

# INFORMATIONAL DOCUMENT

## Chapter 5

Merger by incorporation of  
Sanpaolo IMI S.p.A.  
with and into Banca Intesa S.p.A.

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## 5. PRO-FORMA STATEMENT OF INCOME AND BALANCE SHEET FIGURES OF THE SURVIVING COMPANY

### 5.1 PRESENTATION OF PRO-FORMA FIGURES

The present chapter contains pro-forma consolidated figures as at 30th June 2006 and as at 31st December 2005 representing appropriately the significant effects of the merger and the disposal to Crédit Agricole S.A., described above.

Pro-forma consolidated figures refer to the statements provided for by the Circular of the Bank of Italy no. 262 of 22nd December 2005 and are prepared in accordance with IAS/IFRS adopted by the European Union. Pro-forma figures have been obtained by applying to historical figures pro-forma adjustments to reflect retroactively the significant effects of the transactions described above: in particular, such effects, on the basis of provisions contained in Consob communication no. DEM/1052803 of 5th July 2001, have been recorded in the pro-forma consolidated balance sheet as if such transactions had occurred at the end of the reference period and in the pro-forma consolidated statement of income as if they had occurred at the beginning of the period. Pro-forma adjustments have been indicated separately in the tables hereafter and are described analytically in the present chapter.

To aggregate figures, obtained by combining the consolidated figures published by the two entities in the respective Half-year reports and Annual reports 2005, appropriate pro-forma adjustments have been applied to show the effects of the merger, provisionally measuring (the final cost of the transaction, and consequently of the shareholders' equity of the Surviving company will be determined with reference to the stock price on the day in which the merger comes into legal effects, or to the last share price available) the value of the new shares to be issued to support the exchange on the basis of the price of Banca Intesa ordinary shares as at 30th September 2006 and preliminarily recording in the caption "Difference arising from the merger" the difference between such value of the shares and Gruppo Sanpaolo IMI's consolidated shareholders' equity as at 30th June 2006.

Intergroup transactions have been eliminated and pro-forma adjustments have been recorded to take into account the balance sheet and income statement effect<sup>2</sup> which will arise following the implementation of the Agreement signed on 11th October 2006 by Intesa and Crédit Agricole S.A. that – as described in another part of the Document – provides for the disposal to Crédit Agricole S.A. of:

- the entire equity stake held by Intesa in Cassa di Risparmio di Parma e Piacenza (representing 100% of the share capital) for a consideration of 3.8 billion euro;
- the entire equity stake held by Intesa in Banca Popolare FriulAdria (representing 76.05% of the share capital) for a consideration of 836.5 million euro; and
- 193 Gruppo Intesa branches for a consideration of 1.3 billion euro.

In application of the preparation criteria of the pro-forma consolidated figures aimed at representing development of current operations, which require the exclusion of any non-recurring components, the pro-forma consolidated statement of income for the period ending as at 30th June 2006 and as at 31st December 2005 do not take into account the capital gains on the disposal of such assets to Crédit Agricole S.A. The relevant amount, net of the fiscal effect, has been recorded in the pro-forma consolidated balance sheet as at 30th June 2006 in the caption under shareholders' equity "Effect of disposal transaction".

Furthermore, the Agreement signed with Crédit Agricole S.A. provides for the possibility for Intesa – through the exercise of call/put options – of acquiring 65% of the asset management activities formerly referred to as Nextra and sold to Crédit Agricole S.A. at the end of 2005. If the project of setting up a pan-European joint-venture in the asset management activities is not deemed feasible by one of the parties, such options may be exercised during 2007. In consideration of the current uncertainty on the exercise of the aforementioned options, the possible effects of the transaction described above are not

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<sup>2</sup> With reference to the balance sheet and statement of income figures of the 193 branches to be disposed, management accounts have been used.

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taken into account in the preparation of the pro-forma consolidated statement of income and balance sheet figures.

Similarly, in the preparation of the pro-forma consolidated figures the effects of the listing of Eurizon, forecasted in 2007, have not been considered since they are closely related to the outcome of the aforementioned project.

Therefore, pro-forma consolidated figures include:

- Gruppo Intesa consolidated figures;
- Gruppo Sanpaolo IMI consolidated figures;
- figures related to the assets to be disposed to Crédit Agricole S.A.;
- intergroup eliminations;
- the effects of Intesa's capital increase, for the effect of the merger;
- the effects of the consolidation of Gruppo Sanpaolo IMI.

As concerns accounting principles adopted by Gruppo Intesa and Gruppo Sanpaolo IMI for the preparation of their respective consolidated financial statements please refer to the Notes to the Half-year reports as at 30th June 2006 and to the Annual Reports 2005, prepared in accordance with IAS/IFRS adopted by the European Union.

For an accurate interpretation of the information provided by pro-forma figures, it is necessary to note the following aspects:

- since these are representations built on the assumption that the merger and disposal transactions were closed on the dates taken as reference for the preparation of the pro-forma consolidated figures, instead of the date on which the merger comes into legal effects, historical figures would not have necessarily been equal to pro-forma figures;
- pro-forma figures do not reflect prospective figures since they are prepared to represent solely the effects of merger and disposal transactions which may be determined and objectively measured, without considering the potential effects due to variations in management policies and to operating decisions following the transactions.

Moreover, in consideration of the different purpose of pro-forma figures with respect to the figures of historical financial statements and the different calculation methods of the effects of acquisitions and disposals with reference to the balance sheet and the statement of income, pro-forma consolidated financial statements must be read and interpreted separately, without searching for accounting connections between the two documents.

