INTESA SANPAOLO

2009 Half-Yearly Results

28 August 2009

Agenda

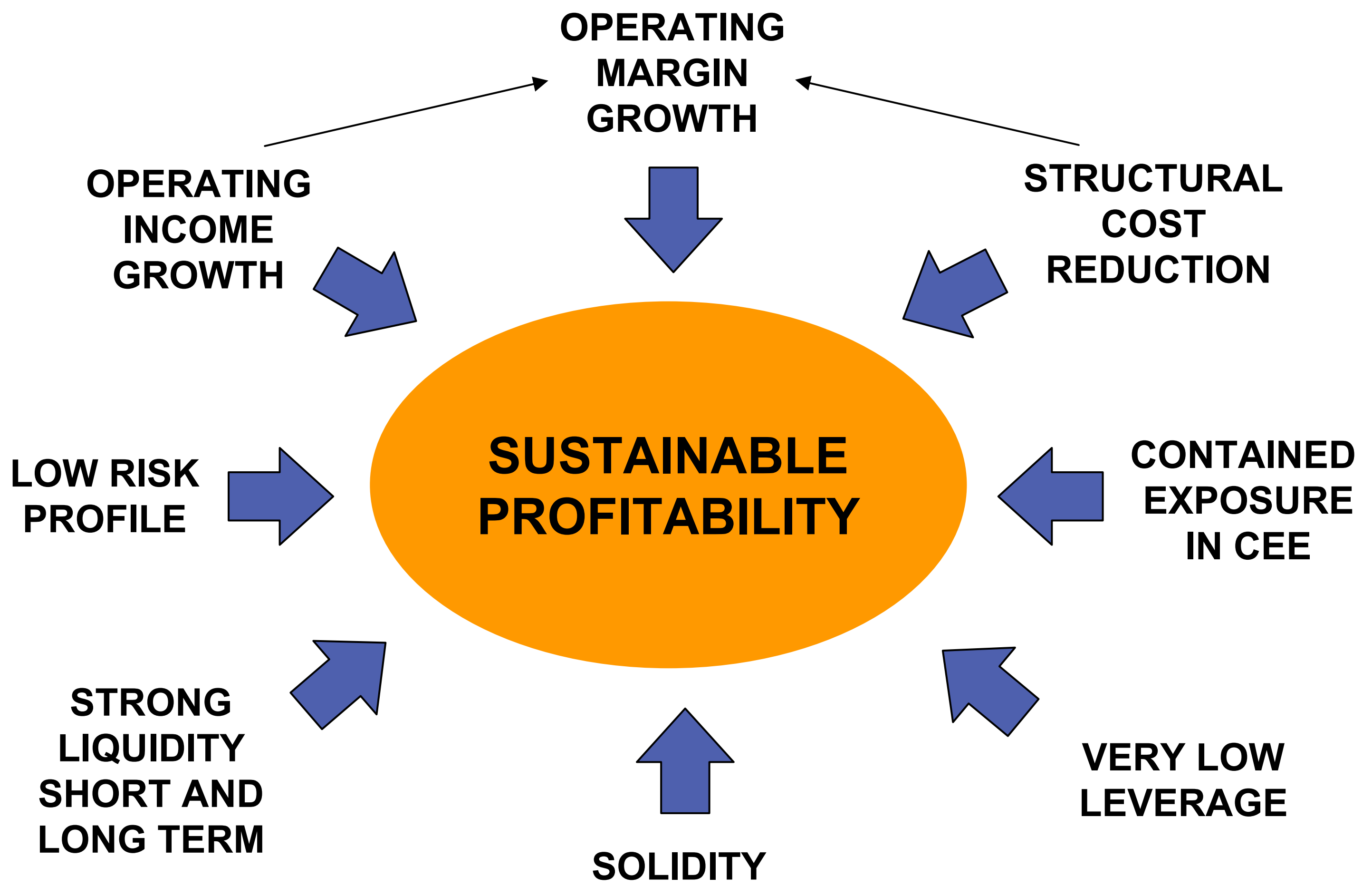
1 Operating performance picks up momentum

2 2009 Half-Yearly Results

Operating performance picks up momentum

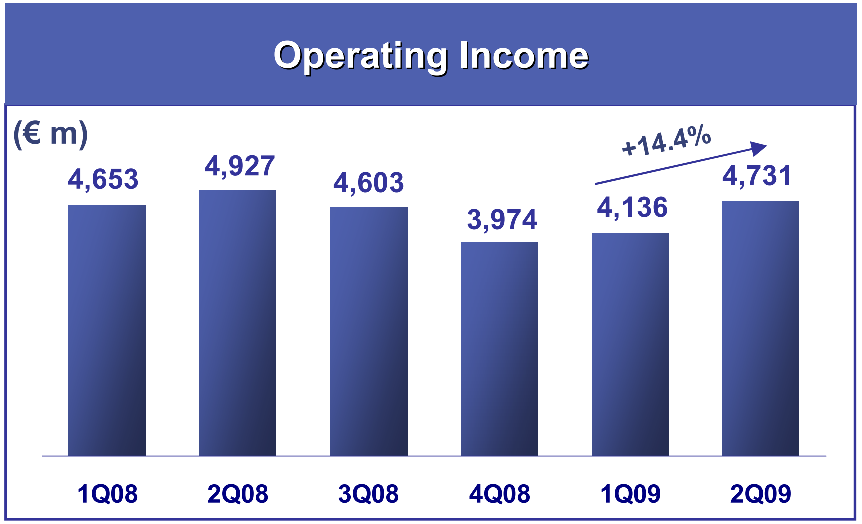
- **2Q09 revenue surge (+14.4% vs 1Q09) across Interest income, Commissions, Trading and Insurance business**
- **Strong increase in 2Q09 Operating Margin (+31.2% vs 1Q09)**
- **2Q09 Net Income at €513m, €653m adjusted for main non-recurring items (+1.4% vs 1Q09)**
- **1H09 Net Income at €1.6bn, €1.3bn adjusted for main non-recurring items**
- **1H09 results do not include ~€300m capital gain on disposals, either recently finalised or underway (Findomestic, IntesaTrade and Banca Generali)**
- **2Q09 growth momentum as well as 1H09 performance are the result of the continued focus on sustainable profitability, liquidity, solidity and low risk profile, which are and remain top priorities for the Group**

We are well positioned with a clear focus



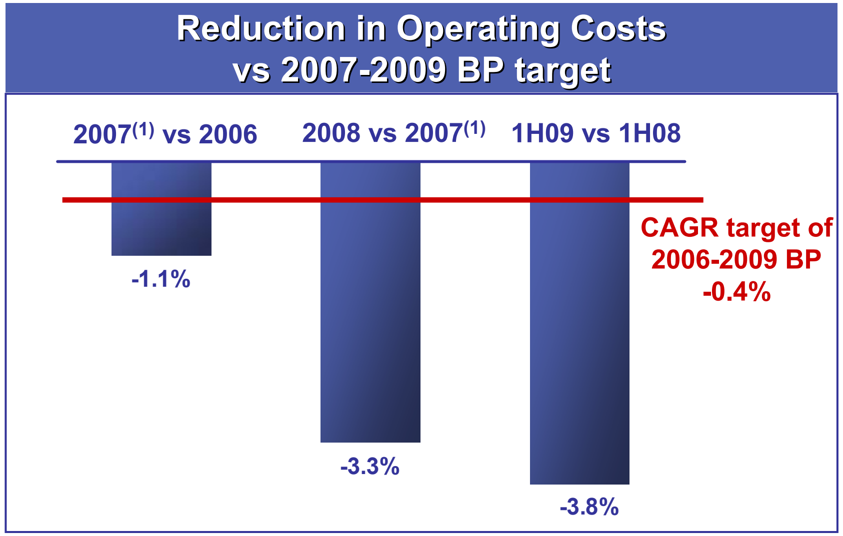
The sustainability of our earnings stream is based on our business model focused on the retail domestic market where we take full advantage of a wide-ranging customer franchise and product capability, enhanced by long-lasting relationships

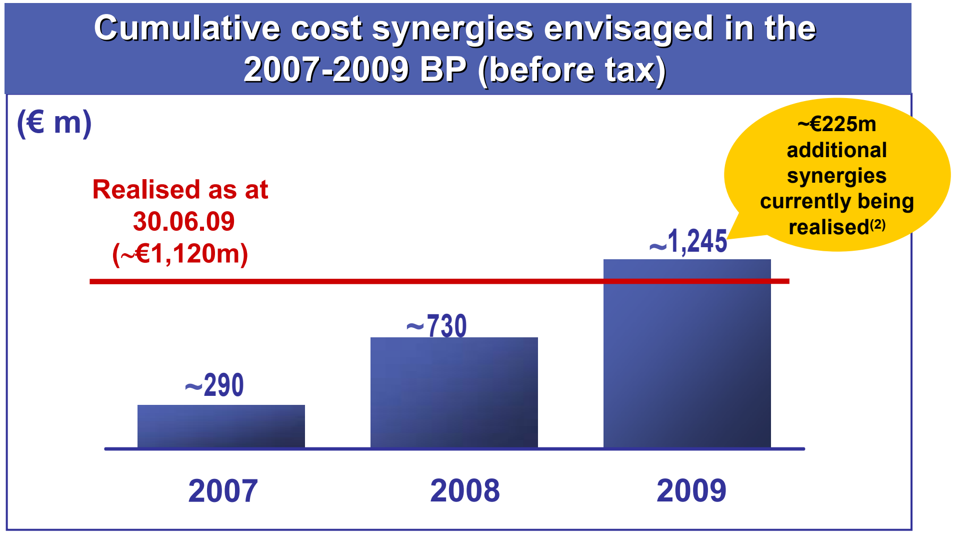
Sustainable profitability: 2Q09 strong revenues and Operating Margin growth



- 3.4% Net interest income growth in 2Q09 vs 1Q09 due to effective defense of customer spread through mark-up re-pricing and hedging, coupled with intermediated volume growth
- These actions more than offset the negative impact from mark-down also resulting from our ALM policy, which is focused on retail and stable funding and is not leveraging wholesale short-term funding, aiming at prioritising liquidity
- Strong growth in Net fee and commission income after a nine-quarter decrease (+6.8% 2Q09 vs 1Q09)
- €439m Profits on trading in 2Q09, the best quarter recorded since 2Q07 thanks to good performance in all activities
- Strong recovery of Income from insurance business in 2Q09 (+93.8% vs 1Q09)

Sustainable profitability: excellent structural cost reduction and ~€1.1bn synergies already realised





- €1.1bn cumulative synergies realised as at 30.06.09 (of which ~€290m in 2007, ~€570m in 2008 and ~€260m in 1H09)
- ~€350m of cost synergies to be realised during the remaining part of 2009
- Agreed plan for a staff reduction of ~2,000 people in 2009 (~3,300 in 2008)
- ~€90m of integration charges to be booked in the remaining part of 2009
- CR Firenze IT system integration completed in July (migrated ~560 branches)

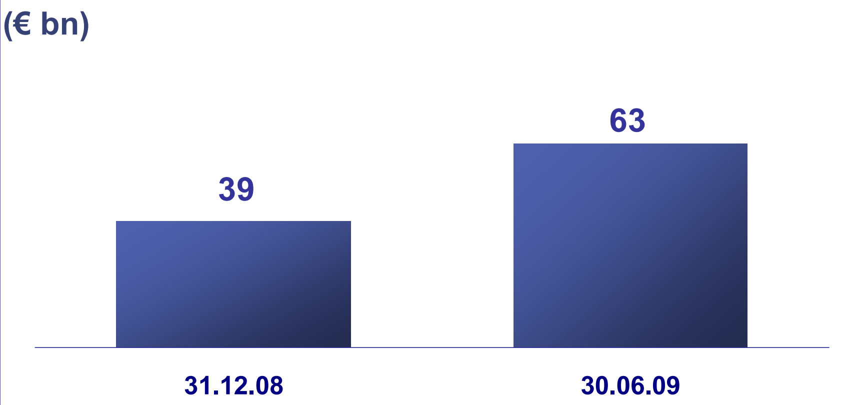
(1) Excluding non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR) (€277m in 2Q07)
(2) Including CR Firenze

Liquidity remains a priority: Net Interest Income not inflated by the leverage effect

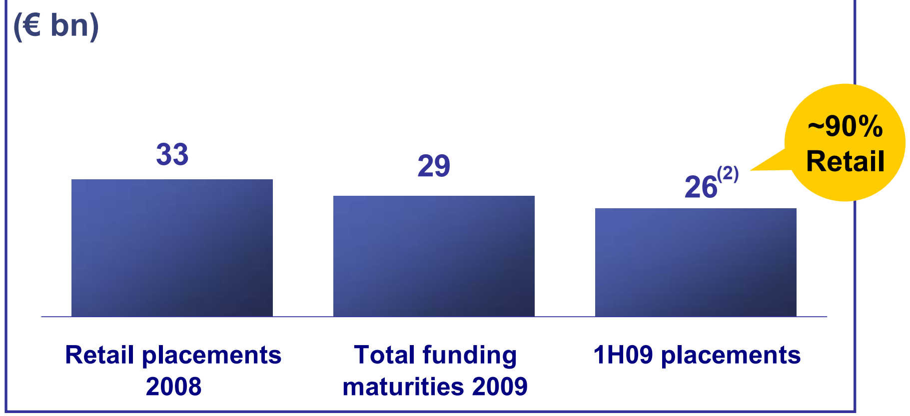
Direct Customer Deposits > Loans to Customers as at 30.06.09

- **Funding plan for 2009 almost completed during first half**
- **The retail branch network confirmed its role as a stable and reliable source of funding**
- **Stable and well-diversified sources of funding**
- **~70% of Direct Customer Deposits from retail business**
- **Positive Net interbank position of €2.9bn**

Eligible assets with Central Banks (net of haircut)



Medium/long-term funding capability



(1) Excluding €22.1bn financial liabilities from insurance business
(2) Versus ~€19bn of maturities

Group solidity remains a priority: bolstering capital ratios

	Capital ratios as at 30.06.09 Basel 2 (Foundation)	Estimated benefits from: Tremonti Bond / Capital Management actions	Pro forma capital ratios
Core Tier 1 ratio	**6.9%**	**1.0%-1.5%**	**7.9%-8.4%**
Tier 1 ratio	**7.7%**	**1.0%-1.5%**	**8.7%-9.2%**
Total Capital ratio	**11.0%**	**1.0%-2.4%**	**12.0%-13.4%**
RWA (€bn)	**369.7**		

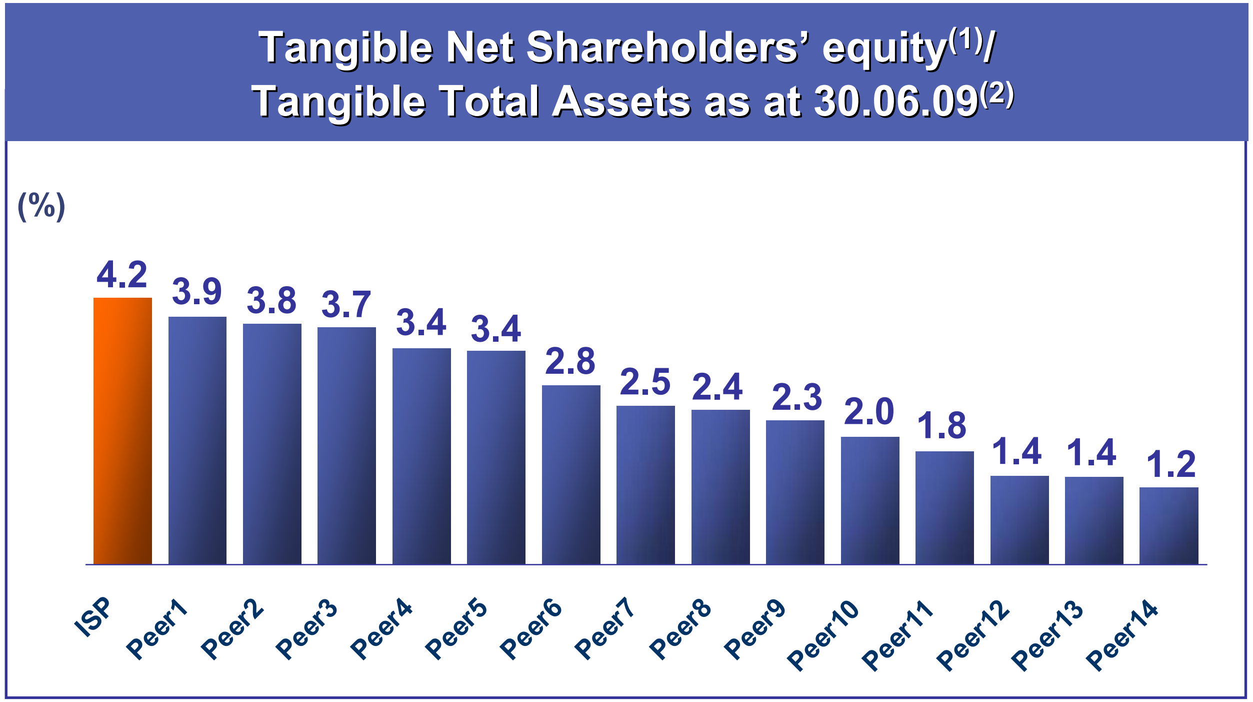
Benefits from capital management actions on non-core assets with a total book value of more than €10bn, of which more than €5bn deducted from Core Tier 1, and RWA of more than €15bn

