



**Shareholders' Meeting of
28, 29 and 30 April 2009**

This is an English translation of the Italian original "Assemblea degli Azionisti del 28,29 e 30 Aprile 2009" and has been prepared solely for the convenience of the reader.

Intesa Sanpaolo S.p.A.

Shareholders' Meeting of
28, 29 and 30 April 2009

Agenda of the Meeting

ordinary part:

1. Proposal for the allocation of net income for the financial year ended 31 December 2008 and dividend distribution;
2. Proposal for integration of the remuneration of independent auditors Reconta Ernst & Young;

extraordinary part:

1. Changes to following Articles of Association: 7 (Shareholders' Meeting), 13 (Management Board), 14 (Remuneration of the Management Board), 15 (Remuneration of members of the Management Board who are appointed to particular positions), 17 (Powers of the Management Board), 18 (Chairman of the Management Board), 20 (Manager responsible for preparing the Company's financial reports), 22 (Supervisory Board), 23 (Election of the Supervisory Board), 24 (Meetings and resolutions of the Supervisory Board), 25 (Competence of the Supervisory Board) and 37 (Final provisions). Changes to be adopted also in accordance with the "Supervisory Provisions concerning banks' organisation and corporate governance" issued by the Bank of Italy on 4 March 2008.

Letter from the Chairmen

Distinguished Shareholders,

The macroeconomic scenario of 2008 was dominated by the international financial crisis in the second half of the year.

The exceptional severity of this crisis confirmed the validity of the merger which has given rise to Intesa Sanpaolo. In the past difficult months, our banking Group has indeed proven to be amongst the most solid worldwide as to risk profile, liquidity, leverage and capitalisation. This has enabled us to maintain a positive operational performance, despite a macroeconomic environment marked by a level of uncertainty and complexity that is unprecedented in recent economic history.

As concerns operational structure, our bank has confirmed the full implementation of the integration process, meeting and in some cases bettering the time scheduled for achieving full organisational and IT integration.

The choice of a dual governance model, founded on a clear distinction of roles and duties between the Supervisory Board and the Management Board, has proved to be effective in guaranteeing the best conditions of prudence and functionality in banking management. The changes to the Articles of Association, proposed today to comply with the new Supervisory Provisions are in line with the aim of perfecting this governance model.

Another strength of Intesa Sanpaolo, which has demonstrated its full strategic potential, is its widespread local presence, provided by an extensive national network (at 31 December 2008 the Group's operating structure comprised 8,496 branches, 6,463 of which in Italy). The Banca dei Territori project, completed last year, which places local branches at the centre of the bank-client relationship, aims at combining local presence with the size and perspectives of a leading national and international group. This model not only represents an internal organisational model, but also reflects the cultural approach underlying our banking philosophy. Indeed, the very fact that Intesa Sanpaolo has remained exempt from the graver risks that have afflicted international banking institutes is attributable not only to contingent circumstances, but also and primarily, to a cultural and professional tradition which has always seen the banks of our Group as working at the service of households and enterprises (in particular small and medium-sized ones), pursuing economic growth in constant balance with the growth of society.

If there is one lesson that the current crisis has taught us all is that finance must not lose its links to the real economy, and that it must always be an instrument of the real economy, albeit a precious, irreplaceable one: indeed, finance nurtures economic growth, sustains the development of production and supports all players on the economic scene, be they enterprises, families or public administrations. The more finance becomes globalised, the more we need to focus on strengthening our links with the key players of the economy at local level.

The year 2008 closed with results which, when seen against the backdrop of the current macroeconomic environment and compared with the performance of the main international banking groups, can be defined as positive.

Consolidated net income for the year, 3,900 million euro, subsequent to impairment losses and other adjustments made on the basis of highly prudential and conservative criteria, led to a stated consolidated net income of 2,553 million euro.

Profitability and efficiency were confirmed at high levels. The cost/income ratio of Intesa Sanpaolo stood at 54.7%, among the best worldwide in a panel of banks of comparable size.

Given the severity of the unfolding crisis and in consideration of the exceptional market volatility, the Management Board and the Supervisory Board have decided to adopt a strict policy aimed at strengthening the capital base, to ensure that Intesa Sanpaolo is equipped in the best possible manner to continue facing the challenges of future macroeconomic developments with the same resilience it has shown over the past months.

In order to protect our bank from competitive distortions resulting from the support given by some governments to the main international banking groups in their respective countries, it was decided to further strengthen the Group's capital ratios by starting the procedure for the issue of 4 billion euro of special bank bonds (so-called 'Tremonti bonds') that will be subscribed by the Italian Ministry of the Economy and Finance (bonds valid as Core Tier 1 capital).

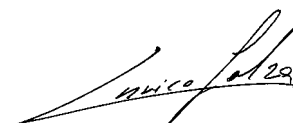
In accordance with the policy outlined above, it was also decided to propose at the Shareholders' Meeting that no dividends be paid on ordinary shares, and to pay, as required by the Articles of Association, a dividend only on saving shares, equal to 5% of their nominal value.

We trust you will take this proposal as a sign of the Bank's responsible approach, since it was dictated by the intention of giving priority to the strengthening of our Group's solidity: our Group, as in the past, wishes to maintain its identity as a solid, reliable entity, deserving the trust of its customers and of investors, always acting in the framework of a strongly shared system of values.

Giovanni Bazoli
Chairman, Supervisory Board



Enrico Salza
Chairman, Management Board



Report of the Management Board

Ordinary Part – First item on the Agenda

Proposal for the allocation of net income for the financial year ended 31 December 2008 and dividend distribution

Distinguished Shareholders,

In the Reports on operations which accompany the Group's Consolidated Financial Statements and the Parent Company's Financial Statements for 2008, the Directors have illustrated the economic and on financial markets situation which has developed since the second half of 2008.

The Directors believe that at this time, when the market perceives capitalisation of banks as particularly important, it is appropriate to strengthen the Bank's and the Group's capital base and, as a consequence, to allocate net income to the reserves, to the extent permitted by the Articles of Association.

Therefore, pursuant to article 2364 *bis* of the Italian Civil Code and articles 7.3 and 28.3 of the Company's Articles of Association, we submit to Your approval the proposal for the allocation of net income for financial year 1 January - 31 December 2008, which provides for the distribution of dividends only to non convertible saving shares, as per article 28.3 of the Articles of Association, for an amount equal to 5% of their nominal value. Consequently, only non convertible saving shares will receive a dividend per share of 0.026 euro.

We therefore submit to Your approval the following allocation of the Company's net income, amounting to 1,068,659,742.12 euro:

	(euro)
Net income for the period	1,068,659,742.12
Assignment of a dividend of 0.026 euro for each of the 932,490,561 saving shares (determined pursuant to Art. 28 of the Articles of Association), for total disbursement of	24,244,754.59
Assignment to the Extraordinary reserve of the residual net income	1,044,414,987.53

We bring to Your attention that the difference (23,438,628.88 euro) arising from the merger by incorporation of the subsidiary Eurizon Solution, was allocated against the Extraordinary reserve.

We propose that the dividend on saving shares be made payable, in compliance with legal provisions, as of 21 May 2009, with detachment of the coupon on 18 May 2009.

If the proposal for the allocation of net income obtains Your approval, the resulting shareholders' equity of Intesa Sanpaolo S.p.A. will be as indicated in the table below.

				(in millions of euro)
Shareholders' equity	Annual report 2008	Change due to the allocation of 2008 net income	Share capital and reserves after the allocation of 2008 net income	
Share capital				
- ordinary	6,162	-		6,162
- saving	485	-		485
Total share capital	6,647	-		6,647
Share premium reserve	33,271	-		33,271
Reserves	4,083	1,044		5,127
Valuation reserves	649	-		649
Treasury shares	-	-		-
Total reserves	38,003	1,044		39,047
TOTAL	44,650	1,044		45,694

Milano, 20 March 2009

For the Management Board
The Chairman – Enrico Salza

Report of the Supervisory Board

Ordinary Part – Second item on the Agenda

Proposal for integration of the remuneration of independent auditors Reconta Ernst & Young

Distinguished Shareholders,

On 20 April 2006, the ordinary Shareholders' Meeting of former Banca Intesa S.p.A. entrusted the Independent Auditors Reconta Ernst & Young S.p.A. (hereafter also referred to as "REY") with a mandate to perform, in the financial years from 2006 to 2011, the auditing activities required by the current provisions of law. In particular, the mandate included the following responsibilities: auditing the financial statements of the Bank; auditing the income statement and balance sheet figures of the branches abroad for the purposes of their consolidation into the financial statements of the Bank; verifying that the Bank's accounts are properly kept; auditing the consolidated financial statements and (limited to accounting aspects) the half-yearly reports of the Group, including limited reviews of half-yearly reports of our branches abroad.

Furthermore REY, in compliance with the current provisions of law, was entrusted with the task of carrying out the checks related to the signing of tax statements filed by the Bank, as well as of calculating the Bank's contribution to the National Guarantee Fund (Fondo nazionale di garanzia).

Please note that the proposal approved by the Meeting expressly provided for fee updates: *"Fees may be revised at the end of each financial year, so as to take into account any special situations that could extend or shorten projected periods (significant structural changes, extraordinary or unforeseeable events, etc.)... . Both parties shall timely inform each other of such circumstances in order to agree on fee updates"*.

Following the merger of Sanpaolo IMI S.p.A. into Intesa Sanpaolo S.p.A. (formerly Banca Intesa S.p.A.), with legal effects as of 1 January 2007, REY's workload was significantly increased in quantity and quality. Therefore, according to applicable Consob regulations, the Auditing Company drafted a rider to their offer, as the "extraordinary and/or unforeseeable events", as mentioned in Consob Communication no. DAC/RM/96003558 of 18 April 1996, had actually occurred.

Notwithstanding the foregoing fee update clause, it was deemed appropriate to submit this rider to the examination of the Shareholders' Meeting of Intesa Sanpaolo S.p.A. of 3 May 2007, during which - without prejudice to the validity and effectiveness of all clauses in the initial offer approved by the Meeting of 20 April 2006 - it was resolved to increase as requested the Auditing Company's fees.

The changes introduced into the legal system in 2008, and the business combinations recently finalised by the Group, led to a further increase of REY's auditing activities on the Parent Company and on the scope of consolidation of the Group.

A summary of the main legal changes and the relevant request submitted by REY to update its fee for auditing the statutory financial statements and consolidated financial statements of Intesa Sanpaolo S.p.A. is presented below.

1. Legal changes

- *Report on operations*

Legislative Decree no. 32/2007 amended article 2409-ter of the Italian Civil Code and article 156 of Legislative Decree 158/1998, introducing significant changes as regards the contents of reports on operations and the structural and formal requirements of reports drafted by auditing companies. The main innovation is the Directors' obligation to set out the major risks and uncertainties affecting the companies included in the scope of consolidation and to provide indicators for financial and non-financial results.

The above rules are effective from the financial statements as at 31 December 2008.

The new obligation to express an opinion as to the consistency between reports on operations and financial statements will entail a more thorough analysis of the Report on operations by adequately experienced REY staff who are well acquainted with the Group and its operations; this means that the audit will require a longer time to be completed.

In summary, in order to audit the financial statements, the Auditors will have to include in the statutory checks the report on operations and, in particular, the reclassified financial statements and the relevant proforma figures (if any). Furthermore, the consistency of relevant comments shall be verified.

– *Regulatory Capital and capital ratios*

As of 1 January 2008, Intesa Sanpaolo applies the rules set out by the Bank of Italy (Circular no. 263/2006, as amended) under the new “Basel II Capital Accord” regulations, as regards the determination of Regulatory Capital and capital ratios as per Law Decree no. 297/2006 converted into Law no. 15/2007.

All information related to Regulatory Capital and capital ratios is regarded as significant information included in the notes to the financial statements and consolidated financial statements and, as such, is subject to audit by REY.

– *Amendments to IAS 39*

The amendments to IAS 39, approved by IASB, were ratified by Regulation no. 1004 issued by the European Commission on 15 October 2008.

Such amendments provide in particular for the possibility of reclassifying from “Financial instruments designated at fair value through profit and loss” any securities for which, due to changes in market conditions, a resumption of orderly trading cannot be expected in the short term.

The reclassification methods, the verification of compulsory attributes of financial instruments to be reclassified, and the extensive information to be disclosed in this respect in the notes to financial statements, shall be specifically assessed by the auditing company.

2. Business combinations

The business combination with Banca CR Firenze Group was finalised during 2008. This business combination led to significant structural changes and to situations, concerning the accounting allocation procedure of purchase price, whose impact on auditing operations is detailed below.

– *Significant structural changes*

The several companies included in Banca CR Firenze Group operate in the banking, financial and insurance sectors. The consolidated financial statements of former Banca CR Firenze Group, as well as the individual financial statements of almost all its companies, are audited by PricewaterhouseCoopers. As a consequence of the impact by main balance sheet and income statement data, and of the implications of the business conducted by the Banca CR Firenze Group on the consolidated financial statements of Intesa Sanpaolo, the Parent Company's auditors are required to perform periodical audits on the working papers drafted by PricewaterhouseCoopers in relation to the financial statements filed by the audited Italian subsidiaries.

– *Considerations on the accounting allocation of the purchase cost of business combinations.*

IFRS 3 allocates the higher values, originated from the registration of the purchase cost of a business combination, to property and equipment and to intangible assets. Residual amounts are allocated to goodwill. In order to verify such amounts, the allocation process shall be subject to periodical audits in the first financial year following the business combination and in the subsequent financial years.

3. Fee increase

Based on the above considerations, REY believe an increase of their fees (as indicated below) is justified as of 2008.

- Annual report 2008: the request for an auditing fee total increase of 1,000,000 euro is based on the heavier workload needed to audit the Report on operations, the information required by the amendments to IAS 39 and the analyses on Regulatory Capital and capital ratios, and to perform ongoing work related to the Banca CR Firenze business combination, as shown in detail below.

Detailed table of additional recurring activities

Additional recurring activities	Ore	Importo Euro
Regulatory changes – Report on Operations	1,950	300,000
Regulatory changes – Amendments to IAS 39	1,100	150,000
Regulatory changes – Regulatory Capital and Capital ratios	1,400	200,000
Business combinations - Significant structural changes	500	100,000
Business combinations - Activities connected to the accounting allocation of purchase costs of business combinations	1,400	250,000
	6,350	1,000,000

The following summary table shows the detail of fees, taking into account the changes approved by the Shareholders' Meeting, including adjustments based on ISTAT's consumer price index.

Summary table

	Current working hours and fees^(*)		Additional working hours and fees		Total	
	Hours	Fees in euro	Hours	Fees in euro	Hours	Fees in euro
Audit of the Parent Company's financial statements	10,000	1,319,000	3,085	455,000	13,085	1,774,000
Verification of regular bookkeeping	2,500	327,000			2,500	327,000
Audit of the consolidated financial statements	2,800	369,000	3,265	545,000	6,065	914,000
Limited review of the half-yearly report	4,700	622,000			4,700	622,000
Total Italy	20,000	2,637,000	6,350	1,000,000	26,350	3,637,000

* including adjustments based on ISTAT's CPI index

The amounts in the table do not include non-recurring fees, totalling 165,000 euro, reported *una tantum* in the 2008 financial statements and related to the accounting allocation process of business combination purchase cost.

- **Branches abroad:** taking into account the auditing work performed in relation to new branches in Paris (former Banca Intesa France) and Dubai, and based on the restructuring of branches abroad and on cost cuts realised in markets where mergers were finalised, the total charge of 931,691 euro, approved by the ordinary Shareholders' Meeting on 20 April 2006 and amended by the ordinary Shareholders' Meeting on 3 May 2007, was significantly decreased by approximately 130,000 euro, nearly 60,000 of which attributable to exchange rate effects. It should be noted in this respect that the amount approved by the Meeting was denominated in euro, whereas the contracts, being denominated in local currencies, are subject to exchange rate fluctuations. Should the International branches Network undergo further restructuring, auditing fees may be reviewed accordingly.

Total fees related to auditing and to other services as per article 149-duodecies of Consob Regulation n. 11971, already paid to the Auditing Company and to its network in 2008, are shown in the document attached to the Bank's 2008 Annual report.

In consideration of the above, and of the fact that the 1,000,000 euro represents an increase of the remuneration due for recurring auditing activities on the Parent Company's 2009, 2010 and 2011 financial statements, and considering the contemplated fee update – as indicated above – as per REY's initial offer approved by the ordinary Shareholders' Meeting on 20 April 2006, we request our Shareholders to approve the remuneration integration of 1,000,000 euro per year to the Independent Auditors Reconta Ernst & Young S.p.A. (registered office in Rome, via Romagnosi 18/A) for the audit of the financial statements of Intesa Sanpaolo S.p.A. for 2009, 2010 and 2011.

All provisions in the initial offer submitted by Reconta Ernst & Young S.p.A., approved by the ordinary Shareholders' Meeting on 20 April 2006 and confirmed by the ordinary Shareholders' Meeting on 3 May 2007, will continue to be valid and in force, and will therefore apply to the auditing activities performed in connection with the 2009, 2010 and 2011 financial statements of Intesa Sanpaolo S.p.A. and to the relevant fees due to Reconta Ernst & Young S.p.A..

Torino, 9 April 2009

For the Supervisory Board
The Chairman - Giovanni Bazoli

Report of the Management Board

Extraordinary Part – First item on the Agenda

Changes to following Articles of Association: 7 (Shareholders' Meeting), 13 (Management Board), 14 (Remuneration of the Management Board), 15 (Remuneration of members of the Management Board who are appointed to particular positions), 17 (Powers of the Management Board), 18 (Chairman of the Management Board), 20 (Manager responsible for preparing the Company's financial reports), 22 (Supervisory Board), 23 (Election of the Supervisory Board), 24 (Meetings and resolutions of the Supervisory Board), 25 (Competence of the Supervisory Board) and 37 (Final provisions). Changes to be adopted also in accordance with the "Supervisory Provisions concerning banks' organisation and corporate governance" issued by the Bank of Italy on 4 March 2008.

Distinguished Shareholders,

We convened this extraordinary meeting to submit to our Shareholders the proposed changes to the Articles of Association, as explained in detail below.

As is generally known, on 4 March 2008 the Bank of Italy issued its new Supervisory Provisions concerning banks' organisation and corporate governance.

The new regulation led Italian banks to carry out an overall review of their own organisational structure and of the functioning of their corporate bodies entrusted with strategic supervision, management and control responsibilities.

Banks were requested to implement within 30 June 2009 (i.e., the deadline set by the Supervisory Authority) the more suitable internal regulatory measures to ensure full compliance with the foregoing major regulation, also at the level of Articles of Association.

Based on all the above considerations, the proposed changes are intended to bring the Company's Articles of Association in line with the requirements set by the Supervisory Authority, so as to ensure that our corporate governance structure is duly reflected in the Bank's organisational and operational rules.

The other changes that we are submitting to the Shareholders' Meeting, although not directly required by the foregoing Supervisory Provisions, arise in part from the need to conform to the foregoing proposed changes.

The proposed changes to the Articles of Association do not give rise to the right of withdrawal.

Based on the above considerations, please find below a comparative table between current articles and the proposed changes, including the reasons for their introduction. The Shareholders in agreement with the foregoing changes are kindly requested to approve the proposals.

TITLE I CONSTITUTION, NAME, REGISTERED OFFICE AND DURATION OF THE COMPANY

Article 1. Name.

1.1.- The Company is incorporated under the name "Intesa Sanpaolo S.p.A." without any restriction in the form of graphic presentation. In the use of brands and logos of the Company and the Group, the words that compose the name of the Company may be combined in a different manner. The Company can use, as brands and logos, names and/or brands used by itself and/or by the companies it has incorporated.

1.2.- The Company is a Bank according to the terms of Legislative Decree No. 385 dated 1st September 1993.

Article 2. Registered office.

2.1.- The Company has its registered office in Turin and a secondary registered office in Milan. Central operations are divided between Milan and Turin, provided, however, that in any case "Administration, Financial statements, Tax", "Internal Audit" and "General Secretariat" shall be in Turin.

2.2.- Subject to the obtainment of authorisations provided for by laws and regulations applicable from time to time, the Company may both establish and wind up secondary registered offices, branches and representative offices in Italy and abroad.

Article 3. Duration.

The duration of the Company shall be until 31st December 2100 and may be extended.

TITLE II CORPORATE PURPOSE

Article 4. Corporate purpose.

4.1.- The purpose of the Company is the deposit-taking and the carrying out of all forms of lending activities, both directly and through its subsidiaries. The Company may, in compliance with laws and regulations applicable from time to time and subject to the obtaining of the required authorisations, directly and also through its subsidiaries, provide all banking and financial services, including the establishment and management of open-end and closed-end pension schemes as well as carry out any other transactions that are instrumental for, or related to, the achievement of its corporate purpose.

