

PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AT DECEMBER 31st 2012

IN A CHALLENGING YEAR, INTESA SANPAOLO DELIVERS STRONG RESULTS: CAPITAL IS SOLID AND WELL ABOVE REQUIREMENTS, LIQUIDITY IS VERY STRONG, OPERATING MARGIN AND PRE-TAX INCOME ENJOY DOUBLE-DIGIT GROWTH; A ROBUST DIVIDEND IS CONFIRMED. INTESA SANPAOLO IS ONE OF THE FEW BANKS IN THE WORLD ALREADY BASEL 3 COMPLIANT IN TERMS OF LIQUIDITY AND CAPITAL RATIOS

- **STRONG AND FURTHER IMPROVING CAPITAL BASE, WELL ABOVE REGULATORY REQUIREMENTS EVEN AFTER €32M CASH DIVIDENDS**

CAPITAL RATIOS: CORE TIER 1 UP 110 bps TO 11.2%;
TIER 1 UP 60 bps TO 12.1%;
PRO-FORMA BASEL 3 COMMON EQUITY UP 70 bps TO 10.6%;
PRO-FORMA EBA UP 110 bps TO 10.3%

- **PROPOSED CASH DIVIDEND OF 5 EURO CENTS PER ORDINARY SHARE AND 6.1 EURO CENTS PER SAVINGS SHARE**

DIVIDEND YIELD ⁽¹⁾: 4% PER ORDINARY SHARE AND 5.8% PER SAVINGS SHARE
PAYOUT: 52%

- **ROBUST GROWTH IN OPERATING MARGIN, AT RECORD HIGH SINCE 2008, THANKS TO STRENGTHENED OPERATING INCOME AND DECREASING OPERATING COSTS**

OPERATING INCOME: +6.5% TO €17,881M VS €16,785M IN 2011;
€4,494M IN Q4, +1.1% VS €4,443M IN Q3

OPERATING COSTS: -2.5% TO €8,913M VS €9,137M IN 2011;
€2,297M IN Q4, +6% VS €2,166M IN Q3

OPERATING MARGIN: +17.3% TO €8,968M VS €7,648M IN 2011;
€2,197M IN Q4, -3.5% VS €2,277M IN Q3

- **HIGH GROWTH IN PRE-TAX INCOME DESPITE CONSERVATIVE PROVISIONING**

INCOME BEFORE TAX FROM CONTINUING OPERATIONS: +78.8% TO €3,610M VS €2,019M IN 2011;
€386M IN Q4, -59.9% VS €962M IN Q3

- **ROBUST NET INCOME DESPITE HIGH TAXES**

TAXES: €1,523M VS A €910M TAX CREDIT IN 2011;
€291M IN Q4 VS €454M IN Q3

NET INCOME: €1,605M VS €8,190M (€2,043M PRE GOODWILL IMPAIRMENT)
IN 2011;
€83M IN Q4 VS €414M IN Q3

- **ADJUSTED NET INCOME ⁽²⁾:** €1,473M VS €1,445M IN 2011;
€129M IN Q4 VS €292M IN Q3

(1) At the Intesa Sanpaolo stock price on March 11th 2013.

(2) Methodological note on calculation of adjusted net income on page 17.

Turin - Milan, March 12th 2013 – The Intesa Sanpaolo Management Board, in today’s meeting, approved the parent company and consolidated draft financial statements for the year ended December 31st 2012 ⁽³⁾.

In 2012, the Group delivered **strong and solid results** in spite of a challenging environment thanks to a **strategy focused on the continuous strengthening of the balance sheet, on sustainable profitability and best-in-class performance**:

- **very strong and further improving capital base**: further strengthening of capital ratios (already well above regulatory requirements) at December 31st 2012 even after the 832 million euro cash dividends. The **Core Tier 1 ratio increased to 11.2%** from 10.1% at the end of 2011. The **pro-forma common equity ratio under fully phased-in Basel 3 was up to 10.6%** ⁽⁴⁾ from 9.9% at the end of 2011. The **pro-forma EBA ratio also increased, to 10.3%** ⁽⁵⁾ from 9.2% at the end of 2011 and from the 10.1% ratio of the EBA exercise conducted on the June 2012 figures, even further above the 9% threshold – **ranking amongst the highest across European peers**;
- **high liquidity and strong funding capability**: liquid assets of 115 billion euro and large availability of unencumbered eligible assets with Central Banks, corresponding to liquidity of 67 billion euro, at the end of December 2012, up to 120 billion euro and 90 billion euro respectively as at February 28th 2013; already in compliance with Basel 3 Liquidity Coverage Ratio and Net Stable Funding Ratio requirements, well ahead of deadlines (2019 and 2018 respectively);
- **direct deposits from banking business up 5.6%** from year-end 2011;
- **robust net income**: 1,605 million euro in 2012 versus a net loss of 8,190 million euro – a net income of 2,043 million euro before the goodwill impairment – in 2011; **adjusted net income of 1,473 million euro** (versus 1,445 million euro in 2011);
- **high double-digit growth in pre-tax income**: +78.8% versus 2011, notwithstanding the rigorous and conservative provisioning policy;
- **positive results from all business units**, with the exception of the subsidiaries in Hungary and Ukraine;
- **solid and increasing contribution from Wealth Management** ⁽⁶⁾: 1,371 million euro pre-tax income (+64% versus 2011), of which 245 million euro from Italian Private Banking (+31% versus 2011), 583 million euro from Insurance (+132%), 175 million euro from Asset Management (+22%) and 368 million euro from Financial Advisors (+45%);
- **strong growth in operating margin**: +17.3%, versus 2011, **to 9 billion euro, the highest operating margin since 2008**;
- **increasing operating income**: +6.5% versus 2011;

(3) Methodological note on the scope of consolidation on page 17.

(4) Estimated applying the parameters set out under fully phased-in Basel 3 to the financial statements as at December 31st 2012, considering the total absorption of deferred tax assets (DTAs) related to goodwill realignment and the expected absorption before 2019 of DTAs on losses carried forward, and including the expected benefits from the optimisation actions on capital sources and requirements and from the absorption of sovereign risk shock.

(5) Estimated on the basis of the Core Tier 1 ratio as at December 31st 2012 and the impact of sovereign risk valuation at fair value based on volumes and prices as at September 30th 2011).

(6) Italian Private Banking, Insurance, Eurizon Capital and Banca Fideuram (including Fideuram Vita).

- **high efficiency**, highlighted by the **cost/income ratio at 49.8%**, top level amongst European peers;
- **further reduction in operating costs**: -2.5% versus 2011, with a **nominal savings of 224 million euro**;
- **rigorous and conservative provisioning policy** in a deteriorating credit environment:
 - **loan loss provisions** of approximately 4.7 billion euro in 2012, up 11% compared to 2011,
 - a **coverage ratio of non-performing loans at 44.9%** (adjusted as a result of the doubtful loan disposal and the new past due regulatory changes) from 45.7% in 2011 (Italian peers average: 31.8% as at September 30th 2012),
 - a **strong reserve buffer on performing loans**, at 2,550 million euro, maintained at a conservative 0.8% level as in 2011 (Italian peers average: 55 basis points as at September 30th 2012).

This rigorous and conservative provisioning policy is reflected in the **high recovery rate of doubtful loans**, equal on average to **147%** of their net book value over the 2009 - 2012 period;

- **strong and sustainable dividends**: the Management Board, in today's meeting, has decided to propose at the next Ordinary Shareholders' Meeting the **distribution of approximately 832 million euro cash dividends**, paying out **5 euro cents on ordinary shares and 6.1 euro cents on saving shares**, before tax. Specifically, the proposal envisages the distribution of a total amount of 831,957,531.97 euro, deriving from 5 euro cents on each of the 15,501,512,155 ordinary shares and 6.1 euro cents on each of the 932,490,561 savings shares; dividend quota not distributed related to any own shares held at the date of coupon presentation shall be assigned to the extraordinary reserve. The dividend payment, if approved at the Shareholders' Meeting, will start from May 23rd 2013 (with coupon presentation on May 20th and record date on May 22nd). The dividend yield is 4% per ordinary share and 5.8% per savings share, based on the Intesa Sanpaolo stock price on March 11th 2013.

The income statement for the fourth quarter of 2012

The consolidated income statement for Q4 2012 ⁽⁷⁾ recorded **operating income** of 4,494 million euro, up 1.1% from 4,443 million euro in Q3 2012 and up 5.4% from 4,265 million euro in Q4 2011.

In Q4 2012, **net interest income** - 2,181 million euro - was down 5.9% from 2,317 million euro in Q3 2012 and down 14.2% from 2,541 million euro in Q4 2011.

