

PRESS RELEASE

Together with businesses in order to seize the best opportunities for development in an economy with high potential for growth

INTESA SANPAOLO PARTICIPATES IN THE ENTREPRENEURIAL MISSION IN RUSSIA LED BY MINISTER OF ECONOMIC DEVELOPMENT CLAUDIO SCAJOLA AND ORGANISED BY CONFINDUSTRIA, ICE AND ABI

- **Intesa Sanpaolo – present in Russia with KMB Bank, ZAO Banca Intesa and, since 1973, with the agency office in Moscow – is leader in import-export between Italy and Russia, with a share exceeding 38% of the volumes brokered**
- **Agreement signed with Safwood SpA for 2 loans totalling about 80 millions of euros, destined for the construction of a plant in the Republic of Komi (Northwest Russia)**
- **Signed in the course of 2008, among others, financing agreements with Gruppo Barbaro in the amount of 80 millions of euros and with Marazzi Group in the amount of 40 millions of euros**
- **Study presented by the bank’s Studies and Research Service: “Russia. An economy with High Growth Potential Facing a Challenging Global Crisis”**

Moscow, 6 April 2009 – An Intesa Sanpaolo delegation - led by **Gaetano Miccichè**, Head of the Corporate and Investment Banking Division; **Antonio Fallico**, President of KMB Bank and Zao Banca Intesa; and **Gregorio De Felice**, Chief Economist of Intesa Sanpaolo - took part in the entrepreneurial mission in Russia led by **Minister of Economic Development Claudio Scajola** and organised by **Confindustria, ICE and ABI**.

On the occasion of the mission and with the aim of providing Italian concerns with all the instruments required to grow and compete on the international markets, Intesa Sanpaolo has announced the signing with **Safwood SpA** of two contracts of **financing totalling about 80 millions of euros**. **The investment**, considered priority by the Federal Government, **is destined for the construction of a plant** for the production of OSB (*Oriented Strand Board*) wood panels **in the Republic of Komi** (Northwest Russia) and is supported both by the local government with a qualified share of 25% and by “System Italy” thanks to the contribution of SIMEST and SACE. Safwood, leader in the wood and wood products sector, has been present in Russia since 1991 with subsidiaries through which, unique in Europe, it manages all production phases, from cutting – thanks to the forestry concessions obtained in the region of Komi – to transport and distribution.

In the course of last year, Intesa Sanpaolo – through the role of *account agent* and *passport bank* played by KMB bank – supported **Gruppo Barbaro** with a medium-term structured **loan** in the amount of **80 millions of euros** that has made it possible for the shipping company to **implement investments in its fleet in Russia**. Gruppo Barbaro, through the Russian subsidiary Prime Shipping

OOO, works with leading oil companies for the transport of oil products and by-products in river and maritime waters. The total investment borne by the company for the fleet – composed of 7 *sea/river tankers*, 5 *barges* and 5 *tugs* – amounts to approximately 107 millions of dollars.

Again in 2008, Intesa Sanpaolo, through ZAO Banca Intesa, made available a medium-term **line of credit** in the amount of **40 millions of euros** for **Zao Welor**, a company controlled by **Marazzi Group**, the Italian group that is world leader in the production and marketing of tiles. The line of credit is **directed toward supporting investments destined for the enlargement of the production site of Orel and the expansion of the distribution network**. ZAO Welor, with 2,400 employees throughout Russia and the states of the ex-Soviet Union, distributes products with the Kearma Marazzi brand in a network of 180 single-brand logistical points and outlets present in the territory of the Russian Federation.

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In Russia, Intesa Sanpaolo has developed its own commercial network through the acquisition in 2005 of 75% of **KMB Bank**. Operating with a network of **89 branches over 25 regions between Kaliningrad and Vladivostock**, the bank offers services to small and medium-size businesses and private clientele, and holds a leadership position in the Russian Federation in loans and leasing to small and medium-size businesses, with particular attention to the commercial and building sectors.

