



**A Strong Bank for  
a Digital World**

# 9M19 Results

**Excellent Performance**

**Growth in Profitability and Balance  
Sheet Further Strengthened**

November 5, 2019

INTESA  SANPAOLO

# ISP Delivered Excellent Performance in the First Nine Months...

**€3,310m Net income, the best 9M result since 2008 (82% of €4,050m FY18 Net income already achieved)**

**The best Q3 Net income since 2007 and the best-ever Q3 for Commissions**

**Strong decrease in Operating costs (-2.5% vs 9M18<sup>(1)</sup>) with Cost/Income down to 49.8%**

**The lowest-ever 9M Gross NPL inflow: LLPs down 17.7% vs 9M18, with increased NPL coverage (54.8% vs 53.6% at 30.9.18)**

**~€7bn NPL deleveraging since 30.9.18, at no cost to shareholders;  
the lowest NPL stock and NPL ratios since 2009**

**~80% of targeted 2018-2021 NPL deleveraging already achieved**

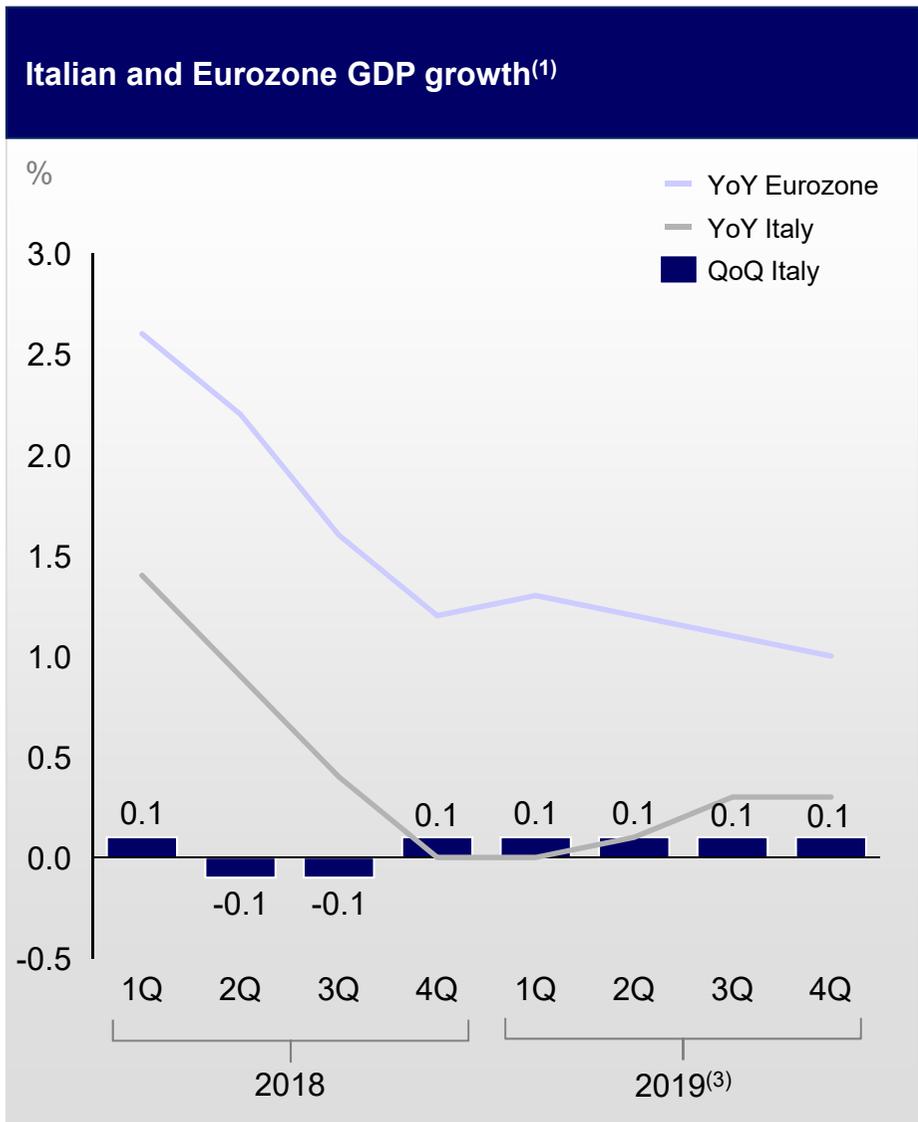
**Common Equity<sup>(2)</sup> ratio up at 14.2%**

**Strong commitment to Corporate Social Responsibility through a variety of concrete initiatives**

(1) Data restated for IFRS16, the full line-by-line consolidation of Autostrade Lombarde, and the reclassification of Risanamento Operating income entirely to "Other operating income (expenses)", placement fees for certificates from "Profits on financial assets and liabilities at fair value" to "Net fee and commission income", expenses for employees transferred to Tersia (Intrum deal) to "Other administrative expenses", and international subsidiaries charges concerning the banking industry from "Other operating income (expenses)" to "Levies and other charges concerning the banking industry (net of tax)" and to "Taxes on income"

(2) Pro-forma fully loaded Basel 3 (30.9.19 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected distribution of 9M19 Net income of insurance companies – exceeding reserves already distributed in 1Q19 – and the expected absorption of DTA on losses carried forward)

# ... Despite a Challenging Environment



(1) Source: Eurostat, ISTAT  
 (2) Source: Bloomberg  
 (3) Actual for Q1, Q2 and Q3, forecast for Q4

# ISP Continues to Be a Top Performing Delivery Machine Built on a Very Resilient and Well-diversified Business Model



**Significant de-risking**

Best-in-class **credit recovery** and **NPL deal making capabilities** (at no cost to shareholders)



**Cost reduction**

High **strategic flexibility** in managing costs



**Revenue growth**

A **Wealth Management and Protection company** with sound and **strong financial market activities**

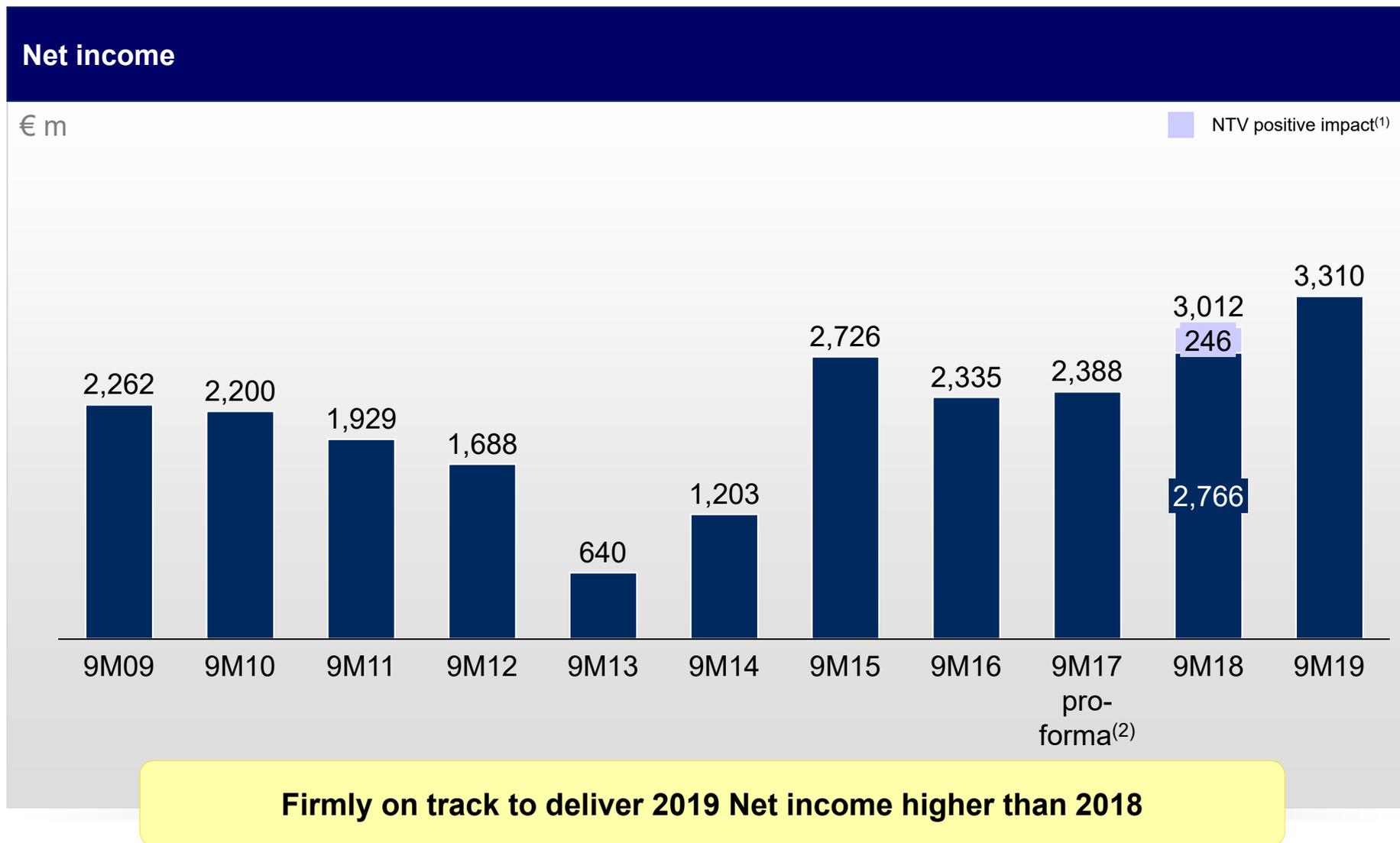
## Initiatives undertaken to accelerate Business Plan execution

