(2) Industrial Credit, Factoring and Leasing

(3) Capital Markets and Investment Banking

New Unlikely to Pay: Strong Decrease in Gross Inflow

€ bn



BdT's gross inflow of new Unlikely to Pay

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

	4Q15	1Q16
Total	1.5	1.2
Mediocredito Italiano ⁽¹⁾	0.3	0.3
Households	0.3	0.3
SMEs	0.9	0.6

	4Q15	1Q16
Total	0.1	0.1
Banca IMI ⁽²⁾	0.1	-
Corporate and Public Finance	-	0.1
International Network & Global Industries	-	-
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: 1Q16 Saw the Second Consecutive Quarterly Decline in NPL Stock

Gross NPL			
€ m	31.3.15	31.12.15	31.3.16
Bad Loans	38,844	39,150	38,924
- of which forborne	946	1,690	1,885
Unlikely to pay	23,218	22,725	22,588
- of which forborne	8,465	9,020	9,152
Past Due	1,387	1,239	1,069
- of which forborne	284	146	143
Total	63,449	63,114	62,581

Net NPL			
€ m	31.3.15	31.12.15	31.3.16
Bad Loans	14,459	14,973	15,123
- of which forborne	450	755	850
Unlikely to pay	17,832	17,091	17,078
- of which forborne	6,622	6,824	7,013
Past Due	1,196	1,022	881
- of which forborne	253	126	121
Total	33,487	33,086	33,082

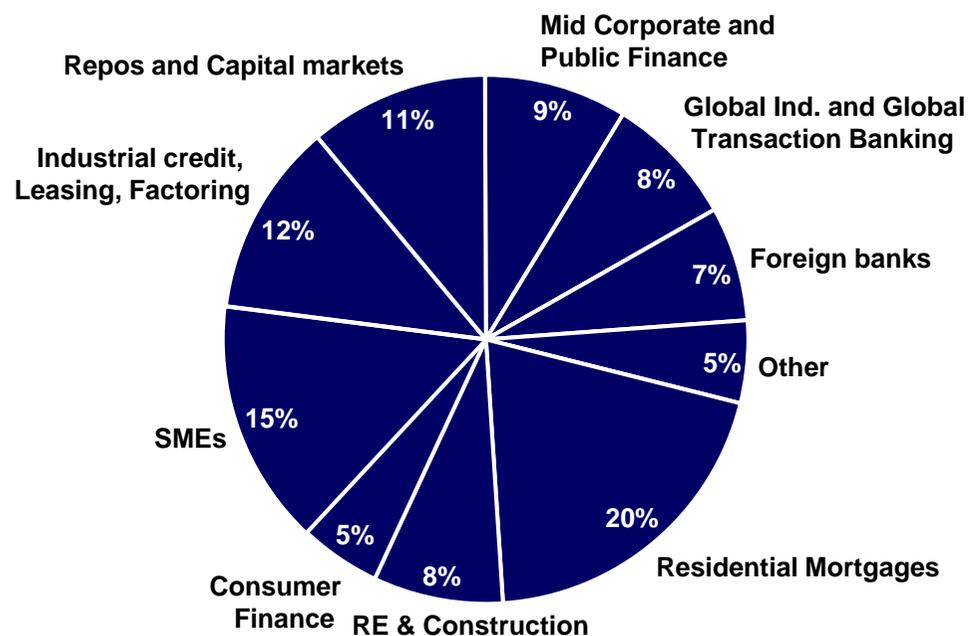
↑ **-1.4%**

↑ **-1.2%**

Gross and net NPL stock down 3% vs 30.9.15

Loans to Customers: Well-Diversified Portfolio

Breakdown by business area
(Data as of 31.3.16)



■ **Low risk profile of residential mortgage portfolio**

- Instalment/available income ratio at 35%
- Average Loan-to-Value equal to 54%
- Original average maturity equal to ~22 years
- Residual average life equal to ~18 years

Breakdown by economic business sector

	31.12.15	31.3.16
Loans of the Italian banks and companies of the Group		
Households	26.3%	26.8%
Public Administration	5.4%	5.5%
Financial companies	5.3%	5.6%
Non-financial companies	40.8%	39.5%
<i>of which:</i>		
DISTRIBUTION	6.1%	6.1%
SERVICES	6.3%	6.0%
REAL ESTATE	5.4%	5.2%
CONSTRUCTION	3.7%	3.5%
UTILITIES	3.3%	3.4%
METALS AND METAL PRODUCTS	2.4%	2.3%
TRANSPORT	2.1%	1.9%
AGRICULTURE	1.8%	1.7%
FOOD AND DRINK	1.4%	1.4%
MECHANICAL	1.2%	1.2%
INTERMEDIATE INDUSTRIAL PRODUCTS	1.2%	1.1%
FASHION	1.0%	1.0%
HOLDING AND OTHER	0.6%	0.6%
ELECTROTECHNICAL AND ELECTRONIC	0.6%	0.6%
TRANSPORTATION MEANS	0.5%	0.6%
MATERIALS FOR CONSTRUCTION	0.4%	0.4%
INFRASTRUCTURE	0.5%	0.4%
PUBLISHING AND PRINTING	0.4%	0.4%
BASE AND INTERMEDIATE CHEMICALS	0.4%	0.4%
ENERGY AND EXTRACTION	0.5%	0.3%
FURNITURE	0.2%	0.2%
OTHER CONSUMPTION GOODS	0.2%	0.2%
PHARMACEUTICAL	0.2%	0.2%
MASS CONSUMPTION GOODS	0.1%	0.1%
WHITE GOODS	0.1%	0.1%
NON-CLASSIFIED UNITS	0.0%	0.0%
Rest of the world	8.9%	9.6%
Loans of the foreign banks and companies of the Group	9.0%	9.0%
Bad Loans	4.3%	4.2%
TOTAL	100.0%	100.0%

