



**A Strong Bank,
Delivering Growth**

1H16 Results

A Solid First Half

August 2, 2016

INTESA  SANPAOLO

H1: A Solid First Half

**€1.7bn Net income, well above the pro-quota
2016 dividend commitment**

**€2.6bn pro-forma Net income including €895m additional net capital
gain from Setefi and ISP Card disposal to be booked in H2 2016**

Strong acceleration of Commissions in Q2 (+10% vs 1Q16)

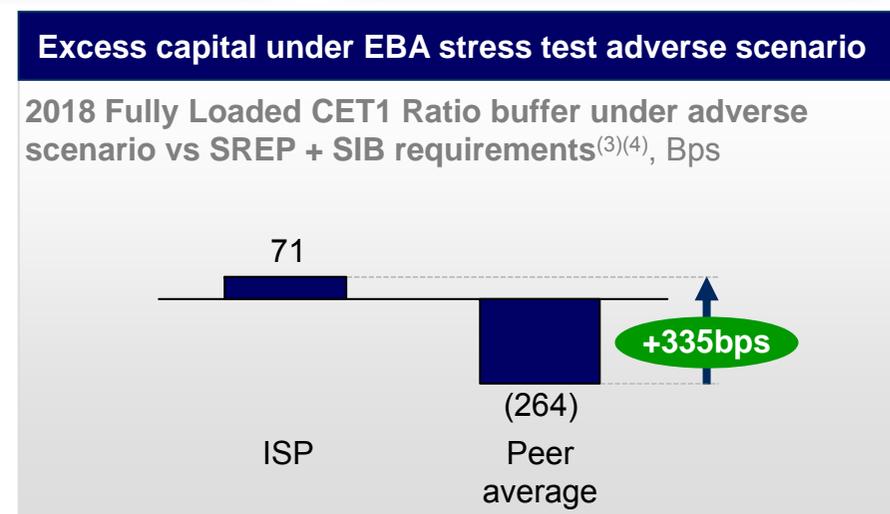
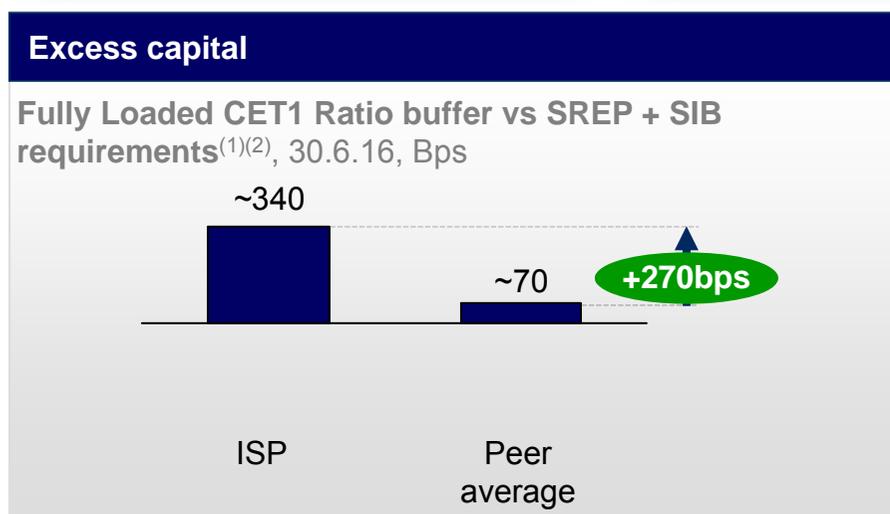
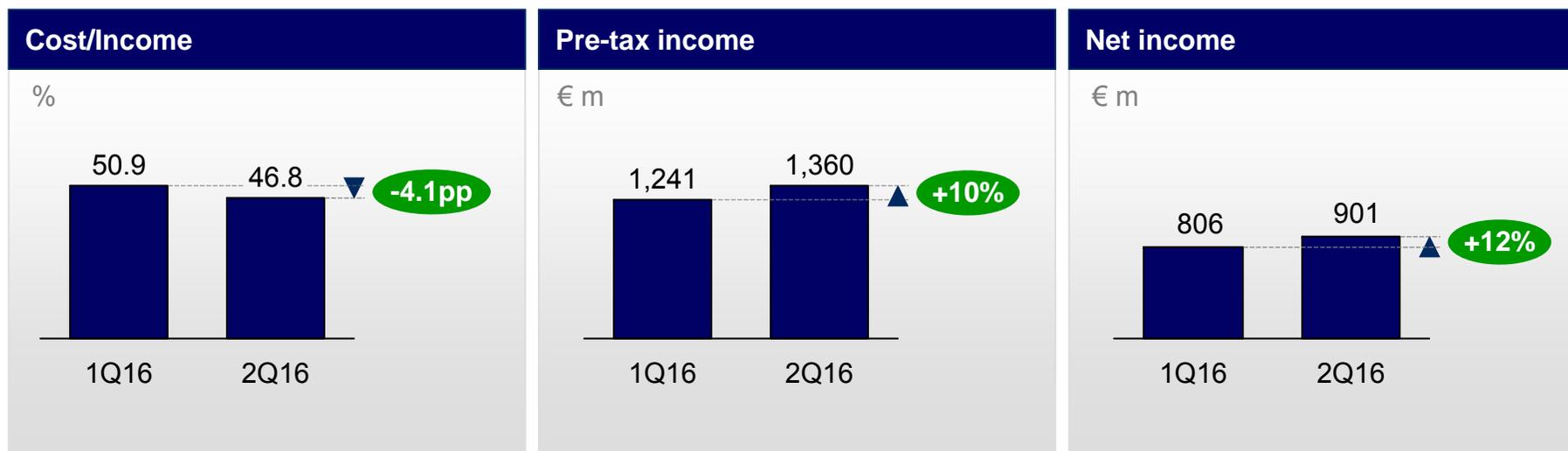
Cost/Income at 48.7%

**Declining NPL stock, with the lowest half-year
NPL inflow since 2007**

**Common Equity⁽¹⁾ ratio at 12.9%, well above SREP + SIB
requirements even under EBA stress test adverse scenario**

(1) Pro-forma fully loaded Basel 3 (30.6.16 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 1H16 Net income of insurance companies); including estimated benefits from the Danish Compromise (16bps)

H1: Solid Performance Delivered, with Acceleration in Q2



(1) Sample: BBVA, BNP Paribas, BPCE, Commerzbank, Deutsche Bank, Nordea and Santander as of 30.6.16; Crédit Agricole Group, ING, Société Générale and UniCredit as of 31.3.16. Data may not be fully comparable due to different estimates hypothesis. Source: Investors' Presentations, Press Releases, Conference Calls

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

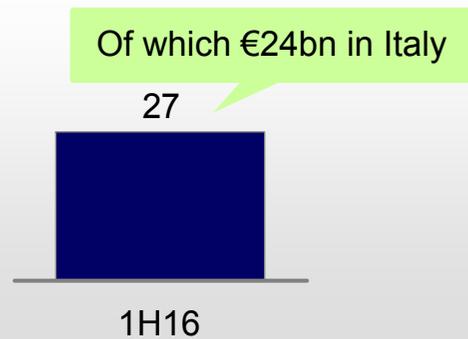
(3) Sample: BBVA, BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, Deutsche Bank, ING, Nordea, Santander, Société Générale and UniCredit

(4) Calculated as the difference between the Fully Loaded Equity ratio under the EBA stress test adverse scenario vs SREP and SIB requirements; only top European banks that have communicated their SREP requirement

All Stakeholders Benefit from Our Performance

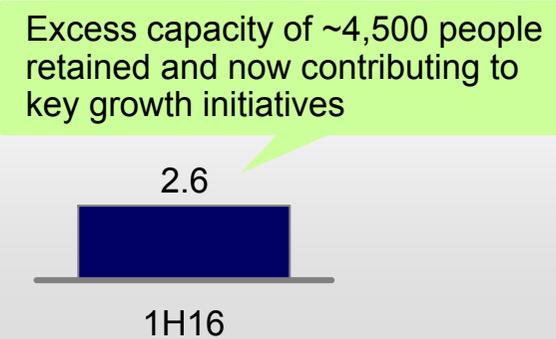
Households and Businesses

Medium/Long-term new lending, € bn



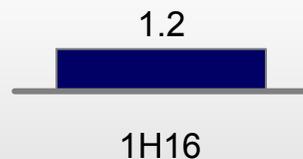
Employees

Personnel expenses, € bn



Public Sector

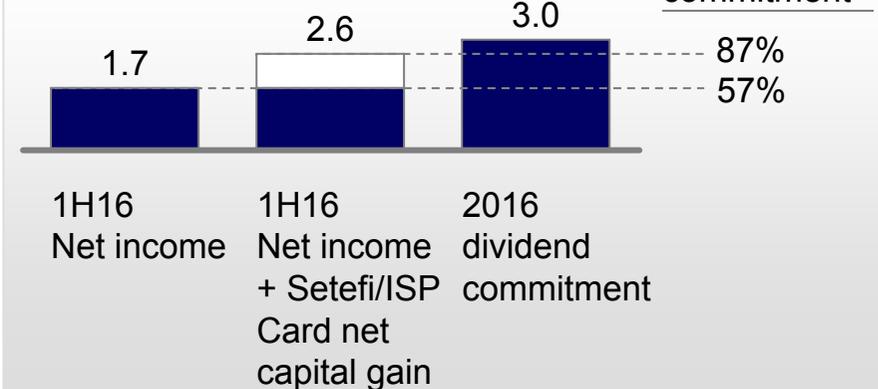
Taxes⁽¹⁾, € bn



Shareholders

€ bn

% of dividend commitment

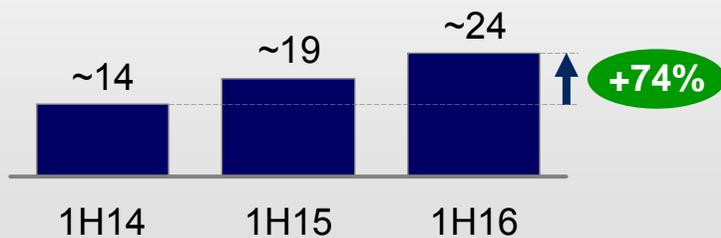


(1) Direct and indirect

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

ISP: supporting the Italian 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 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

H1: Highlights

- **Solid economic performance with acceleration in Q2:**
 - **€1.7bn Net income, €0.9bn in Q2** 
 - **Strong acceleration of Commissions in Q2 (+10% vs 1Q16)** 
 - **Continued strong cost management with C/I at 48.7%** 
 - **Pre-tax income at €2.6bn, €1.4bn in Q2** 
- **Best-in-class capital position with a solid balance sheet:**
 - **Low leverage ratio (6.6%) and high capital base (pro-forma fully loaded Common Equity ratio at 12.9%⁽¹⁾)** 
 - **Strong liquidity position and funding capability with LCR and NSFR well above 100%** 
 - **Decreasing NPL stock, the lowest of the past eight quarters, coupled with the lowest half-year NPL inflow since 2007** 
 - **Common Equity ratio well above SREP + SIB requirements even under EBA stress test adverse scenario** 
- **€895m additional net capital gain from Setefi and ISP Card disposal to be booked during 2016** 

(1) Pro-forma fully loaded Basel 3 (30.6.16 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 1H16 Net income of insurance companies); including estimated benefits from the Danish Compromise (16bps)

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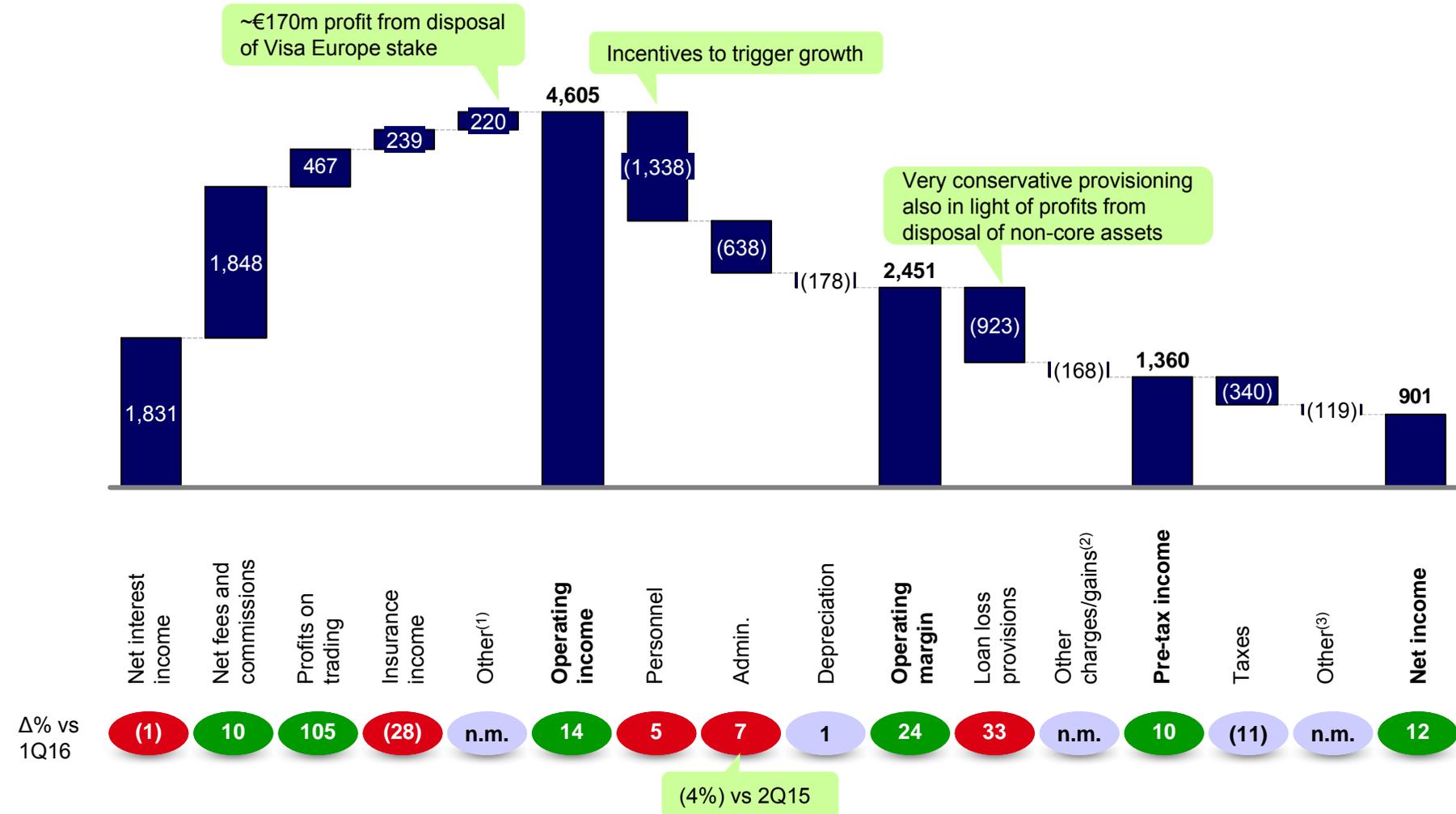
1H16: A solid first half

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

Well ahead of our Business Plan

2Q16: €0.9bn Net Income, with Strong Acceleration vs Q1

2Q16 P&L
€ m



(1) Dividends and other operating income (expenses)

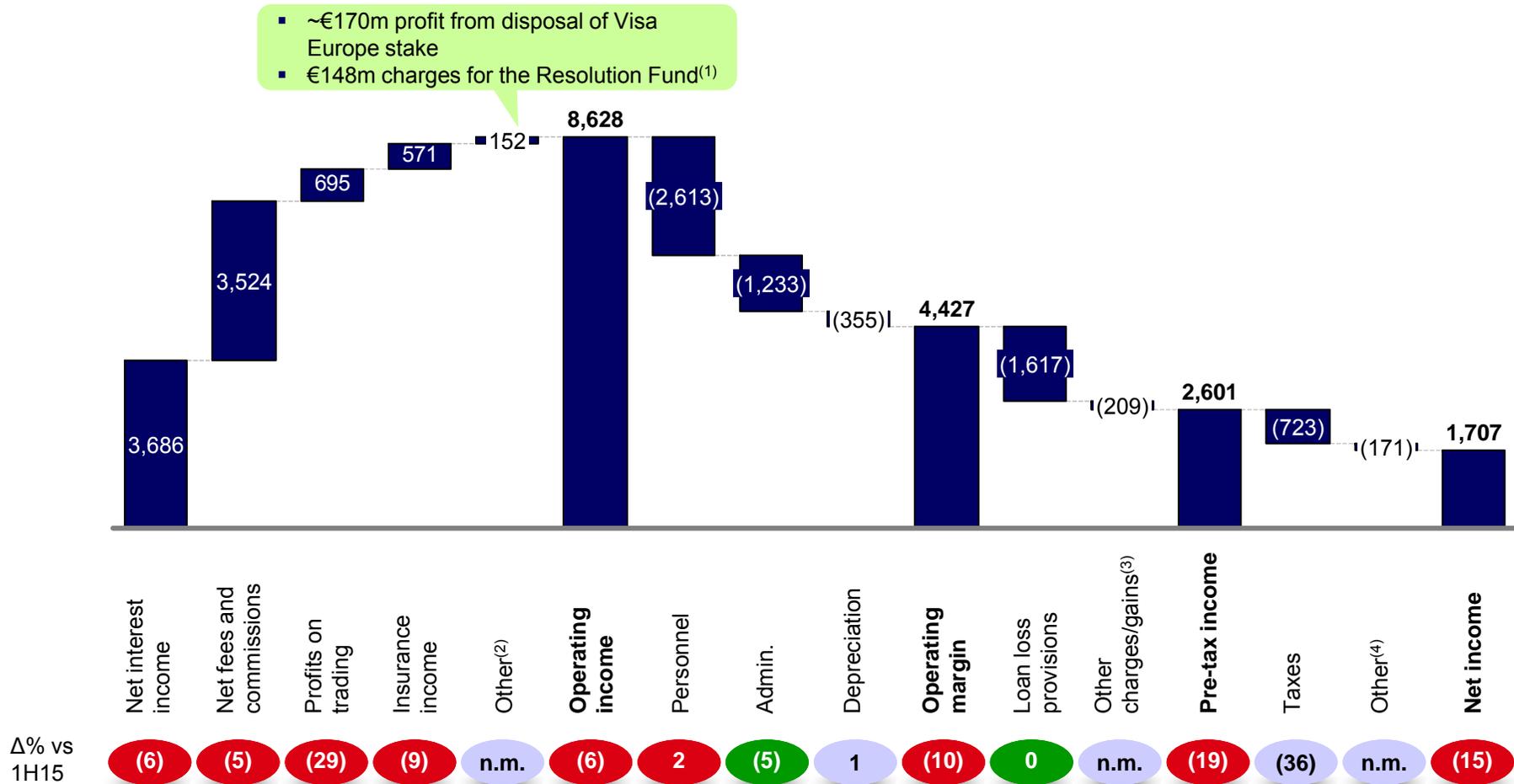
(2) Net impairment losses on assets, Profits (Losses) on HTM and on other investments, Provisions for risks and charges

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

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

1H16: €1.7bn Net Income

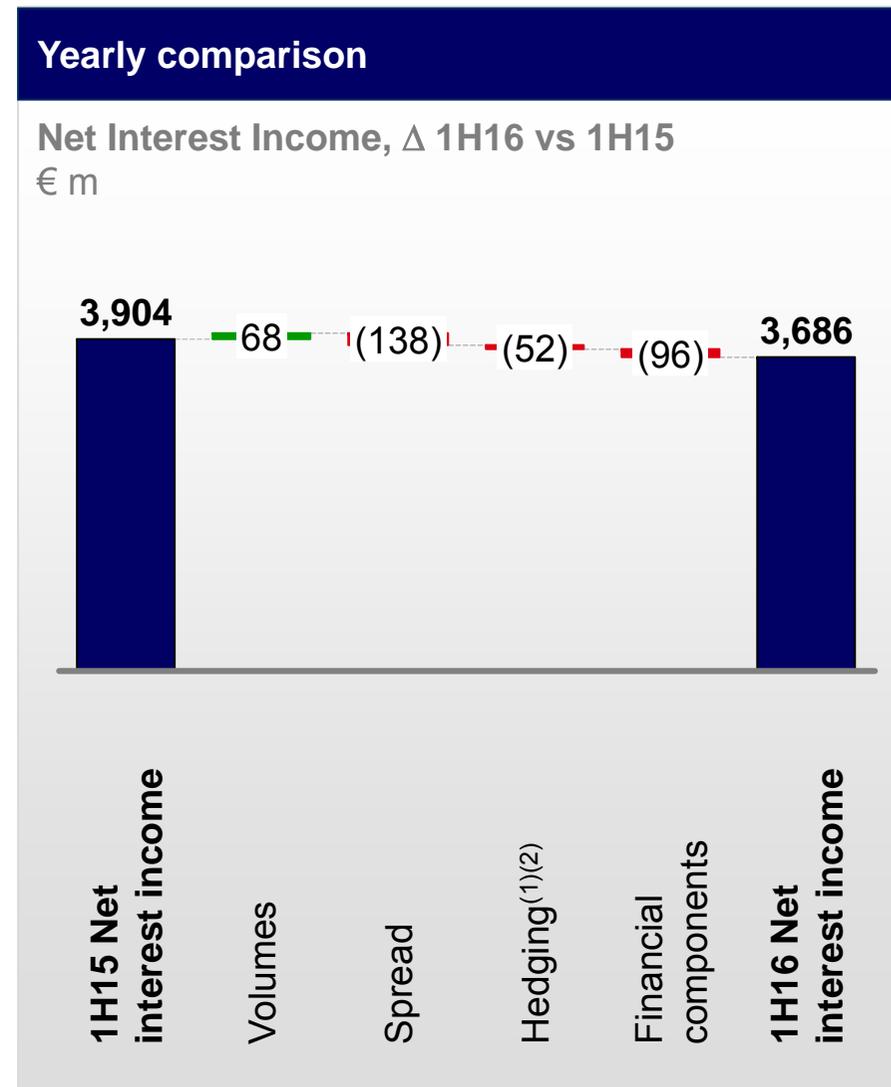
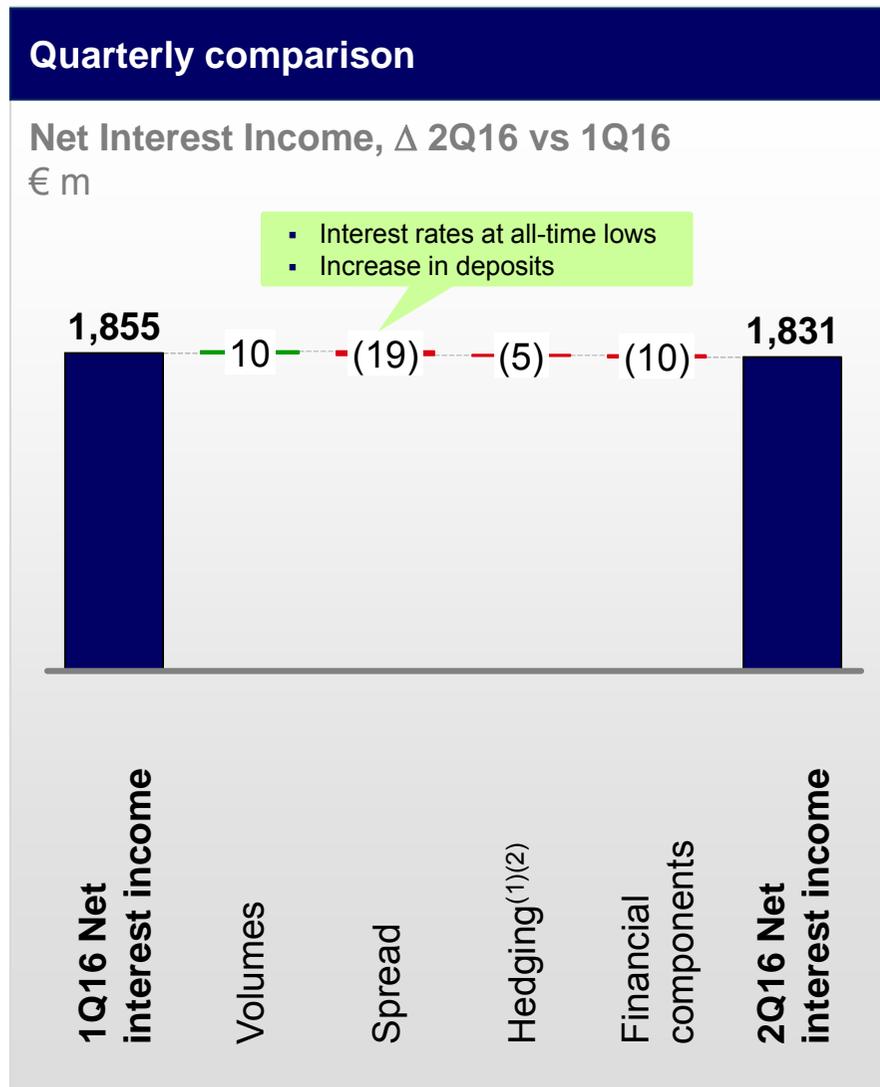
1H16 P&L
€ m