As described above, the difference between the cost of the transaction and Gruppo Sanpaolo IMI's consolidated shareholders' equity was preliminarily recorded in the caption "Difference arising from the merger". Such difference in the pro-forma consolidated statements of income is not subject to amortisation. It must be noted that the merger will be accounted for using the "purchase method", which entails on the date on which the merger becomes legally effective, the identification of the fair value of net assets and the allocation of the cost of transaction, attributing any excess with respect to such value to goodwill. Consequently, if in the allocation process property, equipment and intangible assets with finite useful life are identified, the future statements of income will include adjustments to such allocations.

## 5.1.1 Pro-forma balance sheet as at 30th June 2006 and as at 31st December 2005 and pro-forma statement of income for the first half of 2006 and for 2005

### Pro-forma consolidated balance sheet as at 30th June 2006

Assets	Gruppo Intesa	Gruppo Sanpaolo IMI	Assets to be disposed to Crédit Agricole	Eliminations	Merger adjustments	(in millions of euro)
						Consolidated figures New Group (pro forma)
10. Cash and cash equivalents	1,619	962	-100	-	-	2,481
20. Financial assets held for trading	51,160	21,645	-352	-2,916	-	69,537
30. Financial assets designated at fair value through profit and loss	-	20,030	-	-	-	20,030
40. Financial assets available for sale	4,828	31,358	-56	-	-	36,130
50. Investments held to maturity	2,479	2,433	-	-	-	4,912
60. Due from banks	29,338	31,094	6,715	-934	-	66,213
70. Loans to customers	176,023	147,330	-21,504	-	-	301,849
80. Hedging derivatives	999	522	-133	-38	-	1,350
90. Fair value change of financial assets in hedged portfolios (+/-)	-2	-	-	-	-	-2
100. Investments in associates and companies subject to joint control	2,144	985	-141	-	-	2,988
110. Technical insurance reserves reassured with third parties	-	35	-	-	-	35
120. Property and equipment	2,889	2,697	-287	-	-	5,299
130. Intangible assets	1,322	1,026	-14	-	-	2,334
<i>of which</i>						
- <i>goodwill</i>	871	794	-2	-	-	1,663
140. Tax assets	2,817	2,447	-136	-	-	5,128
<i>a) current</i>	1,535	869	-46	-	-	2,358
<i>b) deferred</i>	1,282	1,578	-90	-	-	2,770
150. Non-current assets held for sale and discontinued operations	1,079	798	-	-	-	1,877
160. Other assets	3,502	6,881	-345	-	-	10,038
Difference arising from the merger (provisional)					16,332	16,332
<b>Total Assets</b>	<b>280,197</b>	<b>270,243</b>	<b>-16,353</b>	<b>-3,888</b>	<b>16,332</b>	<b>546,531</b>

## Pro-forma consolidated balance sheet as at 30th June 2006

Liabilities and Shareholders' Equity	Gruppo Intesa	Gruppo Sanpaolo IMI	Liabilities to be disposed to Crédit Agricole	Eliminations	Merger adjustments	(in millions of euro)
						Consolidated figures New Group (pro forma)
10. Due to banks	36,598	36,376	642	-934	-	72,682
20. Due to customers	118,650	98,009	-15,346	-	-	201,313
30. Securities issued	75,111	48,509	-4,175	-61	-	119,384
40. Financial liabilities held for trading	16,750	9,608	14	-2,827	-	23,545
50. Financial liabilities designated at fair value through profit and loss	-	25,386	-	-	-	25,386
60. Hedging derivatives	1,835	354	-34	-29	-	2,126
70. Fair value change of financial liabilities in hedged portfolios (+/-)	-	-98	-	-	-	-98
80. Tax liabilities	1,658	950	63	-	-	2,671
<i>a) current</i>	1,183	373	106	-	-	1,662
<i>b) deferred</i>	475	577	-43	-	-	1,009
90. Liabilities associated with non-current assets held for sale and discontinued operations	1,010	585	-	-	-	1,595
100. Other liabilities	8,152	11,835	-906	-	-	19,081
110. Employee termination indemnities	1,135	951	-184	-	-	1,902
120. Allowances for risks and charges	1,721	1,624	-273	-	-	3,072
<i>a) post employment benefits</i>	316	250	-120	-	-	446
<i>b) other allowances</i>	1,405	1,374	-153	-	-	2,626
130. Technical reserves	-	22,000	-	-	-	22,000
140. Valuation reserves	968	1,374	-14	-	-1,374	954
150. Reimbursable shares	-	-	-	-	-	-
160. Equity instruments	-	-	-	-	-	-
170. Reserves	5,223	5,344	205	-	-5,344	5,428
180. Share premium reserve	5,559	766	-	-	25,338	31,663
190. Share capital	3,613	5,400	-	-	-2,363	6,650
200. Treasury shares (-)	-7	-75	-	-37	75	-44
210. Minority interests (+/-)	745	205	-114	-	-	836
Effect of disposal transaction			3,960			3,960
220. Net income (loss)	1,476	1,140	-191	-	-	2,425
<b>Total Liabilities and Shareholders' Equity</b>	<b>280,197</b>	<b>270,243</b>	<b>-16,353</b>	<b>-3,888</b>	<b>16,332</b>	<b>546,531</b>

## Pro-forma consolidated statement of income for the first half of 2006

(in millions of euro)

