

REPORT OF THE INDEPENDENT AUDITORS  
RECONTA ERNST & YOUNG S.P.A.  
ON FORWARD-LOOKING STATEMENTS

**Banca Intesa S.p.A.**

TARGET FINANCIAL INFORMATION INCLUDED IN THE  
INFORMATIONAL DOCUMENT RELATED TO THE MERGER OF  
SANPAOLO IMI S.p.A. INTO BANCA INTESA S.p.A.

November 2006

INDEPENDENT AUDITORS' REPORT  
ON TARGET FINANCIAL INFORMATION  
(Translation from the original Italian text)

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The European Commission's Regulation on Prospectuses n° 809/2004A, adopted by Consob in Italy under Article n° 70 of Regulation 11971, for the preparation of the information memorandum (the "Informational Document") in connection with significant mergers, acquisitions or disposals by Italian listed companies requires that, when forecasts or estimates are presented, the Informational Document contain "a report prepared by the independent auditors stating that in their opinion the forecast or estimate has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the Italian listed company". Consob in Italy requires that the independent auditors' report be prepared in accordance with International Standard on Assurance Engagements (ISAE) 3400 "The Examination of Prospective Financial Information" issued by IFAC - International Federation of Accountants, which is not a professional standard issued or approved by the Public Company Accounting Oversight Board.

Accordingly, an independent auditors' report on the examination of the combined target financial information was issued by the independent auditors of Banca Intesa S.p.A., in connection with the proposed merger of Sanpaolo IMI S.p.A. into Banca Intesa S.p.A., for the sole purpose of the above mentioned Italian regulation. Such report, which forms part of the Informational Document for the merger of Sanpaolo IMI S.p.A. into Banca Intesa S.p.A., cannot be used for any other purpose.

The following is the English language translation of the original Italian report on the examination of the combined target financial information issued by the independent auditors' of Banca Intesa S.p.A.. As described in the report, the examination of the target financial information of Sanpaolo IMI S.p.A., which represents a significant portion of the combined target financial information, have been examined by the independent auditors of Sanpaolo IMI S.p.A., who have furnished their report to the independent auditors of Banca Intesa S.p.A..

To the Board of Directors of  
Banca Intesa S.p.A.

1. We examined the target financial information of Banca Intesa S.p.A. ("Banca Intesa") related to the banking group resulting from the merger (the "Merger") of Sanpaolo IMI S.p.A. ("Sanpaolo") into Banca Intesa (the "New Group") consisting of the combined operating income of approximately 13.4 billion euro and the combined net income of approximately 7 billion euro for the year ending December 31, 2009 (together the "Target Financial Information"), included in Chapter 3.1 of the informational document related to the Merger (the "Informational Document"), together with the assumptions and the facts on which the Target Financial Information is based. The Target Financial Information and the related assumptions and facts set forth in the Informational Document are the responsibility of Banca Intesa's management.
2. We have examined the Target Financial Information in accordance with International Standard on Assurance Engagements (ISAE) 3400 "The Examination of Prospective Financial Information" issued by IFAC - International Federation of Accountants.

The target financial information of the Sanpaolo IMI Group for the year ending December 31, 2009, which represent approximately 50% and 48%, respectively, of the combined operating income and the combined net income before Synergies and Integration Costs of the New Group, have been examined by other auditors, who issued their report on November 13, 2006 for the sole purpose of the issue of this report.

3. As described in the Informational Document, Banca Intesa expects to prepare the New Group's business plan within the first half of the year 2007 after the completion of the Merger and the assignment of the main managerial functions. To date, Banca Intesa's management has prepared certain estimates through the end of 2009, to quantify the Target Financial Information of the New Group on the basis of the following methodology:
  - (a) use of Banca Intesa's business plan (for the years 2005-2007) and Sanpaolo's business plan (for the years 2006-2008) approved by the respective Boards of Directors and adjusted on the basis of the historical results achieved to date (the "Adjusted Business Plans");
  - (b) estimate, following the implementation of the agreement signed on October 11, 2006 by Banca Intesa S.p.A. and Crédit Agricole S.A., of the economic and financial projections of the businesses sold, that are to be excluded in preparing the Target Financial Information (the "Projections of the Disposal");
  - (c) estimate of the inertial economic and financial projection through 2009 of the Adjusted Business Plans and combination of such plans excluding the Projections of the Disposal (the "Inertial Projections");
  - (d) estimate of the synergies with respect to revenues and costs through 2009 deriving from the Merger (the "Synergies");
  - (e) estimate of the integration costs following the Merger to be incurred to achieve the Synergies (the "Integration Costs").

The projections and the estimates described under points (c), (d) and (e) above were prepared by senior management without involving the persons responsible for the actions to be taken to achieve the Target Financial Information.

The Target Financial Information, as described above, are presented on a combined basis, and do not include depreciation and amortization on the purchase price allocation to property, plant equipment and to intangible assets with definite useful life, if any, deriving from the accounting of the Merger.

4. The estimates through the end of 2009 used to quantify the Target Financial Information of the New Group have been prepared using a set of assumptions about future events and actions that include, *inter alia*, hypothetical assumptions about future events and management's actions that are not necessarily expected to occur, such as the Inertial Projections reported under point (c) of paragraph 3. above, that are based on hypothetical assumptions outside the influence of management, and the Synergies and the Integration Costs reported under points



- (d) and (e) of paragraph 3. above, that are based on hypothetical assumptions under partial influence of management.
5. Based on our examination of the evidence supporting the assumptions and the facts used to quantify the Target Financial Information included in Chapter 3.1 of the Informational Document and the report of the other auditors, nothing has come to our attention which causes us to believe, to date, that these assumptions and the facts described under points (a) and (b) of paragraph 3. above, do not provide a reasonable basis to quantify the Target Financial Information, whose achievement is subject to the occurrence of the hypothetical assumptions about future events and management's actions, described in paragraph 4. above. Further, in our opinion the Target Financial Information is properly prepared on the basis of the *assumptions and is presented in accordance with accounting principles consistent with those applied by Banca Intesa and Sanpaolo in the preparation of the consolidated financial statements at December 31, 2005, which are prepared in accordance with International Financial Reporting Standards as adopted by the European Union.*
  6. However, it should be noted that due to the uncertainties of the occurrence of future events, with respect to the realization of the event and its quantification and time of occurrence, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation may be material, even if the events anticipated under the hypothetical assumptions described under paragraph 4. above occur.
  7. This report has been prepared as required by Article 70 of CONSOB Regulation no. 11971 and subsequent modifications and integrations to be included in the Informational Document, prepared by Banca Intesa for the Merger in Italy, under the same regulation, and cannot be used for other purposes.
  8. We have no responsibility to update this letter for events and circumstances occurring after November 14, 2006.

Milan, November 14, 2006

Reconta Ernst & Young S.p.A.  
Signed by: Guido Celona (partner)