- **~50bps Core Tier 1 improvement in 2Q09, of which for more than 30bps due to structural operating performance and for the remaining part essentially due to write-backs of assets AFS**
- **30.06.09 data do not take into account the effect of the planned resumption of dividend payment on ordinary shares**
- **30.06.09 data do not take into account the benefits (+14bps) of the balance on disposals and acquisitions, either recently finalised or underway(1)**
- **In March 2009, ISP Management Board and Supervisory Board resolved to start procedures for a €4bn issue of subordinated debt instruments to be subscribed by the Italian Ministry for Economy and Finance ("Tremonti Bonds") qualifying as Core Tier 1 capital(2), to be used as a form of "insurance policy" as well as a "bridge" to non-core assets disposals**

(1) *Findomestic (50%), IntesaTrade and Banca Generali disposals and Intesa Vita acquisition (50%). Assuming €130m positive impact on Net income from the disposal of the second 25% stake in Findomestic valued at the lower end of the range set for in the agreement*

(2) *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 assessment*

Very low leverage remains a priority

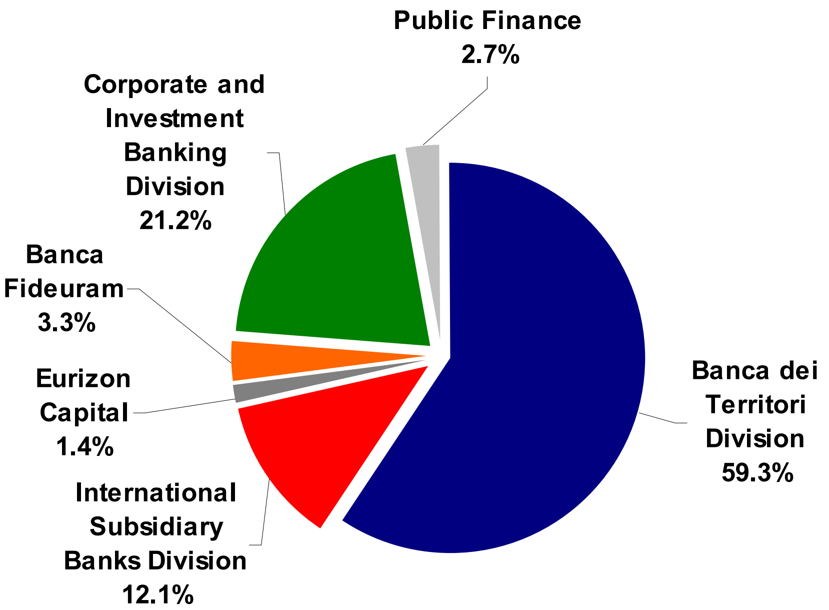


ISP has the best ratio of Tangible Net Shareholders' equity to Tangible Total Assets demonstrating its solid capital base

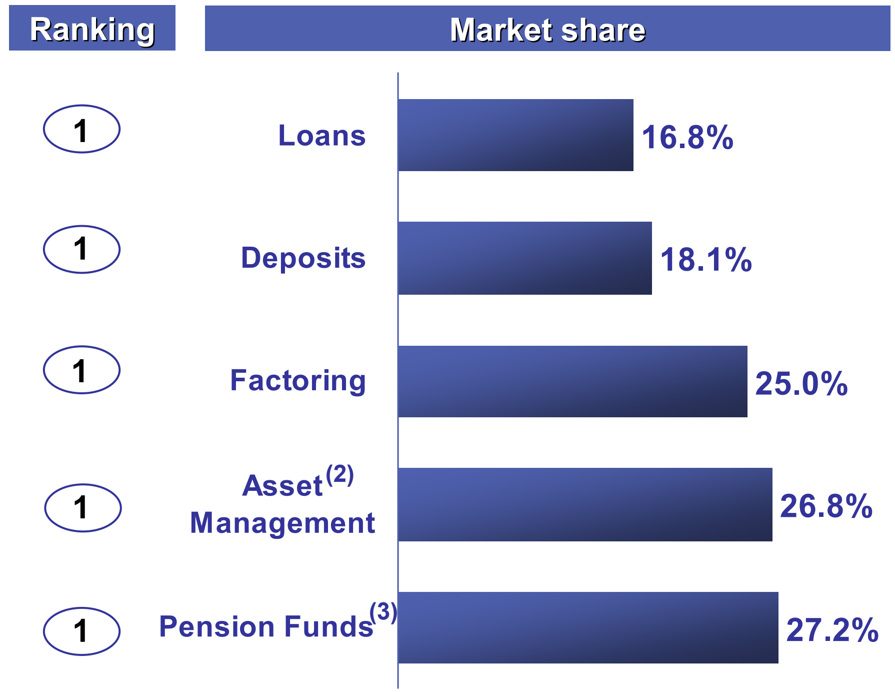
(1) Including Net income for the period
(2) Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, ING, Lloyds Banking Group, Nordea, RBS, Santander, SocGen, UBS and UniCredit

Low risk profile: focus on strength in the domestic retail market

1H09 Operating Income Breakdown by business area[(1)]



Leadership in Italy
(data as at 30.06.09)

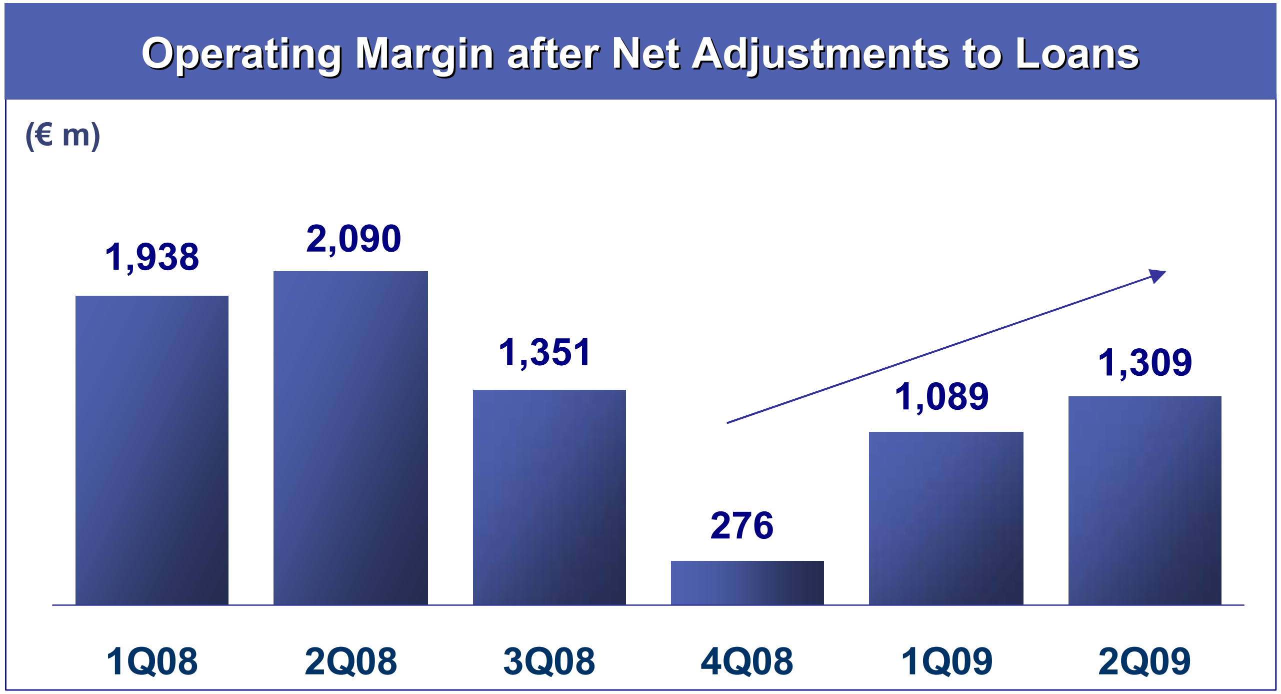


- **Retail domestic operations are momentarily suffering from historically low market yields but will remain a structural strength of the Group together with the other commercial banking operations**

(1) Excluding Corporate Centre
(2) Mutual funds
(3) Data as at 31.03.09
Note: Domestic retail = Banca dei Territori Division, Eurizon Capital and Banca Fideuram

Low risk profile: 1H09 cost of credit in line with expectations and adequate coverage

- **1H09 cost of credit (94bps annualised) in line with expectations**
- **Doubtful loans coverage, including collateral and guarantees, stable at 125%**
- **2Q09 Operating Margin after Net Adjustments to Loans up to €1.3bn (+20.2% vs 1Q09), same level as 3Q08**



Low risk profile: only 7% of loans in CEE

(Figures as at 30.06.09)	Hungary	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Russian F.	Ukraine	Total CEE	Egypt	Total
Oper. Income (€ m)	249	235	51	232	111	12	19	20	37	32	999	91	1,090
% of Group total	***2.8%***	***2.7%***	***0.6%***	***2.6%***	***1.3%***	***0.1%***	***0.2%***	***0.2%***	***0.4%***	***0.4%***	***11.3%***	***1.0%***	***12.3%***
Net Income (€ m)	2	61	13	68	30	1	6	0	(28)	(20)	134	39	172
% of Group total	***0.1%***	***3.9%***	***0.8%***	***4.3%***	***1.9%***	***0.1%***	***0.4%***	***0.0%***	***n.m.***	***n.m.***	***8.4%***	***2.4%***	***10.8%***
Customer Deposits (€ bn)	6.3	8.0	1.3	6.0	1.8	0.3	0.7	0.2	0.5	0.4	25.5	3.2	28.6
% of Group total	***1.4%***	***1.8%***	***0.3%***	***1.3%***	***0.4%***	***0.1%***	***0.2%***	***0.1%***	***0.1%***	***0.1%***	***5.8%***	***0.7%***	***6.5%***
Customer Loans (€ bn)	8.9	5.8	2.1	6.6	1.9	0.4	0.4	0.5	1.2	0.4	28.1	1.8	30.0
% of Group total	***2.3%***	***1.5%***	***0.5%***	***1.7%***	***0.5%***	***0.1%***	***0.1%***	***0.1%***	***0.3%***	***0.1%***	***7.3%***	***0.5%***	***7.8%***
Total Assets (€ bn)	11.3	9.6	2.6	9.5	2.9	0.6	0.8	0.7	1.4	0.6	40.0	4.0	44.0
% of Group total	***1.8%***	***1.5%***	***0.4%***	***1.5%***	***0.5%***	***0.1%***	***0.1%***	***0.1%***	***0.2%***	***0.1%***	***6.3%***	***0.6%***	***6.9%***
Shareholder's Equity (€ m)	795	869	248	1,077	493	56	74	130	133	86	3,962	295	4,256
% of Group total	***1.6%***	***1.7%***	***0.5%***	***2.1%***	***1.0%***	***0.1%***	***0.1%***	***0.3%***	***0.3%***	***0.2%***	***7.8%***	***0.6%***	***8.4%***
Book value (€ m)	968	1,025	292	1,162	780	84	161	131	186	87	4,876	1,293	6,169
- of which goodwill/intangibles	*58*	*234*	*62*	*116*	*324*	*28*	*125*	*5*	*65*	*1*	*1,018*	*998*	*2,016*

- **Marginal presence in Ukraine (0.1% of Group's loans; €0.4bn)**
- **Well-balanced Direct Customer Deposits/Loans to Customers**

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

(Figures as at 30.06.09)	Hungary	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Russian F.	Ukraine	Total CEE	Egypt	Total
Performing loans (€ bn)	8.4	5.6	2.1	6.4	1.9	0.4	0.3	0.4	1.1	0.4	**27.1**	1.8	**28.9**
of which:													
Retail local currency	4%	52%	39%	17%	8%	8%	2%	23%	5%	31%	**21%**	40%	**22%**
Retail foreign currency	25%	1%	1%	28%	18%	42%	22%	66%	1%	57%	**19%**	0%	**18%**
Corporate local currency	18%	45%	57%	18%	15%	48%	7%	2%	75%	6%	**28%**	35%	**29%**
Corporate foreign currency	53%	3%	4%	37%	60%	2%	69%	10%	19%	6%	**32%**	25%	**31%**
Doubtful loans(1) (€ m)	87	64	27	4	28	9	10	14	10	39	**292**	21	**313**
Substandard and Restructured(2) (€ m)	458	52	32	198	29	7	26	1	19	42	**864**	6	**870**
Performing loans coverage	0.5%	2.1%	2.5%	1.3%	2.7%	2.3%	3.1%	0.9%	0.8%	1.1%	**1.4%**	1.8%	**1.4%**
Doubtful loans(1) coverage	76%	60%	48%	97%	75%	50%	44%	33%	62%	64%	**71%**	91%	**75%**
Substandard and Restructured loans(2) coverage	14%	26%	18%	35%	28%	22%	13%	20%	73%	24%	**25%**	14%	**25%**
Cost of credit(3) (bps; not annualised)	138	101	31	54	164	61	78	69	238	714	**114**	n.m.	**105**

- **Cost of credit in line with expectations**
- **Foreign currency retail loans in CEE only account for 1.3% of Group's loans**
- **Foreign currency retail Direct Customer Deposits > Foreign currency retail Loans to Customers**

(1) Sofferenze
(2) Including Past Due
(3) Net Adjustments to loans/Net customers loans
Figures may not add up exactly due to rounding differences

Agenda

1 Operating performance picks up momentum

2 2009 Half-Yearly Results

Strong acceleration in 2Q09 and sound operating performance in 1H09

- 2Q09 Net Income at €513m (€653m adjusted(1))
- 2Q09 Operating Income at €4.7bn (+14.4% vs 1Q09) with a strong growth vs 1Q09 across all revenue items
- 2Q09 Cost/Income ratio down to 49.5% (-6.4 p.p. vs 1Q09)
- 2Q09 Operating Margin at €2.4bn (+31.2% vs 1Q09), the highest since 2Q08
- 1H09 Net Income at €1.6bn (€1.3bn adjusted(2))
- Excellent structural reduction in Operating Costs (-3.8% vs 1H08)
- Sound asset quality confirmed
  - 1H09 cost of credit (94bps annualised) in line with expectations
  - Net Doubtful Loans/Loans to customers at 1.2%
  - Doubtful Loans coverage including collateral and guarantees stable at 125%
  - Reserves on Performing Loans kept at more than €2.4bn
- ~50bps improvement in Core Tier 1 ratio in 2Q09

(1) Excluding main non-recurring items (see slide 18)
(2) Excluding main non-recurring items (see slide 48)

Sound growth in Direct Customer Deposits and Loans to Customers in 1H09 vs 1H08

(€ m)	30.06.08 Restated	30.06.09	Δ%
Loans to Customers	370,907	386,324	4.2
Customer Financial Assets[1]	1,037,632	995,765	(4.0)
of which Direct Customer Deposits	418,840	442,452	5.6
of which Indirect Customer Deposits	644,981	578,996	(10.2)
- Assets under Management	*248,668*	*214,107*	*(13.9)*
- Assets under Administration	*396,313*	*364,889*	*(7.9)*

- Customer Financial Assets up 2.4% vs 31.03.09 (+€23.6bn)
- Indirect Customer Deposits decrease mainly due to performance effect and switch to Direct Customer Deposits

(1) Net of duplications between Direct Customer Deposits and Assets under Management
Note: 30.06.08 figures restated to reflect the scope of consolidation as at 30.06.09