Along with commercial banking activity, the Group is present in Moscow with **ZAO Banca Intesa**, the first bank under Russian law with Italian capital. Established in 2003, it is 100% controlled by Intesa Sanpaolo and is devoted to Russian, international and Italian corporate clients of medium to large dimensions that produce and operate in the Russian Federation. Thanks to the contribution of Banca IMI, ZAO Banca Intesa performs international *Merger & Acquisitions* and structured finance activities, offering its clients proven experience in the acquisition of industrial and commercial activities.

In addition, Gruppo Intesa Sanpaolo holds supremacy among Italian banking groups for having opened the first **agency office in Moscow** in 1973 in order to provide information, assistance and professional advice to Italian, Russian and international firms.

So thanks to the deeply rooted and widespread presence in Russian territory, the multiplicity of services and products available to the Italian clientele operating in Russia and for local operators interested in the Italian market, as well as the experience gained over many decades in the country, **Intesa Sanpaolo** holds a position of absolute **leadership** in the **brokerage of trade volumes** (import-export movements) between Italy and the Russian Federation, with a share of **over 38%** (Italian Foreign Exchange Office data – first half 2008).

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Moreover, during the mission in Russia, the **Studies and Research Service of Intesa Sanpaolo** presented a study: “**Russia. An Economy with High Growth Potential Facing a Challenging Global Crisis.**” According to the analysis, since 1999 Russia has enjoyed a decade of rapid expansion, registering a 7% average annual growth of the GDP (among the highest in the world); however, the recent global economic/financial crisis has changed the economic picture of reference.

The study highlights how, on the one hand, today **Russia** is confronting a delicate phase of recession, taking into account the country’s particular economic and financial dependence on the raw materials cycle and the level of foreign indebtedness of the private sector; on the other hand, thanks to the **reserves accumulated over recent years, it has available substantial financial resources, such as to allow it to deal with the current crisis from a position of greater strength.**

Energy commodities represent the major export factor and characterise commercial and investment relations, including with Italy, from which Russia imports machinery and other typical products “Made in Italy.” **Italy is in fact one of the principal trading partners with very brisk import-export movements, amounting to about 27 milliards of euros in 2008.** Overall, Russia’s import-export movements with the world have risen at significant rates in recent years, reaching 765 milliards of dollars in 2008.

According to the Studies and Research Service of Intesa Sanpaolo, **the flow of foreign investments to Russia**, currently still limited, including on the part of Italian investors, **has a high potential for future development.**

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With **11 controlled banks** operating in 13 countries of Central and Southeast Europe and the Mediterranean Basin, **active in retail and commercial banking; 3 corporate banks** (in Russia, Ireland and Luxembourg); **16 branches**; and **22 agency offices** around the world, Intesa Sanpaolo can count on an **international network present in over 40 countries on 4 continents** (Europe, America, Africa and Asia).

In the countries of East Central Europe and the Mediterranean Basin, the **Foreign Banking Division** has exported the Intesa Sanpaolo business model, developing services and products for the private clientele and small and medium-size businesses and numbers **8.5 millions of customers and approximately 2,000 branches.**

The **Corporate and Investment Banking Division**, through its international network (3 corporate banks, 16 branches and 22 agency offices present worldwide), and thanks to a network of professionals operating in Italian territory in direct contact with businesses plus a central structure serving the same network, is able to **offer over 20,000 client firms all the services and instruments required to compete on the international markets** and to see its own activities cross the borders of our country.

Banca Infrastrutture Innovazione e Sviluppo, the leading bank in Italy and among the first in Europe in Public Finance, is growing rapidly abroad as well, with an eye to the countries that invest most in their infrastructures. Born on 1st January of last year as a result of the integration of Banca Intesa Infrastrutture e Sviluppo and Banca OPI, the bank serves all the actors – public and private – that collaborate in the realisation of major infrastructures and public utility services in Italy and abroad. In the course of 2008, **BIIS** – with **2,600 clients**, 16 domestic branches and one London branch – has developed its **activity on the foreign markets through new contacts, for a total amount of about 1.2 milliards of euros** in Western Europe, Eastern Europe and the Balkans, Central Europe, the Russian Federation, the Far East, Middle Eastern countries, North Africa and America.