PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AT JUNE 30th 2014

NET INCOME FOR H1 2014 AT NEARLY €1.2BN, EXCLUDING RETROACTIVE TAX RATE INCREASE IN RELATION TO THE STAKE IN THE BANK OF ITALY.

STRONG IMPROVEMENT IN PROFITABILITY, FULLY IN LINE WITH 2014-2017 BUSINESS PLAN TARGETS.

IN Q2 2014, THE HIGHEST OPERATING MARGIN AND PRE-TAX INCOME OF THE PAST NINE QUARTERS.

POSITIVE TREND IN NET INTEREST INCOME, SUSTAINED GROWTH IN COMMISSIONS (IN H1 2014 THE HIGHEST SINCE 2007) WITH ROBUST PERFORMANCE OF ASSETS UNDER MANAGEMENT.

RIGOROUS AND CONSERVATIVE PROVISIONING, WITH NPL INFLOW FROM PERFORMING LOANS IN H1 2014 AT ITS LOWEST LEVEL SINCE H2 2011.

THANKS TO ITS SOLID CAPITAL BASE, WHICH CONTINUES TO IMPROVE, INTESA SANPAOLO IS VERY WELL POSITIONED TO EMERGE FROM THE ASSET QUALITY REVIEW AND STRESS TEST EXERCISE AS A WINNER AMONGST EUROPEAN BANKS.

- **ROBUST NET INCOME:**
  - **NEARLY €1.2BN IN H1 2014, EXCLUDING THE RETROACTIVE TAX RATE INCREASE IN RELATION TO THE BANK OF ITALY STAKE**
  - **€720M IN H1 2014 (UP 70.6% VS H1 2013) WITH ACTUAL TAX RATE AT 59%**
  - **€217M IN Q2 2014 WITH ACTUAL TAX RATE AT 75%**
- **STRONG GROWTH IN PRE-TAX INCOME:**
  - **UP 28% VS Q1 2014**
  - **UP 70.3% VS H1 2013**
- **SIGNIFICANT INCREASE IN OPERATING MARGIN:**
  - **UP 19.3% VS Q1 2014**
  - **UP 8.1% VS H1 2013**
- **POSITIVE TREND IN NET INTEREST INCOME:**
  - **UP 0.2% VS Q1 2014**
  - **UP 3.8% VS H1 2013**
- **SUSTAINED GROWTH IN NET FEES AND COMMISSIONS:**
  - **UP 9% VS Q1 2014**
  - **UP 9.2% VS H1 2013**
- **CONTINUOUS COST MANAGEMENT:**
  - **DOWN 2% VS Q1 2014**
  - **UP 1.2% VS H1 2013**
- **RIGOROUS AND CONSERVATIVE PROVISIONING, COUPLED WITH IMPROVING CREDIT TREND:**
  - **€1,179M IN Q2 2014 VS 1,077M IN Q1 2014**
  - **€2,256M IN H1 2014 VS 2,548M IN H1 2013 (DOWN 11.5%)**
  - **NPL INFLOW FROM PERFORMING LOANS IN H1 2014 AT ITS LOWEST LEVEL SINCE H2 2011, NET DOWN 9% AND GROSS DOWN 10% VS H1 2013**
- **STRONG CAPITAL BASE, WHICH CONTINUES TO IMPROVE AND IS WELL ABOVE REGULATORY REQUIREMENTS. COMMON EQUITY RATIO, NET OF €500M DIVIDENDS ACCRUED IN THE FIRST HALF OF 2014:**
  - **12.9% ON A FULLY LOADED BASIS(1), APPROXIMATELY €10BN OF EXCESS CAPITAL(2), AND CAPITAL BUFFER OF APPROXIMATELY €13BN AHEAD OF THE AQR(3) AND €20BN AHEAD OF THE STRESS TEST(4)**
  - **13.2% ON A TRANSITIONAL BASIS FOR 2014 ("PHASED IN")**

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(1) Estimated applying the parameters set out under fully loaded Basel 3 to the financial statements as at June 30th 2014, considering the total absorption of deferred tax assets (DTAs) related to the goodwill realignment, the expected absorption by 2019 of DTAs on losses carried forward, and the effect of the Danish compromise (under which insurance investments are risk weighted instead of being deducted from capital, with a benefit of seven basis points).

(2) Compared with Basel 3 maximum compliance level for Global SIFIs of 9.5% (4.5% Common Equity + 2.5% conservation buffer + 2.5% current maximum Global SIFI buffer).

(3) Calculated versus the 8% capital adequacy threshold of the AQR (the ongoing review on the asset quality of European banks, carried out by regulatory authorities); the calculation of the capital buffer does not take into account the benefit from the stake in the Bank of Italy.

(4) Calculated versus the 5.5% threshold under the adverse scenario of the Stress Test (the ongoing exercise on the impact of an adverse macroeconomic scenario on the capital position of European banks, carried out by regulatory authorities); the calculation of the capital buffer takes into account the benefit from the stake in the Bank of Italy.

HIGHLIGHTS:

OPERATING INCOME:	Q2 2014:	**+8.5%** AT €4,457M VS €4,108M IN Q1 2014;
	H1 2014:	+4.7% AT €8,565M VS €8,182M H1 2013
OPERATING COSTS:	Q2 2014:	**-2%** AT €2,045M VS €2,086M IN Q1 2014;
	H1 2014:	+1.2% AT €4,131M VS €4,081M IN H1 2013
OPERATING MARGIN:	Q2 2014:	**+19.3%** AT €2,412M VS €2,022M IN Q1 2014;
	H1 2014:	+8.1% AT €4,434M VS €4,101M IN H1 2013
INCOME BEFORE TAX FROM CONTINUING OPERATIONS:	Q2 2014:	**+28%** AT €1,220M VS €953M IN Q1 2014;
	H1 2014:	+70.3% AT €2,173M VS €1,276M IN H1 2013
NET INCOME:	Q2 2014:	**€217M** VS €503M IN Q1 2014;
	H1 2014:	€720M VS €422M IN H1 2013
CAPITAL RATIOS	COMMON EQUITY RATIO PRO-FORMA AFTER ACCRUED DIVIDENDS(5) : **12.9% FULLY LOADED(6) ; 13.2% PHASED IN**	

Turin - Milan, August 1st 2014 – At its meeting today, the Intesa Sanpaolo Management Board approved the consolidated half-yearly report as at June 30th 2014(7).