4.2.- As Parent Company of "Intesa Sanpaolo" banking group, pursuant to Art. 61 of Legislative Decree No. 385 dated 1st September 1993, the Company issues, in connection with its management and coordination capacity, instructions to the companies of the Group, including with respect to the implementation

TITLE I CONSTITUTION, NAME, REGISTERED OFFICE AND DURATION OF THE COMPANY

Article 1. Name.

Unchanged

Article 2. Registered office.

Unchanged

Article 3. Duration.

Unchanged

TITLE II CORPORATE PURPOSE

Article 4. Corporate purpose.

Unchanged

of the instructions of the Supervisory Authorities in the interest of the Group's stability.

4.3.- The Company exercises the functions of Parent Company of the financial conglomerate, pursuant to Art. 3 of Legislative Decree No. 142 dated 30th May 2005.

TITLE III CAPITAL AND SHARES

Article 5. Share capital.

5.1.- The Company's subscribed and paid-in share capital amounts to 6,646,547,922.56 euro, represented by 12,781,822,928 shares with a nominal value of 0.52 euro each, comprising 11,849,332,367 ordinary shares and 932,490,561 non-convertible saving shares.

5.2.- The Extraordinary Shareholders' Meeting held on 1st December 2006 resolved to increase the share capital by up to a maximum amount of 15,835,003.08 euro by issuing up to a maximum of 30,451,929 ordinary shares reserved to the employees of the merged company Sanpaolo IMI S.p.A. and its subsidiaries included in the stock option plans approved by the Board of Directors of Sanpaolo IMI S.p.A. on 17th December 2002 and on 14th November 2005.

Article 6. Shareholder domicile.

The domicile of each Shareholder, for the purposes of their relations with the Company, is the address recorded in the Shareholders' Register.

TITLE IV SHAREHOLDERS' MEETING

Article 7. Shareholders' Meeting.

7.1.- The Shareholders' Meeting, called and established in accordance with the Articles of Association, is deemed to represent all Shareholders. Resolutions passed in accordance with the law and the Articles of Association, are binding on all Shareholders, irrespective of their attendance or agreement.

7.2.- The ordinary or extraordinary Shareholders' Meeting shall be governed by law.

7.3.- The Ordinary Shareholders' Meeting shall:

1) appoint, determine the number of, and revoke the members of the Supervisory Board, determine their remuneration and elect the Chairman and two Deputy Chairmen, according to provisions of article 23 below;

2) resolve upon the responsibilities of the members

TITLE III CAPITAL AND SHARES

Article 5. Share capital.

Unchanged

Article 6. Shareholder domicile.

Unchanged

TITLE IV SHAREHOLDERS' MEETING

Article 7. Shareholders' Meeting.

7.1.- Unchanged

7.2.- Unchanged

7.3.- The Ordinary Shareholders' Meeting shall:

1) appoint, determine the number of, and revoke the members of the Supervisory Board, determine their remuneration **as per article 23.13** and elect the Chairman and two Deputy Chairmen, according to provisions of article 23 below;

2) resolve upon the responsibilities of the members

of the Supervisory Board and, pursuant to articles 2393 and 2409-*decies* of the Italian Civil Code, also upon the responsibilities of the members of the Management Board, without prejudice to the concurrent competence of the Supervisory Board pursuant to article 25.1, letter d);

- 3) resolve upon the distribution of net income;
- 4) assign and revoke the engagement for the independent audit of accounts on motivated proposal of the Supervisory Board;
- 5) approve the financial statements in case they are not approved by the Supervisory Board;
- 6) resolve upon the other matters assigned to it by the law or by the Articles of Association.

7.4.- The Extraordinary Shareholders' Meeting shall resolve upon the amendments of the Articles of Association, on the appointment, revocation, substitution and powers of liquidators and on any other matter assigned to it by law.

Reasons for the changes

In keeping with the requirements in paragraph 4 of the Provisions on corporate governance, the Meeting was granted the power to determine the *remuneration of Supervisory Board Members, including the members assigned to special offices*. As a consequence, article 7.3 no. 1) has been updated with a specific cross-reference to article 23.13, that governs this matter.

Furthermore, the Articles of Association now *attribute to the Meeting the power to approve the remuneration policies for the Members of Management Board* and make clear the power of the Meeting to resolve on *share-based plans*. Of course, the ensuing resolutions of the Meeting shall comply with the criteria expressly stated by the Supervisory Authority.

As regards remunerations, please note that some parts of the changes to the Articles of Associations are quoted in *subsequent provisions of the Articles of Association*. The rephrased Article 23.13. analytically regulates the subject of remuneration paid to Supervisory Board Members. The rephrased Articles 17.2. and 25.1. attribute to the *Management Board and Supervisory Board*, respectively, the power to decide and approve *remuneration policies for employees and other staff* who are not bound to the Company by an employment relationship. Lastly, as regards *remuneration of top managers*, please note that the involvement of the Management Board and Supervisory Board is already provided for in the Articles of Association in connection with General Managers (article 27) and with the Manager responsible for preparing the Company's financial reports (article 17.2., letter i). As to the determination of incentive plans and remuneration scales for top managers (as identified by the Management Board), , in compliance with Supervisory Provisions, it is deemed appropriate to add a provision in article 17.2., as rephrased below, in order to qualify the "involvement" of bodies entrusted with strategic supervision responsibilities in terms of *approval by the Management Board after obtaining an opinion from the Supervisory Board*. Furthermore, for the sake of completeness it was stated in the same provision of the Articles of Association that the approval process after obtaining the foregoing opinion shall also apply to *managers of control functions* (based on the implicit guidance of Supervisory Provisions on the appointment of such managers).

Article 7.3. no. 2) was amended to ensure consistency with the new wording of Article 25.1.

of the Supervisory Board and, pursuant to articles 2393 and 2409-*decies* of the Italian Civil Code, also upon the responsibilities of the members of the Management Board, without prejudice to the concurrent competence of the Supervisory Board pursuant to article **25.1.1, letter c)**;

- 3) resolve upon the distribution of net income;
- 4) assign and revoke the engagement for the independent audit of accounts on motivated proposal of the Supervisory Board;
- 5) approve the financial statements in case they are not approved by the Supervisory Board;
- 6) approve the remuneration policies for Management Board Members and share-based plans, in keeping with the provisions of law and regulations in force;**
- 7) resolve upon the other matters assigned to it by the law or by the Articles of Association.

7.4.- Unamended

Article 8. Convocation.

8.1.- The Shareholders' Meeting is called by the Management Board whenever it is deemed appropriate or, according to the provisions of article 2367 of the Italian Civil Code, upon request by Shareholders representing at least one twentieth of share capital. The Ordinary Shareholders' Meeting must be called at least once a year, no later than a hundred and twenty days after the end of the financial year. Whenever a shareholders' meeting is required by law, the Shareholders' Meeting may be called no later than a hundred and eighty days after the end of the financial year. In this case the Management Board shall describe the reasons of such postponement in the report required by article 2428 of the Italian Civil Code.

8.2.- Without prejudice to other provisions of law setting forth the powers to convene, a Shareholders' Meeting can also be called by the Supervisory Board or by at least two of its members, pursuant to article 151-*bis* of Legislative Decree No. 58 dated 24th February 1998.

8.3.- The Shareholders' Meeting is called at the registered office of the Company or in another location in the municipality where the Company has its registered office by notice stating the date, the time and the place of the meeting on first and second call and the agenda of the meeting. Such notice shall be published within the terms provided for by laws and regulations applicable from time to time in the daily newspaper "Il Sole 24 Ore" and the Official Gazette of the Republic of Italy.

8.4.- The convocation notice may also provide for the Extraordinary Shareholders' Meeting to be convened on third call.

8.5.- Shareholders who, separately or jointly, represent at least one fortieth of the share capital may request, within five days from the publication of the convocation notice, additions to the agenda of the meeting, specifying the request of additional items they propose, with the exclusion of matters on which the Shareholders' Meeting must resolve on proposal put forward by the Management Board or on the basis of a report or a plan prepared by the Management Board. Notices with respect to the additions to the agenda as a result of such requests shall be given in the forms required for the publication of the convocation notice.

Article 9. Right to attend and vote in the Shareholders' Meeting.

9.1.- Shareholders with the right to vote may attend the Shareholders' Meeting provided a notice by the authorised intermediary certifying their voting right is given to the Company within the time envisaged

Article 8. Convocation.

Unchanged

Article 9. Right to attend and vote in the Shareholders' Meeting.

Unamended

for the commencement of the Shareholders' Meeting on first call.

9.2.- Each ordinary share confers the right to cast one vote.

9.3.- Shareholders may be represented by proxy subject to restrictions established by law.

Article 10. Chair and conduct of the Meeting. Secretary.

10.1.- The Shareholders' Meeting is chaired by the Chairman of the Supervisory Board or, in case of his/her absence or impediment, by the longest-serving Deputy Chairman of the Supervisory Board, intended as the Deputy Chairman with the longest uninterrupted service or, in the case of equal term of service by the eldest Deputy Chairman, or in the case of his/her absence or impediment, by the other Deputy Chairman. If all of the above are absent or impeded, the Shareholders' Meeting is chaired by the Chairman of the Management Board or, in case of his/her absence or impediment, by the longest-serving Deputy Chairman of the Management Board as described above or, in case of his/her absence or impediment, by the other Deputy Chairman, if appointed; if also the latter is absent or impeded, the Shareholders' Meeting shall be chaired by another person designated by the Shareholders attending the meeting.

10.2.- The Chairman of the Shareholders' Meeting shall verify that the meeting has been validly convened and shall ascertain the right of the Shareholders to attend the meeting and vote. The Chairman of the Shareholders' Meeting shall further verify the validity of the proxy, shall preside over the discussions, and shall determine the voting procedures and announce the relevant results.

10.3.- The Chairman shall be assisted by a Secretary, being the Secretary of the Management Board or, in case of his/her absence or impediment, the person appointed by the Shareholders attending the Meeting if the minutes do not have to be drafted by a notary public. The Chairman may also appoint, as the case may be, specific individuals chosen among the persons attending the Meeting.

10.4.- If the debate concerning matters on the agenda of the meeting is not terminated on the day of the meeting, the Shareholders' Meeting may continue on the following business day.

Article 11. Validity of resolutions.

Subject to the requirements set forth in article 23 for the appointment of the Supervisory Board, the validity of the constitution of both the Ordinary and Extraordinary Shareholders' Meeting is governed by law, on

Article 10. Chair and conduct of the Meeting. Secretary.

Unchanged

Article 11. Validity of resolutions.

Unchanged

both the first and second call and concerning the Extraordinary Shareholders' Meeting, on the third call, as well as the validity of the related resolutions.

TITLE V CORPORATE GOVERNANCE SYSTEM

Article 12. Corporate governance system.

The Company adopts the dual management and control system pursuant to articles 2409-*octies* and following of the Italian Civil Code.

SECTION ONE — MANAGEMENT BOARD

Article 13. Management Board.

13.1.- Composition.

The management of the Company is exercised by the Management Board, composed of a minimum of 7 (seven) and a maximum of 11 (eleven) members, including non shareholders, appointed by the Supervisory Board, which determines their number at the time of appointment.

13.2.- Requirements and incompatibilities.

Individuals who are either ineligible or disqualified from office pursuant to article 2382 of the Italian Civil Code may not be appointed as members of the Management Board. The same limitations apply to individuals who do not meet the integrity, professional and independence requirements required by applicable law and regulations. At least one of the members of the Management Board must meet the independence requirements provided for by article 148, paragraph 3, of Legislative Decree No. 58 dated 24th February 1998.

Save for a specific approval *ad personam* by the Supervisory Board with the favourable vote of the majority plus two of its members and after the favourable and unanimous opinion of the Nomination Committee, individuals may not be appointed as members of the Management Board and, if they are appointed, they shall be disqualified from office, who are or become members of management, direction or control bodies or employees of competitor groups, or other banks or parent companies or subsidiaries of banks, except for industry associations or companies belonging to the Group or in which the Company owns shares.

Individuals who have exceeded the limit of four offices in the management, direction or control of other listed companies or parent companies or subsidiaries of listed companies (up to a maximum of four offices within one group shall be considered as one office; if such limit is exceeded, they shall be considered as two offices) may not be appointed as members of the Management Board and, if they are appointed, they shall be disqualified from office. The foregoing

TITLE V CORPORATE GOVERNANCE SYSTEM

Article 12. Corporate governance system.

Unchanged

SECTION ONE — MANAGEMENT BOARD

Article 13. Management Board.

13.1.- Unchanged

13.2.- Unchanged

shall be without prejudice to the provisions of applicable laws and regulations relating to ineligibility and disqualification from office, as well as the limits to the number of offices held, where more restrictive. Members of the Supervisory Board may not be appointed as members of the Management Board for the entire term of their office.

13.3.- Duration.

The Management Board members shall remain in office for a maximum period of three financial years determined by the Supervisory Board and may be re-appointed. Their term of office shall expire, without prejudice to the provisions of article 13.8, on the date of the meeting of the Supervisory Board called to approve the financial statements relating to the last year of their office.

13.3.- Unchanged

13.4.- Integration.

In the event that the number of members of the Management Board is lower than the maximum number, the Supervisory Board may at any time increase such number. The term of office of the newly appointed members expires together with the term of the members on office at the time of their appointment.

13.4.- Unchanged

13.5.- Substitutions.

If one or more members of the Management Board leaves service, the Supervisory Board shall substitute them without delay. The term of office of the newly appointed members expires simultaneously with the term of the members in office at the time of their appointment.

13.5.- Unchanged

13.6.- Revocation.

The members of the Management Board may be revoked by the Supervisory Board at any time, without prejudice to their right to be indemnified if the revocation occurs without just cause.

13.6.- Unchanged

13.7.- Simul stabunt simul cadent.

If, for whatever reason, the majority of the members originally appointed by the Supervisory Board leave service, the entire Management Board must be considered replaced from the date on which the newly appointed members take service. The term of office of the newly appointed members shall expire on the date on which the office of the replaced Management Board would have expired.

13.7.- Unchanged

13.8.- Termination.

The termination of the Management Board due to the expiry of the term of office shall become effective starting from the date of its appointment by the Supervisory Board. In the event of the resignation of part of the members of the Management Board, the provisions of article 2385 of the Italian Civil Code shall apply.

13.8.- Unchanged

13.9.- Appointment of the Chairman and Deputy Chairmen of the Management Board. Secretary.

The Supervisory Board, on the basis of the proposal submitted by the Nomination Committee provided for by article 25.4 below, shall appoint the Chairman and one or two Deputy Chairmen of the Management Board.

The Management Board may appoint a Secretary who must not necessarily be a member of such Board.

13.9.- Appointment of the Chairman and Deputy Chairmen of the Management Board. Secretary.

The Supervisory Board, on the basis of the proposal submitted by the Nomination Committee provided for by article **25.5** below, shall appoint the Chairman and one or two Deputy Chairmen of the Management Board.

The Management Board may appoint a Secretary who must not necessarily be a member of such Board.

Reasons for the changes

Article 13.9 was amended to ensure consistency with the new wording of Article 25.5, whose new proposed version governs the Nomination Committee.

Article 14. Remuneration of the Management Board.

Members of the Management Board are entitled, in addition to reimbursement of expenses incurred in connection with the office held by them, to a remuneration which shall be determined by the Supervisory Board, after consultation with the Remuneration Committee provided for by article 25.4 below.

Article 14. Remuneration of the Management Board.

Members of the Management Board are entitled, in addition to reimbursement of expenses incurred in connection with the office held by them, to a remuneration which shall be determined by the Supervisory Board, after consultation with the Remuneration Committee provided for by article **25.5** below.

Reasons for the changes

Article 14 was amended to ensure consistency with the new wording of article 25.5, whose new proposed version governs the Remuneration Committee.

Article 15. Remuneration of members of the Management Board who are appointed to particular positions.

The remuneration of the members of the Management Board who are vested with particular offices, tasks or powers of attorney, or are appointed as members of Committees or Commissions provided for by the Company's Articles of Association, shall be determined pursuant to Article 25.1, letter a) of the Company's Articles of Association.

Article 15. Remuneration of members of the Management Board who are appointed to particular positions.

The remuneration of the members of the Management Board who are vested with particular offices, tasks or powers of attorney, or are appointed members of Commissions as provided for by the Company's Articles of Association, shall be determined pursuant to Article **25.1.1**, letter a) of the Company's Articles of Association.

Reasons for the amendments

Article 15 was amended to ensure consistency with the new wording of article 17.2., letter s), and 25.1.1, letter a).

Article 16. Meetings and resolutions of the Management Board**16.1.- Place and convocation.**

The Management Board generally meets alternatively in Turin at the registered office and in Milan at the secondary office of the Company. In exceptional circumstances, it may meet in another location on Italian territory. Meetings must take place at least once a month and whenever the Chairman of the

Article 16. Meetings and resolutions of the Management Board

Unchanged

Management Board deems it necessary or when a written request is made by the Managing Director or by at least two members of the Management Board; the Management Board may be summoned in other cases required by law.

After notification to the Chairman, the Management Board may also be summoned by the Supervisory Board or by its individual members, pursuant to article 151-*bis* of Legislative Decree No. 58 dated 24th February 1998.

16.2.- Convocation notice.

The Management Board is summoned by notice which shall include the agenda of the meeting. The notice shall be sent by any means appropriate to provide evidence of receipt to each member of the Management Board and the Supervisory Board at least four days before the date of the meeting or, in case of urgency, at least twenty-four hours in advance by any appropriate means. The notice may also state the places from which members may participate by means of remote connection systems as provided for by article 16.3 below.

16.3.- Meetings.

Meetings of the Management Board may be validly held through remote connection systems, provided that the identity of those present can be verified and that those attending the meeting are allowed to follow the discussion and intervene in real time with regard to the matters on the agenda as well as view, receive and transmit documents. However, at least the Chairman and the Secretary must be present in the location where the Management Board meeting has been called and the meeting of the Board shall be considered held in such place.

16.4.- Validity and majority.

The resolutions of the Management Board are validly adopted when the majority of its members in office attends the meeting. Without prejudice to provisions contained in article 16.5 below, resolutions are adopted with the favourable vote of the absolute majority of the attending members; in case of dead-lock, the Chairman of the meeting shall have the casting vote.

16.5.- Resolutions with qualified majorities.

Resolutions concerning the following matters shall be validly adopted with the favourable vote of the majority of Management Board members in office:

- the appointment, revocation as well as the grant, amendment or revocation of powers of the Managing Director;
- the appointment, revocation and determination of the functions, competences and remunerations of General Managers as set forth in article 27 of the Articles of Association;
- the appointment and revocation, further to the mandatory opinion of the Supervisory Board, of the Manager in charge of drafting the Com-

pany' s financial reports provided for by article 154-*bis* of Legislative Decree No. 58 dated 24th February 1998, and determination of the relevant means, powers and remuneration.

- the appointment to particular offices or grant specific powers of attorney to one or more Board members and determination of the relevant powers.

16.6.- Minutes and copies.

The minutes of the resolutions of the Management Board are prepared and recorded in the register of the minutes under the care of the Secretary and must be signed by the Chairman of the meeting and the Secretary. A copy of the minutes of the meetings of the Management Board is transmitted without delay to the Chairman of the Supervisory Board.

Copies and extracts of the minutes, when not taken by a notary public, are certified by the declaration of conformity signed by the Chairman and the Secretary.

Article 17. Powers of the Management Board.

17.1.- Management of the Company.

The Management Board is in charge of the management of the company in compliance with the general strategic guidelines approved by the Supervisory Board. For this purpose, it takes all required actions, which it deems useful or appropriate to achieve the corporate purpose, relating to both the ordinary and extraordinary administration, including the ability to release or reduce mortgages also against partial payment of the relevant secured obligations.

17.2.- Competences which must not be delegated.

Save for powers and attributes of the Supervisory Board provided for by article 25.1 below, in addition to the responsibilities that cannot be delegated according to the law, the Management Board shall have the exclusive responsibility for the following decisions:

- a) the determination of proposals concerning the general strategic guidelines of the Company and the Group to be submitted to the Supervisory Board, as well as the preparation of business and/or financial plans and the budgets of the Company and the Group to be submitted to the approval of the Supervisory Board pursuant to article 2409-*terdecies* and 25.1, letter l) of the Articles of Association;
- b) the policy for the management of risks and internal controls;

- c) the appointment and revocation of the Managing Director, and the delegation, modification or revocation of the relevant powers;

- d) the appointment to particular offices or the grant of particular powers of attorney to one or more members of the Management Board and the determination of the relevant powers;

- e) the appointment and revocation of one or more

Article 17. Powers of the Management Board.

17.1.- Unchanged

17.2.- Competences which must not be delegated.