(7) During the preparation of the interim statement at September 30th 2008, in the wake of the global financial crisis, certain amendments to international accounting standards were introduced and adopted by the European Commission. In short, in accordance with these amendments it is possible to reclassify - in specific circumstances considered to be rare - unquoted financial instruments, or no longer quoted, in an active market and no longer held for trading or available for sale: in particular, out of the category "fair value through profit and loss" into the categories "available-for-sale" or the "held-to-maturity" or "loans and receivables", and out of the category "available-for-sale" into the category "loans and receivables". The Group, largely basing on the prices at July 1st 2008, reclassified financial assets held for trading of 1,915 million euro into loans and receivables and 37 million euro into financial assets available for sale. If this reclassification had not been made, the profits/losses on trading for the fourth quarter of 2012 would have recorded 35 million euro as positive pre-tax impact (with a positive impact of 135 million euro in full-year 2012, a negative impact of 11 million euro in full-year 2011, a positive impact of 92 million euro in full-year 2010 and of 72 million euro in full-year 2009, and a negative impact of 459 million euro in full-year 2008). The Group also reclassified financial assets available for sale of 6,143 million euro into loans and receivables. Without these reclassifications, the shareholders' equity would have included 1,834 million euro as negative pre-tax direct impact at December 31st 2012 (with a positive impact of 135 million euro in the fourth quarter of 2012 and 414 million euro in full-year 2012).

Net fee and commission income amounted to 1,479 million euro, up 11% from 1,333 million euro in Q3 2012. In detail, commissions on commercial banking activities were up 0.4%, those on management, dealing and consultancy activities (including portfolio management, distribution of insurance products, dealing and placement of securities, etc.) were up 21.8%. Under the latter, commissions on dealing and placement of securities were up 30.6%, those on portfolio management up 28.7% (an increase also due to some 75 million euro performance commissions), and those on distribution of insurance products up 7.4%. Net fee and commission income in Q4 2012 was up 10.5% compared with 1,339 million euro in Q4 2011. In detail, commissions on commercial banking activities were up 2.4%, those on management, dealing and consultancy activities were up 27.3%. Under the latter, commissions on dealing and placement of securities were up 54.2%, those on portfolio management up 34.9% (with some 4 million euro performance commissions booked in Q4 2011), and those on distribution of insurance products up 3.9%.

Profits on trading were 682 million euro (including a 110 million euro capital gain on the exchange of own subordinated bonds for a newly issued senior bond), compared with 623 million euro in Q3 2012 (including a 327 million euro capital gain on the buy-back of subordinated and senior notes). Profits from customers increased to 88 million euro from 66 million euro. Profits from capital markets and AFS financial assets increased to 95 million euro from 66 million euro. Profits from proprietary trading and treasury activities increased to 478 million euro from 441 million euro; the figure for the fourth quarter of 2012 included the aforementioned 110 million euro capital gain on the exchange of own subordinated bonds, and 342 million euro from the valuation of some derivative contracts mandatorily reclassified under trading after the hedge accounting - to which they were subject as core deposits hedge - was discontinued as they turned ineffective due to the decrease in volumes hedged; the figure for the third quarter included the aforementioned 327 million euro capital gain on the buy-back of subordinated and senior notes. Profits from structured credit products decreased to 21 million euro from 50 million euro. Profits on trading of 682 million euro for Q4 2012 are compared with profits of 173 million euro for Q4 2011 which recorded profits from customers of 69 million euro, profits from capital markets and AFS financial assets of 33 million euro, profits from proprietary trading and treasury activities of 39 million euro, and profits from structured credit products of 32 million euro. Without the IAS reclassification of financial assets held for trading into loans and receivables and financial assets available for sale made in past years, trading profits in Q4 2012 would have recorded a positive pre-tax impact of 35 million euro.

Income from insurance business amounted to 159 million euro, compared with 216 million euro in Q3 2012 and 205 million euro in Q4 2011.

Operating costs were at 2,297 million euro, a 6% increase due to seasonality compared with the 2,166 million euro of Q3 2012. Personnel expenses rose by 3%, administrative expenses by 9.8%, and adjustments by 13.8%. Operating costs for Q4 2012 were down 2.9% from the 2,366 million euro of Q4 2011, due to decreases by 1% in personnel expenses and 7.1% in administrative expenses, and a 2.8% increase in adjustments.

As a result, **operating margin** amounted to 2,197 million euro, down 3.5% from 2,277 million euro in Q3 2012, and up 15.7% from 1,899 million euro in Q4 2011. The cost/income ratio was 51.1% in Q4 2012 compared with 48.8% in Q3 2012 (52.4% and

52.6% respectively excluding capital gains on the exchange and the buy-back of subordinated and senior notes), and with 55.5% in Q4 2011.

Net **provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 1,707 million euro, compared with 1,310 million euro in Q3 2012 and 2,509 million euro in Q4 2011. Net provisions for risks and charges amounted to 105 million euro, compared with 69 million euro in Q3 2012 and 106 million euro in Q4 2011. Net adjustments to loans came to 1,461 million euro, compared with 1,198 million euro in Q3 2012 and 2,043 million euro in Q4 2011. Net impairment losses on other assets came to 141 million euro, compared with 43 million euro in Q3 2012 and 360 million euro in Q4 2011 (including 321 million euro impairment on Greek government bonds).

Profits/losses on investments held to maturity and on other investments recorded losses of 104 million euro (including a 107 million euro impairment on the Telco investment), compared with losses of 5 million euro in Q3 2012 and losses of 139 million euro in Q4 2011 (including a 119 million euro impairment on the Telco investment).

Income before tax from continuing operations amounted to 386 million euro, compared with 962 million euro in Q3 2012 (down 59.9%) and a loss of 749 million euro in Q4 2011.

Consolidated net loss of 83 million euro was recorded for the fourth quarter, compared with a net income of 414 million euro in Q3 2012 and a net loss of 10,119 million euro, after goodwill impairment of 10,233 million euro, in Q4 2011 (net income before goodwill impairment came to 114 million euro in Q4 2011), after accounting:

- taxes of 291 million euro;
- charges (net of tax) for integration and exit incentives of 99 million euro;
- charges from purchase cost allocation (net of tax) of 79 million euro;
- no amount pertaining to minority interests.

Adjusted net income for Q4 2012 - excluding the main non-recurring items - was 129 million euro, compared with 292 million euro in Q3 2012 and an adjusted net loss of 220 million euro in Q4 2011.

The income statement for year 2012

The consolidated income statement for 2012 recorded **operating income** of 17,881 million euro, up 6.5% from 16,785 million euro in 2011.

Net interest income for 2012 amounted to 9,430 million euro, down 3.6% from 9,780 million euro in 2011.

Net fee and commission income amounted to 5,451 million euro, in line with the 5,466 million euro of 2011. In detail, commissions on commercial banking activities recorded a 2.1% increase, commissions on management and dealing and consultancy activities (including portfolio management, distribution of insurance products, dealing and placement of securities, etc.) rose by 0.8% - with commissions on dealing and placement of securities up 17.4%, those on portfolio management up 1.3% and those on distribution of insurance products down 9%. Commissions on facilities granted decreased by 7%.

Profits on trading were 2,182 million euro (including capital gains of 711 million euro on the buy-back and the exchange of subordinated and senior notes, and of 94 million euro on the sale of the London Stock Exchange stake), compared with 920 million euro in 2011 (including total capital gains of 426 million euro on the sales of Prada and Findomestic stakes). Profits from customers amounted to 333 million euro from 345 million euro. Profits from capital markets and AFS financial assets declined to 352 million euro from 473 million euro (including, respectively, the capital gain on the London Stock Exchange stake and capital gains on the Prada and Findomestic stakes). Profits from proprietary trading and treasury activities rose to 1,401 million euro (including the aforementioned capital gains on the buy-back and the exchange, and the valuation of derivatives reclassified under trading after the hedge accounting was discontinued) from 53 million euro. Profits from structured products increased to 96 million euro from 49 million euro. Without the IAS reclassification of financial assets held for trading into loans and receivables and financial assets available for sale made in past years, trading profits in 2012 would have recorded a positive pre-tax impact of 135 million euro.

Income from insurance business amounted to 828 million euro, compared with 540 million euro in 2011.

Operating costs decreased to 8,913 million euro, a 2.5% reduction from 9,137 million euro in 2011, as a result of decreases in personnel expenses, down 1.5%, and administrative expenses, down 5.2%, and an increase in adjustments, up 2.5%.