- **Strategic partnership** with **Prelios** allowing ISP to focus its internal capabilities on Pulse<sup>(1)</sup> project and proactive early-stage credit management and to leverage best-in-class external platforms for late stages (Intrum for bad loans, Prelios for UTP)
  - **Disposal of a UTP portfolio** of ~€2.7bn gross exposure and ~€1.7bn valuation<sup>(2)</sup> (in line with loan book value) at no cost to shareholders
- 
- **~3,300 additional headcount exits by June 2021 already agreed with labour unions and fully provisioned** and a further ~1,000 applications for voluntary exits to be evaluated
  - **Partnership with SisalPay** expanding the Banca 5<sup>®</sup> network to more than 50,000 outlets and enabling a potential reduction of ISP branches beyond the Business Plan target
- 
- **Strengthening of financial market activities** by focusing Treasury on the management of the liquidity portfolio and Banca IMI on the integrated management of the other securities portfolios, while maintaining the same Group VaR limits
  - **ISP Wealth Management machine working full speed to convert into AuM** part of the €172bn of Assets under Administration and ~€65bn of household sight deposits collected in the past few years, of which ~€11bn in 9M19

(1) ISP central unit managing retail soft collection

(2) Amount reclassified in Discontinued operations as of 30.9.19

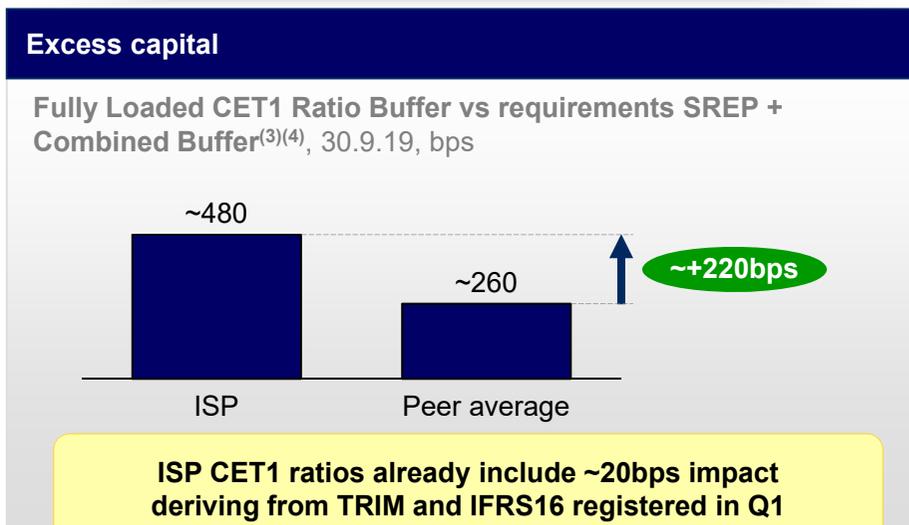
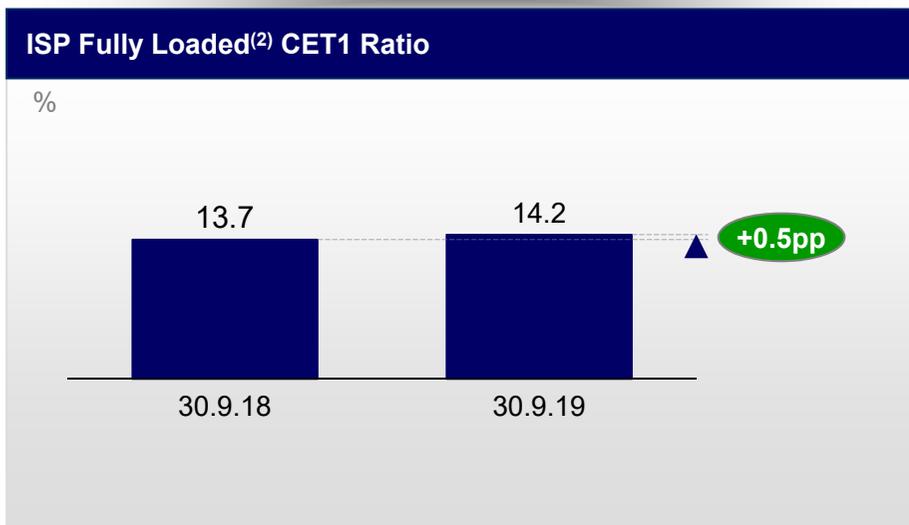
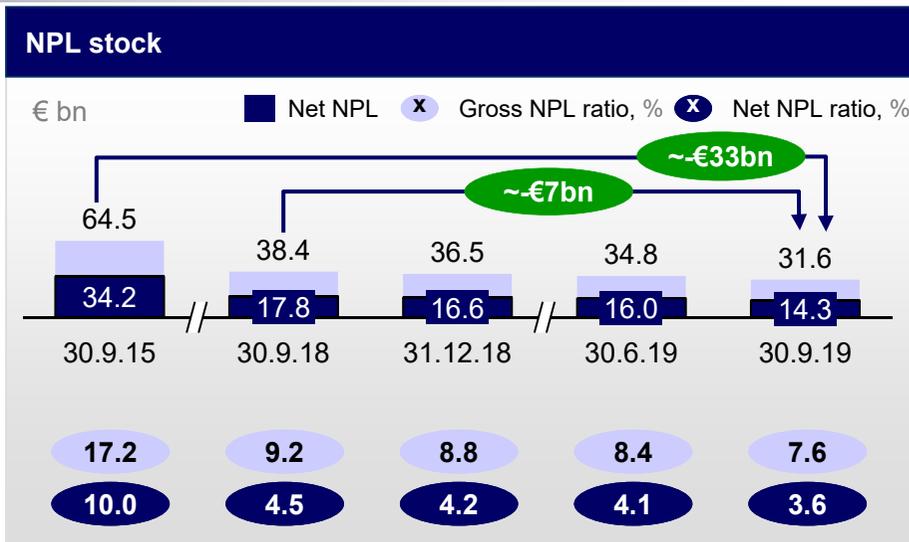
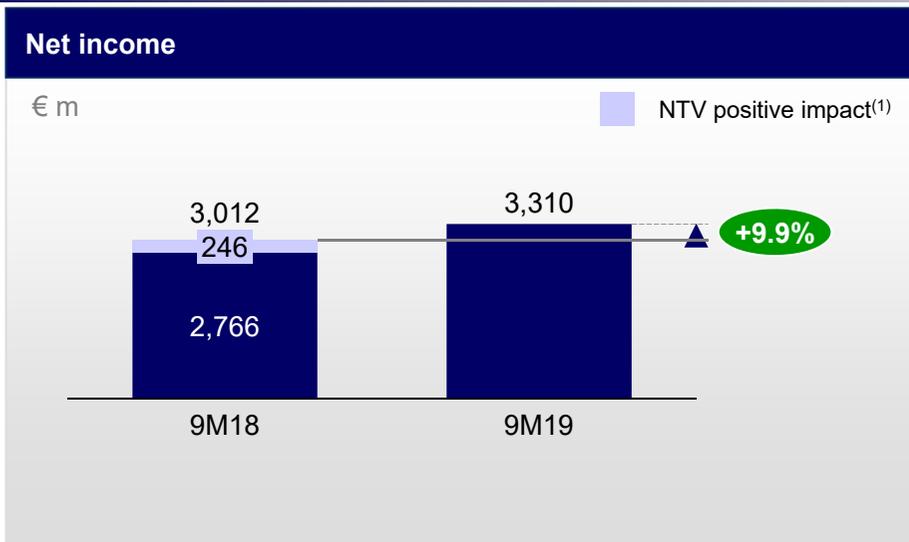
# Best 9M Net Income since 2008



(1) €264m pre-tax positive impact (€246m net of tax) booked in 1Q18, deriving from the sale of the NTV stake

(2) Management data including the contribution of the two former Venetian banks – excluding public cash contribution of €3.5bn to offset the impact of the acquisition of certain assets of the two former Venetian banks on ISP's capital ratios – and the Morval Group consolidation

# Growth in Profitability and Balance Sheet Further Strengthened

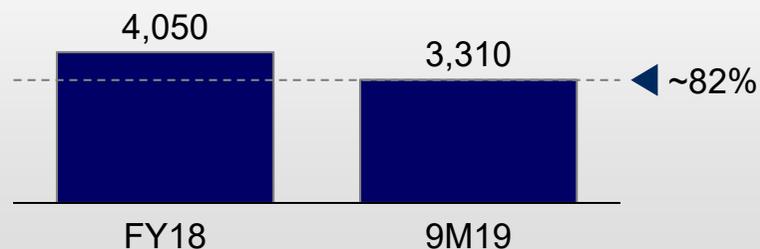


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 (3) Calculated as the difference between the Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer; figures may not add up exactly due to rounding differences; only top European banks that have communicated their SREP requirement  
 (4) Sample: BBVA, BNP Paribas, Deutsche Bank, ING Group, Nordea and Santander (30.9.19 data); BPCE, Commerzbank, Crédit Agricole Group, Société Générale and UniCredit (30.6.19 data).  
 Source: Investors' Presentations, Press Releases, Conference Calls, Financial Statements

