INTESA SANPAOLO

2008 Results

20 March 2009

Agenda

1 **Meeting the challenge**

2 2008 Results: sound operating performance

3 2009 Outlook: attributable profit, though lower than 2008

Meeting the challenge

Resilience and sustainability of our business model

- continued core profitability
- focus on strength in the domestic retail market
- excellent liquidity profile
- low risk profile
- low leverage
- adequate capital strength

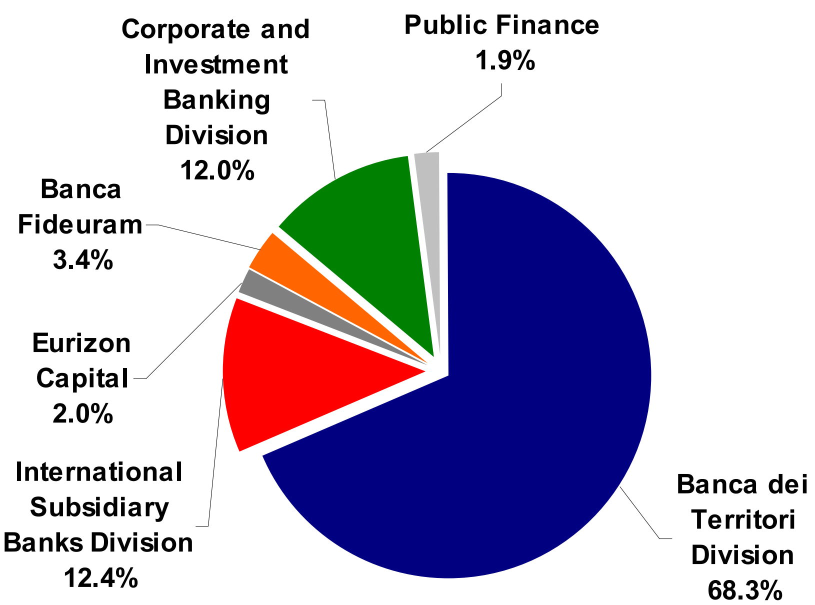
enabling us to withstand the crisis and support our customers

Good pre-impairment profitability

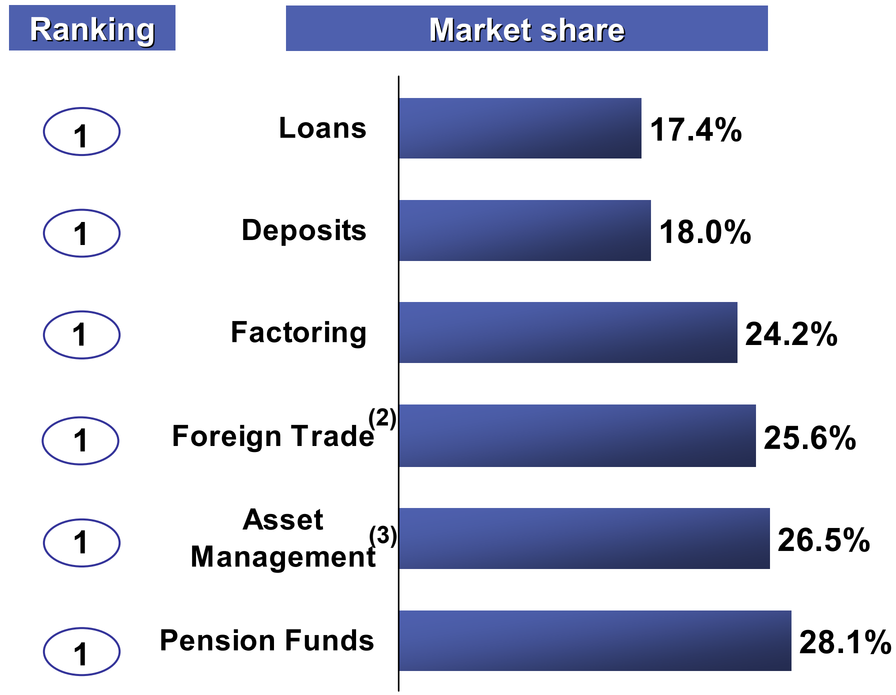
- FY08 Net Income at €3.9bn adjusted for non-recurring items
- €3.1bn impairments of equity investments, goodwill and other intangibles, only partially offset by €1.6bn goodwill detaxation and other deferred taxes
- FY08 Net income at €2.5bn impacted by the 4Q08 figure (-€1.2bn) due to the impairment policy
- 4Q08 bottom line positive at €353m adjusted for non-recurring items

Focus on strength in the domestic retail market: 74% of revenues from retail business in Italy

2008 Operating Income Breakdown by business area[1]



Leadership in Italy
(data as at 31.12.08)



- **The Intesa Sanpaolo Group is mainly focused on retail operations with a limited and well-diversified exposure to Central-Eastern Europe**

Note: Retail = Banca dei Territori Division, Eurizon Capital and Banca Fideuram
(1) Excluding Corporate Centre
(2) Data as at 30.06.08
(3) Mutual funds

Excellent liquidity profile (1/2)

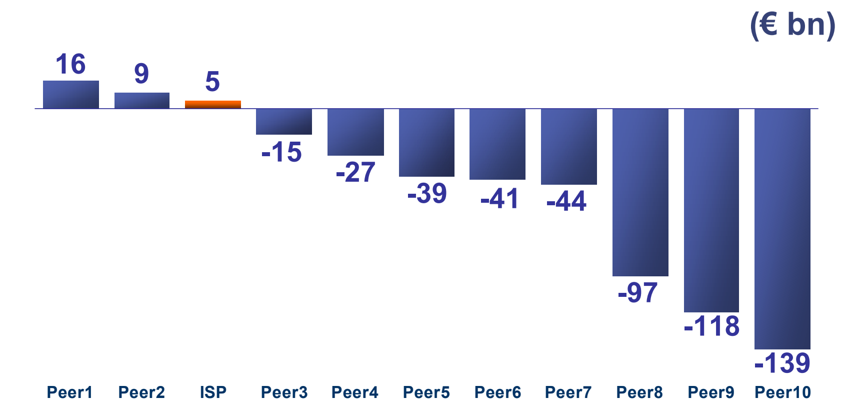
Direct Customer Deposits > Loans to Customers as at 31.12.08

- **Stable well-diversified sources of funding**
- **~70% of Direct Customer Deposits from retail business**

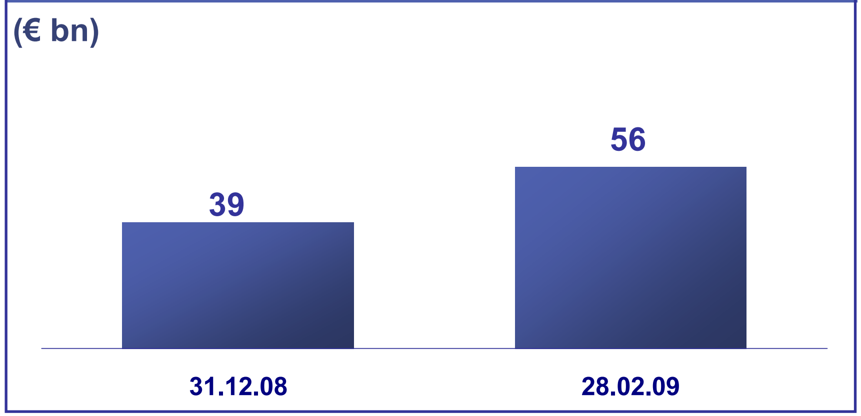
(1) Excluding ~€21.2bn financial liabilities from insurance business

Excellent liquidity profile (2/2)

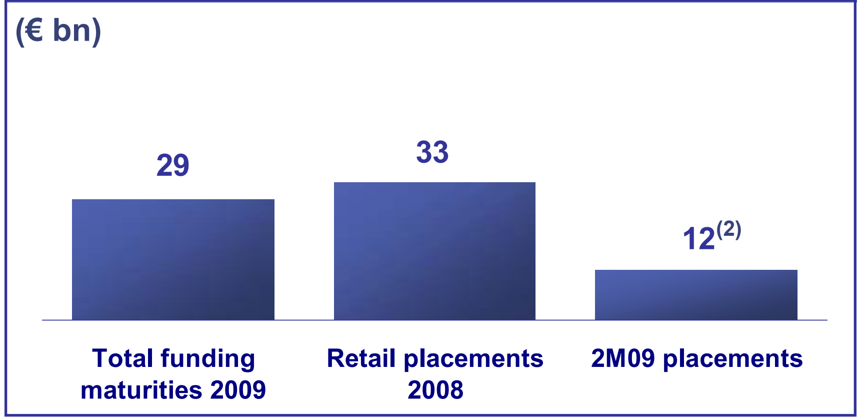
Net interbank position as at 31.12.08(1)



Eligible assets with Central Banks (net of haircut)



Medium/long-term funding capability

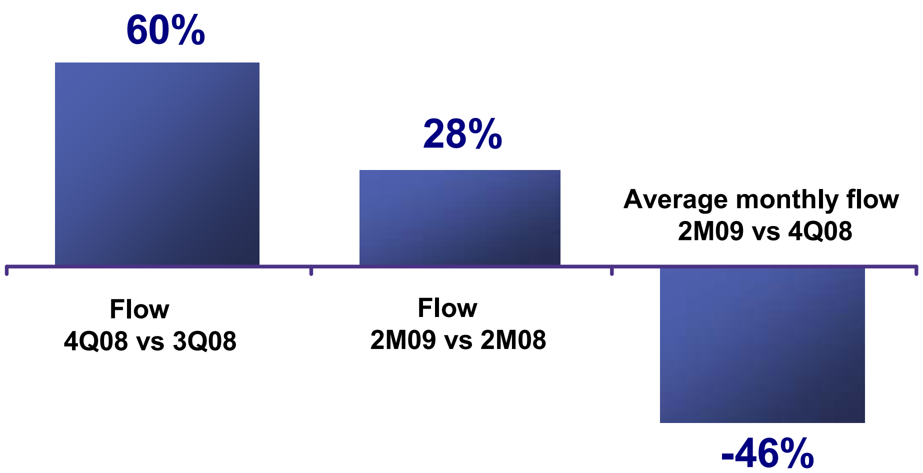


(1) Sample: BBVA, BNP, Credit Suisse, HSBC, Lloyds Banking Group, RBS, Santander, SocGen, UBS and Unicredit
(2) Versus ~€3bn of maturities

Low risk profile: significant slowdown in the first two months of 2009 in the flow of new Substandard and Doubtful loans

- **4Q08 loan provisions rose to 101bps annualised**
- **Increase in the flow of new Substandard and Doubtful loans - both FY08 vs FY07 and 4Q08 vs 3Q08 - concentrated in the sectors structurally more exposed to the economic cycle (construction, distribution, fashion, metals and services), which account just for 1/4 of the Group's loan book**
- **Significant slowing down in the flow in the first two months of 2009**

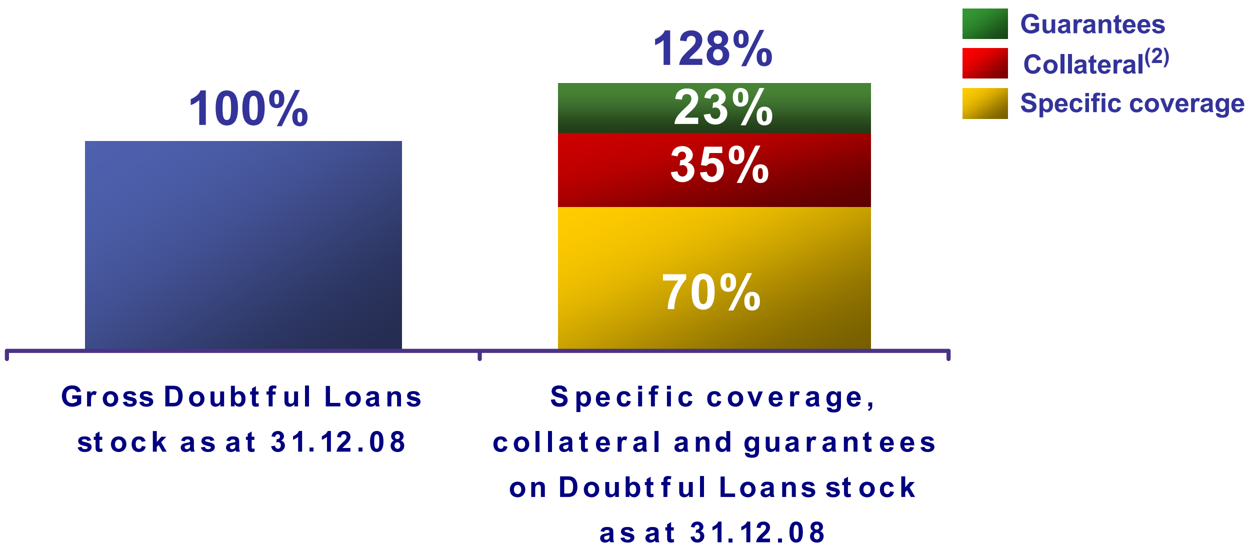
Change in the flow of new Substandard[1] and Doubtful[2] Loans



(1) Incagli
(2) Sofferenze

Low risk profile: coverage on Doubtful Loans more than adequate

Specific coverage, collateral and guarantees vs Doubtful Loans(1)



(1) Sofferenze
(2) Almost entirely real estate

Low risk profile: only 7% of loans in CEE

(Figures as at 31.12.08)	Hungary	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Russian F.	Ukraine	Total CEE	Egypt	Total
Oper. Income (€ m)	560	467	99	473	235	24	39	40	134	118	2,190	95	2,284
% of Group total	***3.1%***	***2.6%***	***0.5%***	***2.6%***	***1.3%***	***0.1%***	***0.2%***	***0.2%***	***0.7%***	***0.6%***	***12.1%***	***0.5%***	***12.6%***
Net Income (€ m)	112	162	28	172	72	4	15	4	8	(400)(1)	177	32	209(2)
% of Group total	***4.4%***	***6.3%***	***1.1%***	***6.7%***	***2.8%***	***0.2%***	***0.6%***	***0.2%***	***0.3%***	***n.m.***	***7.0%***	***1.3%***	***8.2%***
Customer Deposits (€ bn)	5.5	9.3	1.3	6.1	1.7	0.3	0.7	0.2	0.6	0.4	26.1	3.3	29.4
% of Group total	***1.3%***	***2.2%***	***0.3%***	***1.4%***	***0.4%***	***0.1%***	***0.2%***	***0.0%***	***0.1%***	***0.1%***	***6.1%***	***0.8%***	***6.8%***
Customer Loans (€ bn)	9.4	5.7	2.0	6.3	1.8	0.4	0.4	0.5	1.4	0.5	28.2	1.6	29.9
% of Group total	***2.4%***	***1.4%***	***0.5%***	***1.6%***	***0.5%***	***0.1%***	***0.1%***	***0.1%***	***0.3%***	***0.1%***	***7.1%***	***0.4%***	***7.6%***
Total Assets (€ bn)	11.4	11.3	2.5	9.7	2.8	0.5	0.9	0.7	1.7	0.6	42.1	4.1	46.3
% of Group total	***1.8%***	***1.8%***	***0.4%***	***1.5%***	***0.4%***	***0.1%***	***0.1%***	***0.1%***	***0.3%***	***0.1%***	***6.6%***	***0.7%***	***7.3%***
Shareholder's Equity (€ m)	815	809	234	1,012	488	58	74	136	131	104	3,861	272	4,134
% of Group total	***1.7%***	***1.7%***	***0.5%***	***2.1%***	***1.0%***	***0.1%***	***0.2%***	***0.3%***	***0.3%***	***0.2%***	***7.9%***	***0.6%***	***8.4%***
Book value (€ m)	833	967	278	1,098	792	86	169	138	186	104	4,651	1,300	5,951
- of which goodwill/intangibles	*60*	*232*	*60*	*116*	*341*	*28*	*133*	*4*	*74*	*-*	*1,048*	*1,027*	*2,075*

- **Marginal presence in Ukraine (0.1% of Group's loans; €0.5bn). 2008 loss almost entirely due to €390m goodwill impairment**
- **Well-balanced Direct Customer Deposits/Loans to Customers**

(1) -€10m excluding goodwill impairment
(2) €600m excluding goodwill impairment

Low risk profile: adequate coverage of Non-Performing Loans in CEE

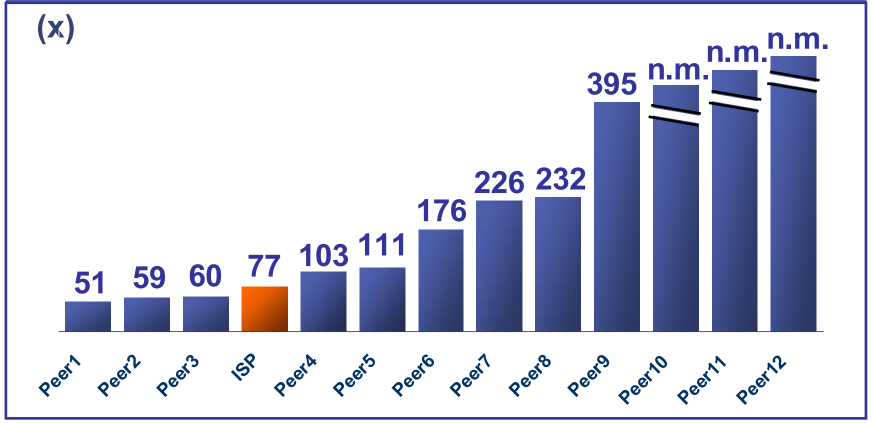
(Figures as at 31.12.08)	Hungary	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Russian F.	Ukraine	Total CEE	Egypt	Total
Performing loans (€ bn)	9.0	5.6	2.0	6.1	1.8	0.4	0.3	0.4	1.4	0.5	**27.5**	1.6	**29.1**
of which:													
Retail local currency	5%	45%	39%	20%	6%	10%	2%	24%	4%	33%	**20%**	40%	**21%**
Retail foreign currency	28%	5%	1%	31%	21%	45%	23%	68%	1%	58%	**22%**	0%	**20%**
Corporate local currency	18%	32%	57%	20%	26%	43%	8%	1%	76%	5%	**27%**	31%	**27%**
Corporate foreign currency	49%	18%	4%	29%	48%	2%	67%	7%	19%	4%	**32%**	29%	**31%**
Doubtful loans(1)(€ m)	52	31	16	1	17	8	13	6	2	11	**157**	12	**169**
Substandard and Restructured(2) (€ m)	315	63	20	170	18	7	16	1	9	21	**640**	21	**661**
Performing loans coverage	0.5%	1.9%	2.4%	1.3%	2.4%	2.2%	3.4%	0.9%	0.8%	1.7%	**1.3%**	1.8%	**1.3%**
Doubtful loans(1) coverage	78%	66%	56%	99%	80%	53%	35%	40%	94%	80%	**78%**	95%	**82%**
Substandard and Restructured loans(2) coverage	15%	17%	20%	33%	33%	22%	11%	50%	55%	13%	**22%**	9%	**22%**
Cost of credit(3) (bps)	148	79	46	34	298	58	89	137	195	853	**122**	n.m.	**109**