As a result, **operating margin** amounted to 8,968 million euro, up 17.3% from 7,648 million euro in 2011. The cost/income ratio for 2012 improved to 49.8% compared with 54.4% in 2011 (52.2% versus 55.9% excluding the aforementioned capital gains on buy-back and exchange and on sale of stakes).

Net provisions and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 5,241 million euro, compared with 5,530 million euro in 2011. Net provisions for risks and charges amounted to 245 million euro, compared with 218 million euro in 2011. Net adjustments to loans came to 4,714 million euro, compared with 4,243 million euro in 2011. Net impairment losses on other assets came to 282 million euro (including 29 million euro impairment on Greek government bonds), compared with 1,069 million euro in 2011 (including 939 million euro impairment on Greek government bonds).

Profits/losses on investments held to maturity and on other investments recorded losses of 117 million euro (including a 116 million euro impairment of the Telco investment), compared with losses of 99 million euro in 2011 (including a positive contribution of 123 million euro from the disposal of branches to Crédit Agricole and a 251 million euro impairment of the Telco investment).

Income before tax from continuing operations recorded 3,610 million euro, up 78.8% from 2,019 million euro in 2011.

Consolidated net income for 2012 was 1,605 million euro. The previous year had closed with a net loss of 8,190 million euro, after goodwill impairment of 10,233 million euro (the net income before goodwill impairment amounted to 2,043 million euro and was affected on the one hand by a tax benefit of 2,130 million euro from the recognition of deferred tax assets and the substitute tax charge relating to the realignment of intangibles, and on the other hand by charges, net of tax, of 552 million euro for integration and exit incentives). Net income result for 2012 accounted:

- taxes of 1,523 million euro (including a tax benefit of approximately 200 million euro related to the refunding - for fiscal years 2007 to 2011 - of the deduction of Regional Business Tax paid on labour cost from Corporate Income Tax taxable basis);
- charges (net of tax) for integration and exit incentives of 134 million euro;
- charges from purchase cost allocation (net of tax) of 299 million euro;
- minority interests of 49 million euro.

Adjusted net income for 2012 - without the main non-recurring items - was 1,473 million euro, compared with 1,445 million euro in 2011.

Balance sheet at December 31st 2012

As regards the consolidated balance sheet figures, as at December 31st 2012 **loans to customers** amounted to 377 billion euro, in line with December 31st 2011 (down 3.1% taking into account average volumes instead of those at the end of the period, mainly as a result of the reduction in loans to large corporates). Total **non-performing loans** (doubtful, substandard, restructured and past due) - net of adjustments - amounted to 28,472 million euro, up 24.7% from 22,841 million euro at year-end 2011. In detail, doubtful loans rose to 11,202 million euro from 9,091 million euro at year-end 2011 (1,640 million euro of gross doubtful loans were sold without recourse in the first quarter of 2012 at a price - equal to their net book value - of approximately 270 million euro). Doubtful loans to total loans ratio was 3% (2.4% as at year-end 2011), and the coverage ratio was 61% (slightly down also due to the aforementioned sale from 64% as at year-end 2011). Total coverage was 124% taking into account **collateral and guarantees** to doubtful loans in addition to specific provisions. Substandard loans increased to 11,495 million euro from 9,171 million euro at year-end 2011. Restructured loans decreased to 2,863 million euro from 3,425 million euro at year-end 2011. Past due loans increased to 2,912 million euro from 1,154 million euro at year-end 2011, following regulatory changes to classification criteria (past due over 90 days vs over 180 days until December 31st 2011).

Customer financial assets were 795 billion euro (net of duplications between direct deposits and indirect customer deposits), up 3.8% from year-end 2011. Under customer financial assets, **direct deposits from banking business** amounted to 380 billion euro, up 5.6% from year-end 2011; **direct deposits from insurance business and technical reserves** amounted to 82 billion euro, up 11.8% from year-end 2011. Indirect customer deposits amounted to 414 billion euro, up 2% from year-end 2011. **Assets under management** totalled 231 billion euro, up 4.3% from year-end 2011. As for bancassurance, in 2012, new business for life policies amounted to 11.3 billion euro (1.3% lower than in 2011). Assets under administration and in custody amounted to 182 billion euro, down 0.8% from year-end 2011.

As at December 31st 2012, **capital ratios** were 11.2% for the Core Tier 1 ratio (year-end 2011: 10.1%), 12.1% for the Tier 1 ratio (year-end 2011: 11.5%) and 13.6% for the total capital ratio (year-end 2011: 14.3%). Capital ratios have been calculated by applying the Basel 2 Foundation approach, and the internal models to residential mortgages and corporate and retail SME portfolios (with floor at 85%), and deducting the nominal value of the savings shares. These capital ratios are net of the 832 million euro proposed cash dividends for year 2012.

According to existing available information, the estimated pro-forma common equity ratio for the Group under **fully phased-in Basel 3** is at 10.6% – calculated by applying the parameters set out under fully phased-in Basel 3 to the financial statements as at December 31st 2012 and considering the total absorption of deferred tax assets (DTAs) related to the goodwill realignment and the expected absorption before 2019 of DTAs on losses carried forward – with impact on the capital ratios comprising:

- 2.1 billion euro in total deductions from common equity assuming that the equity investment in the Bank of Italy is deducted,
- an additional 11.8 billion euro of RWAs due to DTAs and investments in banks, financial entities and insurance companies which are below the deduction limit,
- an additional 1.9 billion euro of RWAs due to DTAs included in risks weighted at 100% (related to loan adjustments), and
- an additional 4.3 billion euro of RWAs due to counterparty risks.

The estimated total impact of the above on the Core Tier 1 ratio is approximately 130 basis points (the actual impact is subject to the implementation of the relevant regulations). The impact is reduced to approximately 60 basis points considering the expected benefits from the optimisation actions on capital sources and requirements and from the absorption of sovereign risk shock.

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Thanks to the strategic decisions taken, **Intesa Sanpaolo** has confirmed its position as **one of the most solid international banking Groups**. In addition to the asset quality and level of capital ratios commented on above, the Group has continued to build on the following key strengths:

- a **robust liquidity profile** with
 - large availability of unencumbered eligible assets with Central Banks (including eligible assets received as collateral and excluding eligible assets currently used as collateral), corresponding to liquidity of 67 billion euro at year-end 2012, and 90 billion euro at the end of February 2013. The Group's refinancing operations with the ECB to optimise the cost of funding amounted to 36 billion euro at year-end 2012 as well as at the end of February 2013, entirely made up of three-year LTRO,
 - high level of liquid assets (made up of eligible assets available - excluding eligible assets received as collateral - and eligible assets currently used as collateral) of 115 billion euro at year-end 2012, and 120 billion euro at the end of February 2013,
 - stable and well-diversified sources of funding, with nearly 80% of direct deposits from the banking business (including securities issued) generated from retail operations,
 - 2012 medium/long-term placements for 27 billion euro against 2012 maturities for 22 billion euro. In the current year, approximately 7 billion euro has been raised so far, of which approximately 3 billion euro were retail placements. For 2013, medium/long-term bond placements so far, plus the pre-funding made in 2012, already cover total wholesale bonds maturing in 2013,
 - 6 billion euro of eurobonds and 2.25 billion euro of covered bonds placed on international markets in 2012 with a total demand - approximately 80% from foreign investors - exceeding the issuance target by approximately 200%. So far in 2013, 0.75 billion euro of eurobonds, 1 billion euro of covered bonds and 3.5 billion dollar of US bonds have been placed on international markets, with a total demand - over 90% from foreign investors - exceeding the issuance target by over 200%;

- **low leverage and an adequate capital base** with
 - much lower leverage and one of the best ratios of tangible net shareholders' equity to tangible assets amongst major European banking groups,
 - a 10.3% ⁽⁸⁾ pro-forma EBA ratio as at December 31st 2012, compared with the 10.1% ratio as a result of the EBA exercise conducted on European banks' capital adequacy and based on end-of-June 2012 figures, and the 9% ratio threshold;
- **a low risk profile** with
 - the Group's securities portfolio at the end of December 2012 comprising Greek bonds (issued by the central and local governments) of 1 million euro, Irish bonds of 71 million euro and Portuguese bonds of 24 million euro.

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The Group had a **gross and net risk exposure** to structured credit products with underlying **US subprime** of 12 million euro as at December 31st 2012. Full and detailed information concerning structured credit products held by the Group is included - as usual - in the report approved by the Management Board.

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As at December 31st 2012, the Intesa Sanpaolo Group's **operating structure** had a total network of 6,841 branches - of which 5,302 were in Italy and 1,539 abroad - with 96,170 employees.

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(8) Estimated on the basis of the Core Tier 1 ratio as at December 31st 2012 and the impact of sovereign risk valuation at fair value based on volumes and prices as at September 30th 2011.