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

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Divisional Financial Highlights

Data as of 31.3.16

	Divisions							Total
	Banca dei Territori	Corporate & Investment Banking	International Subsidiary Banks ⁽¹⁾	Private Banking ⁽²⁾	Asset Management ⁽³⁾	Insurance ⁽⁴⁾	Corporate Centre / Others ⁽⁵⁾	
Operating Income (€m)	2,151	780	510	439	148	367	(305)	4,090
Operating Margin (€m)	950	558	265	315	117	330	(512)	2,023
Net Income (€m)	285	359	171	194	90	216	(509)	806
Cost/Income (%)	55.8	28.5	48.0	28.2	20.9	10.1	n.m.	50.5
RWA (€bn)	88.7	92.6	30.0	8.7	1.2	0.0	60.8	282.0
Direct Deposits from Banking Business (€bn)	164.2	109.5	31.6	22.3	0.0	0.2	52.1	379.9
Loans to Customers (€bn)	186.5	95.5	25.7	9.8	0.2	0.0	43.3	361.0

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

(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: Q1 vs Q1

€ m

	1Q15	1Q16	Δ%
	Restated		
Net interest income	1,266	1,161	(8.3)
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	1,052	973	(7.5)
Profits (Losses) on trading	16	15	(6.3)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	6	2	(66.7)
Operating income	2,340	2,151	(8.1)
Personnel expenses	(750)	(740)	(1.3)
Other administrative expenses	(479)	(460)	(4.0)
Adjustments to property, equipment and intangible assets	(1)	(1)	0.0
Operating costs	(1,230)	(1,201)	(2.4)
Operating margin	1,110	950	(14.4)
Net provisions for risks and charges	(13)	(11)	(15.4)
Net adjustments to loans	(501)	(446)	(11.0)
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	596	493	(17.3)
Taxes on income from continuing operations	(250)	(203)	(18.8)
Charges (net of tax) for integration and exit incentives	(3)	(2)	(33.3)
Effect of purchase cost allocation (net of tax)	2	(3)	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.
Net income	345	285	(17.4)

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

Banca dei Territori: Q1 vs Q4

€ m

	4Q15	1Q16	Δ%
Net interest income	1,236	1,161	(6.0)
Dividends and P/L on investments carried at equity	0	0	(100.0)
Net fee and commission income	1,058	973	(8.0)
Profits (Losses) on trading	17	15	(11.9)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	5	2	(56.4)
Operating income	2,315	2,151	(7.1)
Personnel expenses	(840)	(740)	(11.9)
Other administrative expenses	(516)	(460)	(10.9)
Adjustments to property, equipment and intangible assets	(1)	(1)	19.4
Operating costs	(1,357)	(1,201)	(11.5)
Operating margin	958	950	(0.9)
Net provisions for risks and charges	(12)	(11)	(5.1)
Net adjustments to loans	(564)	(446)	(20.9)
Net impairment losses on other assets	(2)	0	n.m.
Profits (Losses) on HTM and on other investments	(0)	0	n.m.
Income before tax from continuing operations	381	493	29.4
Taxes on income from continuing operations	(172)	(203)	18.1
Charges (net of tax) for integration and exit incentives	(20)	(2)	(89.8)
Effect of purchase cost allocation (net of tax)	(1)	(3)	200.0
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	0	0	n.m.
Net income	188	285	51.3

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

Corporate and Investment Banking: Q1 vs Q1

€ m

	1Q15 Restated	1Q16	Δ%
Net interest income	369	346	(6.2)
Dividends and P/L on investments carried at equity	1	1	0.0
Net fee and commission income	191	218	14.1
Profits (Losses) on trading	386	215	(44.3)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	1	0	(100.0)
Operating income	948	780	(17.7)
Personnel expenses	(87)	(83)	(4.6)
Other administrative expenses	(138)	(138)	0.0
Adjustments to property, equipment and intangible assets	(1)	(1)	0.0
Operating costs	(226)	(222)	(1.8)
Operating margin	722	558	(22.7)
Net provisions for risks and charges	(5)	0	n.m.
Net adjustments to loans	(35)	(38)	8.6
Net impairment losses on other assets	(2)	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	680	520	(23.5)
Taxes on income from continuing operations	(224)	(161)	(28.1)
Charges (net of tax) for integration and exit incentives	0	0	n.m.
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	456	359	(21.3)

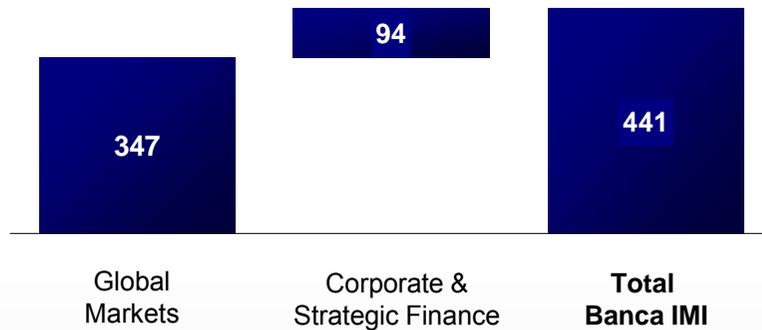
Note: figures may not add up exactly due to rounding differences

