INTESA SANPAOLO

PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AS AT 31 DECEMBER 2010

▪ **Net income:**	**€505m for the fourth quarter, in line with €510m in the third quarter;** **€2,705m for 2010, -3.6% (2009: €2,805m),** **€2,329m for 2010 adjusted[(*)], in line with €2,356m for 2009 adjusted.**
▪ **Proposed dividend payout:**	**€1bn, 8 euro cents per ordinary share** **and 9.1 euro cents per savings share.**
▪ **Operating income:**	**€4,221m for the fourth quarter, +3.1% (2010 third quarter: €4,093m);** **€16,625m for 2010, -5.9% (2009: €17,659m).**
▪ **Operating costs:**	**€2,509m for the fourth quarter, +10.4% (2010 third quarter: €2,272m);** **€9,354m for 2010, -1.8% (2009: €9,523m).**
▪ **Operating margin:**	**€1,712m for the fourth quarter, -6% (2010 third quarter: €1,821m);** **€7,271m for 2010, -10.6% (2009: €8,136m).**
▪ **Income before tax from continuing operations:**	**€938m for the fourth quarter, -12.7% (2010 third quarter: €1,075m);** **€3,983m for 2010, -10.2% (2009: €4,437m).**
▪ **Capital ratios:**	**as at 31 December 2010, Core Tier 1 ratio at 7.9%;** **pro-forma Core Tier 1 ratio[(°)] at 8.1%;** **and Tier 1 ratio at 9.4%.**

Torino, Milano, 15 March 2011 – At today's meeting, the Intesa Sanpaolo Management Board, chaired by Andrea Beltratti, approved the draft financial statements, both parent company and consolidated, for the year ended 31 December 2010 [(1)].

In the fourth quarter of 2010 - as in the first three quarters – the Intesa Sanpaolo Group continued to remain focused on **prioritising sustainable profitability**. This was based on the strategic decisions, underlying Intesa Sanpaolo's performance since the merger, which concern not only **revenues** and **costs** but also **liquidity**, **solidity and a well-contained risk profile**. Hence management policies for the medium term, combined with some signs of recovery in the economic cycle impacting positively on the Group, have enabled Intesa Sanpaolo to record the following in 2010 compared to 2009:

- an **increase in net fee and commission income**;
- a **reduction in operating costs;**
- a **decrease in loan adjustments**.

This has generated **consolidated net income** of 505 million euro for the fourth quarter of 2010, in line with the 510 million euro of the previous quarter. Net income for 2010 was 2,705 million euro, down 3.6% from 2,805 million euro in 2009, a decline due to historically low euribor rates and tensions on the eurozone markets which penalised net interest income and profits on trading respectively.

Consolidated adjusted net income - without the main non-recurring items [(*)] **-** was 485 million euro for the fourth quarter of 2010, down 23.4% compared to the 633 million euro of the previous quarter. Adjusted net income for 2010 was 2,329 million euro, in line with the 2,356 million euro of 2009.

The Management Board of today decided to propose a one billion euro dividend distribution at the next ordinary Shareholders' Meeting, paying out 8 euro cents on ordinary shares and 9.1 euro cents on savings shares. This is consistent with a sustainable **dividend** policy which stems from sustainable profitability.

(*) Methodological note on calculation of the adjusted net income on page 13.
(°) Calculation includes transactions in their finalisation stage as shown on page 5.
(1) Methodological note on the scope of consolidation on page 13.

The proposal for the dividend distribution, which will be submitted at the next ordinary Shareholders' Meeting, envisages a payout of 1,032,803,230 euro resulting from an 8 euro cent dividend on each of the 11,849,332,367 ordinary shares and a 9.1 euro cent dividend on each of the 932,490,561 savings shares. The dividend, if approved at the Shareholders' Meeting, will be payable starting from 26 May 2011 (with coupon presentation on 23 May). The ratio between the dividend per share and the Intesa Sanpaolo stock price on 14 March 2011 returned a dividend yield of 3.4% for ordinary shares and 4.5% for savings shares.

The income statement for the fourth quarter of 2010

The consolidated income statement for the fourth quarter of 2010 (2) registered **operating income** of 4,221 million euro, up 3.1% from 4,093 million euro in the third quarter of 2010 and down 1.8% from 4,297 million euro in the fourth quarter of 2009.

In the fourth quarter of 2010 **net interest income** - 2,422 million euro - was down 1.9% from 2,470 million euro in the third quarter of 2010 and down 2.9% from 2,494 million euro in the fourth quarter of 2009. It was also affected by a 3-6 month lag in the repricing of assets versus liabilities while euribor rates picked up between the third and the fourth quarter of 2010 - albeit maintaining their record lows. The average lending figure for the fourth quarter of 2010 showed signs of recovery versus the previous quarter (+0.6%) but was still down compared to the fourth quarter of 2009 (-2.5%).

Net fee and commission income amounted to 1,519 million euro. That was up 14% from 1,333 million euro in the third quarter of 2010 and up 1% against the fourth quarter of 2009. Compared to the previous quarter, fees and commissions on commercial banking activities increased by 4.1% while those on management, dealing and consultancy activities (which include portfolio management, distribution of insurance products, dealing and placement of securities, etc.) rose by 23.4% with commissions on dealing and placement of securities up 72.6%, those on distribution of insurance products up 23.6% and those on portfolio management up 9.2% also due to some 24 million euro performance commissions. Compared to the same period in 2009, fees and commissions on commercial banking activities declined by 2% while those on management, dealing and consultancy activities were down 3.6%, with commissions on dealing and placement of securities down 18.7%, those on distribution of insurance products up 8% and those on portfolio management nearly unchanged though some 60 million euro performance commissions had been recorded in the last quarter of 2009.

Profits on trading posted 123 million euro (including a 58 million euro negative effect from proprietary trading and treasury activities and a 32 million euro positive contribution from structured credit products). Trading profits were 126 million euro in the previous quarter (with a positive contribution of 8 million euro from proprietary trading and treasury activities and 27 million euro from structured credit products) and 129 million euro in the fourth quarter of 2009 (with a positive contribution of 2 million euro from proprietary trading and treasury activities and 10 million euro from structured credit products). Without the IAS reclassification of financial assets held for trading into loans and receivables and financial assets available for sale, trading profits would have recorded a negative pre-tax impact of 8 million euro.

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(2) During the preparation of the interim statement as at 30 September 2008, in the wake of the global financial crisis certain amendments to international accounting standards were introduced and adopted by the European Commission. In short, in accordance with these amendments it is possible to reclassify - in specific circumstances considered to be rare - unquoted financial instruments, or no longer quoted, in an active market and no longer held for trading or available for sale: in particular, out of the category "fair value through profit and loss" into the categories "available-for-sale" or the "held-to-maturity" or "loans and receivables" and out of the category "available-for-sale" into the category "loans and receivables". The Group, largely basing on the prices as at 1 July 2008, reclassified financial assets held for trading of 3,257 million euro into loans and receivables and 184 million euro into financial assets available for sale. If this reclassification had not been made, the profits/losses on trading for the fourth quarter of 2010 would have recorded 8 million euro as negative pre-tax impact (with positive impact of 92 million euro in full-year 2010, positive impact of 72 million euro in full-year 2009 and negative impact of 459 million euro in full-year 2008). The Group also reclassified financial assets available for sale of 6,312 million euro into loans and receivables. Without these reclassifications, a negative pre-tax impact of 1,146 million euro would have been recorded directly in the shareholders' equity as at 31 December 2010 (with positive impact of 73 million euro in the fourth quarter of 2010 and negative impact of 536 million euro in full-year 2010).