Breakdown of results by business area

The **Corporate and Investment Banking** Division includes:

- Large Corporate Italy, which presides over relations with large Italian corporates (mainly with a turnover exceeding 500 million euro);
- Mid Corporate, dedicated to Italian corporate customers with a turnover exceeding 150 million euro and mainly up to 500 million euro;
- International, responsible for relations with international corporates. This unit also presides over foreign branches, representative offices and international subsidiaries specialising in corporate banking (Société Européenne de Banque and Intesa Sanpaolo Bank Ireland) and provides specialist assistance in support of the internationalisation of Italian corporates and export development;
- Global Banking & Transaction, responsible for relations with Italian and international financial institutions, management of transactional services related to payment systems, custody and settlement of securities, mainly Italian (local custody);
- Banca IMI, which is in charge of investment banking operations, namely the creation of structured finance products and M&A consultancy services to the Group's clients, capital markets activities for the Group's clients and institutional operators in market making activities;
- Merchant Banking, which operates in the private equity area also through Private Equity International (PEI) and IMI Investimenti companies; and
- Public Finance and Infrastructure, which provides services to government, public entities, local authorities, universities, public utilities, general contractors, public and private healthcare providers.

The Division also comprises the activities of Leasint, Centro Leasing, Mediofactoring and management of the Group's proprietary trading.

In the fourth quarter of 2012, the Corporate and Investment Banking Division recorded:

- operating income of 1,051 million euro, up 10.3% from 953 million euro in Q3 2012;
- operating costs of 253 million euro, up 6.8% from 237 million euro in Q3 2012;
- operating margin of 797 million euro, up 11.4% from 715 million euro in Q3 2012;
- a cost/income ratio improving to 24.1% versus 24.9% in Q3 2012;
- net provisions and adjustments of 361 million euro, compared with 357 million euro in Q3 2012;
- losses on investments held to maturity and on other investments of 113 million euro (including a 107 million euro impairment on the Telco investment), compared with a zero balance in Q3 2012;
- income before tax from continuing operations of 323 million euro, down 9.9% from 358 million euro in Q3 2012 – up 20.1% excluding the impairment on Telco;
- net income of 181 million euro, down 26.1% from 245 million euro in Q3 2012 – up 17.6% excluding the impairment on Telco.

In 2012, the Corporate and Investment Banking Division recorded:

- operating income of 4,243 million euro, contributing approximately 24% of the consolidated operating income (23% in 2011), up 9.2% from 3,887 million euro in 2011;
- operating costs of 989 million euro, up 2.4% from 966 million euro in 2011;
- operating margin of 3,254 million euro, up 11.4% from 2,921 million euro in 2011;
- a cost/income ratio improving to 23.3% versus 24.9% in 2011;
- net provisions and adjustments of 1,284 million euro from 1,712 million euro in 2011 (the figure for 2011 had been impacted by the 721 million euro impairment on Greek government bonds in the Public Finance and Infrastructure business);
- losses on investments held to maturity and on other investments of 122 million euro, compared with losses of 265 million euro in 2011 (both figures were impacted by impairments on the Telco investment, respectively of 116 million euro and 251 million euro);
- income before tax from continuing operations of 1,848 million euro, nearly double the 944 million euro of 2011;
- net income of 1,253 million euro. This compares with a net loss of 1,815 million euro in 2011 after goodwill impairment of 2,318 million euro (a net income of 503 million euro before the goodwill impairment).

The **Banca dei Territori** Division comprises:

- retail customers: households (individual customers with financial assets up to 100,000 euro), personal (individual customers with financial assets between 100,000 euro and one million euro), small businesses (enterprises with a turnover under 2.5 million euro and with loan facilities under one million euro);
- SME customers: SMEs with a turnover between 2.5 and 150 million euro; and
- Private customers: individual customers with financial assets exceeding one million euro.

The Division includes Intesa Sanpaolo Private Banking, the Group's company which serves private banking customers, and Banca Prossima, at the service of non-profit entities and operating through the Group's branches with regional centres and a team of specialists. In addition, the Banca dei Territori Division comprises product companies, namely Mediocredito Italiano, the Group's company which specialises in industrial credit, Intesa Sanpaolo Vita and Intesa Sanpaolo Previdenza operating in the insurance and pension business, the fiduciary service company SIREFID, the consumer credit companies Moneta (which changed its name to Intesa Sanpaolo Personal Finance as of January 1st 2013) and Neos Finance, and Setefi operating in electronic payments.

In the fourth quarter of 2012, the Banca dei Territori Division recorded:

- operating income of 2,518 million euro, in line with the 2,527 million euro of Q3 2012;
- operating costs of 1,457 million euro, up 7.5% from 1,356 million euro in Q3 2012;
- operating margin of 1,061 million euro, down 9.5% from 1,172 million euro in Q3 2012;
- a cost/income ratio of 57.9% versus 53.7% in Q3 2012;
- net provisions and adjustments of 848 million euro, compared with 701 million euro in Q3 2012;
- income before tax from continuing operations of 212 million euro, down 54.9% from 470 million euro in Q3 2012;
- net income of 63 million euro, down 66.6% from 189 million euro in Q3 2012.

In 2012, the Banca dei Territori Division recorded:

- operating income of 10,069 million euro, contributing approximately 56% of the consolidated operating income (57% in 2011), up 4.4% from 9,645 million euro in 2011;
- operating costs of 5,619 million euro, down 2% from 5,733 million euro in 2011;
- operating margin of 4,450 million euro, up 13.8% from 3,912 million euro in 2011;
- a cost/income ratio improving to 55.8% versus 59.4% in 2011;
- net provisions and adjustments of 2,721 million euro, compared with 2,512 million euro in 2011;
- income before tax from continuing operations of 1,729 million euro, up 23.5% from 1,400 million euro in 2011;
- net income of 830 million euro. This compares with a net loss of 6,411 million euro in 2011 after goodwill impairment of 6,390 million euro (a net loss of 21 million euro before the goodwill impairment).

Eurizon Capital, the company specialised in providing collective and individual asset management products to the Group's internal banking networks, is developing increasingly effective synergies with the Banca dei Territori Division. The company is also focused on strengthening its presence in the "open architecture" segment through specific distribution agreements with other networks and institutional investors. Eurizon Capital controls Eurizon Capital (Luxembourg), a company specialised in managing Luxembourg mutual funds with low tracking error. It also controls Epsilon Associati, a company specialised in managing structured products and mutual funds using quantitative methods which is 51% owned by Eurizon Capital and 49% owned by Banca IMI. Eurizon Capital owns a 49% stake in a Chinese asset management company, Penghua Fund Management.

In the fourth quarter of 2012, Eurizon Capital recorded:

- operating income of 101 million euro, up 57.3% from 64 million euro in Q3 2012;
- operating costs of 32 million euro, up 30.3% from 25 million euro in Q3 2012;
- operating margin of 69 million euro, up 74.4% from 39 million euro in Q3 2012;
- a cost/income ratio improving to 31.7% versus 39.1% in Q3 2012;
- provisions and adjustments of 1 million euro, compared with 2 million euro in Q3 2012;
- income before tax from continuing operations of 67 million euro, up 77.8% from 38 million euro in Q3 2012;
- net income of 40 million euro, nearly double the 21 million euro of the Q3 2012.

In 2012, Eurizon Capital recorded:

- operating income of 294 million euro, accounting for approximately 2% of the consolidated operating income (the same as in 2011), up 10.5% from 266 million euro in 2011;
- operating costs of 114 million euro, down 5% from 120 million euro in 2011;
- operating margin of 180 million euro, up 23.3% from 146 million euro in 2011;
- a cost/income ratio improving to 38.8% versus 45.1% in 2011;
- provisions and adjustments of 5 million euro, compared with 3 million euro in 2011;
- income before tax from continuing operations of 175 million euro, up 22.4% from 143 million euro in 2011;
- net income of 99 million euro. This compares with a net loss of 297 million euro in 2011 after goodwill impairment of 373 million euro (a net income of 76 million euro before the goodwill impairment).