1H15: best semester ever

(1) €148m pre-tax in Other operating income (expenses) and €103m net of taxes (of which €12m gross and €7m net booked in Q2); our commitment for the year fully funded
 (2) Dividends and other operating income (expenses)
 (3) Net impairment losses on assets, Profits (Losses) on HTM and on other investments, Provisions for risks and charges
 (4) Income (Loss) after tax from discontinued operations, Minority interests, Intangible amortization (after tax), Charges for integration and personnel exit incentives (after tax)
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Net Interest Income Evolution Affected by All-Time Low Interest Rates



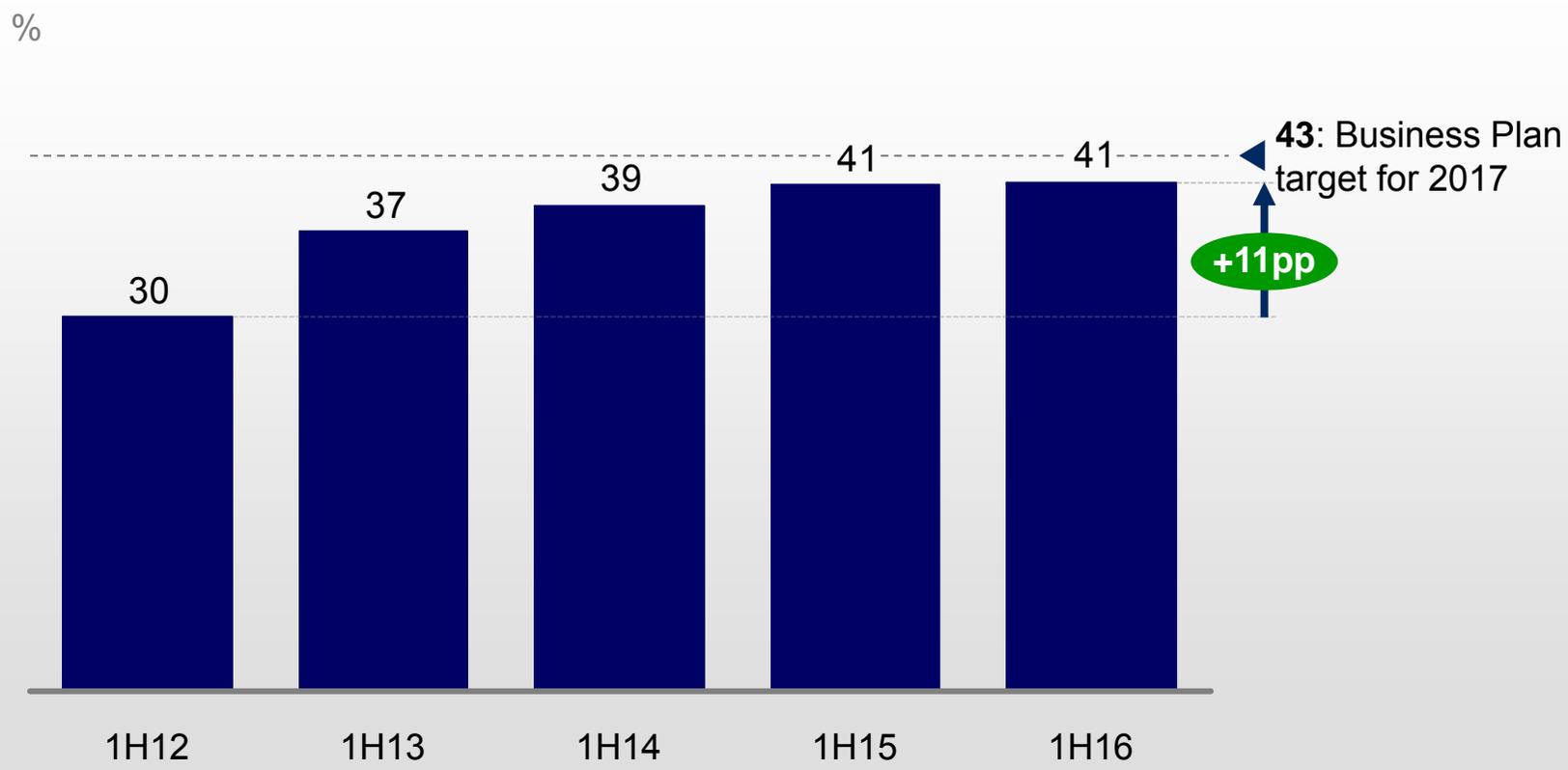
(1) €336m benefit from core deposits hedging in 1H16, of which €166m in Q2

(2) Hedging on core deposits

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

Business Model Becoming More Commission Driven

Contribution of Net fees and commissions to Operating income

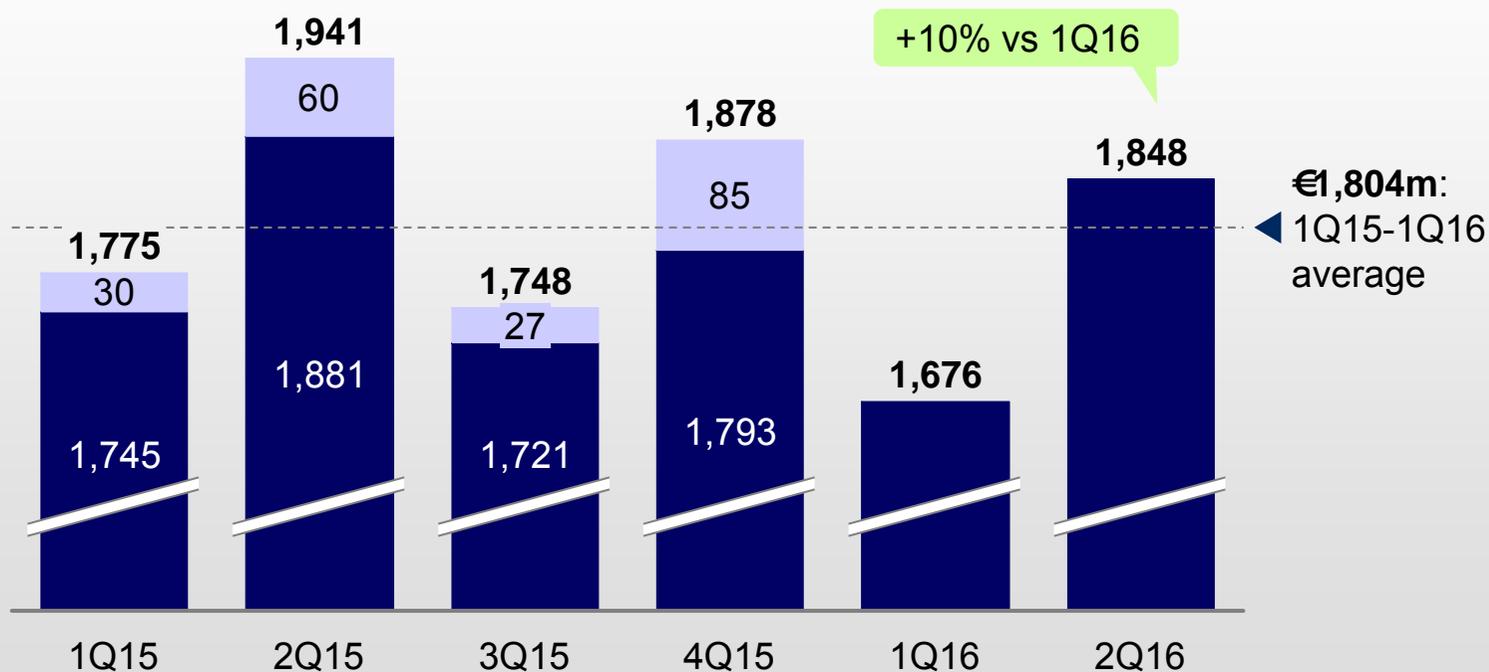


A Very Good Quarter for Commissions, with Significant Recovery from Q1 Lows

Net fees and commissions

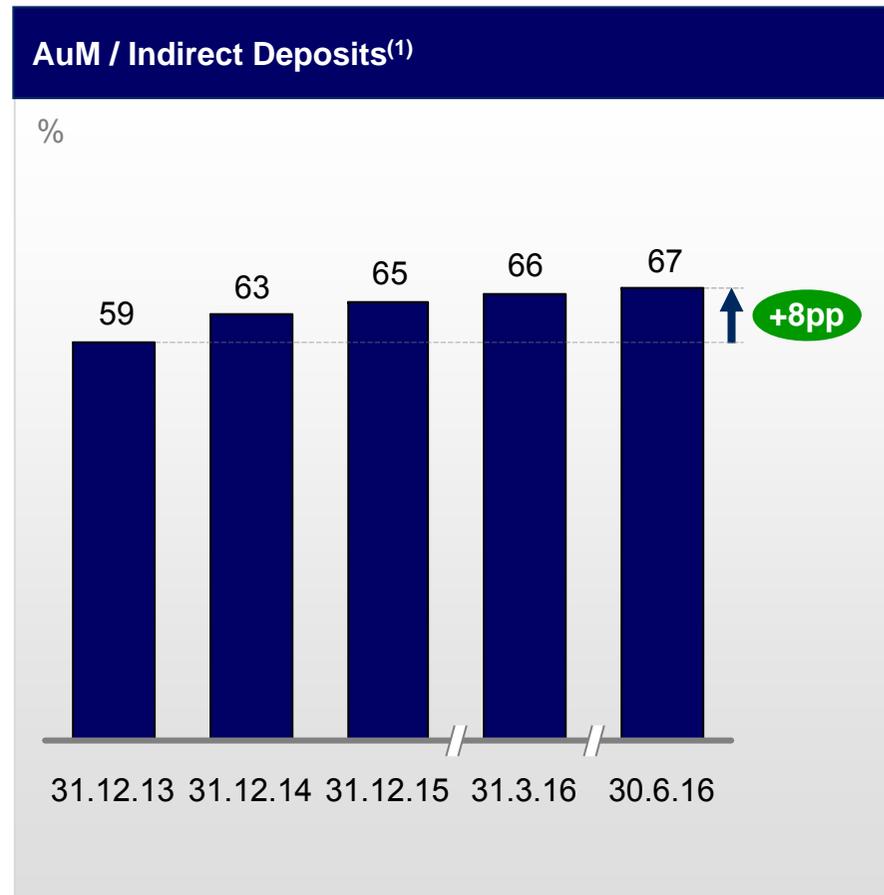
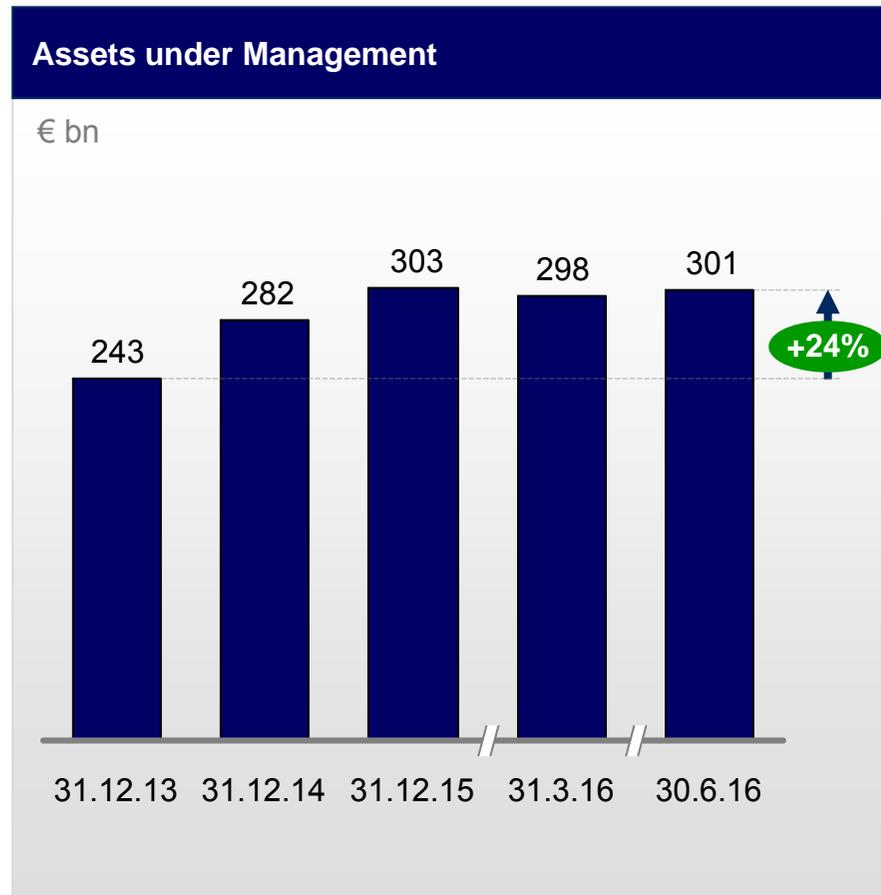
€ m

Performance fees



The second best quarter ever excluding performance fees

Assets Under Management: Increase in Q2 with Further Upside Going Forward



- €64bn of Net inflows into AuM since 31.12.13: Business Plan target for 2017 already achieved
- €151bn of AuA, increasing direct deposits and relatively low market penetration of Wealth Management products support further sustainable growth

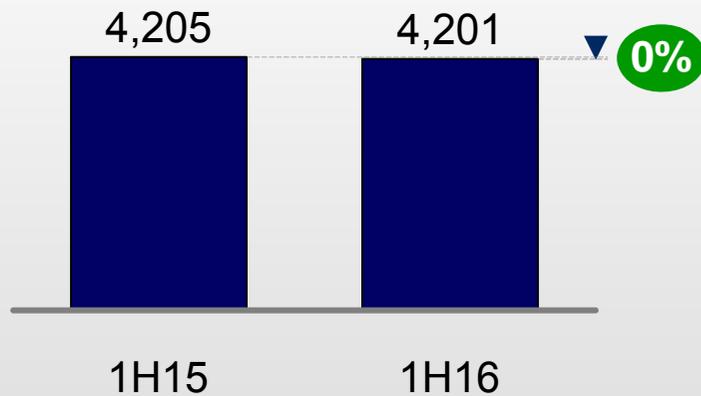
(1) Sum of Assets under Management (AuM) and Assets under Administration (AuA)

Effective Cost Management

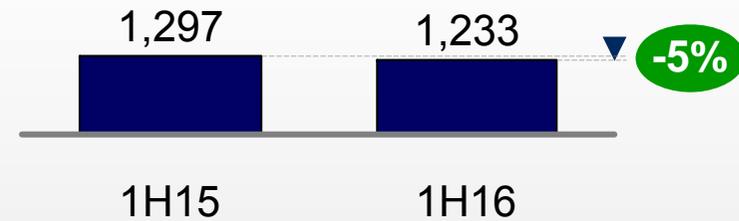
Operating costs

€ m

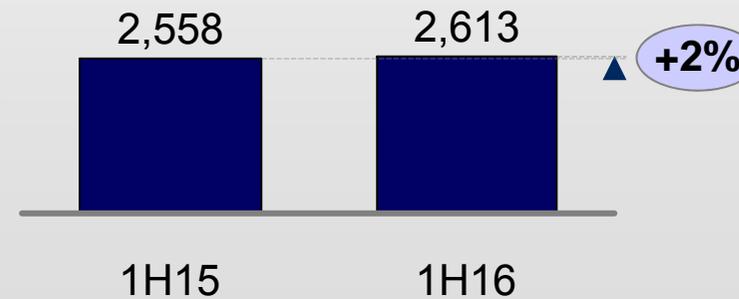
Total operating costs



Administrative costs



Personnel costs

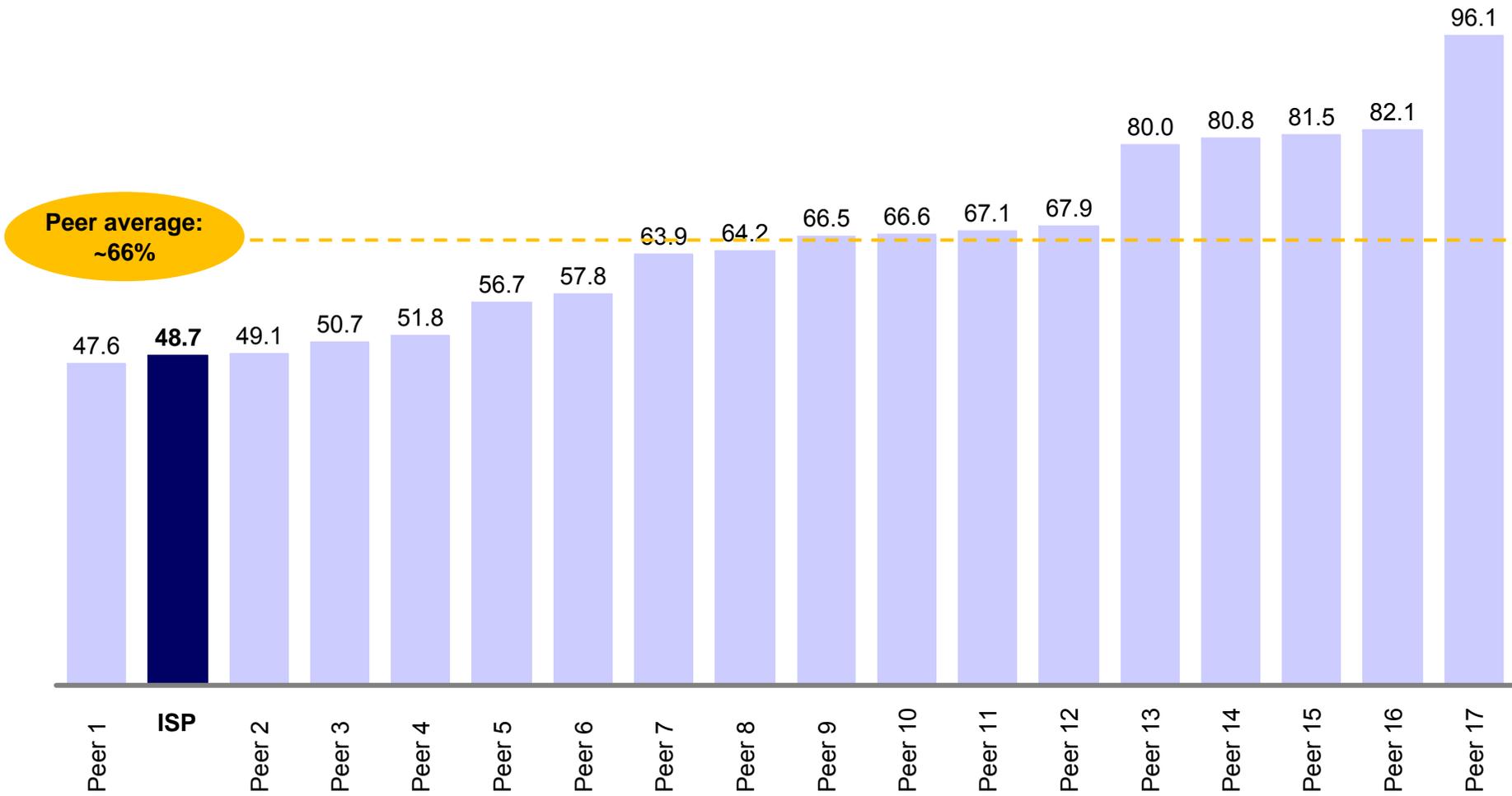


f(x)

- Best-in-class Cost/Income at 48.7%
- ISP maintains high strategic flexibility in managing costs and remains a Cost/Income leader

Top-tier Cost/Income Ratio in Europe

Cost/Income⁽¹⁾
%



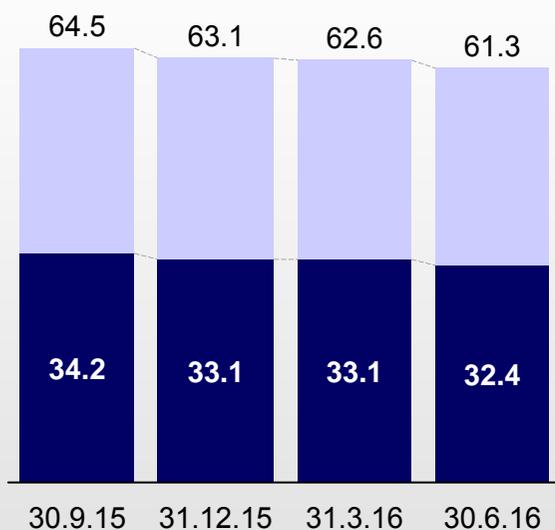
(1) Sample: Barclays, BBVA, BPCE, BNP Paribas, Credit Suisse, Deutsche Bank, Lloyds Banking Group, Nordea, Santander and UBS (30.6.16 data); Commerzbank, Crédit Agricole SA, HSBC, ING, Société Générale, Standard Chartered and UniCredit (31.3.16 data)

Continued Decline in NPL Stock and NPL Inflows

NPL stock

€ bn

- Gross NPL / Gross Loans to Customers, %
- Net NPL / Net Loans to Customers, %



Third consecutive quarterly reduction in NPL stock, leading to the lowest level of the past eight quarters