Strong increase in Operating Margin and in Income before tax vs 1Q09

(€ m)	1Q09	2Q09	Δ%
Net interest income	2,687	2,779	3.4
Dividends and P/L on investments carried at equity	(6)	36	n.m.
Net fee and commission income	1,255	1,340	6.8
Profits (Losses) on trading	107	439	310.3
Income from insurance business	64	124	93.8
Other operating income (expenses)	29	13	(55.2)
Operating income	**4,136**	**4,731**	**14.4**
Personnel expenses	(1,399)	(1,360)	(2.8)
Other administrative expenses	(758)	(824)	8.7
Adjustments to property, equipment and intangible assets	(157)	(157)	0.0
Operating costs	**(2,314)**	**(2,341)**	**1.2**
Operating margin	**1,822**	**2,390**	**31.2**
Net provisions for risks and charges	(69)	(63)	(8.7)
Net adjustments to loans	(733)	(1,081)	47.5
Net impairment losses on other assets	(7)	(72)	n.m.
Profits (Losses) on HTM and on other investments	0	15	n.m.
Income before tax from continuing operations	**1,013**	**1,189**	**17.4**
Taxes on income from continuing operations	165 (1)	(489)	n.m.
Merger and restructuring related charges (net of tax)	(48)	(38)	(20.8)
Effect of purchase cost allocation (net of tax)	(95)	(102)	7.4
Income (Loss) after tax from discontinued operations	65	(15)	n.m.
Minority interests	(25)	(32)	28.0
Net income	**1,075**	**513**	**(52.3)**

+1.4% excluding main non-recurring items

(1) Including €511m deferred taxation non-recurring positive impact from intangibles detaxation
Figures may not add up exactly due to rounding differences

Net Income increase in 2Q09 vs 1Q09 excluding main non-recurring items

1Q09 Net Income (post-tax data)		
(€ m)		
	Net Income	1,075
+	Integration charges	48
+	Amortisation of acquisition cost	95
-	Capital gain on CR Orvieto and Antitrust 17 branches	63
-	Deferred taxation non-recurring impact due to the detaxation of intangibles	511
	Net Income adjusted	644

2Q09 Net Income (post-tax data)		
(€ m)		
	Net Income	513
+	Integration charges	38
+	Amortisation of acquisition cost	102
	Net Income adjusted	653

+1.4%

Robust 1H09 Net Income at €1.6bn

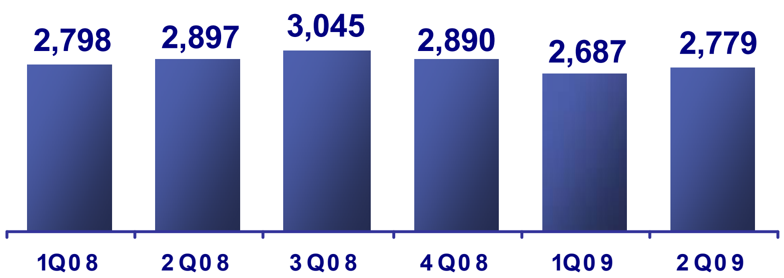
(€ m)	1H08 Restated	1H09	Δ%
Net interest income	5,695	5,466	(4.0)
Dividends and P/L on investments carried at equity	95	30	(68.4)
Net fee and commission income	3,185	2,595	(18.5)
Profits (Losses) on trading	284	546	92.3
Income from insurance business	186	188	1.1
Other operating income	135	42	(68.9)
Operating income	**9,580**	**8,867**	**(7.4)**
Personnel expenses	(2,899)	(2,759)	(4.8)
Other administrative expenses	(1,554)	(1,582)	1.8
Adjustments to property, equipment and intangible assets	(386)	(314)	(18.7)
Operating costs	**(4,839)**	**(4,655)**	**(3.8)**
Operating margin	**4,741**	**4,212**	**(11.2)**
Net provisions for risks and charges	(78)	(132)	69.2
Net adjustments to loans	(713)	(1,814)	154.4
Net impairment losses on assets	(11)	(79)	618.2
Profits (Losses) on HTM and on other investments	297	15	(94.9)
Income before tax from continuing operations	**4,236**	**2,202**	**(48.0)**
Taxes on income from continuing operations	(1,309)	(324)(1)	(75.2)
Merger and restructuring related charges (net of tax)	(389)	(86)	(77.9)
Effect of purchase cost allocation (net of tax)	(284)	(197)	(30.6)
Income (Loss) after tax from discontinued operations	965	50	(94.8)
Minority interests	(112)	(57)	(49.1)
Net income	**3,107**	**1,588**	**(48.9)**

(1) Including €511m deferred taxation non-recurring positive impact from intangibles detaxation (1Q09)
Note: 1H08 figures restated to reflect the scope of consolidation for 1H09
Figures may not add up exactly due to rounding differences

Net Interest Income increase in 2Q09 vs 1Q09

Quarterly Analysis

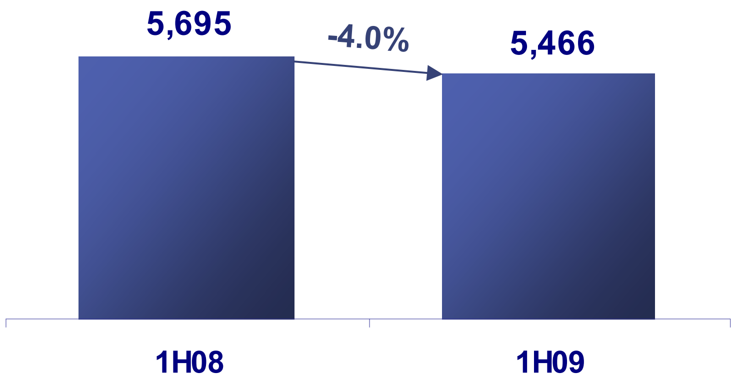
(€ m)



- Growth in 2Q09 vs 1Q09 (+3.4%) due to the increase in mark-up, growth in intermediated volumes with customers and to hedging, which more than offset the decrease in mark-down
- Average Customers loans stable in 2Q09 vs 1Q09
- 5.7% increase in average Direct Customer Deposits vs 1Q09

Yearly Analysis

(€ m)



- Decrease fully driven by tightening of spreads generated by mark-down reduction
- Growth in intermediated volumes with customers (average loans +4.7% and average Direct Customer Deposits +10.8%)

Loans to Customers - Average volumes

	∆%	∆ €bn
Retail Italy	(1.1)	(1.2)
SMEs	+0.1	+0.1
Mid-Corporate	+6.0	+1.2
Large Corporate	+19.0	+6.9
Public Finance	+0.1(1)	n.m.
International Subsidiary Banks Division	+18.4	+4.6

(1) including securities subscription

Quarterly growth in Net Interest Income underpinned by effective hedging

Δ 2Q09 vs 1Q09 (€ m)		
1Q09 Net Interest Income		2,687
+ Operating impact		(92)
of which:		
- Volumes	41	
- Spread	(133)	
+ Hedging		165
+ Other		19
2Q09 Net Interest Income		2,779

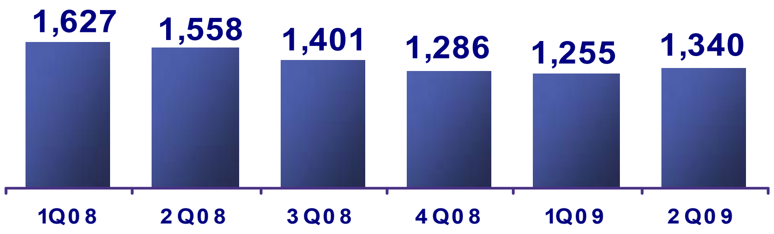
Δ 1H09 vs 1H08 (€ m)		
1H08 Net Interest Income		5,695
+ Operating impact		(757)
of which:		
- Volumes	218	
- Spread	(975)	
+ Hedging		550
+ Other		(22)
1H09 Net Interest Income		5,466

- ~€335m benefit from hedging registered in 2Q09

Strong recovery of Net Fee and Commission Income in 2Q09

Quarterly Analysis

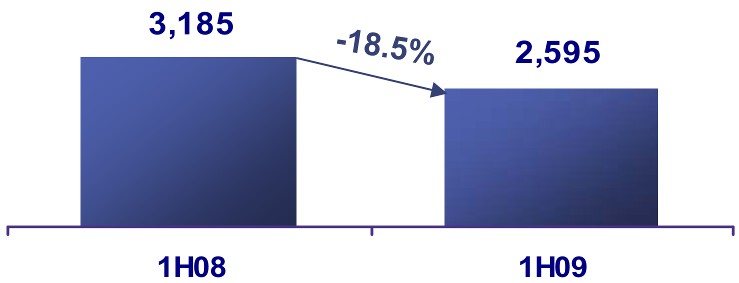
(€ m)



- Strong growth (+6.8%) in 2Q09 vs 1Q09 after a nine-quarter decrease despite a commercial policy still focused on placement of Intesa Sanpaolo bonds (~€10bn placements, of which ~90% retail)
- 1.7% (+€8m) increase in commissions from commercial banking activities in 2Q09 vs 1Q09
- 13.0% (+€72m) increase in commissions from Management, dealing and consultancy activities (e.g. portfolio management, insurance products, placement of securities) in 2Q09 vs 1Q09, also thanks to sound performance of the insurance products component (+16.3%, +€25m vs 1Q09)

Yearly Analysis

(€ m)

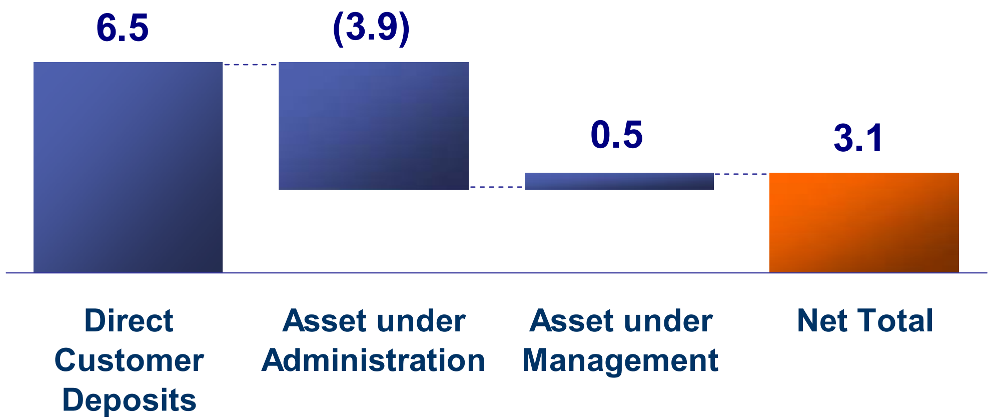


- Decrease mainly driven by Management, dealing and consultancy activities (portfolio management, insurance products, placement of securities), down €507m (-30.0%) due to adverse market trends, customer risk aversion and the lower placement of products with up-front fees
- In 1H09 commercial policy focused on placement of Intesa Sanpaolo bonds (~€26bn placements, of which ~90% retail)

New flow of Customer financial assets strongly positive in 2Q09

2Q09 Customer financial assets net flows in Italy(1)

(€ bn)



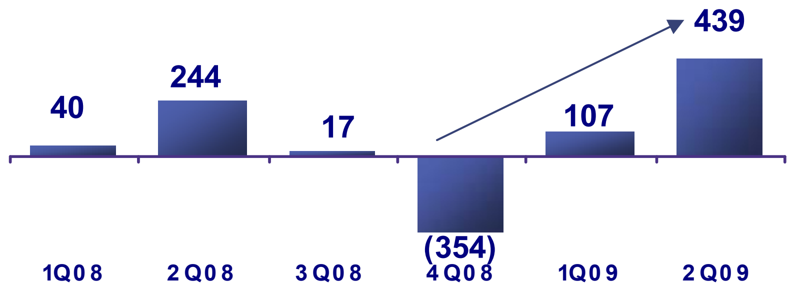
- **Back to positive Asset under Management flow**
- **The switch back of Assets under Administration (€365bn) into Assets under Management provides potential for future growth in commissions with retail customers**

(1) Banca dei Territori Division + Banca Fideuram

Sound operating performance in trading profits

Quarterly Analysis

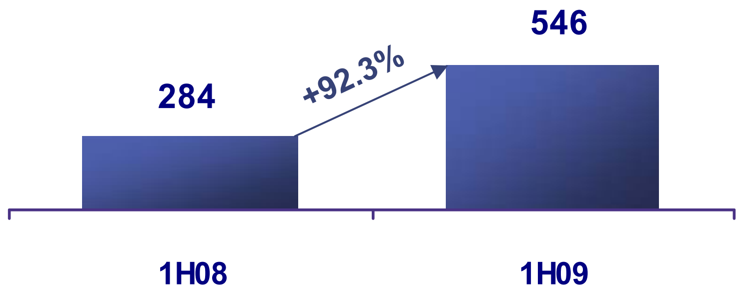
(€ m)



- 2Q09 the best quarter recorded since 2Q07 thanks to good performance in all activities
- More than 4x increase in 2Q09 vs 1Q09
- Excellent performance in capital markets and customer activities
- Increase in 2Q09 vs 1Q09 only marginally due to dividends from financial assets available for sale (€21m in 2Q09 vs €3m in 1Q09)
- 2Q09 average VAR down 13.3% vs 1Q09 at €44m

Yearly Analysis

(€ m)



- Increase mainly due to higher profits from capital markets, return to profitability of proprietary trading and treasury and a sizeable reduction in losses on structured credit products
- Customer activities account for 48% of 1H09 trading profits
- 1H09 results also include €24m of dividends from financial assets available for sale (€78m in 1H08)

2Q09 sound trading profits from customers, capital markets and proprietary trading/treasury

(€ m)	1Q08	2Q08	3Q08[(1)]	4Q08[(1)]	1Q09[(1)]	2Q09[(1)]
Total	40	244	17	(354)	107	439
of which:						
Customers	135	153	101	88	104	157
Capital markets & Financial assets AFS	40	156	16	14	101	167
Proprietary Trading and Treasury (excluding structured credit products)	(15)	18	(67)	(80)	(19)	111
Structured credit products (see next slide and appendix)	(120)	(83)	(33)	(376)	(79)	4

(1) Without IAS reclassification the income statement would have included €141m of negative impact (of which €107m on Structured credit products) in 3Q08, €318m (of which €191m on Structured Credit Products) in 4Q08, €81m (of which €83m on Structured credit products) in 1Q09 and €13m positive impact (of which -€28m on Structured credit products) in 2Q09

High quality of the structured credit products portfolio

US Subprime €18m

Net exposure(*) (€m)	31.12.08	30.06.09	
		Total	*of which at trading*
US Subprime	29	18	9
"Contagion" area	280	334	209
Monoline	0	12	12
Super senior Corporate Risk	2,336	832	832
European ABS/CDO	2,110	1,751	288
Other	737	1,860	609
Total	5,492	4,807	1,959

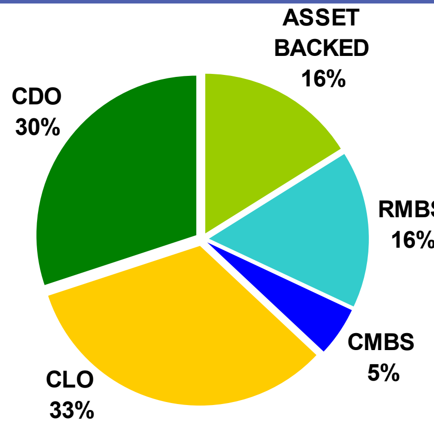
88% Investment Grade

Rating	%
Super senior	11%
AAA	39%
AA	29%
A	9%
BBB and other	12%

68% Vintage ≤ 2005

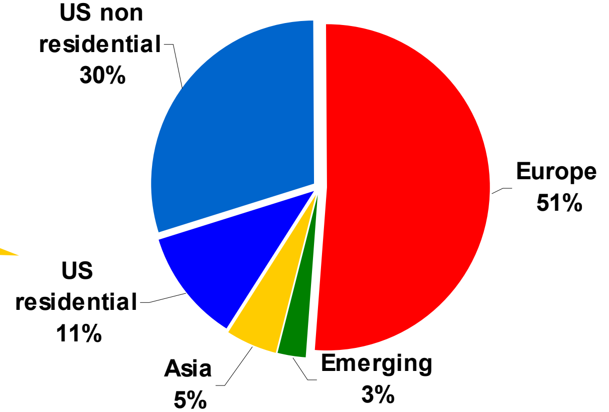
Vintage	%
Before 2005	37%
2005	31%
2006	19%
2007	13%