The **International Subsidiary Banks** Division is responsible for activities in foreign markets where the Group is operational through commercial banking subsidiaries and associates. The Division provides guidelines, coordination and support to subsidiaries abroad that are mainly active in retail banking. It is responsible for defining the Group's development strategy related to its direct presence abroad, including exploring and analysing new growth opportunities in markets where the Group already has a presence, as well as in new ones. This Division also coordinates operations of international subsidiary banks and their relations with the Parent Company's head office departments and the Corporate and Investment Banking Division's branches and offices abroad. The Division is made up of three Departments which are in charge of the different geographical areas where it operates: i) the SEE Area which includes the banking subsidiaries in South-Eastern Europe, Privredna Banka Zagreb in Croatia, Banca Intesa Beograd in Serbia, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Intesa Sanpaolo Bank Albania, Intesa Sanpaolo Bank Romania; ii) the CEE Area which includes the banking subsidiaries in Central-Eastern Europe, Banka Koper in Slovenia, VUB Banka in Slovakia and CIB Bank in Hungary; iii) the CIS & South Mediterranean Area which includes the banking subsidiaries: Banca Intesa in the Russian Federation, Pravex-Bank in Ukraine and Bank of Alexandria in Egypt.

In the fourth quarter of 2012, the International Subsidiary Banks Division recorded:

- operating income of 555 million euro, up 2.8% from 540 million euro in Q3 2012;
- operating costs of 284 million euro, down 3.9% from 295 million euro in Q3 2012;
- operating margin of 271 million euro, up 10.9% from 245 million euro in Q3 2012;
- a cost/income ratio improving to 51.2% versus 54.6% in Q3 2012;
- net provisions and adjustments of 454 million euro, compared with 195 million euro in Q3 2012;
- a zero balance of profits/losses on investments held to maturity and on other investments, the same as in Q3 2012;
- loss before tax from continuing operations of 182 million euro, compared with an income of 50 million euro in Q3 2012. Excluding the negative contribution from the subsidiaries in Hungary and in Ukraine, the fourth quarter would close with an income of 128 million euro, down 9.6% from the previous quarter;
- net loss of 248 million euro, compared with a net income of 5 million euro in Q3 2012. Excluding the negative contribution from the subsidiaries in Hungary and in Ukraine, the fourth quarter would close with a net income of 108 million euro, down 3.5% from the previous quarter.

In 2012, the International Subsidiary Banks Division recorded:

- operating income of 2,188 million euro, contributing approximately 12% of the consolidated operating income (14% in 2011), down 8.2% from 2,383 million euro in 2011;
- operating costs of 1,156 million euro, down 1.3% from 1,171 million euro in 2011;
- operating margin of 1,032 million euro, down 14.9% from 1,212 million euro in 2011;
- a cost/income ratio of 52.8% versus 49.1% in 2011;
- net provisions and adjustments of 1,029 million euro, compared with 723 million euro in 2011;
- profits on investments held to maturity and on other investments of 2 million euro, compared with 4 million euro in 2011;
- income before tax from continuing operations of 5 million euro, compared with 493 million euro in 2011. Excluding the negative contribution from the subsidiaries in Hungary and in Ukraine, the year would close with an income of 545 million euro, down 14.2% from 2011;
- net loss of 190 million euro. Excluding the negative contribution from the subsidiaries in Hungary and in Ukraine, the year would close with a net income of 442 million euro. Year 2011 had closed with a net loss of 763 million euro after goodwill impairment of 1,152 million euro (a net income of 389 million euro before the goodwill impairment).

Banca Fideuram performs asset gathering activities serving customers with a medium to high savings potential through its network of private bankers. This business unit's operations include Fideuram Vita. In the fourth quarter of 2012, Banca Fideuram recorded:

- operating income of 195 million euro, down 14.5% from 228 million euro in Q3 2012;
- operating costs of 93 million euro, up 11.3% from 84 million euro in Q3 2012;
- operating margin of 101 million euro, down 29.5% from 144 million euro in Q3 2012;
- a cost/income ratio of 47.7% versus 36.8% in Q3 2012;
- net provisions and adjustments of 15 million euro, compared with 31 million euro in Q3 2012;
- losses on investments held to maturity and on other investments of 6 million euro, compared with losses of 5 million euro in Q3 2012;
- income before tax from continuing operations of 81 million euro, down 24.3% from 107 million euro in Q3 2012;
- net income of 40 million euro, down 27.8% from 55 million euro in Q3 2012.

In 2012, Banca Fideuram recorded:

- operating income of 836 million euro, contributing approximately 5% of the consolidated operating income (the same as in 2011), up 9.1% from 766 million euro in 2011;
- operating costs of 348 million euro, in line with the 347 million euro in 2011;
- operating margin of 488 million euro, up 16.5% from 419 million euro in 2011;
- a cost/income ratio improving to 41.6% versus 45.3% in 2011;
- net provisions and adjustments of 105 million euro, compared with 172 million euro in 2011;
- losses on investments held to maturity and on other investments of 15 million euro, compared with profits of 7 million euro in 2011;
- income before tax from continuing operations of 368 million euro, up 44.9% from 254 million euro in 2011;
- net income of 160 million euro, up 81.8% from 88 million euro in 2011.

The outlook for 2013

In 2013, the Intesa Sanpaolo Group will continue to prioritise the delivery of sustainable results. Attention will be strongly focused both on profitability targets and on actions aimed at strengthening the capital base and improving the profile of risk and liquidity. Risk management systems will be further bolstered and the Group's efficiency and productivity will be constantly addressed.

Specifically, repricing actions - that began in 2011 and continued in 2012 - will make it possible to partially limit the impact of an expected negative environment on market rates; strict cost containment actions will counteract the effects of automatic pay increases and inflation; and the cost of credit will remain at a high level.

* * *

For consistency purposes, the income statement figures were restated mainly due to two transactions:

1. the acquisition of control of Banca Monte Parma finalised in July 2011. For the first two quarters of 2011, relevant items were consolidated line by line and their contribution to net income was recorded under minority interests;
2. the acquisition of control of Banca Sara finalised in June 2011. The company was included in the scope of full consolidation in the income statement of the third quarter of 2011. For the first two quarters of 2011, relevant items were consolidated line by line and their contribution to net income was recorded under minority interests.

Still for consistency purposes, the balance sheet figures were restated:

1. for the first two quarters of 2011 consolidating line by line the items related to Banca Monte Parma;
2. for the first quarter of 2011 consolidating line by line the items related to Banca Sara;
3. for the four quarters of 2011 and the first three quarters of 2012 consolidating line by line the items related to a summary of assets and liabilities from SediciBanca, a bank belonging to the Delta Group whose purchase was completed in December 2012.

Income statement and balance sheet figures relating to business areas were restated for the four quarters of 2011:

1. as a result of the contribution of Banca Monte Parma to the relevant business units (previously entirely allocated to the Banca dei Territori Division);
2. as a result of the allotment of BIIS (public finance) to the Corporate and Investment Banking Division.

* * *

The adjusted net income was calculated excluding the main non-recurring items listed below:

in the first quarter of 2012: 1) 274 million euro capital gain on the Tier 1 notes buy-back, recorded under profits on trading and related taxes, resulting in a net capital gain of 183 million euro, 2) 38 million euro impairment charges relating to Greek risk - of which 2 million euro were recorded under profits (losses) on trading, 7 million euro posted as a negative contribution to income from insurance business and 29 million euro booked under net impairment losses on other assets - and related tax savings, resulting in net impairment charges of 27 million euro, 3) 7 million euro extraordinary tax charge relating to the Group's subsidiary in Slovakia, recorded under other operating income (expenses), and related savings recorded under taxes on income from continuing operations, resulting in net expenses of 6 million euro, 4) 11 million euro extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 5) 20 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 14 million euro, and 6) 73 million euro charges from purchase cost allocation, net of tax;

in the second quarter 2012: 1) 94 million euro capital gain on the sale of the stake in the London Stock Exchange, recorded under profits on trading, and related tax effects, resulting in a 105 million euro net capital gain, 2) 6 million euro income relating to Greek risk, recorded under income from insurance business, and related taxes, resulting in net income of 4 million euro, 3) 7 million euro extraordinary tax charge relating to the Group's subsidiary in Slovakia, recorded under other operating income (expenses), and related savings recorded under taxes on income from continuing operations, resulting in net expenses of 6 million euro, 4) 9 million euro impairment charges relating to the Telco investment, recorded under profits (losses) on investments held to maturity and on other investments, 5) 11 million euro extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 6) 173 million euro tax benefit related to the refunding, for the fiscal years 2007-2011, of the deduction of Regional Business Tax (IRAP) paid on labour cost from Corporate Income Tax (IRES) taxable basis, recorded under taxes on income from continuing operations, 7) 14 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 10 million euro, and 8) 76 million euro charges from purchase cost allocation, net of tax;