Gross quarterly NPL inflow⁽¹⁾ from performing loans

€ m

- Net inflow⁽²⁾



The lowest quarterly inflow of new NPL since ISP establishment

Gross half-yearly NPL inflow⁽¹⁾ from performing loans

€ m

- Net inflow⁽²⁾

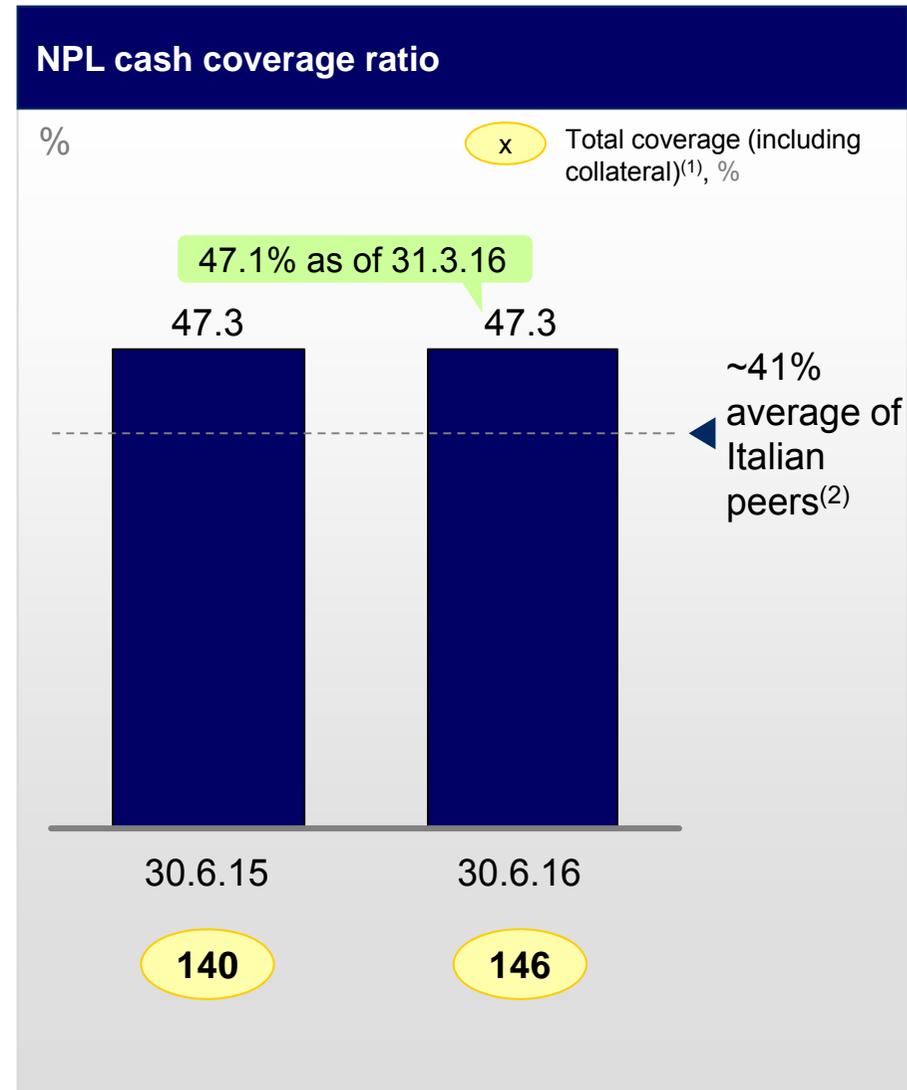
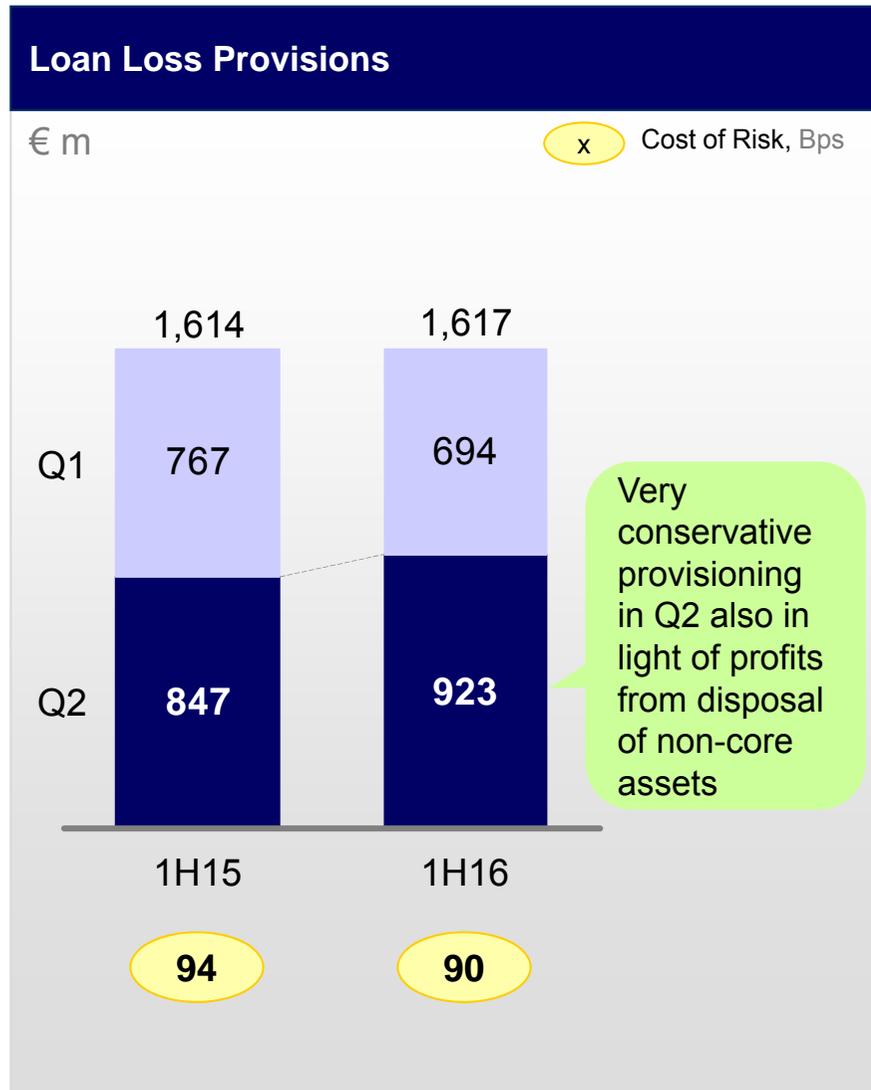


The lowest half-yearly inflow of new NPL since 2007

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

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

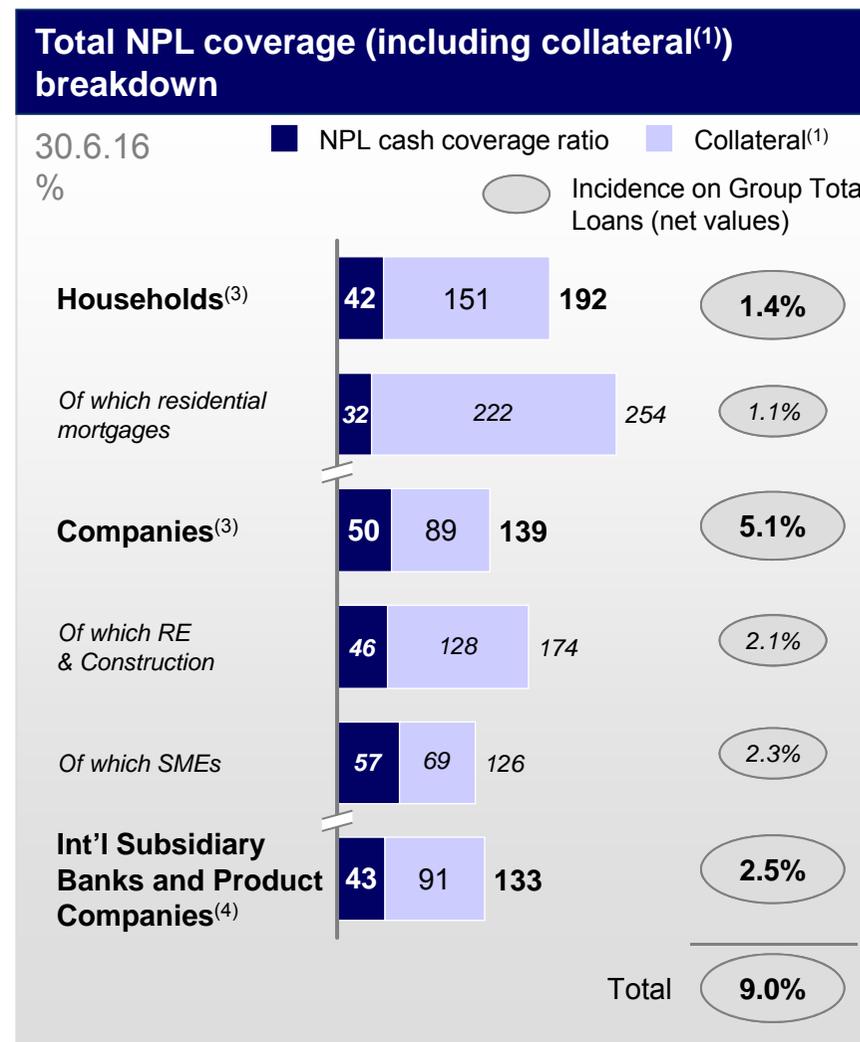
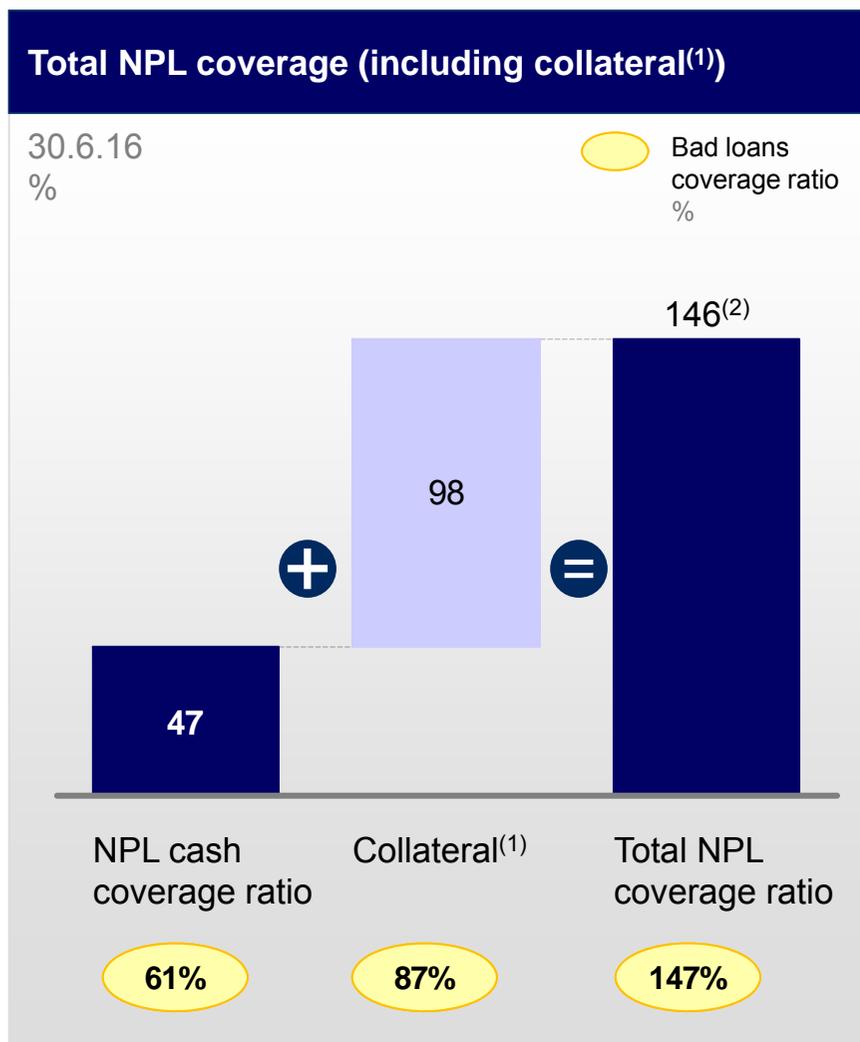
Very conservative Provisioning Coupled with Stable NPL Coverage



(1) Excluding personal guarantees

(2) Sample: BPOP, MPS, UBI and UniCredit (data as of 31.3.16)

Very Strong NPL Coverage when Considering Collateral



(1) Excluding personal guarantees

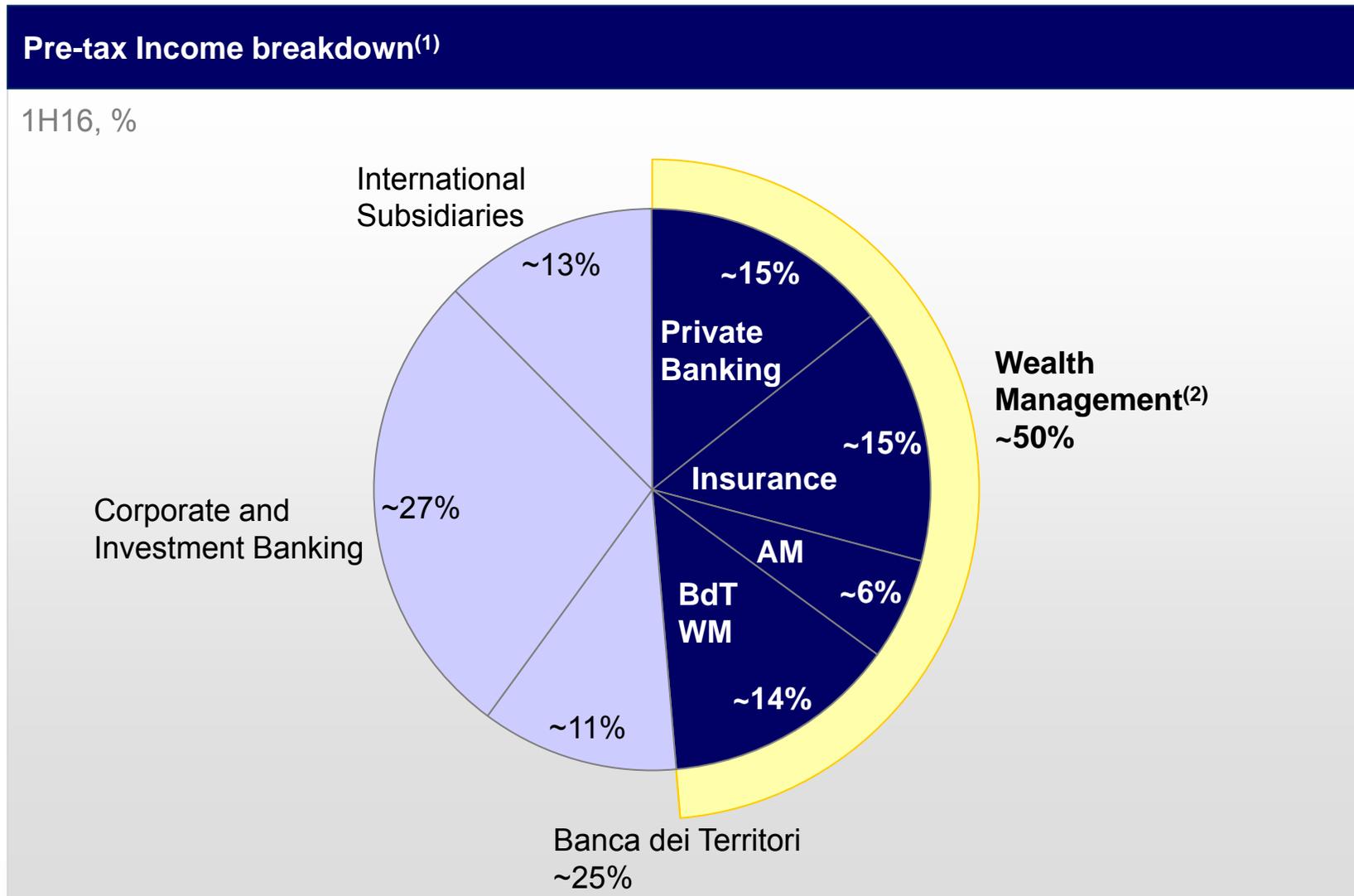
(2) 153% including personal guarantees

(3) Parent Bank and Italian Subsidiary Banks

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

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

ISP: Evolving into a Successful Wealth Management Company



(1) Excluding Corporate Centre

(2) Private Banking includes Fideuram, Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Bank (Suisse) and Sirefid; Insurance includes Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo Vita; Asset Management includes Eurizon Capital; BdT WM includes ~€900m revenues from WM products included in Banca dei Territori (applying a C/I of ~37%)

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

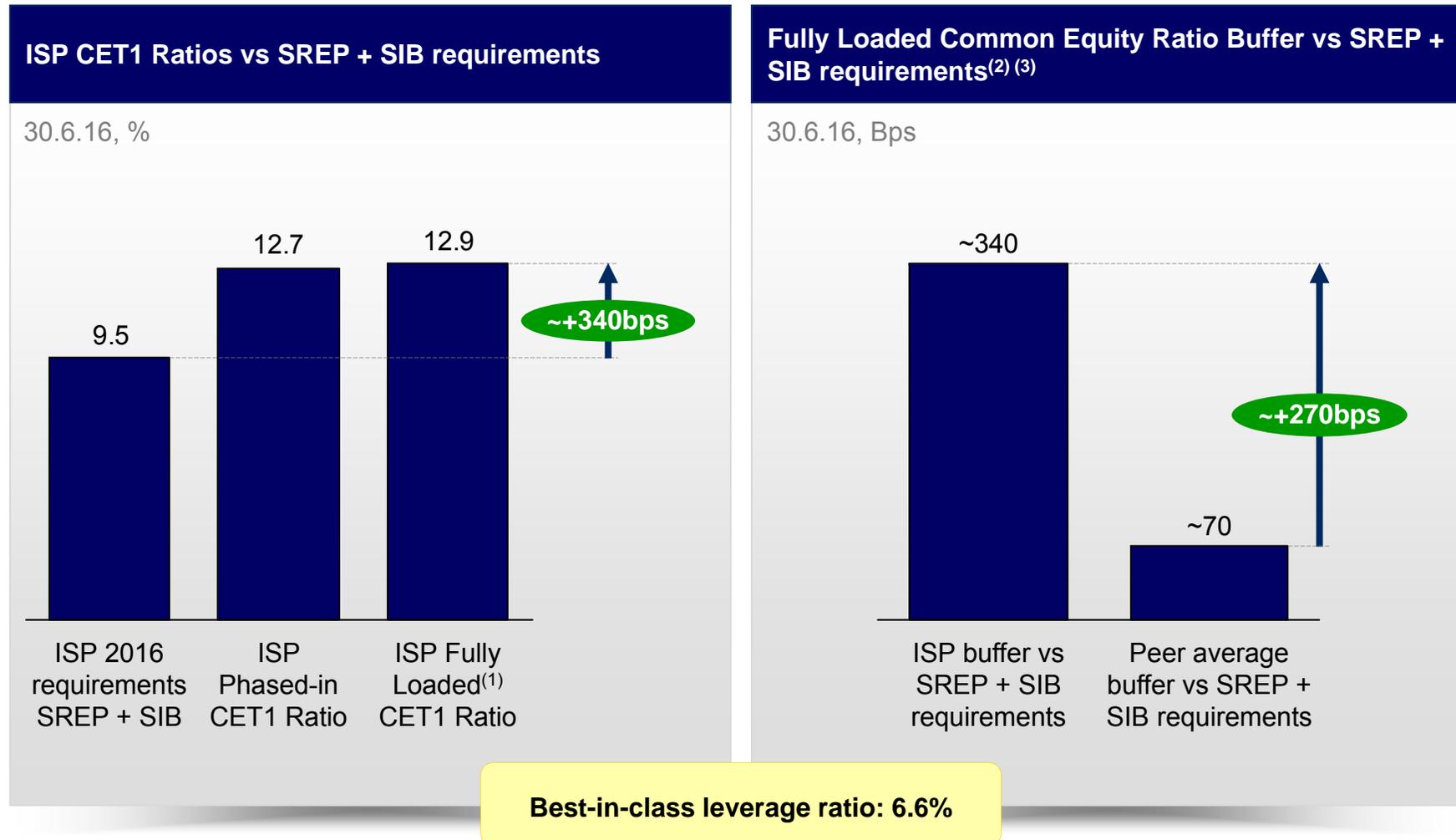
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1H16: A solid first half

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

Well ahead of our Business Plan

Solid Capital Base, Well Ahead of Regulatory Requirements



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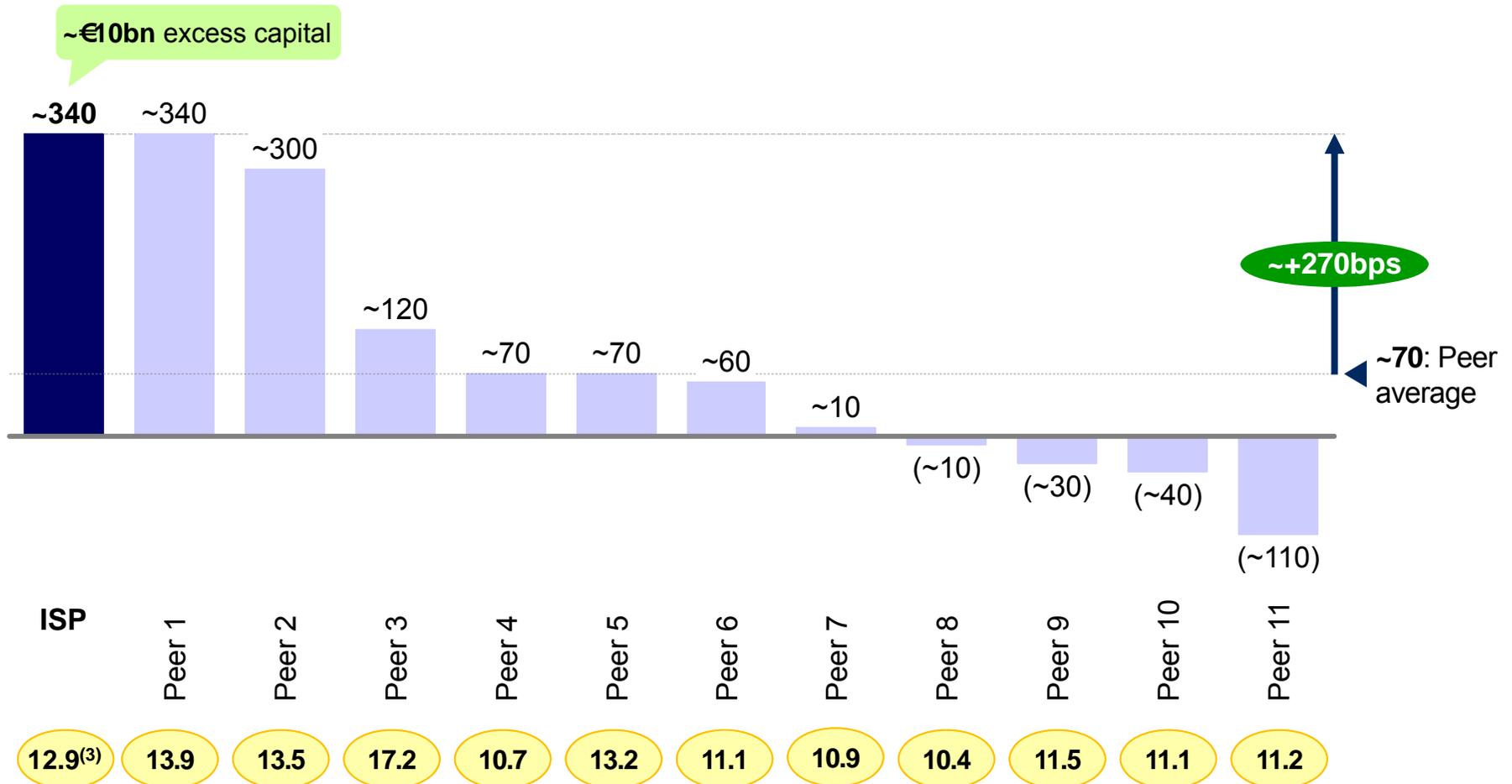
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Best-in-Class Excess Capital

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

Fully Loaded Common Equity Ratio⁽¹⁾, %



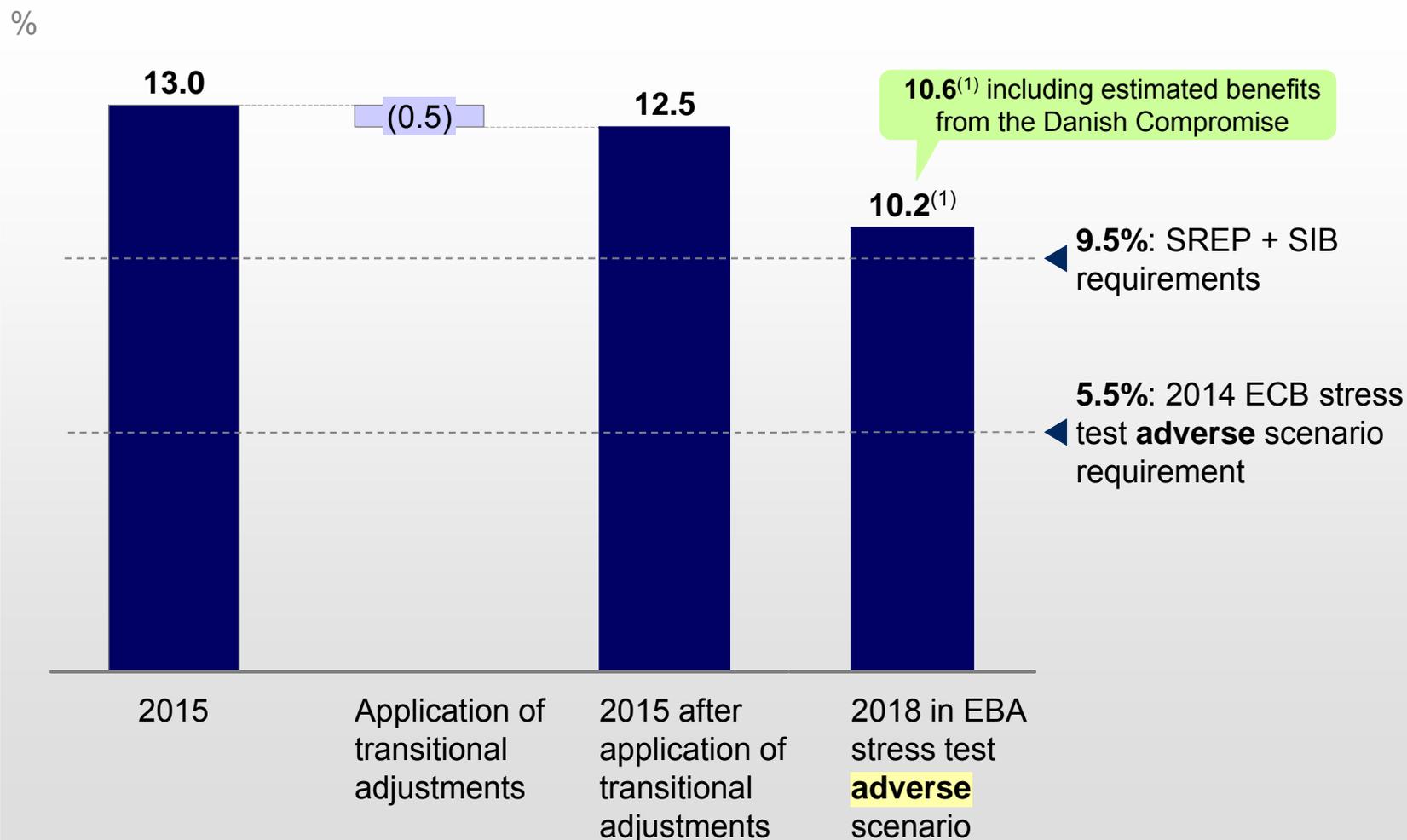
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Capital Position well above SREP + SIB Requirements even under EBA Stress Test Adverse Scenario