	Gruppo Intesa	Gruppo Sanpaolo IMI	Statement of income effects of the disposal to Crédit Agricole	Eliminations	Merger adjustments	Consolidated figures New Group (pro forma)
10. Interest and similar income	5,359	4,650	-555	-14	-	9,440
20. Interest and similar expense	-2,719	-2,216	140	14	-	-4,781
<b>30. Interest margin</b>	<b>2,640</b>	<b>2,434</b>	<b>-415</b>	-	-	<b>4,659</b>
40. Fee and commission income	2,058	2,090	-304	-1	-	3,843
50. Fee and commission expense	-213	-447	13	1	-	-646
<b>60. Net fee and commission income</b>	<b>1,845</b>	<b>1,643</b>	<b>-291</b>	-	-	<b>3,197</b>
70. Dividend and similar income	379	241	-2	-	-	618
80. Profits (Losses) on trading	188	13	-17	-	-	184
90. Fair value adjustments in hedge accounting	13	3	-5	-	-	11
100. Profits (Losses) on disposal or repurchase of	43	117	-3	-	-	157
<i>a) loans</i>	-12	40	-	-	-	28
<i>b) financial assets available for sale</i>	44	76	-1	-	-	119
<i>c) investments held to maturity</i>	-	-	-	-	-	-
<i>d) financial liabilities</i>	11	1	-2	-	-	10
110. Profits (Losses) on financial assets and liabilities designated at fair value	-	-23	-	-	-	-23
<b>120. Net interest and other banking income</b>	<b>5,108</b>	<b>4,428</b>	<b>-733</b>	-	-	<b>8,803</b>
130. Net losses / recoveries on impairment	-283	-204	39	-	-	-448
<i>a) loans</i>	-318	-191	37	-	-	-472
<i>b) financial assets available for sale</i>	-4	-	2	-	-	-2
<i>c) investments held to maturity</i>	4	-	-	-	-	4
<i>d) other financial activities</i>	35	-13	-	-	-	22
<b>140. Net income from banking activities</b>	<b>4,825</b>	<b>4,224</b>	<b>-694</b>	-	-	<b>8,355</b>
150. Net insurance premiums	-	1,513	-	-	-	1,513
160. Other net insurance income (expense)	-	-1,675	-	-	-	-1,675
<b>170. Net income from banking and insurance activities</b>	<b>4,825</b>	<b>4,062</b>	<b>-694</b>	-	-	<b>8,193</b>
180. Administrative expenses	-2,597	-2,131	350	-	-	-4,378
<i>a) personnel expenses</i>	-1,577	-1,398	229	-	-	-2,746
<i>b) other administrative expenses</i>	-1,020	-733	121	-	-	-1,632
190. Net provisions for risks and charges	-66	-65	7	-	-	-124
200. Net adjustments to / recoveries on property and equipment	-132	-111	16	-	-	-227
210. Net adjustments to / recoveries on intangible assets	-110	-71	3	-	-	-178
220. Other operating expenses (income)	192	26	-8	-	-	210
<b>230. Operating expenses</b>	<b>-2,713</b>	<b>-2,352</b>	<b>368</b>	-	-	<b>-4,697</b>
240. Profits (Losses) on investments in associates and companies subject to joint control	82	59	-3	-	-	138
250. Valuation differences on property, equipment and intangible assets measured at fair value	-	-	-	-	-	-
260. Goodwill impairment	-	-	-	-	-	-
270. Profits (Losses) on disposal of investments	47	-	-1	-	-	46
<b>280. Income (Loss) before tax from continuing operations</b>	<b>2,241</b>	<b>1,769</b>	<b>-330</b>	-	-	<b>3,680</b>
290. Taxes on income from continuing operations	-750	-639	132	-	-	-1,257
<b>300. Income (Loss) after tax from continuing operations</b>	<b>1,491</b>	<b>1,130</b>	<b>-198</b>	-	-	<b>2,423</b>
310. Income (Loss) after tax from discontinued operations	43	44	-	-	-	87
<b>320. Net income (loss)</b>	<b>1,534</b>	<b>1,174</b>	<b>-198</b>	-	-	<b>2,510</b>
330. Minority interests	-58	-34	7	-	-	-85
<b>340. Parent Company's net income (loss)</b>	<b>1,476</b>	<b>1,140</b>	<b>-191</b>	-	-	<b>2,425</b>

## Pro-forma consolidated balance sheet as at 31st December 2005

(in millions of euro)

Assets	Gruppo Intesa	Gruppo Sanpaolo IMI	Assets to be disposed to Crédit Agricole	Eliminations	Merger adjustments	Consolidated figures New Group (pro forma)
10. Cash and cash equivalents	1,797	1,107	-118	-	-	2,786
20. Financial assets held for trading	51,067	25,037	-508	-3,317	-	72,279
30. Financial assets designated at fair value through profit and loss	-	22,528	-	-	-	22,528
40. Financial assets available for sale	4,379	29,837	-47	-	-	34,169
50. Investments held to maturity	2,810	2,535	-	-	-	5,345
60. Due from banks	27,111	28,836	6,606	-654	466	62,365
70. Loans to customers	169,478	139,507	-20,032	-27	-	288,926
80. Hedging derivatives	1,278	435	-89	-71	-	1,553
90. Fair value change of financial assets in hedged portfolios (+/-)	-	-	-	-	-	-
100. Investments in associates and companies subject to joint control	2,091	819	-136	-	-	2,774
110. Technical insurance reserves reassured with third parties	-	29	-	-	-	29
120. Property and equipment	2,924	2,177	-289	-	-	4,812
130. Intangible assets	1,356	1,008	-15	-	-	2,349
<i>of which</i>						
- <i>goodwill</i>	869	756	2	-	-	1,627
140. Tax assets	3,096	2,728	-205	-	-	5,619
<i>a) current</i>	1,670	988	-114	-	-	2,544
<i>b) deferred</i>	1,426	1,740	-91	-	-	3,075
150. Non-current assets held for sale and discontinued operations	2,869	220	-	-	-	3,089
160. Other assets	3,279	6,455	-310	-	-	9,424
Difference arising from the merger (provisional)					16,332	16,332
<b>Total Assets</b>	<b>273,535</b>	<b>263,258</b>	<b>-15,143</b>	<b>-4,069</b>	<b>16,798</b>	<b>534,379</b>

## Pro-forma consolidated balance sheet as at 31st December 2005

(in millions of euro)

