

**PRESS RELEASE**

**INTESA SANPAOLO LAUNCHES *CREDITO AL LAVORO***

- ***Financial check-up*** to help households make the right credit choices
- **Activated free of charge** for clients and non-clients in the *Banca dei Territori* network of 6,500 branches
- **A new model in the provision of credit** which anticipates the European directive for 2010 on sustainable borrowing
- **A strong drive towards modernisation and greater efficiency** in the household financing sector
- **Rate reductions for pensioners and salaried employees of *partner* companies**

Milan, 12 June 2008 – Enabling Italian households to enjoy a quality of life which is not compromised by forms of borrowing that may be incompatible with their income. This is the prime objective of the *Credito al Lavoro* scheme launched by Intesa Sanpaolo. It aims to make a significant contribution to financial planning for Italian households, referring specifically to those who are salaried employees.

The scheme is also founded on a carefully-designed study of the economic situation of Italian households and their prospects for accessing credit, carried out by Intesa Sanpaolo's *Servizio Studi* (Research Department) in partnership with *Prometeia*. On the basis of this survey and through the establishment of a series of parameters, Intesa Sanpaolo Group branches are now able to perform a ***Financial check-up*** on the client's situation and develop financing proposals consistent with his/her profile.

The context – Despite high rates of growth in recent years, the level of indebtedness incurred by Italian households in relation to disposable income is still well below other industrialised countries (Italy 47%, France 69%, Germany 95%, Spain 124%, United States 134%). The proportion of indebted Italian households amounts to only 22% of the total. Households which have had greater recourse to credit have a younger head of household and a higher level of education; they are on average better off in terms of income and also have a higher level of overall wealth. This evidence goes hand in hand with greater and more diversified use of financial products, geared towards medium-term investments.

In the consumer credit sector specifically, banks have not until now had an adequate presence in relation to the potential. 77% of the market is covered by other financial intermediaries which demand significantly higher rates of interest: around 200 basis points for loans above 5000 Euros and around 650 basis points for smaller loans. The evidence collected suggests that if banks had a more prominent presence in the consumer credit market, this would allow the overall cost of credit to fall (by reducing costs through a greater level of competition), with positive implications for economic growth and the overall level of welfare.

The proposal – In this context Intesa Sanpaolo aims to continue taking concrete steps to protect households with an innovative scheme which helps clients make the right choices. *Credito al Lavoro* introduces a new methodology founded on the concept of well-informed and sustainable borrowing. In fact, it anticipates the European directive on consumer credit which member states will have to implement by 2010.

Through a well-designed interview and with the support of statistical models, the *Financial check-up* allows the client's "financial balance" and profile to be identified; this information is then shared with the client. The "financial balance" is the difference between actual income and the non-discretionary expenses which are essential for maintaining the household: this amount is the part of income potentially earmarked for saving, debt or discretionary consumption. The profile steers the financial consultant and client towards developing an appropriate plan for raising the loan. The profile and any possible solutions developed through the *Financial check-up* are ultimately described in a clear and simple document: this is made available free of charge to the client, to allow him/her to use it as support in planning the household's finances in an informed and sustainable manner. *Check-up* is a service which the 6,500 branches of the Group are making available to anyone who requests it, even if they are not a client.

*Credito al Lavoro* – as the name of the scheme suggests – strives to make the most of the client's work situation. Intesa Sanpaolo Group branches apply a discount on the rate of the *Prestito Multiplo* (*Multiple Loan*) personal loan and the *Clessidra* instalment repayment card, the loan card for salaried employees and pensioners who credit a salary or pension into their account. A further reduction in rate is foreseen for employees of companies who have joined the *Credito al Lavoro* initiative and have become scheme partners. There are currently around 1,300 companies. A favourable rate is also reserved for the self-employed who have a personal account and channel the income drawn from their professional activity to the bank.

This new service model, introduced by a Group with the standing of Intesa Sanpaolo, aims to create a strong image of modernisation and efficiency within the consumer credit sector, similar to what has been achieved in the mortgages sector. In the latter area Intesa Sanpaolo has also contributed towards stimulating competition between market players; allowing mortgages to be renegotiated from variable to fixed rates, introducing options for flexibility and instalment holidays and bearing the survey and notary's expenses for the subrogation formalities.

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