Phased-in CET1 Ratio



(1) Same value on a Fully Loaded basis

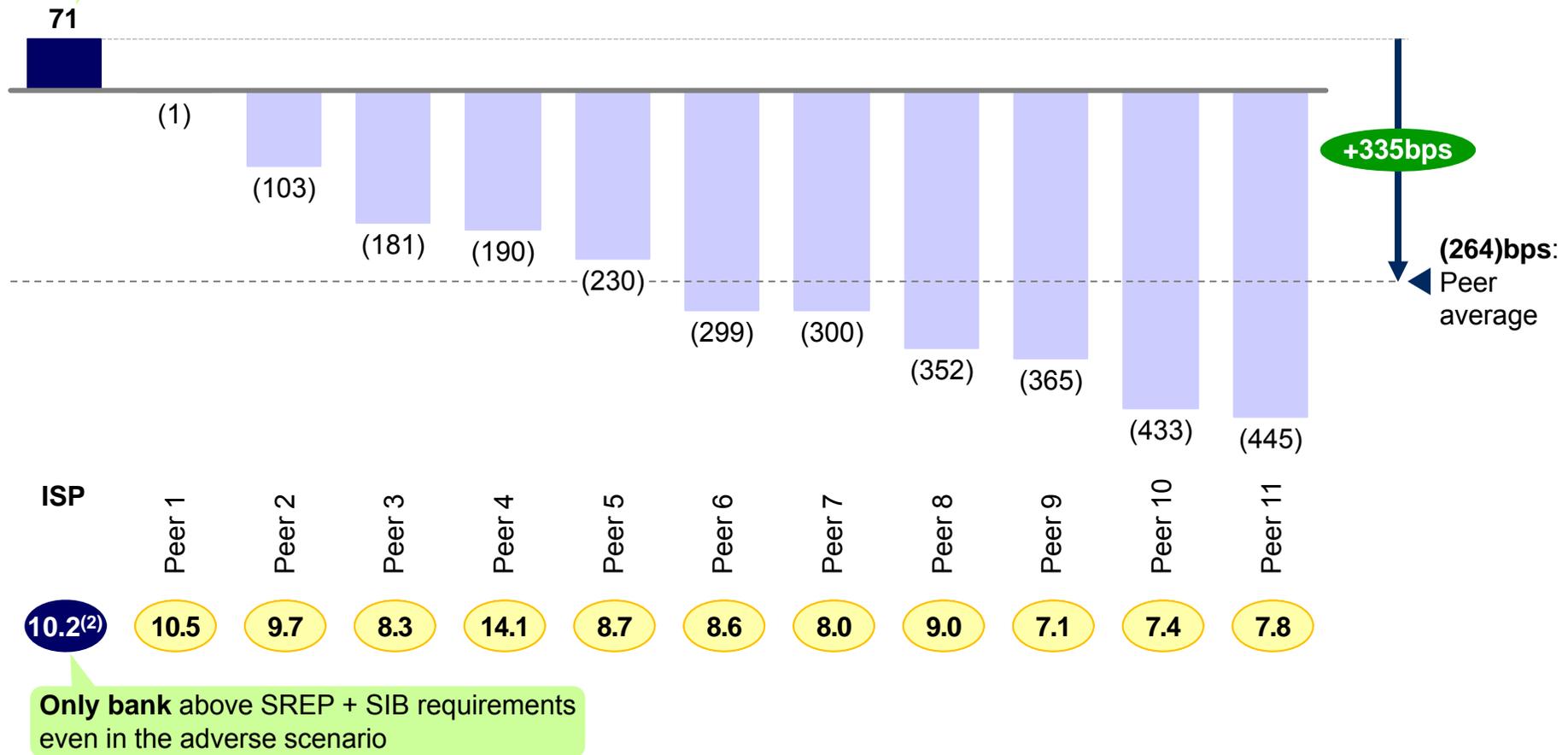
ISP is the Clear Winner of the EBA Stress Test

2018 Fully Loaded CET1 Ratio buffer in EBA stress test **adverse** scenario vs SREP + SIB requirements

Bps

(%) 2018 Fully Loaded CET1 Ratio in EBA stress test adverse scenario⁽¹⁾, %

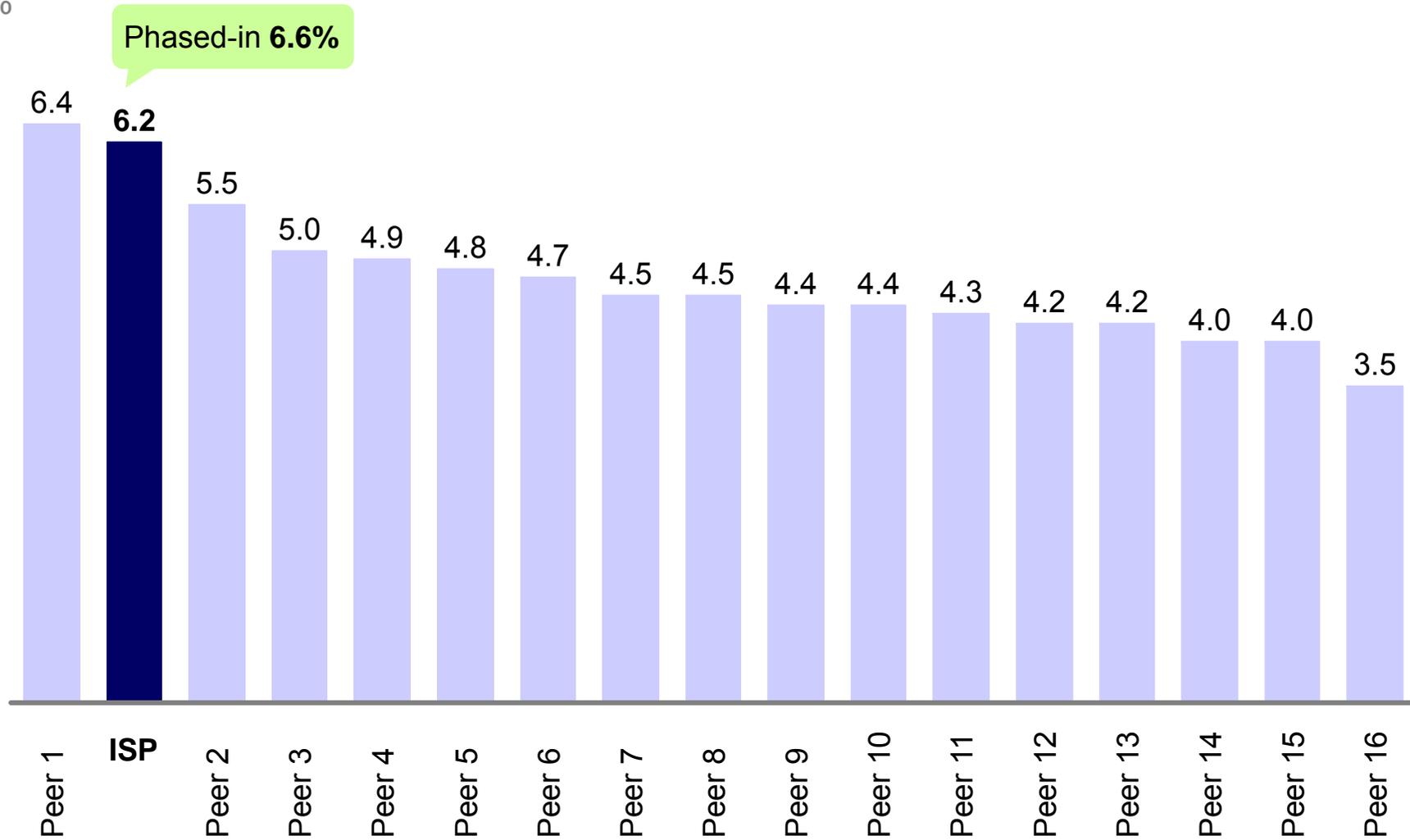
110 including estimated benefits from the Danish Compromise



(1) Sample: BBVA, BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, Deutsche Bank, ING, Nordea, Santander, Société Générale and UniCredit
 (2) 10.6 including estimated benefits from the Danish Compromise

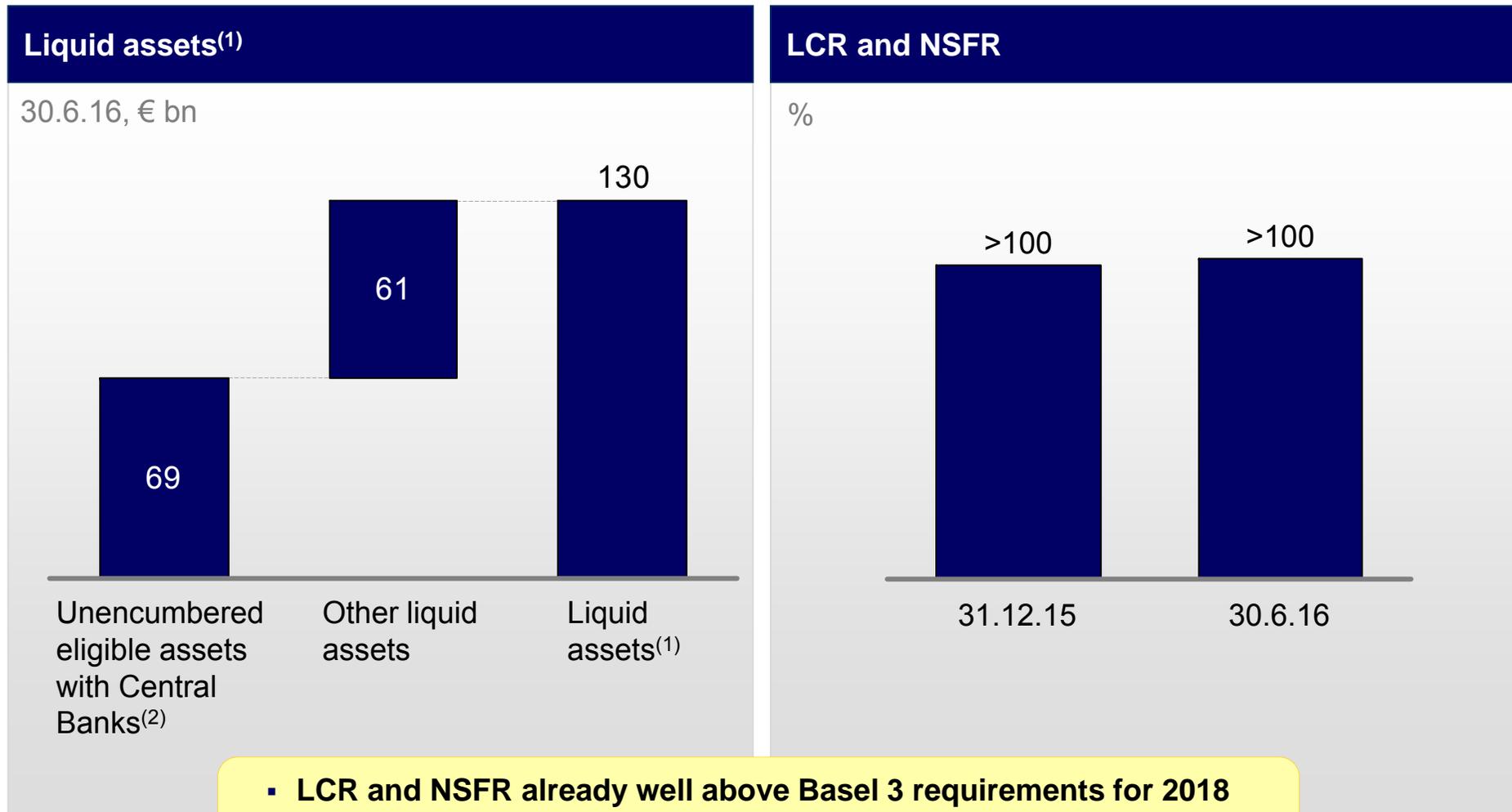
Best-in-Class Leverage Ratio

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



(1) Sample: Barclays, BBVA, BNP Paribas, BPCE, Credit Suisse, Deutsche Bank, Lloyds Banking Group, Nordea, Santander and UBS (30.6.16 pro-forma data); Commerzbank, HSBC, ING, Société Générale Standard Chartered and UniCredit (31.3.16 pro-forma data). Data may not be fully comparable due to different estimates hypothesis. Source: Investors' Presentations, Press Releases, Conference Calls

Strong Liquidity Position Confirmed



- LCR and NSFR already well above Basel 3 requirements for 2018
- ~€36bn taken under the first TLTRO II against a full pay-back of the €27.6bn that the Group borrowed under TLTRO I

(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

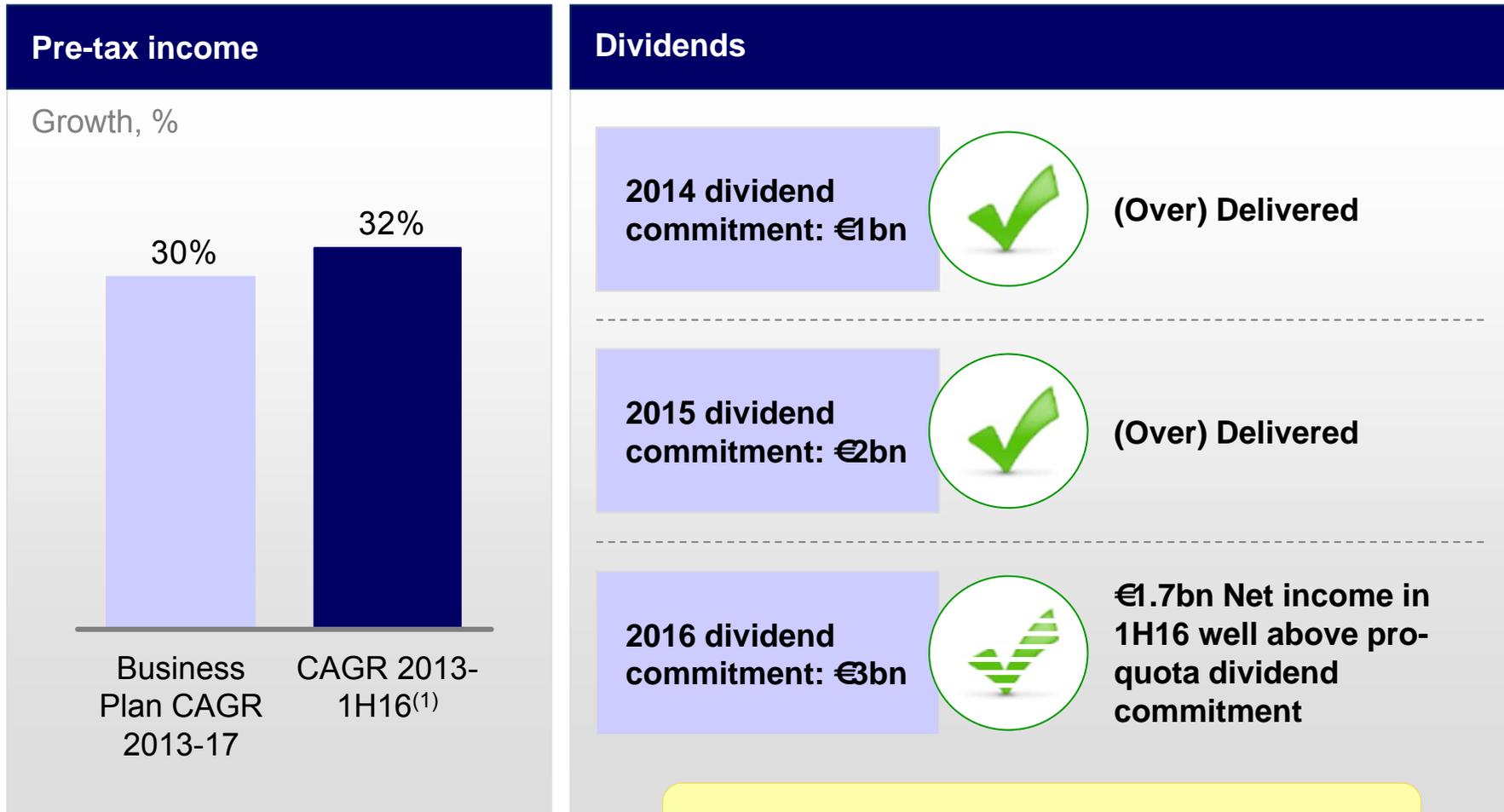
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Best-in-class capital position and leverage
with a solid balance sheet

Well ahead of our Business Plan

Well Ahead of Our Business Plan



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

(1) For 1H16, growth vs 2015 half-year 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 €111**
- “Real Estate” project underway with 23 real estate agencies already opened and 4 new additional branches in September



Multichannel Bank

- **New multichannel processes successfully launched:**
 - ~1.2m additional multichannel clients since the beginning of 2014, raising the total to ~5.6m clients
 - 3.4m 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 ~100% paperless transactions for all priority products** (~3.8m transactions completed)
 - “Online Branch” fully active for “Service To Sale”, with ~11,000 products sold in the first 6 months of 2016
 - **New digital marketing capabilities** built to fully exploit search engines and social media presence
 - Launch of **new Intesa Sanpaolo digital experience**, with new internet banking site, new website and new Apps



Private Banking Hub

- **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)
- Opened 5 dedicated **HNWI boutiques** with targeted service model for HNWI clientele
- **Launch of advisory tool “View”** on the ISPB network with **€2.6bn of assets** under advisory
- **Roll out of new digital office for private bankers**



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*)
- **Product range enhanced** with **moderate risk profile** solutions aimed at **responding to current market volatility** (e.g., Epsilon Difesa Attiva)
- Launch of products allowing investors to **sustain the real economy** while capturing the evolution of the European **structured credit market** (Eurizon Easy Fund – Securitised Bond Fund)
- **Further international expansion** of the Asset Management Division (e.g., partnership in London, ongoing authorisation processes for Eurizon Capital China, Frankfurt, Hong Kong and Paris)



Insurance Hub

- Steering of product mix towards **capital-efficient products making good progress** (e.g., Unit Linked at 61% of new production vs 57% in 2015)
- Launch of **new Unit Linked Product with capital protection** (“Exclusive Insurance”)
- Consolidation of **products** (Fideuram Private Mix and Synthesis) and **launch of new composite product** for **HNWI within the Private Banking Division**
- **Restyling of product “Giusto Mix”** with introduction of a **volatility reduction tool**
- Continuation of **offer diversification in P&C business** with products in the **health-care sector** (new product dedicated to surgery and prevention) and in the **corporate sector** (new product dedicated to agriculture)
- **Completion of activities** for the **development of Pension Funds dedicated to company employees**
- **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., office set up in Washington, strengthening of ISP Bank Luxembourg)



Our Business Plan Initiatives: Core Growth Bank

Key highlights on Core Growth Bank initiatives

Capturing Untapped Revenue Potential

- Project “**cash desk service evolution**” in progress: already ~2,000 branches with cash desks closing at 1pm and ~250 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: **93 branches closed since the beginning of 2016 and 658 since 2014**
- **Legal entity simplification ongoing: from 7 to 1 product factories** in specialised finance and advisory, leasing and factoring and **9 local banks merged into ISP**



Dynamic Credit and Risk Management

- **Proactive credit management value chain** empowered across **all Divisions**
- **Integrated management of NPLs⁽¹⁾** in place
- **New organisation of CLO area**, structured by Business Unit
- **Split of Risk and Compliance**, with two Chiefs (CRO and CCO) **reporting directly to the CEO**



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

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

Key highlights on Capital Light Bank and People initiatives and investments

Capital Light Bank (CLB)

- CLB fully operational with:
 - ~720 dedicated people
 - ~€16bn 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 €40m since 2014
- Partnership with KKR-Pillarstone up and running



People and investments as key enablers

- ~4,500 people already reallocated to high priority initiatives
- Investment Plan for Group employees finalised: plan with the highest number of participants in Group history
- “Big Financial Data” programme fully in line with our targets (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, digitisation launched on 8 processes, already up and running on 4
- Investment to renew the layout of 1,000 branches already activated (~50 branches converted up to now)
- More than 175 agreements with labour unions signed
- More than 4,500 employees have already adopted “smart working”
- Launched an “Integrated Welfare Programme”

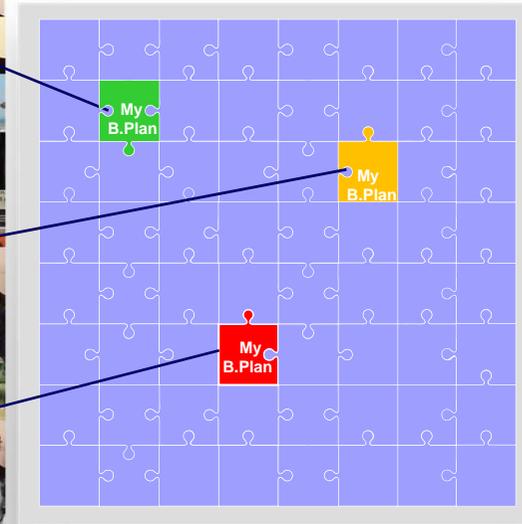


Over-Delivery on Our Business Plan Commitments Thanks to the Contributions of All Our People

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

Strong delivery on Group Business Plan targets...