Income from insurance business was 126 million euro compared to the 173 million euro of the third quarter of 2010 and the 136 million euro of the same period in 2009.

Operating costs amounted to 2,509 million euro, an increase of 10.4% from the 2,272 million euro of the previous quarter due to the year-end seasonal effect. Within this increase, personnel expenses were up 5%, administrative expenses up 18.9% and adjustments up 18.1%. A 2.1% reduction was recorded against the 2,563 million euro of the fourth quarter of 2009 with decreases in personnel expenses (-1.3%), administrative expenses (-0.2%) and adjustments (-16.3%).

As a result, **operating margin** totalled 1,712 million euro declining 6% from 1,821 million euro in the previous quarter and 1.3% from 1,734 million euro in the same period of 2009. The cost/income ratio was 59.4% in fourth quarter of 2010 against 55.5% in third quarter of 2010 and 59.6% in fourth quarter of 2009.

No **goodwill impairment** was recorded in the period, as was the case with the third quarter of 2010 and the fourth quarter of 2009.

Net **provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 1,036 million euro against the 746 million euro of the third quarter of 2010 and the 1,332 million euro of the fourth quarter of 2009. Net provisions for risks and charges amounted to 144 million euro (including 100 million euro prudentially set aside for possible dispute resolutions) against 30 million euro in the previous quarter and 100 million euro in the fourth quarter of 2009. Net adjustments to loans totalled 845 million euro against 711 million euro in the previous quarter, an increase attributable to Neos Finance (consumer credit business) for around 100 million euro and Centro Leasing for about 40 million euro, which were both impacted by non-recurring adjustments. A marked decrease was instead registered against the 1,069 million euro of the fourth quarter of 2009. Net impairment losses on other assets amounted to 47 million euro against 5 million euro of the previous quarter and 163 million euro in the fourth quarter of 2009.

Profits/losses on investments held to maturity and on other investments were a positive 262 million euro and included 255 million euro of positive effect of the measurement at fair value of the 50% stake of Intesa Vita already owned following the acquisition of total control of the company. A nil balance was recorded for the third quarter of 2010 and profits of 517 million euro were registered in the same quarter of 2009, which included capital gains of 439 million euro made on the disposal of Findomestic and 70 million euro on that of Esaote.

Income before tax from continuing operations amounted to 938 million euro, down 12.7% compared to the 1,075 million euro posted in the three months to 30 September 2010 and up 2.1% against 919 million euro in the fourth quarter of 2009.

Consolidated net income was 505 million euro, in line with 510 million euro in the third quarter of 2010 and down 7% against 543 million euro in the fourth quarter of 2009 - after accounting for:
- taxes of 297 million euro;
- integration charges (net of tax) of 18 million euro;
- charges from purchase cost allocation (net of tax) of 102 million euro;
- income after tax from discontinued operations of 3 million euro;
- minority interests of 19 million euro.

Capital gains on the sale of Cassa di Risparmio della Spezia and 96 branches to the Crédit Agricole group were not included in the fourth quarter of 2010 as the transaction is still being finalised.
Excluding the main non-recurring items, net income was 485 million euro for the fourth quarter of 2010, down 23.4% from 633 million euro in the third quarter of 2010 while doubling the 243 million euro of the fourth quarter of 2009.

The income statement for year 2010

The consolidated income statement for 2010 registered **operating income** of 16,625 million euro, down 5.9% from 17,659 million euro in 2009.

In 2010 **net interest income** amounted to 9,768 million euro declining by 7.2% from 10,525 million euro in 2009. This was mainly due to the substantial decrease in euribor rates, which weighed heavily on net interest income given the Group's strategy to prioritise a stronger liquidity position against an economic backdrop of continued great uncertainty heightened by eurozone tensions as from the second quarter of the year. The decline occurred even though the Group implemented attentive pricing and partial hedging against falling interest rates. Moreover, net interest income was also negatively affected - 178 million euro - by the elimination of overdraft charges effective as of the third quarter of 2009.

Net fee and commission income was 5,671 million euro, up 5.7% from 5,364 million euro in 2009. Commissions on commercial banking activities increased 2.7% (also due to 56 million euro generated by the introduction of the commitment fee). Commissions on management, dealing and consultancy activities rose by 6.9%; in detail, commissions on dealing and placement of securities were up 3.1%, those on distribution of insurance products up 6% and those on portfolio management up 13.2%.

Profits on trading were 464 million euro (including a negative contribution of 162 million euro from proprietary trading and treasury activities and a positive contribution of 96 million euro from structured credit products). In 2009 trading activities posted profits of 1,122 million euro (a figure which includes 114 million euro capital gains from the sales of stakes in Natixis and Banca Generali, a positive contribution of 184 million euro from proprietary trading and treasury activities and a negative contribution of 26 million euro from structured credit products). Without the IAS reclassification of financial assets held for trading into loans and receivables and financial assets available for sale, trading profits for 2010 would have recorded a positive pre-tax impact of 92 million euro.

Income from insurance business amounted to 654 million euro against the 589 million euro of 2009.

Operating costs amounted to 9,354 million euro, down 1.8% from 9,523 million euro in 2009, with personnel expenses down 0.8%, administrative expenses down 1.4% and adjustments down 11.2%.

Consequently, **operating margin** was 7,271 million euro, down 10.6% from 8,136 million euro in 2009, with the cost/income ratio at 56.3% from 53.9% in 2009.

As with 2009, no **goodwill impairment** was recorded in 2010.

Net **provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 3,561 million euro, down 16.1% from 4,244 million euro in 2009. Net provisions for risks and charges were 358 million euro (including 100 million euro prudentially set aside for possible dispute resolutions) compared to 298 million euro in 2009. Net adjustments to loans were 3,108 million euro compared to 3,706 million euro in 2009. Net impairment losses on other assets were 95 million euro compared to 240 million euro in 2009.

Profits/losses on investments held to maturity and on other investments were a positive 273 million euro (the figure includes a 255 million euro positive effect of the measurement at fair value of the 50% stake of Intesa Vita already owned following the acquisition of total control of the company) compared to profits of 545 million euro for 2009 (which included capital gains of 439 million euro made on the disposal of Findomestic and 70 million euro on that of Esaote).

Income before tax from continuing operations posted 3,983 million euro, down 10.2% compared to the 4,437 million euro of 2009.

Consolidated net income amounted to 2,705 million euro - down 3.6% against 2,805 million euro in 2009 (which had benefited from a 511 million euro release of deferred taxes) - after accounting for:
- taxes of 1,401 million euro (which benefited from an 86 million euro release of deferred taxes);
- integration charges (net of tax) of 72 million euro;
- charges from purchase cost allocation (net of tax) of 398 million euro;
- income after tax from discontinued operations of 694 million euro including a net capital gain of 648 million euro from the sale of the securities services business;
- minority interests of 101 million euro.