Banca IMI: A Significant Contribution to Group Results

1Q16 Results

Banca IMI Operating Income⁽¹⁾

€ m

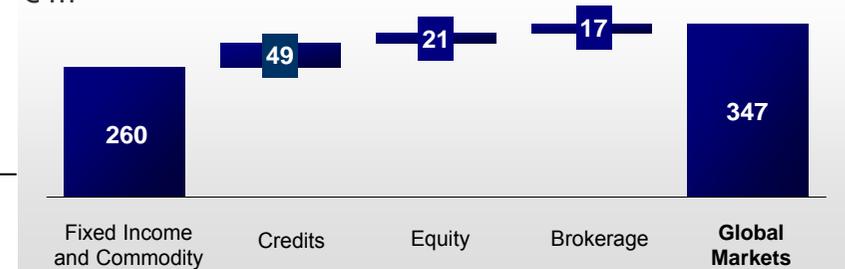


Cost/Income	22.9%	31.5%	24.7%
RWA (€ bn)	18.7	6.6	25.3

- ~60% of Operating income is customer driven
- Q1 average VaR at €90m
- Q1 Net income at €32m

of which: Global Markets

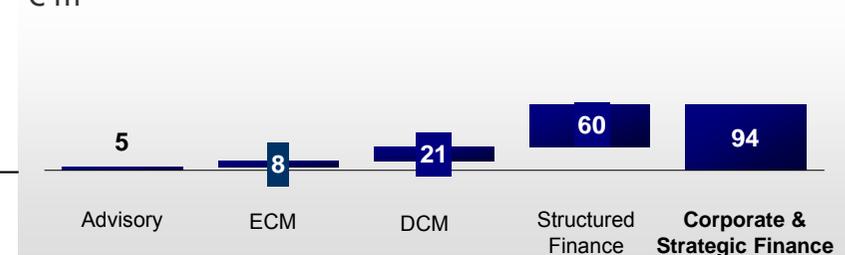
€ m



+

of which: Corporate & Strategic Finance

€ m



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

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

Corporate and Investment Banking: Q1 vs Q4

€ m

	4Q15	1Q16	Δ%
Net interest income	387	346	(10.6)
Dividends and P/L on investments carried at equity	2	1	(54.5)
Net fee and commission income	256	218	(14.9)
Profits (Losses) on trading	112	215	92.5
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(4)	0	n.m.
Operating income	753	780	3.6
Personnel expenses	(113)	(83)	(26.7)
Other administrative expenses	(148)	(138)	(6.9)
Adjustments to property, equipment and intangible assets	(1)	(1)	14.0
Operating costs	(262)	(222)	(15.4)
Operating margin	491	558	13.7
Net provisions for risks and charges	(0)	0	n.m.
Net adjustments to loans	(13)	(38)	198.4
Net impairment losses on other assets	(18)	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	460	520	13.1
Taxes on income from continuing operations	(148)	(161)	8.7
Charges (net of tax) for integration and exit incentives	(3)	0	n.m.
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	309	359	16.1

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

International Subsidiary Banks: Q1 vs Q1

€ m

	1Q15	1Q16	Δ%
	Restated		
Net interest income	369	368	(0.3)
Dividends and P/L on investments carried at equity	19	8	(57.9)
Net fee and commission income	125	120	(4.0)
Profits (Losses) on trading	16	33	106.3
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(20)	(19)	(5.0)
Operating income	509	510	0.2
Personnel expenses	(137)	(138)	0.7
Other administrative expenses	(92)	(84)	(8.7)
Adjustments to property, equipment and intangible assets	(25)	(23)	(8.0)
Operating costs	(254)	(245)	(3.5)
Operating margin	255	265	3.9
Net provisions for risks and charges	(2)	2	n.m.
Net adjustments to loans	(83)	(42)	(49.4)
Net impairment losses on other assets	0	(2)	n.m.
Profits (Losses) on HTM and on other investments	0	4	n.m.
Income before tax from continuing operations	170	227	33.5
Taxes on income from continuing operations	(46)	(53)	15.2
Charges (net of tax) for integration and exit incentives	0	(3)	n.m.
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	124	171	37.9

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: Q1 vs Q4

€ m

	4Q15	1Q16	Δ%
Net interest income	377	368	(2.5)
Dividends and P/L on investments carried at equity	1	8	930.3
Net fee and commission income	136	120	(11.5)
Profits (Losses) on trading	19	33	71.6
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(13)	(19)	(47.4)
Operating income	520	510	(1.9)
Personnel expenses	(149)	(138)	(7.1)
Other administrative expenses	(98)	(84)	(14.0)
Adjustments to property, equipment and intangible assets	(23)	(23)	(1.0)
Operating costs	(269)	(245)	(9.1)
Operating margin	250	265	5.8
Net provisions for risks and charges	19	2	89.3
Net adjustments to loans	(118)	(42)	(64.4)
Net impairment losses on other assets	(1)	(2)	48.1
Profits (Losses) on HTM and on other investments	(0)	4	n.m.
Income before tax from continuing operations	150	227	51.4
Taxes on income from continuing operations	(32)	(53)	64.6
Charges (net of tax) for integration and exit incentives	(0)	(3)	897.6
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.
Net income	117	171	45.9