Well Ahead of Our Business Plan



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

A Positive Italian Macroeconomic Outlook

Macro outlook

- ✓ **Employment increased by ~330,000 units** YoY in June 2016 with the highest employment rate since 2009
- ✓ Household **real disposable income is expected to rise by 2% in 2016**
- ✓ **Lending volumes to the private sector at a four-year peak** (+0.8% YoY in May 2016; +60% in residential mortgages YoY in the first 5 months of 2016)
- ✓ **20.6% YoY growth in 1Q16** for residential real estate transactions, with **prices stabilising**
- ✓ **Government reforms for growth** already displaying a positive impact with **further reforms** in the pipeline capable of **raising GDP by more than 2pp in 5 years** on top of expected growth

Italian GDP projected to grow by ~1% in 2016 and 2017

H1: A Solid First Half

**€1.7bn Net income, well above the pro-quota
2016 dividend commitment**

**€2.6bn pro-forma Net income including €895m additional net capital
gain from Setefi and ISP Card disposal to be booked in H2 2016**

Strong acceleration of Commissions in Q2 (+10% vs 1Q16)

Cost/Income at 48.7%

**Declining NPL stock, with the lowest half-year
NPL inflow since 2007**

**Common Equity⁽¹⁾ ratio at 12.9%, well above SREP + SIB
requirements even under EBA stress test adverse scenario**

€3bn cash dividend commitment confirmed 

(1) Pro-forma fully loaded Basel 3 (30.6.16 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 1H16 Net income of insurance companies); including estimated benefits from the Danish Compromise (16bps)



1H16 Results

Detailed Information

August 2, 2016

INTESA  SANPAOLO

Key P&L and Balance Sheet Figures

€ m

	1H16		30.6.16
Operating income	8,628 ⁽¹⁾	Loans to Customers	360,240
Operating costs	(4,201)	Customer Financial Assets ⁽²⁾	840,605
Cost/Income	48.7%	of which Direct Deposits from Banking Business	386,757
Operating margin	4,427 ⁽¹⁾	of which Direct Deposits from Insurance Business and Technical Reserves	139,535
Pre-tax income	2,601 ⁽¹⁾	of which Indirect Customer Deposits	452,486
Net income	1,707 ⁽¹⁾	- Assets under Management	301,326
		- Assets under Administration	151,160
		RWA	286,686

+4% vs 31.12.15

Note: data restated to reflect the recording of the economic effects of the sale of Setefi and Intesa Sanpaolo Card and a portfolio of €2.6bn extra-captive performing consumer loans. Figures may not add up exactly due to rounding differences

(1) Including charges for the Resolution Fund: €148m pre-tax booked in Other operating income (expenses) and €103m net of taxes; our commitment for the year fully funded

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

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H1 vs H1: Net Income at €1.7bn

€ m

	1H15 Restated	1H16	Δ%
Net interest income	3,904	3,686	(5.6)
Dividends and P/L on investments carried at equity	54	158	192.6
Net fee and commission income	3,716	3,524	(5.2)
Profits (Losses) on trading	976	695	(28.8)
Income from insurance business	625	571	(8.6)
Other operating income	(136)	(6)	(95.6)
Operating income	9,139	8,628	(5.6)
Personnel expenses	(2,558)	(2,613)	2.2
Other administrative expenses	(1,297)	(1,233)	(4.9)
Adjustments to property, equipment and intangible assets	(350)	(355)	1.4
Operating costs	(4,205)	(4,201)	(0.1)
Operating margin	4,934	4,427	(10.3)
Net provisions for risks and charges	(122)	(113)	(7.4)
Net adjustments to loans	(1,614)	(1,617)	0.2
Net impairment losses on assets	(40)	(56)	40.0
Profits (Losses) on HTM and on other investments	66	(40)	n.m.
Income before tax from continuing operations	3,224	2,601	(19.3)
Taxes on income from continuing operations	(1,136)	(723)	(36.4)
Charges (net of tax) for integration and exit incentives	(31)	(51)	64.5
Effect of purchase cost allocation (net of tax)	(59)	(56)	(5.1)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	29	28	(3.4)
Minority interests	(23)	(92)	300.0
Net income	2,004	1,707	(14.8)

€1,810m excluding charges for the Resolution Fund⁽¹⁾

Note: 1H15 data restated to reflect the recording of the economic effects of the sale of Setefi and Intesa Sanpaolo Card and a portfolio of €2.6bn extra-captive performing consumer loans. Figures may not add up exactly due to rounding differences

(1) €148m pre-tax booked in Other operating income (expenses) and €103m net of taxes (of which €12m gross and €7m net booked in Q2); our commitment for the year fully funded

Q2 vs Q1: Strong Growth in Revenues and Operating Margin

€ m

	1Q16 Restated	2Q16	Δ%
Net interest income	1,855	1,831	(1.3)
Dividends and P/L on investments carried at equity	74	84	13.5
Net fee and commission income	1,676	1,848	10.3
Profits (Losses) on trading	228	467	104.8
Income from insurance business	332	239	(28.0)
Other operating income (expenses)	(142)	136	n.m.
Operating income	4,023	4,605	14.5
Personnel expenses	(1,275)	(1,338)	4.9
Other administrative expenses	(595)	(638)	7.2
Adjustments to property, equipment and intangible assets	(177)	(178)	0.6
Operating costs	(2,047)	(2,154)	5.2
Operating margin	1,976	2,451	24.0
Net provisions for risks and charges	(16)	(97)	506.3
Net adjustments to loans	(694)	(923)	33.0
Net impairment losses on other assets	(20)	(36)	80.0
Profits (Losses) on HTM and on other investments	(5)	(35)	(600.0)
Income before tax from continuing operations	1,241	1,360	9.6
Taxes on income from continuing operations	(383)	(340)	(11.2)
Charges (net of tax) for integration and exit incentives	(13)	(38)	192.3
Effect of purchase cost allocation (net of tax)	(29)	(27)	(6.9)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	13	15	15.4
Minority interests	(23)	(69)	200.0
Net income	806	901	11.8

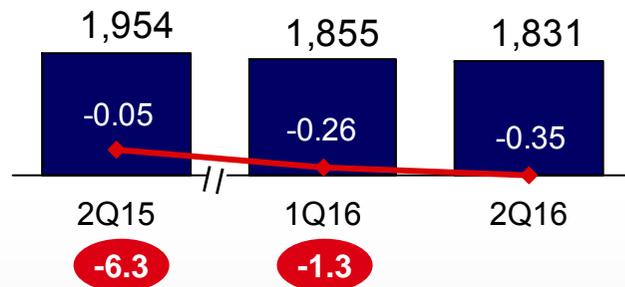
Note: 1Q16 data restated to reflect the recording of the economic effects of the sale of Setefi and Intesa Sanpaolo Card and a portfolio of €2.6bn extra-captive performing consumer loans. Figures may not add up exactly due to rounding differences

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

Quarterly Analysis

€ m

—◆— Euribor 1M; %
 (○) % Δ 2Q16 vs 2Q15 and 1Q16

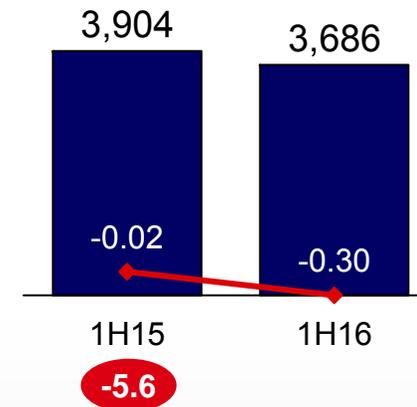


- Decrease vs 1Q16 due to the decline in market rates and the increase in short-term Direct deposits from banking business
- Average Performing loans to customers up 1.2% vs 1Q16
- Average Direct deposits from banking business up 1.7% vs 1Q16 (short-term component up 2.8%)

Yearly Analysis

€ m

—◆— Euribor 1M; %
 (○) % Δ 1H16 vs 1H15

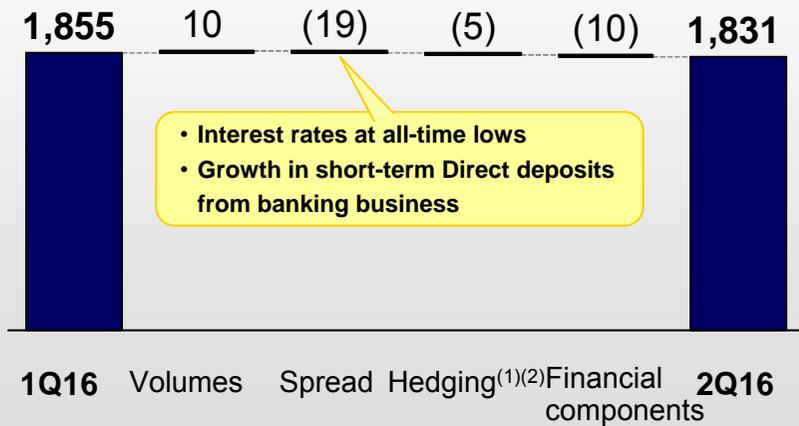


- Decrease due to active management of securities portfolio, a decline in market rates and lower contribution from core deposit hedging
- 1.8% growth in average Performing loans to customers, +2.6% excluding the Capital Light Bank
- 6.3% growth in average Direct deposits from banking business

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

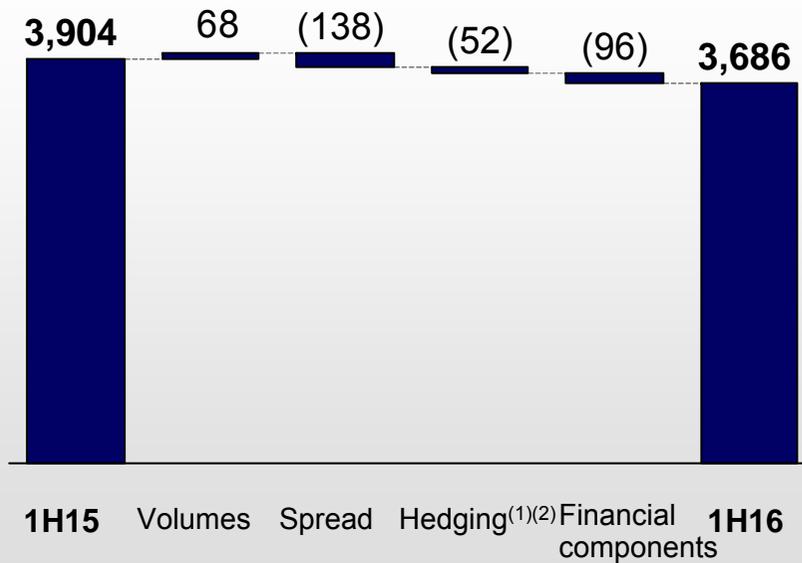
Quarterly Analysis

€ m



Yearly Analysis

€ m

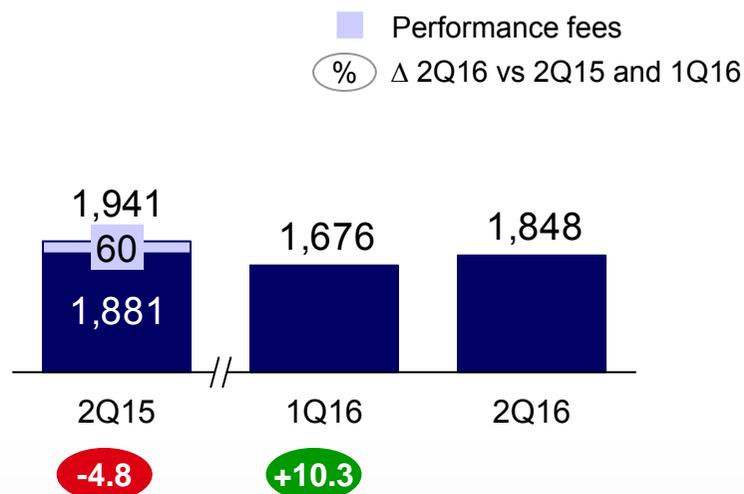


Note: figures may not add up exactly due to rounding differences
 (1) €336m benefit from hedging in 1H16, of which €166m in 2Q16
 (2) Hedging on core deposits

Net Fee and Commission Income: Strong Recovery in Q2

Quarterly Analysis

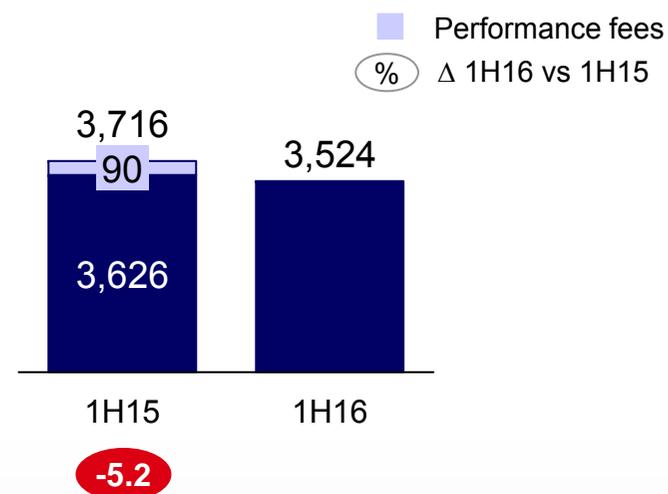
€ m



- Q2 is the second best quarter ever when excluding performance fees
- Double-digit growth vs Q1 largely due to commissions from Management, dealing and consultancy activities (+12%; +€113m)
- 3.6% growth in Commercial banking activities vs 1Q16 (+€18m)

Yearly Analysis

€ m



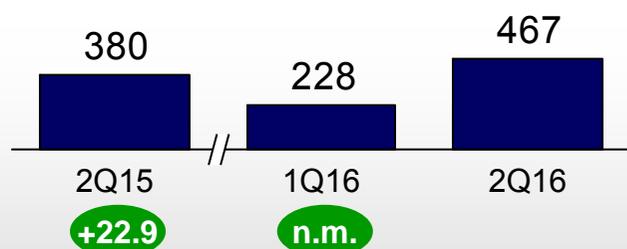
- Decrease due to the difficult market environment in the first months of 2016 and the absence of performance fees recorded in 1H15
- Strong increase in commissions from Distribution of insurance products (+15%; +€39m)

Profits on Trading: A Good Half-Year

Quarterly Analysis

€ m

(%) Δ 2Q16 vs 2Q15 and 1Q16

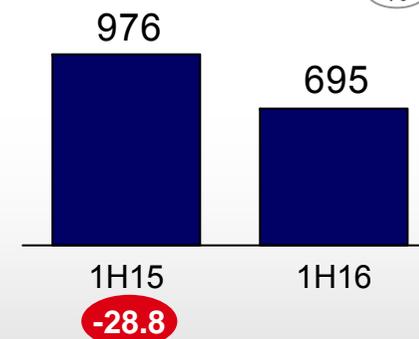


- Strong growth in customer driven activity

Yearly Analysis

€ m

(%) Δ 1H16 vs 1H15



- 1H15 saw the best results since 1H12 thanks to the specific QE-driven strategy on securities portfolio

Contributions by Activity

	2Q15	1Q16	2Q16	1H15	1H16
Customers	69	106	136	227	243
Capital markets & Financial assets AFS	57	74	85	145	160
Trading and Treasury	251 ⁽¹⁾	48	239 ⁽²⁾	603 ⁽¹⁾	288 ⁽²⁾
Structured credit products	3	(1)	6	1	5

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

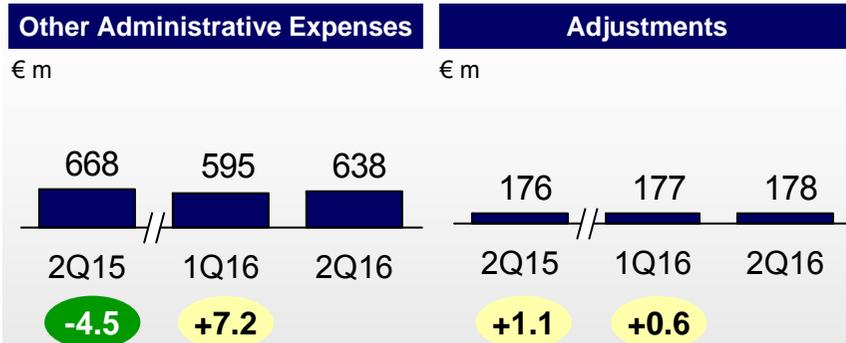
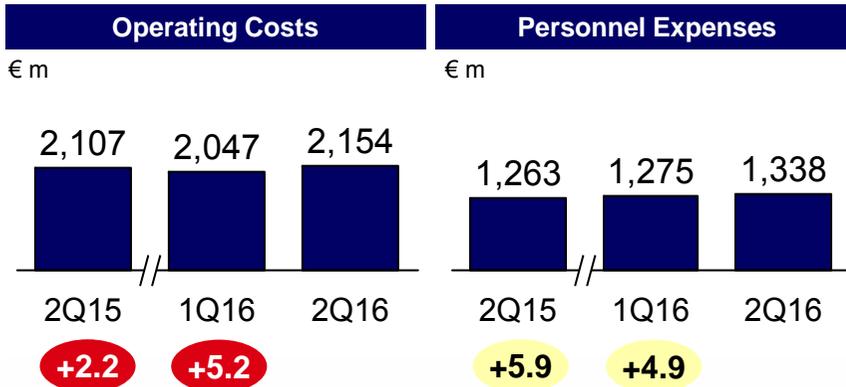
(1) Of which €144m Bank of Italy dividend

(2) Of which €121m Bank of Italy dividend

Operating Costs: Stable on a Yearly Basis and Cost/Income at 48.7%

Quarterly Analysis

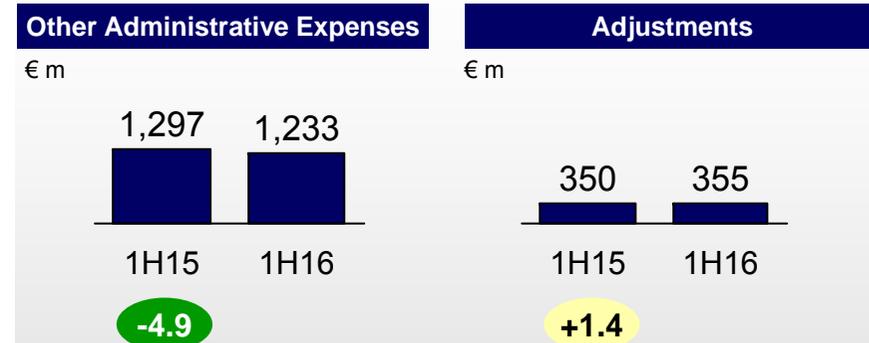
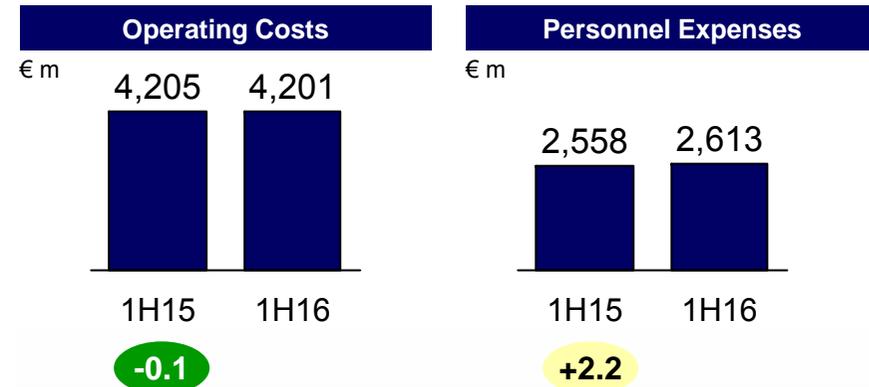
(%) Δ 2Q16 vs 2Q15 and 1Q16



- 4.5% decrease in Other Administrative Expenses vs 2Q15
- Personnel expenses increase vs 1Q16 mainly due to incentives to trigger growth
- ~60 headcount reduction in Q2

Yearly Analysis

(%) Δ 1H16 vs 1H15



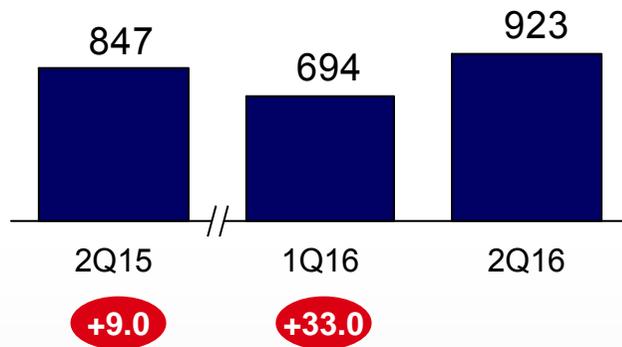
- 4.9% decrease in Other Administrative Expenses
- ~1,500 headcount reduction

Net Adjustments to Loans: Decline in Cost of Credit Coupled with Reduction in NPL Stock and Inflow

Quarterly Analysis

€ m

(%) Δ 2Q16 vs 2Q15 and 1Q16

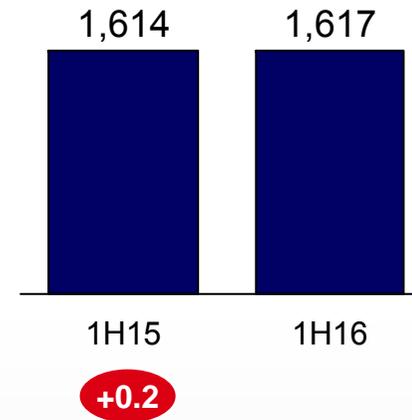


- Very conservative provisioning in 2Q16 also taking into account capital gains on the disposal of non-core assets
- Third consecutive quarterly reduction in NPL stock, leading to the lowest level of the past eight quarters
- Q2 saw the lowest quarterly inflow of new NPL from Performing loans in ISP's history
- Non-performing loans cash coverage up to 47.3% (vs 47.1% in Q1)

Yearly Analysis

€ m

(%) Δ 1H16 vs 1H15



- 1H16 saw the lowest inflow of new NPL from Performing loans since 2007
- Strong decline in inflow from Performing loans to Non-performing loans (-35% gross and -31% net)
- Annualised cost of credit down to 90bps (vs 94bps in 1H15)

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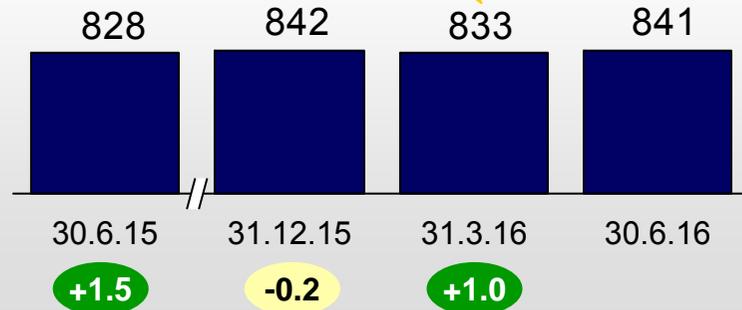
Growth in Customer Financial Assets

% Δ 30.6.16 vs 30.6.15, 31.12.15 and 31.3.16

Customer Financial Assets⁽¹⁾

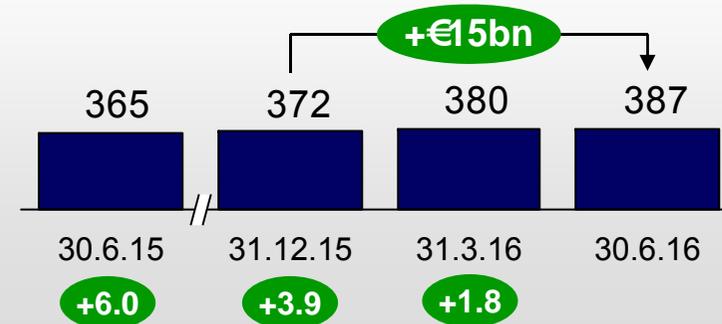
€ bn

Q1 decline due to performance effect



Direct Deposits from Banking Business

€ bn



Direct Deposits from Insurance Business and Technical Reserves

€ bn



Indirect Customer Deposits

€ bn

Q1 decline due to performance effect



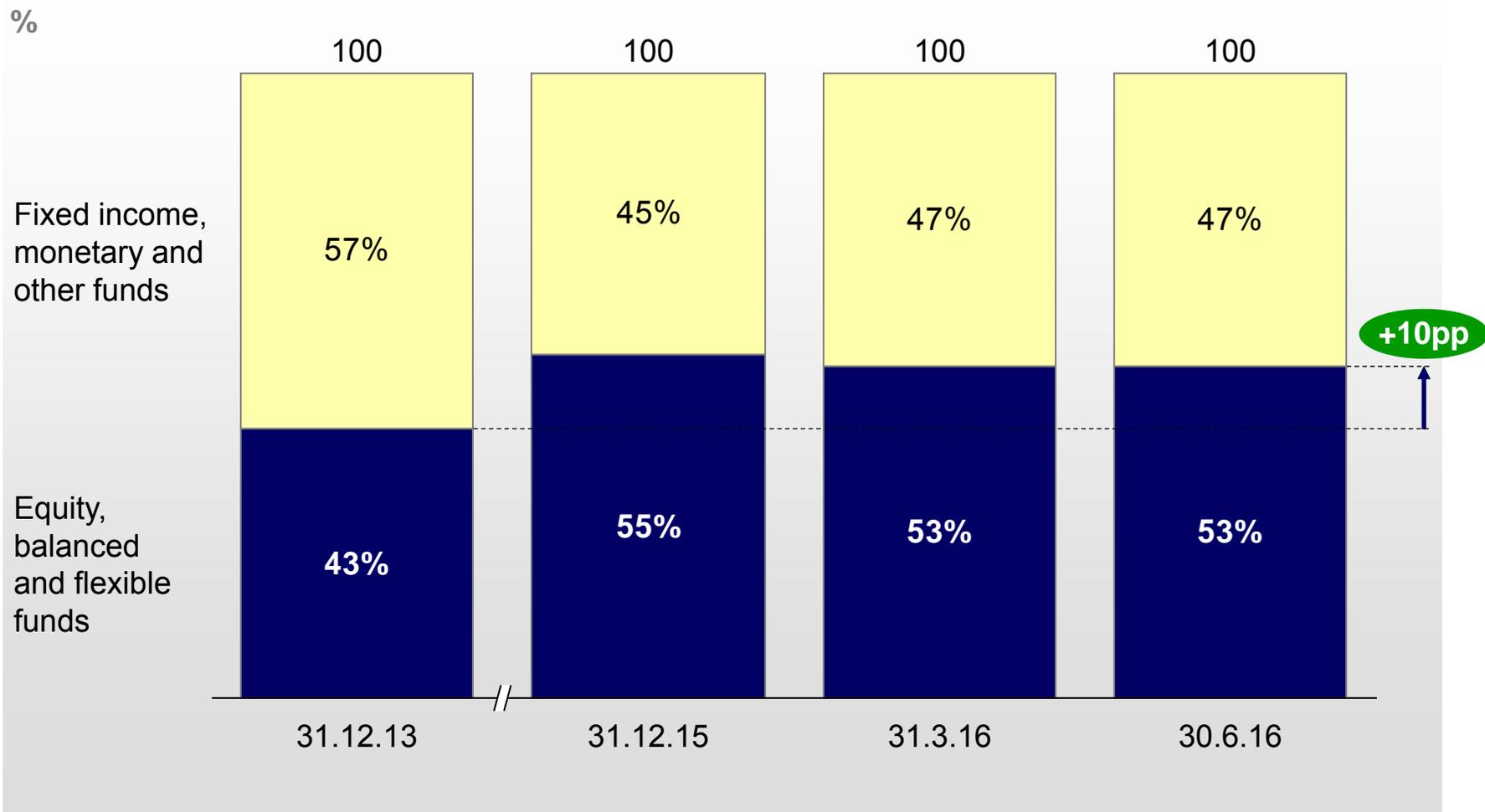
AuM/Indirect Customer Deposits ratio to 67%