Products



Geographical area

Only 11% US residential

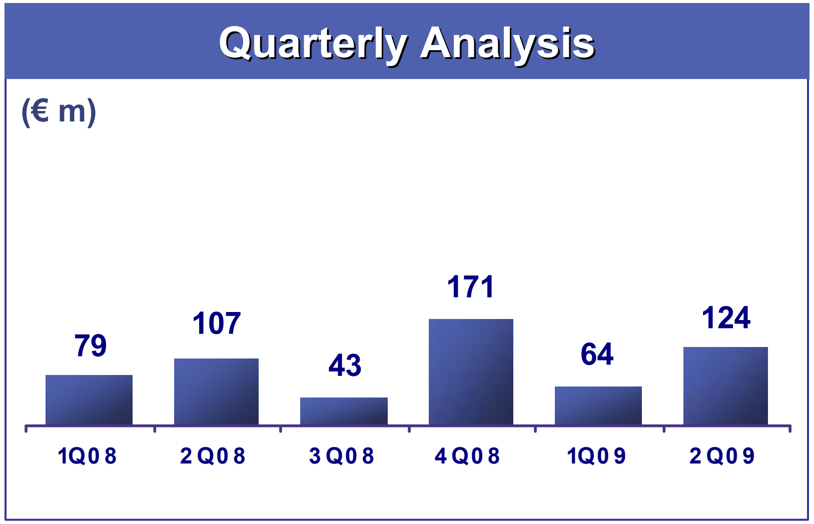


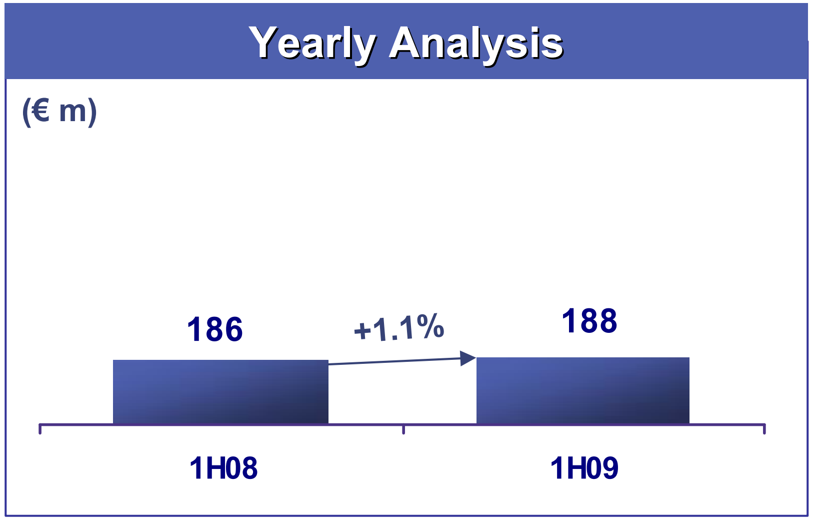
■ **Fair value sensitivity of structured credit products book: -€12m(1) for +25bps of credit spreads**

(*) As for "long" positions, 65% valued through mark-to-model (100% of unfunded positions, 45% of funded positions, 100% of monoline risk and of non-monoline packages) and 35% through comparable approach (55% funded positions). As for "short" positions, 68% valued through mark-to-model (100% unfunded "short" positions, see slide on Structured credit products: Other (3/4), and 100% of positions of funds) and 32% valued through effective market quotes (100% of CMBX-CDS hedges)

(1) -€25m if part of the Structured credit products had not been reclassified into Loans & Receivables for a total amount equal to €3,177m of nominal value and to €2,848m of net exposure leading to a total benefit in income statement for 1H09 equal to €111m before tax, of which €28m in 2Q09

Income from insurance business will benefit from the ongoing rationalisation project





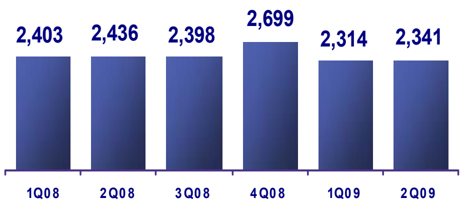
- Strong recovery in 2Q09 (+93.8% vs 1Q09 and +15.9% vs 2Q08) and 1H09 results slightly up vs 1H08
- Following the unwinding of the joint venture with Generali and Cardif, Intesa Sanpaolo will acquire full control of the current four companies (Intesa Vita, EurizonVita, Centrovita and Sud Polo Vita)
- The rationalisation project underway offers a remarkable opportunity for value creation and is based on a logic of specialisation by distribution network. This will lead to the setting up of a single life company serving the Group's banking networks and a life company at the service of the financial advisors of Banca Fideuram delivering
  - significant efficiency, with cost synergies (unification of systems and processes)
  - substantial improvement in commercial effectiveness (alignment to internal best practice as well as reviewing and unifying both product range and investment policies)
  - the re-launch of the insurance business of Banca Fideuram thanks to a dedicated structure

Excellent structural cost reduction confirmed on a yearly basis

Quarterly Analysis

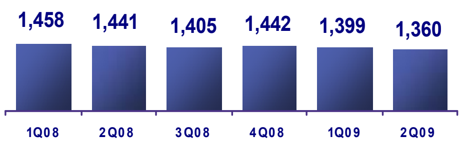
Operating Costs

(€ m)



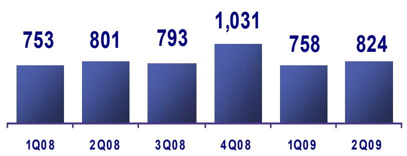
Personnel Expenses

(€ m)



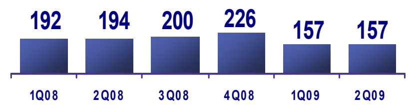
Other Administrative Expenses

(€ m)



Adjustments

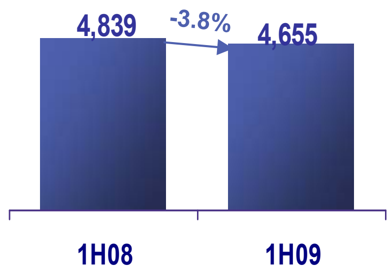
(€ m)



Yearly Analysis

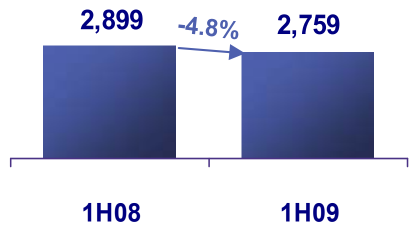
Operating Costs

(€ m)



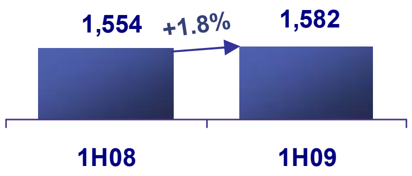
Personnel Expenses

(€ m)



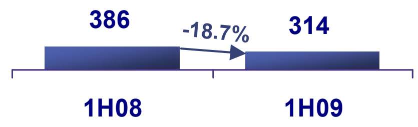
Other Administrative Expenses

(€ m)



Adjustments

(€ m)



- 2Q09 Operating costs almost stable vs 1Q09 despite seasonal trend in Other Administrative Expenses, increase in advertising costs and intra-group VAT
- 3.9% decrease in 2Q09 Operating costs vs 2Q08
- 2Q09 Cost/Income down to 49.5% (-6.4 p.p. vs 1Q09)

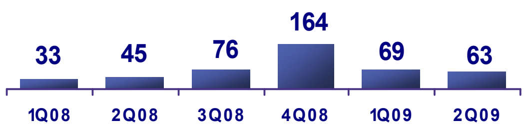
- Excellent cost reduction confirmed despite ongoing growth-related investments and benefiting - yet - only from 76% of merger synergies
- Other Administrative Expenses increase due to intra-group VAT, despite initiatives aimed at limiting the impact
- Operating costs stable in the International Subsidiary Banks Division and decreasing in all the other Divisions

1H09 cost of credit (94bps annualised) in line with expectations

Quarterly Analysis

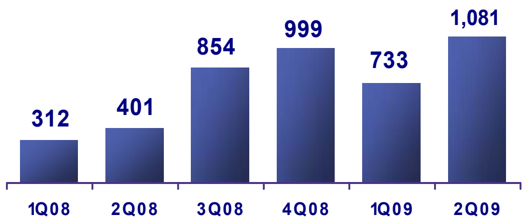
Net Provisions for risks and charges

(€ m)



Net Adjustments to Loans

(€ m)

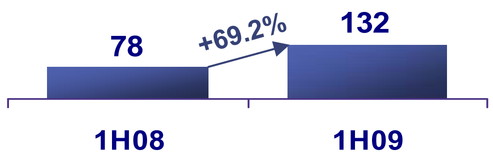


- 2Q09 Net provisions for risks and charges slightly down vs 1Q09
- Performing Loans reserves stable in 2Q09 (€2,441m)
- 2Q09 Doubtful Loans Specific Coverage stable at 69% (125% including collateral and guarantees)
- Increase in 2Q09 Net Adjustments to Loans vs 1Q09 mainly due to prudent classifications into Substandard loans

Yearly Analysis

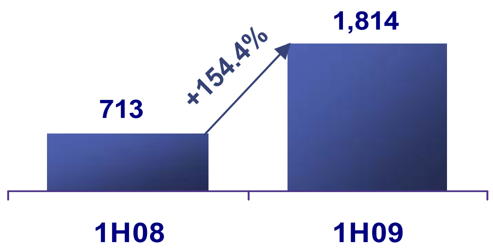
Net Provisions for risks and charges

(€ m)



Net Adjustments to Loans

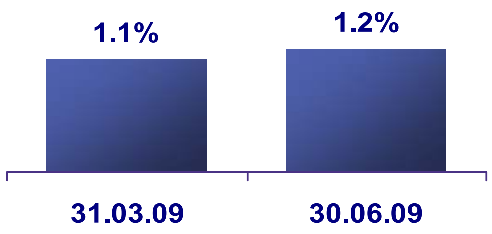
(€ m)



- 1H09 conservative Net provisions for risks and charges
- 1H09 Net Adjustments to Loans/Loans at 94bps annualised in line with the 2009 Outlook disclosed in 2008 results presentation in March
- €80m increase in Performing Loans reserves on a yearly basis

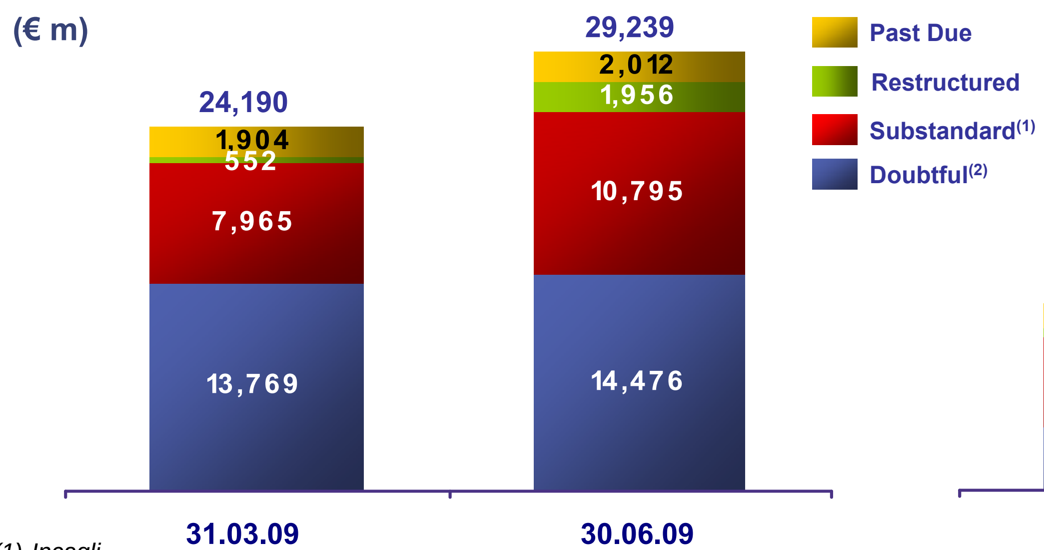
Doubtful Loans Coverage stable and more than adequate

Net Doubtful Loans/Net Loans

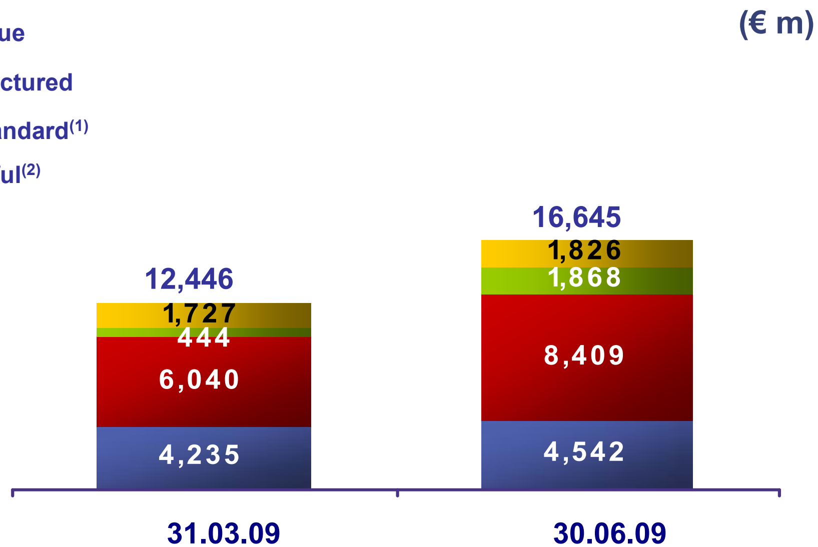


- Doubtful Loans Specific Coverage stable at 69%
- Doubtful Loans Coverage stable at 125% including collateral and guarantees
- More than €2.4bn reserves on Performing Loans
- In 2Q09 increase in Doubtful loans in line with 1Q09
- Growth of Restructured loans owing to a single loan which did not require provisioning
- Increase in Substandard loans mainly due to prudent classifications of positions with a high level of collateral/guarantees which required relatively limited provisioning