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: Q1 vs Q1

€ m

	1Q15	1Q16	Δ%
Net interest income	48	46	(4.2)
Dividends and P/L on investments carried at equity	4	3	(25.0)
Net fee and commission income	358	380	6.1
Profits (Losses) on trading	18	9	(50.0)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(1)	1	n.m.
Operating income	427	439	2.8
Personnel expenses	(70)	(70)	0.0
Other administrative expenses	(54)	(50)	(7.4)
Adjustments to property, equipment and intangible assets	(4)	(4)	0.0
Operating costs	(128)	(124)	(3.1)
Operating margin	299	315	5.4
Net provisions for risks and charges	(13)	(13)	0.0
Net adjustments to loans	0	8	n.m.
Net impairment losses on other assets	(1)	(1)	0.0
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	285	309	8.4
Taxes on income from continuing operations	(85)	(87)	2.4
Charges (net of tax) for integration and exit incentives	(1)	(7)	600.0
Effect of purchase cost allocation (net of tax)	(21)	(21)	0.0
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	0	0	n.m.
Net income	178	194	9.0

1Q16 result at €215m excluding the Effect of purchase cost allocation

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

Private Banking: Q1 vs Q4

€ m

	4Q15	1Q16	Δ%
Net interest income	51	46	(10.6)
Dividends and P/L on investments carried at equity	1	3	500.0
Net fee and commission income	339	380	12.2
Profits (Losses) on trading	7	9	25.0
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(2)	1	n.m.
Operating income	396	439	10.8
Personnel expenses	(79)	(70)	(11.4)
Other administrative expenses	(62)	(50)	(18.8)
Adjustments to property, equipment and intangible assets	(4)	(4)	2.3
Operating costs	(145)	(124)	(14.2)
Operating margin	252	315	25.2
Net provisions for risks and charges	(17)	(13)	(21.7)
Net adjustments to loans	0	8	n.m.
Net impairment losses on other assets	(0)	(1)	400.0
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	235	309	31.5
Taxes on income from continuing operations	(71)	(87)	22.5
Charges (net of tax) for integration and exit incentives	(7)	(7)	(0.4)
Effect of purchase cost allocation (net of tax)	(21)	(21)	(0.6)
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.
Net income	136	194	42.9

1Q16 result at €215m excluding the Effect of purchase cost allocation

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

Asset Management: Q1 vs Q1

€ m

	1Q15	1Q16	Δ%
Net interest income	0	0	n.m.
Dividends and P/L on investments carried at equity	14	17	21.4
Net fee and commission income	143	126	(11.9)
Profits (Losses) on trading	2	5	150.0
Income from insurance business	0	0	n.m.
Other operating income (expenses)	1	0	(100.0)
Operating income	160	148	(7.5)
Personnel expenses	(15)	(14)	(6.7)
Other administrative expenses	(17)	(17)	0.0
Adjustments to property, equipment and intangible assets	0	0	n.m.
Operating costs	(32)	(31)	(3.1)
Operating margin	128	117	(8.6)
Net provisions for risks and charges	0	0	n.m.
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	128	117	(8.6)
Taxes on income from continuing operations	(32)	(25)	(21.9)
Charges (net of tax) for integration and exit incentives	0	0	n.m.
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(2)	(2)	0.0
Net income	94	90	(4.3)

+6% excluding performance fees

+9% excluding performance fees

+9% excluding performance fees

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

Asset Management: Q1 vs Q4

€ m

	4Q15	1Q16	Δ%
Net interest income	0	0	n.m.
Dividends and P/L on investments carried at equity	19	17	(12.5)
Net fee and commission income	187	126	(32.7)
Profits (Losses) on trading	(0)	5	n.m.
Income from insurance business	0	0	n.m.
Other operating income (expenses)	0	0	n.m.
Operating income	207	148	(28.6)
Personnel expenses	(20)	(14)	(29.9)
Other administrative expenses	(22)	(17)	(23.2)
Adjustments to property, equipment and intangible assets	(0)	0	n.m.
Operating costs	(42)	(31)	(26.6)
Operating margin	165	117	(29.1)
Net provisions for risks and charges	(2)	0	n.m.
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	163	117	(28.2)
Taxes on income from continuing operations	(31)	(25)	(19.1)
Charges (net of tax) for integration and exit incentives	0	0	n.m.
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(3)	(2)	(30.2)
Net income	129	90	(30.3)

+6% excluding performance fees

+19% excluding performance fees

+22% excluding performance fees

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

Insurance: Q1 vs Q1

€ m

	1Q15	1Q16	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	344	368	7.0
Other operating income (expenses)	0	(1)	n.m.
Operating income	344	367	6.7
Personnel expenses	(16)	(16)	0.0
Other administrative expenses	(18)	(20)	11.1
Adjustments to property, equipment and intangible assets	(1)	(1)	0.0
Operating costs	(35)	(37)	5.7
Operating margin	309	330	6.8
Net provisions for risks and charges	1	1	0.0
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	0	(1)	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	310	330	6.5
Taxes on income from continuing operations	(98)	(108)	10.2
Charges (net of tax) for integration and exit incentives	(1)	(1)	0.0
Effect of purchase cost allocation (net of tax)	(7)	(5)	(28.6)
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.
Net income	204	216	5.9

1Q16 result at €221m excluding the Effect of purchase cost allocation

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

Insurance: Q1 vs Q4

€ m

	4Q15	1Q16	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	166	368	121.5
Other operating income (expenses)	5	(1)	n.m.
Operating income	171	367	114.9
Personnel expenses	(20)	(16)	(20.9)
Other administrative expenses	(27)	(20)	(27.0)
Adjustments to property, equipment and intangible assets	(1)	(1)	18.3
Operating costs	(48)	(37)	(23.7)
Operating margin	122	330	169.9
Net provisions for risks and charges	1	1	(51.3)
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	(7)	(1)	(86.5)
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	116	330	185.6
Taxes on income from continuing operations	(19)	(108)	454.8
Charges (net of tax) for integration and exit incentives	(1)	(1)	(25.2)
Effect of purchase cost allocation (net of tax)	(8)	(5)	(41.1)
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.
Net income	86	216	150.5