Liabilities and Shareholders' Equity	Gruppo Intesa	Gruppo Sanpaolo IMI	Liabilities to be disposed to Crédit Agricole	Eliminations	Merger adjustments	Consolidated figures New Group (pro forma)
10. Due to banks	31,771	35,682	840	-680	-	67,613
20. Due to customers	115,270	92,306	-14,935	-1	-	192,640
30. Securities issued	72,320	46,985	-3,710	-18	-	115,577
40. Financial liabilities held for trading	21,249	11,342	-164	-3,300	-	29,127
50. Financial liabilities designated at fair value through profit and loss	-	25,939	-	-	-	25,939
60. Hedging derivatives	1,410	730	-2	-60	-	2,078
70. Fair value change of financial liabilities in hedged portfolios (+/-)	-	-35	-	-	-	-35
80. Tax liabilities	1,091	860	-9	-	-	1,942
<i>a) current</i>	643	216	51	-	-	910
<i>b) deferred</i>	448	644	-60	-	-	1,032
90. Liabilities associated with non-current assets held for sale and discontinued operations	2,963	164	-	-	-	3,127
100. Other liabilities	7,121	10,573	-552	-	-	17,142
110. Employee termination indemnities	1,102	1,001	-182	-	-	1,921
120. Allowances for risks and charges	1,732	1,882	-273	-	-	3,341
<i>a) post employment benefits</i>	320	425	-119	-	-	626
<i>b) other allowances</i>	1,412	1,457	-154	-	-	2,715
130. Technical reserves	-	22,113	-	-	-	22,113
140. Valuation reserves	829	1,286	-13	-	-1,286	816
150. Reimbursable shares	-	-	-	-	-	-
160. Equity instruments	-	-	-	-	-	-
170. Reserves	3,745	4,298	271	-	-4,298	4,016
180. Share premium reserve	5,510	769	-	-	24,492	30,771
190. Share capital	3,596	5,239	-	-	-2,202	6,633
200. Treasury shares (-)	-	-92	-	-10	92	-10
210. Minority interests (+/-)	801	233	-117	-	-	917
Effect of disposal transaction	-	-	3,960	-	-	3,960
220. Net income (loss)	3,025	1,983	-257	-	-	4,751
<b>Total Liabilities and Shareholders' Equity</b>	<b>273,535</b>	<b>263,258</b>	<b>-15,143</b>	<b>-4,069</b>	<b>16,798</b>	<b>534,379</b>

## Pro-forma consolidated statement of income for 2005

	Gruppo Intesa	Gruppo Sanpaolo IMI	Statement of income effects of the disposal to Crédit Agricole	Eliminations	Merger adjustments	(in millions of euro) Consolidated figures New Group (pro forma)
10. Interest and similar income	9,787	8,235	-975	-15	-	17,032
20. Interest and similar expense	-4,675	-3,786	247	15	-	-8,199
<b>30. Interest margin</b>	<b>5,112</b>	<b>4,449</b>	<b>-728</b>	-	-	<b>8,833</b>
40. Fee and commission income	4,473	4,166	-505	-	-	8,134
50. Fee and commission expense	-569	-758	-41	-	-	-1,368
<b>60. Net fee and commission income</b>	<b>3,904</b>	<b>3,408</b>	<b>-546</b>	-	-	<b>6,766</b>
70. Dividend and similar income	701	475	-2	-	-	1,174
80. Profits (Losses) on trading	13	104	-30	-	-	87
90. Fair value adjustments in hedge accounting	32	-4	-12	-	-	16
100. Profits (Losses) on disposal or repurchase of	-	394	-34	-	-	360
<i>a) loans</i>	-23	57	-	-	-	34
<i>b) financial assets available for sale</i>	23	347	-32	-	-	338
<i>c) investments held to maturity</i>	1	-	-	-	-	1
<i>d) financial liabilities</i>	-1	-10	-2	-	-	-13
110. Profits (Losses) on financial assets and liabilities designated at fair value	-	219	-	-	-	219
<b>120. Net interest and other banking income</b>	<b>9,762</b>	<b>9,045</b>	<b>-1,352</b>	-	-	<b>17,455</b>
130. Net losses / recoveries on impairment	-526	-442	80	-	-	-888
<i>a) loans</i>	-545	-437	83	-	-	-899
<i>b) financial assets available for sale</i>	-22	-1	-	-	-	-23
<i>c) investments held to maturity</i>	4	-	-	-	-	4
<i>d) other financial activities</i>	37	-4	-3	-	-	30
<b>140. Net income from banking activities</b>	<b>9,236</b>	<b>8,603</b>	<b>-1,272</b>	-	-	<b>16,567</b>
150. Net insurance premiums	-	3,599	-	-	-	3,599
160. Other net insurance income (expense)	-	-4,496	-	-	-	-4,496
<b>170. Net income from banking and insurance activities</b>	<b>9,236</b>	<b>7,706</b>	<b>-1,272</b>	-	-	<b>15,670</b>
180. Administrative expenses	-5,409	-4,353	688	-	-	-9,074
<i>a) personnel expenses</i>	-3,255	-2,839	456	-	-	-5,638
<i>b) other administrative expenses</i>	-2,154	-1,514	232	-	-	-3,436
190. Net provisions for risks and charges	-426	-53	124	-	-	-355
200. Net adjustments to / recoveries on property and equipment	-272	-239	31	-	-	-480
210. Net adjustments to / recoveries on intangible assets	-251	-198	6	-	-	-443
220. Other operating expenses (income)	327	74	-13	-	-	388
<b>230. Operating expenses</b>	<b>-6,031</b>	<b>-4,769</b>	<b>836</b>	-	-	<b>-9,964</b>
240. Profits (Losses) on investments in associates and companies subject to joint control	226	70	-7	-	-	289
250. Valuation differences on property, equipment and intangible assets measured at fair value	-	-	-	-	-	-
260. Goodwill impairment	-6	-1	-	-	-	-7
270. Profits (Losses) on disposal of investments	757	17	-11	-	-	763
<b>280. Income (Loss) before tax from continuing operations</b>	<b>4,182</b>	<b>3,023</b>	<b>-454</b>	-	-	<b>6,751</b>
290. Taxes on income from continuing operations	-1,082	-948	187	-	-	-1,843
<b>300. Income (Loss) after tax from continuing operations</b>	<b>3,100</b>	<b>2,075</b>	<b>-267</b>	-	-	<b>4,908</b>
310. Income (Loss) after tax from discontinued operations	32	-35	-3	-	-	-6
<b>320. Net income (loss)</b>	<b>3,132</b>	<b>2,040</b>	<b>-270</b>	-	-	<b>4,902</b>
330. Minority interests	-107	-57	13	-	-	-151
<b>340. Parent Company's net income (loss)</b>	<b>3,025</b>	<b>1,983</b>	<b>-257</b>	-	-	<b>4,751</b>