Gross Non-Performing Loans



Net Non-Performing Loans

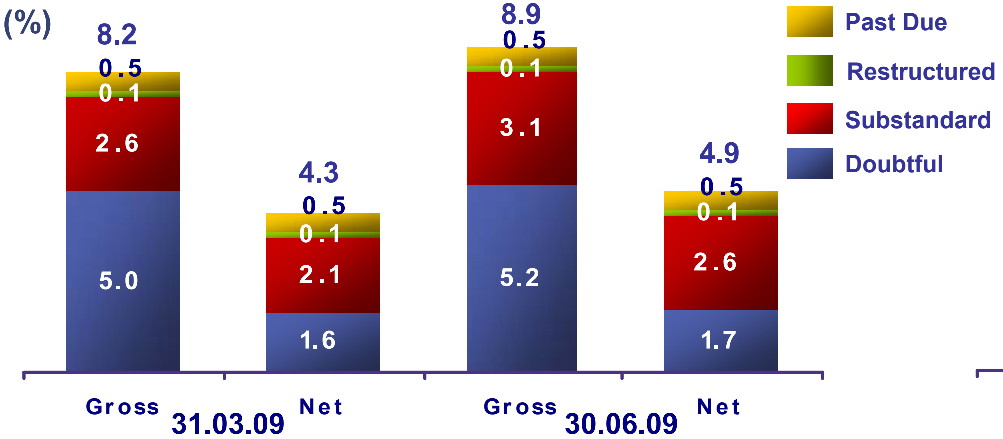


(1) Incagli
(2) Sofferenze

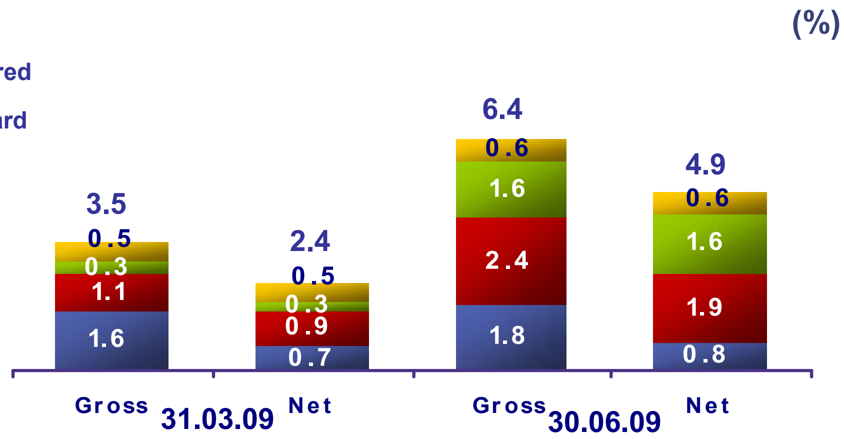
INTESA SANPAOLO

Non-Performing Loans/Loans per Business Unit

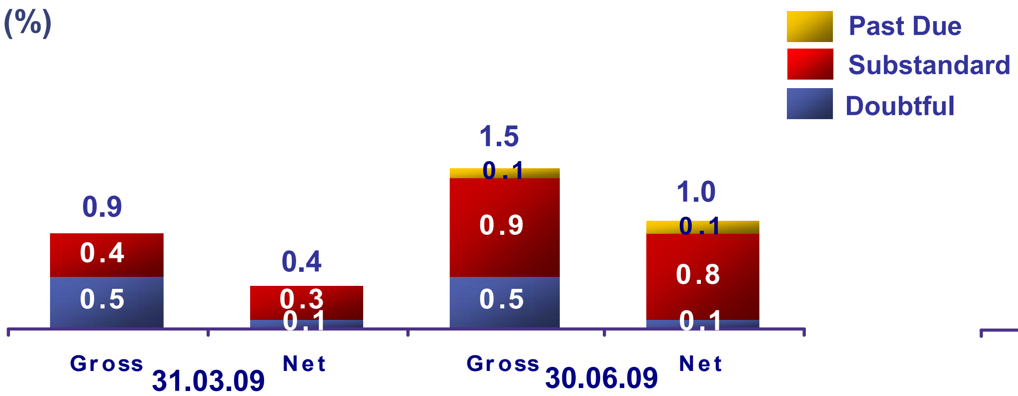
Banca dei Territori Division



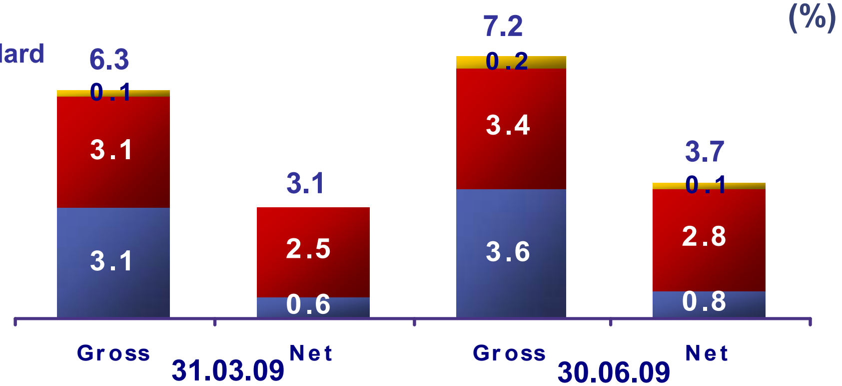
Corporate & Investment Banking Division



Public Finance



International Subsidiary Banks Division

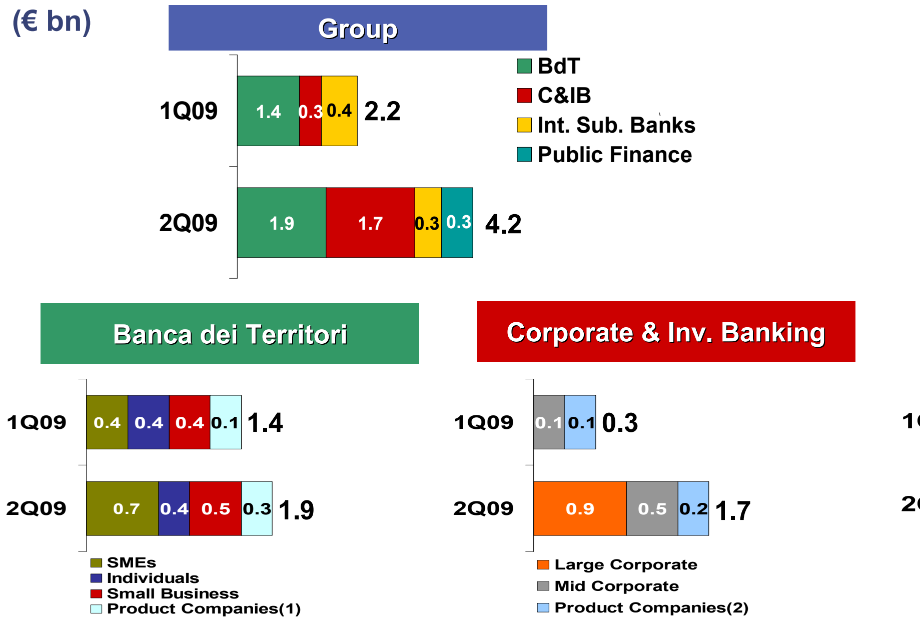


- Increase in Non-Performing Loans/Loans concentrated in Corporate and Investment Banking Division due to prudent classifications into Substandard with a high level of collateral/guarantees which required relatively limited provisioning and into Restructured Loans owing to a single loan which did not require any provisions

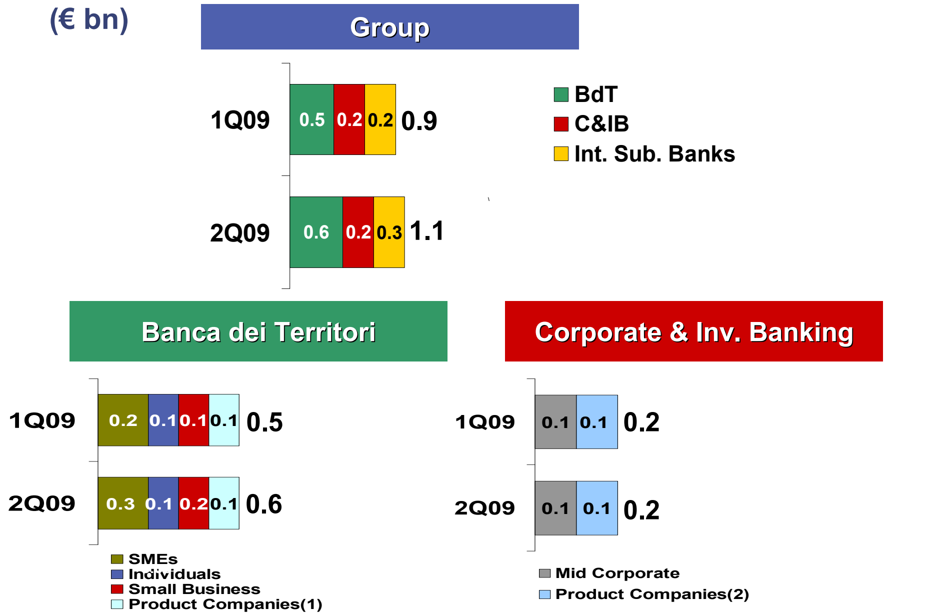
Figures may not add up exactly due to rounding differences

New domestic Substandard Loans up in 2Q09 vs 1Q09 due to prudent classifications requiring relatively limited provisions

New Substandard Gross Flow



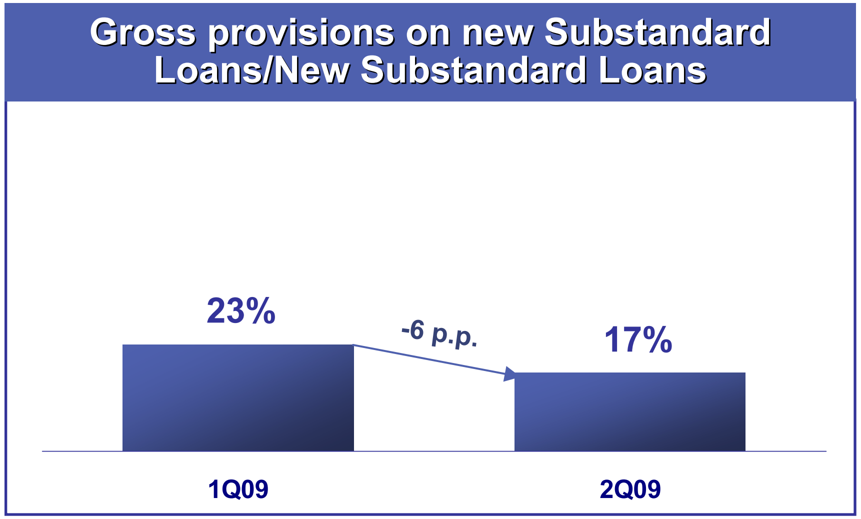
New Doubtful Gross Flow

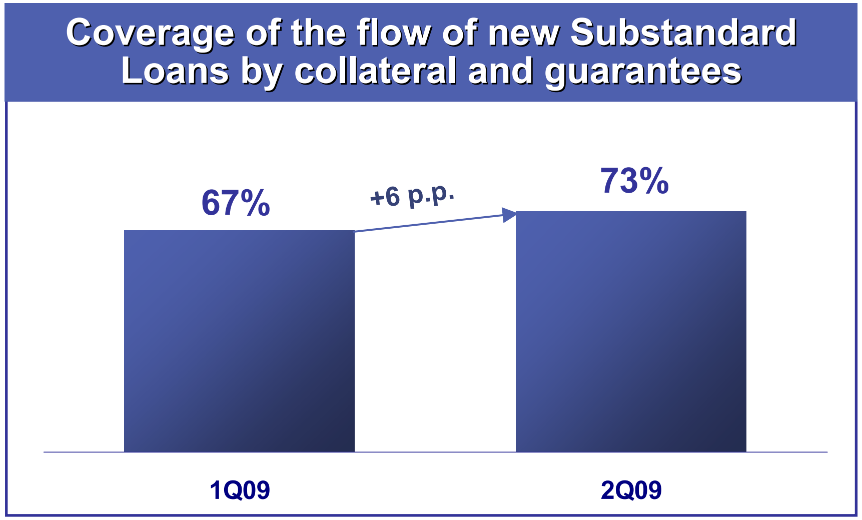


- In 2Q09 new Doubtful Loans flow in line with 1Q09; increase in new Substandard Loans flow vs 1Q09 due to prudent classifications which required relatively limited provisions due to their high collateral coverage and were registered mainly in Corporate and Investment Banking Division
- New domestic Doubtful Loans flow still mainly from sectors structurally more exposed to the economic cycle: construction, distribution, fashion, metals and services representing only 22% of the Group's loans in 2Q09; new domestic Substandard Loans flow mainly in the same sectors in which the new Doubtful Loans flow is concentrated plus a few others particularly exposed to the economic cycle representing overall only 32% of the Group's loans in 2Q09
- Prudent classifications also reflected in a new Substandard Loans flow from the holdings sector

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

New Substandard Loans in 2Q09 required relatively limited provisions due to high coverage by collateral and guarantees

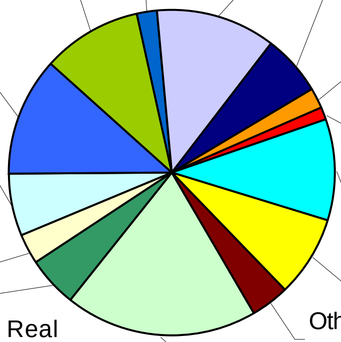




- **Coverage of the flow of New Substandard Loans by collateral up to 51% in 2Q09 from 45% in 1Q09**
- **Coverage of the flow of New Substandard Loans by guarantees at 22% both in 2Q09 and in 1Q09**

Well diversified portfolio of Loans to Customers

Breakdown by business area
(Data as at 30.06.09)



- **Low risk profile of residential mortgage portfolio**
  - **Instalment/available income at 33%**
  - **Loan-to-Value average equal to 46%**
  - **Original average maturity equal to ~21 years**
  - **Residual average life equal to ~12 years**

Breakdown by economic business sectors

	31.03.09	30.06.09
Loans of the Italian banks and companies of the Group		
Households	**23.0%**	**22.9%**
Public Administration	**4.3%**	**4.3%**
Financial companies	**4.7%**	**5.6%**
Non-financial companies	**50.2%**	**48.8%**
of which:		
HOLDING AND OTHER	9.7%	9.4%
CONSTRUCTION AND MATERIALS FOR CONSTR.	7.1%	7.0%
DISTRIBUTION	6.3%	6.0%
SERVICES	5.3%	5.2%
UTILITIES	2.9%	3.5%
METALS AND METAL PRODUCTS	2.6%	2.5%
TRANSPORT	2.4%	2.3%
MECHANICAL	1.7%	1.7%
FOOD AND DRINK	1.7%	1.6%
TRANSPORTATION MEANS	1.8%	1.5%
INTERMEDIATE INDUSTRIAL PRODUCTS	1.4%	1.4%
FASHION	1.4%	1.3%
AGRICULTURE	1.3%	1.3%
ELECTROTECHNICAL AND ELECTRONIC	1.2%	1.1%
ENERGY AND EXTRACTION	0.8%	0.9%
PUBLISHING AND PRINTING	0.5%	0.5%
BASE AND INTERMEDIATE CHEMICALS	0.5%	0.5%
FURNITURE	0.4%	0.4%
OTHER CONSUMPTION GOODS	0.3%	0.3%
PHARMACEUTICAL	0.3%	0.3%
WHITE GOODS	0.2%	0.2%
MASS CONSUMPTION GOODS	0.1%	0.1%
Rest of the world	**8.2%**	**8.5%**
Loans of the foreign banks and companies of the Group	**8.6%**	**8.8%**
Doubtful Loans	**1.1%**	**1.2%**
TOTAL	**100.0%**	**100.0%**

Bolstering capital ratios

	Capital ratios as at 30.06.09 Basel 2 (Foundation)	Estimated benefits from Tremonti Bond / Capital Management actions	Pro forma capital ratios
Core Tier 1 ratio	6.9%	1.0%-1.5%	7.9%-8.4%
Tier 1 ratio	7.7%	1.0%-1.5%	8.7%-9.2%
Total Capital ratio	11.0%	1.0%-2.4%	12.0%-13.4%
RWA (€bn)	369.7		

Benefits from capital management actions on non-core assets with a total book value of more than €10bn, of which more than €5bn deducted from Core Tier 1, and RWA of more than €15bn

- **~50bps Core Tier 1 improvement in 2Q09, of which for more than 30bps thanks to structural operating performance and for the remaining part essentially thanks to write-backs of AFS assets**
- **30.06.09 data do not take into account the effect of the planned resumption of dividend payment on ordinary shares**
- **30.06.09 data do not take into account the benefits (+14bps) of the balance coming from disposals and acquisitions either recently finalised or underway(1)**
- **Fully executing the internal model extension plan to the Advanced model(2) produces 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 2010**

(1) Findomestic (50%), IntesaTrade and Banca Generali disposals and Intesa Vita acquisition (50%). Assuming €130m positive impact on Net income from the disposal of the second 25% stake in Findomestic valued at the lower end of the range set for in the agreement
(2) Subject to the Bank of Italy approval

Divisional Financial Highlights

(Figures as at 30.06.09)	Banca dei Territori	Corporate & Investment Banking	Public Finance	International Subsidiary Banks	Eurizon Capital	Banca Fideuram	Corporate Centre / Others	Total
Operating Income (€ m)	5,332	1,902	241	1,090	129	296	(123)	8,867
Operating Margin (€ m)	2,348	1,442	202	514	67	137	(498)	4,212
Net income (€ m)	779	651	67	162	30	47	(148)	1,588
Cost/Income (%)	56.0	24.2	16.2	52.8	48.1	53.7	n.m.	52.5
RWA (€ bn)	156.6	129.1	17.1	32.5	1.2	4.7	28.5	369.7
Allocated Capital[(1)] (€ bn)	10.2	7.7	1.0	2.0	0.1	0.3	1.7	23.0
Direct Customer Deposits (€ bn)	223.2	107.4	5.7	27.5	n.m.	6.2	72.6	442.5
Loans to Customers (€ bn)	187.9	104.4	40.2	30.0	n.m.	1.9	22.0	386.3
EVA® (€ m)	538	276	18	28	44	73	(659)	318

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

Banca dei Territori: significant recovery across all revenue items and further cost reduction