# All Stakeholders Benefit from Our Solid Performance

## Shareholders

Net income, € m

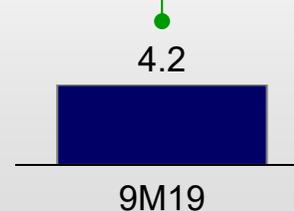


2019 payout ratio: 80%

## Employees

Personnel expenses, € bn

Excess capacity of ~5,000 people being reskilled (with ~2,700 already redeployed to priority initiatives)



## Public Sector

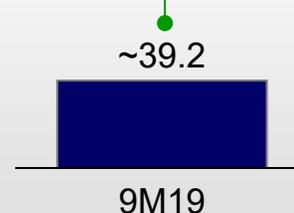
Taxes<sup>(1)</sup>, € bn



## Households and Businesses

Medium/Long-term new lending, € bn

Of which ~€32.1bn in Italy



ISP helped ~15,000 Italian companies return to performing status<sup>(2)</sup> in 9M19 (~108,000 since 2014)

(1) Direct and indirect

(2) Deriving from Non-performing loans outflow

# ISP: Supporting Italy through a World-class Reference Model on Social and Cultural Responsibility

SELECTED HIGHLIGHTS

Evaluated **~550 start-ups** in 9M19 (~1,100 since 2018) and launched **accelerator programs** with **82 coached start-ups** in 9M19 (193 since 2018), introducing them to selected investors and ecosystem players (~1,500 to date)

**€5bn Circular Economy credit Plafond: 212 projects** evaluated, of which 48 already financed for **~€550m**

The **Circular Economy Lab** for Corporate clients is running **Open Innovation Programs**

Initiatives to **reduce child poverty** and **support people in need** well ahead of Business Plan target, delivering since 2018:

**~5.6 million meals**

**~211,000 dormitory beds**

**~91,000 medicine prescriptions**

**~82,000 articles of clothing**

**Supported families** affected by earthquakes and natural disasters **by forgiving mortgages or granting moratoria** of mortgages on destroyed properties and providing subsidised loans (~€100m in subsidised loans in 9M19, over €295m since 2018)

**Supported families and businesses affected by Genoa bridge collapse** with a €4.5m plafond for unilateral mortgage forgiveness (€0.5m already forgiven) and €50m plafond for reconstruction (€4.6m granted)



INTESA SANPAOLO



ISP's "Giovani e Lavoro" program underway, in partnership with Generation, aimed at **training and introducing 5,000 young people to the Italian labour market over the next three years**. In 9M19:

- 93 companies committed to the program
- ~1,300 students assessed and ~500 interviewed
- 9 training sessions carried out with 196 trained students

In 9M19 **~350,000 visitors** to ISP "Gallerie d'Italia" museums (500,000 in 2018)

The "**Verrocchio, il maestro di Leonardo**" exhibition supported by ISP, at Palazzo Strozzi in Florence, hosted over **140,000 visitors**

Start of the 19<sup>th</sup> edition of "**Restituzioni**", the largest restoration program in the world, carried out by the Bank since 1989, with more than 1,500 pieces of restored public heritage

**204 artworks** from our corporate collection **on loan** in 9M19 (140 in 2018) to Italian and international museums. Nucleus of 20<sup>th</sup> century works exhibited in Palazzo Buontalenti in Pistoia

**ISP Fund for Impact** launched in 4Q18 (~€1.25bn lending capacity)

Launched "**Per Merito**", the first line of credit without collateral dedicated to all Italian university students, studying in Italy or abroad; €5.6m granted in the first seven months

# ISP Included in the Main Sustainability Indexes and Rankings



**Ranked first, among peers,** by MSCI, CDP, Sustainalytics, three of the **top ESG international assessments**



The only Italian bank listed in the **Dow Jones Sustainability Indices**, in the **CDP Climate Change A List 2018** and the **2019 Corporate Knights “Global 100 Most Sustainable Corporations in the World Index”**

# 9M19: Highlights

## ■ Solid economic performance:

- ❑ **€3,310m Net income (+9.9% vs 9M18), the best 9M result since 2008 (82% of €4,050m FY18 Net income already achieved) thanks to solid core operating performance** ✓
- ❑ **€1,044m Net income in Q3, the best Q3 since 2007** ✓
- ❑ **Q3 Operating income up 5.7% vs 3Q18, with best-ever Q3 for Commissions** ✓
- ❑ **€5,347m Gross Income, the best 9M performance since 2008 (+8.0% vs 9M18)** ✓
- ❑ **Operating costs down 2.5%, leading to 0.9% growth in Operating margin vs 9M18<sup>(1)</sup> (+5.0% excluding NTV positive impact in 2018)** ✓
- ❑ **Cost/Income ratio down to 49.8%** ✓
- ❑ **Strong reduction in Loan loss provisions (-17.7% vs 9M18), with annualised cost of risk down to 47bps (vs 61bps in FY18)** ✓
- ❑ **Increased NPL coverage (54.8% vs 53.6% as at 30.9.18) coupled with the lowest-ever 9M Gross NPL inflow** ✓

## ■ Best-in-class and increased capital position with balance sheet further strengthened:

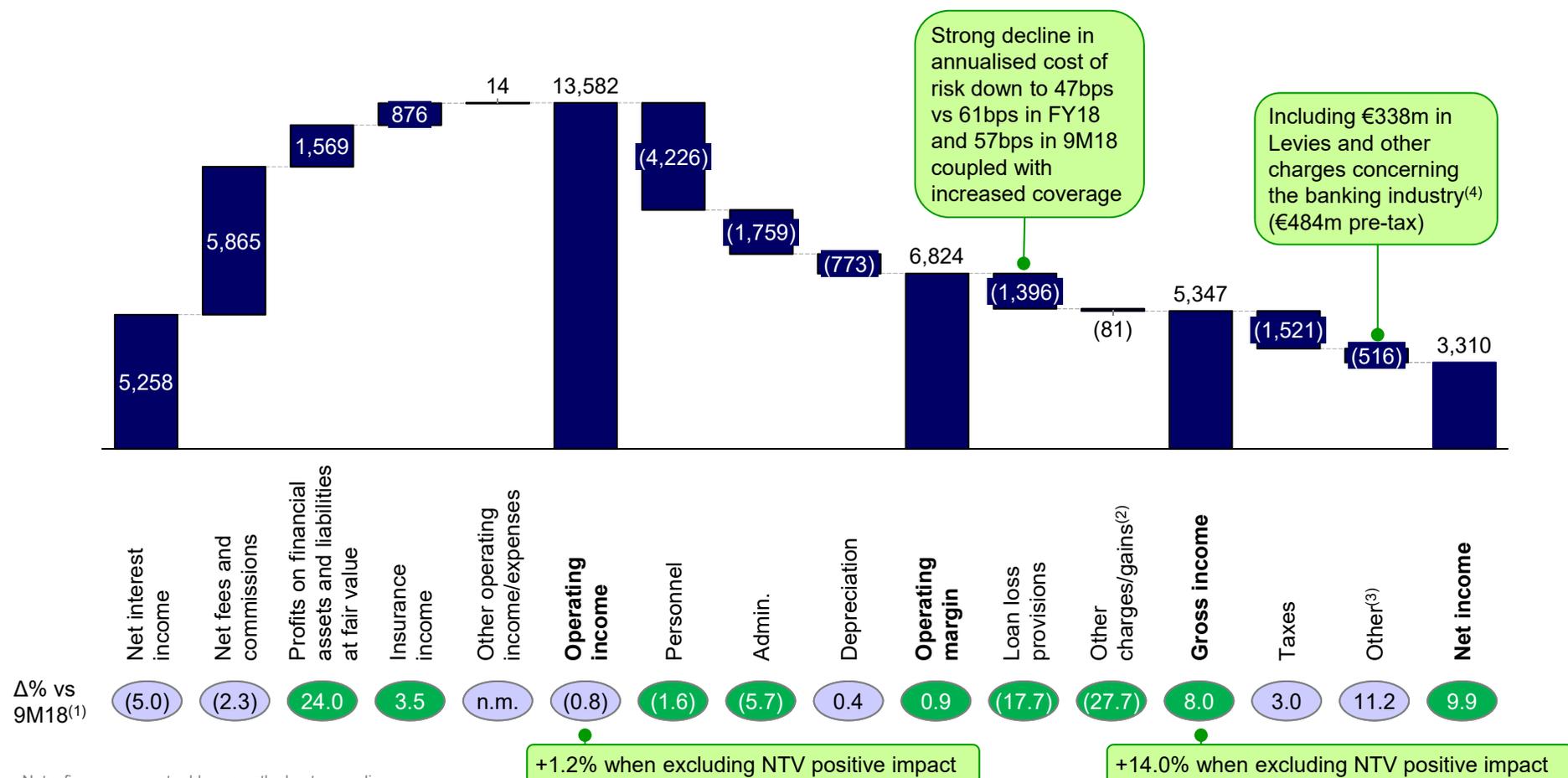
- ❑ **The lowest NPL stock and NPL ratios since 2009** ✓
- ❑ **~€33bn Gross and ~€20bn Net NPL deleveraging since the September 2015 peak (~€7bn gross and ~€3.5bn net since 30.9.18), well ahead of the 2018-2021 NPL Business Plan target** ✓
- ❑ **Common Equity<sup>(2)</sup> ratio up at 14.2%** ✓
- ❑ **Best-in-class leverage ratio: 6.4%** ✓
- ❑ **Strong liquidity position: LCR and NSFR well above 100%** ✓