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## 5.1.2 Methodological notes concerning the preparation of pro-forma figures

### Purpose of the presentation of pro-forma figures

As already mentioned, the purpose of the presentation of pro-forma consolidated figures is that of representing – according to presentation criteria consistent with those used for the preparation of financial statements – the backdated statement of income and balance sheet effects of the merger between Gruppo Intesa and Gruppo Sanpaolo IMI, as well as the connected sale of certain assets of Gruppo Intesa to Crédit Agricole S.A.

### Assumptions used in the preparation of pro-forma figures

The main assumptions underlying the preparation of pro-forma consolidated figures are described below.

- The financial statements above have been obtained by combining the figures in the Consolidated half-year reports as at 30th June 2006 and the Annual reports as at 31st December 2005 of Gruppo Intesa and Gruppo Sanpaolo IMI prepared in accordance with IAS/IFRS adopted by the European Union and with the statements provided for by the Circular of the Bank of Italy no. 262 of 22nd December 2005. The Annual reports 2005 and the Half-year reports as at 30th June 2006 have been audited (limited review in the case of half-year figures) by Reconta Ernst & Young and PricewaterhouseCoopers respectively.
- Both Groups apply IAS/IFRS as of 2005. However, certain differences may exist due to the possibility of opting for different alternatives provided for by the aforementioned principles or deriving from the use of different methodologies or parameters in the measurement of assets and liabilities. Such differences, deemed to be immaterial, have not been considered for the purposes of preparation of the pro-forma financial statements.
- Aggregate figures of the two Groups have been adjusted to consider the assets and liabilities, as well as the corresponding economic results, of the equity investments in Cassa di Risparmio di Parma e Piacenza, in Banca Popolare FriulAdria and to the branches to be disposed to Crédit Agricole S.A. The consideration for the sale (5,966 million euro as indicated in the Agreement with Crédit Agricole S.A.) was recorded in the caption “due from banks”. Such consideration may be subject to variations in relation to the changes in the balance sheet figures recorded at the time of execution of the sale according to the terms provided for in the contract. The capital gain net of the fiscal effect, determined considering the application of art. 87 TUIR concerning partly exempt capital gains, (3,960 million euro) was recorded in a specific caption under shareholders’ equity “Effect of disposal transaction” and was not recorded in the pro-forma consolidated statement of income as at 30th June 2006, since it is a non-recurring event.
- Merger adjustments, illustrated hereafter, have been reported adopting the general rule which entails that transactions referred to the balance sheet are considered to have occurred at the end of the reference period, while for the statement of income transactions are assumed to have occurred at the beginning of the period.
- The cost of the business combination, represented by the fair value of the new shares to be issued to effect the merger, must be considered provisional, since the necessary elements for its definitive quantification are not yet known. In particular, as already indicated, the fair value of the new shares of the Surviving company will be represented by the stock price on the market on the day in which the merger comes into legal effects, that is the last share price available. Furthermore, the costs of the merger (professional fees, costs for reports and expert opinions, etc.), also currently undeterminable, must be added to the value determined as described above.  
Accessory costs to be deducted from the share premium relative to the share capital increase to effect the merger were not taken into account, since not estimable subjectively and deemed to be immaterial in consideration of the overall increase in share capital and the relative share premium.
- The difference between fair value as at 30th September 2006 (5.18 euro per share) of Intesa shares to be issued to support the exchange and Gruppo Sanpaolo IMI’s consolidated shareholders’ equity was preliminarily recorded in the specific caption “Difference arising from the merger”, without making any allocation since, as already described, the merger will be recorded using the “purchase method”, which entails, at the date in which the merger comes into legal effects, the identification of the fair value of net assets and the allocation of the cost of the transaction attributing any excess with respect

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to such values to goodwill.

It must be noted that for every 10 cents of potential difference between the value of 5.18 euro per share indicated above and the effective price on the day on which the merger comes into legal effects, the cost of the transaction and consequently the "Difference arising from the merger" will vary by 584 million euro.

- The aforementioned difference was determined on the basis of the number of Sanpaolo shares outstanding as at 30th June 2006, without considering the shares issued thereof, or which may be issued within the date in which the merger comes into legal effects, following the exercise of the options provided for by the stock option plan resolved upon by Sanpaolo in December 2002.