Capital gains on the sale of Cassa di Risparmio della Spezia and 96 branches to the Crédit Agricole group were not included in the year as the transaction is still being finalised.
Excluding the main non-recurring items, net income for 2010 was 2,329 million euro, in line with the 2,356 million euro of 2009.

Balance sheet as at 31 December 2010

As regards the consolidated balance sheet figures, as at 31 December 2010 **loans to customers** amounted to 379 billion euro, up 1% from year-end 2009 (down 4.6% taking into account average volumes instead of those at the end of the period). Total **non-performing loans** (doubtful, substandard, restructured and past due) - net of adjustments - amounted to 21,208 million euro, up 1.8% compared to the 20,836 million euro as at 30 September 2010 and up 3.7% compared to the 20,456 million euro as at 31 December 2009. In detail, doubtful loans increased to 7,354 from 6,634 million euro as at 30 September 2010 and 5,365 million euro as at 31 December 2009; the ratio to total loans was 1.9 % (1.8% as at 30 September 2010 and 1.4% as at year-end 2009) and the coverage ratio was 64% (66% as at 30 September 2010 and 67% as at year-end 2009). Total coverage was 123% taking into account **collateral and guarantees** to doubtful loans in addition to specific provisions. Substandard loans decreased to 9,006 from 9,663 million euro in September 2010 and 10,375 million euro as at year-end 2009. Restructured loans amounted to 3,334 million euro compared to 3,339 million euro in September 2010 and 2,293 million euro as at year-end 2009. Past due loans were 1,514 million euro compared to 1,200 million euro in September 2010 (an increase attributable to only two positions, of which to date one has been reclassified to performing loans and the other has been restructured) and to 2,423 million euro in December 2009 (the decline versus year-end 2009 was also due to the significant decrease in loans overdue by 90 days following the adoption of internal models for residential mortgages in the calculation of capital requirements effective as of June 2010).

Customer financial assets were 828 billion euro (after netting referred to items included in both direct and indirect customer deposits), up 0.8% from 31 December 2009. Under customer financial assets, **direct customer deposits** amounted to 427 billion euro, up 0.5% from year-end 2009; indirect customer deposits reached the same amount, 427 billion euro, up 0.6% from year-end 2009. **Assets under management** totalled 234 billion euro, up 0.6% from year-end 2009. As for bancassurance, in 2010 new business for life policies amounted to 14.5 billion euro (19.2% higher than 2009). Assets under administration and in custody amounted to 194 billion euro, up 0.7% from 31 December 2009.

As at 31 December 2010 **capital ratios** stood at 7.9% for the Core Tier 1 ratio (7.1% at year-end 2009), 9.4% for the Tier 1 ratio (8.4% at year-end 2009) and 13.2% for the total capital ratio (11.8% at year-end 2009). Capital ratios have been determined by using the Basel 2 Foundation approach, applying the internal models to both residential mortgages and the corporate portfolio and deducting the nominal value of the savings shares; they take into account the one billion euro proposed dividend payout. **Pro-forma** capital ratios would stand at 8.1% for the Core Tier 1 ratio, 9.6% for the Tier 1 ratio and 13.4% for the total capital ratio including the transactions in their finalisation stage:
- sale of Cassa di Risparmio della Spezia and 96 branches to the Crédit Agricole group (expected positive impact of about 20 basis points on the Core Tier 1 ratio),
- acquisition of control of Banca Monte Parma (expected negative impact of 8 basis points on the Core Tier 1 ratio),
- sale of the remaining 25% stake in Findomestic (valuation based on the bottom end of the range set in the contract, with an expected positive impact of 7 basis points on the Core Tier 1 ratio).

Additional benefits to capital ratios in excess of 150 basis points are available as a result of capital management actions on non-core assets (partial or full disposals, partnerships, listings, etc.).

The following is the estimated impact on the Group's capital ratios from **fully phased-in Basel 3**, based on the information available so far. This impact has been calculated by applying the parameters set for 2019 to the financial statements as at 31 December 2010, taking into account the disposals/acquisitions in their finalisation stage and excluding the aforementioned capital management actions. The estimated impact is:

- 1.8 billion euro in total deductions from common equity assuming that the equity investment in the Bank of Italy is deducted and considering the expected absorption of deferred tax assets (DTAs) before the full phasing-in of Basel 3,
- an additional 9.4 billion euro of risk-weighted assets (RWAs) due to DTAs and investments in banks, financial entities and insurance companies which are below the deduction limit,
- an additional 12.2 billion euro of RWAs due to securitisations, market risks (Stress VaR) and counterparty risks (CVA);

with an estimated total impact on the Core Tier 1 ratio of around 100 basis points (the actual impact is subject to the implementation of the relevant regulations).

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Thanks to the strategic decisions taken, **Intesa Sanpaolo** has confirmed its reputation as **one of the most solid international banking Groups**, even amid recently renewed tensions on international financial markets. In addition to asset quality and level of capital ratios commented on above, the Group has also continued to build on the following key strengths:

- an **excellent liquidity profile** with
  - a broad availability of eligible assets with Central Banks not yet utilised, corresponding to liquidity of 54 billion euro at the end of December 2010,
  - customer deposits outweighing customer loans,
  - stable and well-diversified sources of funding,
  - over 70% of direct customer deposits (inclusive of securities issued) generated from retail operations;
  - medium/long-term funds raised in the first two months of the current year which are nearly half as much as total 2011 maturities, with wholesale placements equal to over 70% of total 2011 wholesale maturities.
- **low leverage and an adequate capital base** with
  - much lower leverage than other major European banking groups,
  - one of the best ratios of tangible net shareholders' equity to tangible assets among the major European banking groups;
- a **low risk profile** with
  - the Group's securities portfolio at the end of December 2010 including bonds issued by the central and local governments of Greece for 776 million euro, Spain for 675 million euro, Ireland for 220 million euro and Portugal for 66 million euro.

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As fully detailed when disclosing the results for 2007, 2008 and 2009, Intesa Sanpaolo is only indirectly exposed to the US subprime mortgage crisis through structured credit products which were negatively affected by the dramatic decline in prices from the fourth quarter of 2007 - with an impact on profits on trading mainly in terms of write-downs - to the first quarter of 2009 inclusive, with recovery starting as of the second quarter of 2009, with positive effects on profits on trading, as commented upon previously in the income statement section. The Group had a **gross and net risk exposure** to structured credit products with underlying **US subprime** of 27 million euro as at 31 December 2010. Full and detailed information concerning structured credit products held by the Group is included, as usual, in the note to the consolidated financial statements approved by the Management Board as well as in the specific slides of the results presentation made available to the market.

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As at 31 December 2010, the Intesa Sanpaolo Group's **operating structure** had a total network of 7,570 branches - of which 5,809 in Italy and 1,761 abroad - with 102,501 employees, 1,124 lower than at 31 December 2009.