Save for powers and attributes of the Supervisory Board provided for by article 25.1 below, in addition to the responsibilities that cannot be delegated according to the law, the Management Board shall have the exclusive responsibility for the following decisions:

- a) the determination of proposals concerning the general strategic guidelines of the Company and the Group to be submitted to the Supervisory Board, as well as the preparation of business and/or financial plans as well as the budgets of the Company and the Group to be submitted to the approval of the Supervisory Board pursuant to article 2409-*terdecies* and **Article 25.1.2., lett. a)** of the Articles of Association;
- b) **the definition of guidelines and policies related to risk management (including the policy relative to the risk of non-compliance) and to internal audit, to be submitted to the Supervisory Board's approval.**

- c) the appointment and revocation of the Managing Director, and the delegation, modification or revocation of the relevant powers;

- d) the appointment to particular offices or the grant of particular powers of attorney to one or more members of the Management Board and the determination of the relevant powers;

- e) the appointment and revocation of one or more

General Managers, as provided for by Article 27 of the Articles of Association, and determination of the relevant powers and compensation;

f) purchase and sale of equity investments which lead to changes in the Banking Group;

g) the assessment of the adequacy of the Company's organisational, administrative and accounting structure;

h) the determination of criteria for the coordination and direction of the companies belonging to the Group and for the implementation of the instructions issued by the Bank of Italy;

i) the appointment and revocation, further to the mandatory opinion of the Supervisory Board, of the Manager in charge of drafting the Company's financial reports provided for by article 154-*bis* of Legislative Decree no. 58 of 24 February 1998, and determination of the relevant means, powers and remuneration; the supervision provided for by the same art. 154-*bis*.

l) the appointment and revocation of the Head of the Office of Internal Control, as well as the heads of the divisions whose appointment is under the exclusive competence of the Management Board pursuant to applicable law or regulations;

m) the preparation of the draft of the Parent Company's financial statements and consolidated financial statements;

n) the share capital increases which may be delegated pursuant to article 2443 of the Italian Civil Code, with the exclusion of the faculty to adopt the resolutions provided for in paragraphs 4 and 5 of article 2441 of the Italian Civil Code; the issue of convertible bonds pursuant to article 2420-*ter* of the Italian Civil Code;

o) the Management Board's duties provided for under articles 2446 and 2447 of the Italian Civil Code;

p) the preparation of merger and demerger projects;

q) the arrangement of transactions to be submitted to the authorisation of the Supervisory Board pursuant to article 25.1. letter l), as well as the approval of the transactions having a single value exceeding 3% of the consolidated regulatory capital;

r) determination of criteria to identify the related parties transactions reserved to the Management Board's competence;

s) the possible establishment of Committees or Commissions with advisory functions;

t) the designation of members of corporate bodies of subsidiaries;

General Managers, as provided for by Article 27 of the Articles of Association, and determination of the relevant powers and compensation;

f) purchase and sale of equity investments which lead to changes in the Banking Group;

g) the assessment of the adequacy of the Company's organisational, administrative and accounting structure;

h) the determination of criteria for the coordination and direction of the companies belonging to the Group and for the implementation of the instructions issued by the Bank of Italy;

i) the appointment and revocation, further to the mandatory opinion of the Supervisory Board, of the Manager in charge of drafting the Company's financial reports provided for by article 154-*bis* of Legislative Decree no. 58 of 24 February 1998, and determination of the relevant means, powers and remuneration; the supervision provided for by the same art. 154-*bis*.

l) ***the appointment and revocation, further to the favourable opinion of the Supervisory Board, of the Managers of internal control functions (including internal audit, compliance to regulations and risk management), pursuant to applicable laws or regulations;***

m) the preparation of the draft of the Parent Company's financial statements and consolidated financial statements;

n) the share capital increases which may be delegated pursuant to article 2443 of the Italian Civil Code, with the exclusion of the faculty to adopt the resolutions provided for in paragraphs 4 and 5 of article 2441 of the Italian Civil Code; the issue of convertible bonds pursuant to article 2420-*ter* of the Italian Civil Code;

o) the Management Board's duties provided for under articles 2446 and 2447 of the Italian Civil Code;

p) the preparation of merger and demerger projects;

q) the arrangement of transactions to be submitted to the authorisation of the Supervisory Board ***pursuant to article 25.1.2 letter a) or approval pursuant to article 25.1.2 letter c)***, as well as the approval of transactions having a single value exceeding 3% of the consolidated regulatory capital;

r) determination of criteria to identify the related parties transactions reserved to the Management Board's competence;

s) ***the appointment of specialised Commissions with preparatory and advisory duties, made up of executive board members pursuant to article 25.1.1 letter d)***;

t) the designation of members of corporate bodies of subsidiaries, ***including executive board members;***

u) ***the approval of major internal regulations and the amendment thereof;***

v) ***the determination, after consultation with the Supervisory Board, of incentive and remuneration schemes for top managers working within the Company's organisational and***

As provided for under article 2436 of the Italian Civil Code and without prejudice to article 25.1 letter l) of the Company's Articles of Association, the Management Board is further exclusively responsible for the adoption of resolutions concerning mergers and demergers in the cases provided for under articles 2505 and 2505-bis of the Italian Civil Code.

Resolutions provided for by letters c), d), n), o), r) herein are taken on the basis of the proposal made by the Chairman of the Management Board. Resolutions provided for under the remaining letters above are taken on the basis of the proposal made by the Managing Director. Resolutions under letter s) above are taken on the basis of the proposal made by the Chairman of the Management Board in agreement with the Managing Director. The foregoing is without prejudice to the power to submit proposals of each member of the Management Board.

17.3.- Delegated powers.

For certain categories of legal acts and businesses, specific powers may be delegated to Managers, heads of single branches and other personnel, by determining the limits and means for the exercise of such delegated powers; the delegated parties shall act separately or jointly or through a committee.

17.4.- Subsidised and special lending.

With respect to activities concerning subsidised and special lending provided for by specific laws and regulations, decision-making and granting powers may be delegated to banks belonging to the Group, according to the limits and criteria which shall be subject to agreement between the counterparties involved.

17.5.- Exercise of delegated powers.

The Management Board determines the means through which the Board shall be informed of the decisions taken by the delegated bodies.

17.6.- Information.

The Management Board is informed by the Managing Director of matters provided for under article 19.3 on a monthly basis.

17.7.- Information to the Supervisory Board.

The Management Board shall promptly provide the information set forth in article 150 of Legislative Decree No. 58 dated 24th February 1998 to the Supervisory Board, and in any case at least every three months. The Management Board shall provide the Supervisory Board on a monthly basis with information on the main figures regarding operations development in the relevant period together with a benchmark comparison vis-à-vis the system.

operational structure, as well as of remunerations paid to managers of internal control functions appointed pursuant to letter l) of this Article.

As provided for under article 2436 of the Italian Civil Code and without prejudice to article 25.1.2 letter a) of the Company's Articles of Association, the Management Board is further exclusively responsible for the adoption of resolutions concerning mergers and demergers in the cases provided for under articles 2505 and 2505-bis of the Italian Civil Code.

Resolutions provided for by letters c), d), n), o), r) herein are taken on the basis of the proposal made by the Chairman of the Management Board. Resolutions provided for under the remaining letters above are taken on the basis of the proposal made by the Managing Director. Resolutions under letter s) above are taken on the basis of the proposal made by the Chairman of the Management Board in agreement with the Managing Director. The foregoing is without prejudice to the power to submit proposals of each member of the Management Board.

17.3.- Unchanged

17.4.- Unchanged

17.5.- Unchanged

17.6.- Unchanged

17.7.- Unchanged

Reasons for the changes

The proposed changes to the Articles of Association take into account, in particular, the following reference regulations:

- paragraphs 2.1. and 4 of Supervisory Provisions on corporate governance as regards respectively powers that cannot be delegated by the Management Board and remuneration-related tasks;
- Supervisory Provisions on compliance;
- Joint Regulation issued by Consob and by the Bank of Italy on 29 October 2007 on the organisation and processes of investment brokers.

Ref. 17.2, letter a)

The merely formal amendment to letter a) is the result of the rephrasing of article 25.1 in the Articles of Association.

Ref. 17.2, letter b)

In keeping with the requirements as per paragraph 3 of Supervisory Provisions on compliance with law provisions, it was made clear that one of the tasks that cannot be delegated is the Management Board's role in the drafting of the management policy as regards non-compliance risk. At the same time, it was pointed out in article 25.1.2, letter b) that such policies are subject to approval by the Supervisory Board.

Furthermore, it was deemed expedient to specify the Management Board's responsibility as a proponent body in the determination of strategic guidelines and of risk management policies, taking into account the statutory provision assigning to the Supervisory Board the sole responsibility for their approval (article 25.1., letter m), of the Articles of Association's current version, and article 25.1.2, letter b), as rephrased) and the need, mentioned by the Supervisory Authority, for a clear and precise definition of all matters falling within the Supervisory Board's decision-making scope, as well as to qualify the nature and extent of its decision-making power as compared with the Management Board's.

Ref. 17.2, letter f)

As regards equity investments, after assessing the option, authorised by the Bank of Italy, to delegate transactions that would *not entail any significant changes in the Group's scope of consolidation*, it is deemed more expedient not to amend the Articles of Association and to confirm the Management Board's exclusive decision power on changes.

Ref. 17.2, letter l)

The Management Board's exclusive power to appoint the *compliance department* manager is already provided for in the Articles of Association. In fact, article 17.2, letter l), permanently assigns to the Management Board the appointment of the Managers of internal functions whenever this is required by law provisions or regulations. As regards the control function, the requirement in the new supervisory regulations on the obtainment of the *Supervisory Board's prior opinion* was made clear in the Management Board's (article 14.3) and Supervisory Board's (article 7.1.4, par. 10) respective regulations.

The Joint Regulation issued by Consob and the Bank of Italy on 29 October 2007 on the organisation and processes of investment brokers identifies the control functions – i.e., compliance, risk management, and internal audit – which are subject to the approval by the corporate body in charge of strategic supervision; the Supervisory Board's favourable opinion is regarded as being tantamount to said approval.

Based on the Supervisory Provisions, it is deemed advisable to include the new procedure in the Articles of Association.

Ref. 17.2, letter q)

As anticipated in the comment on the proposed changes to provision 7.3 of the Articles of Association, in consistency with Supervisory Provisions entrusting to the Supervisory Board the sole responsibility to approve *remuneration policies for employees or other staff*, it is also necessary to establish the Management Board's corresponding power to draft the policies that will be submitted to the Supervisory Board's approval. Such powers were included in the Articles of Association as follows: in letter c) of the new article 25.1.2 (as regards the Supervisory Board's powers) and in *letter q) of article 17.2* (as regards the Management Board's powers) by a *cross reference* to the same letter c) of article 25.1.2, as rephrased.

Ref. 17.2, letter s)

Letter s) includes the appointment of *Specialised Commissions* among the Management Board's exclusive powers, with a twofold purpose: first, without prejudice to the principle of organic company management responsibility as entrusted to the Managing Director, to foster dialogue among members of the corporate body in charge of management, thus strengthening the collective decision-making process; and second, to

put into practice the principle, set forth in the Supervisory Provisions, of numerical superiority of executive board members within the Management Board.

Ref. 17.2, letter t)

The clarification added to letter t) is intended to ensure the correct implementation of the Supervisory Provisions, which assign to the Management Board the exclusive power to appoint executive board members of subsidiary companies (par. 2.1., Operational Guidelines, letter f, of the Provisions on corporate governance). Therefore, the new provision makes clear the power to *designate executive board members in subsidiary companies* (without prejudice to the power of the board of directors of such subsidiaries to appoint executive board members under article 2381, par. 3, of the Italian Civil Code).

Ref. 17.2, letter u)

It was decided to implement in the Articles of Association the Bank of Italy's instruction on the exclusive power of the Management Board to approve major internal regulations, by including in article 17.2 of the Articles of Association a new letter u) (see paragraph 2.1. of the Provisions on corporate governance, Operational Guidelines, letter b).

Ref. 17.2, letter v)

When introducing a new Management Board's competence among the exclusive powers that may not be delegated, we took into particular account the instruction in the Provisions on corporate governance, paragraph 4, Operational Guidelines, letter e). Without prejudice to the powers of the Management Board and Supervisory Board as regards the determination and approval of employees' remuneration policies, the new rule improved the rules on the involvement of strategic supervision bodies in the determination of incentive and *remuneration scales for top managers*, as required by the Bank of Italy, and introduced a similar process for the managers of *internal control functions*. Thus, the involvement of such bodies was qualified as regards the determination of incentive systems by the Management Board after obtaining the Supervisory Board's opinion.

Finally, the new cross reference to article 25.1.2, letter a) (instead of article 25.1, letter l) is a merely formal amendment resulting from the rephrasing of article 25.1 of the Articles of Association.

Article 18. Chairman of the Management Board.

18.1.- The Chairman of the Management Board shall:

- a) summon the Management Board, set the agenda for the meeting considering also the proposed resolutions formulated by the Managing Director and coordinate the meeting, ensuring that adequate information on matters in the agenda of the meeting are provided to all members;
- b) have the power to take action vis-à-vis any judicial or administrative authority, including the power to commence court actions, as well as to grant mandates, even of a general nature, in court proceedings, with the obligation of informing the Management Board on decisions taken;
- c) manage relations with the Supervisory Authorities, in agreement with the Managing Director;
- d) manage relations with the Supervisory Board and its Chairman;
- e) ensure that the Supervisory Board receives the information provided for by article 17.7. of the Company's Articles of Association in a timely manner;
- f) manage, together with the Chairman of the Supervisory Board, external communication of information regarding the Company;
- g) exercise all other functional powers in the exercise of his/her office.

18.2.- In urgent cases, (i) the Chairman of the Management Board or, in the case of his/her ab-

Article 18. Chairman of the Management Board.

18.1.- Unchanged

18.2.- In urgent cases, (i) the Chairman of the Management Board or, in the case of his/her ab-

sence or impediment, (ii) the Deputy Chairman, and should there be two Deputy Chairmen, the eldest as provided for by article 18.3 - in both cases in agreement with the Managing Director - may take resolutions on any matters within the powers of the Management Board, with the exception of the matters which may not be delegated and are solely within the powers of the Management Board other than resolutions regarding transactions with a value between 3% and 6% of consolidated regulatory capital, according to the provisions under letter q) second part of article 17.2. of the Articles of Association, as well as the designation of the members of the bodies of subsidiary companies as set forth by letter t) of the same article.

In case of urgency, the Managing Director has the sole lending power.

The Management Board must be informed of such decisions at the next meeting.

18.3.- Subject to Article 18.2, in the case of absence or impediment of the Chairman of the Management Board, Chairman functions are exercised by the Deputy Chairman of the Management Board or, in case of two Deputy Chairmen, by the longest-serving Deputy Chairman, intended as the Deputy Chairman with the longest uninterrupted service or, in the case of equal terms of service, by the eldest Deputy Chairman; in case of absence or impediment of the latter, such functions are exercised by the other Deputy Chairman, or in case of his/her absence or impediment, by the Managing Director or, in the case of absence or impediment of the Managing Director, Chairman functions shall be carried out by the longest-serving member of the Management Board and, in the case of equal terms of service, by the eldest member of the Management Board.

Vis-à-vis third parties, the signature of whoever substitutes the Chairman shall constitute evidence of absence or impediment of the Chairman.

Reasons for the changes

In line with the review of the decision-making scope of the Supervisory Board as per article 25.1, it was decided to amend the provision that governs the approval of *resolutions falling within the decision-making scope of the Management Board in pressing situations*, in order to make this provision consistent with the possibility to carry out transactions that, having a unit value lower than 6% of regulatory capital and being of strategic significance, would necessarily require the Supervisory Board's involvement. Furthermore, the wording of this article has been slightly rephrased for greater clarity.

sence or impediment, (ii) the Deputy Chairman, and should there be two Deputy Chairmen, the eldest as provided for by article 18.3 - in both cases in agreement with the Managing Director - may take resolutions on any matters within the powers of the Management Board, with the exception of the matters which may not be delegated and are solely within the powers of the **same** Board.

The same rules apply to the approval of urgent resolutions that may not be delegated as per Article 17.2 of the Articles of Association, concerning:

- transactions having a unit value exceeding 3% of the consolidated regulatory capital, and equal to or lower than 6% of said capital, pursuant to letter q) in the second part of article 17.2 of the Articles of Association, ***provided that such transactions are unrelated to matters for which a resolution, approval or authorization by the Supervisory Board is required under article 25.1 of the Articles of Association;***
- the designation of members of corporate bodies of subsidiaries, set forth by letter t) of the same article.

In case of urgency, the Managing Director has the sole lending power.

The Management Board must be informed of such decisions at the next meeting.

18.3.- Unchanged

Article 19. Managing Director.

19.1.- The Management Board, upon the indication of the Supervisory Board, appoints among its members a Managing Director with the qualified majority provided for by article 16.5.

19.2.- The Managing Director is the Chief Executive Officer and supervises the company's management within the powers he/she has been delegated in compliance with the general strategic guidelines set out by Company bodies.

He is responsible for personnel management and determines operational directives.

The Managing Director usually exercises the power to submit proposals to the Management Board and, in accordance with applicable regulations, submits lending transactions to credit approval.

The Managing Director ensures the implementation of the resolutions of the Management Board.

19.3.- The Managing Director ensures that the organisational, administrative and accounting structure is adequate considering the nature and dimensions of the Company and reports to the Management Board, at least every three months, on the general development of operations, their forecasted development as well as the most significant transactions carried out by the Company and by its subsidiaries. On a monthly basis the Management Board is provided with information on the main figures regarding operations development in the period together with a benchmarking vis-à-vis the system.

Article 20. Manager responsible for preparing the Company's financial reports.

20.1.- The Management Board, further to the mandatory opinion of the Supervisory Board, appoints and revokes, with the qualified majority provided for by article 16.5, the Manager responsible for preparing the Company's financial reports, provided for by article 154-bis of Legislative Decree No. 58 dated 24th February 1998, establishing his/her powers, means and remuneration.

20.2.- The Manager in charge of preparing the Company's financial reports shall be chosen among the Company's executives; must be enrolled with the Register of auditors and must meet professional requirements consisting in specific competencies as concerns:

- financial and accounting disclosures of issuers listed in regulated markets or their subsidiaries and
- management or control of the relevant administration procedures, matured for a period of at least five years in positions of responsibility of operating structures within the Company, the Group or other companies or entities comparable in terms of activities and organisational structures.

The Manager in charge of preparing the Compa-

Article 19. Managing Director.

Unchanged

Article 20. Manager responsible for preparing the Company's financial reports.

20.1.- Unchanged

20.2.- The Manager responsible for preparing the Company's financial reports shall be chosen among the Company's executives and must meet professional requirements consisting in specific competencies as concerns:

- financial and accounting disclosures of issuers listed in regulated markets or their subsidiaries and
- management or control of the relevant administration procedures, matured for a period of at least five years in positions of responsibility of operating structures within the Company, the Group or other companies or entities comparable in terms of activities and organisational structures.

The Manager responsible for preparing the Com-

ny's financial reports must also meet the integrity requirements set forth for members of control bodies of listed companies by the Regulation adopted pursuant to art. 148, par. 4, Legislative Decree No. 58 of 24th February 1998. The Management Board ascertains the existence of all the aforementioned requirements at the time of appointment.

20.3.- The Managing Director and the Manager in charge of preparing the Company's financial reports shall provide the assessments related to the economic and financial information required by law.

pany's financial reports must also meet the integrity requirements set forth for members of control bodies of listed companies by the Regulation adopted pursuant to art. 148, par. 4, Legislative Decree No. 58 of 24th February 1998. The Management Board ascertains the existence of all the aforementioned requirements at the time of appointment.

20.3.- Unchanged

Reasons for the changes

It was proposed to review the professional requirements for the Manager responsible for preparing the Company's financial reports, that are being brought into line with the less detailed standard observed in listed issuers. In particular, *the requirement of enrolment with the Register of auditors was removed*, whereas were confirmed the other requirements of integrity and professionalism currently provided for under article 20.2. of the Articles of Association.

Article 21. Legal representative. Signature powers.

21.1.- The Chairman of the Management Board shall be the Company's legal representative vis-à-vis third parties and in court and he/she shall have signature powers and, in the case of his/her absence or impediment, he/she is substituted by a Deputy Chairman according to seniority of service as set out in article 18.3 of the Articles of Association or, in case of equal terms of service, by the eldest Deputy Chairman; in case of absence also of the latter, the Chairman of the Management Board shall be substituted by the Managing Director. Vis-à-vis third parties, the signature of whoever substitutes the Chairman is evidence of the absence or impediment of the Chairman.

21.2.- Without prejudice to the foregoing, the Managing Director shall also be the Company's legal representative vis-à-vis third parties and in court and he/she shall have signature powers with respect to the matters delegated to him/her by the Management Board.

21.3.- The General Managers shall have signature powers and shall be the Company's legal representative for acts, contracts, documents and correspondence in general regarding the Company within the limits of the powers they have been delegated; in case of absence or impediment of the General Managers, legal representation and signature powers are attributed to their substitutes as provided for in their appointment act.

21.4.- For specific acts or categories of acts, the Management Board may grant the power to repre-

Article 21. Legal representative. Signature powers.

Unchanged

sent the Company and the related power to sign on behalf of the Company to individuals extraneous to the Company.

21.5.- The Management Board may authorise Company personnel to sign on behalf of the Company, normally jointly, for the categories of acts determined by the Board, even singularly.