- **Foreign currency retail loans in CEE account only for 1.5% of those of the Group**
- **Foreign currency retail Direct Customer Deposits > Foreign currency retail Loans to Customers**

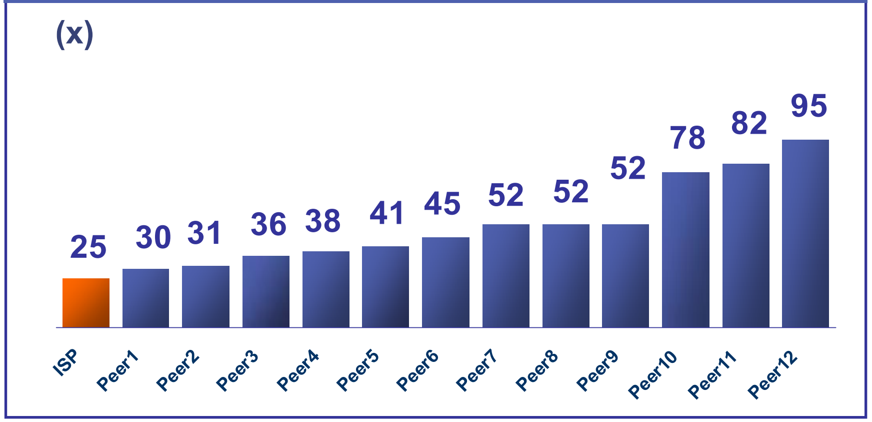
(1) Sofferenze
(2) Including Past Due
(3) Net Adjustments to loans/Net customer loans

Low leverage

Economic Leverage as at 31.12.08(1)
(Total Assets/Operating Margin)

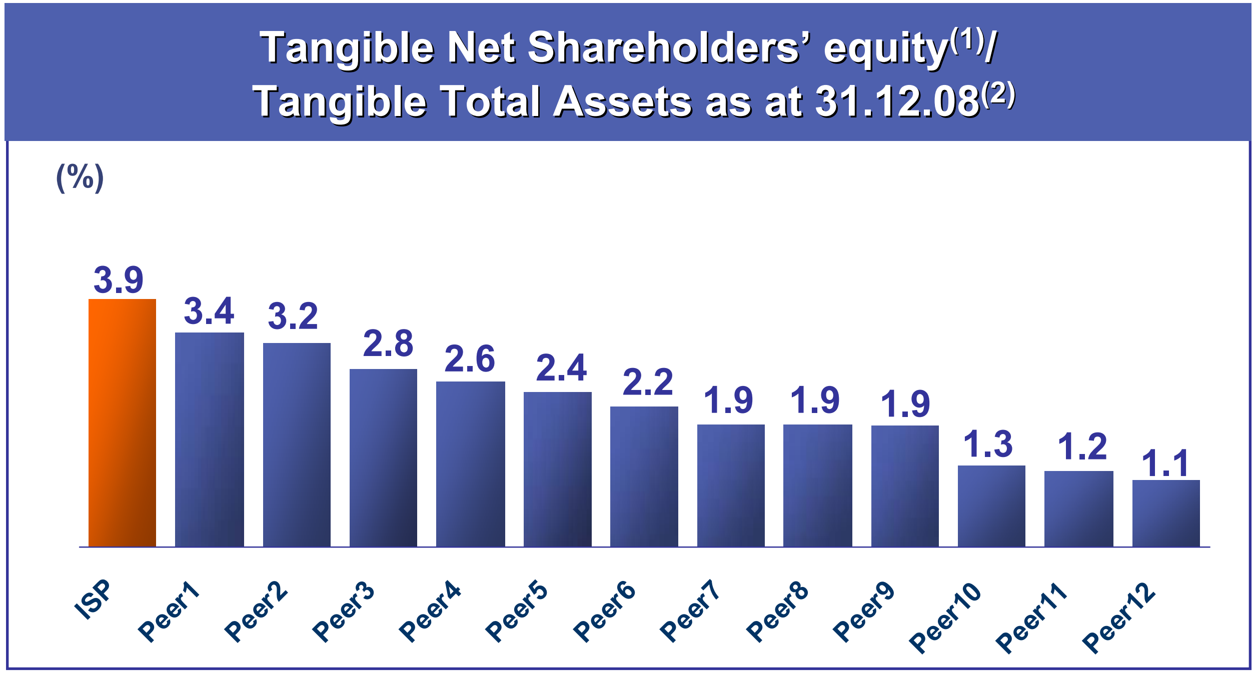


Capital Leverage as at 31.12.08(1)
(Tangible Total Assets/Tangible Net Shareholders' equity(2))



(1) Sample: Barclays, BBVA, BNP Paribas, Crédit Agricole, Credit Suisse, HSBC, Lloyds Banking Group, RBS, Santander, SocGen, UBS and Unicredit
(2) Including Net income for the period not distributed

Adequate capital strength



ISP has the best ratio of Tangible Net Shareholders' equity to Tangible Total Assets as evidence of a solid capital base

(1) Including Net income for the period not distributed
(2) Sample: Barclays, BBVA, BNP Paribas, Crédit Agricole, Credit Suisse, HSBC, Lloyds Banking Group, RBS, Santander, SocGen, UBS and Unicredit

Bolstering capital ratios

	Capital ratios as at 31.12.08 Basel 2 (Foundation)	Estimated benefits from Tremonti Bonds and disposals underway[1]	Pro forma capital ratios
Core Tier 1 ratio	6.3%	1.1%	7.4%
Tier 1 ratio	7.1%	1.1%	8.2%
Total Capital ratio	10.2%	1.1%	11.3%
RWA (€bn)	383.1		

~150bps
potential benefit from capital management actions on non-core assets with a total book value of ~€9.5bn, of which ~€5bn deducted from Core Tier 1, and RWA of ~€15bn

- **ISP Management Board has resolved:**
  - **not to pay dividends on ordinary shares**
  - **to distribute a 2.6 euro cent cash dividend on savings shares (pursuant to the Articles of Association) equal to a 1.85% yield[2]**
  - **to "buy an insurance policy" in the form of €4bn of subordinated debt instruments to be subscribed by the Italian Ministry for Economy and Finance (Tremonti Bonds) and qualifying as Core Tier 1 capital[3]**

(1) Including a ~6bps benefit from disposals underway (CR Orvieto, Pistoia/La Spezia branches, Intesa Trade and CartaSi)
(2) Based on 19.03.09 market price
(3) The subscription by The Ministry for Economy and Finance is subject to the conditions provided for by art. 2 of the Ministry Decree issued on 25.02.09 and particularly to the Bank of Italy's assessment

Tremonti Bonds "insurance policy" (1/2)

- **The Tremonti Bonds "insurance" is cheaper and more flexible than both equity and Tier 1**
  - **annual cost of coupon, non tax deductible, charged to Net Income:**
    - **8.5% for the first four years**

    or, where higher:
    - **ordinary share dividend yield(1) x105% for 2009, x110% for 2010 and x115% for 2011-2012, capped at 15% of principal**
  - **redeemable at any time; at par where redemption is made by 30 June 2013**

- **Tremonti Bonds impact on shareholders**
  - **no dilution in terms of number of shares**
  - **possible attributable EPS dilution due to coupon payment on a €4bn issue limited to 2.7 euro cents with a 8.5% coupon, up to a maximum 4.7 euro cents with a 15% coupon**

(1) Measured as DPS on stock price at the time of the bond issue

Tremonti Bonds "insurance policy" (2/2)

"Brevity is the soul of wit"

Hamlet [Act 2, scene 2, 90]

ISP envisages:

- **reimbursing the Tremonti Bonds by 30 June 2013. The "lost" solvency will be replaced with recurring cash generation and disposal of a pool of non-core assets**
- **recommencing cash dividend distribution taking into account reimbursement of the Tremonti Bonds, business conditions and capital requirements**
- **paying progressive cash dividends reflecting long-term confidence in the business**

Outlook 2009

- Defence of spreads (through mark-up improvement and hedging) and selective loan growth to counteract the pressure from low interest rates and limit the percentage decline in Net interest income and Net operating income to mid single digit

- Cost reduction despite introduction of intra-group VAT and further substantial investments for growth and the management of risk

- FY09 Net Adjustment to Loans higher than FY08

- Further substantial impairments reasonably unlikely

Attributable profit even after cost of servicing the Tremonti Bonds coupon, though lower than 2008

The way forward: building on the solidity of the Group

2009-2011 Business Plan Guidelines

- **Revenue rebound leveraging the Group's strong franchise and clear and transparent products, services and pricing**
- **2009-2011 costs below 2008 level**
- **Focus on asset quality**
- **Liquidity as competitive strength**
- **Non-core asset disposal (~€9.5bn book value, of which ~€5bn deducted from Core Tier 1, and €15bn of RWA)**
- **Progressive pay-out**

2009-2011 BP guidelines: Intesa Sanpaolo intends to remain one of the most solid international banking Groups

- **Dividend pay-out finetuned to maintain capital strength comfortably above threshold benefiting from low-risk profile**
- **Top ranking in Europe for tangible equity to tangible assets ratio**
- **Optimise supervisory capital requirements as per Pillar I and Pillar II**
  - **Upgrade internal rating model**
  - **Exploit products which require lower capital-absorption**
  - **Optimise risk mitigation**
  - **Cut VAR by downsizing proprietary trading**

Full disclosure of the 2009-2011 Business Plan likely this Summer

Agenda

1 Meeting the challenge

2 2008 Results: sound operating performance

3 2009 Outlook: attributable profit, though lower than 2008

ISP delivered a healthy operating performance in 2008 despite unprecedented market conditions

- **2008 Net Income more than €2.5bn (+3.5% vs 2007 adjusted(1))**
- **Adjusted Operating Margin(2) up 6.7% vs 2007**
- **Significant reduction in Operating costs (-3.3% vs 2007(3))**
- **Sound asset quality confirmed**
  - **Net Doubtful Loans/Loans to customers at 1.0%**
  - **More than €2.4bn reserves on Performing Loans**
- **Strict asset valuation policy applied**
  - **€3.1bn equity investment, goodwill and intangible impairments in 4Q08**
  - **€184m conservative valuation on structured credit products in 4Q08**
- **Continued enlargement of customer base: ~175,000 new customers on a net basis in Italy in 2008, despite the burden of integration activities**
- **Integration completed ahead of schedule to bring forward synergies and efficiencies, and the structure of the Banca dei Territori and Corporate Centre finetuned**

(1) Excluding main non-recurring items (see slide 59 in the Appendix) and trading profits
(2) Excluding trading profits, recoveries on the allowance for Employee Termination Indemnities (TFR), income from Rovelli settlement and charges on expired bank drafts
(3) Excluding recoveries on the allowance for Employee Termination Indemnities (TFR)

Sound growth of Direct Customer Deposits and Loans to Customers in 2008

(€ m)	31.12.07 Restated	31.12.08	Δ%
Loans to Customers	353,122	395,189	11.9
Customer Financial Assets[1]	1,034,096	983,153	(4.9)
of which Direct Customer Deposits	392,665	430,897	9.7
of which Indirect Customer Deposits	669,277	577,144	(13.8)
- Assets under Management	*270,169*	*213,786*	*(20.9)*
- Assets under Administration	*399,108*	*363,358*	*(9.0)*

+8.9% average volumes
+9.4% excluding reclassified financial assets for IAS 39 amendment

- Customer Financial Assets decrease due to performance effect

Note: 31.12.07 figures restated to reflect the scope of consolidation as at 31.12.08
(1) Net of duplications between Direct Customer Deposits and Assets under Management

2008 sizeable cost reduction and revenue increase excluding trading profits and main non-recurring items

(€ m)	2007 Restated	2008	Δ%	Δ% excluding non-recurring items	Δ% excluding non-recurring items and trading(1)
Net interest income	10,368	11,630	12.2	12.2	12.2
Dividends and P/L on investments carried at equity	305	138	(54.8)	(54.8)	(54.8)
Net fee and commission income	6,654	5,872	(11.8)	(11.8)	(11.8)
Profits (Losses) on trading	1,241	(53)	n.m.	(87.2)	n.m.
Income from insurance business	508	400	(21.3)	(21.3)	(21.3)
Other operating income (expenses)	170	170	0.0	(14.1)	(14.1)
Operating income	**19,246**	**18,157**	**(5.7)**	**(4.0)**	**1.0**
Personnel expenses	(5,792)	(5,746)	(0.8)	(5.3)	(5.3)
Other administrative expenses	(3,323)	(3,378)	1.7	1.7	1.7
Adjustments to property, equipment and intangible assets	(881)	(812)	(7.8)	(7.8)	(7.8)
Operating costs	**(9,996)**	**(9,936)**	**(0.6)**	**(3.3)**	**(3.3)**
Operating margin	**9,250**	**8,221**	**(11.1)**	**(4.7)**	**6.7**
Goodwill impairment	0	(1,065)	n.m.	n.m.	n.m.
Net provisions for risks and charges	(551)	(318)	(42.3)	(16.1)	(16.1)
Net adjustments to loans	(1,506)	(2,566)	70.4	52.9	52.9
Net impairment losses on other assets	(71)	(949)	n.m.	(95.8)	(95.8)
Profits (Losses) on HTM and on other investments	102	266	n.m.	(54.9)	(54.9)
Income before tax from continuing operations	**7,224**	**3,589**	**(50.3)**	**(16.4)**	**(3.5)**
Taxes on income from continuing operations	(2,866)	(180)(2)	(93.7)	(26.5)	(14.1)
Merger and restructuring related charges (net of tax)	(605)	(657)	8.6	n.m.	n.m.
Effect of purchase cost allocation (net of tax)	(10)	(1,088)	n.m.	n.m.	n.m.
Income (Loss) after tax from discontinued operations	3,844	1,036	(73.0)	(63.8)	(63.8)
Minority interests	(337)	(147)	(56.4)	(56.4)	(56.4)
Net income	**7,250**	**2,553**	**(64.8)**	**(10.6)**	**3.5**

Note: 2007 figures restated to reflect the scope of consolidation for 2008 - Figures may not add up exactly due to rounding differences
(1) Tax estimated for trading profits
(2) Including €1,629m deferred taxation non-recurring positive impact, of which €1,107m from goodwill detaxation

2008 Net Income growth excluding trading profits and main non-recurring items

2007 Net Income[1] (post-tax data) (€ m)	
2007 Net Income	**7,250**
+ Integration charges	605
+ Amortisation of acquisition cost[2]	10
+ Parmalat and Finmek charges	111
+ Deferred taxation non-recurring impact	285
+ Former Nextra impairment	196
- Capital gain Crédit Agricole/Biverbanca	3,753
- Recoveries on TFR	185
- Capital gain on Borsa Italiana stake	160
Net Income excluding non-recurring items	**4,359**
- Profits on trading (excluding Borsa Italiana)	819
Net Income adjusted	**3,540**

2008 Net Income[1] (post-tax data) (€ m)		
2008 Net Income		**2,553**
+ Integration charges		657
+ Amortisation of acquisition cost		1,088
of which:		
Intangibles impairment	521	
+ Lehman provisions		179
+ Icelandic banks provisions		53
+ Impairments		2,257
of which:		
LSE, Natixis, Telco, RCS and other shareholdings	1,192	
Fideuram goodwill	580	
Eurizon Capital goodwill	95	
Pravex-Bank goodwill (Ukraine)	390	
+ Charges on expired bank drafts		69
+ Management adjustment structured credit products		125
- Capital gain on Antitrust 198 branches		932
- Capital gain on Agos and IMMIT disposal		341
- Capital gain on Centrale dei Bilanci disposal		88
- Deferred taxation non-recurring impact		1,629
- Income from Rovelli settlement (IMI-SIR)		92
Net Income excluding non-recurring items		**3,899**
- Profits on trading (excluding Lehman and management adjustments on SCP)		234
Net Income adjusted		**3,665**

-10.6%

+3.5%

(1) Tax estimated for trading profits
(2) In 2007, the amortisation of merger cost benefited from the impact on deferred tax of changes in tax rates introduced by the 2008 Budget Law

4Q08 recorded €353m Net Income, excluding main non-recurring items (€446m excluding trading profits as well)

- **4Q08 Financial highlights are satisfactory, especially when considered in the light of:**
  - **the sudden deterioration of the financial crisis (€310m trading profits decrease vs 4Q07)**
  - **the challenging AUM market conditions (€367m decrease in commissions from management, dealing and consultancy vs 4Q07)**
  - **the conservative risk and asset valuation policy**
    - **€3.1bn equity investment, goodwill and intangible impairments**
    - **€184m conservative valuation on structured credit products also considering the market volatility in the first part of 2009**
    - **€1bn Net Adjustments to Loans**
    - **€164m Provisions for risks and charges**
  - **the anticipated integration charges, including write-offs on IT procedures and adjustment on provisions for Solidarity Allowance, following interest rate decrease**

Strong cost reduction in 4Q08 vs 4Q07

(€ m)	4Q07 Restated	4Q08	Δ%	Δ% excluding non-recurring items	Δ% excluding non-recurring items and trading(1)
Net interest income	2,797	2,890	3.3	3.3	3.3
Dividends and P/L on investments carried at equity	86	30	(65.1)	(65.1)	(65.1)
Net fee and commission income	1,629	1,286	(21.1)	(21.1)	(21.1)
Profits (Losses) on trading	(44)	(354)	n.m.	n.m.	n.m.
Income from insurance business	99	171	72.7	72.7	72.7
Other operating income	31	(49)	n.m.	71.0	71.0
Operating income	**4,598**	**3,974**	**(13.6)**	**(7.4)**	**(4.6)**
Personnel expenses	(1,570)	(1,442)	(8.2)	(8.2)	(8.2)
Other administrative expenses	(971)	(1,031)	6.2	6.2	6.2
Adjustments to property, equipment and intangible assets	(247)	(226)	(8.5)	(8.5)	(8.5)
Operating costs	**(2,788)**	**(2,699)**	**(3.2)**	**(3.2)**	**(3.2)**
Operating margin	**1,810**	**1,275**	**(29.6)**	**(13.8)**	**(6.6)**
Goodwill impairment	0	(1,065)	n.m.	n.m.	n.m.
Net provisions for risks and charges	(271)	(164)	(39.5)	(1.2)	(1.2)
Net adjustments to loans	(488)	(999)	n.m.	n.m.	n.m.
Net impairment losses on assets	(52)	(898)	n.m.	n.m.	n.m.
Profits (Losses) on HTM and on other investments	58	(208)	n.m.	(50.0)	(50.0)
Income before tax from continuing operations	**1,057**	**(2,059)**	**n.m.**	**(61.6)**	**(48.8)**
Taxes on income from continuing operations	(785)	1,617(2)	n.m.	(73.0)	(62.9)
Merger and restructuring related charges (net of tax)	(125)	(182)	45.6	n.m.	n.m.
Effect of purchase cost allocation (net of tax)	399	(653)	n.m.	n.m.	n.m.
Income (Loss) after tax from discontinued operations	11	60	n.m.	n.m.	n.m.
Minority interests	(53)	(8)	(84.9)	(84.9)	(84.9)
Net income	**504**	**(1,225)**	**n.m.**	**(41.3)**	**(23.2)**