(1) Data restated for IFRS16, the full line-by-line consolidation of Autostrade Lombarde, and the reclassification of Risanamento Operating income entirely to "Other operating income (expenses)", placement fees for certificates from "Profits on financial assets and liabilities at fair value" to "Net fee and commission income", expenses for employees transferred to Tersia (Intrum deal) to "Other administrative expenses", and international subsidiaries charges concerning the banking industry from "Other operating income (expenses)" to "Levies and other charges concerning the banking industry (net of tax)" and to "Taxes on income"

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# 9M: Growth in Profitability in a Challenging Environment, Driven by a Reduction in Operating Costs and Lower Loan Loss Provisions

9M19 P&L  
€ m

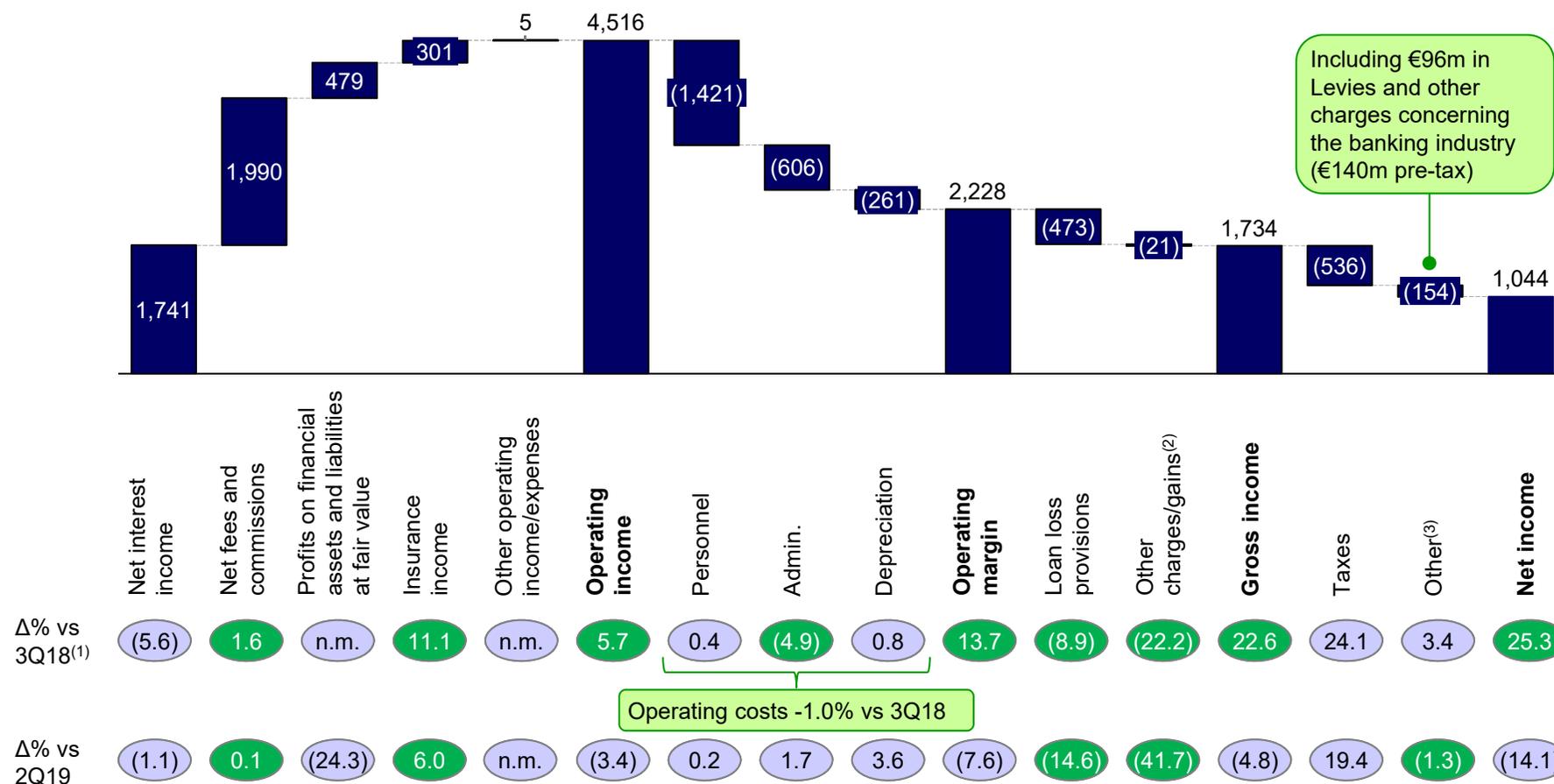


Note: figures may not add up exactly due to rounding

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- (2) Net provisions and net impairment losses on other assets, Other income (expenses), Income (Loss) from discontinued operations
- (3) Charges (net of tax) for integration and exit incentives, Effect of purchase price allocation (net of tax), Levies and other charges concerning the banking industry (net of tax), Impairment (net of tax) of goodwill and other intangible assets, Minority interests
- (4) Including charges for the Resolution Fund: €229m pre-tax (€158m net of tax), charges for the Deposit Guarantee Scheme: €142m pre-tax (€98m net of tax) and €87m pre-tax (€59m net of tax) for the additional contribution to the National Resolution Fund

# Q3: Strong Contribution to 9M Results, with the Best Q3 Net Income since 2007

3Q19 P&L  
€ m



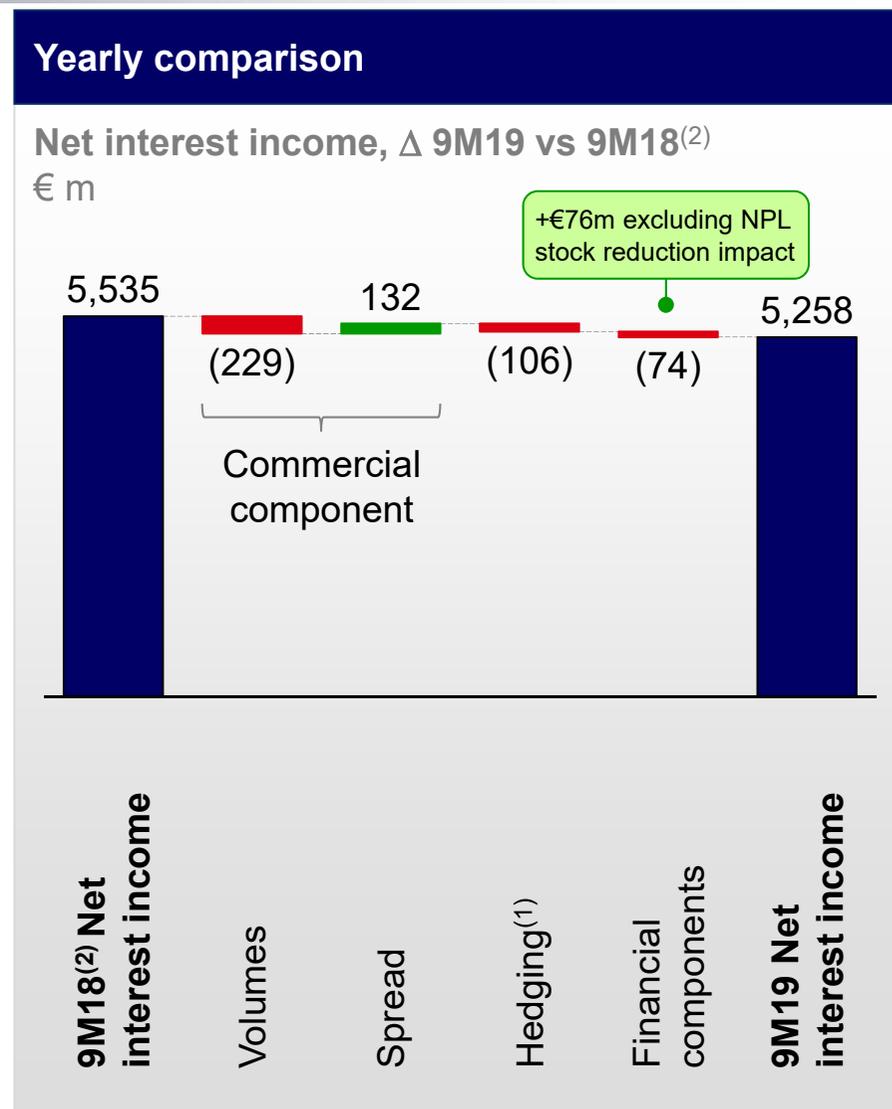
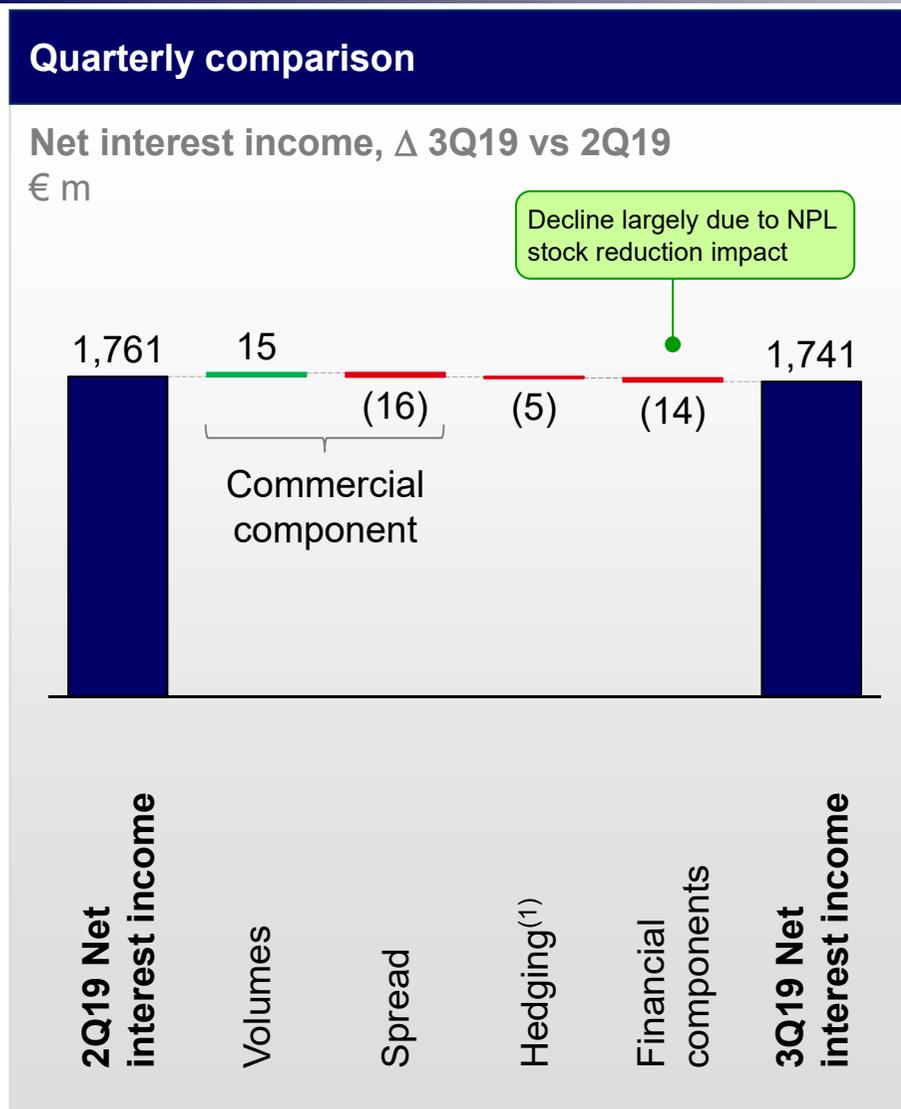
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# Net Interest Income Impacted by Low Market Rates and NPL Stock Reduction