21.6.- The Chairman of the Management Board may grant powers of attorney also to individuals extraneous to the Company, to sign specific acts or categories of acts, contracts and documents relating to transactions resolved upon by the Company's competent bodies.

The same faculty, within the limits of delegated powers, is granted to the Managing Director and to the General Managers as part of their functions and competences.

SECTION TWO — SUPERVISORY BOARD

Article 22. Supervisory Board.

22.1.- Composition.

The Supervisory Board is composed of a minimum of 15 (fifteen) and a maximum of 21 (twenty one) members, including non shareholders, appointed by the Shareholders' Meeting.

The members of the Supervisory Board must meet the integrity, professional and independence requirements provided for the applicable laws and regulations.

Furthermore, at least four Board members must be enrolled with the Register of auditors held by the Ministry of Justice and must have practiced as auditors for at least a three-year period and at least six members must meet the independence requirements provided for by the Corporate Governance Code promoted by the Italian Stock Exchange.

The requirement of enrolment with the Register of auditors and the independence requirements according to the Corporate Governance Code promoted by the Italian Stock Exchange may be met by the same person.

22.2.- Integration.

Where the number of members of the Supervisory Board is lower than the maximum number provided for above, the Shareholders' Meeting may increase their number during their term. The new members are appointed by the Ordinary Shareholders' Meeting as provided for by article 23 of the Articles of Association.

22.3.- Duration.

The members of the Supervisory Board shall remain in office for three financial years and their term of

SECTION TWO — SUPERVISORY BOARD

Article 22. Supervisory Board.

22.1.- Composition.

The Supervisory Board is composed of a minimum of 15 (fifteen) and a maximum of 21 (twenty one) members, including non shareholders, appointed by the Shareholders' Meeting.

The members of the Supervisory Board must meet the integrity, professional and independence requirements provided for the applicable laws and regulations.

Furthermore, at least four Board members must be enrolled with the Register of auditors held by the Ministry of Justice and must have practiced as auditors for at least a three-year period and at least **ten** members must meet the independence requirements provided for by the Corporate Governance Code promoted by the Italian Stock Exchange.

The requirement of enrolment with the Register of auditors and the independence requirements according to the Corporate Governance Code promoted by the Italian Stock Exchange may be met by the same person.

22.2.- Unchanged

22.3.- Unchanged

office shall expire at the date of the subsequent Shareholders' Meeting provided for by paragraph 2 of article 2364-*bis* of the Italian Civil Code and may be re-appointed.

Reasons for the changes

An increase from 6 to 10 of the minimum number of independent Board Members is suggested by the need for a reasonable organisational flexibility of the Committees.

Therefore, it was deemed advisable to increase from "six" to "ten", in article 22.1 of the Articles of Association, the number of Board Members who must meet the independence requirements provided for under the Corporate Governance Code promoted by Borsa Italiana S.p.A. (the Italian Stock Exchange).

Article 23. Election of the Supervisory Board.

23.1.- List of candidates.

The election of members of the Supervisory Board shall take place on the basis of lists prepared by Shareholders according to the following rules:

- a) Shareholders representing at least 0.5%, or the percentage set forth by regulations in force, of ordinary share capital may submit a list of candidates listed in order of progressive number. The lists must be deposited at the Company's registered office at least fifteen days before the date of the Shareholders' Meeting called to elect the Members of the Supervisory Board, together with the information relative to the Shareholders presenting the lists, with the indication of the total percentage stake held, as well as exhaustive information on the personal and professional characteristics of each candidate, of a declaration of each candidate attesting that he/she meets the requirements applied to all or certain of the Members of the Supervisory Board provided for by law, regulations and the Articles of Association, as well as a declaration in which he/she accepts the candidacy. In order to give evidence of the number of shares necessary to submit a list, Shareholders must include copies of the certificates showing that such certificates participate in the system of centralised management of financial instruments;
- b) each shareholder may not submit nor vote more than one list of candidates, even by proxy or by fiduciary companies. Each candidate may only be part of one list, if such condition is not met the candidate shall not be eligible;
- c) if at the expiry of the term provided for by letter a) only one list has been presented, the Company promptly informs the market via a press release sent to at least two press agencies; in this case, lists may be presented until the fifth subsequent day after the expiry provided for above, without prejudice to the other conditions and means of presentations provided for above;
- d) the foregoing shall be without prejudice to the other and further provisions set forth by law as concerns the means and terms of presentation and publication of the lists.

Article 23. Election of the Supervisory Board.

23.1.- Unchanged

23.2.- Voting.

In order to appoint the Supervisory Board the following procedure shall apply.

Members are selected proportionally from the lists which have obtained votes; for this purpose, the votes obtained by each of the lists are divided by one, two, three, four and so on according to the number of members to be appointed. The resulting ratios are progressively attributed to the candidates of each list according to the order of each list. The ratios so attributed are listed in decreasing order: the candidates with the highest ratios are elected members of the Supervisory Board.

23.3.- Equality of ratio and ballot.

Should more than one candidate obtain the same ratio, the preferred candidate shall be the candidate belonging to the list from which no Supervisory Board members, or the lower number of Supervisory Board members has been appointed.

If no Supervisory Board member has been appointed from those lists, or the same number of Supervisory Board members has been appointed from those lists, the preferred candidate shall be drawn from the list which has obtained the highest number of votes.

In case of equality of votes and ratio, the appointment shall take place by means of a ballot by the whole Shareholders' Meeting, and the candidate shall be appointed by a simple majority of votes cast.

23.4.- Supplementary mechanism.

If an insufficient number of Supervisory Board members with the requirements of independence provided for by the Corporate Governance Code promoted by the Italian Stock Exchange and/or the requirement provided for by article 22.1, paragraph 3 of the Articles of Association has been appointed, the candidate with the lowest ratio and who does not meet any of the above-mentioned two requirements will be excluded. The excluded candidate will be substituted by the subsequent candidate of the same list who meets such requirements. This procedure, if necessary, will be repeated until the number of Supervisory Board members to be appointed is completed. If, through the adoption of the aforementioned criterion, it is not possible to complete the number of Board members to be appointed, the Shareholders' Meeting shall appoint the other Supervisory Board members with resolution adopted by a simple majority of votes cast on proposal submitted by the shareholders attending the meeting.

23.5.- Supervisory Board Member appointed by minorities.

The application of provisions from 23.2 to 23.4 must in any case permit that at least one Supervisory Board Member be elected by minority shareholders who are not connected, even indirectly, with shareholders who have presented or voted the

23.2.- Unchanged

23.3.- Unchanged

23.4.- Unchanged

23.5.- Unchanged

list which resulted first in term of numbers of votes. For this purpose, where necessary, the elected candidate with the lowest ratio shall be substituted by the candidate with the immediately lower quotient presented by a list with the characteristics indicated above.

23.6.- Single list.

In case of presentation of one list only, all members of the Supervisory Board shall be appointed from such list.

23.6.- Unchanged

23.7.- No lists.

Should no list be submitted in a timely manner, the Meeting shall pass a resolution with the majority of votes of Shareholders attending the Meeting. In case of equality of votes, candidates shall be appointed by means of a further ballot.

23.7.- Unchanged

23.8.- Election of the Chairman and Deputy Chairmen of the Supervisory Board.

The Chairman and the two Deputy Chairmen shall be appointed by the Ordinary Shareholders' Meeting with special resolutions approved by the majority of attending shareholders.

23.8.- Unchanged

23.9.- Substitutions.

If a member of the Supervisory Board leaves service for whatever reason, he/she shall be substituted by the first non-appointed candidate belonging to the list of the Supervisory Board member leaving service, or the second non-appointed candidate if the first does not meet the requirements, set forth by law, regulation or the Articles of Association, of the member leaving service. If for whatever reason this is not possible, the member of the Supervisory Board who leaves service will be substituted without delay by the Ordinary Shareholders' Meeting with resolution passed by a simple majority of votes cast upon the proposal of the shareholders attending the meeting. The substitution of the Supervisory Board Member must in any case ensure the presence of at least one Member with the characteristics provided for by Article 23.5., even through the application of procedures set forth by regulations in force.

23.9.- Unchanged

23.10.- Incompatibilities.

The cases of incompatibility as well as the limits to the number of offices provided for by law, regulations and the Article of Association in force at the time of entry in office apply to Supervisory Board Members, without prejudice to different binding provisions set forth by law. The foregoing shall be without prejudice to the causes of ineligibility and disqualification from office set forth by law, regulation or Articles of Association.

23.10.- Unchanged

23.11.- Simul stabunt simul cadent.

If, for whatever reason, the majority of the members of the Supervisory Board resigns, the entire Supervi-

23.11.- Unchanged

sory Board must be considered replaced from the date in which the new appointed members take office. The Shareholders' Meeting for the appointment of the new Supervisory Board shall be called as soon as possible in accordance with the provisions of article 8.

23.12. - Revocation.

The members of the Supervisory Board may be revoked by the Shareholders' Meeting at any time, by a resolution passed with the favourable vote of at least one fifth of the share capital, without prejudice to the right of the revoked Member to be indemnified if the revocation occurs without just cause.

23.13.- Remuneration.

Members of the Supervisory Board are entitled, in addition to the reimbursement of expenses sustained due to their office, to a remuneration for the services rendered, which is determined for the entire period of their office by the Shareholders' Meeting at the time of their appointment. The Supervisory Board, after consultation with the Remuneration Committee, shall determine the remuneration for the Chairman, for the Deputy Chairmen and for the members of the Supervisory Board who have been assigned particular offices, powers or functions by the Articles of Association or by the Supervisory Board.

23.12.- Unchanged

23.13.- Remuneration.

Members of the Supervisory Board are entitled, in addition to the reimbursement of expenses sustained due to their office, to a remuneration for the services rendered, which is determined for the entire period of their office by the Shareholders' Meeting at the time of their appointment, ***taking also into account the remunerations due to Board members appointed to special offices.***

Reasons for the changes

Pursuant to paragraph 4 of Supervisory Provisions on corporate governance, we reviewed the contents of article 23.13 of the Articles of Association, whose current version delegates to the Supervisory Board, rather than to the Meeting, the remuneration of Supervisory Board members appointed to special offices. The dual corporate governance system, as regulated by the Bank of Italy, seems to admit the self-regulation powers of the Supervisory Board, limited however by the Shareholders' Meeting's prerogative to predetermine its compensation. In this regard, it seems advisable to enhance as much as possible the conditions of operational flexibility of the Board, by providing for the Meeting to resolve on Board members' remuneration for the period they remain in office, including for any further mandates not expressly provided for under the Articles of Association and granted by the Supervisory Board, such as the office of Chairman of Committee. The second paragraph of article 23.13 was consequently deleted.

Article 24. Meetings and resolutions of the Supervisory Board.

24.1.- Convocation.

The Chairman of the Supervisory Board shall summon the Supervisory Board on his/her own initiative and in the cases provided for by law or by the Articles of Association, he/she shall chair Board meetings and set the agenda ensuring that adequate information on the matters on the agenda of the meeting is provided to all Supervisory Board members.

24.2.- Meetings recurrence.

The Supervisory Board shall generally meet at least once a month.

Article 24. Meetings and resolutions of the Supervisory Board.

24.1.- Unchanged

24.2.- Unamended

24.3.- Convocation request.

The Chairman shall summon the Supervisory Board upon the request of any one member and shall indicate the matters to be discussed.

24.3.- Unchanged

24.4.- Place.

The Supervisory Board meetings shall generally be held alternatively at the registered office or at the secondary office of the Company or exceptionally in another location on the Italian territory.

24.4.- Unchanged

24.5.- Convocation notice.

The convocation notice, including the agenda of the meeting, must be sent to the Supervisory Board members at least four days before the date scheduled for the meeting, by any means appropriate to supply evidence of receipt. In cases of particular urgency, the meeting may be called with a 24-hour advance notice sent by any suitable means. The notice may also contain the indication of the places from which to participate through remote connection systems as provided for by article 24.6.

24.5.- Unchanged

24.6.- Meetings.

Meetings of the Supervisory Board can be validly held by way of adequate remote connection systems, provided that the identity of those present can be verified and that those attending the meeting are allowed to follow the discussion and intervene in real time with regard to the matters on the agenda as well as view, receive and transmit documents. At least the Chairman and the Secretary must always be physically present at the venue officially designated as that in which the Board Meeting is deemed to have taken place.

24.6.- Unchanged

24.7.- Validity and majority.

For the validity of the decisions of the Supervisory Board a majority of its members in office must be present at the meeting. Decisions are taken with the absolute majority of the votes of the members attending the meeting; in case of dead-lock, the Chairman of the Meeting shall have the casting vote.

24.7.- Unchanged

24.8.- Resolutions with qualified majorities.

The majority of Supervisory Board members in office shall be required for resolutions regarding the appointment of the Chairman and one or two Deputy Chairmen of the Management Board.

24.8.- Unchanged

24.9. - Interests of Members of the Supervisory Board.

A Member of the Supervisory Board who has an interest, for his own or third parties' benefit, in a certain transaction of the Company which is deemed significant under article 25.1.2 of the Articles of Association, shall disclose such interest and state its nature, terms, origin and extent. The resolution of the Super-

visory Board shall provide adequate reasons for the transaction and explain its profitability for the Company.

24.9.- Minutes and copies.

The minutes of the resolutions of the Supervisory Board are prepared and recorded on the register of the minutes under the care of a Secretary appointed by the Board, if the minutes are not required to be drafted by a notary public.

Copies and extracts of the minutes, when not taken by a notary public, are certified by the declaration of conformity signed by the Chairman and the Secretary.

24.10.- Minutes and copies.

The minutes of the resolutions of the Supervisory Board are prepared and recorded on the register of the minutes under the care of a Secretary appointed by the Board, if the minutes are not required to be drafted by a notary public.

Copies and extracts of the minutes, when not taken by a notary public, are certified by the declaration of conformity signed by the Chairman and the Secretary.

Reasons for the changes

The supervisory instructions require that *interests of Supervisory Board members be regulated by the Articles of Association* (paragraph 2.1., Operational Guidelines, letter g). At the present time, a disclosure obligation by Supervisory Board Members is provided for in article 3.2. of Supervisory Board regulations.

The introduction after article 24.8 of the Articles of Association of a new article has been provided for to comply with the supervisory regulation concerning the performance of strategic supervision functions as per article 25.1.2 of the Articles of Association. The new article will state: i) the Supervisory Board Members' obligation to disclose in a timely and comprehensive manner the nature, the terms, the origin and the extent of any interest they may have in any transaction for their own or third parties' benefit, and ii) the grounds for approving a resolution on the reasons of a transaction and on its profitability for the Company.

The new provisions will be included in the Articles of Association without prejudice to the provisions of article 136 of the Consolidated Banking Law.

As regards the rules on related parties, it seems more expedient to wait for the reform regulations to be issued, which Consob has announced as imminent, before we amend our Articles of Association. Besides, the current corporate governance rules, adopted by the Company in compliance with the Stock Exchange Code, shall remain in force.

Article 24.9 has been renumbered as article 24.10.

Article 25. Competence of the Supervisory Board.

25.1.- Matters of competence.

The Supervisory Board shall:

- a) upon the proposal submitted by the Nomination Committee, appoint and revoke the members of the Management Board, the Chairman and one or two Deputy Chairmen of the Management Board and determine their remuneration, after consultation with the Remuneration Committee; also determine, after consultation with the Remuneration Committee, the remuneration of the Managing Director and of the members of the Management Board who have been appointed to particular offices or delegated particular powers or who have been appointed as members of Committees or Commissions pursuant to article 15;
- b) approve the Parent Company's financial statements and the consolidated financial statements;
- c) exercise the supervisory functions set forth by article 149, par. 1 and 3, of Legislative Decree No. 58 dated 24th February 1998;
- d) act against members of the Management Board;

Article 25. Competence of the Supervisory Board.

25.1.- Matters of competence.

The Supervisory Board ***shall, within the scope of its decision-making powers, perform direction, strategic supervision and control tasks under the terms governed by this article.***

25.1.1 The Supervisory Board shall:

- a. upon the proposal submitted by the Nomination Committee, appoint and remove the members of the Management Board, the Chairman and one or two Deputy Chairmen of the Management Board and determine their remuneration, after consultation with the Remuneration Committee; also determine, after consultation with the Remuneration Committee, the remuneration of the Managing Director and of the members of the Management Board ***who have been appointed as members of Commissions pursuant to article 15, or*** who have been given special offices, duties or powers of attorney;
- b. approve the Parent Company's financial statements and the consolidated financial statements;

e) make filings with the Bank of Italy pursuant to article 70, par. 7, of Legislative Decree No. 385 dated 1st September 1993;

f) report in writing to the Shareholders' Meeting summoned pursuant to art. 2364-*bis* of the Italian Civil Code on the supervisory activities performed and on any omissions and reprehensible facts as well as, in the case of any Ordinary and Extraordinary Shareholders' Meeting, on matters within its competences;

g) inform the Bank of Italy without delay of all the other acts or facts, which come to its knowledge in the exercise of its duties, which may represent management irregularities or a violation of the regulations concerning banking activities;

h) indicate to the Management Board the Managing Director and express a mandatory opinion on the Manager in charge of preparing the Company's financial reports pursuant to art. 154-*bis* of Legislative Decree No. 58 dated 24th February 1998;

i) resolve upon the Company's and the Group's cultural initiatives, with particular reference to the valorisation of the historic, archaeological and artistic heritage and the management of the Allowance for charitable, social and cultural contributions, verifying that the programmed initiatives are consistent with declared objectives;

l) upon the proposal of the Management Board, resolve upon the Company's and the Group's general strategic guidelines; approve the business and/or financial plans and the budgets of the Company and the Group prepared by the Management Board, without prejudice to the latter's responsibility for the acts performed; authorise strategic transactions. Moreover, in particular, the Supervisory Board shall authorise:

(i) the proposals by the Management Board to be submitted to the Shareholders' Meeting in respect of transactions concerning the Company's share capital, issue of convertible bonds and bonds *cum warrant* convertible into shares of the Company, mergers and demergers and other amendments to the Articles of Association, without prejudice to the shareholders' powers to submit proposals pursuant to applicable law;

(ii) purchases or sales by the Company or subsidiaries of controlling equity stakes in companies with considerable strategic value or unit value exceeding 6% of consolidated regulatory capital, as well as the purchase or sale of businesses, portfolio of assets, and business lines of considerable strategic value;

(iii) investments or disinvestments of strategic value and/or which entail a commitment for the Company which exceeds for each transaction 6% of consolidated regulatory capital;

(iv) signature of commercial, collaboration or shareholders agreements of strategic value.

m) approve the strategic guidelines and the risk management policies, assess the degree of efficiency and adequacy of the internal audit system, with

c. **[former d]** act against members of the Management Board;

d. **[former h]** indicate to the Management Board the Managing Director **and executive board members in compliance with supervisory regulations in force**; express a mandatory opinion on the Manager in charge of preparing the Company's financial reports pursuant to art. 154-*bis* of Legislative Decree No. 58 dated 24th February 1998.

25.1.2 The Supervisory Board, upon the proposal of the Management Board, shall:

a. **[former l]** resolve upon the Company's and the Group's general programmes and strategic guidelines; approve the business and/or financial plans, the budgets of the Company and the Group, **and the changes thereto**; authorise strategic transactions.

In this specific respect, the Supervisory Board authorises:

(i) Management Board proposals to be submitted to the Shareholders' Meeting on share capital transactions, issues of convertible bonds and bonds *cum warrant* of the Company, mergers and spin-offs and other amendments to the Articles of Association, without prejudice to the shareholders' powers to submit proposals as envisaged by law;

(ii) purchases or sales by the Company and its subsidiaries, of controlling stakes in companies whose unit value exceeds 6% of consolidated regulatory capital;

(iii) investments or disinvestments entailing commitments for the Company for a total amount exceeding, for each transaction, 6% of consolidated regulatory capital;

(iv) the following transactions, if not attributable to business and/or financial plans and to budgets of the Company and of the Group prepared by the Management Board (and to any amendments thereto) previously approved by the Supervisory Board;

I. the purchase, by the Bank and/or its subsidiaries, of controlling stakes – as defined in article 23 of Legislative Decree No. 385 of 1st September 1993 (Consolidated Banking Law) – in companies, or the purchase of firms, of business lines, of assets and legal relationships identifiable en bloc under article 58 of the Consolidated Banking Law, whose finalization is subject to an authorisation: by Italian Regulatory Authorities, if the transaction is worth over 1.5 billion euro; by the Supervisory Authorities of other EU and non-EU countries, if the transaction is worth over 1 billion euro;

II. the sale, by the Bank and/or its subsidiaries, of controlling stakes – as de-

particular reference to risk control, the functioning of internal auditing and the accounting system; also verify the correct exercise of strategic and operational control activities performed by the Parent Company over Group companies;

n) exercise any other power set forth by regulations applicable from time to time or by the Articles of Association.