Note: 4Q07 figures restated to reflect the scope of consolidation for 4Q08 - Figures may not add up exactly due to rounding differences
(1) Tax estimated for trading profits
(2) Including €1,629m deferred taxation non-recurring positive impact, of which €1,107m from goodwill detaxation

4Q08 Net Income at €353m excluding main non-recurring items

4Q07 Net Income[(1)] (post-tax data)	(€ m)
4Q07 Net Income	**504**
+ Integration charges	125
+ Parmalat charges	68
+ Deferred taxation non-recurring impact	285
+ Former Nextra impairment	196
- Capital gain Crédit Agricole/Biverbanca	178
- Amortisation of acquisition cost[(2)]	399
Net Income excluding non-recurring items	**601**
- Profits on trading	20
Net Income adjusted	**581**

4Q08 Net Income[(1)] (post-tax data)	(€ m)	
4Q08 Net Income		**(1,225)**
+ Integration charges		182
+ Amortisation of acquisition cost		653
of which:		
Intangibles impairment	521	
+ Lehman/Icelandic banks provisions[(3)]		9
+ Impairments		2,257
of which:		
LSE, Natixis, Telco, RCS and other shareholdings	1,192	
Fideuram goodwill	580	
Eurizon Capital goodwill	95	
Pravex-Bank goodwill (Ukraine)	390	
+ Charges on expired bank drafts		69
+ Management adjustment structured credit products		125
- Deferred taxation non-recurring impact		1,629
- Capital gain on Centrale dei Bilanci disposal		88
Net Income excluding non-recurring items		**353**
- Profits on trading (excluding management adjustments on SCP)		(93)
Net Income adjusted		**446**

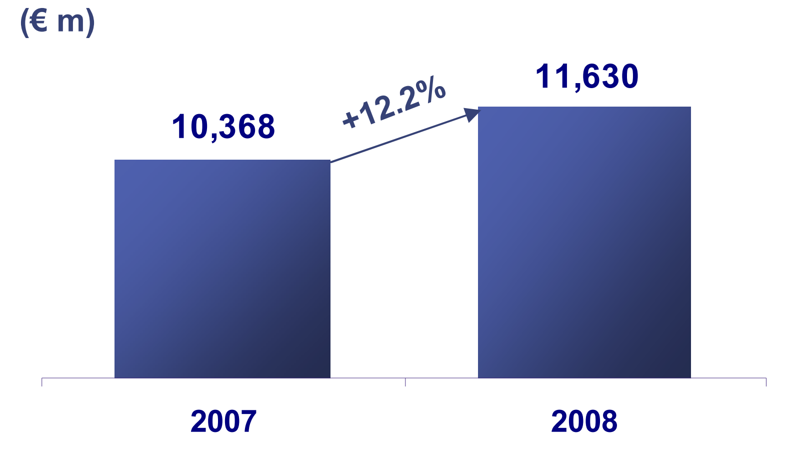
-41.3%

-23.2%

(1) Tax estimated for trading profits
(2) In 4Q07, the amortisation of merger cost benefited from the impact on deferred tax of changes in tax rates introduced by the 2008 Budget Law
(3) For Lehman currency exchange difference € vs $ vs 30.09.08 (€7m)

Excellent Net interest income yearly growth

Yearly Analysis

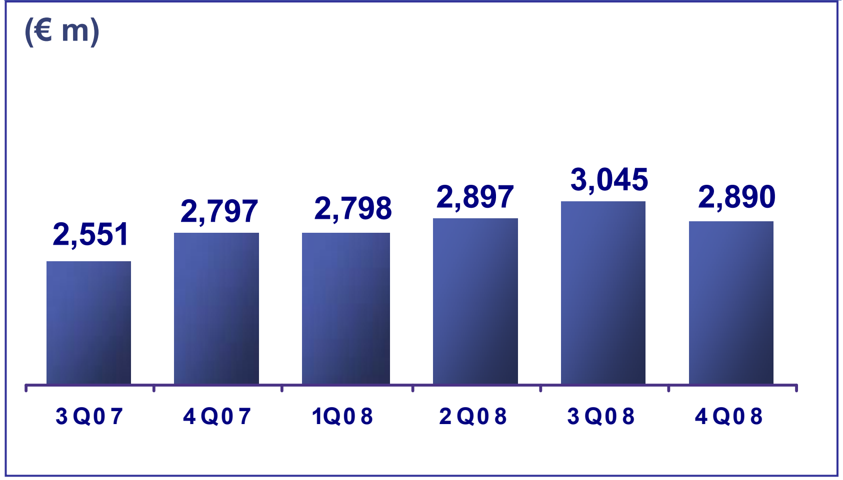


- Double-digit growth mainly driven by the increase in intermediated volumes with customers (average loans +8.9%) and spread improvement

Loans to Customers - Average volumes

	Δ%	Δ €bn
Retail Italy	+4.4	+5.3
SMEs	+4.2	+3.3
Mid Corporate	+13.5	+3.2
Large Corporate	+26.9	+7.6
Public Finance	+3.8	+1.1
International Subsidiary Banks Division	+28.6	+6.0

Quarterly Analysis



- 3.3% increase in 4Q08 vs 4Q07
- 4Q08 vs 3Q08 decline due to the decrease in mark-down and Treasury and Finance Operations
- In 4Q08 ALM actions were taken aimed at reducing exposure to decreasing interest rates. Net interbank positions reduced from €11bn to €4.6bn (-€12.4bn liabilities and -€18.8bn assets)
- Re-pricing actions still underway aimed at improving the mark-up

Net Interest Income yearly growth mainly from customer-related activity

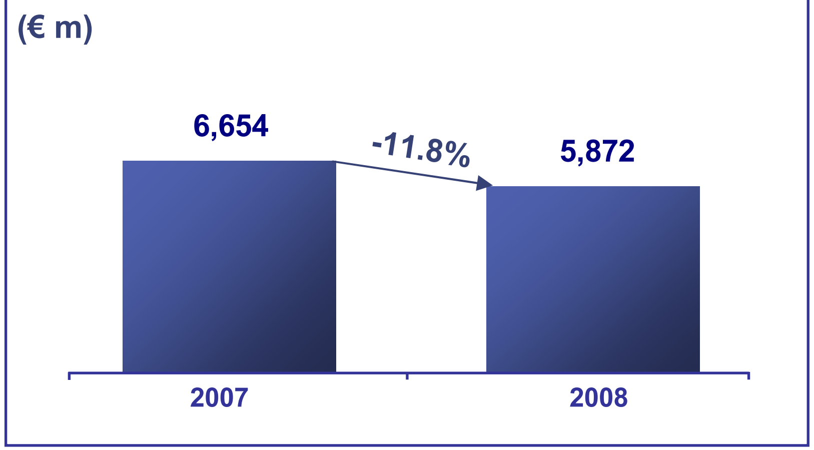
Δ 2008 vs 2007 (€ m)		
2007 Net Interest Income		10,368
+ Operating impact		856
of which:		
- Volumes	637	
- Spread	219	
+ Finance and Treasury		280
+ Other		126
2008 Net Interest Income		11,630

Δ 4Q08 vs 3Q08 (€ m)		
3Q08 Net Interest Income		3,045
+ Operating impact		(71)
of which:		
- Volumes	63	
- Spread	(134)	
+ Finance and Treasury		(56)[1]
+ Other		(28)
4Q08 Net Interest Income		2,890

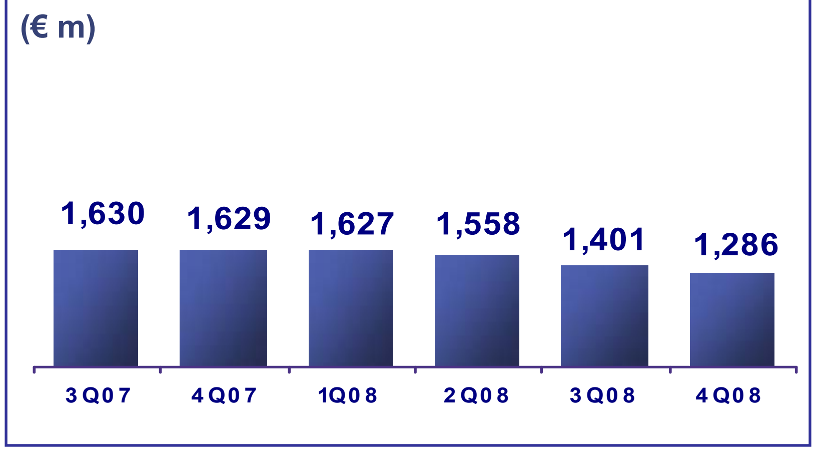
(1) This reduction to be considered non-recurring because ALM actions were taken in 4Q08 aimed at reducing the exposure to decreasing interest rates. Among these, Net interbank position was reduced from €11bn to €4.6bn (-€12.4bn liabilities and -€18.8bn assets)

Decline in Net Fee and Commission Income mainly due to AUM commission reduction

Yearly Analysis



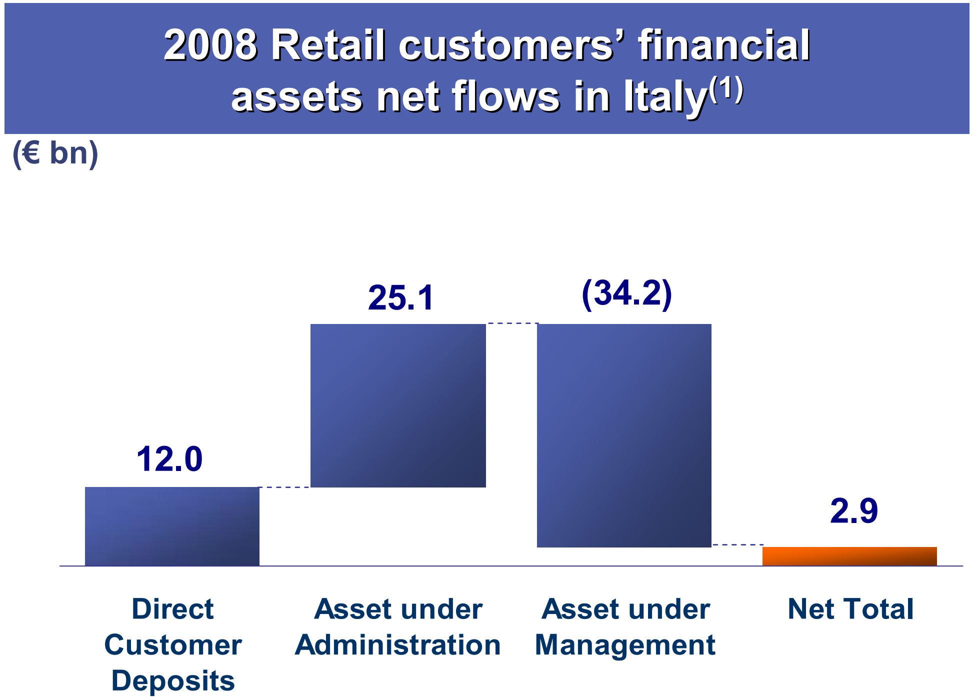
Quarterly Analysis



- Slight decrease in commissions from Commercial banking activities (€-82m; -3.9%) arising from the reduction in commissions from Current Accounts, due to higher placement of lower-cost products, only partially offset by the growth of total commissions from Guarantees given, Credit/debit cards and Collection and payment services
- €774m decrease (-21.1%) in commissions from Management, dealing and consultancy activities (e.g. portfolio management, insurance products, placement of securities) due to adverse market trends and customer risk aversion

- In 4Q08 commercial policy focused on placement of Intesa Sanpaolo bonds (+€7bn bond stock vs 30.09.08)
- 4Q08 decrease vs 3Q08 mainly due to almost no placement of products with up-front fees (no placement of third-party bonds) and to lower commissions from AuM

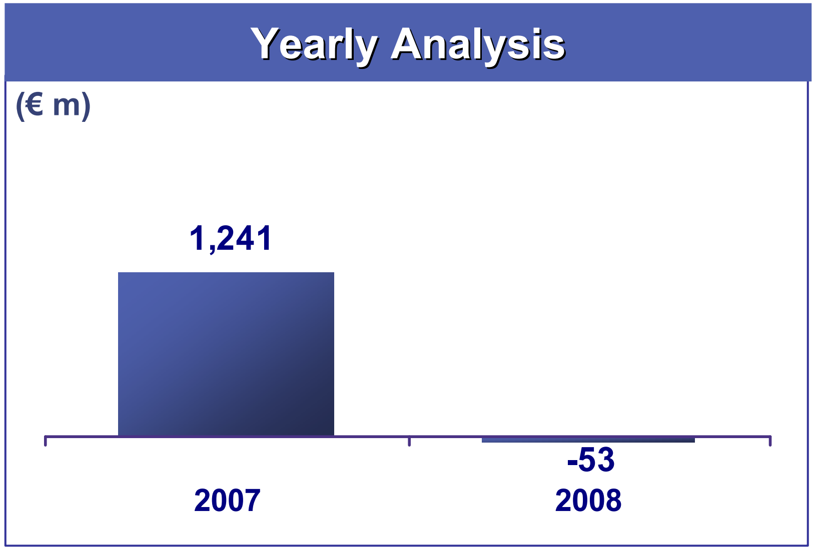
High potential for growth due to sound relationship with existing customer base and ability to attract new customers

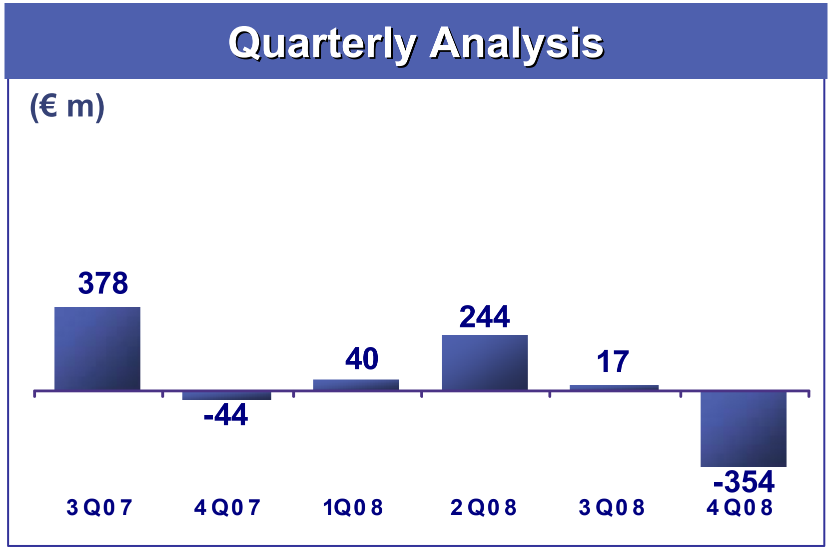


- ~€2.9bn positive net flow of customers' financial assets in Italy[1] in 2008
- Potential growth of commissions ensuing from the switch back of Assets under Administration retained within the Group (more than €363bn) into Assets under Management
- ~175,000 new customers on a net basis in 2008 despite migration of IT systems (~940,000 man/day effort, of which more than 170,000 for network employees)

(1) Banca dei Territori Division (Retail + Private) + Gruppo Fideuram

2008 trading profits affected by the unprecedented financial crisis





- Reduction due to the impact of the unprecedented financial market crisis
- 2008 result includes a €121m dividend from Financial assets available for sale (€142m in 2007)
- 4Q08 result affected by the rapid and deep deterioration of the financial crisis following Lehman bankruptcy and the conservative valuation policy of structured credits products
- Structured credit products valuation in 4Q08 includes €184m of conservative valuation which also reflects the market volatility in the first part of 2009

4Q08 trading profits affected by the deepening financial crisis

(€ m)

	3Q07	4Q07	1Q08	2Q08	3Q08[1]	4Q08[1]
Total	**378**	**(44)**	**40**	**244**	**17**	**(354)**
of which:						
Customers	128	137	135	153	101	88
Capital markets & Financial assets AFS	245	142	40	156	16	14
Proprietary Trading and Treasury (excluding structured credit products)	118	57	(15)	18	(67)	(80)
Structured credit products (see next page and appendix)	(113)	(381)	(120)	(83)	(33)	(376)

- **Structured credit products valuation in 4Q08 includes €184m of conservative valuation which also reflects the market volatility in the first part of 2009**

(1) Without IAS reclassification the income statement would have included €141m of negative impact (of which €107m on Structured credit products) in 3Q08 and €318m (of which €191m on Structured Credit Products) in 4Q08

High quality of the structured credit products portfolio

■ US Subprime €29m

Net exposure(*) (€m)	31.12.07	31.12.08 Total	31.12.08 *of which at trading*
US Subprime	-49	29	23
"Contagion" area	572	280	142
Monoline	61	0	0
Super senior Corporate Risk	2,414	2,336	2,336
European ABS/CDO	2,224	2,110	424
Other	1,195	737	450
Total	6,417	5,492	3,375

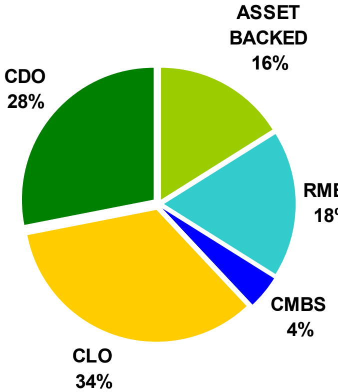
■ 96% Investment Grade

Rating	%
Super senior	31%
AAA	35%
AA	25%
A	5%
BBB and other	4%

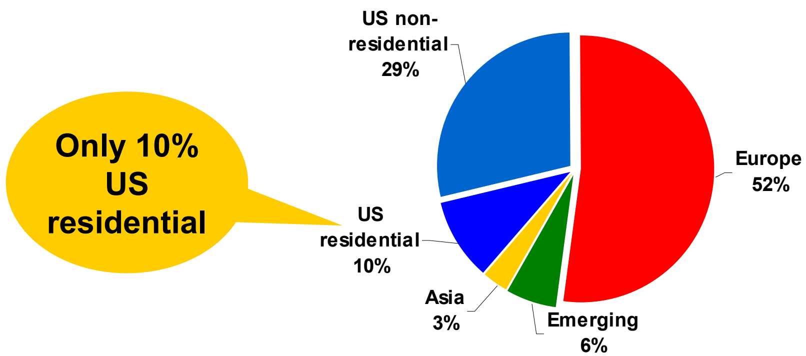
■ 70% Vintage ≤ 2005

Vintage	%
Before 2005	40%
2005	30%
2006	18%
2007	12%

Products



Geographical area



■ **Fair value sensitivity of structured credit products book: -€12m(1) for +25bps of credit spreads**