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Breakdown of results by business area

The **Banca dei Territori** Division comprises:

- retail customers: households (individual customers with financial assets up to 100,000 euro), personal (individual customers with financial assets between 100,000 euro and one million euro), small businesses (enterprises with a turnover under 2.5 million euro and with loan facilities under one million euro);
- SME customers: SMEs with a turnover between 2.5 and 150 million euro;
- Private customers: individual customers with financial assets exceeding one million euro.

The Division includes Intesa Sanpaolo Private Banking, the Group's company which serves private customers, and Banca Prossima, operating through the Group's branches, with regional centres and a team of specialists at the service of non-profit entities. In addition, the Banca dei Territori Division comprises product companies, namely Mediocredito Italiano, the Group's company which specialises in industrial credit, the insurance companies EurizonVita, Sud Polo Vita, Intesa Vita, Centrovita Assicurazioni and Intesa Sanpaolo Previdenza, the fiduciary service company SIREFID, the consumer credit companies Neos Finance and Moneta, the latter also operating in the electronic payment systems through its subsidiary Setefi

In the fourth quarter of 2010, the Banca dei Territori Division registered:

- operating income of 2,485 million euro, up 1% compared with 2,461 million euro in the third quarter of 2010;
- operating costs of 1,563 million euro, a 5.4% increase of a seasonal nature, from 1,483 million euro in the third quarter of 2010;
- operating margin of 923 million euro, down 5.7% compared to 978 million euro in the previous quarter;
- a cost/income ratio of 62.9% versus 60.3% in the third quarter of 2010;
- net provisions and adjustments of 603 million euro against 464 million euro in the previous quarter. This increase included about 100 million euro attributable to Neos Finance (consumer credit business) which was impacted by non-recurring adjustments to loans acquired from third-party companies;
- income before tax from continuing operations of 319 million euro, down 38% against 514 million euro in the third quarter of 2010;
- net income of 110 million euro, down 51.1% from 225 million euro in the third quarter of 2010.

In full-year 2010, the Banca dei Territori Division registered:

- operating income of 10,032 million euro, down 3% compared to 10,346 million euro in 2009, accounting for 60% of the consolidated operating income (59% in 2009);
- operating costs of 5,988 million euro, down 1.4% from 6,071 million euro in 2009;
- operating margin of 4,044 million euro, down 5.4% compared to 4,275 million euro in 2009;
- a cost/income ratio of 59.7% versus 58.7% in 2009;
- net provisions and adjustments of 2,201 million euro, up 3.1% against 2,135 million euro in 2009. There would be a 1.6% reduction excluding an increase of some 100 million euro attributable to Neos Finance (consumer credit business) which was impacted by non-recurring adjustments to loans acquired from third-party companies;
- profits on investments held to maturity and on other investments with a nil balance against profits of 420 million euro in 2009 generated by the disposal of Findomestic;
- income before tax from continuing operations of 1,843 million euro, a decrease of 28% from 2,560 million euro in 2009;
- net income of 783 million euro, a decrease of 35% from 1,204 million euro in 2009. The decrease would be 2.6% excluding the capital gain on the disposal of Findomestic in 2009.

Eurizon Capital, the company specialised in providing collective and individual asset management products to the Group's internal banking networks, is developing ever more effective synergies with the Banca dei Territori Division. The company is also focused on strengthening its presence in the "open architecture" segment through specific distribution agreements with other networks and institutional investors. Eurizon Capital controls the subsidiaries Eurizon Capital (Luxembourg) and Eurizon A.I., which promote and manage respectively funds incorporated under Luxembourg law and alternative funds, and owns a 49% stake in a Chinese asset management company, Penghua Fund Management.

In the fourth quarter of 2010, Eurizon Capital registered:
- operating income of 84 million euro, up 26.5% from 67 million euro in the third quarter of 2010;
- operating costs of 35 million euro, up 6.2% from 33 million euro in the previous quarter;
- operating margin of 50 million euro, up 45.9% from 34 million euro in the previous quarter;
- a cost/income ratio of 41.7% improving from the 49.3% ratio of the third quarter of 2010;
- income before tax from continuing operations of 47 million euro, up 39% from 34 million euro in the third quarter of 2010;
- net income of 25 million euro, up 59.1% from 16 million euro in the third quarter of 2010.

In full-year 2010, Eurizon Capital registered:
- operating income of 288 million euro, down 10.8% from 323 million euro in 2009, accounting for 2% of the Group's consolidated figure (the same as in 2009);
- operating costs of 132 million euro, down 4.3% from 138 million euro in 2009;
- operating margin of 156 million euro, down 15.7% compared to 185 million euro in 2009;
- a cost/income ratio of 45.8% versus 42.7% in 2009;
- income before tax from continuing operations of 152 million euro, down 16% from 181 million euro in the previous year;
- net income of 77 million euro, down 15.4% from 91 million euro in 2009.

The **Corporate & Investment Banking** Division includes:
- Large & International Corporate, which presides over relations with large corporates in Italy (mainly with a turnover exceeding 500 million euro) and foreign corporate customers;
- Mid-Corporate Italia, dedicated to Italian corporate customers with a turnover exceeding 150 million euro and mainly up to 500 million euro;
- International, responsible for foreign branches, representative offices and international subsidiaries which specialise in corporate banking (Société Européenne de Banque and Intesa Sanpaolo Bank Ireland) and for providing specialist assistance in support of the internationalisation of Italian corporates and export development;
- Financial Institutions, responsible for relations with Italian and foreign financial institutions, management of transactional services related to payment systems, custody and settlement of securities, mainly Italian (local custody);
- Banca IMI, which is in charge of investment banking operations, that is the creation of products of structured finance and M&A consultancy services to the Group's clients, and capital markets activities for the Group's clients and institutional operators in market making activities;
- Merchant Banking, which operates in the private equity area also through Private Equity International (PEI) and IMI Investimenti companies.

This Division also comprises the activities of Leasint, Centro Leasing, Mediofactoring and management of the Group's proprietary trading.

In the fourth quarter of 2010, the Corporate & Investment Banking Division registered:
- operating income of 951 million euro, up 22.5% from 776 million euro in the previous quarter;
- operating costs of 231 million euro, up 1.4% from 228 million euro in the previous quarter;
- operating margin of 720 million euro, up 31.3% from 548 million euro in the previous quarter;
- a cost/income ratio of 24.3% improving from the 29.4% ratio of the third quarter of 2010;
- net provisions and adjustments of 124 million euro, in line with the 123 million euro of the previous quarter. There would be a 38.4% reduction excluding an increase of around 40 million euro attributable to Centro Leasing which was impacted by non-recurring adjustments;
- profits on investments held to maturity and on other investments of 16 million euro, compared to the nil balance of the third quarter of 2010;
- income before tax from continuing operations of 612 million euro, up 43.5% from 426 million euro in the previous quarter;
- net income of 388 million euro, a 37% increase compared to 283 million euro in the previous quarter.