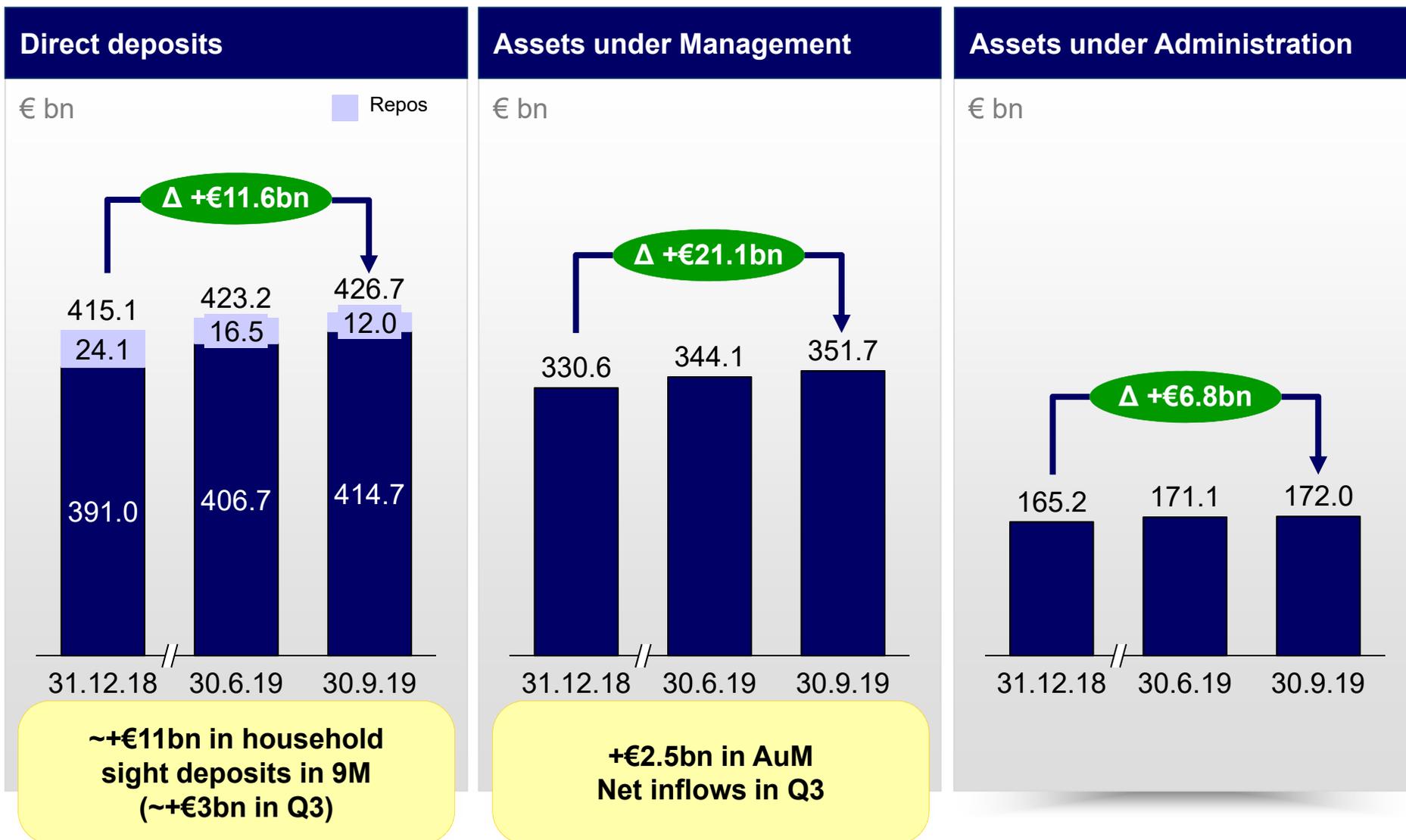


Note: figures may not add up exactly due to rounding

(1) €149m benefit from hedging on core deposits in 9M19, of which €44m in 3Q19

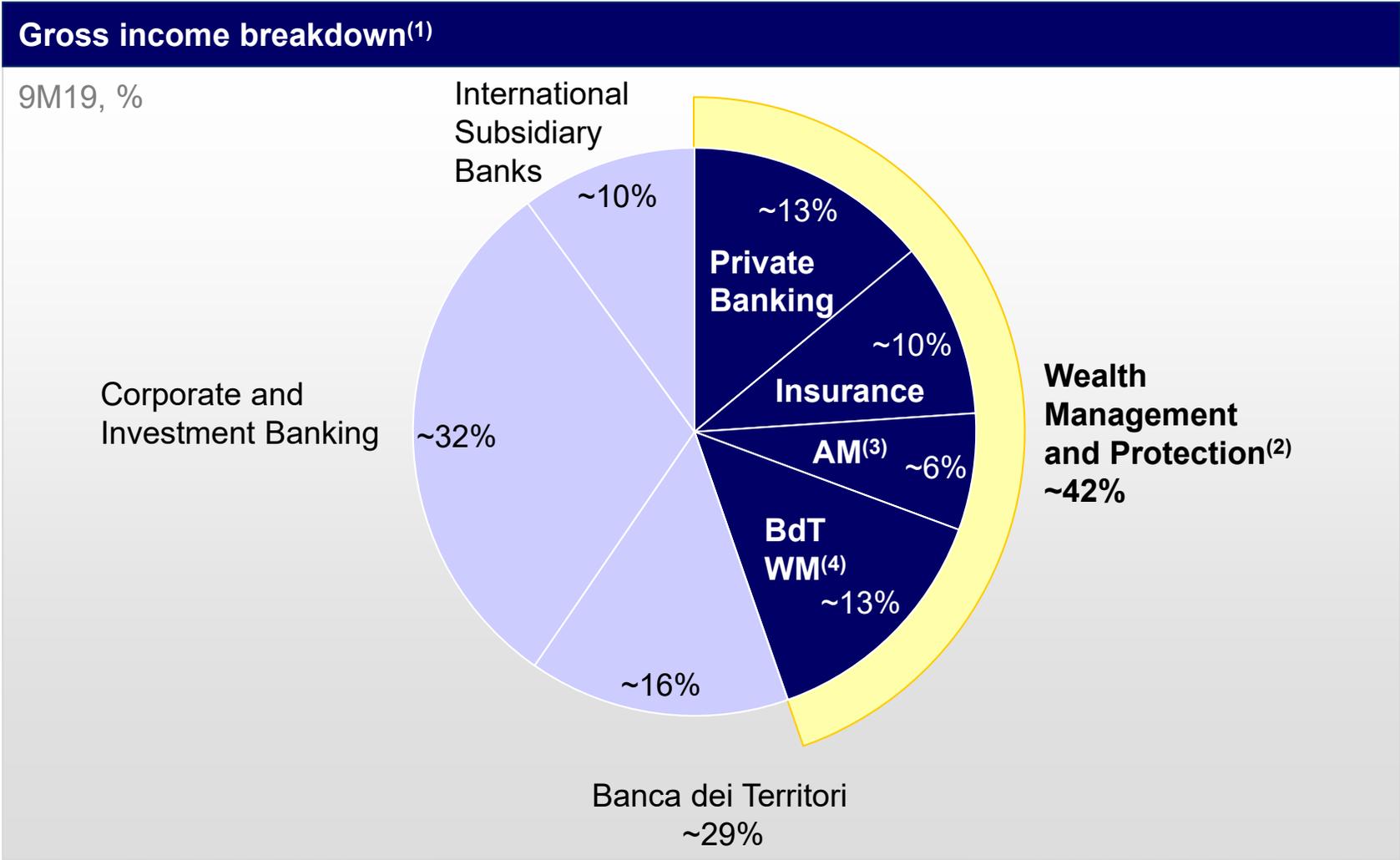
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# €52bn<sup>(1)</sup> Increase in Customer Financial Assets in 9M to Fuel Wealth Management Engine