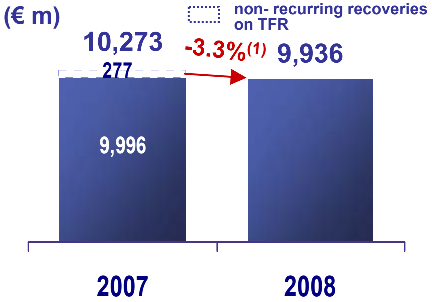
(*) As for "long" positions, 66% valued through mark-to-model (100% of unfunded positions, 18% of funded positions, 100% of monoline risk and of non-monoline packages) and 34% through comparable approach (82% funded positions). As for "short" positions, 79% valued through mark-to-model (100% unfunded "short" positions, see page on Structured credit products: Other (3/4)), 15% valued through effective market quotes (100% of ABX and CMBX-CDS hedges and 55% of "short" positions of funds) and 6% valued through comparable approach (45% of "short" positions of funds)

(1) -€27m if part of the Structured credit products had not been reclassified into Loans & Receivables for a total amount equal to €2,335m of nominal value and to €2,117m of net exposure leading to a total benefit in income statement for 2008 equal to €299m before tax of which €191m in 4Q08

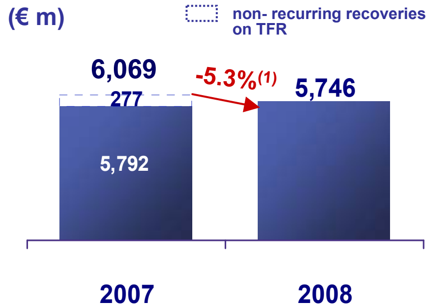
Excellent cost reduction confirmed

Yearly Analysis

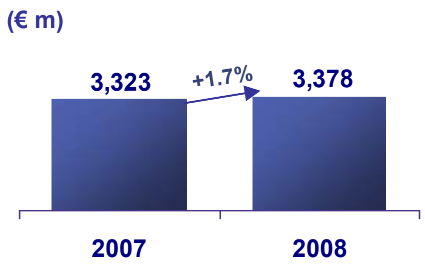
Operating Costs



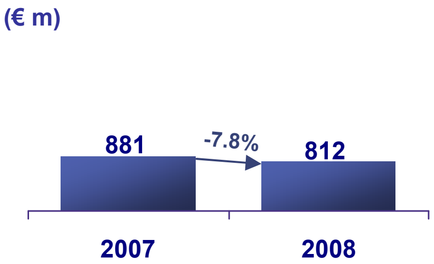
Personnel Expenses



Other Administrative Expenses

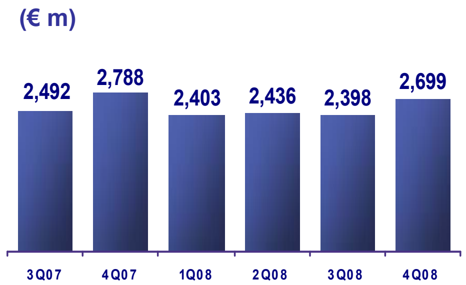


Adjustments

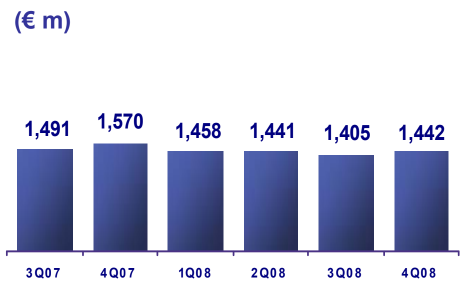


Quarterly Analysis

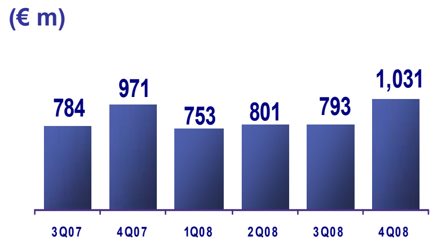
Operating Costs



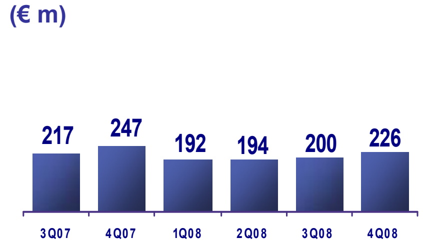
Personnel Expenses



Other Administrative Expenses



Adjustments



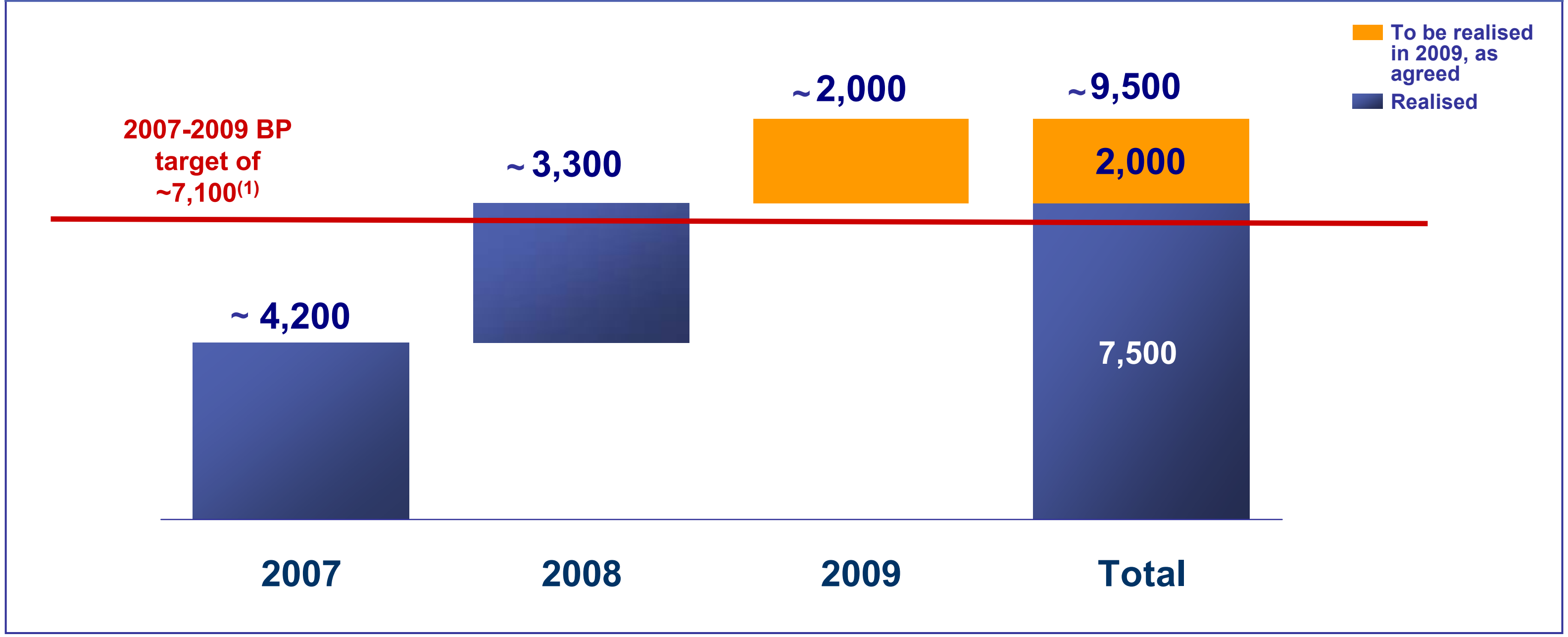
- Excellent cost reduction benefiting - yet - only from ~58% of merger synergies and despite significant growth-related investments
- Operating Costs 5.1% down in Italy(1)

- 3.2% Operating cost decrease in 4Q08 vs 4Q07
- 4Q08 Operating Costs increase vs 3Q08 due to the seasonal trend in Other Administrative Expenses and adjustments

(1) Excluding non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR) (€277m in 2Q07)

Cost reduction ahead of the 2007-2009 BP target

Staff reduction expected over the three-year period 2007-2009

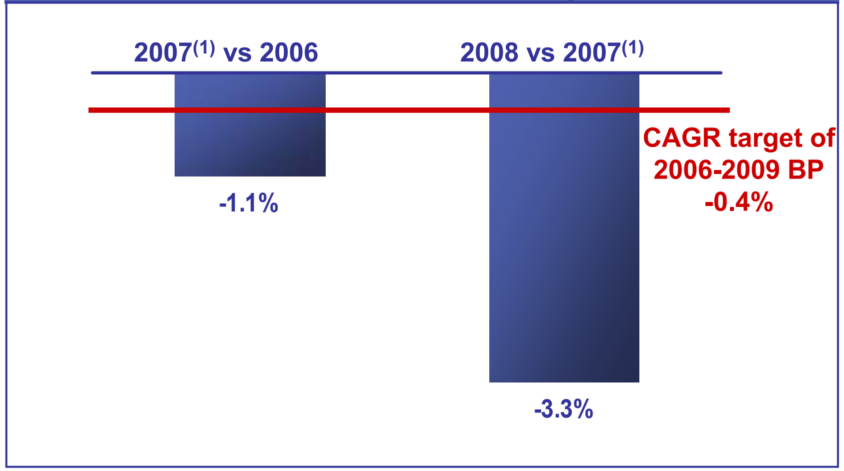


- Staff reduced by ~6,800 people (-8.5%) in the 2007-2008 period
- Despite the significant reduction, more than 6,000 staff were recruited over the same period
- Charges related to staff reduction almost entirely recorded in 2007 and in 2008

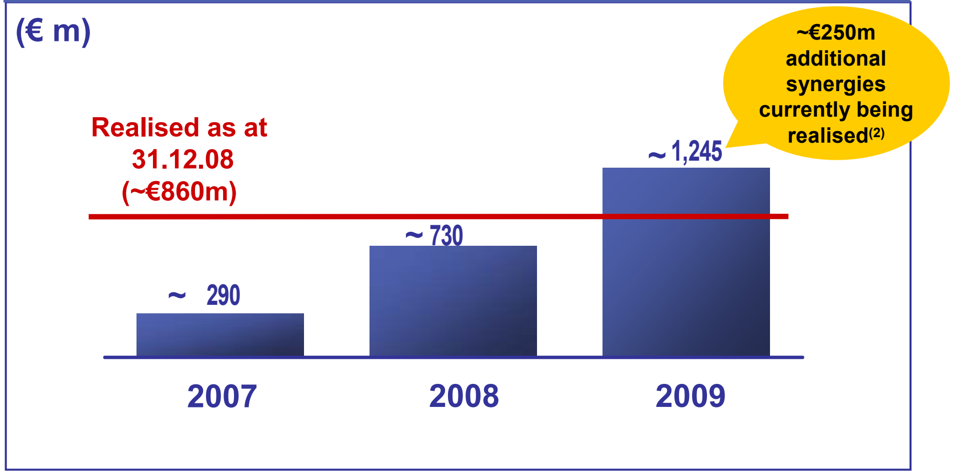
Note: Figures over and above the full replacement of staff exits
(1) Including ~500 from the CR Firenze Group and ~100 from the Fideuram Group

Only 58% of cost synergies included in 2008 Group results

Reduction in Operating Costs vs 2007-2009 BP target



Cumulative cost synergies envisaged in the 2007-2009 BP (before tax)

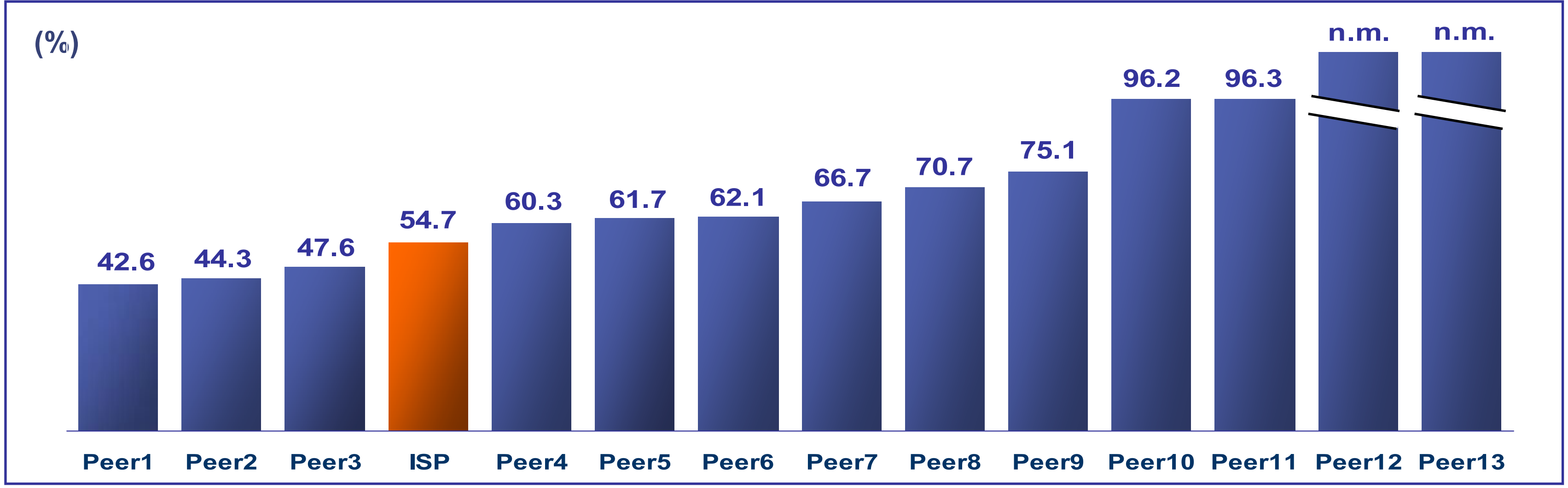


- **As at 31.12.08, ~€860m cumulative synergies realised, of which:**
  - **~€290m in 2007**
  - **~€570m in 2008**
- **~€630m of cost synergies in 2009**
- **~€150m of total integration charges to be booked in 2009**

(1) Excluding non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR) (€277m in 2Q07)
(2) Including CR Firenze

ISP has one of the best Cost/Income ratios among its international peers

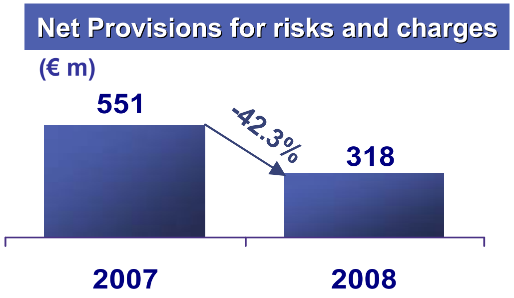
Cost/Income as at 31.12.08[1]

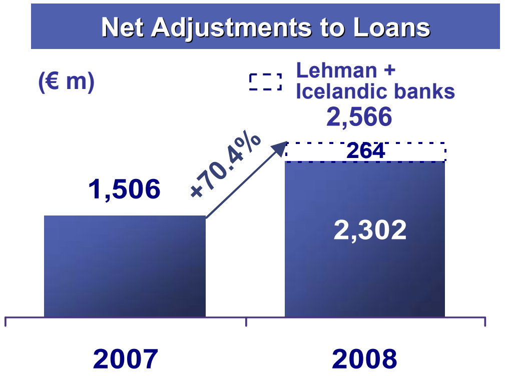


(1) Sample: Barclays, BBVA, BNP Paribas, Crédit Agricole, Credit Suisse, HSBC, ING, Lloyds Banking Group, RBS, Santander, SocGen, UBS and Unicredit

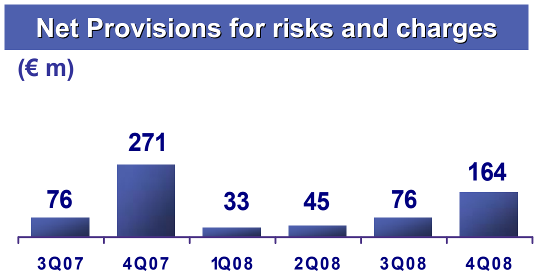
Sound risk management policy

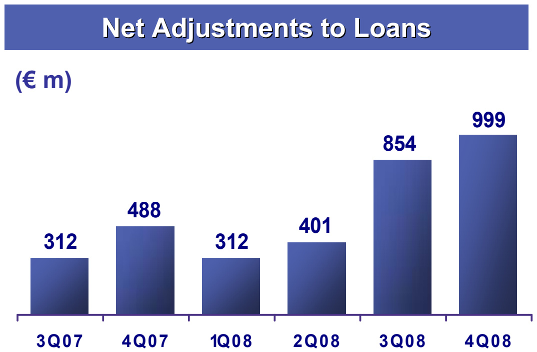
Yearly Analysis





Quarterly Analysis



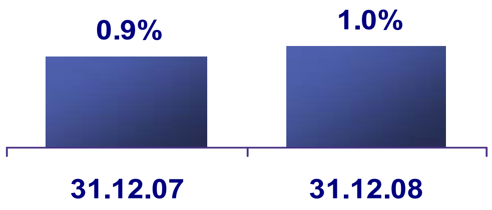


- Provisions for risks and charges decreasing after high provisions in 2007
- Increase in Net Adjustments partially due to Loans to Lehman (€202m) and Icelandic banks (€62m)
- 2008 Net Adjustments to Loans/Loans at 58bps excluding Lehman and Icelandic banks
- €145m increase in Performing Loans reserves in 2008

- 4Q08 conservative Net provisions for risks and charges
- €22m increase in Performing Loans reserves in 4Q08

Net Doubtful Loans/Loans substantially stable at 1%

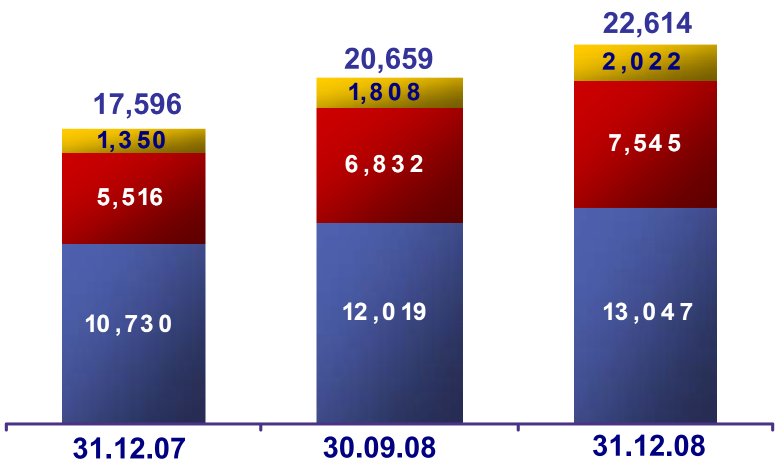
Net Doubtful Loans/Net Loans



- Doubtful Loans Coverage at 70% (128% including collateral and guarantees)
- More than €2.4bn reserves on Performing Loans
- Past Due increase in 4Q08 almost entirely attributable to regulatory changes in classification criteria introduced by the Bank of Italy for financial companies and with reference to specific types of customer