in the third quarter of 2012: 1) 327 million euro capital gain on the subordinated and senior notes buy-back, recorded under profits on trading and related taxes, resulting in a net capital gain of 219 million euro, 2) 5 million euro extraordinary tax charge relating to the Group's subsidiary in Slovakia, recorded under other operating income (expenses), and related savings recorded under taxes on income from continuing operations, resulting in net expenses of 4 million euro, 3) 11 million euro extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 4) 17 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 11 million euro, and 5) 71 million euro charges from purchase cost allocation, net of tax;

in the fourth quarter 2012: 1) 110 million euro capital gain on the exchange of own subordinated bonds for a newly-issued senior bond, recorded under profits on trading and related taxes, resulting in a 74 million euro net capital gain, 2) 20 million euro extraordinary tax charge relating to the Group's subsidiary in Slovakia, recorded under other operating income (expenses), and related savings recorded under taxes on income from continuing operations, resulting in net expenses of 16 million euro, 3) 107 million euro impairment charges relating to the Telco investment, recorded under profits (losses) on investments held to maturity and on other investments, 4) 26 million euro tax benefit related to the refunding - for fiscal years 2007 to 2011 - of the deduction of Regional Business Tax (IRAP) paid on labour cost from Corporate Income Tax (IRES) taxable basis, recorded under taxes on income from continuing operations, 5) 11 million euro extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 6) 136 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 99 million euro, and 7) 79 million euro charges from purchase cost allocation, net of tax;

in the first quarter 2011: 1) 11 million euro extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 2) 6 million euro integration charges and related tax savings resulting in net integration charges of 4 million euro, and 3) 86 million euro charges from purchase cost allocation, net of tax;

in the second quarter 2011: 1) 272 million euro capital gain on the sale of 4% of the Prada equity stake recorded under profits on trading and related taxes resulting in 253 million euro net capital gain, 2) 154 million euro capital gain on the sale of the remaining 25% stake in Findomestic, recorded under profits on trading, related taxes and minority interest, resulting in a net capital gain for the Group of 128 million euro, 3) 25 million euro impairment charges relating to Greek government bonds maturing by 2020 recorded under net impairment losses on other assets, and related tax savings, resulting in net impairment charges of 17 million euro, 4) 146 million euro capital gain on the sale of branches to Crédit Agricole, recorded under profits/losses on investments held to maturity and on other investments, related taxes and minority interests, resulting in a net capital gain for the Group of 145 million euro, 5) 132 million euro impairment charges relating to the Telco investment, recorded under profits (losses) on investments held to maturity and on other investments, 6) 11 million euro extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 7) 18 million euro integration charges and related tax savings resulting in net integration charges of 12 million euro, and 8) 85 million euro charges from purchase cost allocation, net of tax;

in the third quarter 2011: 1) 597 million euro impairment charges relating to Greek risk - of which 3 million euro were recorded under profits (losses) on trading, 1 million euro posted as a negative contribution to income from insurance business and 593 million euro booked under net impairment losses on other assets - and related tax savings, resulting in net impairment charges of 427 million euro, 2) 1,100 million euro tax benefit from the recognition of deferred tax assets and the substitute tax charge relating to realignment of intangible assets, recorded under taxes on income from continuing operations, 3) 11 million euro extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 4) 666 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 483 million euro, and 5) 83 million euro charges from purchase cost allocation, net of tax;

in the fourth quarter 2011: 1) 390 million euro impairment charges relating to Greek risk - of which 66 million euro were recorded under profits (losses) on trading, 3 million euro posted as a negative contribution to income from insurance business and 321 million euro booked under net impairment losses on other assets - and related tax savings, resulting in net impairment charges of 276 million euro, 2) 23 million euro adjustment on the capital gain from the branch sale to Crédit Agricole recorded under profits (losses) on investments held to maturity and on other investments, 3) 119 million euro impairment charges on the Telco investment, recorded under profits (losses) on investments held to maturity and on other investments, 4) 1,030 million euro tax benefit from the recognition of deferred tax assets and the substitute tax charge relating to the realignment of intangibles, recorded under taxes on income from continuing operations, 5) 147 million euro charges from the settlement of the dispute with the Italian Revenue Agency ("misuse of a right") recorded under taxes on income from continuing operations, 6) 76 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 53 million euro, 7) 67 million euro from purchase cost allocation, net of tax, and 8) 10,233 million goodwill impairment, net of tax.

* * *

In order to present more complete information on the results generated in 2012, the reclassified income statement and the reclassified balance sheet included in the Report on operations approved by the Management Board are attached. Please note that the reclassified income statement and the reclassified balance sheet are not subject to auditing by the Auditing company. It is hereby notified that the Intesa Sanpaolo financial statements, both parent company and consolidated, for the year ended December 31st 2012 will be available for shareholders and the market within March 22nd 2013. They will be submitted for Supervisory Board approval at a meeting scheduled for March 21st 2013 and for examination by the auditing firm in charge of auditing the Annual Report.

* * *

The manager responsible for preparing the company's financial reports, Ernesto Riva, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

* * *

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This press release contains certain forward-looking statements, projections, objectives, estimates and forecasts reflecting the Intesa Sanpaolo management's current views with respect to certain future events. Forward-looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words "may," "will," "should," "plan," "expect," "anticipate," "estimate," "believe," "intend," "project," "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding Intesa Sanpaolo's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where Intesa Sanpaolo participates or is seeking to participate.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Intesa Sanpaolo Group's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

All forward-looking statements included herein are based on information available to Intesa Sanpaolo as of the date hereof. Intesa Sanpaolo undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All subsequent written and oral forward-looking statements attributable to Intesa Sanpaolo or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

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Gruppo Intesa Sanpaolo

Reclassified consolidated statement of income

| | 2012 | 2011 | (millions of euro) | |
|---|--------------|---------------|--------------------|-------|
| | | | Changes amount | % |
| Net interest income | 9,430 | 9,780 | -350 | -3.6 |
| Dividends and profits (losses) on investments carried at equity | 39 | 72 | -33 | -45.8 |
| Net fee and commission income | 5,451 | 5,466 | -15 | -0.3 |
| Profits (Losses) on trading | 2,182 | 920 | 1,262 | |
| Income from insurance business | 828 | 540 | 288 | 53.3 |
| Other operating income (expenses) | -49 | 7 | -56 | |
| Operating income | 17,881 | 16,785 | 1,096 | 6.5 |
| Personnel expenses | -5,338 | -5,419 | -81 | -1.5 |
| Other administrative expenses | -2,921 | -3,080 | -159 | -5.2 |
| Adjustments to property, equipment and intangible assets | -654 | -638 | 16 | 2.5 |
| Operating costs | -8,913 | -9,137 | -224 | -2.5 |
| Operating margin | 8,968 | 7,648 | 1,320 | 17.3 |
| Net provisions for risks and charges | -245 | -218 | 27 | 12.4 |
| Net adjustments to loans | -4,714 | -4,243 | 471 | 11.1 |
| Net impairment losses on other assets | -282 | -1,069 | -787 | -73.6 |
| Profits (Losses) on investments held to maturity and on other investments | -117 | -99 | 18 | 18.2 |
| Income (Loss) before tax from continuing operations | 3,610 | 2,019 | 1,591 | 78.8 |
| Taxes on income from continuing operations | -1,523 | 910 | -2,433 | |
| Charges (net of tax) for integration and exit incentives | -134 | -552 | -418 | -75.7 |
| Effect of purchase price allocation (net of tax) | -299 | -321 | -22 | -6.9 |
| Goodwill impairment (net of tax) | - | -10,233 | -10,233 | |
| Income (Loss) after tax from discontinued operations | - | - | - | - |
| Minority interests | -49 | -13 | 36 | |
| Net income | 1,605 | -8,190 | 9,795 | |

Figures restated, where necessary, considering the changes in the scope of consolidation.