1Q16 result at €221m excluding the Effect of purchase cost allocation

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

Quarterly P&L Analysis

€ m

	1Q15	2Q15	3Q15	4Q15	1Q16
	Restated				
Net interest income	1,971	1,976	1,912	1,953	1,881
Dividends and P/L on investments carried at equity	39	15	41	1	74
Net fee and commission income	1,813	1,979	1,786	1,918	1,713
Profits (Losses) on trading	596	380	1	57	228
Income from insurance business	343	282	241	131	332
Other operating income (expenses)	(73)	(54)	214	(373)	(138)
Operating income	4,689	4,578	4,195	3,687	4,090
Personnel expenses	(1,302)	(1,271)	(1,257)	(1,486)	(1,283)
Other administrative expenses	(641)	(679)	(643)	(803)	(605)
Adjustments to property, equipment and intangible assets	(175)	(178)	(180)	(201)	(179)
Operating costs	(2,118)	(2,128)	(2,080)	(2,490)	(2,067)
Operating margin	2,571	2,450	2,115	1,197	2,023
Net provisions for risks and charges	(54)	(68)	(222)	(56)	(16)
Net adjustments to loans	(767)	(847)	(769)	(923)	(694)
Net impairment losses on other assets	(9)	(31)	(20)	(108)	(20)
Profits (Losses) on HTM and on other investments	28	38	21	51	(5)
Income before tax from continuing operations	1,769	1,542	1,125	161	1,288
Taxes on income from continuing operations	(648)	(516)	(354)	(76)	(399)
Charges (net of tax) for integration and exit incentives	(6)	(25)	(15)	(37)	(13)
Effect of purchase cost allocation (net of tax)	(26)	(33)	(27)	(33)	(29)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	0	0
Income (Loss) after tax from discontinued operations	0	(1)	0	(2)	(1)
Minority interests	(25)	(27)	(7)	0	(40)
Net income	1,064	940	722	13	806

Note: Figures restated, where necessary, to reflect scope of consolidation for 1Q16. Figures may not add up exactly due to rounding differences

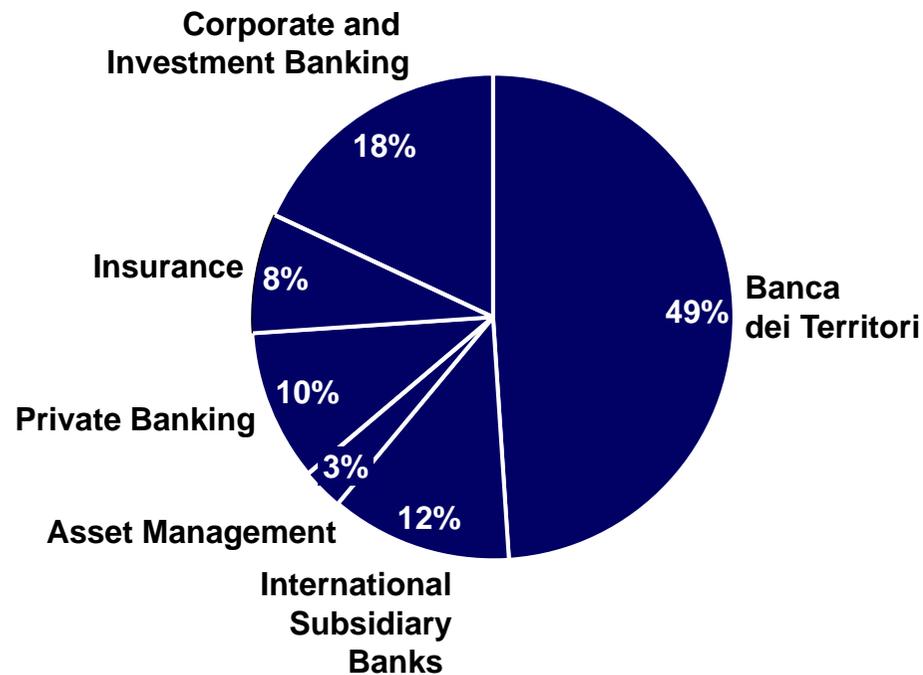
Net Fee and Commission Income: Quarterly Development

€ m

Net Fee and Commission Income					
	1Q15	2Q15	3Q15	4Q15	1Q16
Guarantees given / received	92	78	88	86	83
Collection and payment services	86	95	89	104	85
Current accounts	254	255	268	255	247
Credit and debit cards	121	132	141	130	125
Commercial banking activities	553	560	586	575	540
Dealing and placement of securities	233	197	107	118	91
Currency dealing	11	11	11	11	10
Portfolio management	514	590	552	564	493
Distribution of insurance products	265	335	300	332	327
Other	45	48	42	49	41
Management, dealing and consultancy activities	1,068	1,181	1,012	1,074	962
Other net fee and commission income	192	238	188	269	211
Net fee and commission income	1,813	1,979	1,786	1,918	1,713