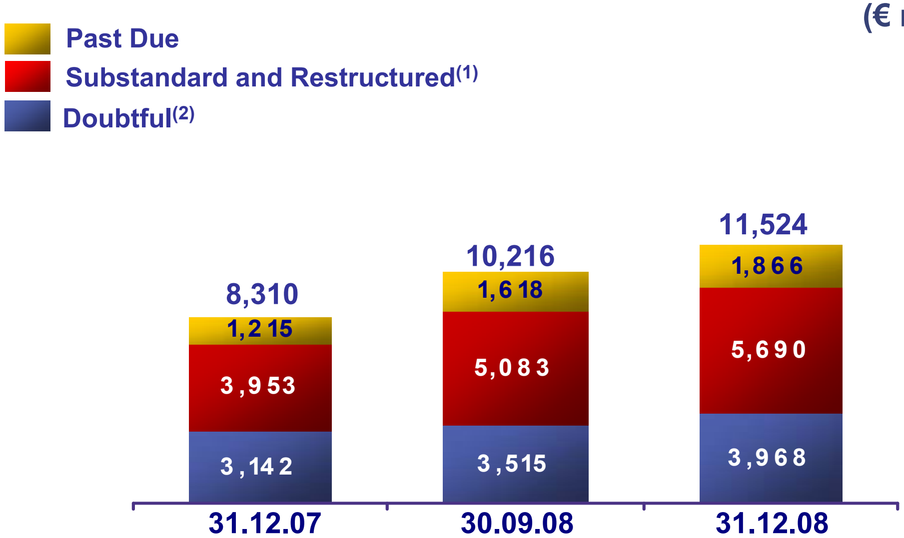
Gross Non-Performing Loans

(€ m)



Net Non-Performing Loans

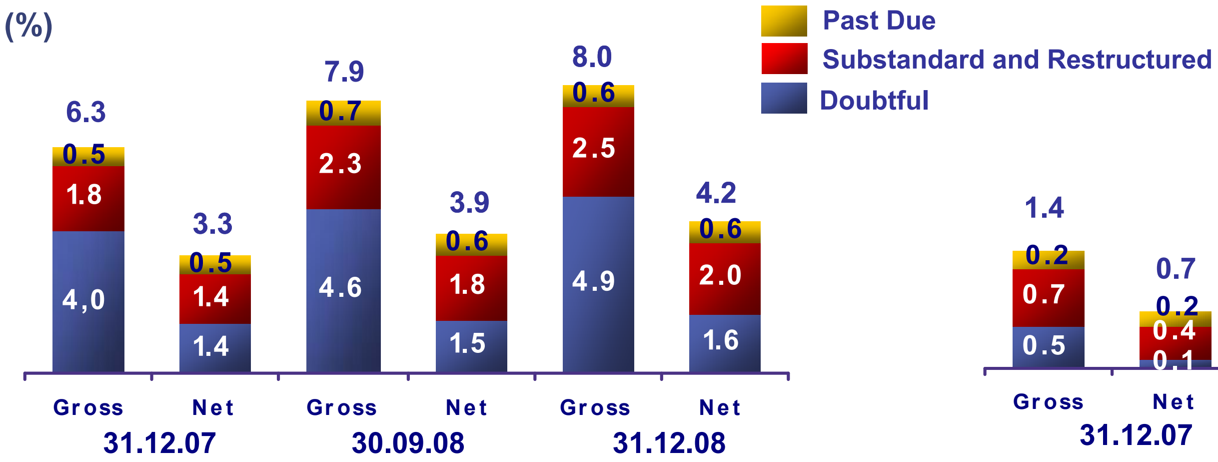
(€ m)



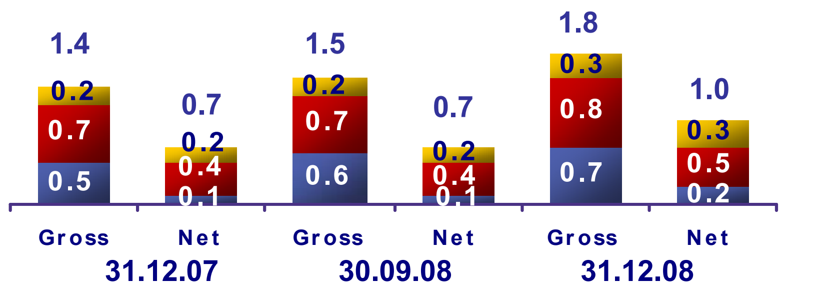
(1) *Incagli e Ristrutturati*
(2) *Sofferenze*

Non-Performing Loans/Loans per Business Unit

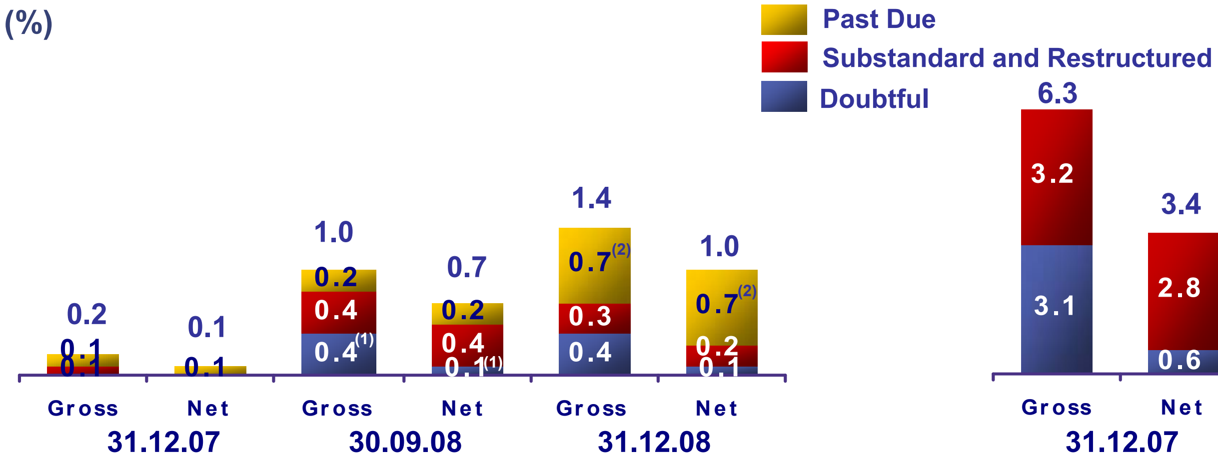
Banca dei Territori Division



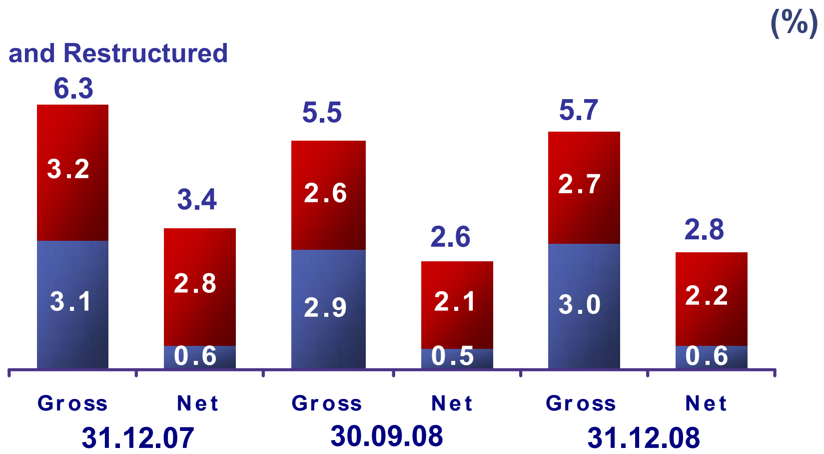
Corporate & Investment Banking Division



Public Finance



International Subsidiary Banks Division



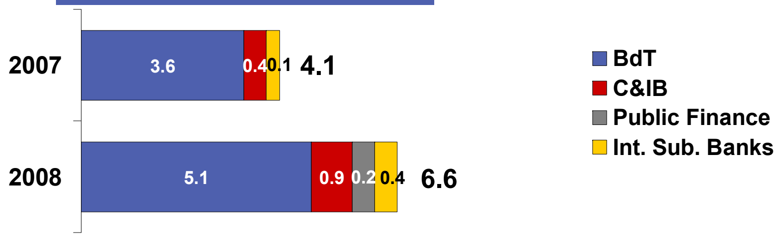
(1) Increase vs 31.12.07 due to Lehman exposure
(2) Increase vs 30.09.08 due to the regulatory changes in classification criteria

New Substandard and Doubtful Loans concentrated in sectors structurally more exposed to the economic cycle

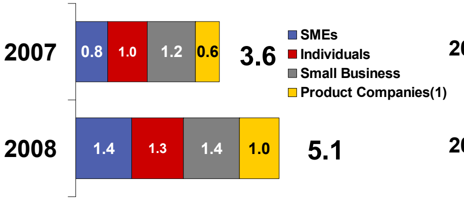
New Substandard Gross Flow

(€ bn)

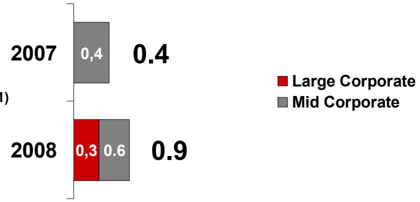
Group



Banca dei Territori



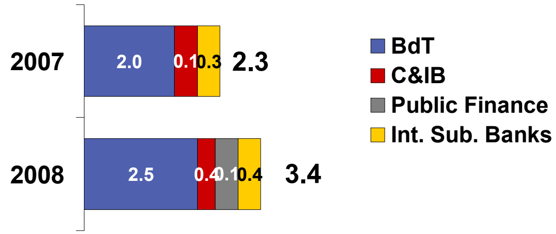
Corporate & Inv. Banking



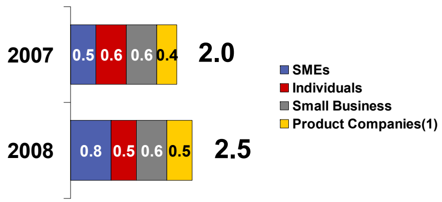
New Doubtful Gross Flow

(€ bn)

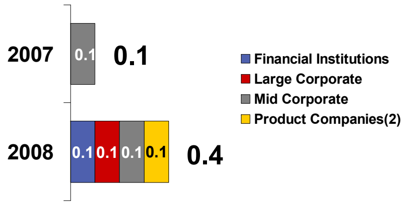
Group



Banca dei Territori



Corporate & Inv. Banking

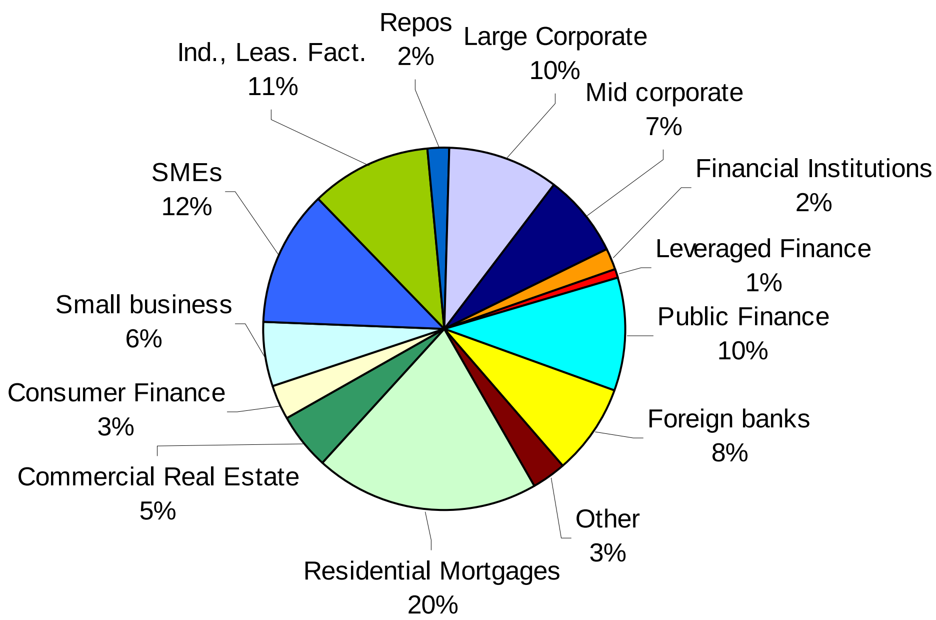


- **New Substandard and Doubtful Loans increase primarily in SMEs, Mid Corporate and Product Companies**
- **New Doubtful Loans increase mainly in 4Q08 and from sectors structurally more exposed to the economic cycle (construction, distribution and fashion). These sectors represent only 15% of the Group's loans**
- **New Substandard Loans increase mainly in the 2H08 and from economic sectors representing overall only 26% of the Group's loans, the same sectors in which the new Substandard Loans increase is concentrated and other sectors particularly exposed to the economic cycle (electronic, metals, transport and services)**

Figures may not add up exactly due to rounding differences
(1) Industrial credit and Leasing
(2) Factoring

Well diversified Loans to Customers portfolio

Breakdown by business area



- **Low risk profile of residential mortgage portfolio**
  - **Instalment/available income at 33%**
  - **Loan-to-Value average equal to 45%**
  - **Average life upon granting equal to ~21 years**

Breakdown by economic business sectors

Loans of the Italian banks and companies of the Group	
Households	**23.7%**
Public Administration	**4.0%**
Financial companies	**3.7%**
Non-financial companies	**51.4%**
of which:	
SERVICES	9.6%
CONSTRUCTION AND MATERIALS FOR CONSTR.	7.1%
DISTRIBUTION	6.5%
FURNITURE	5.3%
UTILITIES	3.1%
MECHANICAL	2.7%
TRANSPORT	2.5%
METALS AND METAL PRODUCTS	1.9%
FOOD AND DRINK	1.8%
MASS CONSUMPTION GOODS	1.7%
HOLDING, FINANCIAL COMPANIES AND OTHER	1.5%
FASHION	1.4%
ENERGY AND EXTRACTION	1.4%
AGRICULTURE	1.4%
ELECTROTECHNICAL AND ELECTRONIC	1.2%
PUBLISHING AND PRINTING	0.5%
BASE AND INTERMEDIATE CHEMICALS	0.5%
TRANSPORTATION MEANS	0.4%
OTHER CONSUMPTION GOODS	0.3%
PHARMACEUTICAL	0.3%
WHITE GOODS	0.2%
INTERMEDIATE INDUSTRIAL PRODUCTS	0.1%
Rest of the world	**7.4%**
Doubtful Loans	**1.0%**
Loans of the foreign banks and companies of the Group	**8.8%**
TOTAL	**100.0%**

Note: Figures as at 31.12.08

Bolstering capital ratios

	Capital ratios as at 31.12.08 Basel 2 (Foundation)	Estimated benefits from Tremonti Bonds and disposals underway[1]	Pro forma capital ratios
Core Tier 1 ratio	**6.3%**	**1.1%**	**7.4%**
Tier 1 ratio	**7.1%**	**1.1%**	**8.2%**
Total Capital ratio	**10.2%**	**1.1%**	**11.3%**
RWA (€bn)	**383.1**		

~150bps
potential benefit from capital management actions on non-core assets with a total book value of ~€9.5bn, of which ~€5bn deducted from Core Tier 1, and RWA of ~€15bn

- **Intesa Sanpaolo obtained an internal rating model validation for the Supervisory authority notification as at 31.12.08 under the Internal Rating Based Foundation approach. The benefit amounts to 15bps on the Core Tier 1 ratio compared to the Standardised approach, and reflects some prudential actions realised on rating models to include the credit deterioration from the current economic crisis**

- **Plan to fully execute the internal model extension plan to the Advanced model[2] by the end of 2009, involves a benefit that - on the basis of the current economic situation - can be estimated at a further 25bps on the Core Tier 1 ratio, to be achieved mainly in 2009-2010**

(1) Including a ~6bps benefit from disposals underway (CR Orvieto, Pistoia/La Spezia branches, Intesa Trade and CartaSi)
(2) Subject to the Bank of Italy approval

74% of revenues from retail business in Italy

(Figures as at 31.12.08)	Banca dei Territori	Corporate & Investment Banking	Public Finance	International Subsidiary Banks	Eurizon Capital	Banca Fideuram	Corporate Centre / Others	Total
Operating Income (€ m)	12,536	2,209	348	2,285	367	621	(209)	18,157
Operating Margin (€ m)	6,010	1,273	263	1,057	217	294	(893)	8,221
Net income (€ m)	1,682	320	55	186	(197)	(721)	1,228	2,553
Net income excluding non-recurring items (€ m)	2,726	879	134	586	164	192	(780)	3,899
Cost/Income (%)	52.1	42.4	24.4	53.7	40.9	52.7	n.m.	54.7
RWA (€ bn)	174.2	118.0	16.7	32.8	1.6	3.9	35.7	383.1
Allocated Capital(1) (€ bn)	11.5	7.8	1.0	2.0	0.1	0.3	1.9	24.5
Direct Customer Deposits (€ bn)	219.9	91.5	7.6	28.2	n.m.	6.6	77.1	430.9
Loans to Customers (€ bn)	217.9	103.7	38.5	29.8	n.m.	1.8	3.5	395.2
EVA ® excluding non-recurring items (€ m)	1,837	143	32	279	151	151	(1,191)	1,402

Note: Retail business = Banca dei Territori + Eurizon Capital + Banca Fideuram
Figures may not add up exactly due to rounding differences
(1) Allocated capital = 6% RWA (Basel 2 Standardised) + insurance risk, allocated capital for Eurizon Capital and Banca Fideuram = 6% RWA + business risk

Banca dei Territori: growth in Operating margin

(€ m)	2007 Restated	2008	Δ%	Δ% excluding non-recurring items
Net interest income	7,672	8,032	4.7	4.7
Dividends and P/L on investments carried at equity	108	75	(30.6)	(30.6)
Net fee and commission income	4,169	3,797	(8.9)	(8.9)
Profits (Losses) on trading	214	110	(48.6)	(48.6)
Income from insurance business	526	414	(21.3)	(21.3)
Other operating income (expenses)	91	108	18.7	18.7
Operating income	**12,780**	**12,536**	**(1.9)**	**(1.9)**
Personnel expenses	(3,956)	(3,672)	(7.2)	(7.2)
Other administrative expenses	(2,764)	(2,788)	0.9	0.9
Adjustments to property, equipment and intangible assets	(76)	(66)	(13.2)	(13.2)
Operating costs	**(6,796)**	**(6,526)**	**(4.0)**	**(4.0)**
Operating margin	**5,984**	**6,010**	**0.4**	**0.4**
Goodwill impairment	0	(9)	n.m.	n.m.
Net provisions for risks and charges	(119)	(117)	(1.7)	(1.7)
Net adjustments to loans	(1,159)	(1,746)	50.6	50.6
Net impairment losses on other assets	(2)	(148)	n.m.	n.m.
Profits (Losses) on HTM and on other investments	20	0	n.m.	n.m.
Income before tax from continuing operations	**4,724**	**3,990**	**(15.5)**	**(12.2)**
Taxes on income from continuing operations	(1,783)	(1,310)	(26.5)	(23.7)
Merger and restructuring related charges (net of tax)	(406)	(466)	14.8	n.m.
Effect of purchase cost allocation (net of tax)	3	(520)	n.m.	n.m.
Income (Loss) after tax from discontinued operations	31	51	64.5	n.m.
Minority interests	(72)	(63)	(12.5)	(12.5)
Net income	**2,497**	**1,682**	**(32.6)**	**(6.0)**
Net Income excluding non-recurring items	**2,900**	**2,726**	**(6.0)**	
Cost / Income (%)	**53.2**	**52.1**		
EVA ® excluding non-recurring items (€ m)	**1,989**	**1,837**		