The Group has achieved a **strong improvement in profitability - fully in line with the 2014-2017 Business Plan targets -** despite prolonged market difficulties, with **several Business Plan initiatives which are well underway and on track, the strong involvement of the Group's people,** and continuous actions aimed at **strengthening the Group's balance sheet and maintaining a rigorous and conservative provisioning policy even amid improving credit trends.** Intesa Sanpaolo is **very well positioned to emerge from the Asset Quality Review and Stress Test exercise as a winner amongst European banks**:

- **robust net income**: **nearly 1.2 billion euro in the first half of 2014, excluding the retroactive tax rate increase** - from 12% to 26% - on the capital gain from the stake in the **Bank of Italy** recorded in 2013. The **stated net income** amounted to **720 million euro in the first half of 2014** (**up 70.6%** vs the first half of 2013) and **217 million euro in the second quarter of 2014, despite the high tax charge**, with a total actual tax rate at **59% in the first half of 2014** and **75% in the second quarter of 2014**;

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(5) Equal to 500 million, assuming the half-yearly quota of €1bn dividends envisaged in the 2014-2017 Business Plan for 2014.

(6) Estimated by applying the parameters set out under fully loaded Basel 3 to the financial statements as at June 30th 2014, considering the total absorption of deferred tax assets (DTAs) related to the goodwill realignment, the expected absorption by 2019 of DTAs on losses carried forward, and the effect of the Danish compromise (under which insurance investments are risk weighted instead of being deducted from capital, with a benefit of seven basis points).

(7) Methodological note on the scope of consolidation on page 20.

- **strong growth in pre-tax income** at **1,220 million euro in the second quarter of 2014**, **the highest of the past nine quarters**, **up 28%** on the previous quarter, and at **2,173 million euro in the first half of 2014**, **up 70.3%** on the first half of 2013;

- **significant increase in operating margin** at **2,412 million euro in the second quarter of 2014**, **the highest of the past nine quarters**, **up 19.3%** on the previous quarter, and at **4,434 million euro in the first half of 2014**, **up 8.1%** on the first half of 2013;

- **positive pre-tax result for all business units**, with a contribution, in the first half of 2014, of 712 million euro from Retail Italia(8) (up 85% vs H1 2013), 1,045 million euro overall (up 25%) from Fideuram and Private Banking(9) (up 32% and 20% respectively) and Wealth Management(10) (up 24%), 1,121 million euro from Corporate and Investment Banking (down 6%, up 31% vs the 2013 half-year average), and 218 million euro from International Subsidiary Banks (up 80%);

- **strong growth in assets under management**: an increase of approximately 22 billion euro in the first half of 2014, with approximately 13 billion euro switched from assets under administration and in custody;

- **support to the real economy:** approximately 17 billion euro of medium/long-term new lending to families and businesses;

- **positive trend in net interest income**: 2,104 million euro in the second quarter of 2014, up 0.2% on the previous quarter, and 4,204 million euro in the first half of 2014, up 3.8% on the first half of 2013;

- **sustained growth in net fees and commissions:** 1,727 million euro in the second quarter of 2014, up 9% on the previous quarter, and 3,311 million euro in the first half of 2014 - **the highest net fees and commissions since 2007 -** up 9.2% on the first half of 2013;

- **high efficiency**, highlighted by a **cost/income ratio of 45.9% in the second quarter of 2014** and 48.2% in the first half of 2014**, top level amongst European peers**;

- **continuous cost management**: down 2% in the second quarter of 2014, compared with the previous quarter, and up 1.2% in the first half of 2014, compared with the first half of 2013;

- **improving credit trend, with NPL inflow from performing loans in the first half of 2014 at its lowest level since H2 2011**: net inflow of 4.1 billion euro in the first half of 2014 from 4.5 billion euro in the same period of 2013 (down 9%) and 6.5 billion euro in the second half of 2013 (down 36%); gross inflow of 6.3 billion euro from 7 billion euro in the same period of 2013 (down 10%) and 8.5 billion euro in the second half of 2013 (down 26%);

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(8) Banca dei Territori excluding Intesa Sanpaolo Private Banking and Insurance.
(9) Banca Fideuram Group and Intesa Sanpaolo Private Banking.
(10) Eurizon Capital and Intesa Sanpaolo Vita.

● **rigorous and conservative provisioning policy maintained**:

- **loan loss provisions** of 1,179 million euro in the second quarter of 2014, compared with 1,077 million euro in the previous quarter, and 2,256 million euro in the first half of 2014, compared with 2,548 million euro in the first half of 2013 (down 11.5%),
- a **NPL cash coverage ratio of 46.6%** at the end of June 2014 from 46% at year-end 2013 (Italian peers average: 37% in Q1 2014), **with a cash coverage ratio of the doubtful loan component up to 63.1%** at the end of June 2014 from 62.5% at year-end 2013,
- a **total NPL coverage ratio of 135%** including collateral, at the end of June 2014 (**157% adding also personal guarantees**), with a total coverage of the **doubtful loan** component of **137%** (**157%** adding also personal guarantees),
- a **robust reserve buffer on performing loans**, amounting to 84bps at the end of June 2014 from 80bps at year-end 2013 (Italian peers average: 55bps in Q1 2014);

● **additional improvement on top of an already solid capital base**: **further strengthening of capital ratios** (already well above regulatory requirements) at June 30th 2014, net of dividends accrued in the first six months for year 2014(11). The **pro-forma Basel 3 Common Equity ratio on a fully loaded basis increased to 12.9%**(12) from 12.3% at year-end 2013, **one of the highest levels amongst major European banks, equivalent to an excess capital(13) of approximately 10 billion euro and a capital buffer of approximately 13 billion euro ahead of the AQR(14) and 20 billion euro ahead of the Stress Test(15)**. The phased-in Common Equity ratio was at 13.2%, compared with a pro-forma ratio of 11.9% at year-end 2013;

● **strong liquidity position and funding capability**: **liquid assets of 107 billion euro** and **large availability of unencumbered eligible assets with Central Banks, corresponding to liquidity of 82 billion euro at the end of June 2014**; **already compliant with Basel 3 Liquidity Coverage Ratio and Net Stable Funding Ratio requirements**, well ahead of deadlines for their full implementation (2019 and 2018 respectively). Intesa Sanpaolo is **"not addicted" to the ECB**: in the second quarter of 2014, the Group's refinancing with the ECB to optimise the cost of funding amounted, on average, to five billion euro and consisted of standard open-market operations with maturities from one week to three months (9.8 billion, on average, in the first quarter);

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(11) Equal to 500 million euro, assuming the half-yearly quota of €1bn dividends envisaged in the 2014-2017 Business Plan for 2014.