### **Eliminations**

- The most significant reciprocal balance sheet and statement of income items between Gruppo Intesa and Gruppo Sanpaolo IMI have been eliminated – relating to due to and from banks, as well as interest and commissions – according to the criteria normally used in consolidation procedures.
- The bonds issued by Gruppo Intesa companies present in the securities portfolios of Gruppo Sanpaolo IMI companies and bonds issued by the latter and present in the securities portfolio of Gruppo Intesa companies were deducted for 61 million euro (18 million euro as at 31st December 2005) from assets in the caption "Financial assets held for trading" and from liabilities in the caption "Securities issued".
- Trading and hedging derivative contracts stipulated by the two groups have been eliminated from assets from the captions "Financial assets held for trading" for 2,818 million euro (3,289 million euro as at 31st December 2005) and "Hedging derivatives" for 38 million euro (71 million euro as at 31st December 2005) and from liabilities from the captions "Financial liabilities held for trading" for 2,827 million euro (3,300 million euro as at 31st December 2005) and "Hedging derivatives" for 29 million euro (60 million euro as at 31st December 2005).
- Sanpaolo shares in the portfolio of Gruppo Intesa companies and included in "Financial assets held for trading" have been eliminated and offset by shareholders' equity, in the specific caption "Treasury shares", for 35 million euro (10 million euro as at 31st December 2005).
- Intesa shares held by Gruppo Sanpaolo IMI companies and included in "Financial assets held for trading" have been deducted from shareholders' equity, in the specific caption "Treasury shares", for 2 million euro (no amount as at 31st December 2005).

### **Merger adjustments**

- The provisional cost of the business combination, represented by the fair value of the new Intesa shares issued (equal to 30,281 million euro) was compared with Gruppo Sanpaolo IMI's consolidated shareholders' equity as at 30th June 2006 (equal to 13,949 million euro) and, as described above, the difference of 16,332 million euro, was preliminarily recorded in the specific caption "Difference arising from the merger", before a precise allocation in the relevant balance sheet captions at the date in which the merger comes into legal effects. With reference to pro-forma figures as at 31st December 2005, the difference between shareholders' equity of Gruppo Sanpaolo IMI between as at 30th June 2006 and as at 31st December 2005 was recorded in the caption "Due from banks". In this way the "Difference arising from the merger" has the same value in the two periods.
- The consolidation area has not been changed to consider any equity stakes held by groups in the same entities, if combined percentage holdings may create the preconditions for full consolidation or recording at equity.

## 5.2 PRO-FORMA VALUES PER SHARE

The table below presents pro-forma consolidated values per share compared to the corresponding values contained in Banca Intesa's consolidated half-year report as at 30th June 2006 and Annual report as at 31st December 2005.

Consolidated pro forma indicators per share	(euro)			
	30th June 2006 official figures	30th June 2006 pro forma figures	31st December 2005 official figures	31st December 2005 pro forma figures
Number of shares (ordinary and saving)	6,948,079,223 <sup>(1)</sup>	12,788,256,710 <sup>(2)</sup>	6,915,864,848 <sup>(1)</sup>	12,788,256,710 <sup>(2)</sup>
Income (Loss) after tax from continuing operations	0.21	0.19	0.45	0.38
Parent Company's net income (loss)	0.21	0.19	0.44	0.37
Group shareholders' equity	2.42	3.99	2.42	3.67
Dividend				
. Ordinary shares	0.110 <sup>(3)</sup>	-	0.220	-
. Saving shares	0.116 <sup>(3)</sup>	-	0.231	-
Cash flow <sup>(4)</sup>	0.26	0.23	0.53	0.46

(1) Outstanding shares at the reference date.

(2) The number does not include Sanpaolo IMI shares issued after 30th June 2006, or that may be issued by the date on which the merger becomes legally effective, pursuant to the exercise of the faculty set out in the Sanpaolo IMI Stock option plan.

(3) Dividend conventionally considered equal to half of that resolved upon for the whole of 2005.

(4) Net income, including minority interests, plus adjustments.

## 5.3 INDEPENDENT AUDITORS' REPORTS ON PRO-FORMA STATEMENT OF INCOME AND BALANCE SHEET FIGURES

The reports of the Independent Auditors Reconta Ernst & Young concerning the examination of the preparation of pro-forma consolidated statements with the attestation of the reasonability of basic assumptions used for their preparation are attached to this Informational Document.



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

CONSOLIDATED PRO-FORMA STATEMENTS  
as of and for the year ended December 31, 2005 and  
as of and for the six months ended June 30, 2006

INDEPENDENT AUDITORS' REPORT ON THE EXAMINATION OF THE  
CONSOLIDATED PRO-FORMA STATEMENTS

**INDEPENDENT AUDITORS' REPORT ON THE EXAMINATION OF THE  
CONSOLIDATED PRO-FORMA STATEMENTS**  
(Translation from the original Italian text)

The European Commission's Regulation on Prospectuses n° 809/2004A, adopted by Consob in Italy under Article n° 70 of Regulation n° 11971, for the preparation of the information memorandum (the "Informational Document") in connection with significant mergers, acquisitions or disposals by Italian listed companies requires that, when unaudited pro-forma financial information are presented, the Informational Document contain "a report prepared by the independent auditors stating that in their opinion the unaudited pro-forma financial information has been properly compiled on the basis stated and that basis is consistent with the accounting policies of the Italian listed company". Consob in Italy requires that the independent auditors' report be prepared in accordance with Consob Rule n° DEM/1061609 of August 9, 2001.

Accordingly, an independent auditors' report on the examination of the unaudited pro-forma financial information was issued by the independent auditors of Banca Intesa S.p.A., in connection with the proposed merger of Sanpaolo IMI S.p.A. into Banca Intesa S.p.A., for the sole purpose of the above mentioned Italian regulation. Such report forms part of the Informational Document for the merger of Sanpaolo IMI S.p.A. into Banca Intesa S.p.A..

The following is the English language translation of the original Italian independent auditors' report on the examination of the unaudited pro-forma financial information of Banca Intesa S.p.A. under the above mentioned Italian regulation, in connection with the proposed merger of Sanpaolo IMI S.p.A. into Banca Intesa S.p.A., and cannot be used for any other purpose.

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

1. We examined the statements consisting of pro-forma consolidated balance sheet and income statement (the "Consolidated Pro-forma Statements"), accompanied by the explanatory notes, of Banca Intesa S.p.A. as of and for the year ended December 31, 2005.