Note: figures may not add up exactly due to rounding  
 (1) Excluding repos

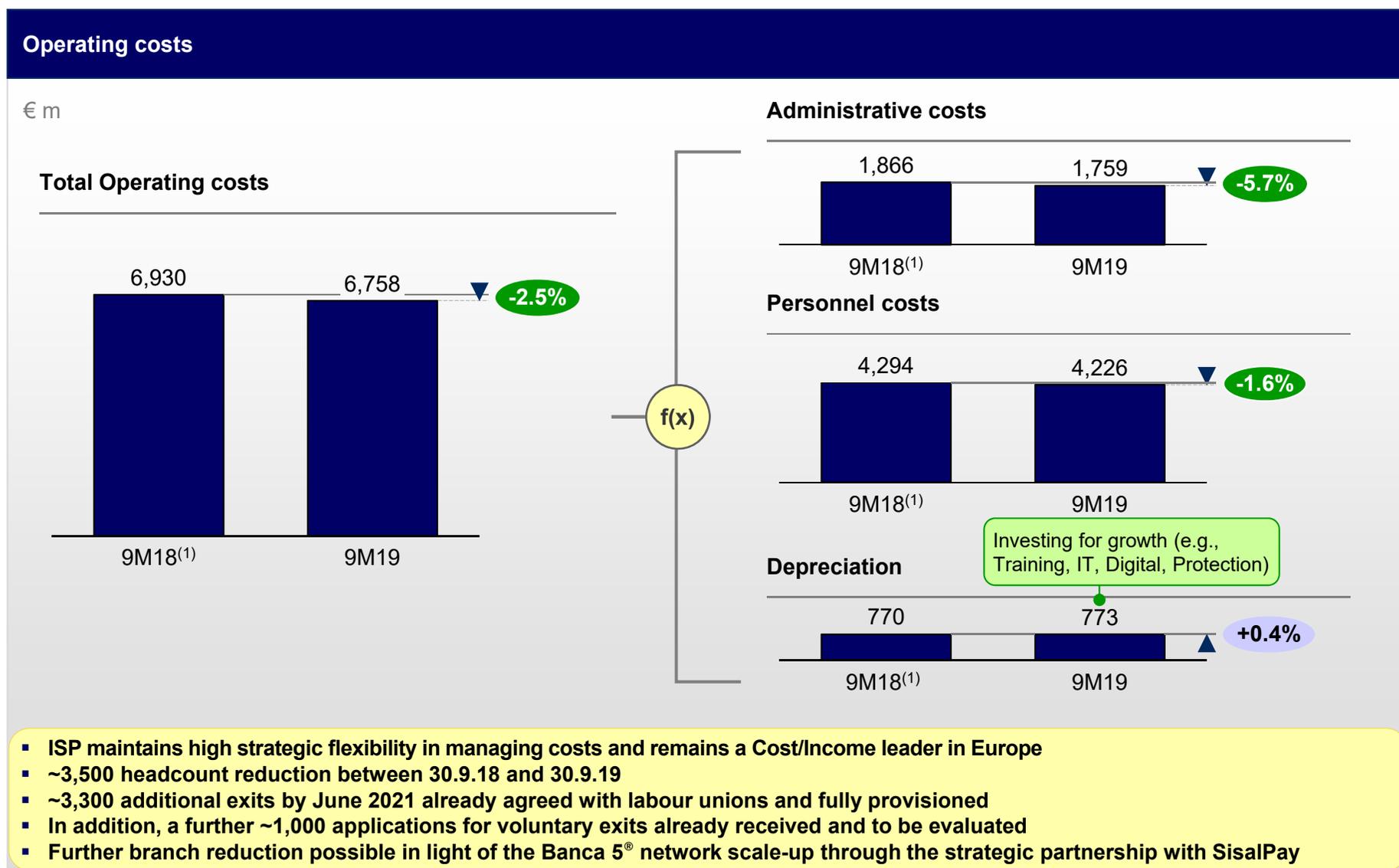
# ISP: a Successful Wealth Management and Protection Company



Note: figures may not add up exactly due to rounding

(1) Excluding Corporate Centre  
 (2) Private Banking includes Fideuram, Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Bank (Suisse) Morval and Siref Fiduciaria; Insurance includes Fideuram Vita, Intesa Sanpaolo Assicura, Intesa Sanpaolo Vita and Intesa Sanpaolo Vita; Asset Management includes Eurizon; BdT WM includes €1,448m revenues from WM products included in Banca dei Territori (applying a C/I of ~35%)  
 (3) AM = Asset Management  
 (4) BdT WM = Banca dei Territori Wealth Management

# Continued Strong Reduction in Operating Costs while still Investing for Growth, with Cost/Income at 49.8%

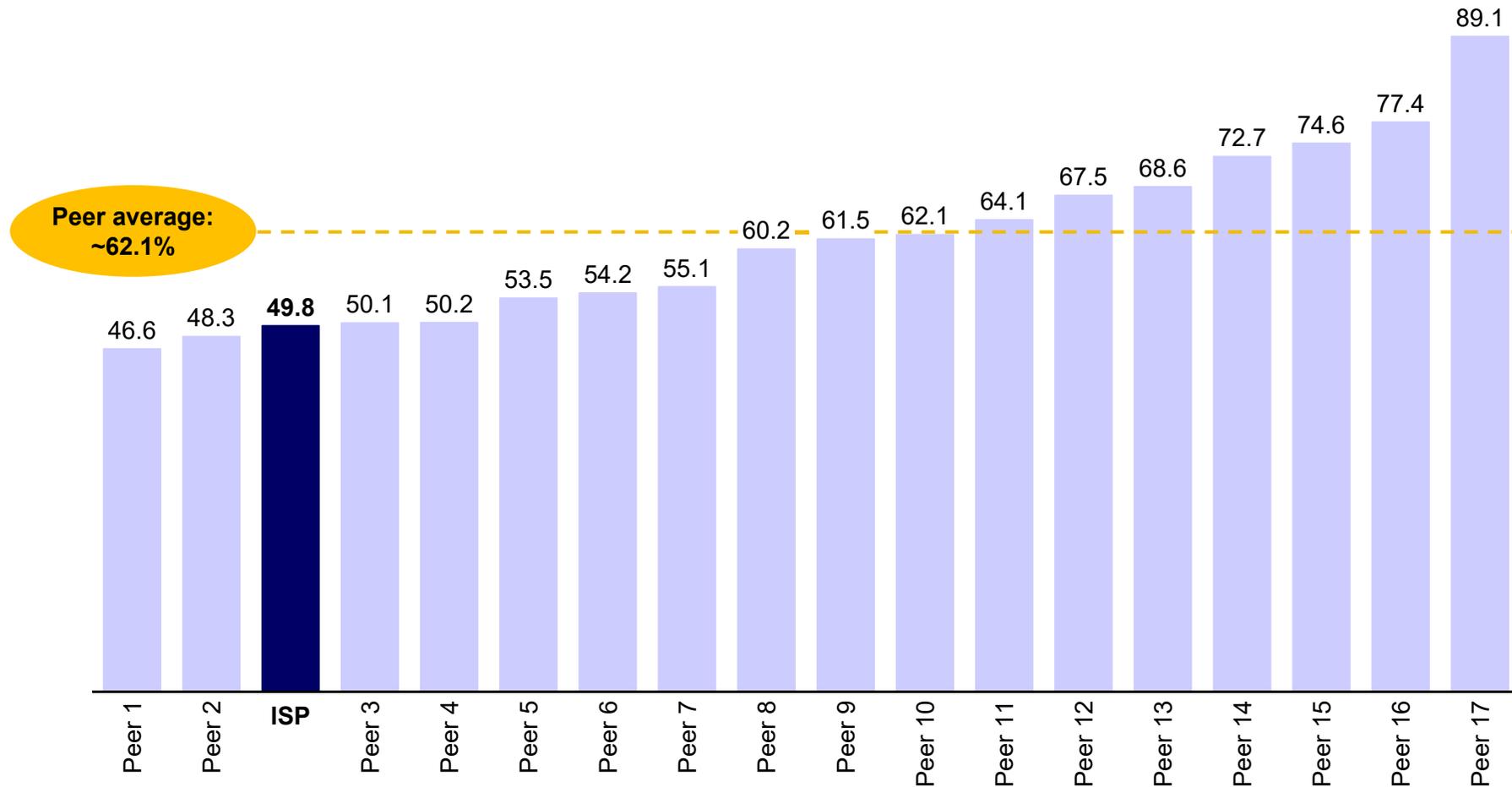


- ISP maintains high strategic flexibility in managing costs and remains a Cost/Income leader in Europe
- ~3,500 headcount reduction between 30.9.18 and 30.9.19
- ~3,300 additional exits by June 2021 already agreed with labour unions and fully provisioned
- In addition, a further ~1,000 applications for voluntary exits already received and to be evaluated
- Further branch reduction possible in light of the Banca 5<sup>®</sup> network scale-up through the strategic partnership with SisalPay