(€ m)	1Q09	2Q09	Δ%
Net interest income	1,699	1,670	(1.7)
Dividends and P/L on investments carried at equity	6	76	n.m.
Net fee and commission income	772	814	5.4
Profits (Losses) on trading	29	53	81.9
Income from insurance business	63	127	99.4
Other operating income (expenses)	8	15	97.7
Operating income	**2,577**	**2,755**	**6.9**
Personnel expenses	(887)	(842)	(5.1)
Other administrative expenses	(610)	(618)	1.3
Adjustments to property, equipment and intangible assets	(13)	(15)	13.1
Operating costs	**(1,510)**	**(1,474)**	**(2.4)**
Operating margin	**1,067**	**1,281**	**20.1**
Net provisions for risks and charges	(23)	(21)	(7.0)
Net adjustments to loans	(379)	(497)	31.3
Net impairment losses on other assets	(3)	(54)	n.m.
Profits (Losses) on HTM and on other investments	(0)	0	n.m.
Income before tax from continuing operations	**662**	**709**	**7.1**
Taxes on income from continuing operations	(218)	(203)	(7.0)
Merger and restructuring related charges (net of tax)	(34)	(25)	(27.8)
Effect of purchase cost allocation (net of tax)	(64)	(69)	7.2
Income (Loss) after tax from discontinued operations	51	3	(93.6)
Minority interests	(11)	(22)	101.3
Net income	**385**	**394**	**2.2**

- Strong revenue increase (+6.9%)
- CR Firenze IT system integration completed in July (migrated ~560 branches)
- NII slightly down due to the reduction in mark-down, affected by market yields, but partially offset by the hedging and, to a lesser extent, the growth in volumes and the improvement in mark-up
- Recovery in commissions mainly due to the growth of commissions from insurance products
- 2Q09 commercial policy still focused mainly on placement of Intesa Sanpaolo bonds
- Cost/Income down to 53.5% vs 58.6% of 1Q09
- Adjustment to loans in line with expectations
- In 2Q09 impairments on shares held by insurance subsidiaries for €49m

Note: Data include CR Firenze Group
Figures may not add up exactly due to rounding differences

Eurizon Capital: stable Net fee and commission income

(€ m)	1Q09	2Q09	Δ%
Net interest income	1	0	(63.4)
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	59	59	(1.0)
Profits (Losses) on trading	2	1	(46.1)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	6	0	(97.0)
Operating income	**68**	**60**	**(12.2)**
Personnel expenses	(13)	(11)	(12.9)
Other administrative expenses	(17)	(19)	11.7
Adjustments to property, equipment and intangible assets	(0)	(0)	(5.6)
Operating costs	**(31)**	**(31)**	**1.1**
Operating margin	**38**	**29**	**(23.0)**
Net provisions for risks and charges	(0)	1	n.m.
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**38**	**30**	**(19.9)**
Taxes on income from continuing operations	(10)	(8)	(19.3)
Merger and restructuring related charges (net of tax)	0	0	n.m.
Effect of purchase cost allocation (net of tax)	(10)	(9)	(10.0)
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**17**	**13**	**(26.1)**

- **Leading asset manager in Italy with €128bn of AuM**
- **Mutual funds market share at 19.3% vs 18.3% as at 31.12.08**
- **Merger of CR Firenze Gestion Internationale into Eurizon Capital S.A. completed in mid-May**
- **Growing synergies with the Banca dei Territori: in April the initiative "Eurizon Capital Specialists" was launched, with 40 professionals supporting the activity of the Network to relaunch Asset management (market advisory, performance and asset allocation)**

Figures may not add up exactly due to rounding differences

Corporate and Investment Banking: strong increase in Revenues and Operating Margin

(€ m)	1Q09	2Q09	Δ%
Net interest income	484	559	15.5
Dividends and P/L on investments carried at equity	1	3	162.4
Net fee and commission income	238	273	14.3
Profits (Losses) on trading	83	235	182.2
Income from insurance business	0	0	n.m.
Other operating income (expenses)	15	11	(23.1)
Operating income	**821**	**1,080**	**31.5**
Personnel expenses	(93)	(90)	(4.0)
Other administrative expenses	(135)	(138)	2.8
Adjustments to property, equipment and intangible assets	(2)	(2)	(4.7)
Operating costs	**(230)**	**(230)**	**(0.0)**
Operating margin	**591**	**850**	**43.8**
Goodwill impairment	(0)	(0)	(0.2)
Net provisions for risks and charges	(3)	(0)	(84.7)
Net adjustments to loans	(172)	(365)	112.3
Net impairment losses on other assets	(1)	(10)	727.5
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**414**	**474**	**14.5**
Taxes on income from continuing operations	(136)	(97)	(28.8)
Merger and restructuring related charges (net of tax)	(4)	(2)	(59.0)
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**275**	**376**	**36.8**

- **Excellent revenue increase (+31.5%) due to the double-digit growth in Net interest income and commissions and strong performance of Profits on trading**
- **Net interest income growth sustained by increase in mark-up due to effective re-pricing and, to a lesser extent, the growth in volumes**
- **Operating costs stable**
- **Cost/income down to 21.3% vs 28.0% in 1Q09**
- **Operating margin up 43.8% vs 1Q09**
- **2Q09 Net income at €376m (+36.8% vs 1Q09)**

Note: data include results of Proprietary trading
Figures may not add up exactly due to rounding differences

Public Finance: double-digit increase in Revenues and Operating Margin

(€ m)	1Q09	2Q09	Δ%
Net interest income	114	113	(0.3)
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	9	9	(4.0)
Profits (Losses) on trading	(10)	4	n.m.
Income from insurance business	0	0	n.m.
Other operating income (expenses)	2	(0)	n.m.
Operating income	**115**	**126**	**10.1**
Personnel expenses	(9)	(8)	(9.1)
Other administrative expenses	(11)	(10)	(4.0)
Adjustments to property, equipment and intangible assets	(0)	(0)	5.6
Operating costs	**(20)**	**(19)**	**(6.3)**
Operating margin	**95**	**107**	**13.6**
Net provisions for risks and charges	1	1	2.9
Net adjustments to loans	(4)	(78)	n.m.
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**91**	**30**	**(66.7)**
Taxes on income from continuing operations	(37)	(16)	(56.3)
Merger and restructuring related charges (net of tax)	0	(0)	n.m.
Effect of purchase cost allocation (net of tax)	(1)	(1)	(17.4)
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**54**	**14**	**(74.7)**

- **Double-digit revenue increase (+10.1%) due to recovery in Profits on trading**
- **6.3% reduction in Operating costs**
- **Cost/Income ratio at 14.9% vs 17.6% in 1Q09**
- **13.6% increase in Operating margin vs 1Q09**
- **Increase in Net adjustments to loans entirely due to a single loan**
- **€1.2bn new loans in 2Q09 (vs €0.9bn in 1Q09)**

Figures may not add up exactly due to rounding differences

International Subsidiary Banks: 8.6% increase in Pre-tax Income

(€ m)	1Q09	2Q09	Δ%
Net interest income	351	359	2.5
Dividends and P/L on investments carried at equity	1	1	39.8
Net fee and commission income	124	131	5.4
Profits (Losses) on trading	55	74	35.3
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(3)	(2)	(43.2)
Operating income	**527**	**563**	**6.9**
Personnel expenses	(146)	(151)	3.6
Other administrative expenses	(104)	(105)	0.6
Adjustments to property, equipment and intangible assets	(35)	(36)	2.4
Operating costs	**(285)**	**(291)**	**2.4**
Operating margin	**242**	**272**	**12.2**
Net provisions for risks and charges	11	(4)	n.m.
Net adjustments to loans	(156)	(160)	2.5
Net impairment losses on other assets	0	(0)	n.m.
Profits (Losses) on HTM and on other investments	1	(1)	n.m.
Income before tax from continuing operations	**98**	**107**	**8.6**
Taxes on income from continuing operations	(17)	(25)	46.0
Merger and restructuring related charges (net of tax)	(0)	(0)	(19.2)
Effect of purchase cost allocation (net of tax)	0	0	n.m.
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**81**	**81**	**0.7**

- 6.9% increase in Operating income thanks to all revenue item growth
- Increase in Net interest income driven by the mark-up improvement
- 2Q09 average customer loans stable vs 1Q09
- Cost/Income ratio down to 51.7% vs 54.0% in 1Q09
- Double digit increase in Operating margin (+12.2%)
- Net adjustment to loans in line with 1Q09
- Net income at €81m (+0.7% vs 1Q09)

Figures may not add up exactly due to rounding differences

Banca Fideuram: increase in Customer financial assets, AuM and Net fee and Commission Income

(€ m)	1Q09	2Q09	Δ%
Net interest income	43	42	(2.8)
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	97	103	5.5
Profits (Losses) on trading	12	(2)	n.m.
Income from insurance business	0	0	n.m.
Other operating income (expenses)	0	1	50.0
Operating income	**153**	**143**	**(6.2)**
Personnel expenses	(30)	(31)	4.0
Other administrative expenses	(45)	(45)	(0.7)
Adjustments to property, equipment and intangible assets	(4)	(5)	15.0
Operating costs	**(79)**	**(81)**	**1.9**
Operating margin	**74**	**63**	**(15.0)**
Net provisions for risks and charges	(11)	(9)	(15.0)
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	0	(0)	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**63**	**54**	**(15.5)**
Taxes on income from continuing operations	(14)	(12)	(12.1)
Merger and restructuring related charges (net of tax)	(1)	(0)	(60.0)
Effect of purchase cost allocation (net of tax)	(21)	(22)	4.8
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**28**	**19**	**(31.7)**

- Integration of CR Firenze Private Banker network completed in May 2009
- Market leader with ~€63bn of Customer financial assets (of which 68% AuM) and 4,310 Private bankers
- 4.4% increase in Customer financial assets vs 1Q09 (+€2.7bn)
- €0.6bn positive net inflow of Customer financial assets in 2Q09 (of which €0.4bn from the integration of CR Firenze Private Banker network) mainly driven by growth of AuM
- 3.0% increase in the most recurring revenue items (Net Interest Income and commission income)

Figures may not add up exactly due to rounding differences

Conclusions

- 2Q09 operating performance showing strategic momentum with a robust Operating margin after Net adjustments to loans
- Sustainable profitability driven not only by revenues and costs but also by liquidity, solidity and a low risk profile
- Capital generated by the business further bolstering our adequate capital base

2Q09 and 1H09 Results enhance ISP's sustainable profitability and position as one of the most solid international banking Groups

Appendix

Methodological note (1/2)

Main non-recurring items include:

- **1Q09: 1) €511m fiscal benefit from the release of deferred taxes relating to detaxation of intangibles with a finite life and brand name, recorded under taxes on income from continuing operations, 2) €68m integration charges and related tax savings, which resulted in net integration charges of €48m, 3) €95m charges from purchase cost allocation, net of tax and 4) €83m capital gains made on the disposal of CR Orvieto and 17 branches and related taxes, which resulted in a net capital gain of €63m under income after tax from discontinued operations**

- **2Q09: 1) €60m integration charges and related tax savings, which resulted in net integration charges of €38m and 2) €102m charges from purchase cost allocation, net of tax**

- **1Q08: 1) €444m integration charges and related tax savings, which resulted in net integration charges of €321m, 2) €131m charges from purchase cost allocation, net of tax and 3) €1,372m capital gains deriving from the sale of 198 branches and related taxes, which resulted in a net capital gain of €953m under income after tax from discontinued operations**

- **2Q08: 1) €67m from the IMI-SIR settlement registered under the caption other operating income and related taxes, 2) €268m capital gain made on the disposal of Agos under profits on investments held to maturity and related taxes, 3) €98m integration charges and related tax savings, which resulted in net integration charges of €68m, 4) €153m charges from purchase cost allocation, net of tax and 5) €20m adjustments, net of tax savings, related to the disposal of 198 branches under income after tax from discontinued operations**

Methodological note (2/2)

- 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 €4,580m Financial assets held for trading into Loans & Receivables, €226m Financial assets held for trading into Financial assets available for sale and €6,272m 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 1H09 income statement would have included €68m(1) as negative impact from fair value measurement (of which €13m as positive impact in 2Q09), while the Shareholders' equity would have included €710m(1) as negative direct impact as at 30.06.09 (€118m(1) as positive impact in 2Q09)

(1) Before tax data

2Q09 Net income to €513m and excellent cost reduction vs 2Q08

(€ m)	2Q08 Restated	2Q09	Δ%
Net interest income	2,897	2,779	(4.1)
Dividends and P/L on investments carried at equity	29	36	24.1
Net fee and commission income	1,558	1,340	(14.0)
Profits (Losses) on trading	244	439	79.9
Income from insurance business	107	124	15.9
Other operating income (expenses)	92	13	(85.9)
Operating income	**4,927**	**4,731**	**(4.0)**
Personnel expenses	(1,441)	(1,360)	(5.6)
Other administrative expenses	(801)	(824)	2.9
Adjustments to property, equipment and intangible assets	(194)	(157)	(19.1)
Operating costs	**(2,436)**	**(2,341)**	**(3.9)**
Operating margin	**2,491**	**2,390**	**(4.1)**
Net provisions for risks and charges	(45)	(63)	40.0
Net adjustments to loans	(401)	(1,081)	169.6
Net impairment losses on other assets	(3)	(72)	n.m.
Profits (Losses) on HTM and on other investments	284	15	(94.7)
Income before tax from continuing operations	**2,326**	**1,189**	**(48.9)**
Taxes on income from continuing operations	(701)	(489)	(30.2)
Merger and restructuring related charges (net of tax)	(68)	(38)	(44.1)
Effect of purchase cost allocation (net of tax)	(153)	(102)	(33.3)
Income (Loss) after tax from discontinued operations	(5)	(15)	200.0
Minority interests	(41)	(32)	(22.0)
Net income	**1,358**	**513**	**(62.2)**

Note: 2Q08 figures restated to reflect scope of consolidation for 2Q09
Figures may not add up exactly due to rounding differences

1H09 Net Income at €1.3bn excluding main non-recurring items

1H08 Net Income (post-tax data)		1H09 Net Income (post-tax data)	
(€ m)		(€ m)	
Net Income	**3,107**	**Net Income**	**1,588**
+ Integration charges	389	+ Integration charges	86
+ Amortisation of acquisition cost	284	+ Amortisation of acquisition cost	197
- Capital gain on Antitrust 198 branches	933	- Capital gain on CR Orvieto and Antitrust 17 branches	63
- Capital gain Agos	262	- Deferred taxation non-recurring impact due to the detaxation of intangibles	511
- Income from Rovelli settlement (IMI-SIR)	49		
Net Income adjusted	**2,536**	**Net Income adjusted**	**1,297**

Quarterly P&L Analysis

(€ m)	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09
	Restated					
Net interest income	2,798	2,897	3,045	2,890	2,687	2,779
Dividends and P/L on investments carried at equity	66	29	13	30	(6)	36
Net fee and commission income	1,627	1,558	1,401	1,286	1,255	1,340
Profits (Losses) on trading	40	244	17	(354)	107	439
Income from insurance business	79	107	43	171	64	124
Other operating income (expenses)	43	92	84	(49)	29	13
Operating income	**4,653**	**4,927**	**4,603**	**3,974**	**4,136**	**4,731**
Personnel expenses	(1,458)	(1,441)	(1,405)	(1,442)	(1,399)	(1,360)
Other administrative expenses	(753)	(801)	(793)	(1,031)	(758)	(824)
Adjustments to property, equipment and intangible assets	(192)	(194)	(200)	(226)	(157)	(157)
Operating costs	**(2,403)**	**(2,436)**	**(2,398)**	**(2,699)**	**(2,314)**	**(2,341)**
Operating margin	**2,250**	**2,491**	**2,205**	**1,275**	**1,822**	**2,390**
Goodwill impairment	0	0	0	(1,065)	0	0
Net provisions for risks and charges	(33)	(45)	(76)	(164)	(69)	(63)
Net adjustments to loans	(312)	(401)	(854)	(999)	(733)	(1,081)
Net impairment losses on other assets	(8)	(3)	(40)	(898)	(7)	(72)
Profits (Losses) on HTM and on other investments	13	284	177	(208)	0	15
Income before tax from continuing operations	**1,910**	**2,326**	**1,412**	**(2,059)**	**1,013**	**1,189**
Taxes on income from continuing operations	(608)	(701)	(488)	1,617	165	(489)
Merger and restructuring related charges (net of tax)	(321)	(68)	(86)	(182)	(48)	(38)
Effect of purchase cost allocation (net of tax)	(131)	(153)	(148)	(656)	(95)	(102)
Income (Loss) after tax from discontinued operations	970	(5)	11	60	65	(15)
Minority interests	(71)	(41)	(27)	(8)	(25)	(32)
Net income	**1,749**	**1,358**	**674**	**(1,228)**	**1,075**	**513**