(12) Estimated applying the parameters set out under fully loaded Basel 3 to the financial statements as at June 30th 2014, considering the total absorption of deferred tax assets (DTAs) related to the goodwill realignment, the expected absorption by 2019 of DTAs on losses carried forward, and the effect of the Danish compromise (under which insurance investments are risk weighted instead of being deducted from capital, with a benefit of seven basis points).

(13) Compared with Basel 3 maximum compliance level for Global SIFIs of 9.5% (4.5% Common Equity + 2.5% conservation buffer + 2.5% current maximum Global SIFI buffer).

(14) Calculated versus the 8% capital adequacy threshold of the AQR (the ongoing review on the asset quality of European banks, carried out by regulatory authorities); the calculation of the capital buffer does not take into account the benefit from the stake in the Bank of Italy.

(15) Calculated versus the 5.5% threshold under the adverse scenario of the Stress Test (the ongoing exercise on the impact of an adverse macroeconomic scenario on the capital position of European Banks, carried out by regulatory authorities); the calculation of the capital buffer takes into account the benefit from the stake in the Bank of Italy.

- **<u>several Business Plan initiatives already well underway and on track</u>**, with the **strong involvement of the Group's people**:
  - *New Growth Bank*: the **Banca 5® "specialised" business model has been introduced in more than 1,300 branches**, with approximately 1,800 dedicated relationship managers and revenues per client already increased from 70 to 80 euro; the **new multichannel processes have been successfully tested** and the number of **multichannel clients** has increased by **more than 300,000** in the first half of 2014 up to **4.7 million** (the first multichannel bank in Italy); new commercial model and product offering have been developed for the **SME Finance Hub** (new Mediocredito Italiano); the **new Transaction Banking Strategy is being implemented** at Group level; a **dedicated initiative** has been launched **for High Net Worth clients** in the Private Banking Hub;
  - *Core Growth Bank*: the **Asset Light** model has been launched in **Corporate and Investment Banking**; **cost management** initiatives are continuing (additional 131 branches closed in Q2 2014, for a total of 205 in H1 2014); as regards the **simplification of legal entities, seven product factories,** performing leasing, factoring, specialised finance and advisory activities, have already converged into **one company** (new Mediocredito Italiano) and **two mergers of local banks have already been started (**out of 11 planned by 2015);
  - *Capital Light Bank*: **performance metrics and operational model have been defined,** and **two billion euro** deleverage already delivered **with approximately 300 million euro capital gains**; **Re.o.Co.** (*Real Estate Owned Company*), the legal entity to manage **repossessed assets,** is fully operational with **two auctions** attended;
  - **people and investments**: the **"Big Financial Data"** programme has been launched to create an integral management of customer and financial data; the **"Innovation Center"** for training and the development of new products, processes and "the ideal branch" has been set up at the new **Intesa Sanpaolo Tower** in Turin.

The income statement for the second quarter of 2014

The consolidated income statement for Q2 2014(16) recorded **operating income** of 4,457 million euro, up 8.5% from 4,108 million euro in Q1 2014 and up 9.4% from 4,074 million euro in Q2 2013.

Net interest income for Q2 2014 amounted to 2,104 million euro, up 0.2% from 2,100 million euro in Q1 2014 and up 3.4% from 2,035 million euro in Q2 2013.

Net fee and commission income amounted to 1,727 million euro, up 9% from 1,584 million euro in Q1 2014. In detail, commissions on commercial banking activities were up 7.6%, and those on management, dealing and consultancy activities (including portfolio management, distribution of insurance products, dealing and placement of securities, etc.) were up 12.2%. Under the latter, commissions on portfolio management were up 19.4%, commissions on distribution of insurance products were up 6.6%, and those on dealing and placement of securities were up 4.6%. Net fee and commission income in Q2 2014 increased by 9.9%, compared with the 1,571 million euro of Q2 2013. In detail, commissions on commercial banking activities were up 8.2%, and those on management, dealing and consultancy activities were up 18.7%. Under the latter, commissions on dealing and placement of securities were up 33.6%, those on portfolio management were up 19.4%, and those on distribution of insurance products were up 14.7%.

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(16) 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 935 million euro into loans and receivables and two million euro into financial assets available for sale; the Group also reclassified financial assets available for sale of 5,550 million euro into loans and receivables. If these reclassifications had not been made, the profits/losses on trading for the second quarter of 2014 would have recorded 29 million euro as positive pre-tax impact (a positive impact of 54 million euro in the first half of 2014, a positive impact of 94 million euro in full-year 2013, 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 73 million euro in full-year 2009, and a negative impact of 460 million euro in full-year 2008) and the shareholders' equity at June 30th 2014 would have included 1,021 million euro as negative pre-tax direct impact (with a positive impact of 89 million euro in the second quarter of 2014 and 259 million euro in the first half of 2014).

Profits on trading were 409 million euro (including 161 million euro in dividends from the stake in the Bank of Italy), compared with 151 million euro in Q1 2014. Profits from customers increased to 84 million euro from 62 million euro. Profits from capital markets and AFS financial assets amounted to 41 million euro from 42 million euro. Profits from proprietary trading and treasury activities rose to 268 million euro (including the aforementioned 161 million euro in dividends) from 37 million euro. Profits from structured credit products increased to 15 million euro from 10 million euro. Profits on trading of 409 million euro for Q2 2014 are compared with profits of 236 million euro in Q2 2013 which had recorded profits from customers of 87 million euro, profits from capital markets and AFS financial assets of five million euro, profits from proprietary trading and treasury activities of 106 million euro, and profits from structured credit products of 37 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, profits on trading in Q2 2014 would have recorded a positive pre-tax impact of 29 million euro.

Income from insurance business amounted to 248 million euro, compared with 251 million euro in Q1 2014 and 215 million euro in Q2 2013.

Operating costs amounted to 2,045 million euro, down 2% versus the 2,086 million euro of Q1 2014, with personnel expenses down 4.6%, administrative expenses up 2.5% and adjustments up 0.6%. Operating costs for Q2 2014 were up 2.4% on the 1,998 million euro of the same quarter last year, with personnel expenses up 5.7% (including, in Q2 2014, the pro-quota incentives to trigger growth), administrative expenses down 2.3%, and adjustments down 1.8%

As a result, **operating margin** amounted to 2,412 million euro, up 19.3% from 2,022 million euro in Q1 2014 and up 16.2% from 2,076 million euro in Q2 2013. The cost/income ratio was at 45.9% in Q2 2014, an improvement versus 50.8% in Q1 2014 and 49% in Q2 2013.