Such Consolidated Pro-forma Statements derive from the historical financial information related to:

- the consolidated financial statements of Banca Intesa S.p.A. as of and for the year ended December 31, 2005 prepared in accordance with International Financial Reporting Standard ("IFRS") as adopted by the European Union;
- the consolidated financial statements of Sanpaolo IMI S.p.A. as of and for the year ended December 31, 2005 prepared in accordance with IFRS as adopted by the European Union;
- the financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. as of and for the year ended December 31, 2005 prepared in accordance with IFRS as adopted by the European Union;

- the financial statements of Banca Popolare FriulAdria S.p.A. as of and for the year ended December 31, 2005 prepared in accordance with IFRS as adopted by the European Union;
- the management accounts related to 193 branches of Banca Intesa S.p.A. (the “Branches”) as of and for the year ended December 31, 2005, prepared for the inclusion in the Consolidated Pro-forma Statements,

and from the pro-forma adjustments applied to such financial information and examined by us.

The consolidated financial statements of Banca Intesa S.p.A. as of and for the year ended December 31, 2005 have been audited by us and we have issued our auditors’ report on April 3, 2006. The consolidated financial statements of Sanpaolo IMI S.p.A. as of and for the year ended December 31, 2005 have been audited by other auditors who have issued the auditors’ report on April 11, 2006. The financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. as of and for the year ended December 31, 2005 have been audited by us and we have issued our auditors’ report on March 22, 2006. The financial statements of Banca Popolare FriulAdria S.p.A. as of and for the year ended December 31, 2005 have been audited by us and we have issued our auditors’ report on March 13, 2006.

The Consolidated Pro-forma Statements have been prepared on the basis of the assumptions described in the explanatory notes to reflect retroactively the effects of the transactions performed by Banca Intesa S.p.A. and detailed below:

- i) the merger of Sanpaolo Imi S.P.A. into Banca Intesa S.p.A. approved by the Boards of Directors on October 12, 2006;
  - ii) the disposal, following the implementation of the agreement signed on October 11, 2006 by Banca Intesa S.p.A. and Crédit Agricole S.A., of:
    - the entire interest of Banca Intesa S.p.A. in Cassa di Risparmio di Parma e Piacenza S.p.A. (representing 100% of the share capital);
    - the entire interest of Banca Intesa S.p.A. in Banca Popolare FriulAdria S.p.A. (representing 76.05% of the share capital);
    - the Branches.
2. The Consolidated Pro-forma Statements, accompanied by the explanatory notes, as of and for the year ended December 31, 2005 have been prepared as required by Article 70 of CONSOB Regulation no. 11971 and subsequent modifications and integrations, in application of Law Decree n. 58/98 concerning the regulations governing listed companies.

The scope of the preparation of the Consolidated Pro-forma Statements is to present, in accordance with valuation criteria consistent with the historical financial data and with the applicable regulations, the effects of the above mentioned transactions on the consolidated economic trend and on the consolidated balance sheet of Banca Intesa S.p.A., as if such transactions virtually occurred on December

31, 2005 and, with respect to the economic effects only, at the beginning of the year 2005. However, it should be noted that if the transactions had actually occurred on such dates, the results that are presented therein would not be necessarily obtained.

The Consolidated Pro-forma Statements are the responsibility of Banca Intesa S.p.A. management. Our responsibility is to express an opinion on the reasonableness of the assumptions adopted by the management for the preparation of the Consolidated Pro-forma Statements and on the correctness of the methodology utilized in preparing such data. In addition, it is our responsibility to express an opinion on the correctness of the valuation criteria and of the accounting principles applied.

3. Our examination has been made in accordance with the criteria recommended by CONSOB in its Recommendation n. DEM/1061609 of August 9, 2001 for the examination of the pro-forma data and applying the procedures we deemed necessary in the circumstances with respect to the engagement received.
4. In our opinion, the assumptions adopted by Banca Intesa S.p.A. for the preparation of the Consolidated Pro-forma Statements as of and for the year ended December 31, 2005, accompanied by the explanatory notes, to reflect retroactively the transactions described under paragraph 1 above, are reasonable and the methodology utilized for the preparation of the above mentioned financial information has been properly applied for the information purposes described above. In addition, we believe that the valuation criteria and the accounting principles have been properly applied for the preparation of such data.

Milan, November 9, 2006

Reconta Ernst & Young S.p.A.  
Signed by: Guido Celona, Partner

**INDEPENDENT AUDITORS' REPORT ON THE EXAMINATION OF THE  
CONSOLIDATED PRO-FORMA STATEMENTS**  
(Translation from the original Italian text)

The European Commission's Regulation on Prospectuses n° 809/2004A, adopted by Consob in Italy under Article n° 70 of Regulation n° 11971, for the preparation of the information memorandum (the "Informational Document") in connection with significant mergers, acquisitions or disposals by Italian listed companies requires that, when unaudited pro-forma financial information are presented, the Informational Document contain "a report prepared by the independent auditors stating that in their opinion the unaudited pro-forma financial information has been properly compiled on the basis stated and that basis is consistent with the accounting policies of the Italian listed company". Consob in Italy requires that the independent auditors' report be prepared in accordance with Consob Rule n° DEM/1061609 of August 9, 2001.

Accordingly, an independent auditors' report on the examination of the unaudited pro-forma financial information was issued by the independent auditors of Banca Intesa S.p.A., in connection with the proposed merger of Sanpaolo IMI S.p.A. into Banca Intesa S.p.A., for the sole purpose of the above mentioned Italian regulation. Such report forms part of the Informational Document for the merger of Sanpaolo IMI S.p.A. into Banca Intesa S.p.A..