Market Leadership in Italy

1Q16 Operating Income Breakdown by business area⁽¹⁾



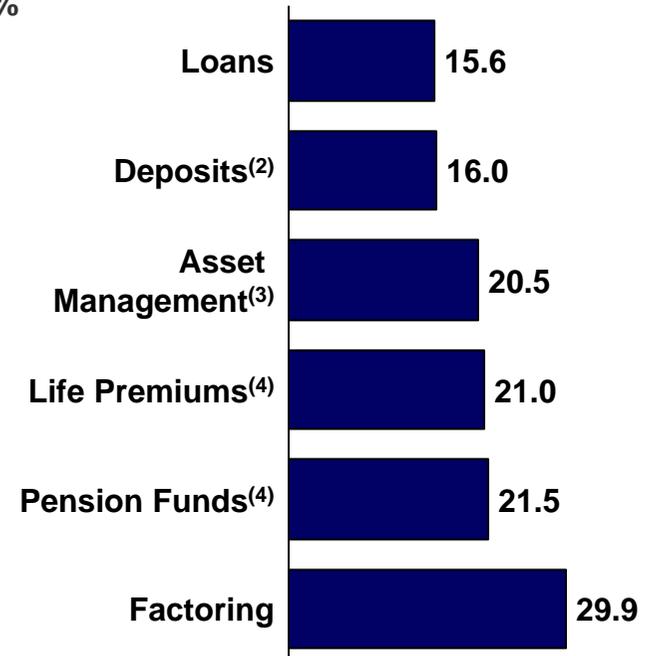
Leader in Italy (data as of 31.3.16)

Ranking

Market share

%

- 1
- 1
- 1
- 1
- 1
- 1



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

(1) Excluding Corporate Centre

(2) Including bonds

(3) Mutual funds; data as of 31.12.15

(4) Data as of 31.12.15

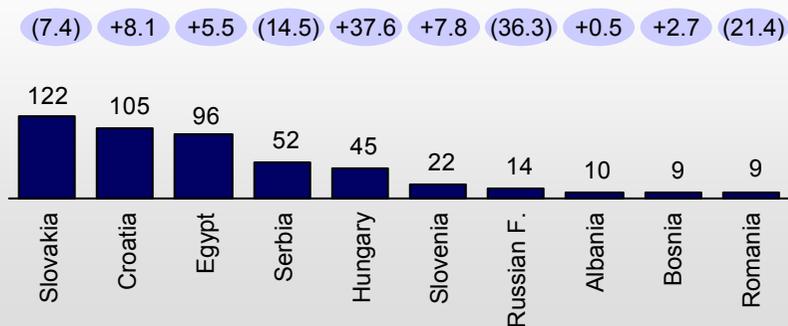
International Subsidiary Banks: Key P&L Data by Country

Data as of 31.3.16

(Δ% vs 1Q15)