Note: 2008 figures restated to reflect scope of consolidation for 2Q09

Banca dei Territori: growth in Direct Customer Deposits and strong cost reduction

(€ m)	1H08 Restated	1H09	Δ%
Net interest income	3,754	3,369	(10.3)
Dividends and P/L on investments carried at equity	29	82	182.8
Net fee and commission income	2,005	1,585	(20.9)
Profits (Losses) on trading	57	83	45.6
Income from insurance business	187	190	1.6
Other operating income (expenses)	31	23	(25.8)
Operating income	**6,063**	**5,332**	**(12.1)**
Personnel expenses	(1,832)	(1,729)	(5.6)
Other administrative expenses	(1,322)	(1,228)	(7.1)
Adjustments to property, equipment and intangible assets	(31)	(27)	(12.9)
Operating costs	**(3,185)**	**(2,984)**	**(6.3)**
Operating margin	**2,878**	**2,348**	**(18.4)**
Goodwill impairment	0	0	n.m.
Net provisions for risks and charges	(40)	(43)	7.5
Net adjustments to loans	(520)	(876)	68.5
Net impairment losses on other assets	16	(58)	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**2,334**	**1,371**	**(41.3)**
Taxes on income from continuing operations	(757)	(421)	(44.4)
Merger and restructuring related charges (net of tax)	(286)	(59)	(79.4)
Effect of purchase cost allocation (net of tax)	(194)	(133)	(31.4)
Income (Loss) after tax from discontinued operations	12	54	350.0
Minority interests	(31)	(33)	6.5
Net income	**1,078**	**779**	**(27.7)**
EVA ® (€ m)	**1,162**	**538**	

- Organisational model fine-tuned in beginning of 2009
- CR Firenze IT system integration completed in July (migrated ~560 branches)
- €223.2bn Direct Customer Deposits (+2.3% vs 31.12.08)
- NII down due to the strong decline in mark-down affected by market yields, partially offset by the increase in mark-up, hedging and volume growth
- Decline in commissions mainly due to lower contribution from AuM (performance effect and customer risk aversion) and to lower placement of products with up-front fees
- 1H09 commercial policy mainly focused on placement of Intesa Sanpaolo bonds
- Operating Costs down 6.3%
- In 1H09 impairments on shares held by insurance subsidiaries for €49m

Note: 1H08 figures restated to reflect scope of consolidation for 1H09. Data include CR Firenze Group
Figures may not add up exactly due to rounding differences

Eurizon Capital: market share growth and excellent cost reduction

(€ m)	1H08 Restated	1H09	Δ%
Net interest income	5	1	(80.0)
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	180	118	(34.4)
Profits (Losses) on trading	4	3	(25.0)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	0	7	n.m.
Operating income	**189**	**129**	**(31.7)**
Personnel expenses	(30)	(25)	(16.7)
Other administrative expenses	(48)	(37)	(22.9)
Adjustments to property, equipment and intangible assets	(1)	0	(100.0)
Operating costs	**(79)**	**(62)**	**(21.5)**
Operating margin	**110**	**67**	**(39.1)**
Goodwill impairment	0	0	n.m.
Net provisions for risks and charges	(1)	1	n.m.
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**109**	**68**	**(37.6)**
Taxes on income from continuing operations	(31)	(19)	(38.7)
Merger and restructuring related charges (net of tax)	(7)	0	(100.0)
Effect of purchase cost allocation (net of tax)	(39)	(19)	(51.3)
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**32**	**30**	**(6.3)**
EVA ® (€ m)	**72**	**44**	

Note: 1H08 figures restated to reflect scope of consolidation for 1H09
Figures may not add up exactly due to rounding differences

- **Leading asset manager in Italy with €128bn of AuM**
- **Mutual funds market share: 19.3% vs 19.1% as at 30.06.08**
- **Operating income down due to the decrease in AuM also impacted by the performance effect**
- **Excellent cost reduction (-21.5%)**
- **Growing synergies with the Banca dei Territori: in April the initiative ”Eurizon Capital Specialists” was launched, with 40 people supporting the activity of the network to relaunch Asset management (market advisory, performance and asset allocation)**
- **Product offer simplification in 1H09 (e.g. rationalisation of hedge funds promoted and managed by Eurizon A.I.) and growth of products to be distributed by the Banca dei Territori (e.g. portfolio management and investment plans addressed to young customers)**

Corporate and Investment Banking: strong increase in Revenues and Operating Margin

(€ m)	1H08 Restated	1H09	Δ%
Net interest income	746	1,043	39.8
Dividends and P/L on investments carried at equity	11	4	(63.6)
Net fee and commission income	448	511	14.1
Profits (Losses) on trading	96	318	231.3
Income from insurance business	0	0	n.m.
Other operating income (expenses)	36	26	(27.8)
Operating income	**1,337**	**1,902**	**42.3**
Personnel expenses	(180)	(183)	1.7
Other administrative expenses	(277)	(273)	(1.4)
Adjustments to property, equipment and intangible assets	(7)	(4)	(42.9)
Operating costs	**(464)**	**(460)**	**(0.9)**
Operating margin	**873**	**1,442**	**65.2**
Goodwill impairment	(1)	(1)	0.0
Net provisions for risks and charges	(1)	(4)	300.0
Net adjustments to loans	(88)	(538)	511.4
Net impairment losses on other assets	(18)	(11)	(38.9)
Profits (Losses) on HTM and on other investments	4	0	(100.0)
Income before tax from continuing operations	**769**	**888**	**15.5**
Taxes on income from continuing operations	(226)	(232)	2.7
Merger and restructuring related charges (net of tax)	(20)	(5)	(75.0)
Effect of purchase cost allocation (net of tax)	6	0	(100.0)
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**529**	**651**	**23.1**

EVA® (€ m)	**165**	**276**

- Strong revenue increase (+42.3%) due to outstanding Net interest income growth, double-digit increase in commissions and sound performance of Profits on trading
- Net interest income growth sustained by strong development in volumes intermediated with customers and increase in mark-up due to effective re-pricing
- Operating costs down (-0.9%)
- Cost/income down to 24.2% vs 34.7% in 1H08
- Operating margin up 65.2% vs 1H08
- 1H09 Net income at €651m (+23.1% vs 1H08)

Note: 1H08 figures restated to reflect scope of consolidation for 1H09. Data include results of Proprietary trading
Figures may not add up exactly due to rounding differences

Public Finance: Operating Margin doubled

(€ m)	1H08 Restated	1H09	Δ%
Net interest income	129	227	76.0
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	24	18	(25.0)
Profits (Losses) on trading	(10)	(6)	(40.0)
Income from insurance business	0	0	n.m.
Other operating income (expenses)	0	2	n.m.
Operating income	**143**	**241**	**68.5**
Personnel expenses	(17)	(18)	5.9
Other administrative expenses	(25)	(21)	(16.0)
Adjustments to property, equipment and intangible assets	0	0	n.m.
Operating costs	**(42)**	**(39)**	**(7.1)**
Operating margin	**101**	**202**	**100.0**
Goodwill impairment	0	0	n.m.
Net provisions for risks and charges	1	1	0.0
Net adjustments to loans	(12)	(81)	575.0
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**90**	**122**	**35.6**
Taxes on income from continuing operations	(35)	(53)	51.4
Merger and restructuring related charges (net of tax)	(2)	0	(100.0)
Effect of purchase cost allocation (net of tax)	(2)	(2)	0.0
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**51**	**67**	**31.4**

	1H08	1H09
EVA® (€ m)	**7**	**18**

Note: 1H08 figures restated to reflect scope of consolidation for 1H09
Figures may not add up exactly due to rounding differences

- **68.5% revenue increase**
- **Strong growth in Net interest income mainly due to higher spreads**
- **7.1% reduction in Operating costs also due to merger synergies**
- **Cost/Income ratio down at 16.2% vs 29.4% in 1H08**
- **100% increase in Operating margin**
- **Increase in Net adjustments to loans due to a single loan**
- **31.4% 1H09 Net income increase at €67m vs 1H08**
- **€5bn new loans since 30.06.08**

International Subsidiary Banks: good resilience in Operating Margin

(€ m)	1H08 Restated	1H09	Δ%
Net interest income	671	710	5.8
Dividends and P/L on investments carried at equity	1	1	0.0
Net fee and commission income	297	255	(14.1)
Profits (Losses) on trading	129	129	0.0
Income from insurance business	0	0	n.m.
Other operating income (expenses)	(5)	(5)	0.0
Operating income	**1,093**	**1,090**	**(0.3)**
Personnel expenses	(296)	(297)	0.3
Other administrative expenses	(209)	(209)	0.0
Adjustments to property, equipment and intangible assets	(69)	(70)	1.4
Operating costs	**(574)**	**(576)**	**0.3**
Operating margin	**519**	**514**	**(1.0)**
Goodwill impairment	0	0	n.m.
Net provisions for risks and charges	(1)	8	n.m.
Net adjustments to loans	(74)	(316)	327.0
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	3	(1)	n.m.
Income before tax from continuing operations	**447**	**205**	**(54.1)**
Taxes on income from continuing operations	(87)	(43)	(50.6)
Merger and restructuring related charges (net of tax)	(4)	0	(100.0)
Effect of purchase cost allocation (net of tax)	1	0	(100.0)
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**357**	**162**	**(54.6)**
EVA® (€ m)	**209**	**28**	

Note: 1H08 figures restated to reflect scope of consolidation for 1H09
Figures may not add up exactly due to rounding differences

- Revenues and Operating margin up 6.2% and 4.8% respectively excluding exchange rate impact
- Increase in Net interest income driven by the sizeable increase in average customer loans (+18.4%) and largely due to Slovakia (+€30m) and Egypt (+€27m)
- Stable Operating costs despite the expansion of commercial network (+25 branches)
- Cost/Income ratio at 52.8% in line with 1H08
- Increase in Net adjustment to loans in line with expectations
- Net income at €162m thanks to the positive contribution of all the countries, excluding Russian federation and Ukraine

Banca Fideuram: market leader and positive net inflow of Customer financial assets

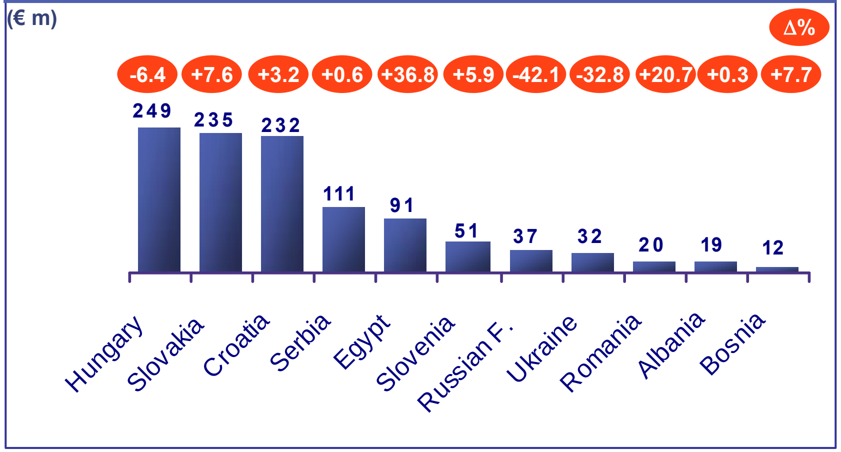
(€ m)	1H08 Restated	1H09	Δ%
Net interest income	79	85	7.6
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	258	200	(22.5)
Profits (Losses) on trading	2	10	400.0
Income from insurance business	0	0	n.m.
Other operating income (expenses)	2	1	(50.0)
Operating income	**341**	**296**	**(13.2)**
Personnel expenses	(62)	(61)	(1.6)
Other administrative expenses	(94)	(89)	(5.3)
Adjustments to property, equipment and intangible assets	(8)	(9)	12.5
Operating costs	**(164)**	**(159)**	**(3.0)**
Operating margin	**177**	**137**	**(22.6)**
Goodwill impairment	0	0	n.m.
Net provisions for risks and charges	(18)	(20)	11.1
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**159**	**117**	**(26.4)**
Taxes on income from continuing operations	(37)	(26)	(29.7)
Merger and restructuring related charges (net of tax)	(2)	(1)	(50.0)
Effect of purchase cost allocation (net of tax)	(55)	(43)	(21.8)
Income (Loss) after tax from discontinued operations	0	0	n.m.
Minority interests	0	0	n.m.
Net income	**65**	**47**	**(27.7)**
EVA® (€ m)	**101**	**73**	

Note: 1H08 figures restated to reflect scope of consolidation for 1H09
Figures may not add up exactly due to rounding differences

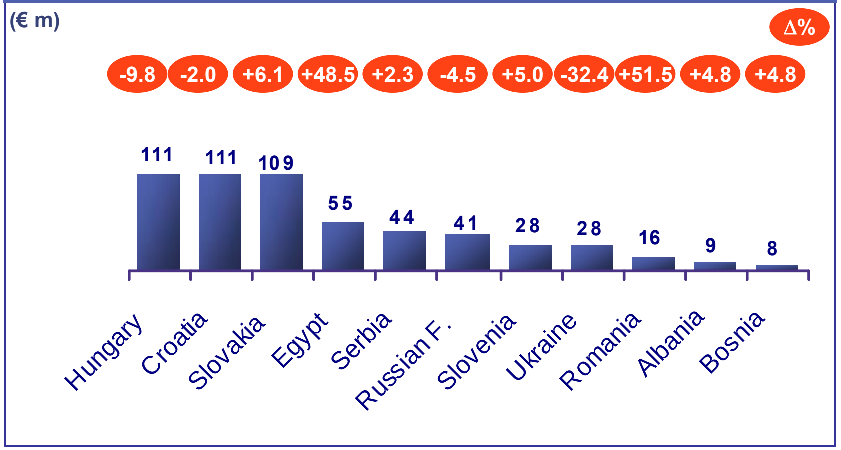
- **Integration of CR Firenze Private Banker network completed in May 2009**
- **Market leader with ~€63bn of Customer financial assets (of which 68% AuM) and 4,310 Private bankers**
- **€0.6bn positive net inflow of Customer financial assets in 1H09 (of which €0.4bn from the integration of CR Firenze Private Banker network) mainly driven by growth of Assets under Management**
- **Sound growth in Net interest income and sustained increase in Profits on trading**
- **Operating costs down 3.0%**

International Subsidiary Banks: figures by Country 1H09 vs 1H08

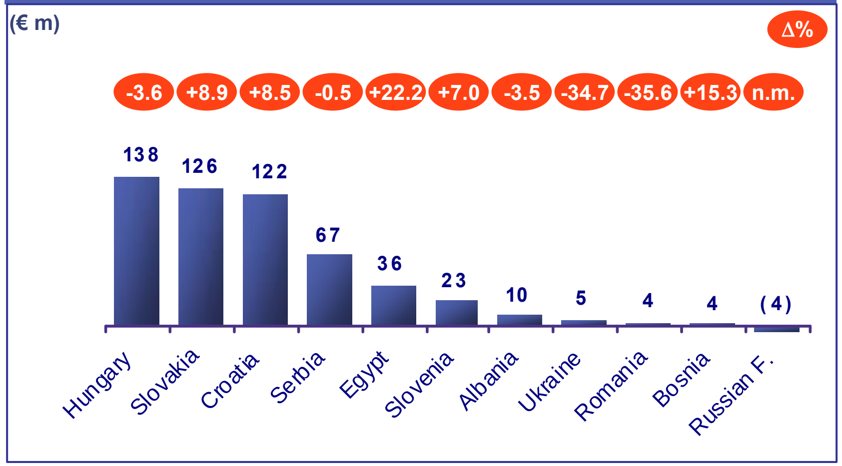
Operating Income



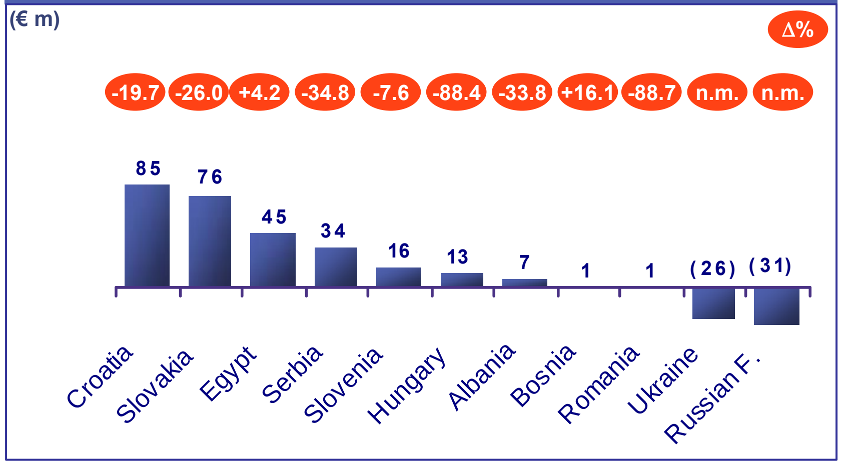
Operating Costs



Operating Margin



Pre-Tax Income(1)