- **~175,000 new customers on a net basis**
- **IT systems unification completed in July (six months ahead of schedule)**
- **Organisational structure finetuned in December**
- **Decline in commissions mainly due to lower contribution from AuM (performance effect and customer risk aversion)**
- **Operating Costs down 4.0%**
- **Increase in provisions mostly due to SMEs**
- **2008 Net income resilient at €2,726m, excluding non-recurring items**
- **€319m intangible impairment (AUM distribution) in 4Q08**
- **Cost/income down to 52.1%**

Note: 2007 figures restated to reflect the scope of consolidation for 2008. Data includes the CR Firenze Group - Figures may not add up exactly due to rounding differences

Eurizon Capital: double-digit cost reduction

(€ m)	2007 Restated	2008	Δ%	Δ% excluding non-recurring items
Net interest income	13	10	(23.1)	(23.1)
Dividends and P/L on investments carried at equity	20	15	(25.0)	(25.0)
Net fee and commission income	416	328	(21.2)	(21.2)
Profits (Losses) on trading	5	11	n.m.	n.m.
Income from insurance business	0	0	n.m.	n.m.
Other operating income (expenses)	2	3	50.0	50.0
Operating income	**456**	**367**	**(19.5)**	**(19.5)**
Personnel expenses	(63)	(55)	(12.7)	(12.7)
Other administrative expenses	(110)	(93)	(15.5)	(15.5)
Adjustments to property, equipment and intangible assets	(3)	(2)	(33.3)	(33.3)
Operating costs	**(176)**	**(150)**	**(14.8)**	**(14.8)**
Operating margin	**280**	**217**	**(22.5)**	**(22.5)**
Goodwill impairment	0	(95)	n.m.	n.m.
Net provisions for risks and charges	(12)	(1)	(91.7)	(91.7)
Net adjustments to loans	0	0	n.m.	n.m.
Net impairment losses on other assets	0	0	n.m.	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.	n.m.
Income before tax from continuing operations	**268**	**121**	**(54.9)**	**(19.4)**
Taxes on income from continuing operations	(64)	(52)	(18.8)	(18.8)
Merger and restructuring related charges (net of tax)	(1)	(9)	n.m.	n.m.
Effect of purchase cost allocation (net of tax)	(28)	(257)	n.m.	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.	n.m.
Minority interests	0	0	n.m.	n.m.
Net income	**175**	**(197)**	**n.m.**	**(19.6)**

	2007 Restated	2008	Δ%
Net Income excluding non-recurring items	**204**	**164**	**(19.6)**

	2007 Restated	2008
Cost / Income (%)	38.6	40.9
EVA ® excluding non-recurring items (€ m)	192	151

- **Leading asset manager in Italy with €129bn of AuM**
- **Operating income down due to the decrease in managed assets (~€51bn in 2008) affected by the performance effect**
- **Strong cost reduction (-14.8%) without yet benefiting from the full cost synergies of the reorganisation of IT and back-office activities**
- **€350m goodwill and intangible impairments in 4Q08**
- **2008 Net income at €164m excluding non-recurring items**

Note: 2007 figures restated to reflect the scope of consolidation for 2008 - Figures may not add up exactly due to rounding differences

Corporate and Investment Banking: strong increase in Net interest income and resilient Commissions

(€ m)	2007 Restated	2008	Δ%	Δ% excluding non-recurring items	Δ% excluding non-recurring items and trading[1]
Net interest income	1,075	1,340	24.7	24.7	24.7
Dividends and P/L on investments carried at equity	20	10	(50.0)	(50.0)	(50.0)
Net fee and commission income	1,007	963	(4.4)	(4.4)	(4.4)
Profits (Losses) on trading	470	(157)	n.m.	(89.0)	n.m.
Income from insurance business	0	0	n.m.	n.m.	n.m.
Other operating income (expenses)	52	53	1.9	1.9	1.9
Operating income	**2,624**	**2,209**	**(15.8)**	**(2.3)**	**9.8**
Personnel expenses	(362)	(340)	(6.1)	(6.1)	(6.1)
Other administrative expenses	(594)	(585)	(1.5)	(1.5)	(1.5)
Adjustments to property, equipment and intangible assets	(14)	(11)	(21.4)	(21.4)	(21.4)
Operating costs	**(970)**	**(936)**	**(3.5)**	**(3.5)**	**(3.5)**
Operating margin	**1,654**	**1,273**	**(23.0)**	**(1.5)**	**20.8**
Goodwill impairment	(3)	(2)	(33.3)	(33.3)	(33.3)
Net provisions for risks and charges	(35)	(8)	(77.1)	n.m.	n.m.
Net adjustments to loans	(195)	(367)	88.2	14.3	14.3
Net impairment losses on other assets	(39)	(47)	20.5	(17.9)	(17.9)
Profits (Losses) on HTM and on other investments	(6)	(241)	n.m.	n.m.	n.m.
Income before tax from continuing operations	**1,376**	**608**	**(55.8)**	**(4.1)**	**22.2**
Taxes on income from continuing operations	(404)	(251)	(37.9)	(18.0)	9.4
Merger and restructuring related charges (net of tax)	(46)	(43)	(6.5)	n.m.	n.m.
Effect of purchase cost allocation (net of tax)	0	6	n.m.	n.m.	n.m.
Income (Loss) after tax from discontinued operations	(4)	0	n.m.	n.m.	n.m.
Minority interests	0	0	n.m.	n.m.	n.m.
Net income	**922**	**320**	**(65.3)**	**3.2**	**28.8**
Net Income excluding non-recurring items	**851**	**879**	**3.2**		
Cost / Income (%)	**37.0**	**42.4**			
EVA® excluding non-recurring items (€ m)	**177**	**143**			

- **9.8% revenues growth excluding non-recurring items and trading profits**
- **Strong reduction in Operating costs (-3.5%)**
- **Increase in Net adjustments to loans mainly due to Lehman and Icelandic banks (€144m)**
- **€280m equity investment impairment in 4Q08**
- **2008 Net income at €879m excluding non-recurring items**

Note: 2007 figures restated to reflect the scope of consolidation for 2008. Data includes results of Proprietary trading - Figures may not add up exactly due to rounding differences

(1) Tax estimated for trading profits

Public Finance: strong growth in Operating margin

(€ m)	2007 Restated	2008	Δ%	Δ% excluding non-recurring items	Δ% excluding non-recurring items and trading[1]
Net interest income	212	293	38.2	38.2	38.2
Dividends and P/L on investments carried at equity	0	0	n.m.	n.m.	n.m.
Net fee and commission income	52	55	5.8	5.8	5.8
Profits (Losses) on trading	22	0	n.m.	n.m.	n.m.
Income from insurance business	0	0	n.m.	n.m.	n.m.
Other operating income (expenses)	7	0	n.m.	n.m.	n.m.
Operating income	**293**	**348**	**18.8**	**18.8**	**28.4**
Personnel expenses	(37)	(32)	(13.5)	(13.5)	(13.5)
Other administrative expenses	(57)	(53)	(7.0)	(7.0)	(7.0)
Adjustments to property, equipment and intangible assets	0	0	n.m.	n.m.	n.m.
Operating costs	**(94)**	**(85)**	**(9.6)**	**(9.6)**	**(9.6)**
Operating margin	**199**	**263**	**32.2**	**32.2**	**48.6**
Goodwill impairment	0	0	n.m.	n.m.	n.m.
Net provisions for risks and charges	(1)	(1)	0.0	0.0	0.0
Net adjustments to loans	(8)	(129)	n.m.	n.m.	n.m.
Net impairment losses on other assets	(4)	(1)	(75.0)	(75.0)	(75.0)
Profits (Losses) on HTM and on other investments	0	0	n.m.	n.m.	n.m.
Income before tax from continuing operations	**186**	**132**	**(29.0)**	**24.9**	**41.7**
Taxes on income from continuing operations	(50)	(72)	44.0	97.8	n.m.
Merger and restructuring related charges (net of tax)	(5)	(1)	(80.0)	n.m.	n.m.
Effect of purchase cost allocation (net of tax)	(5)	(4)	(20.0)	n.m.	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.	n.m.	n.m.
Minority interests	0	0	n.m.	n.m.	n.m.
Net income	**126**	**55**	**(56.3)**	**(1.8)**	**9.4**

	2007 Restated	2008	Δ%
Net Income excluding non-recurring items	136	134	(1.8)[2]

	2007 Restated	2008
Cost / Income (%)	32.1	24.4
EVA® excluding non-recurring items (€ m)	38	32

- **Strong growth in Net interest income due to the increase in average customer loans (+3.8%) and higher spreads**
- **Good growth in Net fee and commission income (+5.8%)**
- **9.6% reduction in Operating costs from merger integration**
- **Increase in Net adjustments to loans mostly due to Lehman (€100m)**
- **2008 Net income at €134m excluding non-recurring items (almost entirely Lehman)**
- **Cost/Income ratio at 24.4%, down 7.7p.p.**

Note: 2007 figures restated to reflect the scope of consolidation for 2008 - Figures may not add up exactly due to rounding differences
(1) Tax estimated for trading profits
(2) Decrease due to a more favourable tax rate in 2007 vs 2008

International Subsidiary Banks: double-digit growth in Operating margin

(€ m)	2007 Restated	2008	Δ%	Δ% excluding non-recurring items	Δ% excluding non-recurring items and trading[1]
Net interest income	1,191	1,479	24.2	24.2	24.2
Dividends and P/L on investments carried at equity	1	0	n.m.	n.m.	n.m.
Net fee and commission income	552	581	5.3	5.3	5.3
Profits (Losses) on trading	284	234	(17.6)	(17.6)	n.m.
Income from insurance business	0	0	n.m.	n.m.	n.m.
Other operating income (expenses)	(5)	(9)	80.0	80.0	80.0
Operating income	**2,023**	**2,285**	**13.0**	**13.0**	**17.9**
Personnel expenses	(560)	(613)	9.5	9.5	9.5
Other administrative expenses	(406)	(475)	17.0	17.0	17.0
Adjustments to property, equipment and intangible assets	(128)	(140)	9.4	9.4	9.4
Operating costs	**(1,094)**	**(1,228)**	**12.2**	**12.2**	**12.2**
Operating margin	**929**	**1,057**	**13.8**	**13.8**	**27.6**
Goodwill impairment	0	(390)	n.m.	n.m.	n.m.
Net provisions for risks and charges	(23)	(14)	(39.1)	(39.1)	(39.1)
Net adjustments to loans	(196)	(329)	67.9	67.9	67.9
Net impairment losses on other assets	(1)	(7)	n.m.	n.m.	n.m.
Profits (Losses) on HTM and on other investments	6	13	n.m.	n.m.	n.m.
Income before tax from continuing operations	**715**	**330**	**(53.8)**	**1.2**	**13.5**
Taxes on income from continuing operations	(146)	(136)	(6.8)	(6.3)	64.3
Merger and restructuring related charges (net of tax)	(13)	(7)	(46.2)	n.m.	n.m.
Effect of purchase cost allocation (net of tax)	1	0	n.m.	n.m.	n.m.
Income (Loss) after tax from discontinued operations	(1)	0	n.m.	n.m.	n.m.
Minority interests	0	(1)	n.m.	n.m.	n.m.
Net income	**556**	**186**	**(66.5)**	**3.1**	**8.8**

Net Income excluding non-recurring items	**568**	**586**	**3.1**

Cost / Income (%)	54.1	53.7
EVA ® excluding non-recurring items (€ m)	312	279

- **Strong increase in Net interest income mainly driven by the sizeable increase in average customer volumes (Loans +29%)**
- **Sizeable growth in Net fee and commission income driven by commissions from Current accounts and Payments cards**
- **Planned increase in Operating costs mainly due to the expansion of commercial network (+187 branches)**
- **Goodwill in Ukraine written off (€390m impairment) in 4Q08**
- **2008 Net income at €586m excluding non-recurring items**
- **Cost/Income ratio down to 53.7%**

Note: 2007 figures restated to reflect the scope of consolidation for 2008 - Figures may not add up exactly due to rounding differences
(1) Tax estimated for trading profits

Banca Fideuram: market leader and significant cost reduction

(€ m)	2007 Restated	2008	Δ%	Δ% excluding non-recurring items
Net interest income	132	158	19.7	19.7
Dividends and P/L on investments carried at equity	0	0	n.m.	n.m.
Net fee and commission income	575	469	(18.4)	(18.4)
Profits (Losses) on trading	4	(10)	n.m.	n.m.
Income from insurance business	0	0	n.m.	n.m.
Other operating income (expenses)	10	4	(60.0)	(60.0)
Operating income	**721**	**621**	**(13.9)**	**(13.9)**
Personnel expenses	(141)	(122)	(13.5)	(13.5)
Other administrative expenses	(188)	(190)	1.1	1.1
Adjustments to property, equipment and intangible assets	(16)	(15)	(6.3)	(6.3)
Operating costs	**(345)**	**(327)**	**(5.2)**	**(5.2)**
Operating margin	**376**	**294**	**(21.8)**	**(21.8)**
Goodwill impairment	0	(580)	n.m.	n.m.
Net provisions for risks and charges	(42)	(45)	7.1	7.1
Net adjustments to loans	2	0	n.m.	15.0
Net impairment losses on other assets	0	(4)	n.m.	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.	n.m.
Income before tax from continuing operations	**336**	**(335)**	**n.m.**	**(26.4)**
Taxes on income from continuing operations	(78)	(55)	(29.5)	(28.8)
Merger and restructuring related charges (net of tax)	(5)	(15)	n.m.	n.m.
Effect of purchase cost allocation (net of tax)	20	(316)	n.m.	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.	n.m.
Minority interests	0	0	n.m.	n.m.
Net income	**273**	**(721)**	**n.m.**	**(25.7)**
Net Income excluding non-recurring items	**258**	**192**	**(25.7)**	
Cost / Income (%)	**47.9**	**52.7**		
EVA ® excluding non-recurring items (€ m)	**216**	**151**		

- **Market leader with €61bn of customer financial assets and more than 4,200 Private bankers**
- **€345m positive net inflow of customer financial assets driven by growth of Assets under Administration (+€4.2bn)**
- **Decrease in customer financial assets (-11.8% vs 31.12.07) entirely due to the performance effect**
- **Strong growth in Net interest income due to interest rate trend**
- **Costs down 5.2%**
- **€882m goodwill/intangible impairment in 4Q08**
- **2008 Net income at €192m excluding non-recurring items**

Note: 2007 figures restated to reflect the scope of consolidation for 2008 - Figures may not add up exactly due to rounding differences

Agenda

1	Meeting the challenge
2	2008 Results: sound operating performance
3	**2009 Outlook: attributable profit, though lower than 2008**

2009 outlook: spread defence

Customer spread slightly narrowing vs 2008 thanks to targeted pricing and hedging

Customer loans

Mark-up improvement especially on short-term loans

Customer deposits

Mark-down partially protected by hedging

2009 outlook: selective loan growth

Individuals

- Financial check-up
- New mortgage products
- Assignment of one-fifth of salary/pension(1)

Companies

- Focus on risk/return

SMEs
- New products especially for lowest-risk customers
- Synergies with Confidi, Mediocredito/Mediofactoring

Corporates
- Upgraded customer segmentation
- Enhanced collateral and guarantees

Public Finance

- Exploiting infrastructure development
- Servicing Public sector needs aimed at supporting economic recovery

International Subsidiary Banks

- Country specific lending policy under common rules
  - Focus on lower-risk products/customer segments
  - New products
  - Re-pricing

(1) Cessione del quinto

2009 outlook: cost reduction despite introduction of intra-group VAT

Staff costs ↓

- Headcount reduction as agreed with Trade Unions
- Redeployment from back-office to front-office
- *Per-capita* increase due to labour agreement renewal

Other administrative costs ↓

- Organisational streamlining
- ICT cost savings due to achievement of a single IT system
- Increase in VAT due to intra-group no longer exempt

Amortisation & depreciation ↓

- Write-offs in 2008 of ICT assets no longer in use
- Real estate disposal in 2008
- Capital expenditure optimisation

2009 outlook: expected FY09 Net Adjustment to Loans higher than FY08

- **Upgrading creditworthiness assessment and risk management tools**
- **Enhancing early warning systems**
- **Reducing forex loans in CEE**
- **Active management of Non-Performing Loans**

Further substantial impairments reasonably unlikely after €3.1bn impairments in 4Q08

Asset	4Q08 Impairments (€ m)	Book Value at 31.12.08
Fideuram (100%)	**882**	
of which:		**€2,477m (of which €1,941m goodwill/intangibles)**
- goodwill	*580*	
- intangibles	*302*	
Eurizon Capital (100%)	**525**	
of which:		**€2,073m (of which €1,640m goodwill/intangibles)**
- goodwill	*95*	
- intangibles	*430*	
Pravex-Bank (100%)	**390**	**€104m (no goodwill/intangibles)**
Natixis (1.62%, AFS)	**436**	**€59m (€1.25 per share)**
London Stock Exchange (5.47%, AFS)	**269**	**€80m (€5.35 per share)**
Telco (10.65%, S. Equity)	**165**	**€378m (€1.83 per share)**
RCS (4.86%, S. Equity)	**78**	**€66m (€1.79 per share)**
Allfunds Bank (50.0%, S. Equity)	**60**	**€72m (of which €24m goodwill)**
Banca Generali (6.99%, AFS)	**30**	**€22mln (€2.77 per share)**
Nh Hoteles (5.13%, S. Equity)	**16**	**€73m (€9.59 per share)**
Other shareholdings/Intangibles	**199**	
TOTAL	**3,050**	

Conclusions

- 2008 healthy operating performance
- Low leverage and adequate capital strength
- Excellent liquidity profile
- Low risk profile
- Unique positioning in the domestic retail market
- High ability to control costs

ISP is one of best positioned banking Groups in the world to withstand the difficult markets and to benefit from improvements in the market environment