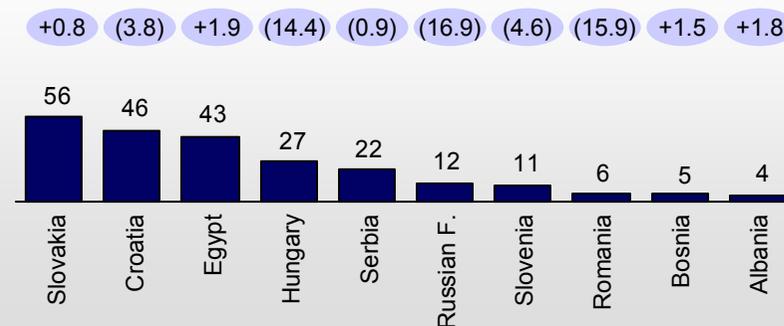
Operating Income

€ m



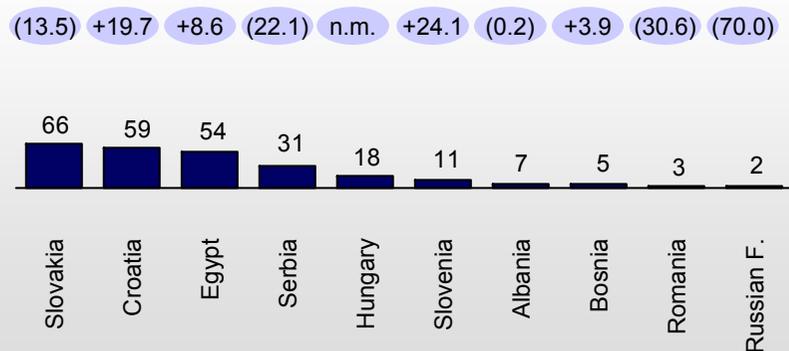
Operating Costs

€ m



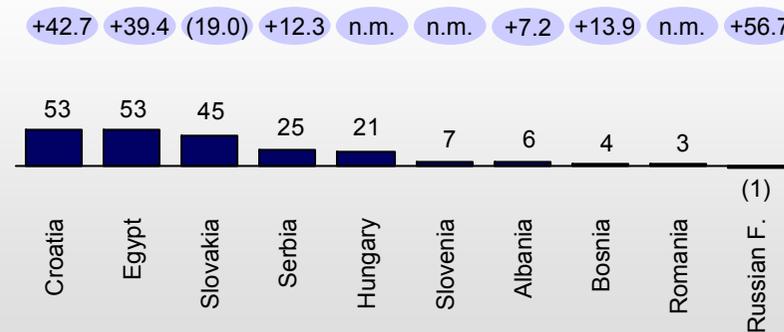
Operating Margin

€ m



Pre-Tax Income

€ m



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 31.3.16

	 Hungary ^(*)	 Slovakia	 Slovenia	 Croatia	 Serbia	 Bosnia	 Albania	 Romania	 Russian F.	CEE Total	 Egypt	Total
Oper. Income (€m)	45	122	22	105	52	9	10	9	14	389	96	485
% of Group total	1.1%	3.0%	0.5%	2.6%	1.3%	0.2%	0.3%	0.2%	0.3%	9.5%	2.4%	11.9%
Net income (€m)	5	35	6	41	21	3	5	3	(1)	119	40	159
% of Group total	0.6%	4.3%	0.7%	5.1%	2.6%	0.4%	0.6%	0.4%	n.m.	14.8%	5.0%	19.8%
Customer Deposits (€bn)	3.6	10.3	1.8	7.0	2.7	0.5	0.9	0.6	0.5	27.9	3.8	31.7
% of Group total	0.9%	2.7%	0.5%	1.8%	0.7%	0.1%	0.2%	0.2%	0.1%	7.3%	1.0%	8.3%
Customer Loans (€bn)	2.8	9.4	1.5	6.3	2.2	0.6	0.3	0.6	0.6	24.1	2.4	26.6
% of Group total	0.8%	2.6%	0.4%	1.7%	0.6%	0.2%	0.1%	0.2%	0.2%	6.7%	0.7%	7.4%
Total Assets (€bn)	5.1	12.7	2.3	9.5	4.0	0.8	1.1	0.9	0.9	37.2	4.8	42.0
% of Group total	0.7%	1.8%	0.3%	1.4%	0.6%	0.1%	0.2%	0.1%	0.1%	5.3%	0.7%	6.0%
Book value (€m)	652	1,435	283	1,742	956	114	136	113	156	5,587	452	6,039
- goodwill/intangibles	23	62	4	15	6	2	4	5	6	128	5	133

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

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

International Subsidiary Banks by Country: Loans Breakdown and Coverage

Data as of 31.3.16

	 Hungary ^(*)	 Slovakia	 Slovenia	 Croatia	 Serbia	 Bosnia	 Albania	 Romania	 Russian F.	 CEE Total	 Egypt	 Total
Performing loans (€bn)	2.4	9.1	1.3	5.9	1.9	0.6	0.3	0.6	0.5	22.5	2.3	24.8
of which:												
Retail local currency	37%	55%	47%	18%	18%	7%	9%	32%	4%	36%	59%	38%
Retail foreign currency	0%	0%	0%	34%	27%	43%	16%	39%	0%	13%	0%	12%
Corporate local currency	31%	39%	51%	12%	4%	23%	25%	8%	82%	28%	27%	28%
Corporate foreign currency	32%	7%	2%	36%	50%	27%	50%	21%	14%	22%	14%	21%
Bad loans⁽¹⁾ (€m)	150	142	63	150	104	11	18	43	19	700	5	705
Unlikely to pay⁽²⁾ (€m)	316	123	56	233	92	5	12	13	27	877	170	1,047
Performing loans coverage	2.7%	1.0%	1.1%	1.3%	1.2%	0.9%	4.2%	1.9%	1.7%	1.3%	2.4%	1.4%
Bad loans⁽¹⁾ coverage	64%	63%	62%	66%	56%	78%	44%	84%	79%	67%	96%	68%
Unlikely to pay⁽²⁾ coverage	44%	31%	26%	37%	40%	29%	48%	35%	46%	39%	23%	37%
Annualised cost of credit⁽³⁾ (bps)	n.m.	86	111	58	113	58	n.m.	n.m.	252	54	10	50

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

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

(1) *Sofferenze*

(2) Including Past due

(3) Net adjustments to loans/Net customer loans

Common Equity Ratio as of 31.3.16: from Phased-in to Pro-forma Fully Loaded

	~€bn	~bps
Transitional adjustments		
Reserve shortfall	(0.1)	(5)
Valuation reserves	0.0	2
Minorities exceeding requirements	(0.1)	(2)
DTA on losses carried forward ⁽¹⁾	0.1	5
Total	(0.0)	(1)
Deductions exceeding cap^(*)		
Total	(0.8)	(30)
^(*) as a memo, constituents of deductions subject to cap:		
- Other DTA ⁽²⁾	1.5	
- Investments in banking and financial companies	0.7	
- Investments in insurance companies ⁽³⁾	4.8	
RWA from 100% weighted DTA⁽⁴⁾	(8.7)	40
Benefit from the Danish Compromise		13
Total estimated impact		22
Pro-forma fully loaded Common Equity ratio		13.1%

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

(1) Considering the expected absorption of DTA on losses carried forward (€0.2bn as of 31.3.16)

(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 expected distribution of reserves of insurance companies

(4) Considering the total absorption of DTA convertible into tax credit related to goodwill realignment (€5bn as of 31.3.16) and adjustments to loans (€3.6bn as of 31.3.16)

Total Exposure⁽¹⁾ by Main Countries

€ m

	DEBT SECURITIES								LOANS
	Banking Business					Total	Insurance Business	Total	
	L&R	AFS	HTM	CFV ⁽²⁾	HFT				
EU Countries	10,076	50,813	1,017	938	10,142	72,986	64,856	137,842	344,452
Austria	132	24	3		55	214	9	223	684
Belgium		678			421	1,099	169	1,268	806
Bulgaria							67	67	21
Croatia	118	137	2	731	62	1,050	72	1,122	6,392
Cyprus									55
Czech Republic									723
Denmark		28			80	108	47	155	124
Estonia									3
Finland		139			122	261	21	282	63
France	206	5,695		201	996	7,098	1,308	8,406	3,262
Germany	78	3,202	4		1,088	4,372	1,966	6,338	3,846
Greece	14					14		14	9
Hungary	45	373			213	631	36	667	2,799
Ireland	202	408			204	814	293	1,107	266
Italy	7,970	26,957	355		4,437	39,719	56,494	96,213	286,415
Latvia		17				17		17	54
Lithuania		62				62		62	12
Luxembourg	172	13			185	370	135	505	4,104
Malta									317
The Netherlands	79	561	38		1,031	1,709	743	2,452	3,056
Poland	28	54				82	19	101	542
Portugal	205	13			11	229	14	243	217
Romania		155			1	156	120	276	731
Slovakia		377	615		64	1,056		1,056	8,430
Slovenia		225				225	7	232	1,451
Spain	462	11,387			514	12,363	1,962	14,325	2,427
Sweden		115			315	430	5	435	37
United Kingdom	365	193		6	343	907	1,369	2,276	17,606
North African Countries		1,288				1,288		1,288	2,543
Algeria									3
Egypt		1,288				1,288		1,288	2,470
Libya									5
Morocco									58
Tunisia									7
Japan		14			917	931	120	1,051	421