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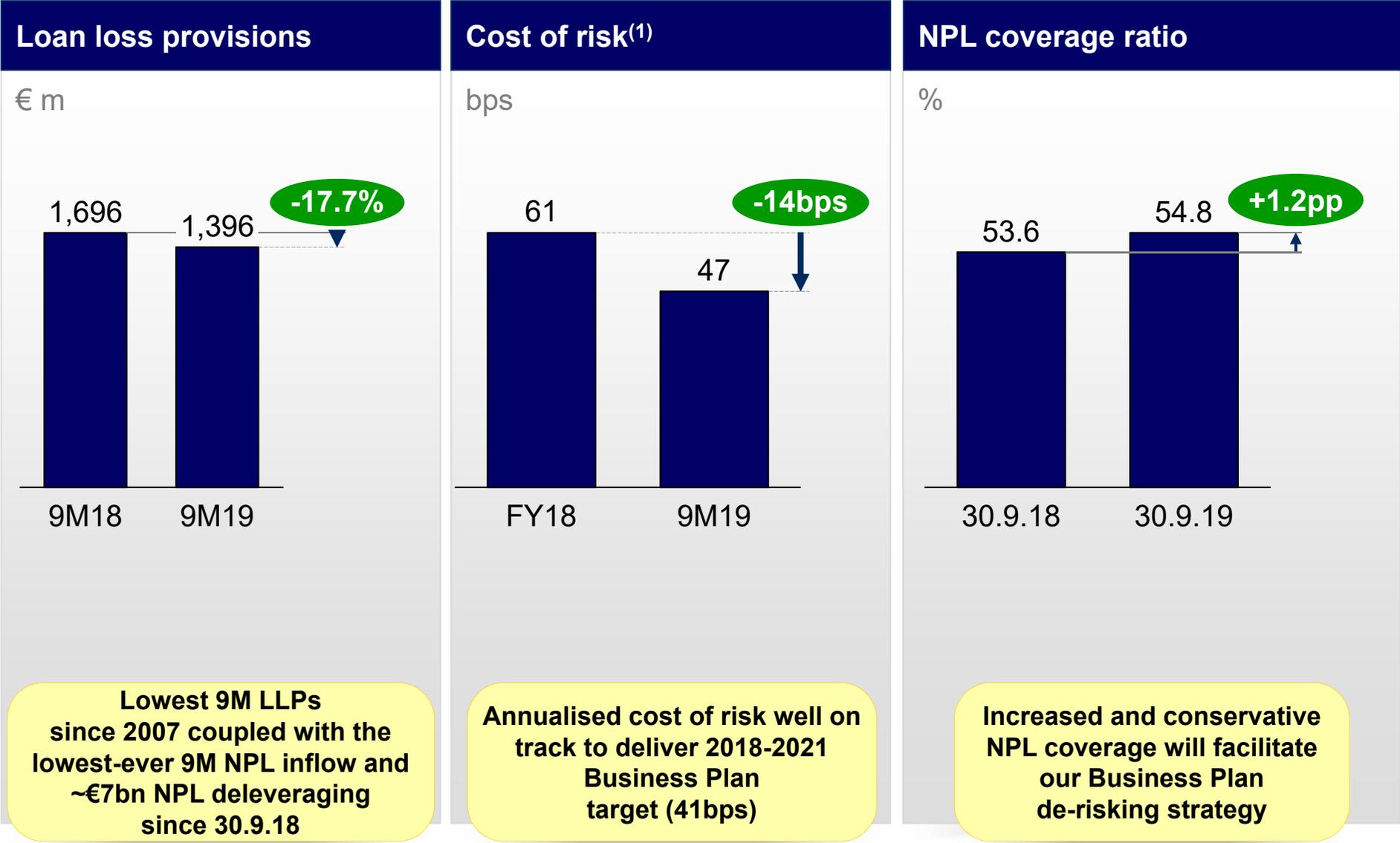
# Best-in-class Cost/Income Ratio in Europe

Cost/Income<sup>(1)</sup>  
%



(1) Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, ING Group, Lloyds Banking Group, Nordea, Santander, Standard Chartered and UBS (30.9.19 data); BPCE, Commerzbank, Crédit Agricole S.A., Société Générale and UniCredit (30.6.19 data)

# Significant Reduction in Loan Loss Provisions and Cost of Risk Coupled with Increased NPL Coverage



(1) Annualised

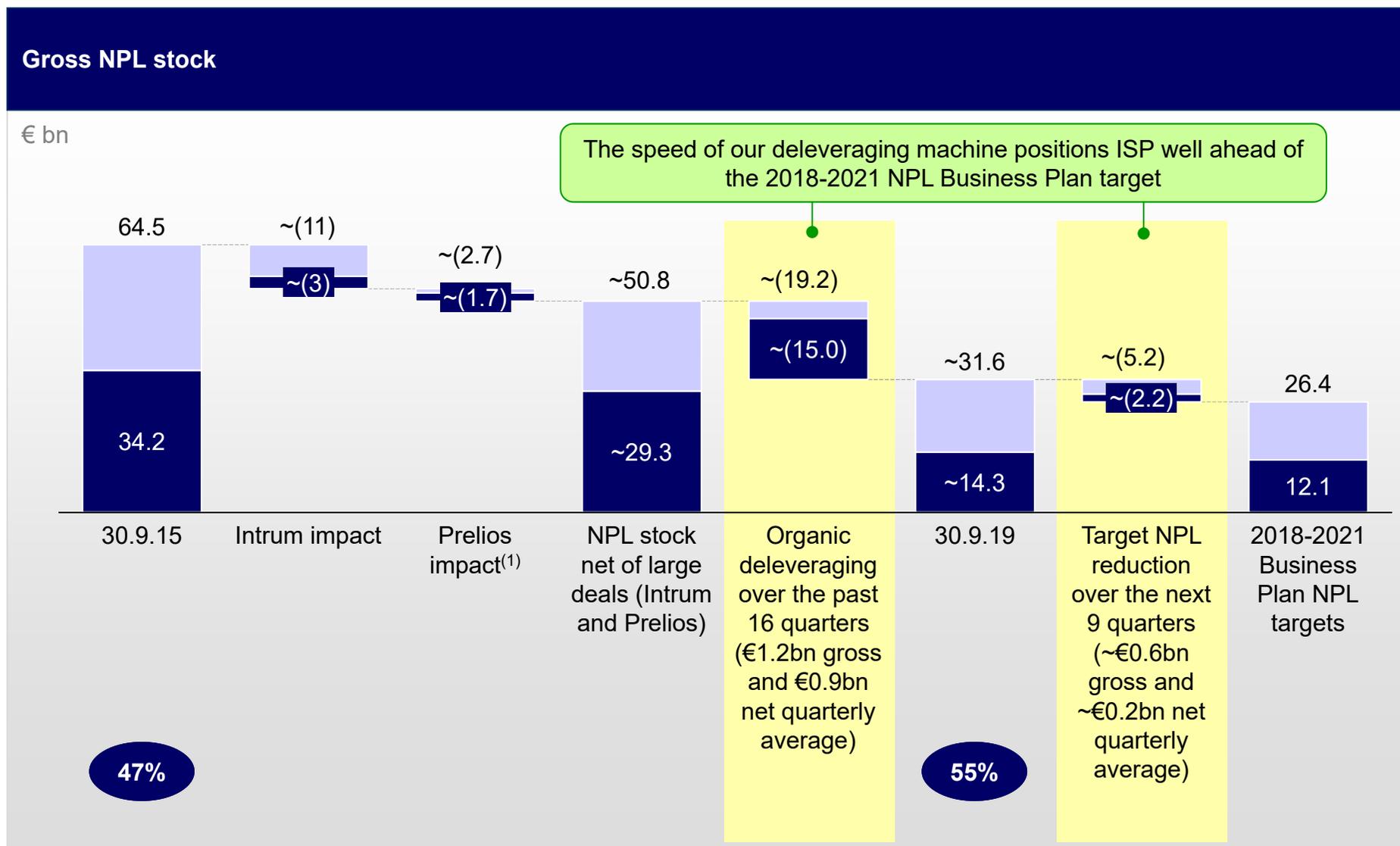
# ~80% of Business Plan NPL Deleveraging Target Already Achieved at No Cost to Shareholders...