In full-year 2010, the Corporate & Investment Banking Division registered:
- operating income of 3,512 million euro, down 4.5% from 3,677 million euro in 2009, accounting for 21% of the Group's consolidated figure (the same contribution as in 2009);
- operating costs of 888 million euro, down 1.6% from 902 million euro in 2009;
- operating margin of 2,624 million euro, down 5.4% from 2,775 million euro in 2009;
- a cost/income ratio of 25.3% versus a ratio of 24.5% in 2009;
- net provisions and adjustments of 457 million euro, more than halved compared to 1,079 million euro in 2009;
- profits on investments held to maturity and on other investments of 12 million euro compared to 72 million euro in 2009;
- income before tax from continuing operations of 2,179 million euro, up 23.4% from 1,766 million euro in 2009;
- net income of 1,416 million euro, up 12.2% from 1,262 million euro in 2009.

Public Finance provides services to government, public entities, local authorities, public utilities, general contractors, public and private healthcare structures and develops activities related to lending and day-to-day banking operations, project financing, securitisations and financial advisory, with the aim of fostering cooperation between the public and private sectors and supporting initiatives and investment projects in large infrastructure, healthcare, research and public utilities in general. Public finance activities are performed through Banca Infrastrutture Innovazione e Sviluppo.

In the fourth quarter of 2010, Public Finance registered:
- operating income of 101 million euro, up 25% from the 81 million euro of the third quarter of 2010;
- operating costs of 25 million euro, a 41.8% increase from 18 million euro in the previous quarter;
- operating margin of 76 million euro, up 20.2% from 63 million euro in the third quarter of 2010;
- a cost/income ratio of 24.8% versus 22.2% in the third quarter of 2010;
- net provisions and adjustments of 25 million euro, an increase from the 5 million euro in the third quarter of 2010 aimed at strengthening the reserve on performing loans;
- income before tax from continuing operations of 51 million euro, down 12.7% from 58 million euro in the previous quarter;
- net income of 36 million euro, in line with the 37 million euro of the previous quarter.

In full-year 2010, Public Finance registered:
- operating income of 342 million euro, representing 2% of the Group's consolidated operating income (the same as in 2009), down 14.3% compared to 399 million euro in 2009 due to the tightening of spreads;
- operating costs of 83 million euro, up 2.5% compared to 81 million euro in 2009;
- operating margin of 259 million euro, down 18.6% from 318 million euro in 2009;
- a cost/income ratio of 24.3% versus 20.3% in 2009;
- net provisions and adjustments of 44 million euro, nearly one third of the 127 million euro recorded in 2009;
- income before tax from continuing operations of 215 million euro, up 12.6% from 191 million euro in 2009;
- net income of 138 million euro, up 19% from the 116 million euro of 2009.

The **International Subsidiary Banks** Division is responsible for activities in foreign markets where the Group is operational through commercial banking subsidiaries and associates. The Division provides guidelines, coordination and support to subsidiaries abroad mainly active in retail banking. It is responsible for defining the Group's development strategy related to its direct presence abroad, as well as exploring and analysing new growth opportunities in markets where the Group already has a presence, and in new markets. This Division also coordinates operations of international subsidiary banks and their relations with the Parent Company's head office departments and the Corporate & Investment Banking Division's branches and offices abroad. The Division is made up of the three following Departments which are in charge of the different geographical areas where it operates: i) the SEE Area which includes the banking subsidiaries in South-Eastern Europe, Privredna Banka Zagreb in Croatia, Banca Intesa Beograd in Serbia, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Intesa Sanpaolo Bank Albania, Intesa Sanpaolo Bank Romania and Banca CR Firenze Romania; ii) the CEE Area which includes the banking subsidiaries in Central-Eastern Europe, Banka Koper in Slovenia, VUB Banka in Slovakia, CIB Bank in Hungary; iii) the CIS & South Mediterranean Area which includes the banking subsidiaries: Banca Intesa in the Russian Federation, Pravex-Bank in Ukraine and Bank of Alexandria in Egypt.

In the fourth quarter of 2010, the International Subsidiary Banks Division registered:
- operating income of 604 million euro, up 5.5% from 573 million euro in the third quarter of 2010;
- operating costs of 317 million euro, up 12.7% from 281 million euro in the previous quarter;
- operating margin of 287 million euro, down 1.5% from 291 million euro in the previous quarter;
- a cost/income ratio of 52.5% versus 49% in the third quarter of 2010;
- net provisions and adjustments of 196 million euro against 136 million euro in the previous quarter;
- income before tax from continuing operations of 94 million euro, down 39.7% compared to 157 million euro in the previous quarter;
- net income of 53 million euro, down 54.2% compared to 116 million euro in the third quarter of 2010.

In full-year 2010, the International Subsidiary Banks Division registered:
- operating income of 2,302 million euro, up 2.1% compared to 2,255 million euro in 2009, which accounted for 14% of the Group's consolidated figure (13% in 2009);
- operating costs of 1,169 million euro, up 1.7% compared to 1,149 million euro in 2009;
- operating margin of 1,133 million euro, up 2.4% from 1,106 million euro in 2009;
- a cost/income ratio of 50.8% versus 51% in 2009;
- net provisions and adjustments of 606 million euro compared to 655 million euro in 2009;
- income before tax from continuing operations of 532 million euro, up 17.2% from 454 million euro in 2009;
- net income of 378 million euro, up 2.2% from 370 million euro in 2009.

Banca Fideuram performs asset gathering activities serving customers with a medium to high savings potential through its network of private bankers. This business unit's operations include Fideuram Vita. In the fourth quarter of 2010, Banca Fideuram registered:
- operating income of 198 million euro, up 8.9% from 182 million euro in the third quarter of 2010;
- operating costs of 93 million euro, up 11.8% from 84 in the third quarter of 2010;
- operating margin of 104 million euro, up 6.4% from 98 million euro in the previous quarter;
- a cost/income ratio of 47% versus 46% in the third quarter of 2010;
- net provisions and adjustments of 23 million euro from 15 million euro in the previous quarter;
- income before tax from continuing operations of 82 million euro, in line with the 83 million euro of the third quarter of 2010;
- net income of 35 million euro, down 16% from 41 million euro in the third quarter of 2010; excluding charges from purchase cost allocation, net income for the fourth quarter of 2010 would be 61 million euro versus 64 million euro in the third quarter of 2010.

In full-year 2010, Banca Fideuram registered:

- operating income of 755 million euro, up 12.7% from 670 million euro in 2009 contributing 5% to the Group's consolidated figure (4% in 2009);
- operating costs of 348 million euro, down 1.4% from 353 million euro in 2009;
- operating margin of 407 million euro, up 28.4% from 317 million euro in 2009;
- a cost/income ratio of 46.1% improving versus 52.7% in 2009;
- net provisions and adjustments of 82 million euro from 52 million euro in 2009;
- income before tax from continuing operations of 325 million euro, up 22.6% from 265 million euro in 2009;
- net income of 138 million euro, up 29% versus 107 in 2009; excluding charges from purchase cost allocation, net income for 2010 would be 236 million euro compared to 199 million euro in 2009.

The outlook for 2011

2011 is the first year in the new multi-year Business Plan which will shortly be disclosed to the market. The Plan will provide details of guidelines for the management policies of the Intesa Sanpaolo Group over that timeframe. That will not alter the Group's continued focus on its key priority: to assure sustainable profitability in the medium term by developing long-lasting client relationships, fine-tuning cost control and investments while at the same time monitoring asset quality, liquidity and its capital base.