Appendix

Methodological note

- For comparison purposes, 2007 data and 2008 first three quarters data have been restated to take into account the changes in the scope of consolidation
  - the recording of the economic effects connected with discontinued operations under its specific caption (including CR Orvieto, Calit and branches disposal for Antitrust decision related to CR Firenze)
- Main non-recurring items include: the conservative valuation on structured credit products (€184m in 4Q08), recoveries on the allowance for Employee Termination Indemnities (TFR) (€277m in 2Q07), income from Rovelli settlement (IMI-SIR; €67m in 2Q08 and €59m in 3Q08), charges on expired bank drafts (€102m in 4Q08), Parmalat and Finmek charges (€172m in 2007), integration charges, amortisation of acquisition cost, provisions on Lehman (€246m in 2008) and on Icelandic banks (€62m in 2008), capital gains on Crédit Agricole agreement /Biverbanca disposal (€3,958 in 2007), on disposals of Agos (€268m in 2Q08), 198 Antitrust branches (€1,344m in 2008), IMMIT (€189m in 3Q08) and Centrale dei Bilanci (€89m in 4Q08), capital gain on the stake in Borsa Italiana (€169m in 3Q07); impairment of LSE, Natixis, Telco, Fideuram, Eurizon Capital, Pravex-Bank (Ukraine), other equity investments and intangibles (€3,050m in 4Q08), former Nextra impairment (€196m in 4Q07) and non-recurring impact on deferred tax (+€1,629m in 4Q08 and -€285m in 4Q07)
- The amendment to IAS 39 adopted by the European Union permitted the reclassification of Financial assets held for trading and/or available for sale into other categories. Following a clear change in the Company's intention taken as a result of unusual events, Intesa Sanpaolo reclassified €3,868m Financial assets held for trading into Loans & Receivables, €220m Financial assets held for trading into Financial assets available for sale and €6,115m Financial assets available for sale into Loans & Receivables. This reclassification reflected management intent to hold for the foreseeable future those assets for which the current and expected future market conditions no longer permit active management. Without this reclassification the 2008 income statement would have included €459m(1) as negative impact from fair value measurement (of which €318m in 4Q08), while the Shareholders' equity would have included €862m(1) as negative direct impact (of which €650m in 4Q08)

(1) Before tax data

Quarterly P&L Analysis

(€ m)	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	4Q08
	Restated							
Net interest income	2,479	2,541	2,551	2,797	2,798	2,897	3,045	2,890
Dividends and P/L on investments carried at equity	50	106	63	86	66	29	13	30
Net fee and commission income	1,702	1,693	1,630	1,629	1,627	1,558	1,401	1,286
Profits (Losses) on trading	498	409	378	(44)	40	244	17	(354)
Income from insurance business	121	179	109	99	79	107	43	171
Other operating income (expenses)	53	28	58	31	43	92	84	(49)
Operating income	**4,903**	**4,956**	**4,789**	**4,598**	**4,653**	**4,927**	**4,603**	**3,974**
Personnel expenses	(1,510)	(1,221)	(1,491)	(1,570)	(1,458)	(1,441)	(1,405)	(1,442)
Other administrative expenses	(774)	(794)	(784)	(971)	(753)	(801)	(793)	(1,031)
Adjustments to property, equipment and intangible assets	(202)	(215)	(217)	(247)	(192)	(194)	(200)	(226)
Operating costs	**(2,486)**	**(2,230)**	**(2,492)**	**(2,788)**	**(2,403)**	**(2,436)**	**(2,398)**	**(2,699)**
Operating margin	**2,417**	**2,726**	**2,297**	**1,810**	**2,250**	**2,491**	**2,205**	**1,275**
Goodwill impairment	0	0	0	0	0	0	0	(1,065)
Net provisions for risks and charges	(97)	(107)	(76)	(271)	(33)	(45)	(76)	(164)
Net adjustments to loans	(348)	(358)	(312)	(488)	(312)	(401)	(854)	(999)
Net impairment losses on other assets	(2)	(20)	3	(52)	(8)	(3)	(40)	(898)
Profits (Losses) on HTM and on other investments	37	8	(1)	58	13	284	177	(208)
Income before tax from continuing operations	**2,007**	**2,249**	**1,911**	**1,057**	**1,910**	**2,326**	**1,412**	**(2,059)**
Taxes on income from continuing operations	(722)	(775)	(584)	(785)	(608)	(701)	(488)	1,617
Merger and restructuring related charges (net of tax)	(14)	(66)	(400)	(125)	(321)	(68)	(86)	(182)
Effect of purchase cost allocation (net of tax)	(136)	(137)	(136)	399	(132)	(154)	(149)	(653)
Income (Loss) after tax from discontinued operations	2,930	142	761	11	970	(5)	11	60
Minority interests	(99)	(93)	(92)	(53)	(71)	(41)	(27)	(8)
Net income	**3,966**	**1,320**	**1,460**	**504**	**1,748**	**1,357**	**673**	**(1,225)**

Note: 2007 and first three quarters of 2008 figures restated to reflect scope of consolidation for 4Q08

P&L Analysis: 4Q08 vs 3Q08

(€ m)	3Q08 Restated	4Q08	Δ%	Δ% excluding non-recurring items	Δ% excluding non-recurring items and trading(1)
Net interest income	3,045	2,890	(5.1)	(5.1)	(5.1)
Dividends and P/L on investments carried at equity	13	30	n.m.	n.m.	n.m.
Net fee and commission income	1,401	1,286	(8.2)	(8.2)	(8.2)
Profits (Losses) on trading	17	(354)	n.m.	n.m.	n.m.
Income from insurance business	43	171	n.m.	n.m.	n.m.
Other operating income	84	(49)	n.m.	n.m.	n.m.
Operating income	**4,603**	**3,974**	**(13.7)**	**(6.4)**	**(2.1)**
Personnel expenses	(1,405)	(1,442)	2.6	2.6	2.6
Other administrative expenses	(793)	(1,031)	30.0	30.0	30.0
Adjustments to property, equipment and intangible assets	(200)	(226)	13.0	13.0	13.0
Operating costs	**(2,398)**	**(2,699)**	**12.6**	**12.6**	**12.6**
Operating margin	**2,205**	**1,275**	**(42.2)**	**(27.5)**	**(18.7)**
Goodwill impairment	0	(1,065)	n.m.	n.m.	n.m.
Net provisions for risks and charges	(76)	(164)	n.m.	n.m.	n.m.
Net adjustments to loans	(854)	(999)	17.0	64.8	64.8
Net impairment losses on assets	(40)	(898)	n.m.	n.m.	n.m.
Profits (Losses) on HTM and on other investments	177	(208)	n.m.	n.m.	n.m.
Income before tax from continuing operations	**1,412**	**(2,059)**	**n.m.**	**(69.5)**	**(57.1)**
Taxes on income from continuing operations	(488)	1,617(2)	n.m.	(66.9)	(52.7)
Merger and restructuring related charges (net of tax)	(86)	(182)	n.m.	n.m.	n.m.
Effect of purchase cost allocation (net of tax)	(149)	(653)	n.m.	n.m.	n.m.
Income (Loss) after tax from discontinued operations	11	60	n.m.	n.m.	n.m.
Minority interests	(27)	(8)	(70.4)	(70.4)	(70.4)
Net income	**673**	**(1,225)**	**n.m.**	**(65.0)**	**(53.2)**

Note: 3Q08 figures restated to reflect the scope of consolidation for 4Q08 - Figures may not add up exactly due to rounding differences
(1) Tax estimated for trading profits
(2) Including €1,629m deferred taxation non-recurring positive impact, of which €1,107m from goodwill detaxation

4Q08 Net Income: €353m excluding main non-recurring items

3Q08 Net Income(1) (post-tax data)

(€ m)

	3Q08 Net Income	673
+	Integration charges	86
+	Amortisation of acquisition cost(2)	149
+	Lehman provisions	172
+	Icelandic banks provisions	51
-	Capital gain on IMMIT disposal	79
-	Income from Rovelli settlement (IMI-SIR)	43
	Net Income excluding non-recurring items	1,009
-	Profits on trading (excluding Lehman)	57
	Net Income adjusted	**952**

4Q08 Net Income(1) (post-tax data)

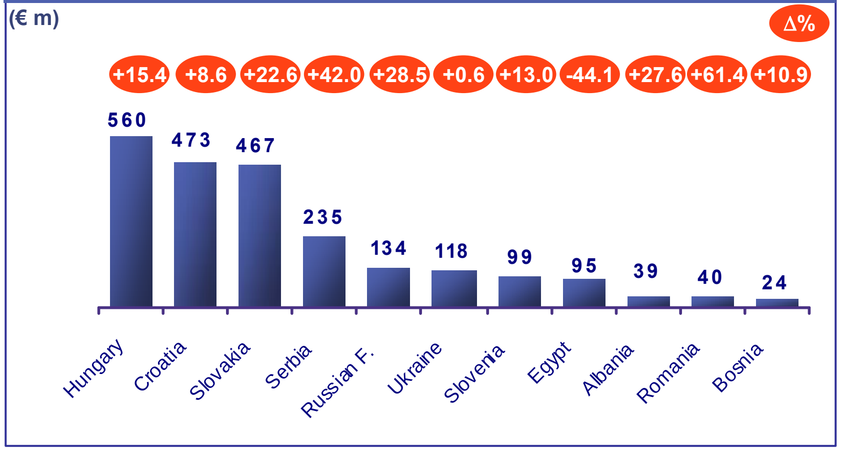
(€ m)

	4Q08 Net Income		(1,225)	
+	Integration charges		182	
+	Amortisation of acquisition cost		653	
	of which:			
	Intangibles impairment	521		
+	Lehman/Icelandic banks provisions(2)		9	
+	Impairments		2,257	
	of which:			
	LSE, Natixis, Telco, RCS and other sh	1,192		
	Fideuram goodwill	580		
	Eurizon Capital goodwill	95		
	Pravex-Bank goodwill (Ukraine)	390		
+	Charges on expired bank drafts		69	
+	Management adjustment structured credit products		125	
-	Deferred taxation non-recurring impact		1,629	
-	Capital gain on Centrale dei Bilanci disposal		88	
	Net Income excluding non-recurring items		353	-65.0%
-	Profits on trading (excluding management adjustments on SCP)		(93)	
	Net Income adjusted		**446**	-53.2%

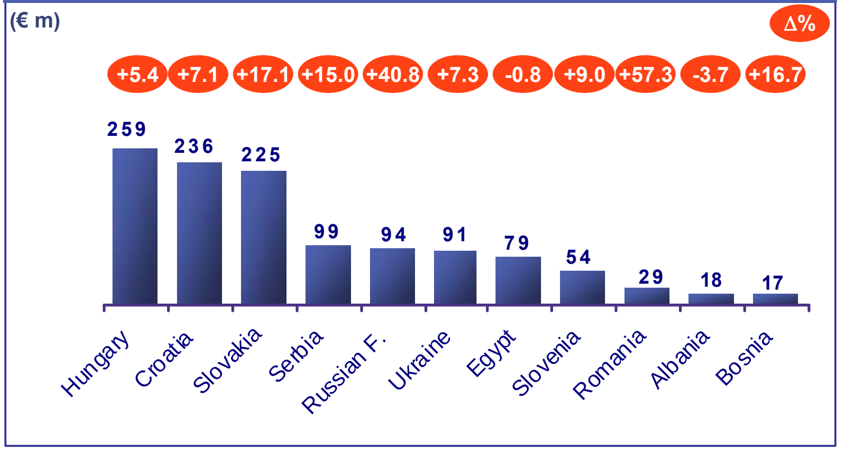
(1) Tax estimated for trading profits
(2) For Lehman currency exchange difference € vs $ vs 30.09.08 (€7m)

International Subsidiary Banks: figures by Country 2008 vs 2007

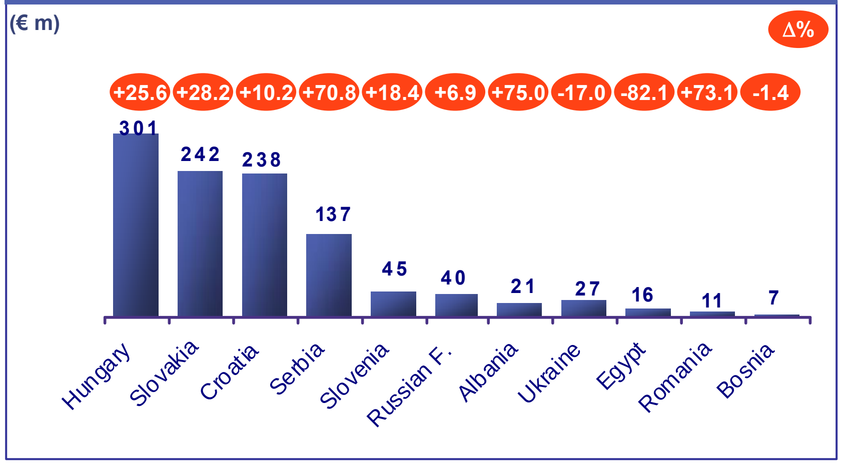
Operating Income



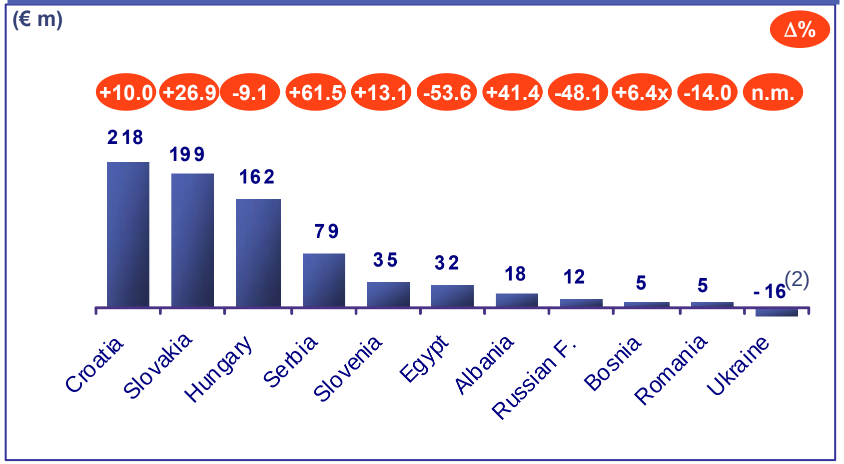
Operating Costs



Operating Margin



Pre-Tax Income(1)



- **Egypt performance affected by the decrease in trading profits**

(1) Income before tax from continuing operations
(2) Excluding goodwill impairment (€390m)

Structured credit products: no material exposure to US Subprime

(€m)

Product	Position as at 31.12.08			31.12.08 income statement Profits (Losses) on trading			
	Nominal value	Risk exposure (including write-downs and write-backs)[(1)]	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	Total income statement 2008	Total income statement of which 4Q08
Funded ABS[(2)]	15	**1**	-14	-2	-4	-6	-1
Funded CDOs	27	**2**	-25		-4	-4	1
Unfunded super senior CDOs[(3)]	204	**19**	-185		-20	-20	-2
Other[(4)]	9	**6**	-3				
"Long" positions	255	**28**	-227	-2	-28	-30	-2
ABX indices position	14	**1**	-13	144	-118	26	3
Net position[(5)]	"long" 269	**"long" 29**	-240	142	-146	-4	1

Note: By US subprime exposure, Intesa Sanpaolo means products - cash investments (securities and funded CDOs) and derivative positions (unfunded CDOs) - with collateral mainly made up of non-prime US residential mortgages (i.e. Home Equity Loans, residential mortgages with B&C ratings and similar products) granted in the years 2005/06/07, irrespective of the FICO score and the Loan-to-Value ratio. Others have been collateralised with US residential mortgages granted before 2005 with a FICO score under 629 and Loan-to-Value over 90% (as at 31.12.08, unchanged with respect to our disclosure dated 31.12.07, the weight of this second product class is immaterial in the Intesa Sanpaolo Group portfolio). The risk on these investments was managed and reduced via "short" positions on ABX indices. These positions have been actively managed on the basis of market movements and portfolio investment write-downs. The write-down has been partially offset by the earnings from the sale of the short positions on ABX indices initially underwritten

(1) *The column "Risk exposure" sets out: for securities, fair value; for derivatives, the nominal value of the contract, net of capital gains and losses recorded at the date of reference. Such amounts correspond, for "long" positions, to the maximum potential loss (in the event of 100% default and recovery rate of 0). For "short" positions, on the other hand, they indicate the maximum potential gain (in the same scenario in terms of default and recovery level). For assets reclassified into Loans & Receivables risk exposure is the book value, equal to fair value as at the reclassification date, increased by the accrued interests calculated at actual interest rate and net of portfolio value adjustments*

(2) *The ABS funded component has a AAA rating for 28%, a B rating for 53%, and a CCC rating for the remaining 19%. The original LTV ratio is at 91%, while the 30-60-90 day average delinquency is 6%, 4% and 9% respectively. Cumulated loss on the collateral is at 28%. These positions are in part listed on active markets (ABX indices) and are therefore valued using market quotes. In part they are non-listed on active markets (funded and unfunded super senior ABS-CDOs) and and are thus valued using the comparable approach or the mark-to-model approach*

(3) *With mezzanine collateral. Including a position with underlying assets made up of approximately one third of subprime mortgages. This table includes the sole portion represented by subprime mortgages, whereas the residual exposure is reported in the "contagion" area*

(4) *Risk position of the Romulus vehicle (fully consolidated entity). Romulus is an asset-backed commercial paper conduit vehicle, set up to offer customers an alternative financial channel via access to the international commercial paper market. As at 31.12.08, the portfolio of investments included €307m of nominal value of financial assets, reclassified in Loans & Receivables, with a benefit on Shareholders' equity for 2008 equal to €29m before tax. Of the €307m, €9m was attributable to the US subprime segment, €16m to the "contagion" area (see page on "Contagion" area (2/4), Multisector CDOs), and €282m to other structured credit products (see page on Other (4/4)). Negative fair value measurements were recorded after the reclassification, on securities for an amount of €45m, of which -€3m (with a benefit of €2m) recorded on positions included in the subprime segment, -€4m (with a benefit of €3m) on positions attributed to the so-called "contagion" area (see page on "Contagion" area (2/4), Multisector CDOs), -€38m (with a benefit of €24m) on securities which fall under other structured credit products (see page on Other (4/4))*

(5) *The net nominal exposure of €269m as at 31.12.08 compares with €49m reported as at 31.12.07; the increase is mainly due to "short" positions closed on ABX indices in second half of 2008*

Structured credit products: no exposure to Monoline (1/2)

No direct exposure but only indirect positions - totally written-down - connected to hedging derivatives purchased from monoline insurers to buy protection on the default risk of assets held by the Group, which therefore only generate counterparty risk(1). Such hedging derivatives fall into two categories of activity performed by Intesa Sanpaolo: packages(2) and fully hedged(3) credit derivative transactions

Monoline

- **Net counterparty risk exposure totalled €0m as at 31.12.08 (€61m as at 31.12.07)**
- **2008 income statement impact(4) -€94m (2007 -€25m)**

- **69% vs MBIA**
- **31% vs other monoline with rating between AAA and BBB**

(1) For the sake of completeness, please note that there is another form of exposure to monoline insurers, which does not generate particular risk situations. It stems from the investment in securities for which the monoline insurer provides a credit enhancement to the issuing vehicle, for the purpose of making the issue "eligible" for certain types of investors through the achievement of a certain rating (normally AAA). Such securities, nominal value as at 31.12.08: €529m (€1,273m as at 31.12.07: considerable decrease due to total reimbursement of two securitisations of health receivables towards Regions during the year), wholly held by Banca Infrastrutture Innovazione e Sviluppo, are made up for 26% of ABS with underlying Italian health receivables and for the remaining portion by financings of infrastructures; they are all recorded in the banking book, approximately 96.6% in the Loans & Receivables (L&R) portfolio and for the remaining portion in securities available for sale. The positions were granted on the basis of the creditworthiness of the underlying borrower and, therefore, irrespective of the credit enhancement offered by the monoline insurer. It must be noted that the major borrowers are all Investment Grade and that ABS with underlying Italian health receivables are also all assisted by delegated regional payment