The Supervisory Board may indicate the criteria for the identification of the strategic operations to be submitted for its approval.

financed in article 23 of the Consolidated Banking Law – in companies, or firms, business lines, assets and legal relationships identifiable en bloc under article 58 of the Consolidated Banking Law, whose value exceeds 1 billion euro and/or requiring the issue of guarantees worth over 1.5 billion euro, or whose value cannot be assessed;

III. investments and disinvestments, other than those under a) and b), worth over 1 billion euro;

IV. the stipulation of trade agreements, cooperation agreements and shareholders' agreements, including business combinations or partnerships with other national or international groups, such as would significantly alter the goals assigned by the business plan to the Bank's Business Units;

(v) all transactions listed under item (iv) above, regardless of monetary ceilings mentioned therein, such as might lead to the assumption of a reputational risk under the terms defined by the Prudential Supervision Instructions for Banks issued by the Bank of Italy in the context of the Internal Capital Adequacy Assessment Process (ICAAP) and regulated by the Guidelines adopted by the Bank on this subject, whenever not falling within the parameters indicated therein;

(vi) the establishment of assets to be allocated to a specific transaction.

b. [former m, in part] approve guidelines and policies related to risk management including the policy relative to the risk of non-compliance and to internal control management;

c. approve policies on the remuneration of employees and other staff not bound to the Company by an employment agreement.

Furthermore, the Supervisory Board can convey to the Management Board its stance, in order for the relevant proposal to be drafted, with reference to strategic transactions provided for under this article 25.1.2, letter a. under items (i) – to the extent that said transactions have a unit value exceeding 6% of regulatory capital, (ii) and (iii).

All the above in any case will be without prejudice to the Management Board's responsibility for action taken.

25.1.3 As regards the control function, the Supervisory Board shall:

a. *[former m, in part] assess the degree of efficiency and adequacy of the internal audit system, with particular reference to risk control, the functioning*

of internal auditing and the accounting information system; also verify the correct exercise of strategic and operational control activities performed by the Parent Company over Group companies;

b. **[former c]** exercise the supervisory functions set forth by article 149, par. 1 and 3, of Legislative Decree No. 58 dated 24th February 1998;

c. **[former e]** make filings with the Bank of Italy pursuant to article 70, par. 7, of Legislative Decree No. 385 dated 1st September 1993;

d. **[former f]** report in writing to the Shareholders' Meeting summoned pursuant to art. 2364-*bis* of the Italian Civil Code on the supervisory activities performed and on any omissions and reprehensible facts as well as, in the case of any Ordinary and Extraordinary Shareholders' Meeting, on matters within its competences;

e. **[former g]** inform the Bank of Italy without delay of all the other acts or facts, which come to its knowledge in the exercise of its duties, which may represent management irregularities or a violation of the regulations concerning banking activities;

25.1.4 Furthermore, the Supervisory Board shall:

a. **[former i]** resolve upon the Company's and the Group's cultural initiatives, with particular reference to the valorisation of the historic, archaeological and artistic heritage and the management of the Allowance for charitable, social and cultural contributions, verifying that the programmed initiatives are consistent with declared objectives;

b. **[former n]** exercise any other power set forth by regulations applicable from time to time or by the Articles of Association.

25.2.- Other matters of competence.

The resolutions on the matters listed below are also attributed to the Supervisory Board, as provided for by art. 2436 of the Italian Civil Code:

- a) establishment or winding up of secondary registered offices;
- b) reduction of share capital in case of withdrawal of a shareholder;
- c) amendments to the Articles of Association to comply with provisions of law.

25.3.- Powers of supervision

The Supervisory Board and its members shall exercise the powers provided for by article 151-*bis* of Legislative Decree No. 58 dated 24th February 1998, according to the terms and conditions set out thereof.

25.2.- Other matters of competence.

Unchanged

25.3.- Powers of supervision

The Supervisory Board and its members shall exercise the powers provided for by article 151-*bis* of Legislative Decree No. 58 dated 24th February 1998, according to the terms and conditions set out therein.

For the purposes of a more effective and functional exercise of the powers to obtain information on Management Board Members as per article 151-bis of Legislative Decree no. 58 dated 24 February 1998, as a rule, relevant requests are forwarded to the Chairman of the Management Board and to the Managing Director through the Chairman of the Super-

25.4.- Nomination Committee, Remuneration Committee and Control Committee.

The Supervisory Board shall establish a Nomination Committee, composed of 5 (five) members, among which the Chairman of the Supervisory Board who shall chair the Committee. The Nomination Committee shall be responsible for selecting and proposing appointments to the Management Board.

The Supervisory Board shall establish a Remuneration Committee, composed of 3 (three) members, which shall be responsible for proposing and consulting on the remuneration in accordance with applicable law and the Articles of Association, and shall determine the regulation of the Remuneration Committee.

The Supervisory Board shall establish, for the purpose of facilitating the exercise of its control and supervision functions, a specific Control Committee, composed of 5 (five) members, determining the powers, means and regulations of the Control Committee, as well as the means and terms of the information to be provided to the Supervisory Board.

Without prejudice to the application of specific regulatory and/or supervisory regulations, the members of the Control Committee shall be chosen among members of the Supervisory Board meeting the requirements of independence provided for by the Corporate Governance Code promoted by the Italian Stock Exchange, and at least three of these must be enrolled with the Register of Auditors and must have practiced as auditors for at least three years.

In particular, the Control Committee proposes, consults and enquires on matters regarding internal controls system, risk management and the ICT and accounting system. The Committee may at any time carry out inspections and controls as well as exchange information with the control bodies of Group companies with respect to management and control systems and the general performance of the business.

Members of the Committee shall attend the Management Board meetings.

visory Board. The relevant information is forwarded to all Management Board Members.

25.4.- Control Committee

The Supervisory Board shall establish, for the purpose of facilitating the exercise of its control and supervision functions, a specific Control Committee, composed of 5 (five) members, determining the powers, means and regulations of the Control Committee, as well as the means and terms of the information to be provided to the Supervisory Board.

Without prejudice to the enforcement of specific regulations and/or supervisory rules, the members of the Control Committee shall be selected among the members of the Supervisory Board, ***except its Chairman. All members of the Control Committee shall have*** the independence requirements provided for by the Corporate Governance Code promoted by Borsa Italiana S.p.A., ***as well as any further independence requirements provided for by the law and regulations in force***, and at least three of them must be enrolled with the Register of Auditors and must have practiced as auditors for at least three years.

Without prejudice to the provisions of article 23.12, the Shareholders' Meeting, by means of a duly justified resolution, may remove any members of the Supervisory Board who are also members of the Control Committee.

The Supervisory Board, by a duly justified resolution, may replace any members of the Control Committee.

In particular, the Control Committee proposes, consults and enquires on matters regarding internal controls system, risk management and the ICT and accounting system. The Committee may at any time, through the Company's appropriate functions, carry out inspections and controls, ***including upon request by the Supervisory Board***, and exchange information with the control bodies of Group companies with respect to their management and control systems and the general performance of their business.

The Control Committee is the permanent reference point for the Company's organisational structures in charge of control functions; from such structures the Control Committee obtains periodic reports or briefings on specific situations or company trends, and promptly informs the Supervisory Board of any action or fact that may be regarded as significant under article 52 of Legislative Decree No. 385 of 1st September 1993.

Members of the Committee shall attend the Management Board meetings.

25.5- Nomination Committee and Remuneration Committee

Within the Supervisory Board a Remuneration

Committee shall be established, composed of 5 (five) members, including the Chairman of the Supervisory Board who shall chair the Committee, and shall determine the regulation of the Nomination Committee. The Nomination Committee shall be responsible for selecting and proposing appointments to the Management Board. Within the Supervisory Board a Remuneration Committee shall be established, composed of 3 (three) members, which shall be responsible for proposing and consulting on the remuneration in accordance with applicable law and the Articles of Association, and shall determine the regulation of the Remuneration Committee. The majority of the members of the Nomination Committee and of the Remuneration Committee shall have the independence requirements provided for by the Corporate Governance Code promoted by Borsa Italiana S.p.A., as well as the further independence requisites provided for by the law and by regulations in force.

25.5.- Other Committees.

The Supervisory Board may establish Technical Committees or Commissions with advisory functions.

25.6.- Other Committees.

The Supervisory Board may establish Technical Committees or Commissions with advisory functions.

Reasons for the changes

Article 25.1 - Matters of competence.

The proposed changes to the Articles of Association take into account, in particular, the following reference regulations:

- paragraphs 2.1.- 2.2. and 4 of the Supervisory Provisions on corporate governance as regards respectively powers related to the performance of the strategic supervision and control function and to remuneration-related tasks;
- Supervisory Provisions on compliance;
- Joint Regulation issued by Consob and by the Bank of Italy on 29 October 2007 on the organisation and processes of investment brokers.

In general, Supervisory Provisions require that the Articles of Association of banks which adopt the dual system should clearly determine the matters of competence of the Supervisory Board, limiting them to really strategic transactions, they should define the nature and the extent of the Supervisory Board's decision-making power and identify the strategic transactions for which the Supervisory Board may convey its stance to the Management Board for the latter to prepare the relevant proposal.

With a view to the correct implementation of Supervisory Provisions, we proceeded to the systematic reorganisation of article 25.1 which sets out the matters of competence of the Supervisory Board, specifying the types of transactions regarded as strategic and the transactions on which the Supervisory Board may convey its stance to the Management Board.

According to the new article 25.1.1, letter d), of the Articles of Association, the Supervisory Board shall make clear, when determining the composition of the Management Board, in compliance with supervisory regulations providing for a numerical superiority of executive members within the Board, which members should - beside the Managing Director - hold the required executive profile.

The new article 25.1.2., letter a), of the Articles of Association, identifies more clearly the transactions to be regarded as strategic. In this respect, the outcome of recent discussions was taken into account when drafting the Supervisory Board Regulations dated 1 July 2008 (article 7.1.2. of the Supervisory Board Regulations). The previous approach was amended deleting the provision that allowed the Supervisory Board to determine the identification criteria for the strategic transactions to be submitted to its approval, although it is deemed reasonable that, if clear directions are available in the Articles of Association, the Supervisory Board Regulations may qualify the criteria set out by the Articles of Association, without broadening them.

Article 25.1.2 letter b), in keeping with the provisions of paragraph 3 of Supervisory Provisions on compli-

ance with law provisions, made clear the Supervisory Board's power to approve policies relating to the management of non-compliance risk. Similarly, the Management Board's role is explained in art. 17.2. As regards employees' remunerations and incentives, the Articles of Association state the Supervisory Board's power to approve, following a proposal by the Management Board, the *remuneration policies of employees and other staff*, as previously mentioned in the comment to articles 7.3. and 17.2. of the Articles of Association. . The proposed changes were implemented by the rephrasing of article 25.1.2, under letter c. As regards the involvement in the determination of *incentive and remunerations systems for top managers*, article 17.2. provides for the introduction of a new provision attributing to the Management Board the responsibility to determine such remuneration scales, after consultation with the Supervisory Board, similarly to article 27 of the Articles of Association currently in force, that deals with appointments, revocations and remunerations of General Managers. The penultimate paragraph of article 25.1.2, in keeping with the Bank of Italy's instructions, lists all instances when the Supervisory Board may convey its stance to the Management Board, for the latter to draft the proposals on major strategic transactions.

25.3.- Powers of supervision

Supervisory Provisions require that the articles of association of banks that adopt the the dual system should assign to *Supervisory Board members the power to ask information to Management Board members*, and define the rules to exercise this prerogative (see paragraph 2.2. of Provisions on corporate governance, Operational Guidelines, letter i).

Such power is already provided for in article 25.3. of the Articles of Association, with a cross reference to art. 151-*bis* of the Consolidated Law on Finance. It should also be remembered that the standardised information flows from the Management Board to the Supervisory Board, already provided for in the Articles of Association, constitute an orderly response to the information needs of Supervisory Board Members. Furthermore, the Supervisory Board regulations (article 7.2, third paragraph) set out the rules to exercise this power, including towards subsidiary companies.

Nevertheless, it was deemed necessary to define in the Articles of Association the proper rules to exercise the inquiry power, so as not to interfere with business operations. In this respect, it was arranged for the inquiries by Supervisory Board members to be generally channeled through the Supervisory Board Chairman, the Management Board Chairman and the Managing Director, without prejudice to the possibility to request the information directly to the administrative and control bodies of the relevant subsidiary companies. Furthermore, Control Committee members attend Management Board meetings and are therefore permanently entitled to request information to Management Board Members.

Besides, the Provisions on corporate governance seem to provide for the Articles of Association – in particular, for the adoption the dual system - to contemplate specific rules as to the *duties and powers of the Supervisory Board* (as compared to the reference regulations), in order to facilitate the *disclosures to the Bank of Italy of the information as per article 52 of the Consolidated Banking Law* (see paragraph 2.2.).

The Supervisory Board's duty to report to the Bank of Italy any management irregularities and regulation breaches is already established in the current wording of article 25.1 letter g) of the Articles of Association and in the proposed new version of article 25.1.3, letter e).

In the context of the action taken to enhance the Board's supervisory functions, also for the purpose of facilitating the disclosures as per article 52 of the Consolidated Banking Law, article 25.4. of the Articles of Association establishes that periodic and specific information flows be sent by control functions to the Control Committee.

25.4- Control Committee

Article 25.4., under the title "Control Committee", sets out the rules on the Control Committee, including some new provisions.

Among the other precautions aimed at *strengthening the independence and effectiveness of the control function*, article 25.4. of the Articles of Association stipulates that the *Chairman of the Supervisory Board cannot be a member of the Control Committee*.

It is further made clear that *all* Control Committee members shall be *independent* members according to the definition thereof given in the Corporate Governance Code, and in keeping with legal and regulatory provisions, thus abiding by higher standards than those adopted by other listed companies.

In keeping with the Supervisory Provisions, the obligation was introduced to specify a satisfactory *reason for the resolutions*, respectively passed by the Shareholders' Meeting or by the Supervisory Board, providing for the *removal or replacement* of Control Committee members (Paragraph 2.2. of Operational Guidelines, letter k).

As regards the exercise of *inspection powers* by the Control Committee, it is already provided for in the Articles of Association that the Committee is entitled "at any time to carry out inspections and checks", it being

made clear that the inspection power may be exercised following a request by the Supervisory Board, as indicated by the Regulatory Authority (see Paragraph 2.2. of Operational Guidelines, letter h) and note 17). As anticipated in the comment on article 25.1., in the context of the action taken to enhance the Board's supervisory functions, also for the purpose of facilitating the disclosures to Bank of Italy as per article 52 of the Consolidated Banking Law, it was deemed advisable to define in the Articles of Association the role of the Control Committee as a steady reference for the internal control functions, making it clear that the Committee receives from said functions disclosures both periodic and specific.

Lastly, it is worth noting that article 25.4 of the current Articles of Association already obligates Control Committee members to *attend Management Board meetings*, in compliance with the Supervisory Provisions. Please note that Management Board internal Regulations state that the Board meetings may be attended - although without voting rights - by the Secretary of the Supervisory Board and by Control Committee members.

25.5 - Nomination Committee and Remuneration Committee

Article 25.5 is renamed "Nomination Committee and Remuneration Committee", whereas the above article 25.4 governs the Control Committee.

Supervisory Provisions do not expressly require a provision in the Articles of Association on the inclusion of independent members in the Committees, and rule on this subject by means of a regulation that is directly applicable. However, the Supervisory Authority recommends that a provision be introduced in the Articles of Association to establish a majority of independent members in the Remuneration Committee.

It is therefore proposed to introduce in the Articles of Association this provision on the Remuneration Committee and, at the same time, to apply the same requirement to the Nomination Committee, in compliance with the rules of the Corporate Governance Code promoted by Borsa Italiana S.p.A. and already regularly enforced by the Bank. The independence requirement is defined in keeping with the provisions of the Corporate Governance Code and with the legal and regulatory provisions in force.

25.6 – Other Committees - Article 25.5 is renumbered as article 25.6.

Article 26. Chairman of the Supervisory Board.

26.1.- In addition to the provisions of articles 10.1 and 24.1, the Chairman of the Supervisory Board, in a functional manner to the competencies of the Board itself, shall:

- a) coordinate the work of the Supervisory Board;
- b) receive the proposals submitted by the Management Board in respect of matters to be submitted to the approval of the Supervisory Board for its approval, including those regarding the strategies and general guidelines of the Company and Group, formulating proposals on such matters;
- c) submit to the Supervisory Board proposals relating to the Company's control activities, and in particular to the consistency of the latter with the strategies and general guidelines approved by the Supervisory Board;
- d) exercise the functions of supervision over and activation of corporate bodies, control procedures and systems over the activities of the Company and the Group, including through the request and receipt of information from the Manager in charge of preparing the Company's financial reports and from the other persons responsible for the other related functions;
- e) activate the information instruments necessary to monitor the correctness and adequacy of the organisational structure and the accounting system adopted by the Company and the Group;
- f) supervise the relations with Shareholders, and verify that such relations are managed correctly, in agreement with the Chairman of the Management

Article 26. Chairman of the Supervisory Board.

Unchanged

Board and with the Managing Director;

g) manage relations with the Supervisory Authorities as part and for the purposes of the control and supervision activities of the Supervisory Board;

h) manage the necessary and appropriate relations with the Management Board and, in particular, with its Chairman and/or the Managing Director;

i) request and receive information on specific aspects of the Company's and the Group's operations and on current and future trends of operations;

l) for the purposes of article 25.1, supervise the management of external communication of information regarding the Company, in agreement with the Chairman of the Management Board and with the Managing Director;

m) programme, after consultation with the Chairman of the Management Board and the Managing Director, and manage the Company's and the Group's cultural initiatives, to be submitted to the Supervisory Board, with particular reference to the valorisation of the historic, archaeological and artistic heritage and to the management of the "Allowance for charitable, social and cultural contributions";

n) exercise all other functional powers in the exercise of his/her office.

26.2.- In the case of absence or impediment of the Chairman of the Supervisory Board, the longest-serving Deputy Chairman of the Supervisory Board, intended as the Deputy Chairman with the longest uninterrupted service or, in the case of equal terms of service, by the eldest Deputy Chairman, performs his/her functions; in the case of absence or impediment of the latter, functions are performed by the other Deputy Chairman, or in the case of his/her absence or impediment, by the longest-serving member of the Supervisory Board present and, in the case of equal terms of service, by the eldest Supervisory Board member present.

Article 27. General Managers.

The Management Board, upon proposal by the Managing Director and after consultation with the Supervisory Board, shall appoint, revoke and determine the powers and remuneration of one or more General Managers who report to the Managing Director according to their respective functions and competences. One General Manager may substitute the Managing Director, except for functions which must be performed by the latter.

TITLE VI FINANCIAL STATEMENTS - NET INCOME – SAVING SHARES

Article 28. Financial statements and net income.
28.1.- The Company's financial year closes on 31st December of each year.

Article 27. General Managers.

Unchanged

TITLE VI FINANCIAL STATEMENTS - NET INCOME – SAVING SHARES

Article 28. Financial statements and net income.
Unchanged

28.2.- The Management Board shall prepare the drafts of the Parent Company' s financial statements and consolidated financial statements in accordance with legal requirements.

28.3.- Net income as reported in the financial statements, net of the portion allocated to legal reserves, and the portion which is not available pursuant to the law, shall be distributed as follows:

a) a dividend of up to 5% of the nominal value of the non-convertible saving shares shall be distributed to non-convertible saving shares.

If in a financial year the dividend is less than 5% of the nominal value of the non-convertible saving shares, the difference shall be added to the preferred dividend paid in the following two accounting periods;

b) the remaining net income made available for distribution by the Shareholders' Meeting, shall be allocated to all shares so that the dividend attributable to non-convertible saving shares shall exceed the dividend attributable to ordinary shares by an amount equal to 2% of the nominal value of the shares;

c) any excess funds shall be allocated to the extraordinary and other reserves, without prejudice to the fact that a portion of such earnings may be used for charities and to support social and cultural activities, through the creation of a specific reserve.

28.4.- Unclaimed and forfeited dividends shall be remitted to the Company and allocated to the extraordinary reserve.

Article 29. Saving shares.

29.1.- Saving shares, which may be in bearer form, entitle the holder to attend and vote at the Special Meeting of saving shareholders.

29.2.- Saving shares shall receive privileged dividends as set forth in article 28.3.

29.3.- Saving shares have the same rights as other shares in the event of the distribution of reserves.

29.4.- In the case of liquidation of the Company, saving shares shall have pre-emptive rights with regard to the reimbursement of the entire nominal value of the shares.

The reduction of share capital due to losses does not result in the reduction in the nominal value of saving shares, with the exception of the part which exceeds the total nominal value of other shares.

29.5.- In the case of exclusion of the Company's ordinary or saving shares from trading in regulated markets, the saving shares retain their rights and characteristics, unless otherwise resolved upon by the Extraordinary and Special Shareholders' Meetings.

Article 29. Saving shares.

Unchanged

29.6.- The Common Representative of saving share holders is appointed for three financial years.