Gruppo Intesa Sanpaolo

Quarterly development of the reclassified consolidated statement of income

| | (millions of euro) | | | | | | | |
|---|--------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|
| | 2012 | | | | 2011 | | | |
| | Fourth quarter | Third quarter | Second quarter | First quarter | Fourth quarter | Third quarter | Second quarter | First quarter |
| Net interest income | 2,181 | 2,317 | 2,431 | 2,501 | 2,541 | 2,479 | 2,368 | 2,392 |
| Dividends and profits (losses) on investments carried at equity | 11 | -27 | 29 | 26 | 5 | 26 | 34 | 7 |
| Net fee and commission income | 1,479 | 1,333 | 1,322 | 1,317 | 1,339 | 1,322 | 1,410 | 1,395 |
| Profits (Losses) on trading | 682 | 623 | 161 | 716 | 173 | -74 | 541 | 280 |
| Income from insurance business | 159 | 216 | 195 | 258 | 205 | 50 | 165 | 120 |
| Other operating income (expenses) | -18 | -19 | -7 | -5 | 2 | -3 | -3 | 11 |
| Operating income | 4,494 | 4,443 | 4,131 | 4,813 | 4,265 | 3,800 | 4,515 | 4,205 |
| Personnel expenses | -1,334 | -1,295 | -1,353 | -1,356 | -1,348 | -1,324 | -1,375 | -1,372 |
| Other administrative expenses | -781 | -711 | -735 | -694 | -841 | -752 | -766 | -721 |
| Adjustments to property, equipment and intangible assets | -182 | -160 | -155 | -157 | -177 | -159 | -153 | -149 |
| Operating costs | -2,297 | -2,166 | -2,243 | -2,207 | -2,366 | -2,235 | -2,294 | -2,242 |
| Operating margin | 2,197 | 2,277 | 1,888 | 2,606 | 1,899 | 1,565 | 2,221 | 1,963 |
| Net provisions for risks and charges | -105 | -69 | -34 | -37 | -106 | -18 | -80 | -14 |
| Net adjustments to loans | -1,461 | -1,198 | -1,082 | -973 | -2,043 | -695 | -823 | -682 |
| Net impairment losses on other assets | -141 | -43 | -39 | -59 | -360 | -635 | -57 | -17 |
| Profits (Losses) on investments held to maturity and on other investments | -104 | -5 | -2 | -6 | -139 | 7 | 19 | 14 |
| Income (Loss) before tax from continuing operations | 386 | 962 | 731 | 1,531 | -749 | 224 | 1,280 | 1,264 |
| Taxes on income from continuing operations | -291 | -454 | -152 | -626 | 976 | 894 | -464 | -496 |
| Charges (net of tax) for integration and exit incentives | -99 | -11 | -10 | -14 | -53 | -483 | -12 | -4 |
| Effect of purchase price allocation (net of tax) | -79 | -71 | -76 | -73 | -67 | -83 | -85 | -86 |
| Goodwill impairment (net of tax) | - | - | - | - | -10,233 | - | - | - |
| Income (Loss) after tax from discontinued operations | - | - | - | - | - | - | - | - |
| Minority interests | - | -12 | -23 | -14 | 7 | -25 | 22 | -17 |
| Net income | -83 | 414 | 470 | 804 | -10,119 | 527 | 741 | 661 |

Figures restated, where necessary, considering the changes in the scope of consolidation.

Gruppo Intesa Sanpaolo

Reclassified consolidated balance sheet

| Assets | 31.12.2012 | 31.12.2011 | (millions of euro) | |
|--|----------------|----------------|--------------------|------------|
| | | | Changes | |
| | | | amount | % |
| Financial assets held for trading | 63,546 | 59,963 | 3,583 | 6.0 |
| of which: Insurance Companies | 1,125 | 1,341 | -216 | -16.1 |
| Financial assets designated at fair value through profit and loss | 36,887 | 34,253 | 2,634 | 7.7 |
| of which: Insurance Companies | 35,748 | 33,391 | 2,357 | 7.1 |
| Financial assets available for sale | 97,209 | 68,777 | 28,432 | 41.3 |
| of which: Insurance Companies | 43,527 | 39,194 | 4,333 | 11.1 |
| Investments held to maturity | 2,148 | 2,621 | -473 | -18.0 |
| Due from banks | 36,533 | 35,865 | 668 | 1.9 |
| Loans to customers | 376,625 | 376,974 | -349 | -0.1 |
| Investments in associates and companies subject to joint control | 2,706 | 2,630 | 76 | 2.9 |
| Property, equipment and intangible assets | 20,249 | 20,596 | -347 | -1.7 |
| Tax assets | 12,563 | 14,712 | -2,149 | -14.6 |
| Non-current assets held for sale and discontinued operations | 25 | 26 | -1 | -3.8 |
| Other assets | 24,981 | 23,066 | 1,915 | 8.3 |
| Total Assets | 673,472 | 639,483 | 33,989 | 5.3 |
| Liabilities and Shareholders' Equity | 31.12.2012 | 31.12.2011 | Changes | |
| | | | amount | % |
| Due to banks | 73,352 | 78,858 | -5,506 | -7.0 |
| Due to customers and securities issued | 377,358 | 357,438 | 19,920 | 5.6 |
| of which: Insurance Companies | 68 | 403 | -335 | -83.1 |
| Financial liabilities held for trading | 52,195 | 48,740 | 3,455 | 7.1 |
| of which: Insurance Companies | 79 | 29 | 50 | |
| Financial liabilities designated at fair value through profit and loss | 27,047 | 22,653 | 4,394 | 19.4 |
| of which: Insurance Companies | 27,038 | 21,955 | 5,083 | 23.2 |
| Tax liabilities | 3,494 | 4,069 | -575 | -14.1 |
| Liabilities associated with non-current assets held for sale and discontinued operations | - | - | - | - |
| Other liabilities | 30,617 | 24,226 | 6,391 | 26.4 |
| Technical reserves | 54,660 | 50,761 | 3,899 | 7.7 |
| Allowances for specific purpose | 4,550 | 4,966 | -416 | -8.4 |
| Share capital | 8,546 | 8,546 | - | - |
| Reserves | 40,861 | 49,982 | -9,121 | -18.2 |
| Valuation reserves | -1,399 | -3,298 | -1,899 | -57.6 |
| Minority interests | 586 | 732 | -146 | -19.9 |
| Net income | 1,605 | -8,190 | 9,795 | |
| Total Liabilities and Shareholders' Equity | 673,472 | 639,483 | 33,989 | 5.3 |

Figures restated, where necessary, considering the changes in the scope of consolidation and discontinued operations.

Gruppo Intesa Sanpaolo

Quarterly development of the Reclassified consolidated balance sheet

| Assets | (millions of euro) | | | | | | | |
|--|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2012 | | | | 2011 | | | |
| | 31/12 | 30/9 | 30/6 | 31/3 | 31/12 | 30/9 | 30/6 | 31/3 |
| Financial assets held for trading | 63,546 | 70,034 | 66,080 | 60,328 | 59,963 | 69,934 | 60,584 | 61,141 |
| of which: Insurance Companies | 1,125 | 1,102 | 1,257 | 1,331 | 1,341 | 1,371 | 1,625 | 1,690 |
| Financial assets designated at fair value through profit and loss | 36,887 | 36,546 | 37,842 | 35,971 | 34,253 | 35,212 | 36,303 | 36,349 |
| of which: Insurance Companies | 35,748 | 35,486 | 36,763 | 35,015 | 33,391 | 34,345 | 35,354 | 35,230 |
| Financial assets available for sale | 97,209 | 88,317 | 88,408 | 85,224 | 68,777 | 70,950 | 69,007 | 64,845 |
| of which: Insurance Companies | 43,527 | 41,709 | 41,082 | 40,623 | 39,194 | 40,733 | 41,837 | 41,137 |
| Investments held to maturity | 2,148 | 2,224 | 2,222 | 2,266 | 2,621 | 2,872 | 2,865 | 3,021 |
| Due from banks | 36,533 | 36,580 | 35,826 | 32,431 | 35,865 | 40,449 | 43,258 | 40,449 |
| Loans to customers | 376,625 | 375,037 | 375,183 | 378,280 | 376,974 | 381,422 | 375,209 | 377,482 |
| Investments in associates and companies subject to joint control | 2,706 | 2,794 | 2,795 | 2,672 | 2,630 | 2,732 | 2,694 | 2,817 |
| Property, equipment and intangible assets | 20,249 | 20,257 | 20,360 | 20,484 | 20,596 | 30,895 | 30,817 | 30,922 |
| Tax assets | 12,563 | 12,796 | 13,323 | 12,350 | 14,712 | 11,269 | 7,896 | 8,089 |
| Non-current assets held for sale and discontinued operations | 25 | 28 | 27 | 26 | 26 | 30 | 38 | 35 |
| Other assets | 24,981 | 24,314 | 24,613 | 22,860 | 23,066 | 21,819 | 19,185 | 20,706 |
| Total Assets | 673,472 | 668,927 | 666,679 | 652,892 | 639,483 | 667,584 | 647,856 | 645,856 |
| Liabilities and Shareholders' Equity | 2012 | | | | 2011 | | | |
| | 31/12 | 30/9 | 30/6 | 31/3 | 31/12 | 30/9 | 30/6 | 31/3 |
| Due to banks | 73,352 | 74,787 | 83,831 | 75,958 | 78,858 | 73,192 | 50,396 | 51,301 |
| Due to customers and securities issued | 377,358 | 373,471 | 365,667 | 368,685 | 357,438 | 369,487 | 389,539 | 392,764 |
| of which: Insurance Companies | 68 | 106 | 117 | 343 | 403 | 368 | 389 | 405 |
| Financial liabilities held for trading | 52,195 | 55,779 | 54,921 | 47,907 | 48,740 | 53,952 | 38,216 | 37,431 |
| of which: Insurance Companies | 79 | 68 | 26 | 23 | 29 | 76 | 43 | 42 |
| Financial liabilities designated at fair value through profit and loss | 27,047 | 26,278 | 24,854 | 24,496 | 22,653 | 23,558 | 24,729 | 25,201 |
| of which: Insurance Companies | 27,038 | 25,938 | 24,417 | 23,637 | 21,955 | 22,814 | 23,969 | 24,403 |
| Tax liabilities | 3,494 | 3,297 | 2,936 | 3,154 | 4,069 | 4,862 | 3,304 | 3,347 |
| Liabilities associated with non-current assets held for sale and discontinued operations | - | - | - | - | - | - | - | - |
| Other liabilities | 30,617 | 27,410 | 28,812 | 24,641 | 24,226 | 26,698 | 24,331 | 23,766 |
| Technical reserves | 54,660 | 53,468 | 52,310 | 53,023 | 50,761 | 52,217 | 52,887 | 51,896 |
| Allowances for specific purpose | 4,550 | 4,585 | 4,678 | 4,945 | 4,966 | 4,978 | 4,405 | 4,561 |
| Share capital | 8,546 | 8,546 | 8,546 | 8,546 | 8,546 | 8,546 | 8,546 | 6,647 |
| Reserves | 40,861 | 40,906 | 40,882 | 41,800 | 49,982 | 49,906 | 49,924 | 47,920 |
| Valuation reserves | -1,399 | -1,955 | -2,704 | -1,805 | -3,298 | -2,827 | -937 | -766 |
| Minority interests | 586 | 667 | 672 | 738 | 732 | 1,086 | 1,114 | 1,127 |
| Net income | 1,605 | 1,688 | 1,274 | 804 | -8,190 | 1,929 | 1,402 | 661 |
| Total Liabilities and Shareholders' Equity | 673,472 | 668,927 | 666,679 | 652,892 | 639,483 | 667,584 | 647,856 | 645,856 |