Net **provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 1,427 million euro, compared with 1,144 million euro in Q1 2014 and 1,575 million euro in Q2 2013. Net provisions for risks and charges amounted to 181 million euro, compared with 55 million euro in Q1 2014 and 38 million euro in Q2 2013. The figure for Q2 2014 includes 65 million euro set aside following the enactment of a law in Hungary with regard to the local banking sector and, as part of it, the Group’s Hungarian subsidiary CIB Bank, that establishes customer reimbursement in relation to the bid/offer spreads applied to retail foreign-currency loans. Net adjustments to loans came to 1,179 million euro, compared with 1,077 million euro in Q1 2014 and 1,390 million euro in Q2 2013. Net impairment losses on other assets came to 67 million euro, compared with 12 million euro in Q1 2014 and 147 million euro in Q2 2013.

Profits/losses on investments held to maturity and on other investments generated profits of 235 million euro (including 220 million euro capital gains deriving from the transactions involving the stakes in SIA and NH Hoteles), compared with profits of 75 million euro in Q1 2014 (including 59 million euro capital gain from the sale of the stake in Pirelli) and losses of three million euro in Q2 2013.

Income before tax from continuing operations came to 1,220 million euro, up 28% from 953 million euro in Q1 2014, and more than double the 498 million euro of Q2 2013.

Consolidated net income for the quarter came to 217 million euro, compared with 503 million euro in Q1 2014 and 116 million euro in Q2 2013, after accounting:
- taxes of 912 million euro (including 443 million euro related to the increase in the tax rate on the capital gain from the Bank of Italy stake);
- charges (net of tax) for integration and exit incentives of 13 million euro;
- charges from purchase cost allocation (net of tax) of 53 million euro;
- loss after tax from discontinued operations of nine million euro;
- minority interests of 16 million euro.

The income statement for the first half of 2014

The consolidated income statement for H1 2014 recorded **operating income** of 8,565 million euro, up 4.7% from 8,182 million euro in H1 2013.

Net interest income for H1 2014 amounted to 4,204 million euro, up 3.8% from 4,052 million euro in H1 2013.

Net fee and commission income amounted to 3,311 million euro, up 9.2% from 3,033 million euro in H1 2013. In detail, commissions on commercial banking activities were up 4.8%, and those on management, dealing and consultancy activities (including portfolio management, distribution of insurance products, dealing and placement of securities, etc.) were up 20.6%. Under the latter, commissions on portfolio management were up 24%, commissions on dealing and placement of securities were up 21.5%, and those on distribution of insurance products were up 18.7%.

Profits on trading were 560 million euro (including 161 million euro in dividends from the stake in the Bank of Italy), compared with 690 million euro in H1 2013. Profits from customers decreased to 146 million euro from 171 million euro. Profits from capital markets and AFS financial assets were down to 83 million euro from 156 million euro. Profits from proprietary trading and treasury activities rose to 305 million euro (including the aforementioned 161 million euro in dividends) from 295 million euro. Profits from structured credit products decreased to 25 million euro from 67 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, profits on trading in H1 2014 would have recorded a positive pre-tax impact of 54 million euro.

Income from insurance business amounted to 499 million euro, compared with 445 million euro in H1 2013.

Operating costs amounted to 4,131 million euro, up 1.2% versus the 4,081 million euro of H1 2013 due to an increase of 3.3% in personnel expenses (including, in H1 2014, the pro-quota incentives to trigger growth), and decreases of 1.8% and 1.5%, respectively, in administrative expenses and adjustments.

As a result, **operating margin** amounted to 4,434 million euro, up 8.1% from 4,101 million euro in H1 2013. The cost/income ratio was at 48.2% in H1 2014, an improvement versus 49.9% in H1 2013.

Net **provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 2,571 million euro, compared with 2,827 million euro in H1 2013. Net provisions for risks and charges amounted to 236 million euro (including 65 million euro set aside as reimbursement payable to customers by subsidiary CIB Bank in relation to the bid/offer spreads applied to retail foreign-currency loans), compared with 64 million euro in H1 2013. Net adjustments to loans came to 2,256 million euro, compared with 2,548 million euro in H1 2013. Net impairment losses on other assets came to 79 million euro, compared with 215 million euro in H1 2013.

Profits/losses on investments held to maturity and on other investments generated profits of 310 million euro (including 279 million euro capital gains deriving from the transactions involving the stakes in Pirelli, SIA and NH Hoteles), compared with profits of two million euro in H1 2013.

Income before tax from continuing operations came to 2,173 million euro, up 70.3% from 1,276 million euro in H1 2013.

Consolidated net income for the quarter came to 720 million euro, up 70.6% from 422 million euro in H1 2013, after accounting:

- taxes of 1,276 million euro (including 443 million euro related to the increase in the tax rate on the capital gain from the Bank of Italy stake);
- charges (net of tax) for integration and exit incentives of 20 million euro;
- charges from purchase cost allocation (net of tax) of 99 million euro;
- loss after tax from discontinued operations of 22 million euro;
- minority interests of 36 million euro.

Balance sheet at June 30th 2014

As regards the consolidated balance sheet figures, as at June 30th 2014 **loans to customers** amounted to 332 billion euro, a decrease by 3.4% from December 31st 2013 and by 7.2% from June 30th 2013 (a decrease of the same size when taking into account average volumes instead of those at the end of the period). Total **non-performing loans** (doubtful, substandard, restructured and past due) - net of adjustments - amounted to 32,180 million euro, up 3.9% from 30,987 million euro at year-end 2013. In detail, doubtful loans rose to 13,401 million euro from 12,899 million euro at year-end 2013, with a doubtful loans to total loans ratio of 4% (3.8% as at year-end 2013) and a cash coverage ratio of 63.1% (62.5% as at year-end 2013). Taking into account **collateral and guarantees** to doubtful loans in addition to the cash coverage, the total coverage ratio was 137% including collateral and 157% adding also personal guarantees. Substandard loans increased to 14,568 million euro from 13,815 million euro at year-end 2013. Restructured loans increased to 2,491 million euro from 2,315 million euro at year-end 2013. Past due loans decreased to 1,720 million euro from 1,958 million euro at year-end 2013.