The remuneration of the Common Representative is set at 10% (ten per cent) of the remuneration provided for the office of a chairman of a board of statutory auditors based on the Professional Tariffs of Italian “Dottori Commercialisti” and shall be paid by the Company.

The Special Meeting can resolve upon a further remuneration, which shall be paid from the reserve set up to cover expenses necessary to safeguard common interests.

29.7.- The Common Representative has the obligations and powers provided for by law. The Chairman of the Management Board shall inform the Common Representative without delay, by means of specific communications, about Company operations which may influence the price of saving shares and in particular about proposals which the Management Board has resolved to submit for the approval of the Shareholders’ Meeting regarding transactions on the Company’s share capital, mergers and demergers.

TITLE VII ACCOUNTING CONTROL – WITHDRAWAL – WINDING UP – APPLICATION OF ORDINARY REGULATIONS

Article 30. Accounting Control.

Accounting control shall be exercised by an independent auditing firm which meets the applicable legal requirements. The assignment and the revocation of the engagement, the duties and the responsibilities are provided for by law and the Articles of Association.

Article 31. Withdrawal.

31.1.- The right of withdrawal may be exercised only in those cases exclusively provided by law. The right of withdrawal is excluded for those shareholders which did not participate in the approval of the resolutions regarding:

- the extension of the Company’ s duration;
- the introduction or cancellation of restrictions of the circulation of shares.

31.2.- The terms and methods of the exercise of the right of withdrawal, the criteria to determine the value of the shares and the related liquidation procedure are governed by the law.

Article 32. Winding up.

Without prejudice to any different law provisions, if there is a reason for winding up, the Shareholders’ Meeting shall establish the manners of liquidation,

TITLE VII ACCOUNTING CONTROL – WITHDRAWAL – WINDING UP – APPLICATION OF ORDINARY REGULATIONS

Article 30. Accounting Control.

Unchanged

Article 31. Withdrawal.

Unchanged

Article 32. Winding up.

Unchanged

and appoint one or more liquidators.

Article 33. Application of ordinary regulations.

The provisions of law apply to any matter not regulated by the Articles of Association.

**TITLE VIII
TRANSITORY RULES**

Article 34. First appointments.

Also in derogation of the Articles of Association which shall be in force when the merger between Banca Intesa S.p.A. and Sanpaolo IMI S.p.A. becomes effective, 19 members of the Supervisory Board shall be appointed for the first time, for three financial years, by the Ordinary Shareholders' Meeting of the Surviving Company in accordance with the provisions of this transitory rule.

The shareholders shall be requested to file, at least fifteen days prior to Banca Intesa S.p.A.'s Ordinary Shareholders' Meeting, the lists of candidates, who meet the requirements provided for by law and this Article. In particular, the candidate indicated at number 2 of each list must meet the requirements of independence provided for by the Corporate Governance Code promoted by the Italian Stock Exchange, must be enrolled with the Register of Auditors and must have practiced as auditor for at least a three-year period. At least three of the other candidates of each list must meet the requirements of independence provided for by the above-mentioned Corporate Governance Code and two candidates must be enrolled with the Register of Auditors and must have practiced as auditor for at least a three-year period.

In relation to the threshold of the share capital for the presentation of the lists and for all other formalities and requirements for the presentation of the lists, the provisions set forth in art. 23 of Banca Intesa S.p.A.'s Articles of Association, in force at the time of the Extraordinary Shareholders' Meeting called to approve the project for the merger will apply, to the extent applicable.

The first 18 candidates from the list which obtains the highest number of votes and the first candidate of the list which receives the second highest number of votes shall be appointed. In case of presentation of one list only, all 19 members of the Supervisory Board shall be appointed from that list.

The Chairman and the two Deputy Chairmen shall be appointed by the Ordinary Shareholders' Meeting with resolutions approved by the majority of attending shareholders.

The appointment of the aforementioned 19 Supervisory Board members shall become effective when the merger becomes effective. The Supervisory Board in office shall appoint the Management Board without delay.

Article 33. Application of ordinary regulations.

Unchanged

**TITLE VIII
TRANSITORY RULES**

Article 34. First appointments.

Unchanged

However, after the effectiveness of the merger, for the purpose of ensuring the widest possible participation to the appointment of the other two Supervisory Board members, an Ordinary Shareholders' Meeting shall be called to appoint such 2 Supervisory Board members, who shall also remain in office for three financial years (with the exception of the period from the effective date of the merger to the date on which their appointment becomes effective), and shall therefore terminate their office at the same time as the 19 Supervisory Board members indicated above. The appointment of the additional 2 Supervisory Board members shall also occur with the list voting procedure provided for by the Articles of Association in force, without prejudice to the fact that:

- (i) candidates must only meet the requirements set forth for all and each Supervisory Board members, and
- (ii) the percentage of share capital for the presentation of the lists shall be at least 1%, but shall not exceed 3% of share capital.

Article 35. Integrity, professional and independence requirements.

35.1.– Transitory rule.

Until a new supervisory and/or regulatory discipline for members of corporate bodies in the dual system is in force, the following provisions shall apply.

35.2.- Integrity requirements.

Supervisory Board members and Management Board members must meet the integrity requirements set forth for bank managers by the Regulation adopted with Ministerial Decree No. 161 dated 18th March 1998, as well as those set forth for Statutory Auditors of listed companies by the Regulation adopted with Ministerial Decree No. 162 dated 30th March 2000.

35.3.- Professional requirements of Supervisory Board members.

Supervisory Board members shall meet the professional requirements set forth for bank directors by the Regulation adopted with Ministerial Decree No. 161 dated 18th March 1998, as well as those set forth for Statutory Auditors of listed companies by the Regulation adopted with Ministerial Decree No. 162 dated 30th March 2000. The Chairman of the Supervisory Board must also meet the professional requirements set forth for the Chairman of the Board of Directors of banks by the aforementioned Regulation.

35.4.- Professional requirements of Management Board members.

Management Board members, the Chairman of the Management Board and the Managing Director shall meet the professional requirements set forth

Article 35. Integrity, professional and independence requirements.

Unchanged

for bank managers by the Regulation adopted with Ministerial Decree No. 161 dated 18th March 1998.

Article 36. Key Terms of the Integration Plan.

The Key Terms of the Integration Plan, as defined in the project for the merger in Banca Intesa S.p.A. of Sanpaolo IMI S.p.A., shall only be modified with resolution of the Management Board adopted with the majority of two thirds of the members in office, following the authorisation of the Supervisory Board resolved upon with a qualified majority of two thirds of members in office, for the duration of the first mandate of the Supervisory Board.

**TITLE IX
FINAL PROVISION**

Article 37. Final Provision.

In application of the transitory rule contained in article 34 of the Articles of Association, the first members of the Supervisory Board have been appointed for three financial years by the Ordinary Shareholders' Meeting of the surviving company Banca Intesa held on 1st December 2006 and their appointment became effective on the date on which the merger by incorporation of Sanpaolo IMI S.p.A. with and into Banca Intesa S.p.A. and the new Articles of Association became effective.

Article 36. Key Terms of the Integration Plan.

Unchanged

**TITLE IX
FINAL PROVISION**

Article 37. Final Provision.

37.1.- Unchanged

37.2 - The appointment of Commissions as per article 17.2 letter s), and the designation of executive board members as per article 25.1.1. letter d), shall be carried out starting as of the appointment of the entire Management Board after the meeting of [?] April 2009. Until then, therefore, the Management Board may establish advisory Committees or Commissions.

Reasons for the changes

In consideration of the mandate given to the Management Board in office, and with a view to ensure the gradual upgrade of the structure of the management body, in consistency with supervisory regulations a final provision was introduced to establish the effective implementation of the new wording of article 17.2 letter s) and article 25.1.1. letter d), starting as of the date of replacement of the entire Board.

Milano, 20 March 2009

For the Management Board
The Chairman – Enrico Salza

Report of the Supervisory Board to the Shareholders' Meeting

**pursuant to art. 153, Italian Legislative Decree 58 of 24 February 1998, and art. 25.1, letter f),
of the Articles of Association**

Distinguished Shareholders,

two years following adoption of the dual corporate governance system, the Supervisory Board believes it can further confirm that this decision was the most appropriate for the management of a complex organisation such as Intesa Sanpaolo.

First of all, it is important to mention the clear distinction between the steering, strategic supervision and control attributed to the Supervisory Board and the business management activities of the Management Board. This separation of roles, often emphasised by the Bank of Italy, continues to precisely reflect the text of the amended Articles of Association proposed to the Shareholders' Meeting. The new proposed format, in fact, strengthens the guidelines followed by Intesa Sanpaolo since it was founded, dividing tasks in such a way as to unquestionably separate the roles and responsibilities of the two corporate bodies with a view to overall management of the Bank. In this respect, the Corporate Governance Report - to which reference should be made – provides details of the activities assigned to and performed by the Intesa Sanpaolo corporate bodies.

It is also worthwhile emphasising the experience of organisational decisions made by the Supervisory Board in completing its activities, in compliance with statutory provisions and with recommendations contained in the Code of Conduct for listed companies promoted by Borsa Italiana S.p.A. Reference is made in particular to the establishment of five Committees within the Supervisory Board, whose operations ensure adequate and prompt in-depth study of matters for which the Board as a whole and its individual members are responsible, formulating comments and opinions and providing accurate and detailed reports on their activities.

The roles covered by the Chairman of the Supervisory Board – particularly important in the supervision and activation of the corporate bodies – and by the Director and Secretary to the Board, who represents a link for all Board activities and ensures improved supervision, are also considered.

Completing the organisational model adopted, the activities of the "General Secretariat of the Supervisory Board" provide support in the respective duties of the Board, the Chairman, Deputy Chairmen, Secretary and Committees.

Thus stated, it is emphasised that this Report mainly satisfies obligations imposed by art. 153 of Italian Legislative Decree 58/1998 ("Consolidated Law on Finance"), and therefore refers to supervisory activities performed and to any omissions and reprehensible facts identified. Please refer to the Corporate Governance Report for information on the Supervisory Board's other duties and functions.

Given all of the above, the Supervisory Board:

- a) confirms that, through its own duties and those of its internal Committees, it has:
- carried out the supervising activity required by the law and set forth in the Articles of Association, pursuant to the recommended principles issued by the National Council of Dottori Commercialisti e degli Esperti Contabili (the Italian Accounting Profession), and in consideration of recommendations provided by Consob via its Communications and, in particular, Communication 1025564 of 6 April 2001, as amended;
 - approved the proposed changes to the Articles of Association for submission to the Shareholders' Meeting, also with regard to their adaptation to Supervisory Provisions concerning banks' organisation and corporate governance issued by the Bank of Italy in March 2008;
 - received from the Management Board – whose meetings were always attended by the Control Committee of the Supervisory Board – periodic reports on operations and the more significant transactions of the Bank and its subsidiaries, also in compliance with art. 150, par. 1 of the Consolidated Law on Finance;
 - to the extent of its duties, acquired information and supervised the adequacy of the organisational structure and the observance of principles of correct management via direct observation, information

-
- gathering and periodic meetings with the Managers of the main company departments, the Manager responsible for preparing the Company's financial reports and the Independent Auditors Reconta Ernst & Young S.p.A., in charge of auditing the Parent Company's and consolidated financial statements and, as regards the latter, also for the purpose of exchanging relevant data and information, pursuant to art. 150, paragraphs 3 and 4 of the Consolidated Law on Finance;
- supervised the adequacy of the internal control system and of the administration and accounting systems, as well as the reliability of the latter in fairly representing operations, via information gathering and periodic meetings with the Managers of the departments concerned, examination of corporate documents and of those prepared by the Independent Auditors Reconta Ernst & Young S.p.A.;
 - supervised the methods for actual implementation of the corporate governance rules as envisaged in the Code of Conduct for listed companies promoted by Borsa Italiana S.p.A.;
- b) points out, also in relation to its duties specifically attributed by law and by the Articles of Association with regard to approval of the Parent Company's and consolidated financial statements, that:
- on 20 March 2009 the Management Board examined the draft Parent Company's and consolidated financial statements as at 31 December 2008 which, together with the Reports on Operations, were made available to the Supervisory Board on the same date, as a permitted exception to the provisions of art. 2429, par. 1 of the Italian Civil Code;
 - the observance has been verified of legal and regulatory requirements regarding the presentation, structure and format of such financial statements, which contain information referred to in the joint Bank of Italy-Consob-ISVAP communication no. 2 of 6 February 2009, and additional accompanying documents, also with support from the Financial Statements Committee and Control Committee and information obtained from the Independent Auditors, Reconta Ernst & Young S.p.A.;
 - the compliance of Reports on operations for 2008, which accompany the aforementioned draft financial statements with laws and regulations in force has been verified, that the Reports fully and clearly illustrate the income statement, balance sheet and financial positions of the Bank and the Group, business performance for the year and contain prudent information on the main risks and uncertainties to which the Bank is exposed;
 - on 20 March 2009 the Managing Director and the Manager responsible for preparing the Company's financial reports released the certification pursuant to art. 154-bis, par. 5 of the Consolidated Law on Finance;
 - on 25 March 2009 the Independent Auditors Reconta Ernst & Young S.p.A. released the Reports on both the Parent Company's and the consolidated financial statements as at 31 December 2008, with no exceptions;
 - by resolution of 20 March 2009, to the extent of its duties the Board approved the "Corporate Governance Report and Information on Ownership Structures";
 - by resolution of 9 April 2009, the Board approved the Parent Company's and consolidated financial statements as at 31 December 2008 of Intesa Sanpaolo, made up of the balance sheet, income statement, statement of changes in shareholders' equity, cash flow statement, notes to the financial statements, together with the respective Reports on operations;
- c) from the supervisory activities performed no significant facts emerged requiring disclosure to the Supervisory Authorities or mention in this Report

Given all of the above, specific indications on supervisory activities performed by the Supervisory Board in 2008, pursuant to art. 153 of the Consolidated Law on Finance and in the order of presentation envisaged in Consob Communication no. 1025564 of 6 April 2001, are provided below, together with other information the Supervisory Board considers appropriate for disclosure to the Shareholders' Meeting pursuant to art. 25.1, letter f) of the Articles of Association.

REPORT ON SUPERVISORY ACTIVITIES, PURSUANT TO ART. 153, CONSOLIDATED LAW ON FINANCE

Significant activities

1. It should firstly be remembered that the Supervisory Board, as part of its strategic supervisory duties assigned by the Articles of Association:
 - examined and approved the 2008 Budget, with support from the Strategy Committee;
 - gathered information on key transactions for the Bank's and its subsidiaries' financials;
 - supervised the observance of obligations envisaged for such transactions according to law and the Articles of Association, confirming that they are not manifestly imprudent, hazardous, in conflict of interest, in contrast with resolutions taken by the Shareholders' Meeting, or in any event likely to

-
- compromise integrity of the shareholders' equity.
2. No atypical and/or unusual transactions were carried out with third parties, related parties or intragroup which might lead to doubts regarding i) the fairness/completeness of financial statements, ii) conflict of interest, iii) safeguarding of company assets, and iv) protection of minority interests.
 3. In its Reports on operations and in the Notes to the Parent Company's and consolidated financial statements as at 31 December 2008, the Bank's Management Board adequately indicated and illustrated the more significant transactions with third parties, related parties or intragroup, and described their characteristics.

With regard to transactions with related parties, the Group Regulation – amended in February 2008 also in consideration of first time application experience – was further integrated with a view to adoption of a framework resolution by the Management Board, as approved by the Control Committee, on certain extraordinary intragroup financing transactions, with limits on the number, overall maximum value and the period of execution.

Reports of the Independent Auditors

4. On 25 March 2009, the Independent Auditors Reconta Ernst & Young S.p.A. released their Reports, pursuant to art. 156 of the Consolidated Law on Finance, on both the Parent Company's and consolidated financial statements as at 31 December 2008, with no exceptions. Specifically, the Reports confirm:
 - (i) that the two documents:
 - comply with International Financial Reporting Standards adopted by the European Union and with provisions issued in enactment of art. 9 of Legislative Decree 38/2005;
 - are drafted clearly and provide a true and fair view of the balance sheet, income statement, changes in shareholders' equity and cash flows of Intesa Sanpaolo and the Group for 2008;
 - (ii) show consistency between the Report on operations, as envisaged by art. 156, par. 4-bis, d), of the Consolidated Law on Finance, the Parent Company's financial statements and the consolidated financial statements.

Shareholder reports and complaints

5. With regard to reports submitted to the Supervisory Board by shareholders, as permitted by art. 2408 of the Italian Civil Code, the following should be noted:
 - (i) during the Bank's Ordinary Shareholders' Meeting of 30 April 2008, one shareholder submitted a query regarding the funding of political parties.

In this respect, via the Control Committee, the Supervisory Board studied the matter further, involving the Parent Company departments that provided documentation on internal regulations and exposure of the Group as at 30 June and 31 December 2008.

From enquiries it emerged that, with regard to operations in Italy, in 2007 the Management Board adopted guidelines identifying advances of public contributions for election reimbursements, with respect to transfer of the related loan, as the only form of new credit facilities open to political parties and similar entities. Political party exposure as at 31 December 2008 was completely marginal compared to the total loans granted to Italian customers of the Bank, and involves no risk elements other than that from one position that was recently reclassified as doubtful, for which the recovery prospects are 100%, also in view of the fact that the Bank loan is government-backed.

With regard to operations abroad, in order to align operating differences between the different countries concerned and the different levels of autonomy of the subsidiary banks, in 2008, in the exercise of its management and coordination duties, the Parent Company introduced a directive limiting operations to the technical form of anticipating specific public contributions. In any event, also with regard to operations abroad, the total credit facilities granted is completely negligible;
 - (ii) one shareholder asked the Chairmen of the Supervisory and Management Boards to examine Intesa Sanpaolo's sale of a Bank-owned property in Rome to the subsidiary IMMIT S.p.A., to verify the fairness of the price and its effects on the soundness of the Bank's financials. The report also regards other details of the transaction – which are included in the financial statements as at 31 December 2008 – and other Bank property sales during 2008.

With support from the Control Committee, the Supervisory Board verified the case and examined documents and expert reports used in corporate body decisions, with reference to transfers of real estate assets by Intesa Sanpaolo in 2008.

In this respect, the Supervisory Board reached the conclusion that the shareholders' allegation

was unfounded, as no elements came to light to imply that the transactions, considered overall, jeopardised the Group's financials.

6. During 2008, 44 complaints were submitted to the Supervisory Board alleging anomalies and/or irregularities in the Bank's core business operations. The decrease in the number of queries compared to those received in 2007 (-37%) is mainly attributable to the successful completion of the integration process between the former Banca Intesa and the former Sanpaolo IMI, which contributed to improving the level of service to customers.

The assessments conducted on such complaints, also through the relevant departments, did not bring to light any significant omissions or irregularities

Independent Auditor assignments

- 7/8. In 2007, in compliance with the guidelines expressed by the Supervisory and Management Boards, a policy complying with relevant regulations was adopted to govern assignments to independent auditors and their networks regarding audit and other services.

The independent auditors appointed by the Parent Company and other Group companies are Reconta Ernst & Young S.p.A., assigned with the: audit of the Parent Company and consolidated financial statements, audit of the balance sheets and income statements of branches abroad with regard to their inclusion in the Bank's financial statements, limited review of the Half-yearly Report including limited review of half-yearly positions of branches abroad for inclusion in the Bank's Half-yearly Report, examination of information provided for the preparation of consolidated annual and half-yearly reports, periodic review of regular keeping of corporate accounts, review of mutual fund statements, review in relation to the signing of tax returns and declarations submitted to the National Guarantee Fund.

With regard to such assignments and to ad hoc audit activities (following the merger, as a result of regulatory changes and completion of reorganisation and aggregation operations) the amounts paid in 2008 are indicated under "audit" in the statement on "Fees for auditing and services other than auditing pursuant to art. 149-duodecies of Consob Regulation 11971" provided as an attachment to the Annual Report 2008.

Reconta Ernst & Young S.p.A. and other entities "related by ongoing relations" were also appointed to perform tasks in addition to those indicated above, the fees for which, excluding reimbursed expenses and VAT, are illustrated in the following table:

Fees for auditing and services other than auditing pursuant to art. 149-duodecies of Consob Regulation 11971
(in millions of euro)

Type of service	Intesa Sanpaolo		Group Companies ^(*)	
	Reconta Ernst & Young	Reconta Ernst & Young Network	Reconta Ernst & Young	Reconta Ernst & Young Network
Release of attestations	0.3	-	0.9	-
Tax consulting services	-	-	-	-
Other (specify)	1.1	-	1.1	0.1
<i>agreed audit procedures</i>	1.0	-	1.1	-
<i>social report audit</i>	0.1	-	-	-
<i>other</i>	0.02	-	0.01	0.05
Total	1.4	-	2.0	0.1

(*) Group companies and other fully consolidated subsidiaries.

Amounts net of VAT and reimbursed expenses.