Figures restated, where necessary, considering the changes in the scope of consolidation and discontinued operations.

Gruppo Intesa Sanpaolo

Breakdown of financial highlights by business area

| Income statement (millions of euro) | Banca dei Territori | | Corporate and Investment Banking | | International Subsidiary Banks | | Eurizon Capital | | Banca Fideuram | |
|--|---------------------|--------|-------------------------------------|--------|-----------------------------------|--------|-----------------|------|----------------|------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Operating income | 10,069 | 9,645 | 4,243 | 3,887 | 2,188 | 2,383 | 294 | 266 | 836 | 766 |
| Operating costs | -5,619 | -5,733 | -989 | -966 | -1,156 | -1,171 | -114 | -120 | -348 | -347 |
| Operating margin | 4,450 | 3,912 | 3,254 | 2,921 | 1,032 | 1,212 | 180 | 146 | 488 | 419 |
| Net income | 830 | -6,411 | 1,253 | -1,815 | -190 | -763 | 99 | -297 | 160 | 88 |

| Balance sheet (millions of euro) | Banca dei Territori | | Corporate and Investment Banking | | International Subsidiary Banks | | Eurizon Capital | | Banca Fideuram | |
|---------------------------------------|---------------------|------------|-------------------------------------|------------|-----------------------------------|------------|-----------------|------------|----------------|------------|
| | 31.12.2012 | 31.12.2011 | 31.12.2012 | 31.12.2011 | 31.12.2012 | 31.12.2011 | 31.12.2012 | 31.12.2011 | 31.12.2012 | 31.12.2011 |
| Loans to customers | 182,077 | 187,435 | 143,134 | 145,436 | 29,312 | 30,676 | 226 | 109 | 3,985 | 3,439 |
| Direct deposits from banking business | 201,540 | 197,280 | 109,700 | 88,033 | 31,163 | 30,667 | 7 | 9 | 6,672 | 6,367 |

Figures restated, where necessary, considering the changes in the scope of consolidation and in business unit constituents and discontinued operations.

Intesa Sanpaolo S.p.a.

Reclassified statement of income

| | 2012 | 2011 | (in millions of euro) | |
|---|------------|---------------|-----------------------|-------|
| | | | Changes | |
| | | | amount | % |
| Net interest income | 2,475 | 2,756 | -281 | -10.2 |
| Dividends | 1,211 | 1,572 | -361 | -23.0 |
| Net fee and commission income | 1,865 | 1,961 | -96 | -4.9 |
| Profits (Losses) on trading | 1,359 | 172 | 1,187 | |
| Other operating income (expenses) | 96 | 100 | -4 | -4.0 |
| Operating income | 7,006 | 6,561 | 445 | 6.8 |
| Personnel expenses | -1,912 | -1,962 | -50 | -2.5 |
| Other administrative expenses | -1,555 | -1,696 | -141 | -8.3 |
| Adjustments to property, equipment and intangibles assets | -129 | -129 | - | - |
| Operating costs | -3,596 | -3,787 | -191 | -5.0 |
| Operating margin | 3,410 | 2,774 | 636 | 22.9 |
| Net provisions for risks and charges | -52 | -113 | -61 | -54.0 |
| Net adjustments to loans | -1,463 | -1,553 | -90 | -5.8 |
| Net impairment losses on other assets | -83 | -778 | -695 | -89.3 |
| Profits (Losses) on investments held to maturity and on other investments | -164 | -173 | -9 | -5.2 |
| Income (Loss) before tax from continuing operations | 1,648 | 157 | 1,491 | |
| Taxes on income from continuing operations | -221 | 2,254 | -2,475 | |
| Charges (net of tax) for integration and exit incentives | -86 | -314 | -228 | -72.6 |
| Effect of purchase price allocation (net of tax) | -59 | -69 | -10 | -14.5 |
| Goodwill and controlling interests impairment (net of tax) | -370 | -10,181 | -9,811 | -96.4 |
| Income (Loss) after tax from discontinued operations | - | - | - | - |
| Net income | 912 | -8,153 | 9,065 | |

Figures restated on a consistent basis.

Intesa Sanpaolo S.p.a.

Reclassified balance sheet

| Assets | 31.12.2012 | 31.12.2011 | (in millions of euro) | |
|--|-------------------|-------------------|-----------------------|-------------|
| | | | Changes | |
| | | | amount | % |
| Financial assets held for trading | 21,752 | 19,608 | 2,144 | 10.9 |
| Financial assets designated at fair value | 522 | 354 | 168 | 47.5 |
| Financial assets available for sale | 35,982 | 14,579 | 21,403 | |
| Investments held to maturity | 300 | 528 | -228 | -43.2 |
| Due from banks | 96,147 | 156,631 | -60,484 | -38.6 |
| Loans to customers | 217,406 | 209,789 | 7,617 | 3.6 |
| Equity investments | 32,809 | 39,207 | -6,398 | -16.3 |
| Property, equipment and intangible assets | 7,863 | 7,960 | -97 | -1.2 |
| Tax assets | 8,980 | 9,176 | -196 | -2.1 |
| Non-current assets held for sale and discontinued operations | - | - | - | - |
| Other assets | 16,465 | 14,520 | 1,945 | 13.4 |
| Total Assets | 438,226 | 472,352 | -34,126 | -7.2 |
| Liabilities and Shareholders' Equity | 31.12.2012 | 31.12.2011 | Changes | |
| | | | amount | % |
| Due to banks | 120,428 | 159,132 | -38,704 | -24.3 |
| Due to customers and securities issued | 240,465 | 240,073 | 392 | 0.2 |
| Financial liabilities held for trading | 15,547 | 14,286 | 1,261 | 8.8 |
| Financial liabilities designated at fair value | - | - | - | - |
| Tax liabilities | 1,557 | 757 | 800 | |
| Liabilities associated with non-current assets held for sale and discontinued operations | - | - | - | - |
| Other liabilities | 13,797 | 11,541 | 2,256 | 19.5 |
| Allowances for specific purpose | 2,141 | 2,376 | -235 | -9.9 |
| Share capital | 8,546 | 8,388 | 158 | 1.9 |
| Reserves | 35,012 | 44,092 | -9,080 | -20.6 |
| Valuation reserves | -179 | -140 | 39 | 27.9 |
| Net income | 912 | -8,153 | 9,065 | |
| Total Liabilities and Shareholders' Equity | 438,226 | 472,352 | -34,126 | -7.2 |

Figures restated on a consistent basis.