Customer financial assets amounted to 826 billion euro (net of duplications between direct deposits and indirect customer deposits), up 2.8% from year-end 2013 and up 4.8% from June 30th 2013. Under customer financial assets, **direct deposits from banking business** amounted to 376 billion euro, up 1% from year-end 2013 and up 0.8% from June 30th 2013; **direct deposits from insurance business and technical reserves** amounted to 105 billion euro, up 12% from year-end 2013 and up 21.8% from June 30th 2013. Indirect customer deposits amounted to 449 billion euro, up 4.3% from year-end 2013 and up 8.3% from June 30th 2013. **Assets under management** totalled 280 billion euro, up 8.4% from year-end 2013 and up 15.3% from June 30th 2013. As for bancassurance, in the first half of 2014, new business for life policies amounted to 12.5 billion euro (32.8% higher than in the first half of 2013). Assets under administration and in custody amounted to 168 billion euro, down 1.9% from year-end 2013 and down 1.6% from June 30th 2013.

Capital ratios as at June 30th 2014 - calculated by applying Basel 3 transitional arrangements for 2014 and net of the dividends accrued in the first six months for year 2014(17) - were as follows:

- Common Equity ratio at 13.2% (11.9% pro-forma at year-end 2013, which under the regulation then in force excluded the benefit deriving from the Bank of Italy stake),
- Tier 1 ratio at 13.7% (12.3% pro-forma at year-end 2013, which under the regulation then in force excluded the benefit deriving from the Bank of Italy stake),
- total capital ratio at 17.1% (15.1% pro-forma at year-end 2013, which under the regulation then in force excluded the benefit deriving from the Bank of Italy stake).

The estimated pro-forma common equity ratio for the Group on a **Basel 3 fully loaded basis** stands at 12.9% (year-end 2013: 12.3%). It has been calculated applying the parameters set out under fully loaded Basel 3 to the financial statements as at June 30th 2014 and considering the total absorption of deferred tax assets (DTAs) related to the goodwill realignment, the expected absorption by 2019 of DTAs on losses carried forward, as well as the effect of the Danish compromise (under which insurance investments are risk weighted instead of being deducted from capital, with a benefit of seven basis points).

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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 82 billion euro at the end of June 2014,
  - high level of liquid assets (made up of eligible assets available - excluding eligible assets received as collateral - and eligible assets currently used as collateral) equal to 107 billion euro at the end of June 2014,
  - the Group’s refinancing operations with the ECB to optimise the cost of funding amounting, on average, to five billion euro in the second quarter of 2014 and consisting of standard open-market operations with maturities of one week to three months (9.8 billion euro, on average, in the first quarter of 2014),
  - stable and well-diversified sources of funding, with approximately 75% of direct deposits from the banking business (including securities issued) generated from retail operations,

(17) Equal to 500 million euro, assuming the half-yearly quota of €1bn dividends envisaged in the 2014-2017 Business Plan for 2014.

- medium/long-term funding of approximately 15 billion euro raised so far in 2014, including five billion euro retail placements, and wholesale bond maturities for full year 2014 already fully covered;
- in the first six months of 2014, 2.75 billion euro of eurobonds, 1.25 billion euro of covered bonds, 4.5 billion dollars of US bonds and 650 million of Renminbi-denominated bonds placed on international markets (the demand - more than 80% from foreign investors - on average exceeded the issue target by over 135%);

● **low leverage** with
- much lower leverage and one of the best ratios of tangible net shareholders' equity to tangible assets amongst major European banking groups,

● a **low risk profile** with
- the Group's securities portfolio at the end of June 2014 comprising Greek bonds (issued by the central and local governments) of 14 million euro, Irish bonds of 93 million euro and Portuguese bonds of 31 million euro.

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The Group had a **gross and net risk exposure** to structured credit products with underlying **US subprime** of three million euro as at June 30th 2014. Information concerning structured credit products held by the Group is included - as usual - in the half-yearly report approved by the Management Board.

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As at June 30th 2014, the Intesa Sanpaolo Group's **operating structure** had a total network of 5,984 branches - of which 4,548 were in Italy and 1,436 abroad - with 89,821 employees.

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Breakdown of results by business area

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

- Global Industries, in charge of managing relationships with 200 corporates (of which 50 Italian and 150 foreign) with global reach, which operate in six key industries with high growth potential (oil & gas, power & utilities, automotive, infrastructures, telecom & media, luxury & consumer goods);
- Corporate and Public Finance, in charge of managing relationships with around 700 large to mid-sized Italian corporates and providing services to government, public entities, local authorities, universities, public utilities, general contractors, and public and private healthcare providers;
- International, in charge of managing relationships with corporates with a foreign-based parent company, that are not part of the Global Industries segment, and also responsible for foreign Public Finance clients. Furthermore, the department is responsible for foreign branches, representative offices and foreign subsidiaries carrying out corporate banking (Société Européenne de Banque and Intesa Sanpaolo Bank Ireland), and provides specialist support toward the internationalisation of Italian corporates and export development;
- Global Banking & Transaction, in charge of: relationships with financial institutions, management of transactional services, trade and export finance products and services, as well as custody and settlement of Italian securities (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; and
- Merchant Banking, which operates in the private equity area also through Private Equity International (PEI) and IMI Investimenti companies.

The division also comprises the management of the Group's proprietary trading.

In the second quarter of 2014, the Corporate and Investment Banking division recorded:

- operating income of 914 million euro, up 3.2% from 886 million euro in Q1 2014;
- operating costs of 202 million euro, down 5% from 213 million euro in Q1 2014;
- operating margin of 712 million euro, up 5.8% from 673 million euro in Q1 2014;
- a cost/income ratio improving to 22.1% versus 24% in Q1 2014;
- net provisions and adjustments of 216 million euro from 101 million euro in Q1 2014;
- profits on investments held to maturity and on other investments of five million euro from 47 million euro in Q1 2014;
- income before tax from continuing operations of 502 million euro, down 18.8% from 619 million euro in Q1 2014;
- net income of 367 million euro versus 413 million euro in Q1 2014 (down 11%).

In the second half of 2014, the Corporate and Investment Banking division recorded:

- operating income of 1,799 million euro, contributing approximately 21% of the consolidated operating income (23% in H1 2013), down 2.5% from 1,846 million euro in H1 2013;
- operating costs of 415 million euro, up 6.7% from 389 million euro in H1 2013;
- operating margin of 1,384 million euro, down 5% from 1,457 million euro in H1 2013;
- a cost/income ratio of 23.1% versus 21.1% in H1 2013;
- net provisions and adjustments of 315 million euro from 269 million euro in H1 2013;
- profits on investments held to maturity and on other investments of 52 million euro, compared with losses of two million euro in H1 2013;
- income before tax from continuing operations of 1,121 million euro, down 5.5% from 1,186 million euro in H1 2013;
- net income of 780 million euro versus 797 million euro in H1 2013 (down 2.1%).