The following is the English language translation of the original Italian independent auditors' report on the examination of the unaudited pro-forma financial information of Banca Intesa S.p.A. under the above mentioned Italian regulation, in connection with the proposed merger of Sanpaolo IMI S.p.A. into Banca Intesa S.p.A., and cannot be used for any other purpose.

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

1. We examined the statements consisting of pro-forma consolidated balance sheet and income statement (the "Consolidated Pro-forma Statements"), accompanied by the explanatory notes, of Banca Intesa S.p.A. as of and for the six months ended June 30, 2006.

Such Consolidated Pro-forma Statements derive from the historical financial information related to:

- the interim consolidated financial statements included in the Consolidated Report of Banca Intesa S.p.A. as of and for the six months ended June 30, 2006 prepared pursuant the IAS 34 and the criteria for the preparation of the Six Months Management Report required by Article 81 of Consob Regulation as adopted in its Resolution no. 11971 of May 14, 1999 and subsequent modifications and integrations (the "Accounting Principles applied to Interim Consolidated Report");
- the interim consolidated financial statements included in the Consolidated Report of Sanpaolo IMI S.p.A. as of and for the six months ended June 30, 2006 prepared pursuant the Accounting Principles applied to Interim Consolidated Report;

- the interim financial statements included in the Interim Report of Cassa di Risparmio di Parma e Piacenza S.p.A. as of and for the six months ended June 30, 2006 prepared pursuant the IAS 34;
- the interim financial statements included in the Interim Report of Banca Popolare FriulAdria S.p.A. as of and for the six months ended June 30, 2006 prepared pursuant the IAS 34;
- the management accounts related to 193 branches of Banca Intesa S.p.A. (the “Branches”) as of and for the six months ended June 30, 2006, prepared for the inclusion in the Consolidated Pro-forma,

and from the pro-forma adjustments applied to such financial information and examined by us.

The interim consolidated financial statements of Banca Intesa S.p.A. as of and for the six months ended June 30, 2006 have been reviewed by us and we have issued our review report on September 27, 2006. The interim consolidated financial statements of Sanpaolo IMI S.p.A. as of and for the six months ended June 30, 2006 have been reviewed by other auditors who have issued the review report on September 25, 2006. The interim financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. as of and for the six months ended June 30, 2006 have been reviewed by us and we have issued our review report on September 25, 2006. The interim financial statements of Banca Popolare FriulAdria S.p.A. as of and for the six months ended June 30, 2006 have been reviewed by us and we have issued our review report on September 4, 2006.

The review consisted mainly of obtaining information with respect to the accounts included in the interim financial statements and the consistency of the accounting principles applied through discussions with appropriate members of management, and analytical procedures applied to the financial data presented in such interim financial statements. The review did not include performing auditing procedures such as tests of compliance of internal controls and substantive procedures on assets and liabilities and the scope of the work performed provides significant less assurance than a full scope audit performed in accordance with generally accepted auditing standards. Accordingly, the auditors have not expressed an audit opinion on the above mentioned interim financial statements as they do in connection with reporting on our full scope audit of the annual financial statements.

The Consolidated Pro-forma Statements have been prepared on the basis of the assumptions described in the explanatory notes to reflect retroactively the effects of the transactions performed by Banca Intesa S.p.A. and detailed below:

- i) the merger of Sanpaolo Imi S.P.A. with and into Banca Intesa S.p.A. approved by the Boards of Directors on October 12, 2006;

- ii) the disposal, following the implementation of the agreement signed on October 11, 2006 by Banca Intesa S.p.A. and Crédit Agricole, of:
  - the entire interest of Banca Intesa S.p.A. in Cassa di Risparmio di Parma e Piacenza S.p.A. (representing 100% of the share capital);
  - the entire interest of Banca Intesa S.p.A. in Banca Popolare FriulAdria S.p.A. (representing 76.05% of the share capital);
  - the Branches.
2. The Consolidated Pro-forma Statements, accompanied by the explanatory notes, as of and for the six months ended June 30, 2006 have been prepared as required by Article 70 of CONSOB Regulation no. 11971 and subsequent modifications and integrations, in application of Law Decree n. 58/98 concerning the regulations governing listed companies.

The scope of the preparation of the Consolidated Pro-forma Statements is to present, in accordance with valuation criteria consistent with the historical financial data and with the applicable regulations, the effects of the above mentioned transactions on the consolidated economic trend and on the consolidated balance sheet of Banca Intesa S.p.A., as if such transactions virtually occurred on June 30, 2006 and, with respect to the economic effects only, at the beginning of the year 2006. However, it should be noted that if the transactions had actually occurred on such dates, the results that are presented therein would not be necessarily obtained.

The Consolidated Pro-forma Statements are the responsibility of Banca Intesa S.p.A. management. Our responsibility is to express an opinion on the reasonableness of the assumptions adopted by the management for the preparation of the Consolidated Pro-forma Statements and on the correctness of the methodology utilized in preparing such data. In addition, it is our responsibility to express an opinion on the correctness of the valuation criteria and of the accounting principles applied.

3. Our examination has been made in accordance with the criteria recommended by CONSOB in its Recommendation n. DEM/1061609 of August 9, 2001 for the examination of the pro-forma data and applying the procedures we deemed necessary in the circumstances with respect to the engagement received.
4. Based on the work performed, nothing came to our attention that caused us to believe that the assumptions adopted by Banca Intesa S.p.A. for the preparation of the Consolidated Pro-forma Statements as of and for the six months ended June 30, 2006, accompanied by the explanatory notes, to reflect retroactively the transactions, described under paragraph 1 above, are not reasonable and that the methodology utilized for the preparation of the above mentioned financial information has not been properly applied for the information purposes described above. In addition, nothing came to our attention that caused us to believe that the valuation criteria and the accounting principles have not been properly applied for the preparation of such data.

Milan, November 9, 2006

Reconta Ernst & Young S.p.A.  
Signed by: Guido Celona, Partner