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 30.6.16; % Percentage of total



	Wholesale	Retail
■ Current accounts and deposits	6	225
■ Repos and securities lending	31	-
■ Senior bonds	43	24 ⁽¹⁾
■ Covered bonds	15	-
■ EMTN puttable	3	-
■ Certificates of deposit + Commercial papers	6	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

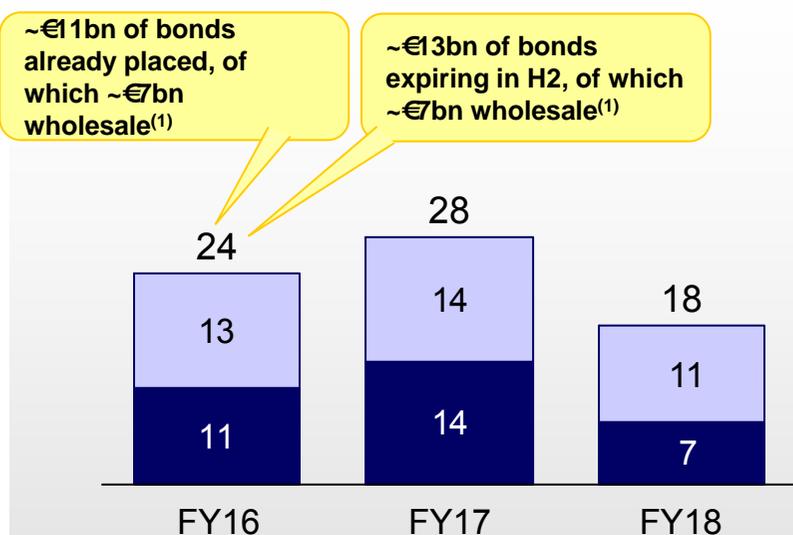
(3) Including Certificates

Strong Funding Capability: Broad and Continued Access to International Markets

2016-2018 MLT Bond Maturities

€ bn

Wholesale
Retail



Main Wholesale Issues

2015

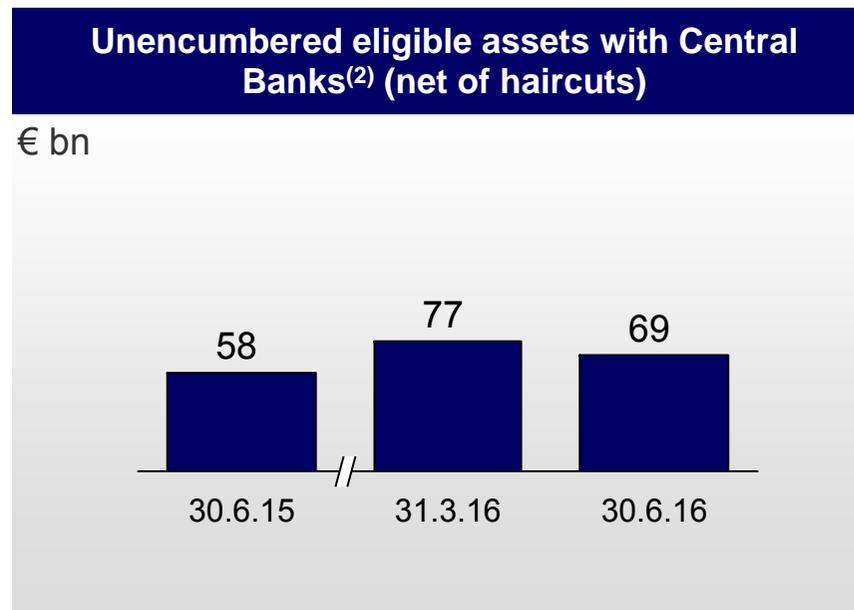
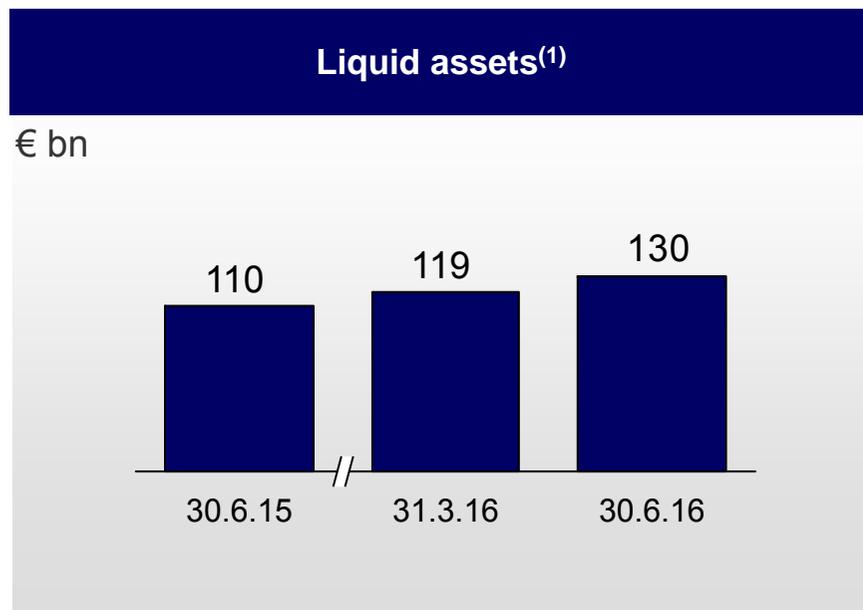
- €6.5bn of eurobonds (of which €2.25bn of covered bonds) and \$1bn Additional Tier 1 placed. On average 80% demand from foreign investors; targets exceeded by 210%:
 - January: €1.25bn 5y senior unsecured eurobond issue and €1bn 7y covered bonds backed by residential mortgages
 - February: €1.5bn 7y senior unsecured eurobond issue
 - April: €500m 10y subordinated Tier 2 eurobond issue
 - June: €1bn 5y senior unsecured eurobond issue
 - September: \$1bn Additional Tier 1 issue targeted at the U.S. and Canadian markets
 - December: €1.25bn 10y covered bonds backed by residential mortgages

2016

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

Note: figures may not add up exactly due to rounding differences
(1) Data as of 30.6.16

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



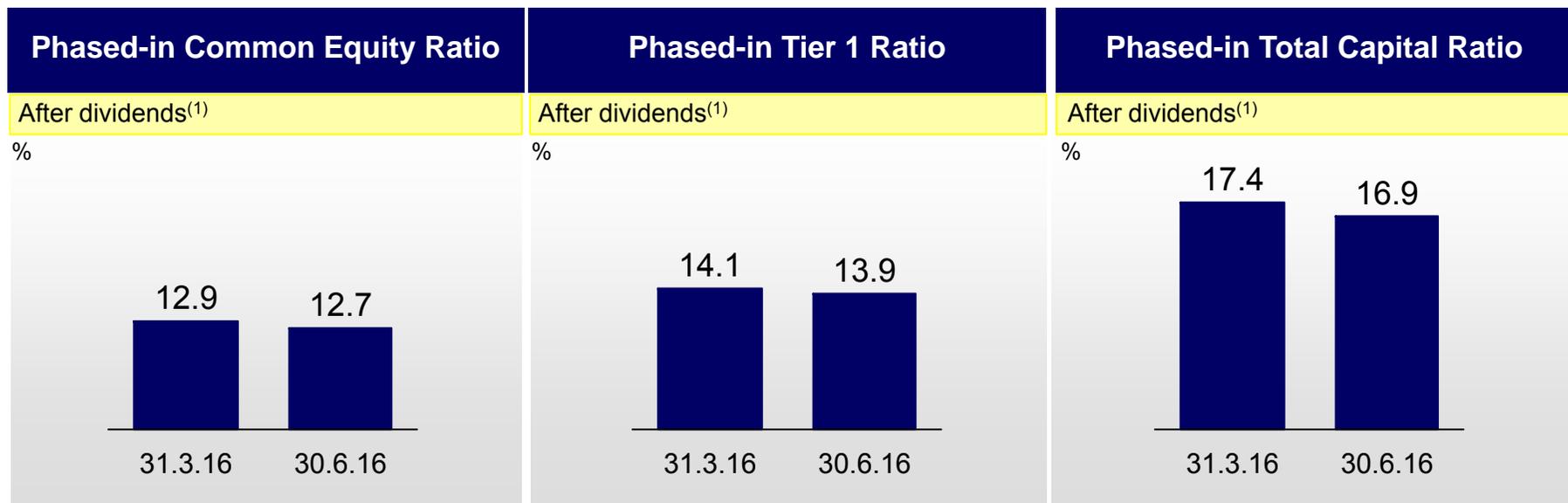
- In June, the Group took ~€36bn under the first TLTRO II (maximum borrowing allowance of ~€57bn) against a full pay-back of the €27.6bn that the Group borrowed under TLTRO I
- Loan to Deposit ratio⁽³⁾ at 93%

(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 Confirmed by the EBA Stress Test



- 12.9% pro-forma fully loaded Common Equity ratio⁽²⁾
- 6.6% leverage ratio

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

(1) After deduction of accrued dividends (~€1,650m), assumed equal to the Net income for the half-year minus accrued coupons on Additional Tier 1 issues

(2) Pro-forma fully loaded Basel 3 (30.6.16 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 1H16 Net income of insurance companies); including estimated benefits from the Danish Compromise (16bps)

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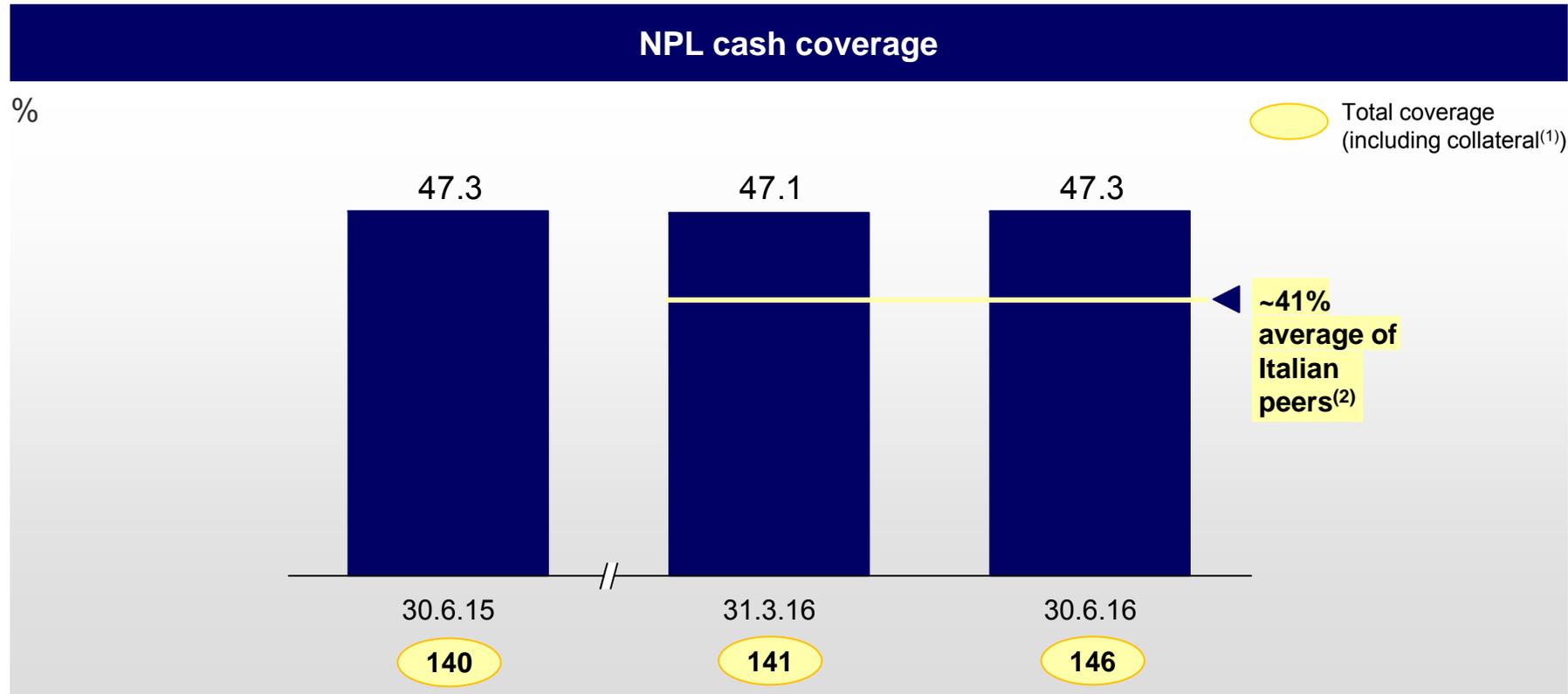
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Non-performing Loans: Sizeable Cash Coverage



- **Bad Loans recovery rate⁽³⁾ at ~130% in the period 2009 – 30.6.16**
- **Performing Loans cash coverage at 0.6%**

(1) Excluding personal guarantees
 (2) Sample: BPOP, MPS, UBI and UniCredit (data as of 31.3.16)
 (3) Repayment on Bad Loans/Net book value

Non-performing Loans: Cash Coverage Increased in Q2

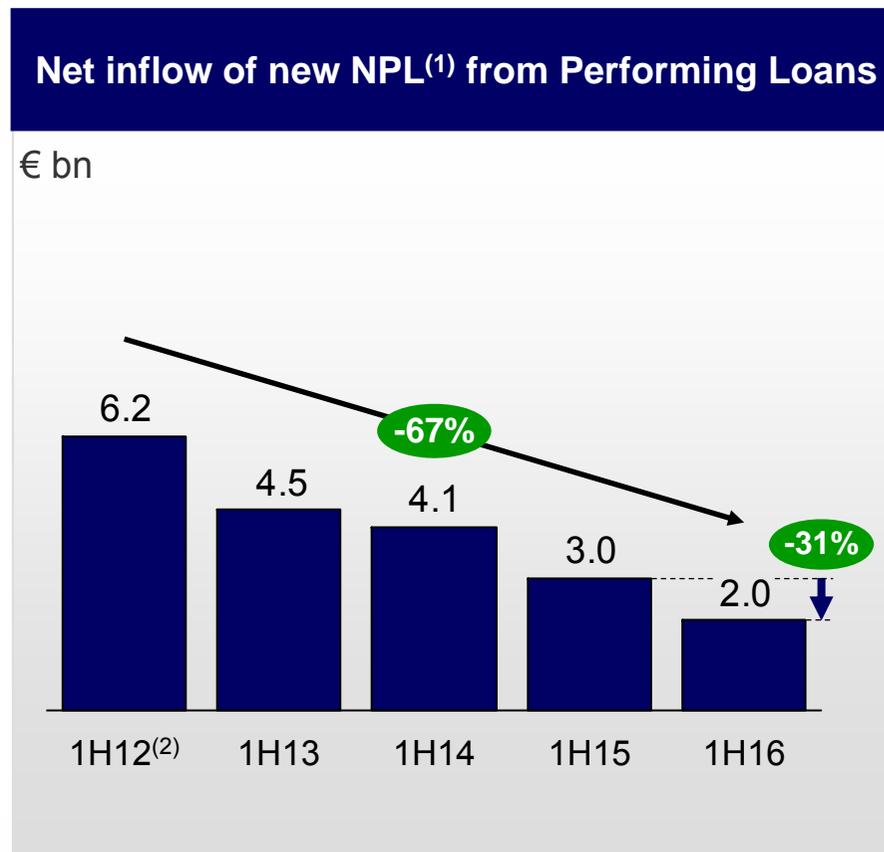
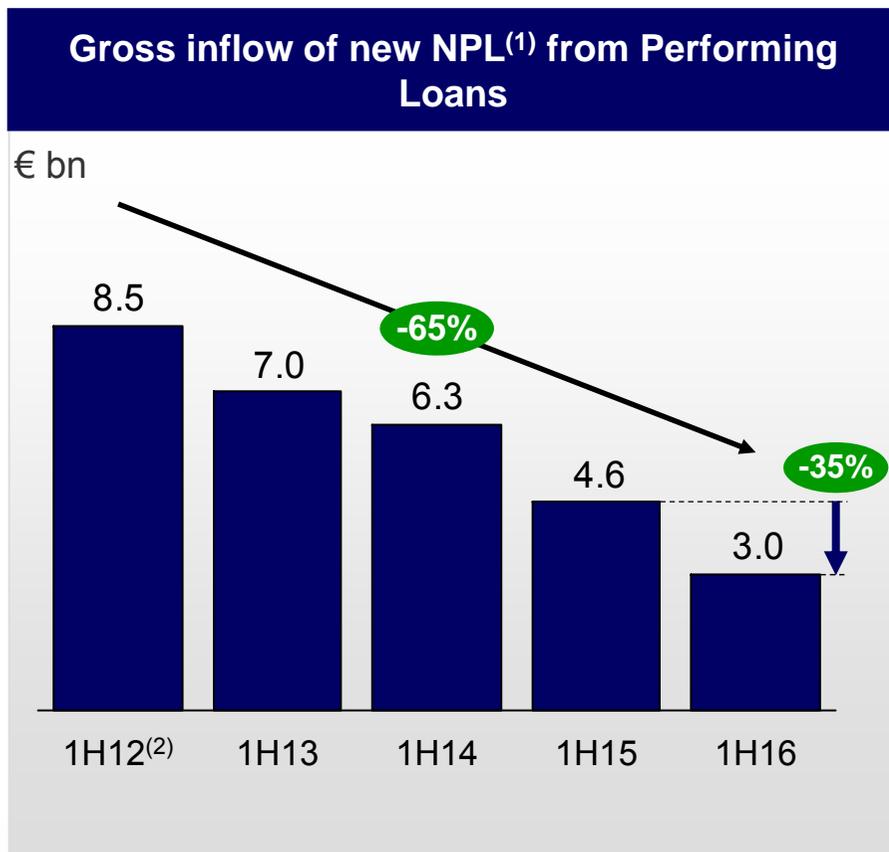
Cash coverage; %



(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

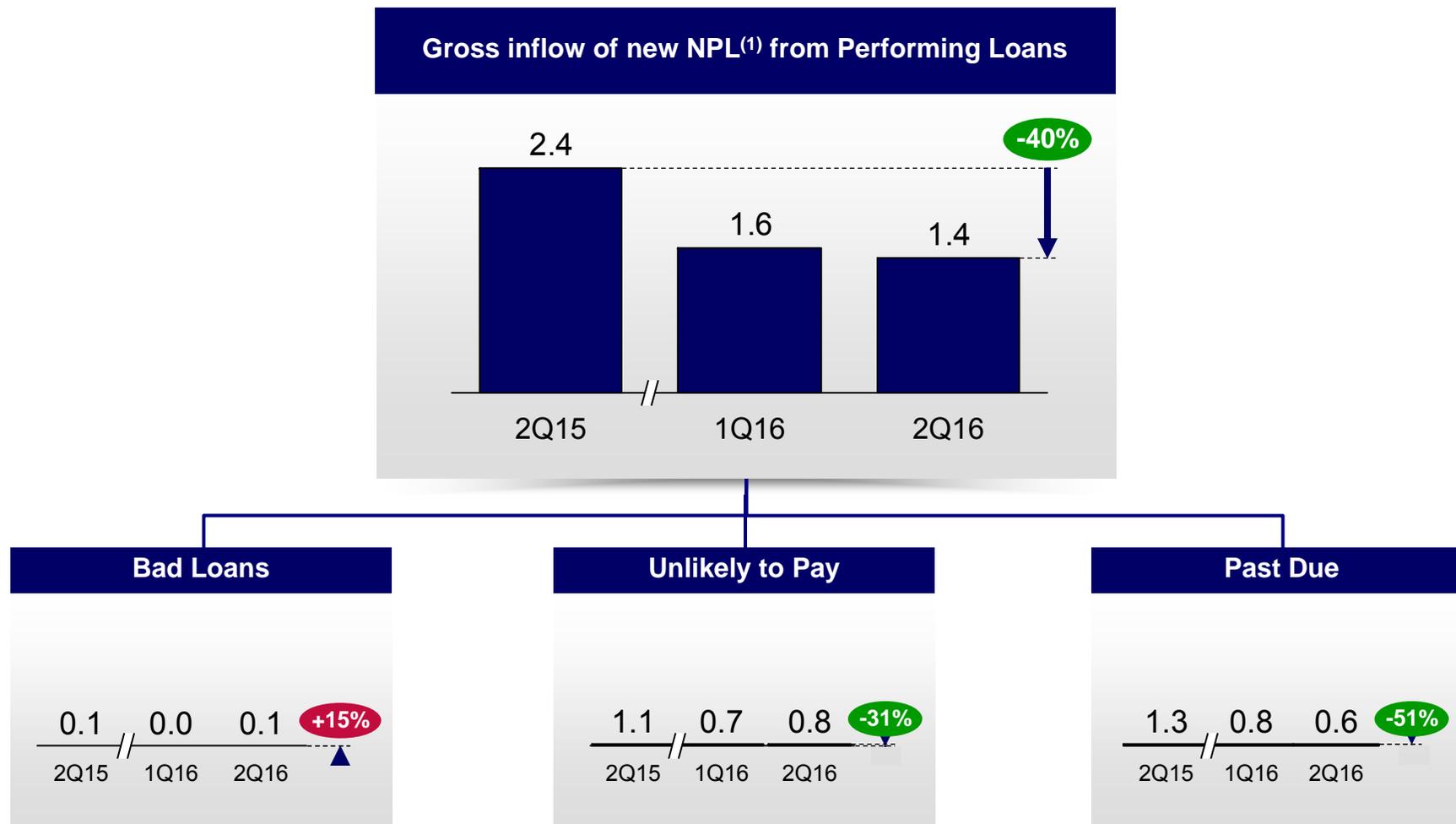


(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

(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: the Lowest Ever Quarterly Gross Inflow from Performing Loans

€ bn

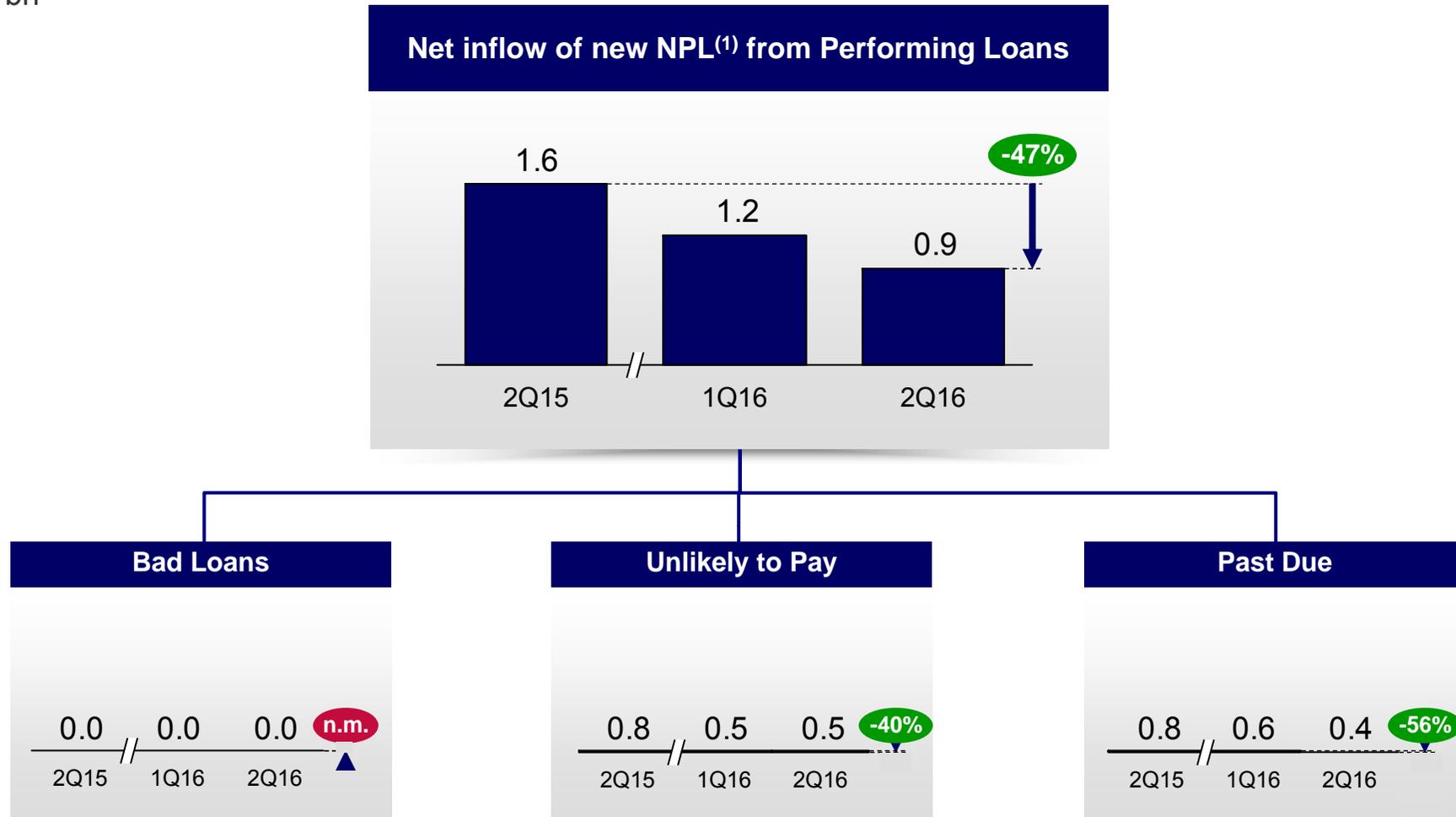


Note: figures may not add up exactly due to rounding differences

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

Non-performing Loans: the Lowest Quarterly Net Inflow from Performing Loans since 2007