Last February, with support from the Control Committee, the Supervisory Board examined a proposal to integrate the Independent Auditors' fees, submitted by the Manager responsible for preparing the Company's financial reports with regard to the additional activities assigned to Reconta Ernst & Young S.p.A. These additional activities resulted mainly from regulatory changes and from business combination operations. In particular these concerned: audit of the Report on Operations; audits regarding amendments to IAS 39; analysis of the regulatory capital and capital ratios; recurring activities resulting from the Banca CR Firenze business combination; audit tasks to be conducted on the new Paris and Dubai branches.

As the integration also regards fees for recurring audit of the Parent Company's financial statements for 2009, 2010 and 2011, the Supervisory Board decided to submit the matter to the Shareholders' Meeting, based on the reasoned proposal to which reference should be made.

Supervisory Board opinions

9. Pursuant to art. 154-bis of the Consolidated Law on Finance, the Supervisory Board issued its opinion on the appointment and remuneration of the new Manager responsible for preparing the Company's financial reports – without prejudice to related powers and means attributed to the former Manager, now the Chief Risk Officer – and on appointment of the Compliance Manager. These appointments, pursuant to art. 20.1 of the Articles of Association in relation to the Manager responsible for preparing the Company's financial reports, and pursuant to Supervisory Regulations on compliance of 10 July 2007 and the joint Bank of Italy-Consob Regulation of 29 October 2007 on the organisation and procedures of intermediaries providing investment services in relation to the Compliance Manager, involved the Supervisory Board. Both appointments were subject to prior examination by the Control Committee.

Meetings of the Corporate Bodies

10. In 2008 the Supervisory Board attended the Ordinary Shareholders' Meeting held on 30 April and the Saving Shareholders' Meeting on 3 December. Furthermore, the following meetings were held in 2008:
- 13 Supervisory Board meetings;
 - 19 Management Board meetings, attended by the Control Committee and Board Secretary in accordance with the Articles of Association, whereas the Chairman and other members of the Supervisory Board did not take part;
 - 20 Financial Statements Committee meetings;
 - 50 Control Committee meetings;
 - 1 Nomination Committee meeting;
 - 9 Remuneration Committee meetings;
 - 1 Strategy Committee meeting.

Principles of correct management

11. The Supervisory Board has nothing to report on the observance of correct management principles, which records show were applied constantly.

Organisational structure

12. The organisational structure of the Bank is highly complex, given the corporate reorganisation currently in progress, which in 2008 involved the Parent Company and a number of subsidiaries (specifically, Eurizon Capital SGR, Eurizon Vita, Banca Infrastrutture Innovazione e Sviluppo, Mediocredito Italiano and Leasint) and related implications in terms of integration of the ICT systems, organisational structures and control processes.

In this context, via Control Committee where appropriate, the Supervisory Board kept a close watch on developments in the Bank's organisational structure, monitoring the progress of the integration master plan with particular regard to the new single ICT system (adopted in July 2008), to organisational structures and control processes.

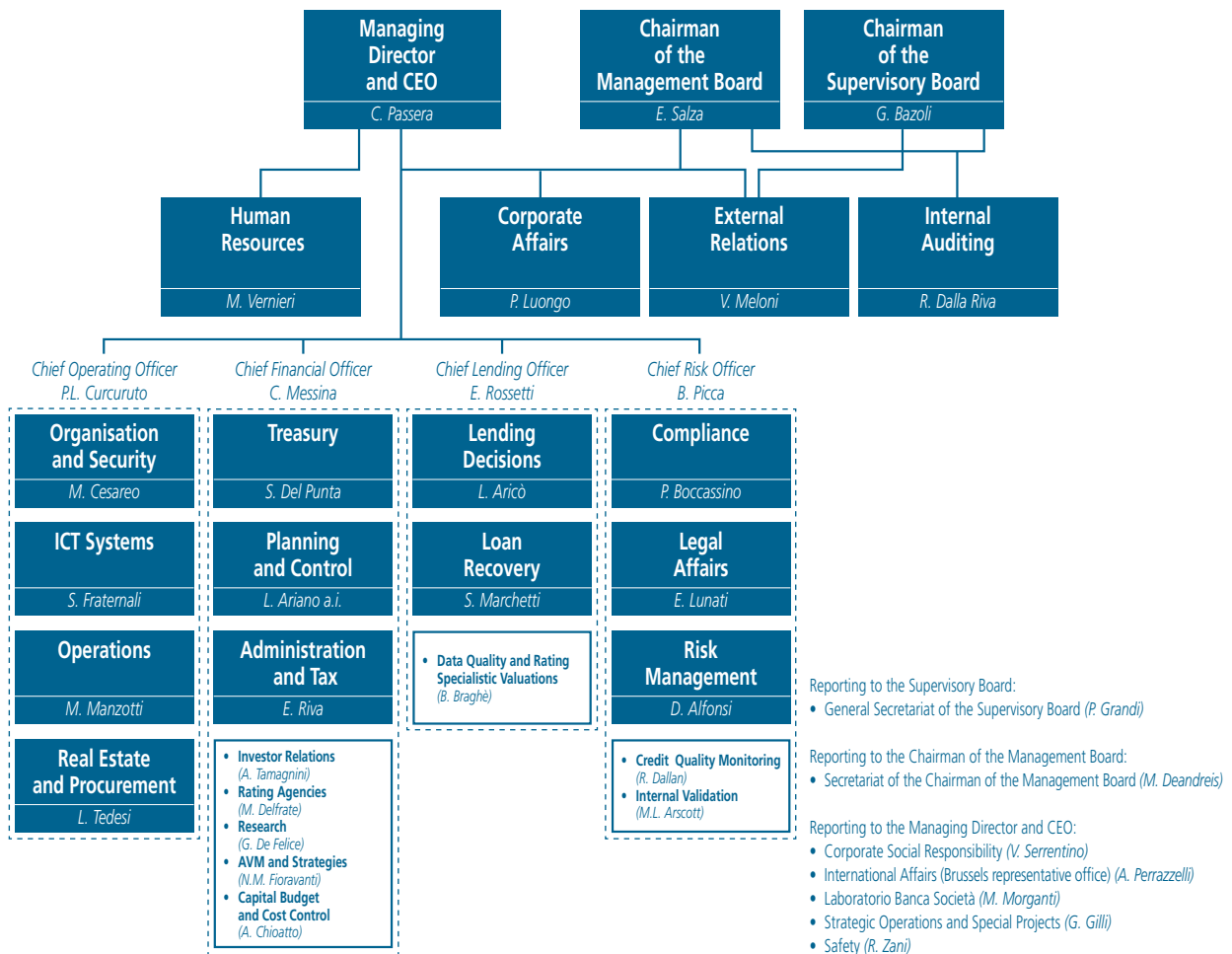
In greater detail, during 2008 the Supervisory Board – with specific support from the Control Committee, reporting on action taken at each meeting of the Corporate Body – continued its identification survey of the various Bank departments and certain Group companies, with a particular focus on the following aspects: (i) organisational structure, internal control system and relations with other Parent Company

and Group company departments; (ii) the risk management methods adopted by the departments analysed; (iii) procedures in support of the activities performed, of the organisational structure and of systems vital to operations; (iv) focus on specific aspects of each department analysed.

In June the Parent Company reorganisation to strengthen the control system, streamline and simplify governance structures and align the related model with international best practices, was finalised. The adopted model is based on “three lines of defence” (business management, risk management and internal audit), and is characterised by the separation of risk management and risk monitoring departments. The reorganisation process - with regard to which the Control Committee met several times with the departments involved - for internal control led to the setting up of the Compliance Department (separating the function from the Internal Auditing Department), positioning of the Risk Management Department within the same area, and identification of the new professional roles of Chief Risk Officer, Chief Operating Officer, Chief Financial Officer and Chief Lending Officer.

The Administration and Tax Department was reallocated as reporting to the new Chief Financial Officer and, as already mentioned, a new Manager responsible for preparing the Company’s financial reports was appointed with responsibility for that Department.

The Internal Auditing Department – which amongst other things has to guarantee constant and independent control over the regular performance of Bank operations and processes - was placed under the direct responsibility of the Chairmen of the Management and Supervisory Boards, safeguarding its independence from the operations departments. The organisational structure of this department – used primarily by the Supervisory Board and Surveillance Body for their supervisory and control activities - was subject to particular attention, with action taken to integrate the structures of the banks involved in the merger and to improve operations efficiency.



Again in 2008 the Control Committee continued to meet periodically with the business unit managers of the Parent Company, certain subsidiaries and the main central offices with steering, coordination and control duties, to which specific missions and operational characteristics apply. In this context, with regard to the priority objective of verifying and assessing the internal control system, the Committee focused on:

- the Banca dei Territori Division, particularly the loan decisions process;
- the Corporate Affairs Department, to further study the management of transactions with related parties and monitoring of the steering and coordination of Group companies;
- the new Human Resources Department and Organisation and Security Department following internal reorganisation;
- the Investor Relations function, to further study its organisational structure and objectives, relations with other Parent Company and Group company departments and related activities, the methods for managing intragroup relations for the purpose of disclosures to the market by the Bank and its subsidiaries;
- the Planning and Control Department, focusing specifically on the nature and source of management data processed and its reconciliation with related accounting data;
- the International Subsidiary Banks Division, to further study the progress status of work on the new Governance Model for the subsidiary banks, with specific reference to organisation of the Internal Auditing Department and its link to Parent Company operations.
- the Financial Institutions Department of the Corporate and Investment Banking Division and the Operations Department, to check progress on the reorganisation of depositary bank activities;
- the Safety Unit, which illustrated the organisational structure with specific attention to the internal control system, operations-related risk management and support procedures;
- the Real Estate and Procurement Department, to examine the structure and distribution of activities among the Department's various services.

The Control Committee also met with the top management of the following subsidiaries:

- Eurizon Capital Sgr, for an update on the integration project regarding former Nextra Investment Management Sgr activities;
- Eurizon Vita, to verify the project status for the operational launch of Sud Polo Vita, incorporated in May 2007 following the partial Eurizon Vita-Intesa Vita spin-off, to which Eurizon Vita provides outsourcing services;
- Banca Infrastrutture Innovazione Sviluppo, for a report on the capital adequacy of the new Bank, on positions classed as "extensive credit facilities" for regulatory purposes, on the provision and management of financial services to public entities and for an analysis of the existing loan portfolio with leading Public Finance sector customers;
- Mediocredito Italiano, with specific focus on support relations with the subsidiary Leasint and its integration with the former Intesa Leasing.

The Internal Auditing Department normally participated in these meetings, providing its own contribution on control activities performed on the subsidiaries concerned.

Lastly, towards the end of the year, the Supervisory Board received a report on the reorganisation of Banca dei Territori, the business model identified from the outset as one of the "key elements" of the integration plan, based in Torino and responsible for the coordination and supervision of new Group operations in the Retail, Private and SME segments. The changes and corrections introduced by the approved reorganisation correspond with specific indications emerging in the first two years of consistent application of the model to the new Bank. The new setup aims to strengthen the commercial effectiveness and quality monitoring of loans, and allows enhanced consolidation of the territorial presence and, as a result, the specific local features, national dimension and the centrality of services. To conclude, given the complex process of organisational, procedural and ICT integration still in progress, the Supervisory Board sees the organisational restructuring completed in 2008 as positive, particularly with regard to internal control system efficiency.

Internal control system

13. The internal control system structure adopted by the Bank is extensively covered in the Corporate Governance Report and involves the Corporate Bodies, the Manager responsible for preparing the Company's financial reports and specific internal control departments, in addition to the Surveillance Body pursuant to Legislative Decree 231/2001, with regard to activities described below. As already mentioned, to the extent of its duties, the Independent Auditors are also involved in such matters as appropriate.

The system guidelines, approved by the Supervisory Authority at the time of definition of the Banca Intesa-Sanpaolo IMI integration plan, confirm the role of the Supervisory Board and Control Committee as the natural contacts in terms of monitoring continuity of the system in all designated Group areas. More specifically, with regard to supervisory activities, the Supervisory Board, with support from the Control Committee, continues its identification of the Bank's business areas and organisational units, acquiring knowledge on operating mechanisms, analysing problem areas and verifying the adequacy and operation of the related internal control systems. This analysis was also extended to a number of Group subsidiaries and will continue in 2009.

Activities of the Internal Control Department Managers

The Risk Management Department periodically submitted its Risk Tableau de Bord to the Control Committee, offering the Committee a complete overview of risks, particularly those described in Pillar 1 (credit risk, counterparty risk, market risk and operational risk) and Pillar 2, relating to all other main risks indicated in prudential supervisory provisions and the Basel 2 Accord.

The Department submitted a progress status report to the Committee on Basel 2 Project tasks, with regard to which the Committee requested further information on operational risk (specifically, adoption of the Traditional Standardised Approach - TSA) and credit risk, also in order to authorise the adoption of internal risk measurement systems for the calculation of capital requirements.

In 2008, proceeding its nonstop activity as part of the Internal Auditing Department and expanding on the tasks in a manner consistent with its assigned duties, the Compliance Department provided institutional and periodic reports on action taken, and an update on the implementation project for the new Group Compliance Model.

Specifically, in the second half of 2008, the Compliance Department coordinated a project to define the management model for compliance risk in accordance with Intesa Sanpaolo Group regulations, identifying the Group Compliance Model, which was then approved as required by the Management and Supervisory Boards. The Model outlines in a systematic manner the reference points for the monitoring of Group compliance risk.

In 2008 the Compliance Department also provided an update to the Supervisory Board, where necessary via the Control Committee, on the method for assessing the risk of non-compliance. Special attention was paid to MiFID and regulations considered significant by the Authorities, or in relation to which it was felt necessary to centralise risk management, consistent with industrial association guidance and best market practices.

In addition, the Compliance Department performed an extraordinary verification, as requested by the Supervisory Authority, on operating processes to calculate capital and the minimum capital requirements. The analysis showed the situation to be well-monitored in general but with certain areas for improvement calling for corrective action, already identified, implemented and subject to Control Committee monitoring. The Internal Auditing Manager normally participates in Control Committee meetings to keep the Committee informed of activities performed and planned, in line with the annual audit plan approved by the Supervisory Board at the beginning of the year. He also submits quarterly reports via a specific Tableau de Bord which, in illustrating action taken in the reporting period, highlights any critical areas. Lastly, at least once a year, he submits his own considerations and assessments of the overall internal control system.

Activities of the Supervisory Board

It should be mentioned that, in addition to activities described above and deriving from constant relations with the internal control departments, through the Control Committee the Supervisory Board:

- with regard to credit risk, was kept informed on development of the portfolio and its level of concentration in the Parent Company and banks included in the network. It also received periodic reports on the positions of key customers, on the methodological rules applied to identify adopted loan decisions and on regulatory action adopted in 2008 to review the independent options attributed to the decision-making bodies and the Network;
- received reports on financial assets involving Lehman Brothers, specifically those attributable to Bank customers, also with regard to the procedure that the intermediary was required to follow under US regulations;
- received prompt updates on Bank of Italy investigations of the Parent Company and its subsidiaries, and any related developments. In this context, the Board requested and received periodic reports on action taken in relation to commitments to the Supervisory Authority following the inspection of Intesa Sanpaolo completed in the period August 2007-January 2008, specifically involving derivative transactions. The

-
- Control Committee periodically checks the status of ongoing activities to remedy shortcomings, also in relation to notifications received from the Supervisory Authority in question;
- monitored the overall reorganisation and streamlining of activities regarding the depositary bank segment;
 - received reports on action implemented to strengthen the control of transactions with related parties and asked the Internal Auditing Department to audit the correct application of Group Regulations on this matter, to which the overall response was satisfactory. On this topic, it should be mentioned that the Control Committee expressed numerous opinions in advance on significant transactions with related parties, in line with provisions of the Corporate Governance Code and the Group Regulations adopted by the Bank;
 - was involved in the application of art. 36 of the Regulation on Markets adopted by Consob Resolution no. 16191 of 29 October 2007, which contains the conditions for admission to trading of shares issued by the parent companies of entities incorporated and governed by the laws of non-EU countries and which calls upon the control body to immediately disclose to Consob any facts and circumstances resulting in the administrative and accounting system of such companies being unable to meet the conditions in question;
 - continued to study the various ongoing projects to complete the post-merger integration and with regard to the enactment of new legal regulations.

Attention was also paid to:

- the need to guarantee Group business continuity for disaster recovery purposes (Business Continuity Management), in line with regulatory instructions issued by the Bank of Italy. In this respect, the Supervisory Board acknowledged the substantial completion of all implementation, integration and process updating action of relevance to the system;
- anti money-laundering regulations, with specific reference to new provisions introduced by Italian Legislative Decree 231/2007. In this respect, on recommendation from the Management Board, the Supervisory Board approved specific "Guidelines on anti money-laundering, combating the financing of terrorism and embargo management". It also received updates on application of the Written Agreement of 2007, regarding proceedings launched by the FED on investigations performed in 2007 at the New York branch.

It should also be remembered that, in the exercise of its strategic supervisory role, the Supervisory Board is responsible for approving the adoption of internal risk measurement systems for the calculation of capital requirements, on recommendation from the Management Board.

In this respect, through the Control Committee the Board analysed and verified the process for the use of internal systems for the measurement of credit risk and submitted the related report to the Bank of Italy. By order dated 19 March 2009, the Bank of Italy authorised the Intesa Sanpaolo Group's adoption of the internal credit risk measurement model based on the FIRB approach, limited to the Regulatory Corporate segment.

Again in reference to this duty, on recommendation from the Management Board, the Supervisory Board approved the guidelines for the adoption, management and control of internal systems for the measurement of credit and operational risk, for monitoring the Group's country risk and liquidity risk, and on prudent supervision of the control process.

With regard to the latter, through the Control Committee the Supervisory Board also examined the ICAAP process, approving the first report on recommendation from the Management Board, submitted to the Bank of Italy by the 31 October 2008 deadline. Supervisory Board activities will continue in 2009, with specific focus on the calculation of Available Financial Resources and the stress test methods applied with a view to issue the first full report on the process to the Supervisory Authority.

During 2008 the information flow to the Control Committee – and therefore indirectly to the Supervisory Board – from the various Bank departments was consolidated. In addition to periodic reports from the internal control departments – Risk Management, Compliance and Internal Auditing – the report from the Manager responsible for preparing the Company's financial reports on activities performed, any critical areas emerging and remedial action taken, together with the results of internal control system assessment of accounting and financial reporting, was also important.

The Surveillance Body pursuant to Italian Legislative Decree 231/2001

Since its establishment the Control Committee has been identified as the body most appropriate for the assignment of duties and powers as the Surveillance Body, pursuant to Italian Legislative Decree no. 231 of 8 June 2001, on matters relating to corporate administrative liability. Committee activities as the Surveillance Body are governed by the Regulations for the Control Committee and Surveillance Body.

Intesa Sanpaolo approved the new "Organisational, management and control model" pursuant to the aforementioned Legislative Decree 231/2001, updated in 2008, in terms of the composition of the

Surveillance Body, appointment of additional members (in accordance with terms and conditions envisaged in the Model) and with regard to the adaptation to disciplinary regulations relating to the administrative liability of entities.

Based on the above-mentioned Regulation, the Body meets periodically to study relevant topics and reports to the Management and Supervisory Boards, at least every six months, on the adequacy and observance of the Organisational, management and control model by the Bank departments. In performing its supervisory and control duties, the Body liaises primarily with the Internal Auditing Department.

In 2008 the Body held 14 meetings, analysing numerous topics regarding the observance and application of the Model, and maintained relations with the respective Bodies of the Italian subsidiary banks. From such relations, there are no significant aspects to report.

Lastly, the Code of Ethics assigns to the Control Committee, in its capacity as Surveillance Body, the task of supervising the observance of principles and values of the Code, with support from the delegated departments (Internal Auditing and the Corporate Social Responsibility Unit). In this context, the Committee examined proposed changes to the Group Code of Conduct in adaptation to the principles and values expressed in the Code of Ethics and to new legal provisions, and changes to the Organisational, management and control model pursuant to Legislative Decree 231/2001.

To conclude, given the above description of surveillance activities, information in reports received from the Control Committee and taking into account the overall process of organisational, procedural and ICT integration currently in progress, the Supervisory Board reports that, to date, no significant critical points have emerged that could compromise the overall efficiency of the Bank's control systems.

ICT accounting system

14. With regard to the adequacy of the administrative and accounting system, it should be noted that the Parent Company's and consolidated financial statements as at 31 December 2008 were prepared in accordance with Legislative Decree 38/2005, IAS/IFRS issued by the International Accounting Standards Board (IASB) and related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) approved by the European Commission, as established in European Regulation no. 1606/2002, and with provisions contained in the Bank of Italy Circular no. 262 of 22 December 2005 on the format and regulations for bank financial statements.