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);
- businesses with a turnover between 2.5 and 350 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. The Banca dei Territori division comprises product companies such as Mediocredito Italiano, which is the SME Finance Hub, Intesa Sanpaolo Vita and Intesa Sanpaolo Previdenza operating in the insurance and pension business, the fiduciary service company Sirefid, Intesa Sanpaolo Personal Finance operating in the consumer credit business, Setefi operating in electronic payments, as well as Mediofactoring operating in the factoring business (Mediofactoring was incorporated into the Parent Company as of July 1st 2014 and its business contributed to Mediocredito Italiano as of the same date).

In the second quarter of 2014, the Banca dei Territori division recorded:

- operating income of 2,863 million euro, unchanged compared with Q1 2014;
- operating costs of 1,319 million euro, down 2.8% from 1,357 million euro in Q1 2014;
- operating margin of 1,544 million euro, up 2.5% from 1,506 million euro in Q1 2014;
- a cost/income ratio improving to 46.1% versus 47.4% in Q1 2014;
- net provisions and adjustments of 876 million euro from 891 million euro in Q1 2014;
- income before tax from continuing operations of 668 million euro, up 8.6% from 615 million euro in Q1 2014;
- net income of 387 million euro from 361 million euro in Q1 2014 (up 7.2%).

In the first half of 2014, the Banca dei Territori division recorded:

- operating income of 5,726 million euro, contributing approximately 67% of the consolidated operating income (69% in H1 2013), up 1.4% from 5,648 million euro in H1 2013;
- operating costs of 2,676 million euro, up 0.9% from 2,652 million euro in H1 2013;
- operating margin of 3,050 million euro, up 1.8% from 2,996 million euro in H1 2013;
- a cost/income ratio improving to 46.7% versus 47% in H1 2013;
- net provisions and adjustments of 1,767 million euro, compared with 2,120 million euro in H1 2013;
- income before tax from continuing operations of 1,283 million euro, up 46.5% from 876 million euro in H1 2013;
- net income of 749 million euro from 412 million euro in H1 2013 (up 81.8%).

Eurizon Capital, the company specialising 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 SA (Luxembourg), a company specialising in managing Luxembourg mutual funds with low tracking error; VUB Asset Management (Slovakia) - 50.12% owned by Eurizon Capital SA - which heads up the Hungarian CIB IFM and the Croatian PBZ Invest (Eastern European asset management hub); and Epsilon Associati SGR, a company specialising 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 second quarter of 2014, Eurizon Capital recorded:

- operating income of 140 million euro, up 47.2% from 95 million euro in Q1 2014;
- operating costs of 34 million euro, up 23.3% from 28 million euro in Q1 2014;
- operating margin of 106 million euro, up 57.1% from 67 million euro in Q1 2014;
- a cost/income ratio improving to 24.3% versus 29.5% in Q1 2014;
- net release of provisions and adjustments of two million euro versus a zero balance in Q1 2014;
- income before tax from continuing operations of 108 million euro, up 59.8% from 68 million euro of Q1 2014;
- net income of 67 million euro, up 61.4% from 42 million euro in Q1 2014.

In the first half of 2014, Eurizon Capital recorded:
- operating income of 236 million euro, contributing approximately 3% of the consolidated operating income (2% in H1 2013), up 43.9% from 164 million euro in H1 2013;
- operating costs of 62 million euro, up 21.6% from 51 million euro in H1 2013;
- operating margin of 174 million euro, up 54% from 113 million euro in H1 2013;
- a cost/income ratio improving to 26.3% versus 31.1% in H1 2013;
- net release of provisions and adjustments of two million euro versus a net release of three million euro in H1 2013;
- income before tax from continuing operations of 176 million euro, up 51.7% from 116 million euro in H1 2013;
- net income of 109 million euro, up 55.7% from 70 million euro in H1 2013.

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 in charge of the Group's operations in the following geographical areas: i) South-Eastern Europe, through 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) Central-Eastern Europe, through Banka Koper in Slovenia, VUB Banka in Slovakia and CIB Bank in Hungary; iii) CIS & South Mediterranean, through Banca Intesa in the Russian Federation, Pravex-Bank in Ukraine (this subsidiary, for which a purchase-and-sale agreement was signed in January this year, is currently included under discontinued operations) and Bank of Alexandria in Egypt.

In the second quarter of 2014, the International Subsidiary Banks division recorded:
- operating income of 536 million euro, up 5.3% from 590 million euro in Q1 2014;
- operating costs of 266 million euro, up 2.5% from 259 million euro in Q1 2014;
- operating margin of 270 million euro, up 8.2% from 250 million euro in Q1 2014;
- a cost/income ratio improving to 49.6% versus 50.9% in Q1 2014;
- net provisions and adjustments of 179 million euro, compared with 126 million euro in Q1 2014;
- profits on investments held to maturity and on other investments of one million euro, compared with no profits/losses in Q1 2014;
- income before tax from continuing operations of 94 million euro, down 24.6% from 124 million euro in Q1 2014. Excluding the negative contribution from the Hungarian subsidiary, the income for Q2 2014 and Q1 2014 would be, respectively, of 163 million euro and of 139 million euro (up 17%);
- net income of 45 million euro, down 47.5% from 85 million euro in Q1 2014. Excluding the negative contribution from the Hungarian subsidiary, the net income for Q2 2014 and Q1 2014 would be, respectively, of 127 million euro and 113 million euro (up 13.1%).

In the first half of 2014, the International Subsidiary Banks division recorded:

- operating income of 1,045 million euro, contributing approximately 12% of the consolidated operating income (13% in H1 2013), in line with the 1,044 million euro in H1 2013;
- operating costs of 525 million euro, down 5.9% from 558 million euro in H1 2013;
- operating margin of 520 million euro, up 7% from 486 million euro in H1 2013;
- a cost/income ratio improving to 50.2% versus 53.4% in H1 2013;
- net provisions and adjustments of 304 million euro, compared with 362 million euro in H1 2013;
- profits on investments held to maturity and on other investments of two million euro versus losses of three million euro in H1 2013;
- income before tax from continuing operations of 218 million euro, up 80.2% from 121 million euro in H1 2013. Excluding the negative contribution from the Hungarian subsidiary, the income for H1 2014 and H1 2013 would be, respectively, of 302 million euro and 294 million euro (up 2.8%);
- net income of 130 million euro, a more than threefold increase versus the 37 million euro of H1 2013. Excluding the negative contribution from the Hungarian subsidiary, the net income for H1 2014 and H1 2013 would be, respectively, of 240 million euro and 232 million euro (up 3.5%).