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

(1) Exposure to sovereign risks (central and local governments), banks and other customers. Book Value of Debt Securities and Net Loans as of 31.3.16

(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									LOANS
	Banking Business					Total	Insurance Business	Total	AFS Reserve ⁽⁴⁾	
	L&R	AFS	HTM	CFV ⁽²⁾	HFT ⁽³⁾					
EU Countries	7,257	47,589	975	727	6,161	62,709	55,889	118,598	466	18,517
Austria			3		31	34	7	41		
Belgium		658			20	678	10	688	4	
Bulgaria							56	56		
Croatia	96	137	2	727	57	1,019	56	1,075		1,058
Cyprus										
Czech Republic										22
Denmark		18			18	36		36		
Estonia										
Finland		82			45	127	10	137		8
France	105	5,314			655	6,074	147	6,221	16	15
Germany		3,154			673	3,827	1,216	5,043	14	
Greece										
Hungary	32	373			212	617	36	653		166
Ireland		198			1	199	101	300	2	
Italy	6,725	25,230	355		3,158	35,468	52,822	88,290	430	16,478
Latvia		17				17		17		54
Lithuania		62				62		62		
Luxembourg					20	20		20		
Malta										
The Netherlands		290			698	988	145	1,133	2	
Poland	28	54				82	19	101	-1	
Portugal	17					15		15		25
Romania		155			1	156	120	276	2	2
Slovakia		237	615		64	916		916	5	144
Slovenia		193				193	7	200	4	205
Spain	254	11,310			255	11,819	1,137	12,956	-12	340
Sweden		107			255	362		362		
United Kingdom										
North African Countries		1,281				1,281		1,281	-5	
Algeria										
Egypt		1,281				1,281		1,281	-5	
Libya										
Morocco										
Tunisia										
Japan					826	826		826		

Banking Business Government bond
duration: ~5.2 years
Adjusted duration due to hedging: ~0.3 years

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

(1) Exposure to central and local governments. Book Value of Debt Securities and Net Loans as of 31.3.16

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

(3) Taking into account cash short positions

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

Exposure to Banks by Main Countries⁽¹⁾

€ m

	DEBT SECURITIES								LOANS
	Banking Business					Total	Insurance Business	Total	
	L&R	AFS	HTM	CFV ⁽²⁾	HFT				
EU Countries	542	1,694	42	204	1,853	4,335	3,728	8,063	19,586
Austria	123				5	128		128	172
Belgium					333	333	40	373	526
Bulgaria									
Croatia				3	4	7		7	34
Cyprus									
Czech Republic									
Denmark		10			59	69	20	89	90
Estonia									1
Finland		16			78	94		94	44
France		257		201	184	642	408	1,050	1,898
Germany	9	20	4		273	306	175	481	1,703
Greece									3
Hungary									5
Ireland		92			48	140	91	231	51
Italy	87	934			251	1,272	1,793	3,065	6,298
Latvia									
Lithuania									8
Luxembourg	60				157	217	102	319	2,143
Malta									278
The Netherlands	22	70	38		124	254	291	545	365
Poland									146
Portugal							1	1	7
Romania									21
Slovakia		140				140		140	
Slovenia		25				25		25	3
Spain	100	20			161	281	274	555	622
Sweden					36	36	2	38	8
United Kingdom	141	110			140	391	531	922	5,160
North African Countries		1				1		1	90
Algeria									
Egypt		1				1		1	28
Libya									
Morocco									58
Tunisia									4
Japan		14			41	55	44	99	45

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

(1) Book Value of Debt Securities and Net Loans as of 31.3.16

(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					Total	Insurance Business	Total	
	L&R	AFS	HTM	CFV ⁽²⁾	HFT				
EU Countries	2,277	1,530		7	2,128	5,942	5,239	11,181	306,349
Austria	9	24			19	52	2	54	512
Belgium		20			68	88	119	207	280
Bulgaria							11	11	21
Croatia	22			1	1	24	16	40	5,300
Cyprus									55
Czech Republic									701
Denmark					3	3	27	30	34
Estonia									2
Finland		41			-1	40	11	51	11
France	101	124			157	382	753	1,135	1,349
Germany	69	28			142	239	575	814	2,143
Greece	14					14		14	6
Hungary	13				1	14		14	2,628
Ireland	202	118			155	475	101	576	215
Italy	1,158	793			1,028	2,979	1,879	4,858	263,639
Latvia									
Lithuania									4
Luxembourg	112	13			8	133	33	166	1,961
Malta									39
The Netherlands	57	201			209	467	307	774	2,691
Poland									396
Portugal	188	13			13	214	13	227	185
Romania									708
Slovakia									8,286
Slovenia		7				7		7	1,243
Spain	108	57			98	263	551	814	1,465
Sweden		8			24	32	3	35	29
United Kingdom	224	83		6	203	516	838	1,354	12,446
North African Countries		6				6		6	2,453
Algeria									3
Egypt		6				6		6	2,442
Libya									5
Morocco									
Tunisia									3
Japan					50	50	76	126	376

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

(1) Book Value of Debt Securities and Net Loans as of 31.3.16

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

Disclaimer

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

* * *

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

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

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.