In 2011, by comparison with 2010, the Group is expected to record a recovery in revenues, containment of operating costs, a decline in the cost of credit and, hence, recurring profitability growth.

* * *

For consistency purposes, the income statement data for 2009 were restated mainly due to three transactions:

1. the disposal of the securities services business, in respect of which a sale-and-purchase agreement was entered into in December 2009: for the first three quarters of 2009 relevant items were deconsolidated line by line and their contribution in terms of net income was recorded under income after tax from discontinued operations;
2. the acquisition of 50 branches from Banca Monte dei Paschi di Siena which were included in the scope of full consolidation in the income statement of the third quarter of 2010. For 2009 and for the first two quarters of 2010 relevant items were consolidated line by line and their contribution to net income was recorded under minority interests;
3. the purchase from the Generali Group of the remaining 50% of Intesa Vita not owned by the Intesa Sanpaolo Group, finalised in September 2010, and the consequent inclusion of Intesa Vita within the scope of full consolidation as regards the income statement for the 2010 fourth quarter. For 2009 and for the first three quarters of 2010 relevant items were consolidated line by line and their contribution to net income recorded under minority interests.

Still for consistency purposes, the balance sheet data were restated:

1. for the first three quarters of 2009 deconsolidating line by line the items relating to the securities services business and registering their contribution under non-current assets/liabilities held for sale and discontinued operations;
2. for the first quarter of 2010 and the four quarters of 2009 consolidating line by line the items related to the acquisition of 50 branches from Banca Monte dei Paschi di Siena finalised in June 2010;
3. for the first two quarters of 2010 and the four quarters of 2009 consolidating line by line the items related to Intesa Vita.

Moreover the income statement and balance sheet data relating to the Business Units were restated:

1. for 2009 to take into account the allotment of the Banca CR Firenze Group results, including Casse del Centro, to the relevant Business Units (previously they were entirely attributed to the Banca dei Territori Division);
2. for the first two quarters of 2010 and for 2009 to include the contribution to Banca Fideuram of the Fideuram Vita business line spun off from EurizonVita and consequently from the Banca dei Territori Division;
3. for the first three quarters of 2010 and for 2009 to take into account the attribution of Neos Finance results to the Banca dei Territori Division. The company was previously included under the Corporate Centre.

* * *

The adjusted net income was calculated excluding the main non-recurring items listed below:

in the first quarter 2010: 1) 86 million euro of fiscal benefit from the release of deferred taxes relating to goodwill detaxation with some subsidiaries, recorded under taxes on income from continuing operations, 2) 23 million euro integration charges and related tax savings resulting in net integration charges of 16 million euro, and 3) 92 million euro charges from purchase cost allocation, net of tax;

in the second quarter 2010: 1) 19 million euro of extraordinary tax pertaining to the first half of 2010 and relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 2) 664 million euro capital gains made on the sale of the securities services business and related taxes, which resulted in a net capital gain of 648 million euro under income after tax from discontinued operations, 3) 41 million euro integration charges and related tax savings, which resulted in net integration charges of 27 million euro, and 4) 101 million euro charges from purchase cost allocation, net of tax;

in the third quarter 2010: 1) 9 million euro of extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 2) 13 million euro integration charges and related tax savings, which resulted in net integration charges of 11 million euro, and 3) 103 million euro charges from purchase cost allocation, net of tax;

in the fourth quarter 2010: 1) 100 million euro prudentially set aside for possible dispute resolutions, recorded under net provisions for risks and charges, 2) a 255 million euro positive effect of the measurement at fair value of the 50% stake of Intesa Vita already owned following the acquisition of total control of the company, registered under profits on investments held to maturity and on other investments, 3) 15 million euro of extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 4) 27 million euro integration charges and related tax savings, which resulted in net integration charges of 18 million euro and 5) 102 million euro charges from purchase cost allocation, net of tax;

in the first quarter 2009: 1) 511 million euro of fiscal benefit from the release of deferred taxes relating to detaxation of intangibles with a finite life and brand name, recorded under taxes on income from continuing operations, 2) 68 million euro integration charges and related tax savings, which resulted in net integration charges of 48 million euro, 3) 95 million euro charges from purchase cost allocation, net of tax, and 4) 83 million euro capital gains made on the disposal of CR Orvieto and 17 branches and related taxes, which resulted in a net capital gain of 63 million euro under income after tax from discontinued operations;

in the second quarter 2009: 1) 60 million euro integration charges and related tax savings, which resulted in net integration charges of 38 million euro, and 2) 102 million euro charges from purchase cost allocation, net of tax;

in the third quarter 2009: 1) 61 million euro integration charges and related tax savings, which resulted in net integration charges of 44 million euro, and 2) 98 million euro charges from purchase cost allocation, net of tax;

in the fourth quarter 2009: 1) 51 million euro from the IMI-SIR settlement recorded under other operating income and related taxes, 2) 439 million euro capital gains from the disposal of Findomestic and 70 million euro from that of Esaote registered under profits on investments held to maturity, and related taxes, 3) 131 million euro integration charges and related tax savings, which resulted in net integration charges of 84 million euro, 4) 90 million euro charges from purchase cost allocation, net of tax, and 5) 60 million euro attributable to minority shareholders out of the aforementioned 439 million euro Findomestic capital gain recorded under minority interests.

* * *

In order to present more complete information on the results generated in 2010, the reclassified income statement and the reclassified balance sheet included in the Report on operations approved by the Management Board are attached. Please note that the reclassified income statement and the reclassified balance sheet are not subject to auditing by the Auditing company. It is hereby notified that the Intesa Sanpaolo financial statements, both parent company and consolidated, for the year ended 31 December 2010 will be available for shareholders and the market within 6 April 2011. They will be submitted to the approval of the Supervisory Board at a meeting scheduled for 5 April 2011 and to the auditing firm in charge of auditing the Annual Report.

* * *

The manager responsible for preparing the company's financial reports, Ernesto Riva, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

* * *

This press release contains certain forward-looking statements and forecasts reflecting the Intesa Sanpaolo management's current views with respect to certain future events. Forward-looking statements 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 Intesa Sanpaolo's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where Intesa Sanpaolo participates or is seeking to participate. The Intesa Sanpaolo Group's ability to achieve its projected 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. The following important factors could cause the Group's actual results to differ materially from those projected or implied in any forward-looking statements:

- the Group's ability to successfully integrate the employees, products, services and systems of mergers and acquisitions;
- the impact of regulatory decisions and changes in the regulatory environment;
- the impact of political and economic developments in Italy and other countries in which the Group operates;
- the impact of fluctuations in currency exchange and interest rates;
- the Group's ability to achieve the expected return on the investments and capital expenditures it has made in Italy and in foreign countries; and
- the Group's ability to finalise capital management actions on its non-core assets (including disposals, either full or partial, partnerships, listings, etc.).