€ bn

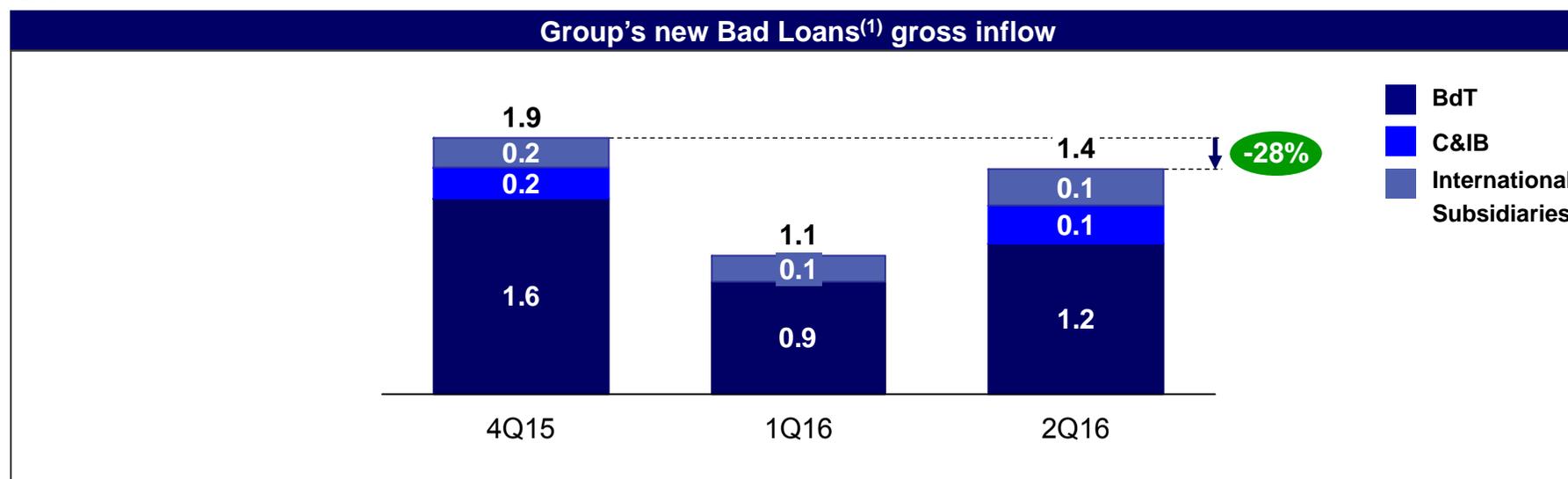


Note: figures may not add up exactly due to rounding differences

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

New Bad Loans: Decrease in Gross Inflow vs 4Q15

€ bn



BdT's new Bad Loans⁽¹⁾ gross inflow

	4Q15	1Q16	2Q16
Total	1.6	0.9	1.2
Mediocredito Italiano ⁽²⁾	0.3	0.2	0.3
Households	0.4	0.2	0.3
SMEs	0.9	0.5	0.6

C&IB's new Bad Loans⁽¹⁾ gross inflow

	4Q15	1Q16	2Q16
Total	0.2	-	0.1
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

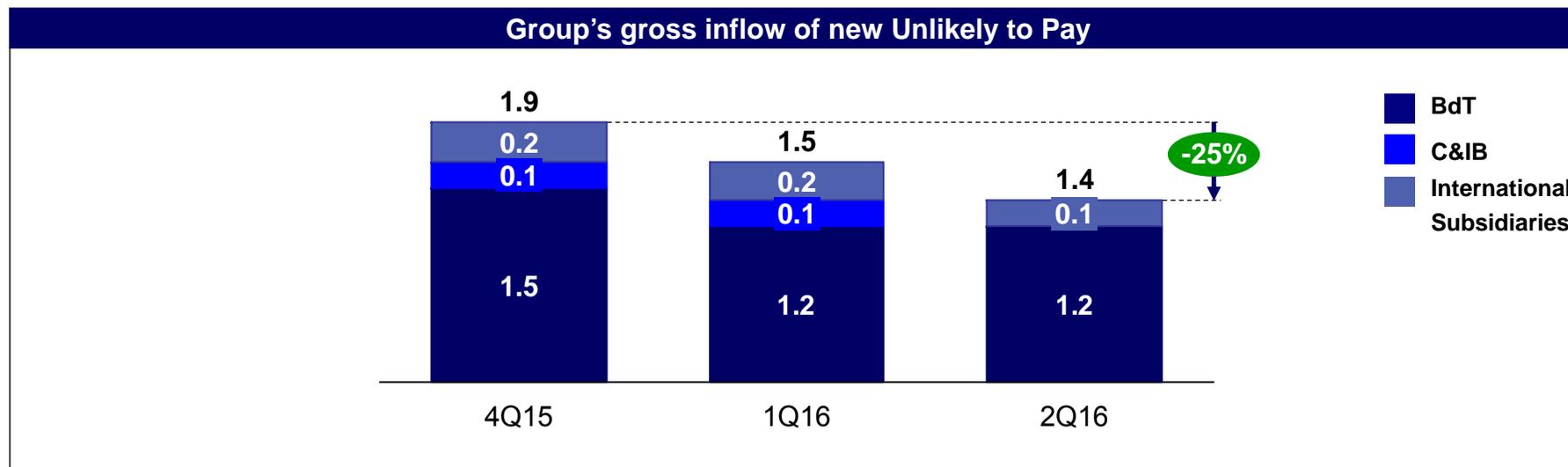
(1) *Sofferenze*

(2) Industrial Credit, Factoring and Leasing

(3) Capital Markets and Investment Banking

New Unlikely to Pay: Decrease in Gross Inflow

€ bn



BdT's gross inflow of new Unlikely to Pay

	4Q15	1Q16	2Q16
Total	1.5	1.2	1.2
Mediocredito Italiano ⁽¹⁾	0.3	0.3	0.3
Households	0.3	0.3	0.3
SMEs	0.9	0.6	0.7

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

	4Q15	1Q16	2Q16
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

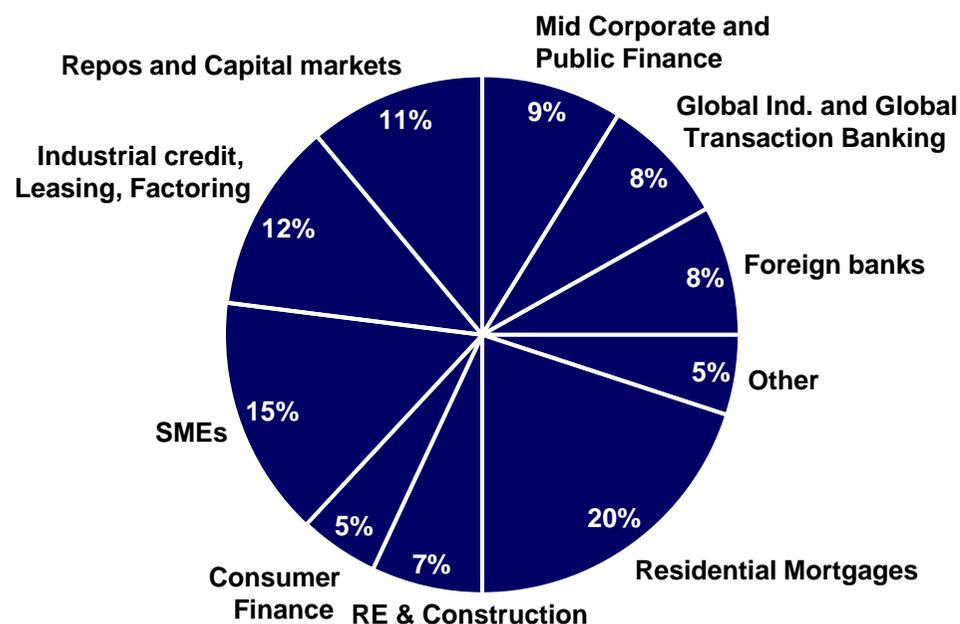
Non-performing Loans: Third Consecutive Quarterly Decline in NPL Stock, Leading to the Lowest Level of the Past Eight Quarters

Gross NPL				Net NPL			
€ m	31.12.15	31.3.16	30.6.16	€ m	31.12.15	31.3.16	30.6.16
Bad Loans	39,150	38,924	38,570	Bad Loans	14,973	15,123	15,159
- of which forborne	1,690	1,885	2,050	- of which forborne	755	850	934
Unlikely to pay	22,725	22,588	21,993	Unlikely to pay	17,091	17,078	16,560
- of which forborne	9,020	9,152	9,463	- of which forborne	6,824	7,013	7,220
Past Due	1,239	1,069	777	Past Due	1,022	881	633
- of which forborne	146	143	129	- of which forborne	126	121	113
Total	63,114	62,581	61,340	Total	33,086	33,082	32,352

Gross and net NPL stock down 5% vs 30.9.15

Loans to Customers: Well-Diversified Portfolio

Breakdown by business area
(Data as of 30.6.16)



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

- Instalment/available income ratio at 34%
- Average Loan-to-Value equal to 53%
- Original average maturity equal to ~22 years
- Residual average life equal to ~18 years

Breakdown by economic business sector

	31.3.16	30.6.16
Loans of the Italian banks and companies of the Group		
Households	26.8%	26.6%
Public Administration	5.5%	5.3%
Financial companies	5.6%	5.1%
Non-financial companies	39.5%	39.6%
<i>of which:</i>		
SERVICES	6.0%	6.4%
DISTRIBUTION	6.1%	6.0%
REAL ESTATE	5.2%	5.1%
UTILITIES	3.4%	3.5%
CONSTRUCTION	3.5%	3.4%
METALS AND METAL PRODUCTS	2.3%	2.3%
TRANSPORT	1.9%	1.9%
AGRICULTURE	1.7%	1.7%
FOOD AND DRINK	1.4%	1.4%
MECHANICAL	1.2%	1.2%
INTERMEDIATE INDUSTRIAL PRODUCTS	1.1%	1.1%
FASHION	1.0%	1.0%
ELECTROTECHNICAL AND ELECTRONIC	0.6%	0.6%
TRANSPORTATION MEANS	0.6%	0.5%
HOLDING AND OTHER	0.6%	0.5%
INFRASTRUCTURE	0.4%	0.4%
MATERIALS FOR CONSTRUCTION	0.4%	0.4%
BASE AND INTERMEDIATE CHEMICALS	0.4%	0.4%
ENERGY AND EXTRACTION	0.3%	0.4%
PUBLISHING AND PRINTING	0.4%	0.4%
FURNITURE	0.2%	0.2%
PHARMACEUTICAL	0.2%	0.2%
OTHER CONSUMPTION GOODS	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	9.6%	9.9%
Loans of the foreign banks and companies of the Group	9.0%	9.3%
Bad Loans	4.2%	4.2%
TOTAL	100.0%	100.0%

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

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Asset Quality

Divisional Results and Other Information

Divisional Financial Highlights

Data as of 30.6.16

	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)	4,410	1,678	1,068	869	299	673	(369)	8,628
Operating Margin (€m)	1,981	1,218	591	611	235	598	(807)	4,427
Net Income (€m)	643	758	389	364	179	392	(1,018)	1,707
Cost/Income (%)	55.1	27.4	44.7	29.7	21.4	11.1	n.m.	48.7
RWA (€bn)	88.1	98.0	31.0	9.2	1.1	0.0	59.3	286.7
Direct Deposits from Banking Business (€bn)	163.7	110.2	32.8	23.7	0.0	0.2	56.1	386.8
Loans to Customers (€bn)	187.3	97.9	26.2	9.8	0.3	0.0	38.7	360.2

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

(1) Excluding the Ukrainian subsidiary Pravex-Bank and the Hungarian "bad bank" which are included in the Capital Light Bank

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

(3) Eurizon 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: H1 vs H1

€ m

	1H15 Restated	1H16	Δ%
Net interest income	2,473	2,316	(6.3)
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	2,088	1,943	(6.9)
Profits (Losses) on trading	32	30	(6.3)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	9	121	n.m.
Operating income	4,602	4,410	(4.2)
Personnel expenses	(1,478)	(1,510)	2.2
Other administrative expenses	(941)	(918)	(2.4)
Adjustments to property, equipment and intangible assets	0	(1)	n.m.
Operating costs	(2,419)	(2,429)	0.4
Operating margin	2,183	1,981	(9.3)
Net provisions for risks and charges	(28)	(30)	7.1
Net adjustments to loans	(1,020)	(930)	(8.8)
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	1,135	1,021	(10.0)
Taxes on income from continuing operations	(483)	(392)	(18.8)
Charges (net of tax) for integration and exit incentives	(11)	(10)	(9.1)
Effect of purchase cost allocation (net of tax)	(2)	(4)	100.0
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	28	28	0.0
Minority interests	0	0	n.m.
Net income	667	643	(3.6)

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

Banca dei Territori: Q2 vs Q1

€ m

	1Q16	2Q16	Δ%
	Restated		
Net interest income	1,161	1,155	(0.5)
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	939	1,004	6.9
Profits (Losses) on trading	16	15	(5.0)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	3	118	n.m.
Operating income	2,118	2,291	8.2
Personnel expenses	(736)	(775)	5.3
Other administrative expenses	(452)	(466)	3.0
Adjustments to property, equipment and intangible assets	(0)	(0)	5.4
Operating costs	(1,188)	(1,241)	4.4
Operating margin	930	1,050	12.9
Net provisions for risks and charges	(11)	(19)	72.2
Net adjustments to loans	(445)	(485)	8.8
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	474	547	15.4
Taxes on income from continuing operations	(197)	(195)	(0.6)
Charges (net of tax) for integration and exit incentives	(2)	(8)	259.7
Effect of purchase cost allocation (net of tax)	(3)	(1)	(66.7)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	14	14	6.8
Minority interests	0	0	n.m.
Net income	286	357	25.1

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

Corporate and Investment Banking: H1 vs H1

€ m

	1H15	1H16	Δ%
	Restated		
Net interest income	777	712	(8.4)
Dividends and P/L on investments carried at equity	5	3	(40.0)
Net fee and commission income	412	483	17.2
Profits (Losses) on trading	601	480	(20.1)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	1	0	(100.0)
Operating income	1,796	1,678	(6.6)
Personnel expenses	(168)	(173)	3.0
Other administrative expenses	(284)	(286)	0.7
Adjustments to property, equipment and intangible assets	(2)	(1)	(50.0)
Operating costs	(454)	(460)	1.3
Operating margin	1,342	1,218	(9.2)
Net provisions for risks and charges	4	(1)	n.m.
Net adjustments to loans	(132)	(123)	(6.8)
Net impairment losses on other assets	(2)	(1)	(50.0)
Profits (Losses) on HTM and on other investments	0	18	n.m.
Income before tax from continuing operations	1,212	1,111	(8.3)
Taxes on income from continuing operations	(381)	(350)	(8.1)
Charges (net of tax) for integration and exit incentives	(1)	(3)	200.0
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	830	758	(8.7)

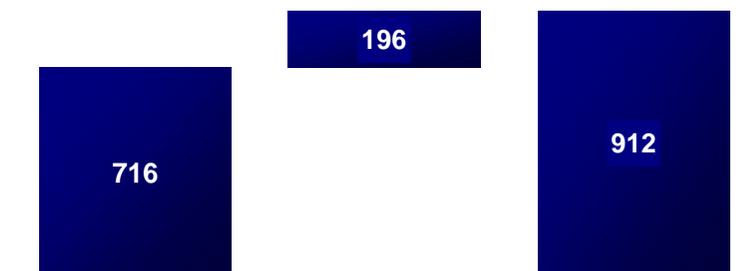
Note: figures may not add up exactly due to rounding differences

Banca IMI: A Significant Contribution to Group Results

1H16 Results

Banca IMI Operating Income⁽¹⁾

€ m



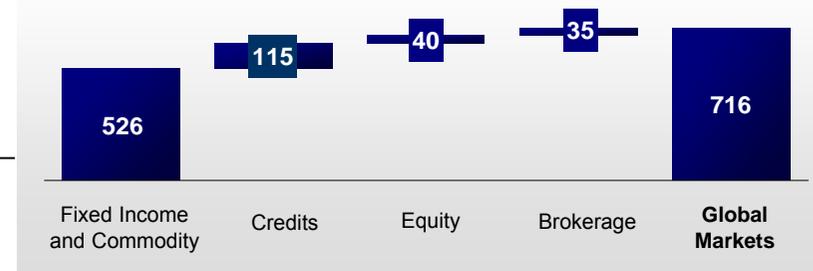
Global Markets Corporate & Strategic Finance **Total Banca IMI**

Cost/Income	22.6%	30.8%	24.4%
RWA (€ bn)	17.1	11.7	28.8

- ~62% of Operating income is customer driven
- H1 average VaR at €88m
- H1 Net income at €459m

of which: Global Markets

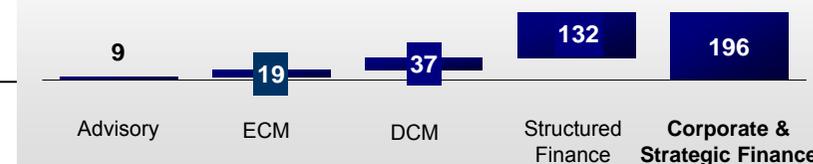
€ m



Fixed Income and Commodity Credits Equity Brokerage **Global Markets**

of which: Corporate & Strategic Finance

€ m



Advisory ECM DCM Structured Finance **Corporate & Strategic Finance**

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

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

Corporate and Investment Banking: Q2 vs Q1

€ m

	1Q16	2Q16	Δ%
	Restated		
Net interest income	346	365	5.5
Dividends and P/L on investments carried at equity	1	2	123.5
Net fee and commission income	218	265	21.7
Profits (Losses) on trading	215	265	23.1
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(0)	0	n.m.
Operating income	780	898	15.1
Personnel expenses	(83)	(89)	6.6
Other administrative expenses	(138)	(148)	6.8
Adjustments to property, equipment and intangible assets	(1)	(1)	(18.6)
Operating costs	(222)	(237)	6.7
Operating margin	558	661	18.4
Net provisions for risks and charges	0	(1)	n.m.
Net adjustments to loans	(38)	(86)	127.6
Net impairment losses on other assets	0	(1)	n.m.
Profits (Losses) on HTM and on other investments	0	18	n.m.
Income before tax from continuing operations	520	591	13.6
Taxes on income from continuing operations	(161)	(189)	17.2
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	359	399	11.2

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

International Subsidiary Banks: H1 vs H1

€ m

	1H15	1H16	Δ%
	Restated		
Net interest income	745	728	(2.3)
Dividends and P/L on investments carried at equity	36	23	(36.1)
Net fee and commission income	252	236	(6.3)
Profits (Losses) on trading	47	60	27.7
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(38)	21	n.m.
Operating income	1,042	1,068	2.5
Personnel expenses	(271)	(265)	(2.2)
Other administrative expenses	(180)	(168)	(6.7)
Adjustments to property, equipment and intangible assets	(48)	(44)	(8.3)
Operating costs	(499)	(477)	(4.4)
Operating margin	543	591	8.8
Net provisions for risks and charges	(8)	19	n.m.
Net adjustments to loans	(157)	(106)	(32.5)
Net impairment losses on other assets	0	(1)	n.m.
Profits (Losses) on HTM and on other investments	0	4	n.m.
Income before tax from continuing operations	378	507	34.1
Taxes on income from continuing operations	(95)	(101)	6.3
Charges (net of tax) for integration and exit incentives	(1)	(19)	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	2	2	0.0
Minority interests	0	0	n.m.
Net income	284	389	37.0

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

International Subsidiary Banks: Q2 vs Q1

€ m

	1Q16 Restated	2Q16	Δ%
Net interest income	368	360	(2.1)
Dividends and P/L on investments carried at equity	8	15	95.1
Net fee and commission income	115	121	4.8
Profits (Losses) on trading	33	27	(17.9)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(21)	42	n.m.
Operating income	503	566	12.6
Personnel expenses	(134)	(131)	(2.1)
Other administrative expenses	(82)	(86)	4.4
Adjustments to property, equipment and intangible assets	(22)	(22)	(2.1)
Operating costs	(239)	(239)	0.1
Operating margin	264	327	23.8
Net provisions for risks and charges	2	17	(671.8)
Net adjustments to loans	(42)	(64)	53.1
Net impairment losses on other assets	(2)	1	n.m.
Profits (Losses) on HTM and on other investments	4	0	(91.1)
Income before tax from continuing operations	226	281	24.2
Taxes on income from continuing operations	(52)	(48)	(7.6)
Charges (net of tax) for integration and exit incentives	(2)	(16)	549.7
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	1	1	160.4
Minority interests	(0)	(0)	23.8
Net income	171	217	26.8

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

Private Banking: H1 vs H1

€ m

	1H15	1H16	Δ%
Net interest income	98	89	(9.2)
Dividends and P/L on investments carried at equity	7	8	14.3
Net fee and commission income	766	763	(0.4)
Profits (Losses) on trading	22	10	(54.5)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(6)	(1)	(83.3)
Operating income	887	869	(2.0)
Personnel expenses	(143)	(142)	(0.7)
Other administrative expenses	(109)	(108)	(0.9)
Adjustments to property, equipment and intangible assets	(8)	(8)	0.0
Operating costs	(260)	(258)	(0.8)
Operating margin	627	611	(2.6)
Net provisions for risks and charges	(12)	(28)	133.3
Net adjustments to loans	0	7	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	615	590	(4.1)
Taxes on income from continuing operations	(185)	(167)	(9.7)
Charges (net of tax) for integration and exit incentives	(16)	(17)	6.3
Effect of purchase cost allocation (net of tax)	(42)	(42)	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	372	364	(2.2)

€406m excluding the Effect of purchase cost allocation

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

Private Banking: Q2 vs Q1

€ m

	1Q16	2Q16	Δ%
Net interest income	46	42	(8.3)
Dividends and P/L on investments carried at equity	3	4	33.3
Net fee and commission income	380	383	0.9
Profits (Losses) on trading	9	1	(93.5)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	0	(1)	n.m.
Operating income	439	430	(2.1)
Personnel expenses	(70)	(72)	2.9
Other administrative expenses	(50)	(58)	14.3
Adjustments to property, equipment and intangible assets	(4)	(4)	(2.6)
Operating costs	(124)	(133)	7.4
Operating margin	315	296	(5.9)
Net provisions for risks and charges	(14)	(15)	6.6
Net adjustments to loans	7	(1)	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	308	281	(8.9)
Taxes on income from continuing operations	(87)	(79)	(9.1)
Charges (net of tax) for integration and exit incentives	(7)	(10)	55.1
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	194	170	(11.9)