(1) Income before tax from continuing operations

Structured credit products: no material exposure to US Subprime

(€m)	Position as at 30.06.09			30.06.09 income statement Profits (Losses) on trading			
						Total income statement	
Product	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	1H09	of which 2Q09
Funded ABS(2)	13	**1**	-12	0	-1	-1	-1
Funded CDOs	26	**2**	-24	0	-1	-1	-1
Unfunded super senior CDOs(3)	190	**6**	-184	0	-1	-1	0
Other(4)	12	**9**	-3	0	0	0	0
"Long" positions	241	**18**	-223	0	-3	-3	-2
ABX hedges	0	**0**	0	-13	13	0	0
Net position(5)	"long" 241	**"long" 18**	-223	-13	10	-3	-2

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 30.06.09, unchanged with respect to our disclosure dated 31.12.08, the weight of this second product class is immaterial in the Intesa Sanpaolo Group portfolio)

(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 38%, a B rating for 53%, and a CC rating for the remaining 9%. The original LTV ratio is at 91%, while the 30-60-90 day average delinquency is 5%, 2% and 4% respectively. Cumulated loss on the collateral is at 28%. These positions are non-listed on active markets 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 classified into Loans & Receivables coming from the Romulus vehicle (fully consolidated entity) of which CDO funded for €8mln nominal value and €5mln net exposure transferred from SPE Romulus to the Parent Company in 1H09 (as at 30 June 2009 a loss for Euro 1 million was recognized to the P/L Account to item 130a "Net losses/recoveries on impairment of loans"). 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 30.06.09, the portfolio of investments included €244m of nominal value of financial assets, reclassified into Loans & Receivables, with a benefit on Shareholders' equity for 2008 and 1H09 equal to €36m before tax, of which €5m in 2Q09. Of the €244m, €4m were attributable to the US subprime segment, €14m to the "contagion" area (see slide on "Contagion" area (2/4), Multisector CDOs) and €226m to other structured credit products (see slide on Other (4/4)). As at 30 June 2009 the financial assets fair value amounts to €172m, of which €2m (with a benefit of €1m) on positions attributed to the US subprime segment, €8m (with a benefit of €3m) attributed to the so-called "contagion" area (see slide on "Contagion" area (2/4), Multisector CDOs) and €162m (with a benefit of €32m) on securities which fall under other structured credit products (see slide on Other (4/4))

(5) The net nominal exposure of €241m as at 30.06.09 compares with €274m reported as at 31.03.09. It should be noted the closing of the positions on the ABX indices included in the segment

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

No direct exposure but only indirect positions 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 €12m as at 30.06.09 (€0m as at 31.12.08)**
- **1H09 income statement impact(4) €17m (2008 -€94m)**

- **69% vs MBIA**
- **31% vs other monoline with rating between AA- 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 30.06.09: €538m (€529m as at 31.12.08), wholly held by Banca Infrastrutture Innovazione e Sviluppo, are made up for 56.4% of ABS with underlying Italian health receivables and for the remaining portion by financings of infrastructures; they are all recorded in the banking book, almost all classified in the Loans & Receivables (L&R) portfolio. 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 €104m nominal value as at 30.06.09, securities with US RMBS collateral with a significant subprime content (equal to 33.5%)*

(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-backs*

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

(€m)	Position as at 30.06.09					30.06.09 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-back of the hedge from monoline insurers: 1H09	Fair value write-back of the hedge from monoline insurers: of which 2Q09
Positions in Packages:							
US RMBS with a significant Subprime content	149	73	76	**7**	-69	14	12
Sub-Total	149	73	76	**7**	-69	14	12
Positions in other derivatives:							
Other underlying assets	137	109	28	**5**	-23	3	2
Total	286	182	104	**12**	-92	17	14

Structured credit products: "contagion" area - good quality of structures (1/4)

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

Multisector CDOs
- €210m, of which €16m in Loans & Receivables, "long" positions as at 30.06.09 (€137m as at 31.12.08), including €49m CMBX-CDS index hedging against which there are investments in funds on the US credit market of €57m (€65m as at 31.12.08)
- 1H09 income statement impact(1) -€24m (2008 -€62m)

- *Collateral*: 42% US RMBS (for 66% *vintage* prior to 2005 and an average 4% exposure to subprime); 25% European ABS; 11% CDO; 4% CMBS; 6% HY CBO; 2% Consumer ABS
- Average Rating BB-
- Average Attachment point 12%
- Written down by 52% 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 into standard prime contracts

Alt-A
- Net risk exposure totalled €69m (entirely in Loans & Receivables) as at 30.06.09 (€78m as at 31.12.08)
- 1H09 income statement impact(1) €0m (2008 -€2m)

- Rating: 55% AAA, 12% AA, 25% A, 7% BBB and 1% BB
- 100% 2005 Vintage
- No Agency component: 70% average original LTV, 5% cumulated loss, 30-60-90 day average delinquency is 4.7%, 2.5% and 4.4% respectively
- Valued using the comparable approach

- **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 €72m as at 30.06.09 (€82m as at 31.12.08)
- 1Q09 income statement impact(1) -€6m (2008 -€63m)

- Rating positions unfunded B+ and CCC+, funded BBB
- Average Attachment point 41%
- Written down by 68% 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 €40m (entirely in Loans & Receivables) as at 30.06.09 (€48m as at 31.12.08)
- 1H09 income statement impact(1) €0m (2008 -€3m)

- Rating: 44% AAA, 26% AA, 30% A
- 100% 2005 Vintage
- 65% average original LTV
- 0.7% cumulated loss
- 30-60-90 day average delinquency is 1%, 0.3% and 0.7% respectively
- Valued using the comparable approach

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

Structured credit products: "contagion" area - Multisector CDOs (2/4)

(€m)

Product	Position as at 30.06.09			30.06.09 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 1H09	Total income statement of which 2Q09
Unfunded super senior CDOs	505	**243**	-262	0	-32	-32	8
Other (funded)[1]	21	**16**	-5	0	0	0	0
"Long" positions	526	**259**	-267	0	-32	-32	8
CMBX hedges	73	**49**	24	-9	9	0	-8
Positions of funds	55	**57**	2 [2]	3	5	8	7
Net position[3]	"long" 453	**"long" 210**	-241	-6	-18	-24	7

(1) Of which €14m of nominal value and €11m of risk exposure related to the Romulus vehicle and CDO funded for €7m of nominal value and €5m of risk exposure transferred to the Parent Company from the Romulus vehicle
(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 positions of funds

Structured credit products: “contagion” area - Alt-A (3/4)

(€m)	Position as at 30.06.09			30.06.09 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	1H09	of which 2Q09
Alt-A Agency [1]	38	**38**	0				
Alt-A No Agency [2]	38	**31**	-7				
Other [3]	9						
"Long" positions	85	**69**	-7	0	0	0	0

(1) Exposure entirely reclassified into Loans & Receivables with an income statement benefit equal to -€1m before tax for 1H09, of which -€2m for 2Q09
(2) Exposure entirely reclassified into Loans & Receivables with an income statement benefit equal to -€3m before tax for 1H09, of which -€6m for 2Q09
(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 (4/4)

TruPS

(€m)	Position as at 30.06.09			30.06.09 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	1H09	of which 2Q09
Funded CDOs	4	**1**	-3		-1	-1	0
Unfunded super senior CDOs	225	**71**	-154		-5	-5	-2
"Long" positions	229	**72**	-157		-6	-6	-2

Prime CMOs

(€m)	Position as at 30.06.09			30.06.09 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	1H09	of which 2Q09
CMOs (Prime) [(1)]	43	**40**	-3			0	0
"Long" positions	43	**40**	-3			0	0

(1) Exposure entirely reclassified into Loans & Receivables with an income statement benefit equal to -€2m before tax for 1H09, of which -€2m for 2Q09

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 €127m as at 30.06.09 (€154m as at 31.12.08)
- 1H09 income statement impact[2] €2m (2008 €0m)

- Hedges from banks generally with a AA and a A rating (in one case B 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 €535m as at 30.06.09 (€707m as at 31.12.08)
- 1H09 income statement impact[3] -€41m (2008 -€65m)

- 39% collateral in CMBS, 20% Consumer ABS, 25% corporate loans, 16% US RMBS and 4.1% subprime
- Rating 100% AA
- 71% Vintage prior to 2005
- 14% 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-backs
(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 €1,751m of which €1,463m in Loans & Receivables, as at 30.06.09 (€2,110m as at 31.12.08)
- 1H09 income statement impact(1) €8m (2008 -€92m)

- Rating: 57% AAA, 36% AA/A, 7% BBB/BB
- Valued on the basis of comparable approach for 85%, mark-to-model for 15%

- Collateral: 37% RMBS (of which 40% Italy)
  21% CLO
  14% CDO
  12% CMBS (of which 52% Offices, 21% Retail, 12% Mixed Use, 9% Health Care,4% Hospitality/Multifamily 2% Industrial)
  16% ABS of receivables

- **US funded ABS/CDOs**: portfolio including securities with US underlying assets, with collateral mostly represented by Collateralised Loans Obligations(2)

US funded ABS/CDOs
- Net risk exposure €1.066m, of which €1.057m in Loans & Receivables, as at 30.06.09 (€49m as at 31.12.08)
- 1H09 income statement impact(1) €16m (2008 -€18m)

- Collateral: 97% CLO, 2% CMBS, 1% Credit Card.
- Rating: 76% AAA, 23% AA, 1% BBB
- Valued on the basis of comparable approach for 3%, mark-to-model for 97%

- **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 €194m, entirely in Loans & Receivables, as at 30.06.09 (€244m as at 31.12.08)

- Rating: 40% AAA, 10% AA/A, 30% BBB, 20% BB
- Valued on the basis of comparable approach for 43%, mark-to-model for 57%

(1) Including realised gains/losses and write-downs/write-backs
(2) Funded Supersenior Corporate Risk CDOs, securities classified into Loans&Receivables during 1Q09, coming from the restructuring of unfunded positions as at 31.12.08

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 €832m as at 30.06.09 (€2,336m as at 31.12.08)
- 1H09 income statement impact(1) -€32m (2008 -€184m)

- 31% average Attachment point

- Collateral: 25% US (46% CDOs)
  60% Europe (73% consumer credit Italy and 27% CDOs)
  15% Emerging Markets (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 -€62m as at 30.06.09 (-€417m as at 31.12.08)
- 1H09 income statement impact(1) -€13m (2008 -€25m)

- 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)	Position as at 30.06.09					30.06.09 income statement Profits (Losses) on trading	
						Fair value write-back of the hedge from primary International banks	
Product	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	1H09	of which 2Q09
Non-monoline packages[1]	519	388	131	127	-4 [2]	2	4

(€m)	Position as at 30.06.09			30.06.09 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	1H08	of which 2Q08
Funded ABS/CDO [3]	3,153 [4]	2,817	-336	16 [3]	9 [3]	25 [5]	21
Unfunded super senior multisector CDOs and corporate risk [6]	1,490	1,305	-185	2	-88	-86	-38
Other [7]	226	194	-32				

(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 minimum, 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 €1,213m of nominal value and to €1,057m of net exposure, with an income statement benefit equal to €5m before tax in 1H09, of which €0m in 2Q09. During the first half-year a security belonging to the portfolio was sold. Such transaction resulted in a profit for €3m recognized to item 100a "Profit (Losses) on disposal or repurchase of loans". EU component belonging to the Intesa Sanpaolo Group reclassified into Loans & Receivables for an amount equal to €1,340m of nominal value and to €1,238m of net exposure, with an income statement benefit equal to €143m before tax in 1H09, of which €65m in 2Q09; EU component belonging to Banca IMI reclassified into Loans & Receivables for an amount equal to €228m of nominal value and to €209m of net exposure, with an income statement benefit equal to -€15 before tax in 1H09, of which -€11m in 2Q09; 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 a benefit on Shareholders' equity equal to €5m before tax in 1H09, of which €1m in 2Q09; EU component belonging to Banca Fideuram reclassified into Loans & Receivables for an amount equal to €10m of nominal value and to €9m of net exposure, with a benefit on Shareholders' equity equal to €0m before tax in 1H09, of which -€3m in 2Q09. During the first half-year a part of the ABS/CDO funded EU portfolio was sold: such transaction resulted in a profit for nearly €2m recognised to item 100a "Profit (Losses) on disposal or repurchase of loans". Furthermore, impairment losses were originated by some securities belonging to the same portfolio. The loss amounted to €6m and was recognised, as at 30 June 2009, to item 130a ""Net losses/recoveries on impairment of loans"

(4) Of which €558m belonging to Banca IMI, €1,345m to Intesa Sanpaolo Group, €9m to CR Firenze and €10m belonging to Banca Fideuram

(5) Of which €10m ascribable to Banca IMI

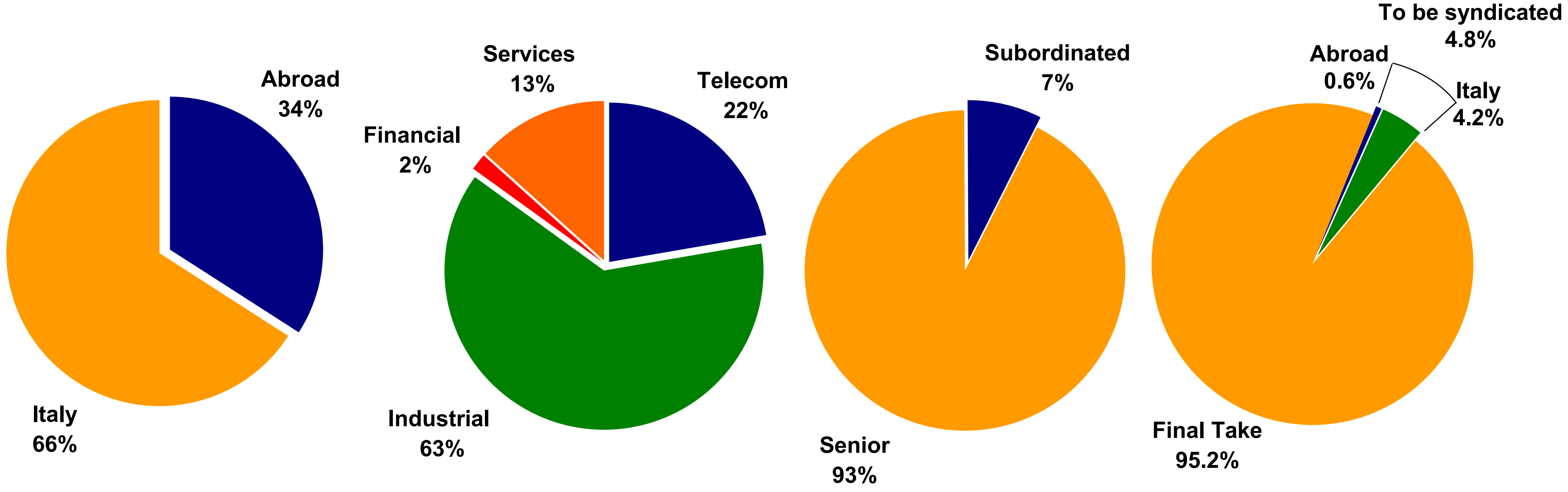
(6) Including a portfolio with a "short" balance of unfunded CDOs of -€47m of nominal value and -€62m of fair value

(7) Risk position of the Romulus vehicle (fully consolidated entity)

Leveraged Finance(*) contained, high quality exposure

No. Transactions	Amount(1)
~100	€5,042m

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".

* * *

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.