The foregoing factors should not be construed as exhaustive. 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. All forward-looking statements included herein are based on information available to Intesa Sanpaolo as of the date hereof. Intesa Sanpaolo 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 Intesa Sanpaolo or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

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Gruppo Intesa Sanpaolo

Reclassified consolidated statement of income

(millions of euro)

	2010	2009	Changes	
			amount	%
Net interest income	9,768	10,525	-757	-7.2
Dividends and profits (losses) on investments carried at equity	29	5	24	
Net fee and commission income	5,671	5,364	307	5.7
Profits (Losses) on trading	464	1,122	-658	-58.6
Income from insurance business	654	589	65	11.0
Other operating income (expenses)	39	54	-15	-27.8
Operating income	16,625	17,659	-1,034	-5.9
Personnel expenses	-5,571	-5,618	-47	-0.8
Other administrative expenses	-3,178	-3,224	-46	-1.4
Adjustments to property, equipment and intangible assets	-605	-681	-76	-11.2
Operating costs	-9,354	-9,523	-169	-1.8
Operating margin	7,271	8,136	-865	-10.6
Goodwill impairment	-	-	-	-
Net provisions for risks and charges	-358	-298	60	20.1
Net adjustments to loans	-3,108	-3,706	-598	-16.1
Net impairment losses on other assets	-95	-240	-145	-60.4
Profits (Losses) on investments held to maturity and on other investments	273	545	-272	-49.9
Income (Loss) before tax from continuing operations	3,983	4,437	-454	-10.2
Taxes on income from continuing operations	-1,401	-1,008	393	39.0
Merger and restructuring-related charges (net of tax)	-72	-214	-142	-66.4
Effect of purchase price allocation (net of tax)	-398	-385	13	3.4
Income (Loss) after tax from discontinued operations	694	169	525	
Minority interests	-101	-194	-93	-47.9
Net income	2,705	2,805	-100	-3.6

Figures restated, where necessary, considering the changes in the scope of consolidation.

Gruppo Intesa Sanpaolo

Quarterly development of the reclassified consolidated statement of income

(millions of euro)

	2010				2009			
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net interest income	2,422	2,470	2,462	2,414	2,494	2,590	2,769	2,672
Dividends and profits (losses) on investments carried at equity	11	-5	26	-3	-	-5	17	-7
Net fee and commission income	1,519	1,333	1,410	1,409	1,504	1,333	1,306	1,221
Profits (Losses) on trading	123	126	-3	218	129	447	439	107
Income from insurance business	126	173	151	204	136	185	172	96
Other operating income (expenses)	20	-4	1	22	34	-7	6	21
Operating income	4,221	4,093	4,047	4,264	4,297	4,543	4,709	4,110
Personnel expenses	-1,444	-1,375	-1,374	-1,378	-1,463	-1,399	-1,359	-1,397
Other administrative expenses	-895	-753	-789	-741	-897	-750	-818	-759
Adjustments to property, equipment and intangible assets	-170	-144	-148	-143	-203	-166	-156	-156
Operating costs	-2,509	-2,272	-2,311	-2,262	-2,563	-2,315	-2,333	-2,312
Operating margin	1,712	1,821	1,736	2,002	1,734	2,228	2,376	1,798
Goodwill impairment	-	-	-	-	-	-	-	-
Net provisions for risks and charges	-144	-30	-98	-86	-100	-66	-63	-69
Net adjustments to loans	-845	-711	-798	-754	-1,069	-823	-1,081	-733
Net impairment losses on other assets	-47	-5	-38	-5	-163	4	-68	-13
Profits (Losses) on investments held to maturity and on other investments	262	-	1	10	517	13	15	-
Income (Loss) before tax from continuing operations	938	1,075	803	1,167	919	1,356	1,179	983
Taxes on income from continuing operations	-297	-419	-322	-363	-170	-515	-486	163
Merger and restructuring-related charges (net of tax)	-18	-11	-27	-16	-84	-44	-38	-48
Effect of purchase price allocation (net of tax)	-102	-103	-101	-92	-90	-98	-102	-95
Income (Loss) after tax from discontinued operations	3	-	663	28	27	21	16	105
Minority interests	-19	-32	-14	-36	-59	-46	-56	-33
Net income	505	510	1,002	688	543	674	513	1,075

Figures restated, where necessary, considering the changes in the scope of consolidation.

Gruppo Intesa Sanpaolo

Reclassified consolidated balance sheet

(millions of euro)

Assets	31.12.2010	31.12.2009	Changes	
			amount	%
Financial assets held for trading	71,899	70,900	999	1.4
Financial assets designated at fair value through profit and loss	35,549	31,982	3,567	11.2
Financial assets available for sale	61,612	50,943	10,669	20.9
Investments held to maturity	3,839	4,561	-722	-15.8
Due from banks	42,737	43,260	-523	-1.2
Loans to customers	379,235	375,454	3,781	1.0
Investments in associates and companies subject to joint control	2,716	2,334	382	16.4
Property, equipment and intangible assets	31,445	31,198	247	0.8
Tax assets	8,733	7,374	1,359	18.4
Non-current assets held for sale and discontinued operations	75	6,552	-6,477	-98.9
Other assets	20,917	27,786	-6,869	-24.7
Total Assets	658,757	652,344	6,413	1.0

Liabilities and Shareholders' Equity	31.12.2010	31.12.2009	Changes	
			amount	%
Due to banks	52,860	44,043	8,817	20.0
Due to customers and securities issued	401,047	397,008	4,039	1.0
Financial liabilities held for trading	45,045	42,264	2,781	6.6
Financial liabilities designated at fair value through profit and loss	26,144	28,151	-2,007	-7.1
Tax liabilities	3,269	3,225	44	1.4
Liabilities associated with non-current assets held for sale and discontinued operations	-	9,723	-9,723	
Other liabilities	20,954	22,727	-1,773	-7.8
Technical reserves	50,188	46,026	4,162	9.0
Allowances for specific purpose	4,650	4,799	-149	-3.1
Share capital	6,647	6,647	-	-
Reserves	45,235	43,659	1,576	3.6
Valuation reserves	-1,054	-430	624	
Minority interests	1,067	1,697	-630	-37.1
Net income	2,705	2,805	-100	-3.6
Total Liabilities and Shareholders' Equity	658,757	652,344	6,413	1.0

Figures restated, where necessary, considering the changes in the scope of consolidation and discontinued operations.