€191m excluding the Effect of purchase cost allocation

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

Asset Management: H1 vs H1

€ m

	1H15	1H16	Δ%
Net interest income	0	0	n.m.
Dividends and P/L on investments carried at equity	39	34	(12.8)
Net fee and commission income	329	261	(20.7)
Profits (Losses) on trading	1	4	300.0
Income from insurance business	0	0	n.m.
Other operating income (expenses)	2	0	(100.0)
Operating income	371	299	(19.4)
Personnel expenses	(31)	(28)	(9.7)
Other administrative expenses	(36)	(36)	0.0
Adjustments to property, equipment and intangible assets	0	0	n.m.
Operating costs	(67)	(64)	(4.5)
Operating margin	304	235	(22.7)
Net provisions for risks and charges	(1)	0	(100.0)
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	303	235	(22.4)
Taxes on income from continuing operations	(75)	(51)	(32.0)
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	(5)	(5)	0.0
Net income	223	179	(19.7)

+2% excluding performance fees

+4% excluding performance fees

+4% excluding performance fees

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

Asset Management: Q2 vs Q1

€ m

	1Q16	2Q16	Δ%
Net interest income	0	0	(33.6)
Dividends and P/L on investments carried at equity	17	17	(0.9)
Net fee and commission income	126	135	7.4
Profits (Losses) on trading	5	(1)	n.m.
Income from insurance business	0	0	n.m.
Other operating income (expenses)	0	(1)	n.m.
Operating income	148	151	2.0
Personnel expenses	(14)	(14)	(2.2)
Other administrative expenses	(17)	(19)	11.0
Adjustments to property, equipment and intangible assets	(0)	(0)	(14.9)
Operating costs	(31)	(33)	4.9
Operating margin	117	118	1.2
Net provisions for risks and charges	(0)	(0)	(55.4)
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	117	118	1.2
Taxes on income from continuing operations	(25)	(26)	6.1
Charges (net of tax) for integration and exit incentives	(0)	(0)	226.3
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	(2)	(3)	57.9
Net income	90	89	(1.3)

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

Insurance: H1 vs H1

€ m

	1H15	1H16	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	651	675	3.7
Other operating income (expenses)	(1)	(2)	(100.0)
Operating income	650	673	3.5
Personnel expenses	(32)	(33)	3.1
Other administrative expenses	(40)	(41)	2.5
Adjustments to property, equipment and intangible assets	(1)	(1)	0.0
Operating costs	(73)	(75)	2.7
Operating margin	577	598	3.6
Net provisions for risks and charges	0	(1)	n.m.
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	0	(8)	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	577	589	2.1
Taxes on income from continuing operations	(168)	(184)	9.5
Charges (net of tax) for integration and exit incentives	(1)	(2)	100.0
Effect of purchase cost allocation (net of tax)	(15)	(11)	(26.7)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	393	392	(0.3)

€403m excluding the Effect of purchase cost allocation

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

Insurance: Q2 vs Q1

€ m

	1Q16	2Q16	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	369	307	(16.8)
Other operating income (expenses)	(1)	(1)	60.4
Operating income	367	306	(16.6)
Personnel expenses	(16)	(17)	2.2
Other administrative expenses	(20)	(21)	6.8
Adjustments to property, equipment and intangible assets	(1)	(1)	(0.8)
Operating costs	(37)	(39)	4.7
Operating margin	330	267	(19.0)
Net provisions for risks and charges	0	(1)	n.m.
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	(1)	(7)	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	330	259	(21.5)
Taxes on income from continuing operations	(108)	(76)	(29.5)
Charges (net of tax) for integration and exit incentives	(1)	(1)	40.1
Effect of purchase cost allocation (net of tax)	(5)	(6)	20.0
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	216	176	(18.7)

€182m 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	2Q16
	Restated					
Net interest income	1,950	1,954	1,887	1,926	1,855	1,831
Dividends and P/L on investments carried at equity	39	15	41	1	74	84
Net fee and commission income	1,775	1,941	1,748	1,878	1,676	1,848
Profits (Losses) on trading	596	380	1	57	228	467
Income from insurance business	343	282	241	131	332	239
Other operating income (expenses)	(77)	(59)	209	(378)	(142)	136
Operating income	4,626	4,513	4,127	3,615	4,023	4,605
Personnel expenses	(1,295)	(1,263)	(1,249)	(1,479)	(1,275)	(1,338)
Other administrative expenses	(629)	(668)	(632)	(791)	(595)	(638)
Adjustments to property, equipment and intangible assets	(174)	(176)	(178)	(200)	(177)	(178)
Operating costs	(2,098)	(2,107)	(2,059)	(2,470)	(2,047)	(2,154)
Operating margin	2,528	2,406	2,068	1,145	1,976	2,451
Net provisions for risks and charges	(54)	(68)	(222)	(55)	(16)	(97)
Net adjustments to loans	(767)	(847)	(769)	(923)	(694)	(923)
Net impairment losses on other assets	(9)	(31)	(20)	(108)	(20)	(36)
Profits (Losses) on HTM and on other investments	28	38	21	51	(5)	(35)
Income before tax from continuing operations	1,726	1,498	1,078	110	1,241	1,360
Taxes on income from continuing operations	(634)	(502)	(339)	(60)	(383)	(340)
Charges (net of tax) for integration and exit incentives	(6)	(25)	(15)	(37)	(13)	(38)
Effect of purchase cost allocation (net of tax)	(26)	(33)	(27)	(33)	(29)	(27)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	0	0	0
Income (Loss) after tax from discontinued operations	15	14	15	15	13	15
Minority interests	(11)	(12)	10	18	(23)	(69)
Net income	1,064	940	722	13	806	901

Note: data restated to reflect the economic effects of the sale of Setefi and Intesa Sanpaolo Card and a portfolio of €2.6bn extra-captive performing consumer loans. Figures may not add up exactly due to rounding differences

Net Fee and Commission Income: Quarterly Development

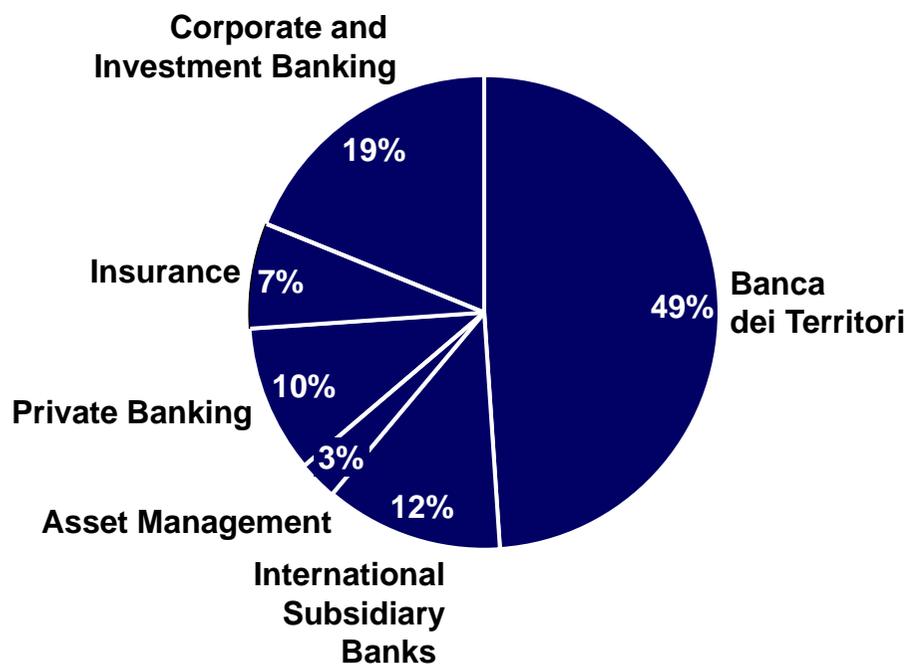
€ m

Net Fee and Commission Income						
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
	Restated					
Guarantees given / received	92	78	88	86	83	83
Collection and payment services	86	95	89	104	85	91
Current accounts	254	255	268	255	247	255
Credit and debit cards	86	96	106	92	90	94
Commercial banking activities	518	524	551	537	505	523
Dealing and placement of securities	233	197	107	118	91	153
Currency dealing	11	11	11	11	10	10
Portfolio management	514	590	552	564	493	512
Distribution of insurance products	265	335	300	332	327	362
Other	45	48	42	49	41	38
Management, dealing and consultancy activities	1,068	1,181	1,012	1,074	962	1,075
Other net fee and commission income	189	236	185	267	209	250
Net fee and commission income	1,775	1,941	1,748	1,878	1,676	1,848

Note: data restated to reflect the economic effects of the sale of Setefi and Intesa Sanpaolo Card and a portfolio of €2.6bn extra-captive performing consumer loans. Figures may not add up exactly due to rounding differences

Market Leadership in Italy

1H16 Operating Income Breakdown by business area⁽¹⁾



Leader in Italy (data as of 30.6.16)

Ranking	Market share
1	Loans 15.3
1	Deposits ⁽²⁾ 16.0
1	Life Premiums ⁽³⁾ 17.9
1	Asset Management ⁽⁴⁾ 20.6
1	Pension Funds ⁽⁵⁾ 21.5
1	Factoring 29.3

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

(1) Excluding Corporate Centre

(2) Including bonds

(3) Data as of 31.3.16

(4) Mutual funds; data as of 31.3.16

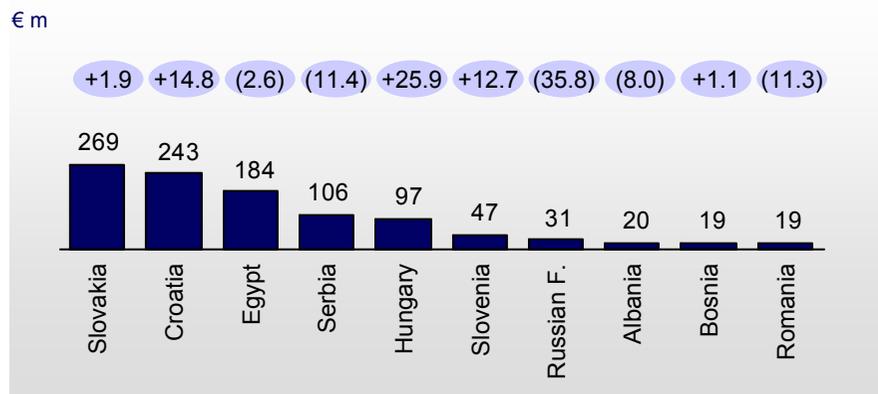
(5) Data as of 31.12.15

International Subsidiary Banks: Key P&L Data by Country

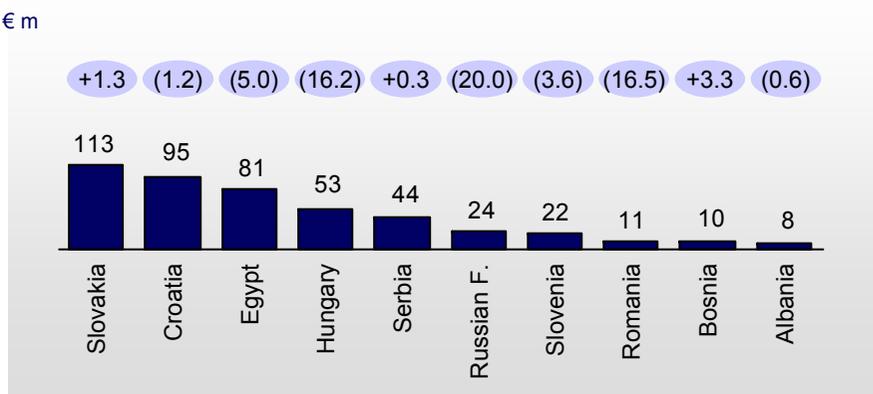
Data as of 30.6.16

(Δ% vs 1H15)

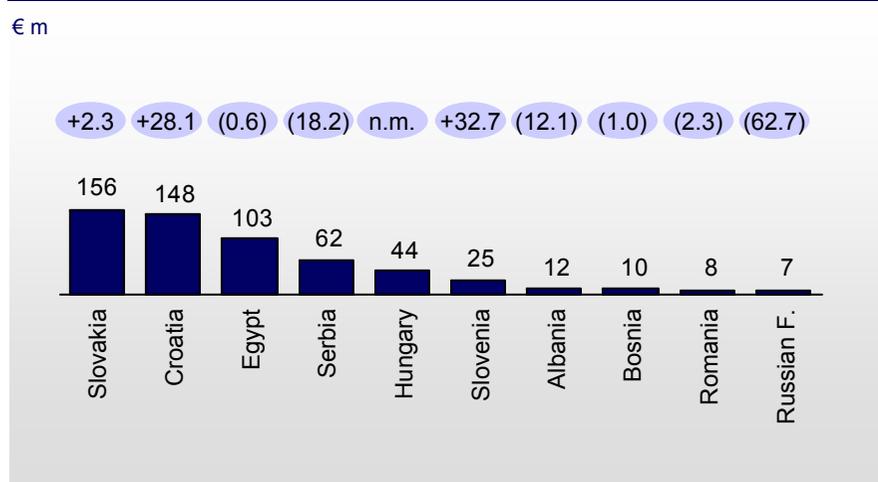
Operating Income



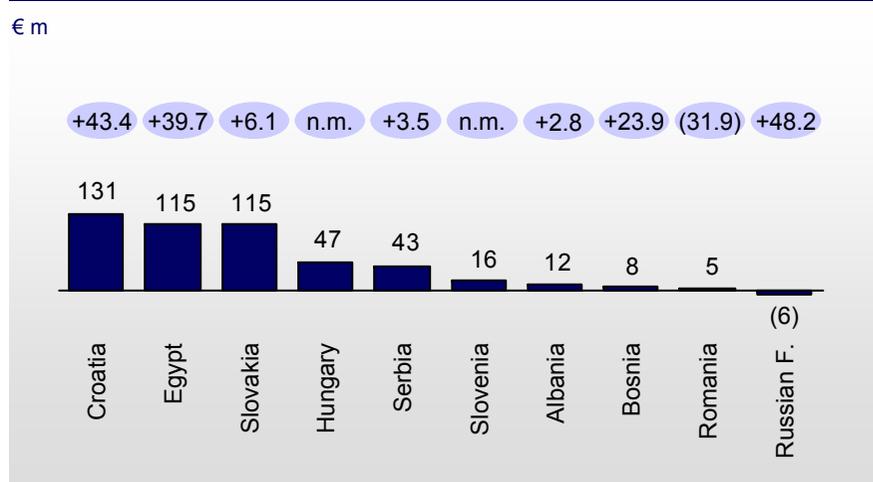
Operating Costs



Operating Margin



Pre-Tax Income



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

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

Data as of 30.6.16

											
Hungary ^(*)	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Russian F.	CEE Total	Egypt	Total

Oper. Income (€m)	97	269	47	243	106	19	20	19	31	850	184	1,034
% of Group total	1.1%	3.1%	0.5%	2.8%	1.2%	0.2%	0.2%	0.2%	0.4%	9.9%	2.1%	12.0%
Net income (€m)	29	88	13	102	36	7	10	5	(5)	287	77	364
% of Group total	1.7%	5.2%	0.8%	6.0%	2.1%	0.4%	0.6%	0.3%	n.m.	16.8%	4.5%	21.3%
Customer Deposits (€bn)	3.4	11.1	1.8	7.1	2.9	0.6	0.9	0.6	0.5	28.8	4.1	32.9
% of Group total	0.9%	2.9%	0.5%	1.8%	0.7%	0.1%	0.2%	0.2%	0.1%	7.4%	1.1%	8.5%
Customer Loans (€bn)	2.7	9.7	1.4	6.3	2.2	0.6	0.3	0.6	0.5	24.4	2.6	27.0
% of Group total	0.8%	2.7%	0.4%	1.8%	0.6%	0.2%	0.1%	0.2%	0.1%	6.8%	0.7%	7.5%
Total Assets (€bn)	5.0	13.3	2.3	9.5	4.3	0.8	1.1	0.9	0.9	38.1	5.1	43.2
% of Group total	0.7%	1.9%	0.3%	1.3%	0.6%	0.1%	0.1%	0.1%	0.1%	5.3%	0.7%	6.0%
Book value (€m)	666	1,355	287	1,772	971	117	126	110	162	5,566	451	6,017
- goodwill/intangibles	22	61	4	14	6	2	4	5	7	125	4	129

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

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

International Subsidiary Banks by Country: Loans Breakdown and Coverage

Data as of 30.6.16

	 Hungary ^(*)	 Slovakia	 Slovenia	 Croatia	 Serbia	 Bosnia	 Albania	 Romania	 Russian F.	 CEE Total	 Egypt	 Total
Performing loans (€bn)	2.3	9.4	1.3	6.0	2.0	0.6	0.3	0.6	0.5	23.0	2.4	25.4
of which:												
Retail local currency	38%	57%	49%	20%	19%	10%	10%	34%	4%	38%	56%	40%
Retail foreign currency	0%	0%	0%	32%	27%	40%	15%	37%	0%	13%	0%	12%
Corporate local currency	31%	36%	49%	12%	4%	28%	26%	9%	87%	27%	31%	28%
Corporate foreign currency	31%	7%	2%	36%	51%	22%	49%	20%	8%	21%	13%	21%
Bad loans⁽¹⁾ (€m)	145	143	57	124	91	10	15	10	23	618	5	623
Unlikely to pay⁽²⁾ (€m)	297	115	53	208	78	5	11	12	26	805	168	973
Performing loans coverage	2.5%	0.9%	1.1%	1.3%	0.7%	0.8%	4.0%	1.6%	2.1%	1.2%	2.4%	1.4%
Bad loans⁽¹⁾ coverage	64%	64%	63%	63%	62%	79%	46%	69%	75%	65%	96%	67%
Unlikely to pay⁽²⁾ coverage	44%	30%	30%	32%	46%	29%	50%	33%	52%	39%	26%	37%
Annualised cost of credit⁽³⁾ (bps)	n.m.	80	140	61	169	44	n.m.	65	457	61	51	60

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

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

(1) Sofferenze

(2) Including Past due

(3) Net adjustments to loans/Net customer loans

Common Equity Ratio as of 30.6.16: from Phased-in to Pro-forma Fully Loaded

	~€bn	~bps
Transitional adjustments		
Reserve shortfall	(0.1)	(3)
Valuation reserves	(0.2)	(9)
Minorities exceeding requirements	(0.1)	(2)
DTA on losses carried forward ⁽¹⁾	0.1	5
Total	(0.3)	(9)
Deductions exceeding cap^(*)		
Total	(0.8)	(25)
(*) as a memo, constituents of deductions subject to cap:		
- Other DTA ⁽²⁾	1.6	
- Investments in banking and financial companies	0.8	
- Investments in insurance companies ⁽³⁾	4.8	
RWA from 100% weighted DTA⁽⁴⁾	(8.6)	38
Benefit from the Danish Compromise		16
Total estimated impact		19
Pro-forma fully loaded Common Equity ratio		12.9%

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

(1) Considering the expected absorption of DTA on losses carried forward (€0.2bn as of 30.6.16)

(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 Net income of insurance companies

(4) Considering the total absorption of DTA convertible into tax credit related to goodwill realignment (€5bn as of 30.6.16) and adjustments to loans (€3.6bn as of 30.6.16)

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	10,585	57,297	964	839	7,967	77,652	66,428	144,080	343,957
Austria	134	24	3		37	198	5	203	818
Belgium		1,756			304	2,060	186	2,246	803
Bulgaria							68	68	55
Croatia	118	141	2	632	67	960	73	1,033	6,442
Cyprus									80
Czech Republic									739
Denmark		53			22	75	44	119	179
Estonia									3
Finland		100			116	216	33	249	91
France	204	6,098		199	615	7,116	1,499	8,615	3,983
Germany	75	3,436	4		1,321	4,836	1,894	6,730	3,946
Greece	16					16		16	10
Hungary	49	499			87	635	37	672	2,744
Ireland	200	833			185	1,218	280	1,498	268
Italy	8,593	30,333	355	1	3,609	42,891	57,445	100,336	282,839
Latvia		5				5		5	53
Lithuania		58				58		58	11
Luxembourg	170	3			30	203	131	334	3,622
Malta									605
The Netherlands	75	1,026			757	1,858	864	2,722	3,197
Poland	32	56				88	19	107	629
Portugal	206				13	219	14	233	228
Romania		184			1	185	131	316	741
Slovakia		538	600		12	1,150		1,150	8,783
Slovenia		257				257	8	265	1,402
Spain	358	11,651			395	12,404	2,195	14,599	2,373
Sweden		8			125	133	5	138	164
United Kingdom	355	238		7	271	871	1,497	2,368	19,149
North African Countries		1,328				1,328		1,328	2,726
Algeria									7
Egypt		1,328				1,328		1,328	2,644
Libya									5
Morocco									64
Tunisia									6
Japan		14			960	974	123	1,097	471

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 30.6.16

(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	6,918	53,840	960	628	4,558	66,904	56,663	123,567	370		18,100
Austria			3		-26	-23	3	-20			
Belgium		1,740			-22	1,718	10	1,728	9		
Bulgaria							57	57			
Croatia	96	141	2	628	61	928	57	985			1,019
Cyprus											
Czech Republic											22
Denmark		18			18	36		36			
Estonia											
Finland		83			-7	76	10	86			7
France	154	5,688			444	6,286	148	6,434	17		14
Germany		3,344			840	4,184	1,098	5,282	20		
Greece											
Hungary	36	499			87	622	37	659			169
Ireland		284			-4	280	100	380	2		
Italy	6,330	28,798	355		2,471	37,954	53,673	91,627	286		16,135
Latvia		5				5		5			53
Lithuania		58				58		58			
Luxembourg											
Malta											
The Netherlands		755			343	1,098	133	1,231	3		
Poland	32	56				88	19	107	1		
Portugal	17					17		17			25
Romania		184			1	185	131	316	1		2
Slovakia		397	600		12	1,009		1,009	3		134
Slovenia		225				225	8	233	4		176
Spain	253	11,565			145	11,963	1,179	13,142	24		344
Sweden					109	109		109			
United Kingdom					86	86		86			
North African Countries		1,321				1,321		1,321	-5		
Algeria											
Egypt		1,321				1,321		1,321	-5		
Libya											
Morocco											
Tunisia											
Japan					814	814		814			

**Banking Business Government bond duration: ~5.2 years
Adjusted duration due to hedging: ~0.4 years**

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

(1) Exposure to central and local governments. Book Value of Debt Securities and Net Loans as of 30.6.16

(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	656	1,731	4	209	1,517	4,117	3,919	8,036	20,758
Austria	124				27	151		151	281
Belgium		5			241	246	54	300	554
Bulgaria									
Croatia				3	4	7		7	39
Cyprus									1
Czech Republic									
Denmark		25			5	30	16	46	91
Estonia									
Finland		17			122	139		139	69
France		214		199	52	465	492	957	2,126
Germany	5	31	4		345	385	172	557	1,514
Greece									5
Hungary									38
Ireland		367			22	389	92	481	7
Italy	304	701			229	1,234	1,861	3,095	6,649
Latvia									
Lithuania									7
Luxembourg	60				21	81	100	181	1,967
Malta									566
The Netherlands	22	70			205	297	304	601	386
Poland									140
Portugal							1	1	7
Romania									51
Slovakia		141				141		141	1
Slovenia		25				25		25	4
Spain		15			170	185	298	483	696
Sweden					16	16	2	18	14
United Kingdom	141	120		7	58	326	527	853	5,545
North African Countries		1				1		1	105
Algeria									1
Egypt		1				1		1	37
Libya									
Morocco									64
Tunisia									3
Japan		14			78	92	45	137	34

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

(1) Book Value of Debt Securities and Net Loans as of 30.6.16

(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	3,011	1,726		2	1,892	6,631	5,846	12,477	305,099
Austria	10	24			36	70	2	72	537
Belgium		11			85	96	122	218	249
Bulgaria							11	11	55
Croatia	22			1	2	25	16	41	5,384
Cyprus									79
Czech Republic									717
Denmark		10			-1	9	28	37	88
Estonia									3
Finland					1	1	23	24	15
France	50	196			119	365	859	1,224	1,843
Germany	70	61			136	267	624	891	2,432
Greece	16					16		16	5
Hungary	13					13		13	2,537
Ireland	200	182			167	549	88	637	261
Italy	1,959	834		1	909	3,703	1,911	5,614	260,055
Latvia									
Lithuania									4
Luxembourg	110	3			9	122	31	153	1,655
Malta									39
The Netherlands	53	201			209	463	427	890	2,811
Poland									489
Portugal	189				13	202	13	215	196
Romania									688
Slovakia									8,648
Slovenia		7				7		7	1,222
Spain	105	71			80	256	718	974	1,333
Sweden		8				8	3	11	150
United Kingdom	214	118			127	459	970	1,429	13,604
North African Countries		6				6		6	2,621
Algeria									6
Egypt		6				6		6	2,607
Libya									5
Morocco									
Tunisia									3
Japan					68	68	78	146	437

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

(1) Book Value of Debt Securities and Net Loans as of 30.6.16

(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.