The Administration and Tax Department reported to the Financial Statements Committee and Control Committee on changes to accounting standards proposed as a result of the global financial crisis. Specifically, the changes to IAS 39 and IFRS 7 were illustrated, which envisage a review of the measurement and application methods for fair value and the option of reclassifying financial instruments in certain circumstances. These accounting standards, as amended by European Regulation no. 1004/2008, were applied to the interim statement as at 30 September 2008 and were studied further by the Financial Statements Committee. The Supervisory Board constantly monitored the preparation of corporate accounting documents, querying the Manager responsible for preparing the Company's financial reports on the main points of action and the solutions adopted, assessing the correct use of accounting standards and their consistent application in preparing the Parent Company's and consolidated financial statements as at 31 December 2008, also in order to correctly fulfil its duty regarding financial statements approval.

In this specific context, the Financial Statements Committee and Control Committee dedicated four meetings to the preliminary analysis of the key methodological and assessment decisions adopted by management for preparation of the draft 2008 financial statements, with specific reference to accounting standards, impairment testing of intangible assets and goodwill, valuation of financial assets and disclosures in accordance with Pillar 3 provisions.

During these meetings, also attended by the Manager responsible for preparing the Company's financial reports and the Independent Auditors, specific attention was paid to information contained in the joint Bank of Italy-Consob-ISVAP communication no. 2 of 6 February 2009 on going concern assumptions, financial risk, impairment testing and uncertainties in the use of estimates. This information was taken into account in the draft financial statements approved by the Management Board and issued to the Supervisory Board on 20 March 2009.

The Financial Statements Committee, in liaison with the Manager responsible for preparing the Company's financial reports and the Chief Lending Officer, further studied the accounting methods for the Intesa Sanpaolo Group loans portfolio, the main methodological aspects for their accounting, the loan granting and monitoring process and the composition of the Group's loans portfolio. In this respect, the following topics were examined:

- accounting standards adopted for the loans portfolio with regard to the Parent Company's and consolidated financial statements;
- loan classification and assessment criteria with an indication of the provisioning policies applied;
- analysis of doubtful and non-performing loans;
- breakdown of the consolidated loans portfolio by source business unit and borrower types.

The Financial Statements Committee also assessed the accounting methods of equity investments for the purpose of the Parent Company's financial statements (investments in subsidiaries, joint ventures and companies subject to significant influence) and the consolidated financial statements (investments in companies consolidated at equity, joint ventures or companies subject to significant influence).

In addition, the "Target Accounting Model" was launched, also in answer to needs indicated by the Independent Auditors, with the aim of unifying the models used by the various companies in the Group so as to improve change monitoring, limit manual reconciliation and, in general, increase the efficiency and effectiveness of the accounting system. Included in this context is another project launched in 2008 – the "Group Accounting Manual", a document prepared to identify the accounting policies and application models for adoption by the entire Group.

The Manager responsible for preparing the Company's financial reports, with support from the Administrative and Financial Governance Department – the service providing support to the Manager for necessary accounting and financial controls, submitted periodic reports on the correct application of the "Guidelines for Administrative and Financial Governance" approved in 2007 and updated in 2008 to implement changes introduced by Legislative Decree 195/2007 in relation to Directive 2004/109/EC (the Transparency Directive), and updates on the progress status of controls regarding the administrative and accounting processes of subsidiaries.

In the light of evidence analysed, there is reason to believe that the Bank's administrative and accounting system is able to guarantee a fair representation of operations.

Disclosures

15. Existing Group regulations and procedures are deemed fit for Intesa Sanpaolo to promptly meet disclosure obligations in accordance with current regulations.

In a wider sense, the information flows between the Parent Company and its subsidiaries continue to guarantee an effective exchange of information between the Supervisory Board and the respective bodies of the subsidiaries with regard to corporate governance systems and the overall business performance.

Contacts with the corresponding Bodies of subsidiaries and reports submitted by the Internal Auditing Department on controls performed on subsidiaries did not bring to light any critical elements to be reported.

Meetings with the Independent Auditors of the Parent Company's and consolidated financial statements

16. Through the Control Committee and Financial Statements Committee, the Supervisory Board met 7 times in 2008 with Reconta Ernst & Young S.p.A., pursuant to art. 150, paragraphs 3 and 5 of the Consolidated Law on Finance.

Meetings of the Control Committee and Financial Statements Committee, in fact, were scheduled with members of the Independent Auditors and the Manager responsible for preparing the Company's financial reports. Amongst other things, the meetings offered the opportunity to further study the audit tasks, specifically with regard to the audit methods and results of controls performed on the areas considered strategic. Among the reviews performed, worthy of mention are those relating to the accounting standards on the fair value measurement and application methods, introduced during the year following the entry into force of European Regulation no. 1004/2008, as mentioned in paragraph 14 above. The scope of audit of Group companies was also discussed.

The points raised by Reconta Ernst & Young S.p.A. during the year with regard to the internal administrative and accounting system were examined – with contributions from the Internal Auditing Department, the Manager responsible for preparing the Company's financial reports and the Independent Auditors themselves – and formed the basis for a specific document prepared by the Administration and Tax Department, also with a view to planning and implementing related tasks. Improvements were identified in all areas involved.

In the light of the above, there are no critical points to report.

As already mentioned, the Financial Statements Committee and Internal Control Committee also held meetings with the Independent Auditors in the first few months of 2009 in preparation for the

examination and approval of the Parent Company's and consolidated financial statements as at 31 December 2008.

Adoption of the Code of Conduct of listed companies

17. The Bank's Corporate Governance Report, mentioned above, prepared in accordance with the Code of Conduct of listed companies promoted by Borsa Italiana S.p.A and pursuant to provisions of the Instructions for the Regulation of Markets organised and managed by Borsa Italiana S.p.A., details the current dual corporate governance system of Intesa Sanpaolo S.p.A.

In that Report, to which reference should be made, an indication is provided of the changes to the Articles of Association to be submitted for Extraordinary Shareholders' Meeting approval, following their authorisation – on recommendation from the Management Board – at the Supervisory Board meeting of 24 February 2009.

The Report also illustrates the remuneration policies adopted to date with regard to Members of the Management Board, the Managing Director, General Manager, managers of the internal control departments, the Manager responsible for preparing the Company's financial reports and employees in general, in accordance with power attributed to the control bodies pursuant to current regulations. This information is also provided with reference to the "Supervisory Provisions concerning Banks' organisation and corporate governance", according to which the Shareholders' Meeting must be provided with adequate information on the implementation of remuneration policies.

In this context, with regard to remuneration policies and related criteria thus far identified and applied by the Supervisory Board – in exercising its current supervisory duties – for the calculation of fixed and variable remuneration of Management Board Members and the Managing Director, it is considered that these comply with the aforementioned Supervisory Provisions and with Bank of Italy instructions, according to which repeated policies must take into account the prudent management of related existing risk and long-term strategies, with a correct balance between the fixed and variable components, adopting parameters as appropriate for the variable component.

In reference to the aforementioned Supervisory Provisions, the Supervisory Board is expected to examine and approve the Group Corporate Governance Project by 30 June 2009.

Conclusions summary

18. With regard to conclusions drawn on supervisory activities performed by the Supervisory Board as described above, reference should be made to the content of the individual headings. It is also confirmed that no omissions, reprehensible facts or irregularities emerged worthy of report to the shareholders.

FURTHER INFORMATION

"Allowance for charitable, social and cultural contributions"

19. Taking into consideration the duties assigned to the Supervisory Board and its Chairman by the Intesa Sanpaolo Articles of Association with regard to the "Allowance for charitable, social and cultural contributions", a brief report is provided here of activities performed in 2008, a year characterised by action of a regulatory and organisational nature given the need to adapt regulations to the corporate governance model adopted by Intesa Sanpaolo and attributes defined in the Articles of Association.

In this respect, at the meeting of 25 July 2008 the Supervisory Board finalised and approved a Regulation which studies and outlines a consolidated practice of providing support for social, religious and cultural activities, implemented without a long-term continuity solution, and mirroring a tradition shared by most of the banks of the Intesa Sanpaolo Group.

Specific commitment was also addressed to a more accurate definition of preliminary investigation processes for applications, for the selection of projects for submission to the authorities for approval and for the verification of impact from the implementation of the initiatives supported. In addition, to bring out the best practices and possible synergies at Group level, with a view to optimising action taken in the sector in Italy, in the second half of 2008 a consultation was launched of the main subsidiary banks operating in the country. The initiative aims to identify ongoing charitable activities and offer a better assessment of the means of attracting local and national public attention to accompany particularly significant social and cultural projects.

At the same time, the selection of applications received continued. In 2008, 254 applications (equal to 62% of the total received) obtained approval and the distribution of funds for a total of 5,265,000 euro. It should be noted that 56% of the amount allocated (87% in terms of the number of applications) was destined to the support of initiatives in Italy. The varying incidence of the amount on the number of applications is due to the Bank's strong commitment to the Malawi Project, to which over 1.6 million euro was allocated in 2008 (equal to 31% of the total disbursement). Due to the effect of amounts allocated to the Malawi Project, the Bank's commitment to social initiatives is equal to 68%. Amounts for religious initiatives accounted for 21% of the total disbursed (37% in terms of the number of applications approved). Lastly, the amount allocated to cultural initiatives reached 11% of the total (18% in number terms). For a more in-depth analysis of the Bank's activities via the Allowance, reference should be made to the specific section of Intesa Sanpaolo's Social Report 2008.

Ratings

20. On 12 March 2009, the international rating agency Standard & Poor's confirmed the Intesa Sanpaolo rating on medium/long-term debt (AA-) and short-term debt (A-1+) and revised the outlook from stable to negative.

Allocation of net income for 2008

21. The Supervisory Board approves the Management Board proposal to the Shareholders' Meeting regarding the allocation of net income for the year ended 31 December 2008.
In this respect, the Supervisory Board states that the proposal recommending non-distribution of dividends on ordinary shares and the distribution of the dividend on saving shares, pursuant to the Articles of Association, results from the opportunity to strengthen the Group's financial means at a time when the capitalisation of banks is particularly important, in the light of continued uncertainty regarding the extent and duration of the international market crisis.

List of offices of Supervisory Board Members

22. In compliance with art. 144-quinquiesdecies on disclosure obligations, a list of offices held in companies pursuant to Book V, Title V, Chapters V, VI and VII of the Italian Civil Code is attached herewith.

Torino, 9 April 2009

For the Supervisory Board
The Chairman – Giovanni Bazoli

List of offices as at 09.04.2009 pursuant to art. 144-quinquiesdecies of the Regulation on Issuers

Giovanni BAZOLI

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Chairman, Supervisory Board	Approval of 2009 Financial Statements	1
Alleanza Assicurazioni SpA	Director	Approval of 2009 Financial Statements	1
La Scuola SpA	Deputy Chairman, Board of Directors	Approval of 2010 Financial Statements	
Mittel SpA	Chairman, Board of Directors	Approval of 2011 Financial Statements	1
UBI Banca ScpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Total offices in issuers			4
Total offices held			5

Antoine BERNHEIM

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Deputy Chairman, Supervisory Board	Approval of 2009 Financial Statements	1
Alleanza Assicurazioni SpA	Deputy Chairman, Board of Directors	Approval of 2009 Financial Statements	1
Assicurazioni Generali SpA	Chairman, Board of Directors	Approval of 2009 Financial Statements	1
Mediobanca SpA	Director	Approval of 2011 Financial Statements	1
Total offices in issuers			4
Total offices held			4

Rodolfo ZICH

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Deputy Chairman, Supervisory Board	Approval of 2009 Financial Statements	1
Innogest S.G.R. SpA	Director	Approval of 2010 Financial Statements	
Total offices in issuers			1
Total offices held			2

Franco DALLA SEGA

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Avvenire Nuova Editoriale Italiana SpA	Director	Approval of 2009 Financial Statements	
Hopa S.p.A.	Chairman, Board of Auditors	Approval of 2010 Financial Statements	
Impresa Tecnoeditoriale Lombarda Srl or I.T.L. Srl	Standing Auditor	Approval of 2008 Financial Statements	
IMMIT - Immobili Italiani S.p.A.	Chairman, Board of Auditors	Approval of 2009 Financial Statements	
Intesa Previdenza SIM SpA	Chairman, Board of Auditors	Approval of 2009 Financial Statements	
Mittel Investimenti Immobiliari Srl	Chairman, Board of Auditors	Approval of 2011 Financial Statements	
Mittel Private Equity SpA	Chairman, Board of Auditors	Approval of 2011 Financial Statements	
Mittel SpA	Standing Auditor	Approval of 2009 Financial Statements	1
Novaradio A Srl	Standing Auditor	Approval of 2009 Financial Statements	
Progressio SGR SpA	Standing Auditor	Approval of 2009 Financial Statements	
Torino Zerocinque Trading SpA	Chairman, Board of Auditors	Approval of 2010 Financial Statements	
Total offices in issuers			2
Total offices held			12

Carlo BAREL DI SANT'ALBANO

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
EXOR SpA (formerly IFIL Investments SpA)	Managing Director	Approval of 2008 Financial Statements	1
FIAT SpA	Director	Approval of 2011 Financial Statements	1
Juventus F.C. SpA	Director	Approval of 2009 Financial Statements	1
Total offices in issuers			4
Total offices held			4

Rosalba CASIRAGHI

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Alto Partners SGR SpA	Director	Approval of 2009 Financial Statements	
Banca CR Firenze SpA	Chairman, Board of Auditors	Approval of 2009 Financial Statements	
Costruzione Gestione Progettazione SpA or CO.GE.PRO. SpA	Managing Director	Approval of 2009 Financial Statements	
Industrie De Nora SpA	Standing Auditor	Approval of 2008 Financial Statements	
Luisa Spagnoli SpA	Director	Approval of 2009 Financial Statements	
Nuovo Trasporto Viaggiatori Spa or NTV SpA	Chairman, Board of Auditors	Approval of 2010 Financial Statements	
Rating Srl	Sole Director	Until revoked or resignation	
Spa.Im Srl	Director	Approval of 2009 Financial Statements	
Spa.Ma Srl	Director	Approval of 2009 Financial Statements	
Spa.Pi Srl	Director	Approval of 2009 Financial Statements	
Total offices in issuers			1
Total offices held			11

Marco CIABATTONI

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Fisc Italiana Srl	Standing Auditor	Approval of 2010 Financial Statements	
Total offices in issuers			1
Total offices held			2

Giovanni COSTA

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Edizione Srl (formerly Edizione Holding SpA)	Director	Approval of 2011 Financial Statements	
Veneto Nanotech ScpA	Director	Approval of 2008 Financial Statements	
Total offices in issuers			2
Total offices held			3

Gianluca FERRERO

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Alberto Lavazza e C. S.a.p.a.	Standing Auditor	Approval of 2008 Financial Statements	
B. Srl	Sole Director	Until revoked	
Banca del Piemonte SpA	Director	Approval of 2009 Financial Statements	
Centro Congressi Unione Industriali Torino SpA	Standing Auditor	Approval of 2010 Financial Statements	
Emilio Lavazza e C. S.a.p.a.	Standing Auditor	Approval of 2008 Financial Statements	
Fenera Holding SpA	Standing Auditor	Approval of 2011 Financial Statements	
Fenera Real Estate SpA	Standing Auditor	Approval of 2011 Financial Statements	
FIBE Srl	Sole Director	Until revoked	
FINLEGA SpA	Chairman, Board of Directors	Approval of 2008 Financial Statements	
G.F.T. NET SpA (in liquidation)	Chairman, Board of Auditors	Approval of 2009 Financial Statements	
Giovanni Agnelli e C. S.a.p.a.	General Partner	Approval of 2038 Financial Statements	
Luigi Lavazza SpA	Chairman, Board of Auditors	Approval of 2009 Financial Statements	
Pictet Fiduciaria Srl (in liquidation)	Standing Auditor	Approval of 2008 Financial Statements	
SEI - Società Editrice Internazionale SpA	Director	Approval of 2010 Financial Statements	
Tecnodelta SpA (in liquidation)	Liquidator	Until revoked	
TO-DIS Srl	Chairman, Board of Auditors	Approval of 2008 Financial Statements	
Total offices in issuers			1
Total offices held			17

Angelo FERRO

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Editoriale Veneto Srl	Director	Approval of 2010 Financial Statements	
Pavan Srl	Chairman, Board of Directors	Approval of 2010 Financial Statements	
Pavan Tecnologie SpA	Chairman, Board of Directors	Approval of 2009 Financial Statements	
R.C.S. Quotidiani SpA	Director	Approval of 2009 Financial Statements	
Società Cattolica di Assicurazione Soc. Coop.	Director	Approval of 2008 Financial Statements	1
Tiflosystem SpA	Director	Approval of 2009 Financial Statements	
Total offices in issuers			2
Total offices held			7

Pietro GARIBALDI

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Total offices in issuers			1
Total offices held			1

Giulio Stefano LUBATTI

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Tokos SGR SpA	Director	Approval of 2010 Financial Statements	
Banco di Napoli SpA	Chairman, Board of Auditors	Approval of 2011 Financial Statements	
Total offices in issuers			1
Total offices held			3

Giuseppe MAZZARELLO

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Total offices in issuers			1
Total offices held			1

Eugenio PAVARANI

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Intesa Mediofactoring SpA	Chairman, Board of Auditors	Approval of 2011 Financial Statements	
Roche Diagnostic SpA	Standing Auditor	Approval of 2010 Financial Statements	
Roche Pharma SpA	Standing Auditor	Approval of 2010 Financial Statements	
Total offices in issuers			1
Total offices held			4

Gianluca PONZELLINI

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Autogrill International Srl	Standing Auditor	Approval of 2008 Financial Statements	
Autogrill SpA	Standing Auditor	Approval of 2008 Financial Statements	1
Banca IMI SpA	Chairman, Board of Auditors	Approval of 2010 Financial Statements	
Caretti & Associati SpA	Standing Auditor	Approval of 2010 Financial Statements	
Casa Editrice Universo SpA	Standing Auditor	Approval of 2010 Financial Statements	
De Longhi Appliances Srl	Chairman, Board of Auditors	Approval of 2009 Financial Statements	
De Longhi Capital Services Srl	Chairman, Board of Auditors	Approval of 2009 Financial Statements	
De Longhi SpA	Chairman, Board of Auditors	Approval of 2009 Financial Statements	1
Diperdi Srl	Chairman, Board of Auditors	Approval of 2008 Financial Statements	
Etnastore Srl	Standing Auditor	Approval of 2010 Financial Statements	
Finmar SpA	Chairman, Board of Auditors	Approval of 2008 Financial Statements	
G.S. SpA	Standing Auditor	Approval of 2010 Financial Statements	
Luisa Spagnoli SpA	Chairman, Board of Auditors	Approval of 2009 Financial Statements	
Metodo Srl	Chairman	Indefinite	
Pegaso SpA	Standing Auditor	Approval of 2008 Financial Statements	
Senatus Srl	Director	Until revoked	
Spa.Pi Srl	Chairman, Board of Auditors	Approval of 2009 Financial Statements	
Spa.Im Srl	Chairman, Board of Auditors	Approval of 2009 Financial Statements	
Spa.Ma Srl	Chairman, Board of Auditors	Approval of 2009 Financial Statements	
SSC Società Sviluppo Commerciale Srl	Standing Auditor	Approval of 2008 Financial Statements	
Total offices in issuers			3
Total offices held			21

Prof. Gianguido SACCHI MORSIANI

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Cassa Esattoriale Mutua Italiana C.E.M.I. Srl	Sole Director	Indefinite	
Equitalia Polis SpA	Director	Approval of 2009 Financial Statements	
Total offices in issuers			1
Total offices held			3

Ferdinando TARGETTI

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Total offices in issuers			1
Total offices held			1

Livio TORIO

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Azienda Agricola Pucciarella Srl	Standing Auditor	Approval of 2008 Financial Statements	
Azienda Agricola Riservo Srl	Chairman, Board of Auditors	Approval of 2008 Financial Statements	
Azienda Agricola Trequanda Srl	Standing Auditor	Approval of 2008 Financial Statements	
Banca di Credito Sardo SpA (formerly Banca Cis SpA)	Standing Auditor	Approval of 2009 Financial Statements	
CRIF Servizi Decision Solutions SpA	Standing Auditor	Approval of 2008 Financial Statements	
Fondo Pensioni Cariplo –Valore e Sviluppo Immobiliare – Sezione II - Srl	Standing Auditor	Approval of 2008 Financial Statements	
Mediocredito Italiano SpA	Chairman, Board of Auditors	Approval of 2009 Financial Statements	
P.S.M. Celada Fasteners Srl	Standing Auditor	Approval of 2009 Financial Statements	
Senato 14/16 Immobiliare Srl	Chairman, Board of Auditors	Approval of 2010 Financial Statements	
Setefi SpA	Chairman, Board of Auditors	Approval of 2010 Financial Statements	
Total offices in issuers			1
Total offices held			11

Riccardo VARALDO

Company name	Type of office held	Expiry date	no. offices held in issuers
Intesa Sanpaolo SpA	Member, Supervisory Board	Approval of 2009 Financial Statements	1
Finmeccanica SpA	Director	Approval of 2010 Financial Statements	1
Piaggio & C. SpA	Director	Approval of 2008 Financial Statements	1
Total offices in issuers			3
Total offices held			3