Gruppo Intesa Sanpaolo

Quarterly development of the Reclassified consolidated balance sheet

(millions of euro)

Assets	2010				2009			
	31/12	30/9	30/6	31/3	31/12	30/9	30/6	31/3
Financial assets held for trading	71,899	90,517	98,472	83,979	70,900	78,889	75,780	79,846
Financial assets designated at fair value through profit and loss	35,549	33,252	32,973	33,431	31,982	31,818	30,473	29,583
Financial assets available for sale	61,612	60,307	54,960	55,369	50,943	50,206	45,602	44,209
Investments held to maturity	3,839	4,205	4,307	4,341	4,561	4,772	5,241	5,461
Due from banks	42,737	45,175	48,618	47,909	43,260	42,666	45,570	41,898
Loans to customers	379,235	378,832	374,867	370,916	375,454	378,788	387,292	388,012
Investments in associates and companies subject to joint control	2,716	2,364	2,352	2,332	2,334	2,265	2,256	2,262
Property, equipment and intangible assets	31,445	30,963	31,155	31,050	31,198	31,127	31,352	31,700
Tax assets	8,733	7,839	8,112	7,550	7,374	6,890	7,365	7,608
Non-current assets held for sale and discontinued operations	75	48	35	7,741	6,552	7,247	6,643	8,101
Other assets	20,917	23,876	26,315	27,570	27,786	23,730	25,863	24,460
Total Assets	658,757	677,378	682,166	672,188	652,344	658,398	663,437	663,140

Liabilities and Shareholders' Equity	2010				2009			
	31/12	30/9	30/6	31/3	31/12	30/9	30/6	31/3
Due to banks	52,860	47,242	49,542	45,367	44,043	44,315	47,737	47,383
Due to customers and securities issued	401,047	408,476	412,996	405,127	397,008	399,509	407,944	403,226
Financial liabilities held for trading	45,045	58,140	56,413	48,350	42,264	45,329	41,320	48,707
Financial liabilities designated at fair value through profit and loss	26,144	26,357	26,430	27,692	28,151	28,629	27,970	26,921
Tax liabilities	3,269	3,050	2,874	3,785	3,225	3,347	3,191	4,859
Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	9,375	9,723	9,702	10,210	10,771
Other liabilities	20,954	26,015	26,505	24,685	22,727	24,233	26,382	25,587
Technical reserves	50,188	49,585	48,612	47,947	46,026	44,461	41,073	39,157
Allowances for specific purpose	4,650	4,567	4,620	4,799	4,799	5,214	5,232	5,442
Share capital	6,647	6,647	6,647	6,647	6,647	6,647	6,647	6,647
Reserves	45,235	45,265	45,317	46,358	43,659	43,614	43,548	43,697
Valuation reserves	-1,054	-1,134	-1,120	-339	-430	-589	-1,041	-1,905
Minority interests	1,067	968	1,640	1,707	1,697	1,725	1,636	1,573
Net income	2,705	2,200	1,690	688	2,805	2,262	1,588	1,075
Total Liabilities and Shareholders' Equity	658,757	677,378	682,166	672,188	652,344	658,398	663,437	663,140

Figures restated, where necessary, considering the changes in the scope of consolidation and discontinued operations.

Gruppo Intesa Sanpaolo

Breakdown of financial highlights and financial ratios by business area

Income statement (millions of euro)	Banca dei Territori		Corporate and Investment Banking		Public Finance		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Operating income	10,032	10,346	3,512	3,677	342	399	2,302	2,255	288	323	755	670
Operating costs	-5,988	-6,071	-888	-902	-83	-81	-1,169	-1,149	-132	-138	-348	-353
Operating margin	4,044	4,275	2,624	2,775	259	318	1,133	1,106	156	185	407	317
Net income	783	1,204	1,416	1,262	138	116	378	370	77	91	138	107

Balance sheet (millions of euro)	Banca dei Territori		Corporate and Investment Banking		Public Finance		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Loans to customers	184,012	183,643	111,108	107,616	40,508	41,186	30,926	29,644	153	171	2,812	1,982
Direct customer deposits	217,118	220,956	95,150	94,900	5,757	6,461	30,259	28,564	12	3	12,255	13,604

Profitability ratios (%)	Banca dei Territori		Corporate and Investment Banking		Public Finance		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Cost / Income	59.7	58.7	25.3	24.5	24.3	20.3	50.8	51.0	45.8	42.7	46.1	52.7
ROE [a]	8.8	11.4	19.0	15.7	13.5	11.6	18.1	18.9	132.8	165.5	30.1	23.9
Economic Value Added (EVA) (in millions of euro)	307	741	661	469	40	21	106	111	109	127	189	151

Figures restated, where necessary, considering the changes in the scope of consolidation and in business unit constituents and discontinued operations.

[a] Ratio between Net income and Allocated capital.

Intesa Sanpaolo S.p.a.

Reclassified statement of income

(millions of euro)

	2010	2009	Changes	
			amount	%
Net interest income	2,842	3,409	-567	-16.6
Dividends	1,512	1,349	163	12.1
Net fee and commission income	2,110	2,024	86	4.2
Profits (Losses) on trading	73	326	-253	-77.6
Other operating income (expenses)	203	233	-30	-12.9
Operating income	6,740	7,341	-601	-8.2
Personnel expenses	-2,084	-2,087	-3	-0.1
Other administrative expenses	-1,781	-1,886	-105	-5.6
Adjustments to property, equipment and intangibles assets	-125	-128	-3	-2.3
Operating costs	-3,990	-4,101	-111	-2.7
Operating margin	2,750	3,240	-490	-15.1
Net provisions for risks and charges	-167	-146	21	14.4
Net adjustments to loans	-853	-1,322	-469	-35.5
Net impairment losses on other assets	-34	-68	-34	-50.0
Profits (Losses) on investments held to maturity and on other investments	8	28	-20	-71.4
Income (Loss) before tax from continuing operations	1,704	1,732	-28	-1.6
Taxes on income from continuing operations	-199	150	-349	
Merger and restructuring-related charges (net of taxes)	-44	-127	-83	-65.4
Effect of purchase price allocation (net of tax)	-80	-72	8	11.1
Income (Loss) after tax from discontinued operations	946	101	845	
Net income	2,327	1,784	543	30.4

Figures restated on a consistent basis.

Intesa Sanpaolo S.p.a.

Reclassified balance sheet

(millions of euro)

Assets	31.12.2010	31.12.2009	Changes	
			amount	%
Financial assets held for trading	29,533	29,653	-120	-0.4
Financial assets designated at fair value	367	333	34	10.2
Financial assets available for sale	13,030	11,995	1,035	8.6
Investments held to maturity	853	1,305	-452	-34.6
Due from banks	116,885	116,067	818	0.7
Loans to customers	178,400	178,550	-150	-0.1
Equity investments	43,510	42,327	1,183	2.8
Property, equipment and intangible assets	11,550	11,646	-96	-0.8
Tax assets	4,516	4,132	384	9.3
Non-current assets held for sale and discontinued operations	13	6,450	-6,437	-99.8
Other assets	12,250	19,130	-6,880	-36.0
Total Assets	410,907	421,588	-10,681	-2.5

Liabilities and Shareholders' Equity	31.12.2010	31.12.2009	Changes	
			amount	%
Due to banks	93,815	93,160	655	0.7
Due to customers and securities issued	246,960	250,456	-3,496	-1.4
Financial liabilities held for trading	10,527	10,463	64	0.6
Financial liabilities designated at fair value	-	-	-	-
Tax liabilities	687	707	-20	-2.8
Liabilities associated with non-current assets held for sale and discontinued operations	-	5,721	-5,721	
Other liabilities	7,785	11,018	-3,233	-29.3
Allowances for specific purpose	2,283	2,337	-54	-2.3
Share capital	6,647	6,647	-	-
Reserves	38,980	38,309	671	1.8
Valuation reserves	896	986	-90	-9.1
Net income	2,327	1,784	543	30.4
Total Liabilities and Shareholders' Equity	410,907	421,588	-10,681	-2.5

Figures restated on a consistent basis.