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 second quarter of 2014, Banca Fideuram recorded:

- operating income of 257 million euro, up 7% from 240 million euro in Q1 2014;
- operating costs of 79 million euro, down 0.9% from 80 million euro in Q1 2014;
- operating margin of 177 million euro, up 10.9% from 160 million euro in Q1 2014;
- a cost/income ratio improving to 30.7% versus 33.3% in Q1 2014;
- net provisions and adjustments of 21 million euro, compared with 17 million euro in Q1 2014;
- income before tax from continuing operations of 156 million euro, up 9.6% from 142 million euro in Q1 2014;
- net income of 91 million euro versus 78 million euro in Q1 2014 (up 17.5%).

In the first half of 2014, Banca Fideuram recorded:

- operating income of 496 million euro, contributing approximately 6% of the consolidated operating income (5% in H1 2013), up 18.7% from 418 million euro in H1 2013;
- operating costs of 159 million euro, up 3.9% from 153 million euro in H1 2013;
- operating margin of 337 million euro, up 27.2% from 265 million euro in H1 2013;
- a cost/income ratio improving to 32.1% versus 36.6% in H1 2013;
- net provisions and adjustments of 38 million euro, compared with 39 million euro in H1 2013;
- no profits/losses on investments held to maturity and on other investments versus profits of one million euro in H1 2013;
- income before tax from continuing operations of 299 million euro, up 31.7% from 227 million euro in H1 2013;
- net income of 169 million euro versus 134 million euro in H1 2013 (up 26.1%).

The outlook for 2014

In 2014, the Intesa Sanpaolo Group will continue to prioritise the delivery of sustainable results. Focus will thus remain on the various initiatives aimed at strengthening the capital position and steadily improving the profile of risk and liquidity, as well as on profitability targets.

The Group’s efficiency, productivity and asset quality will be addressed constantly. Repricing actions will make it possible also for 2014 to limit, in part, the impact of an expected negative environment on market rates.

* * *

For consistency purposes, the income statement and balance sheet figures of the four quarters of 2013 were restated mainly as a result of the ongoing disposal of Ukrainian subsidiary Pravex-Bank following the purchase-and-sale agreement signed in January this year: the related items were deconsolidated line by line and their contribution to the income statement and the balance sheet was recorded, respectively, under income/loss from discontinued operations and under relevant assets/liabilities referring to discontinued operations.

Income statement and balance sheet figures for the first two quarters of 2013 relating to the business areas were restated to consider the change in the scope of the Banca dei Territori division and the Corporate and Investment Banking division, approved by the Management Board on May 21st 2013. Specifically, the scope of the Banca dei Territori division was extended to include businesses with consolidated turnover between 150 and 350 million euro and product factories operating in the leasing and the factoring business.

* * *

In order to present more complete information on the results generated in the first half of 2014, the reclassified consolidated income statement and the reclassified consolidated balance sheet included in the report approved by the Management Board are attached. Please note that these statements have not been reviewed by the auditing company. The auditing company in charge of performing the limited review of the half-yearly report has not yet completed its analysis.

* * *

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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Intesa Sanpaolo Group

Reclassified consolidated statement of income

(millions of euro)

	30.06.2014	30.06.2013	Changes	
			amount	%
Net interest income	4,204	4,052	152	3.8
Dividends and profits (losses) on investments carried at equity	11	-41	52	
Net fee and commission income	3,311	3,033	278	9.2
Profits (Losses) on trading	560	690	-130	-18.8
Income from insurance business	499	445	54	12.1
Other operating income (expenses)	-20	3	-23	
Operating income	8,565	8,182	383	4.7
Personnel expenses	-2,488	-2,409	79	3.3
Other administrative expenses	-1,316	-1,340	-24	-1.8
Adjustments to property, equipment and intangible assets	-327	-332	-5	-1.5
Operating costs	-4,131	-4,081	50	1.2
Operating margin	4,434	4,101	333	8.1
Net provisions for risks and charges	-236	-64	172	
Net adjustments to loans	-2,256	-2,548	-292	-11.5
Net impairment losses on other assets	-79	-215	-136	-63.3
Profits (Losses) on investments held to maturity and on other investments	310	2	308	
Income (Loss) before tax from continuing operations	2,173	1,276	897	70.3
Taxes on income from continuing operations	-1,276	-635	641	
Charges (net of tax) for integration and exit incentives	-20	-33	-13	-39.4
Effect of purchase price allocation (net of tax)	-99	-147	-48	-32.7
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Income (Loss) after tax from discontinued operations	-22	-24	-2	-8.3
Minority interests	-36	-15	21	
Net income (loss)	720	422	298	70.6

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

Intesa Sanpaolo Group

Quarterly development of the reclassified consolidated statement of income

(millions of euro)

	2014		2013			
	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net interest income	2,104	2,100	2,032	2,026	2,035	2,017
Dividends and profits (losses) on investments carried at equity	-19	30	-2	-6	2	-43
Net fee and commission income	1,727	1,584	1,620	1,479	1,571	1,462
Profits (Losses) on trading	409	151	69	400	236	454
Income from insurance business	248	251	142	203	215	230
Other operating income (expenses)	-12	-8	70	33	15	-12
Operating income	4,457	4,108	3,931	4,135	4,074	4,108
Personnel expenses	-1,215	-1,273	-1,194	-1,199	-1,149	-1,260
Other administrative expenses	-666	-650	-806	-661	-682	-658
Adjustments to property, equipment and intangible assets	-164	-163	-188	-169	-167	-165
Operating costs	-2,045	-2,086	-2,188	-2,029	-1,998	-2,083
Operating margin	2,412	2,022	1,743	2,106	2,076	2,025
Net provisions for risks and charges	-181	-55	-249	-1	-38	-26
Net adjustments to loans	-1,179	-1,077	-3,098	-1,465	-1,390	-1,158
Net impairment losses on other assets	-67	-12	-170	-32	-147	-68
Profits (Losses) on investments held to maturity and on other investments	235	75	2,441	-35	-3	5
Income (Loss) before tax from continuing operations	1,220	953	667	573	498	778
Taxes on income from continuing operations	-912	-364	28	-264	-271	-364
Charges (net of tax) for integration and exit incentives	-13	-7	-42	-5	-21	-12
Effect of purchase price allocation (net of tax)	-53	-46	-75	-72	-73	-74
Impairment (net of tax) of goodwill and other intangible assets	-	-	-5,797	-	-	-
Income (Loss) after tax from discontinued operations	-9	-13	-4	-3	-14	-10
Minority interests	-16	-20	33	-11	-3	-12
Net income (loss)	217	503	-5,190	218	116	306