(2) Both the security and the connected derivative have been valued with the mark-to-model methodologies, also considering any available prices, if lower; such valuations did not have any impact on Profits (Losses) on trading, with the exception of those with the reference to the counterparty risk component, mostly due to transactions in which the hedge was stipulated with monoline insurers, for which a credit risk adjustment has been calculated, determined on the basis of the cost of a protection CDS on the default of the monoline insurer, with nominal value equal to the current and potential future exposure (so-called "add-on") and expiry equal to the average residual life of the underlying assets. Even though packages do not lead to market risk connected with the nature of the underlying asset, for the sake of completeness, please note that, assets which are part of packages include, for €116m nominal value as at 31.12.08, securities with US RMBS collateral with a significant subprime content (equal to 37.5%)

(3) Intesa Sanpaolo's activities in fully hedged derivatives are made up of the simultaneous purchase and sale of protection on the same reference entity (underlying asset) with two different counterparties. Also in this case activities do not result in exposure to the market risk generated by the underlying asset, but with the sole counterparty risk generated by the "short" position in the protection purchase

(4) Write-downs

Structured credit products: no exposure to Monoline (2/2)

(€m)	Position as at 31.12.08					31.12.08 income statement Profits (Losses) on trading	
	Nominal value of the underlying asset	Fair value of the underlying asset (net of accrued interests)	Credit risk exposure to monoline insurers (fair value of the CDS) *pre* write-down	Credit risk exposure to monoline insurers (fair value of the CDS) *post* write-down	Fair value cumulated write-downs of the hedge from monoline insurers	Fair value write-down of the hedge from monoline insurers	
						2008	of which 4Q08
Positions in Packages:							
US RMBS with a significant Subprime content	165	81	84	**0**	-84	-72	-50
Other underlying assets						-2	-1
Sub-Total	165	81	84	**0**	-84	-74	-51
Positions in other derivatives:							
Other underlying assets	209	182	27	**0**	-27	-20	-13
Total	374	263	111	**0**	-111	-94	-64

Structured credit products: "contagion" area
Good quality of structures

- **Multisector CDOs**: such products are almost entirely present in unfunded super senior CDOs, with collateral represented by US RMBS, European ABS, CMBS, HY CBO and Consumer ABS

Multisector CDOs
- €137m, of which €12m in Loans & Receivables, "long" positions as at 31.12.08 (€393m as at 31.12.07), including €44m CMBX-CDS index hedging against which there are investments in funds with "short" positions on the US credit market of €65m (€115m as at 31.12.07)
- 2008 income statement impact(1) -€62m (2007 -€17m)

- *Collateral*: 44% US RMBS (for 59% *vintage* prior to 2005 and an average 4.3% exposure to subprime); 26.4% European ABS; 5% CMBS; 5% HY CBO; 1.7% Consumer ABS
- Rating: 64% AA/A and 36% B
- Average Attachment point 21%
- Written down by 51% of the nominal value on the basis of the mark-to-model

- **Alt-A – Alternative A Loans**: ABS (securities) with underlying US residential mortgages normally of high quality but characterised by penalising factors, mostly incomplete documentation, which do not permit their classification in standard prime contracts

Alt-A
- Net risk exposure totalled €78m (entirely in Loans & Receivables) as at 31.12.08 (€93m as at 31.12.07)
- 2008 income statement impact(1) -€2m (2007 -€28m)

- Rating: 66% AAA, 26% AA, 7% A and 1% BB
- 100% 2005 Vintage
- No Agency component: 70% average original LTV, 3.9% cumulated loss, 30-60-90 day average delinquency is 4.4%, 2.7% and 3.5% respectively

- **TruPS – Trust Preferred Securities of REITs (Real Estate Investment Trust)**: financial instruments similar to preferred shares issued by US real estate-trustees to finance residential or commercial initiatives present almost entirely in Unfunded super senior CDOs

TruPS
- Net risk exposure totalled €82m as at 31.12.08 (€146m as at 31.12.07)
- 2008 income statement impact(1) -€63m (2007 -€85m)

- Rating positions unfunded A- and BBB+, funded AAA
- Average Attachment point 38%
- Written down by 66% of the nominal value on the basis of the mark-to-model

- **Prime CMOs**: securities issued with guarantee mostly represented by loans assisted by mortgages on US residential buildings

Prime CMOs
- Net risk exposure totalled €48m (entirely in Loans & Receivables) as at 31.12.08 (€55m as at 31.12.07)
- 2008 income statement impact(1) -€3m (2007 -€1m)

- 100% AAA Rating
- 100% 2005 Vintage
- 65% average original LTV
- 0.7% cumulated loss
- 30-60-90 day average delinquency is 0.6%, 0.4% and 0.6% respectively

(1) Including realised gains/losses and write-downs/write-backs

Structured credit products: "contagion" area - Multisector CDOs

(€m)

Product	Position as at 31.12.08: Nominal value	Position as at 31.12.08: Risk exposure (including write-downs and write-backs)	Position as at 31.12.08: Cumulated write-downs and write-backs	31.12.08 income statement Profits (Losses) on trading: Realised gains/losses	31.12.08 income statement Profits (Losses) on trading: Write-downs and write-backs	Total income statement: 2008	Total income statement: of which 4Q08
Unfunded super senior CDOs	343	**169**	-174	1	-115	-114	-65
Other (funded)(1)	16	**12**					
"Long" positions	359	**181**	-174	1	-115	-114	-65
CMBX - CDS hedges	61	**44**	17	-3	14	11	3
"Short" positions of funds	61	**65**	4(2)		41	41	2
Net position(3)	"long" 298	**"long" 137**	-153	-2	-60	-62	-60

(1) Risk position of the Romulus vehicle (fully consolidated entity)
(2) These figures do not take into account the positions of funds which exited the portfolio of structured credit products
(3) Nominal value and risk exposure figures do not include amounts of "short" positions of funds

Structured credit products: "contagion" area - Alt-A

(€m)

Product	Position as at 31.12.08			31.12.08 income statement Profits (Losses) on trading			
	Nominal value	Risk exposure (including write-downs and write-backs)	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	Total income statement	
						2008	of which 4Q08
Alt-A Agency[(1)]	45	**44**	-1		-1	-1	
Alt-A No Agency[(2)]	42	**34**	-8		-1	-1	
Other[(3)]	9						
"Long" positions	96	**78**	-9		-2	-2	

(1) Exposure entirely reclassified into Loans & Receivables with an income statement benefit for 2008 equal to €2m before tax, of which €1m for 4Q08
(2) Exposure entirely reclassified into Loans & Receivables with an income statement benefit for 2008 equal to €14m before tax, of which €9m for 4Q08
(3) Risk position classified in securities available for sale, belonging to the Parent company, coming from the Romulus vehicle, transferred at fair value in 2008

Structured credit products:“contagion” area - TruPS and Prime CMOs

TruPS

(€m)	Position as at 31.12.08			31.12.08 income statement Profits (Losses) on trading			
						Total income statement	
Product	Nominal value	Risk exposure (including write-downs and write-backs)	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	2008	of which 4Q08
Funded CDOs	4	**2**	-2		-1	-1	1
Unfunded super senior CDOs	231	**80**	-151		-62	-62	-17
"Long" positions	235	82	-153		-63	-63	-16

Prime CMOs

(€m)	Position as at 31.12.08			31.12.08 income statement Profits (Losses) on trading			
						Total income statement	
Product	Nominal value	Risk exposure (including write-downs and write-backs)	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	2008	of which 4Q08
CMOs (Prime)(1)	53	**48**	-5		-3	-3	
"Long" positions	53	48	-5		-3	-3	

(1) Exposure entirely reclassified into Loans & Receivables with an income statement benefit for 2008 equal to €13m before tax, of which €5m in 4Q08

Structured credit products: other (1/4)

The effects of the crisis that affected the US financial markets spread progressively, initially involving instruments with collateral made up of US non-subprime residential mortgages and subsequently the whole structured credit product segment, including products with non-US underlying assets.

Details of different types of products related to this segment are provided below. In particular, non-monoline packages, funded ABS/CDOs, unfunded super senior Multisector CDOs not comprised in the "contagion" area, Super Senior Corporate Risk and Other unfunded positions:

- **Non-monoline packages: assets with specific hedges stipulated with primary international banks(1)**

Packages

- **Net exposure to counterparty risk €154m as at 31.12.08 (€454m as at 31.12.07)**
- **2008 income statement impact(2) €0m (2007 -€5m)**

- **Hedges from banks generally with a AA rating (in one case AAA and in one case A rating) mostly object of specific collateral agreements**
- **Valued using the mark-to-model approach**

- **Unfunded super senior Multisector CDOs: this component includes super senior positions with High-Grade, widely diversified collateral or characterised by high credit quality RMBS and therefore not included in the "contagion" area**

Unfunded super senior Multisector CDOs not included in the "contagion" area

- **Net risk exposure €707m as at 31.12.08 (€743m as at 31.12.07)**
- **2008income statement impact(3) -€65m (2007 -€16m)**

- **37% collateral in CMBS, 37% corporate loans, 25% average US RMBS and 2.7% average subprime**
- **Rating 100% AA**
- **81% Vintage prior to 2005**
- **16.1% average Attachment point**
- **Valued using the mark-to-model approach**

(1) Underlying assets were mostly made up of CLOs and ABS CDOs with a limited portion of US subprime (equal to approximately 16%)
(2) Write-downs
(3) Including realised gains/losses and write-downs/write-backs

Structured credit products: other (2/4)

- **European funded ABS/CDOs**: portfolio with collateral diversified in RMBS/CMBS, CLOs, CDOs and ABS of receivables (Credit Card, Leasing, Personal Loans, etc)

European funded ABS/CDOs
- Net risk exposure €2,110m of which €1,686m in Loans & Receivables, as at 31.12.08 (€2,224m as at 31.12.07)
- 2008 income statement impact[1] -€92m (2007 -€78m)

- Rating: 76% AAA, 22% AA/A, 2% BBB/BB
- Valued on the basis of comparable approach for 86%, mark-to-model for 14%

- Collateral: 39% RMBS (of which 51% Italy)
  21% CLO
  14% CDO
  10% CMBS (of which 44% Offices, 27% Retail/Shopping Centres, 10% Mixed Use, 8% Nursing Homes, 6% Residential, 4% Industrial)
  16% ABS of receivables

- **US funded ABS/CDOs**: portfolio includes securities with US underlying assets, with collateral mostly represented by Credit Card. It is also present a CMBS component with underlying 100% Small Commercial Loans with 100% AA rating

US funded ABS/CDOs
- Net risk exposure €49m, of which €43m in Loans & Receivables, as at 31.12.08 (€139m as at 31.12.07)
- 2008 income statement impact[1] -€18m (2007 -€15m)

- Collateral: 47% Credit Card, 41% CMBS, 12% High Yield CLO
- Rating: 20% AAA, 67% AA/A, 13% BBB/BB
- Valued on the basis of comparable approach for 88%, mark-to-model for 12%

- **Funded ABS/CDOs ascribable to the Romulus vehicle**: securities entirely classified in Loans & Receivables with mainly US underlying assets (Credit Card, Leveraged Loans, Student Loans, Corporate Risk)

US funded ABS/CDOs Romulus
- Net risk exposure €244m, entirely in Loans & Receivables, as at 31.12.08 (€263m as at 31.12.07)

- Rating: 55% AAA and 45% AA/A
- Valued on the basis of comparable approach for 58%, mark-to-model for 42%

(1) Including realised gains/losses and write-downs/write-backs

Structured credit products: other (3/4)

- **Unfunded super senior Corporate Risk CDOs**: super senior in this category is mostly characterised by collateral subject to corporate risk

Unfunded super senior Corporate Risk CDOs
- Net risk exposure €2,336m as at 31.12.08 (€2,414m as at 31.12.07)
- 2008 income statement impact(1) -€184m (2007 -€71m)

- 31% average Attachment point

- Collateral: 35.1% US (74% CLOs)
  34.9% Europe (44% consumer credit Italy and 38.6% CLOs)
  29.9% Emerging Markets (Bonds and Project Finance)
- Valued using the mark-to-model approach

- **Other unfunded positions**: portfolio with a "short" balance of unfunded CDOs with mainly European underlying assets

Other unfunded positions
- Net risk exposure -€417m as at 31.12.08 (-€404m as at 31.12.07)
- 2008 income statement impact(1) -€25m (2007 +€2m)

- Almost entirely on mezzanine tranches
- Valued using the mark-to-model approach

(1) Including realised gains/losses and write-downs/write-backs

Structured credit products: other (4/4)

(€m)

Product	Position as at 31.12.08					31.12.08 income statement Profits (Losses) on trading	
	Nominal value of the underlying asset	Fair value of the underlying asset (net of accrued interests)	Credit risk exposure to primary International banks (fair value of the CDS) *pre* write-down	Credit risk exposure to primary International banks (fair value of the CDS) *post* write-down	Fair value cumulated write-downs of the hedge from primary international banks	Fair value write-down of the hedge from primary International banks	
						2008	of which 4Q08
Non-monoline packages(1)	558	398	160	154	-6 (2)		12

(€m)

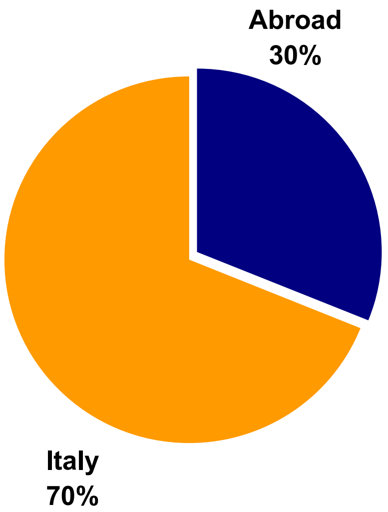
Product	Position as at 31.12.08			31.12.08 income statement Profits (Losses) on trading			
	Nominal value	Fair value	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	Total income statement	
						2008	of which 4Q08
Funded ABS/CDO(3)	2,383(4)	2,159	-224	-4	-106(5)	-110(3)	-40(3)
Unfunded super senior multisector CDOs and corporate risk(6)	2,990	2,626	-364	3	-277	-274	-209
Other(7)	282	244	-38				

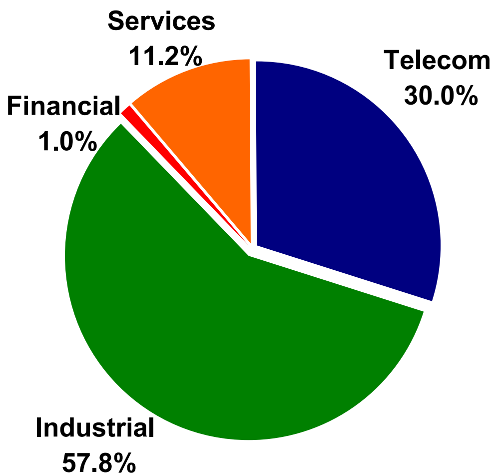
(1) Underlying assets were mostly made up of CLOs and ABS CDOs with a limited portion of US subprime (equal to approximately 16%)
(2) According to systematic adjustments made on the entire derivatives universe to incorporate in the fair value the credit risk, in this particular case de minimus, of the counterparty (so-called credit risk adjustment), even considering that the operations are mainly object of specific collateral agreement
(3) US component reclassified into Loans & Receivables for an amount equal to €48m of nominal value and to €43m of net exposure, with an income statement benefit for 2008 equal to €4m before tax (€3m in 4Q08); EU component belonging to the Intesa Sanpaolo Group reclassified into Loans & Receivables for an amount equal to €1,460m of nominal value and to €1,334m of net exposure, with an income statement benefit for 2008 equal to €246m before tax (€155m in 4Q08); EU component belonging to Banca IMI reclassified into Loans & Receivables for an amount equal to €308m of nominal value and to €285m of net exposure, with an income statement benefit for 2008 equal to €19m before tax (€17m in 4Q08); EU component belonging to CR Firenze reclassified into Loans & Receivables for an amount equal to €8m of nominal value and to €7m of net exposure, with an income statement benefit for 2008 equal to €1m before tax (€1m in 4Q08)
(4) Of which €707m belonging to Banca IMI, €64m belonging to Banca Fideuram and €9m belonging to CR Firenze
(5) Of which -€41m ascribable to Banca IMI
(6) Including a portfolio with a "short" balance of unfunded CDOs of -€396m of nominal value and -€417m of fair value
(7) Risk position of the Romulus vehicle (fully consolidated entity)

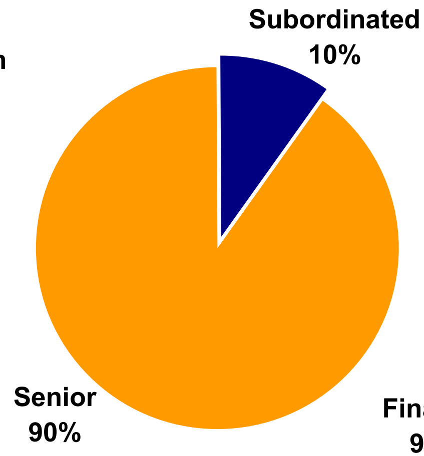
Leveraged Finance(*) contained, high quality exposure

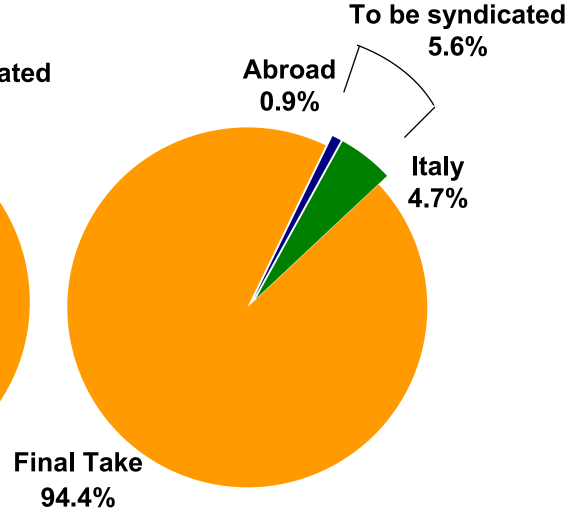
No. Transactions	Amount(1)
~100	€4,790m

Breakdown









(*) Group financing to parties controlled by private equity funds
(1) Outstanding commitment

Disclaimer

"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 presentation corresponds to the document results, books and accounting records".

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This presentation contains certain forward looking statements and forecasts reflecting Intesa Sanpaolo management's current views with respect to certain future events. 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 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 the merger of Banca Intesa S.p.A. and Sanpaolo IMI S.p.A. as well as other recent 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; and
- the Group's ability to achieve the expected return on the investments and capital expenditures it has made it Italy and in foreign countries.

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, which speak only as of the date hereof. Accordingly, there can be no assurance that the Group will achieve its projected results.