

PRESS RELEASE

Group strategies confirmed on the eve of Euromoney's Annual Central & Eastern European Forum

“INTESA SANPAOLO WILL CONTINUE TO GROW IN CENTRAL-EASTERN EUROPE AND IN THE MEDITERRANEAN BASIN”

IN THE FIRST NINE MONTHS OF 2007 THE INTERNATIONAL SUBSIDIARY BANKS DIVISION REGISTERED:

- **OPERATING INCOME OF 1,402 MILLION EURO**
 - **INCOME BEFORE TAX FROM CONTINUING OPERATIONS OF 602 MILLION EURO**
 - **7.2 MILLION CUSTOMERS**
 - **1,234 BRANCHES**
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- **Growth will also be achieved thanks to the evolution of the offering in rapidly-growing sectors such as credit cards, leasing and consumer lending**
 - **New image of international subsidiaries via an important re-branding project**
 - **In 2007 commercial banking, bancassurance and asset management activities also commenced in China**

Vienna, 14th January 2008 – Today in Vienna, the Managing Director, Corrado Passera, the Head of the International Subsidiary Banks Division, Giovanni Boccolini and Gyorgy Suranyi, Head of Central-Eastern Europe, illustrated the strategy and the objectives of the Intesa Sanpaolo Group in Central-Eastern Europe and in the Mediterranean Basin.

The Countries of Central-Eastern Europe – as highlighted in a report prepared by the International Network of Intesa Sanpaolo Economists and presented during the meeting – have young and extremely dynamic economies, that registered high growth rates in the 2002 - 2006 period (on average around 4-5%, according to Eurostat), far higher than the average for the Eurozone. The most reliable estimates expect this trend to continue. Furthermore, the banking system in the area experienced an accelerated development, by favouring the transfer of savings to loans that finance investments and innovation, and made an essential contribution to economic growth.

The development of activities of the Intesa Sanpaolo Group in the Central-Eastern European markets is expected to stem from the strategy adopted in the area, which leverages on consolidated key strengths such as the name, tradition and local management, the search of new opportunities and the creation of a synergic network of

competences capable of accelerating the evolution of the offering in growing sectors such as credit cards, leasing and consumer lending.

The International Subsidiary Banks Division operates through 10 controlled commercial banks, leading players in their respective markets, and mostly active in the retail sector:

- in Central-Eastern Europe (Croatia, Bosnia and Herzegovina, Serbia, Albania, Romania, Slovenia, Hungary, Republic of Slovakia, Czech Republic, Greece) and in the Russian Federation;
- in the Mediterranean Basin, where presence is currently focused on Egypt.

As at 30th September 2007, the Division served 7.2 million customers through 1,234 branches and posted operating income of 1,402 million euro (+22% on a consistent basis with respect to the first nine months of 2006) and income before tax from continuing operations of 602 million euro (+40.8%).

The Group's 2007-2009 Business Plan sets out important objectives for the International Subsidiary Banks Division which include:

- a 13.7% CAGR in operating income
- a rise in income before tax (+15.9% CAGR)
- a 4.7 percentage point decrease in the cost/income ratio.

The presentation in Vienna was also the occasion to illustrate the new coordinated image which will identify all of the Group's international banks. The re-branding programme sets out that the names of subsidiaries, all deeply-rooted in their respective local markets, remain unchanged but be restyled with the colours, the lettering and the logo of the Group. This will lead to a new visual identity.

The re-branding project is aimed at ensuring that international subsidiary banks are immediately recognised as part of a large international Group and, consequently, underlining the shared identity, with its distinctive values and styles – those of the entire Intesa Sanpaolo Group – in relations with customers and the social and economic community. The programme is part of the strategy aimed at enhancing and strengthening the potential and the image of single banks, for the purpose of reinforcing their role as protagonists in the development of their respective Countries.

Lastly, the Intesa Sanpaolo Group also commenced important initiatives on the Chinese market in 2007, through the acquisition of equity investments in local players operating in commercial banking, bancassurance and asset management.

In particular, Intesa Sanpaolo was the first Italian bank to make a direct investment in the capital of a Chinese bank through the acquisition of a 19.99% stake in Qingdao City Commercial Bank, it entered in the life insurance sector in China with the purchase of a 19.9% interest in the capital of Union Life and signed an agreement for the acquisition of a 49% stake in Penghua Fund Management, one of the leading asset management companies in the Chinese market.

For further information

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