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

Intesa Sanpaolo Group

Reclassified consolidated balance sheet

(millions of euro)

Assets	30.06.2014	31.12.2013	Changes amount	Changes %
Financial assets held for trading	52,071	49,000	3,071	6.3
of which: Insurance Companies	763	851	-88	-10.3
Financial assets designated at fair value through profit and loss	38,459	35,761	2,698	7.5
of which: Insurance Companies	37,303	34,776	2,527	7.3
Financial assets available for sale	118,350	115,293	3,057	2.7
of which: Insurance Companies	61,395	54,278	7,117	13.1
Investments held to maturity	1,455	2,051	-596	-29.1
Due from banks	30,882	26,448	4,434	16.8
Loans to customers	332,211	343,789	-11,578	-3.4
Investments in associates and companies subject to joint control	2,128	1,909	219	11.5
Property, equipment and intangible assets	12,200	12,478	-278	-2.2
Tax assets	14,973	14,921	52	0.3
Non-current assets held for sale and discontinued operations	369	583	-214	-36.7
Other assets	25,207	21,946	3,261	14.9
Total Assets	628,305	624,179	4,126	0.7

Liabilities and Shareholders' Equity	30.06.2014	31.12.2013	Changes amount	Changes %
Due to banks	34,557	52,244	-17,687	-33.9
Due to customers and securities issued	370,175	366,974	3,201	0.9
of which: Insurance Companies	568	534	34	6.4
Financial liabilities held for trading	41,183	39,219	1,964	5.0
of which: Insurance Companies	411	299	112	37.5
Financial liabilities designated at fair value throughprofit and loss	33,441	30,733	2,708	8.8
of which: Insurance Companies	33,433	30,723	2,710	8.8
Tax liabilities	2,593	2,236	357	16.0
Liabilities associated with non-current assets held for sale and discontinued operations	203	292	-89	-30.5
Other liabilities	25,992	20,943	5,049	24.1
Technical reserves	70,694	62,236	8,458	13.6
Allowances for specific purpose	4,694	4,239	455	10.7
Share capital	8,549	8,546	3	-
Reserves	36,230	41,598	-5,368	-12.9
Valuation reserves	-1,241	-1,074	167	15.5
Minority interests	515	543	-28	-5.2
Net income (loss)	720	-4,550	5,270	
Total Liabilities and Shareholders' Equity	628,305	624,179	4,126	0.7

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

Intesa Sanpaolo Group

Quarterly development of the reclassified consolidated balance sheet

(millions of euro)

Assets	2014		2013			
	30/6	31/3	31/12	30/9	30/6	31/3
Financial assets held for trading	52,071	52,352	49,000	53,314	55,892	61,543
of which: Insurance Companies	763	834	851	731	993	940
Financial assets designated at fair value through profit and loss	38,459	36,665	35,761	35,876	35,370	34,906
of which: Insurance Companies	37,303	35,539	34,776	34,781	34,275	33,881
Financial assets available for sale	118,350	113,424	115,293	102,921	103,921	97,027
of which: Insurance Companies	61,395	57,098	54,278	46,526	45,097	42,454
Investments held to maturity	1,455	1,526	2,051	2,120	2,130	2,150
Due from banks	30,882	28,052	26,448	32,534	31,264	38,277
Loans to customers	332,211	339,020	343,789	349,440	358,143	371,270
Investments in associates and companies subject to joint control	2,128	1,951	1,909	2,586	2,614	2,629
Property, equipment and intangible assets	12,200	12,304	12,478	19,317	19,446	19,573
Tax assets	14,973	14,938	14,921	13,691	13,508	12,657
Non-current assets held for sale and discontinued operations	369	468	583	533	619	585
Other assets	25,207	24,433	21,946	25,278	22,907	24,349
Total Assets	628,305	625,133	624,179	637,610	645,814	664,966

Liabilities and Shareholders' Equity	2014		2013			
	30/6	31/3	31/12	30/9	30/6	31/3
Due to banks	34,557	41,819	52,244	64,993	67,522	72,775
Due to customers and securities issued	370,175	366,795	366,974	359,878	368,833	376,353
of which: Insurance Companies	568	569	534	558	81	132
Financial liabilities held for trading	41,183	41,482	39,219	40,506	44,318	49,742
of which: Insurance Companies	411	369	299	62	50	99
Financial liabilities designated at fair value through profit and loss	33,441	31,433	30,733	30,027	29,257	28,130
of which: Insurance Companies	33,433	31,424	30,723	30,016	29,246	28,120
Tax liabilities	2,593	2,825	2,236	3,594	2,983	3,979
Liabilities associated with non-current assets held for sale and discontinued operations	203	212	292	322	353	364
Other liabilities	25,992	23,394	20,943	24,812	21,858	23,297
Technical reserves	70,694	67,210	62,236	59,088	56,633	55,552
Allowances for specific purpose	4,694	4,360	4,239	4,319	4,404	4,825
Share capital	8,549	8,549	8,546	8,546	8,546	8,546
Reserves	36,230	37,031	41,598	41,604	41,566	42,421
Valuation reserves	-1,241	-1,076	-1,074	-1,305	-1,443	-1,894
Minority interests	515	596	543	586	562	570
Net income (loss)	720	503	-4,550	640	422	306
Total Liabilities and Shareholders' Equity	628,305	625,133	624,179	637,610	645,814	664,966

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

Intesa Sanpaolo Group

Breakdown of financial highlights by business area

Income statement (millions of euro)	Corporate and Investment Banking		Banca dei Territori		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013	30.06.2014	30.06.2013	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Operating income	1,799	1,846	5,726	5,648	1,045	1,044	236	164	496	418
Operating costs	-415	-389	-2,676	-2,652	-525	-558	-62	-51	-159	-153
Operating margin	1,384	1,457	3,050	2,996	520	486	174	113	337	265
Net income (loss)	780	797	749	412	130	37	109	70	169	134

Balance sheet (millions of euro)	Corporate and Investment Banking		Banca dei Territori		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	30.06.2014	31.12.2013	30.06.2014	31.12.2013	30.06.2014	31.12.2013	30.06.2014	31.12.2013	30.06.2014	31.12.2013
Loans to customers	90,590	90,907	203,500	209,556	26,601	27,015	232	281	4,431	4,730
Direct deposits from banking business	103,357	113,956	185,030	193,799	30,365	30,182	8	3	7,656	7,256

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