(1) Amount reclassified in Discontinued operations as of 30.9.19  
 (2) Equal to 5% based on EBA definition

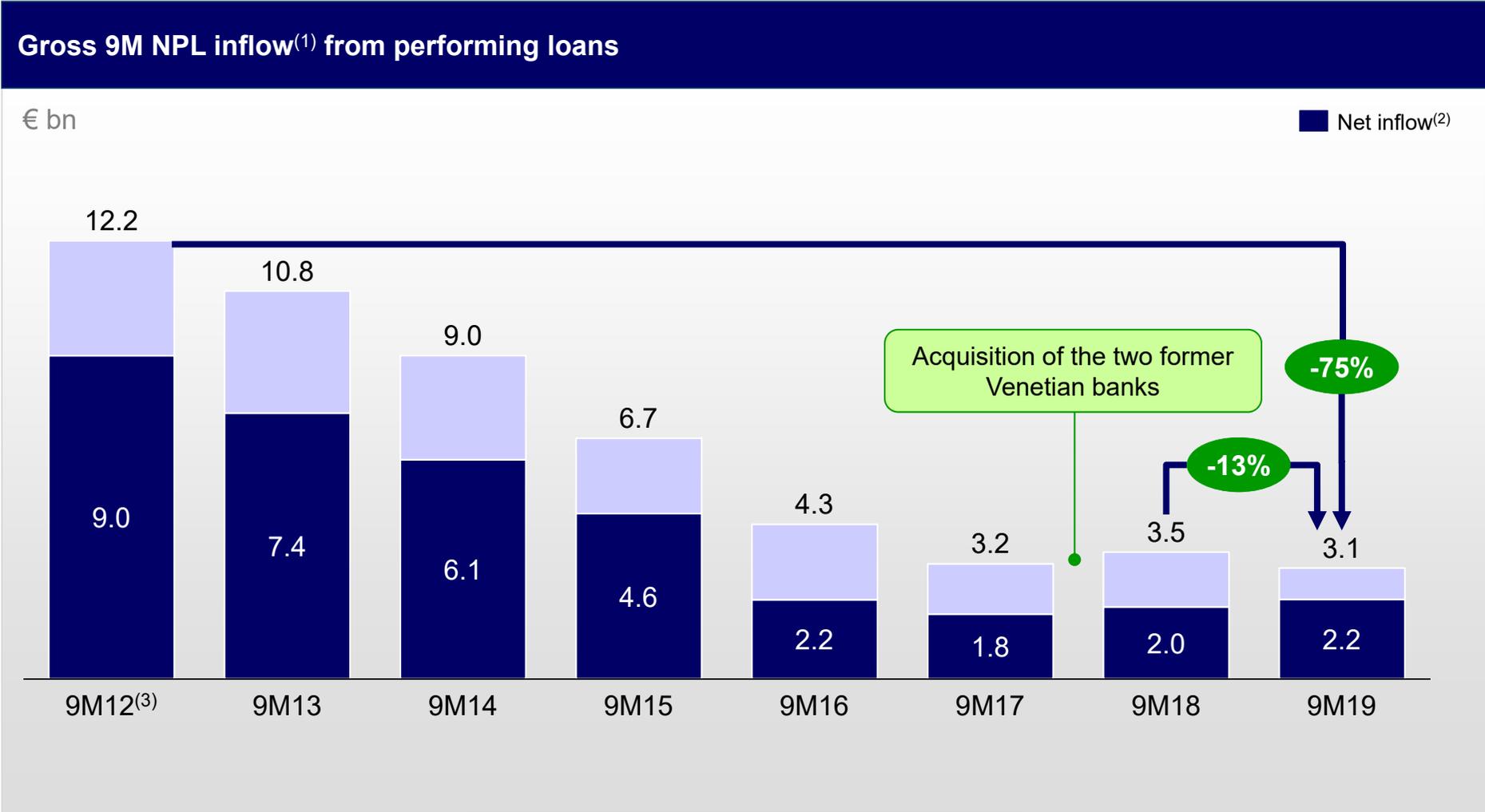
# ... with a Positive Outlook for Delivering 2021 NPL Target Well Ahead of Schedule

**x** NPL coverage ratio    ■ Net NPL



Note: figures may not add up exactly due to rounding  
 (1) Amount reclassified in Discontinued operations as of 30.9.19

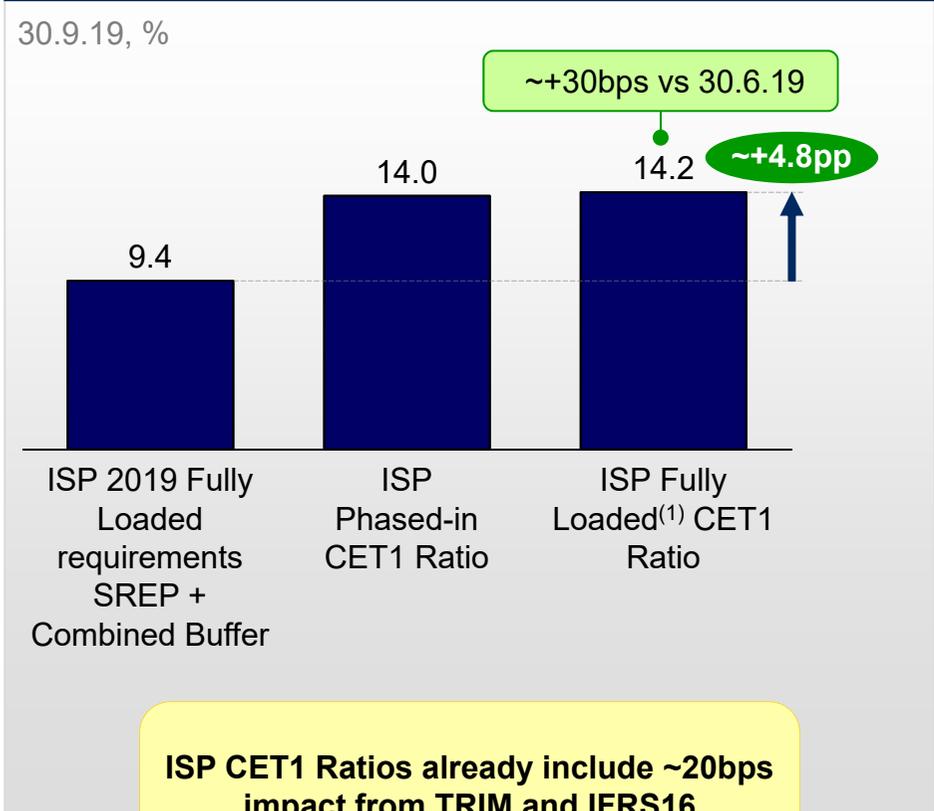
# Lowest-ever 9M NPL Gross Inflow



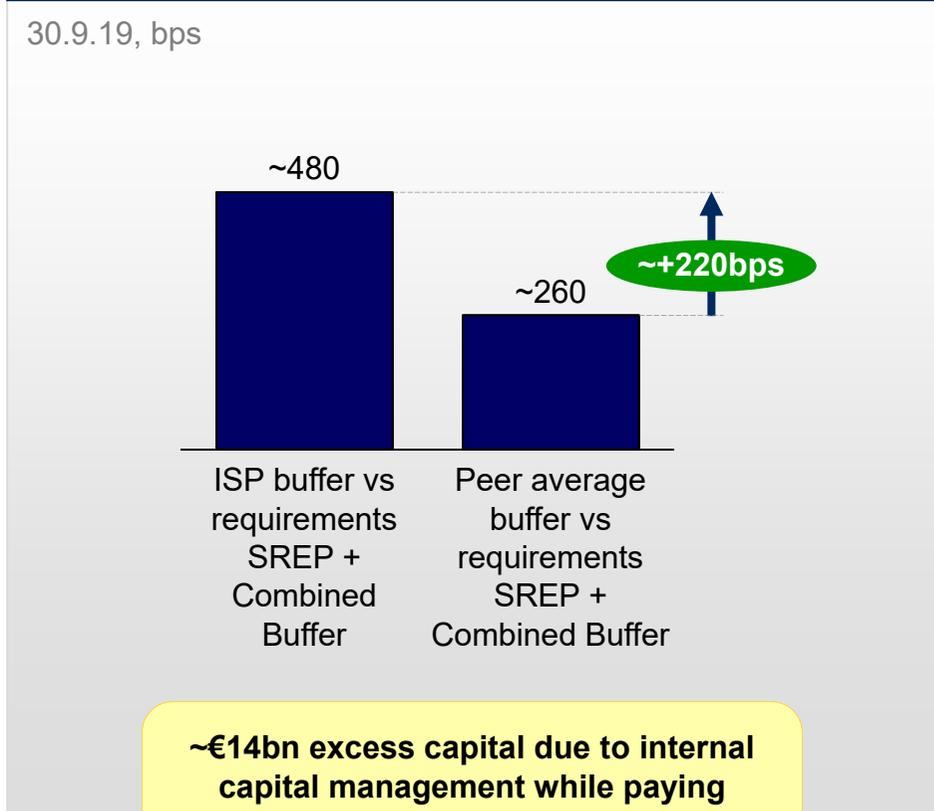
(1) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans  
 (2) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans minus outflow from NPL into performing loans  
 (3) 2012 figures recalculated to take into consideration the regulatory changes to Past Due classification criteria introduced by the Bank of Italy (90 days since 2012 vs 180 days up until 31.12.11)

# Solid and Increased Capital Base, Well Above Regulatory Requirements Even in the Stress Test Scenario

## ISP CET1 Ratios vs requirements SREP + Combined Buffer



## Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer(2)(3)



Note: figures may not add up exactly due to rounding

(1) Pro-forma fully loaded Basel 3 (30.9.19 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected distribution of 9M19 Net income of insurance companies – exceeding reserves already distributed in 1Q19 – and the expected absorption of DTA on losses carried forward)

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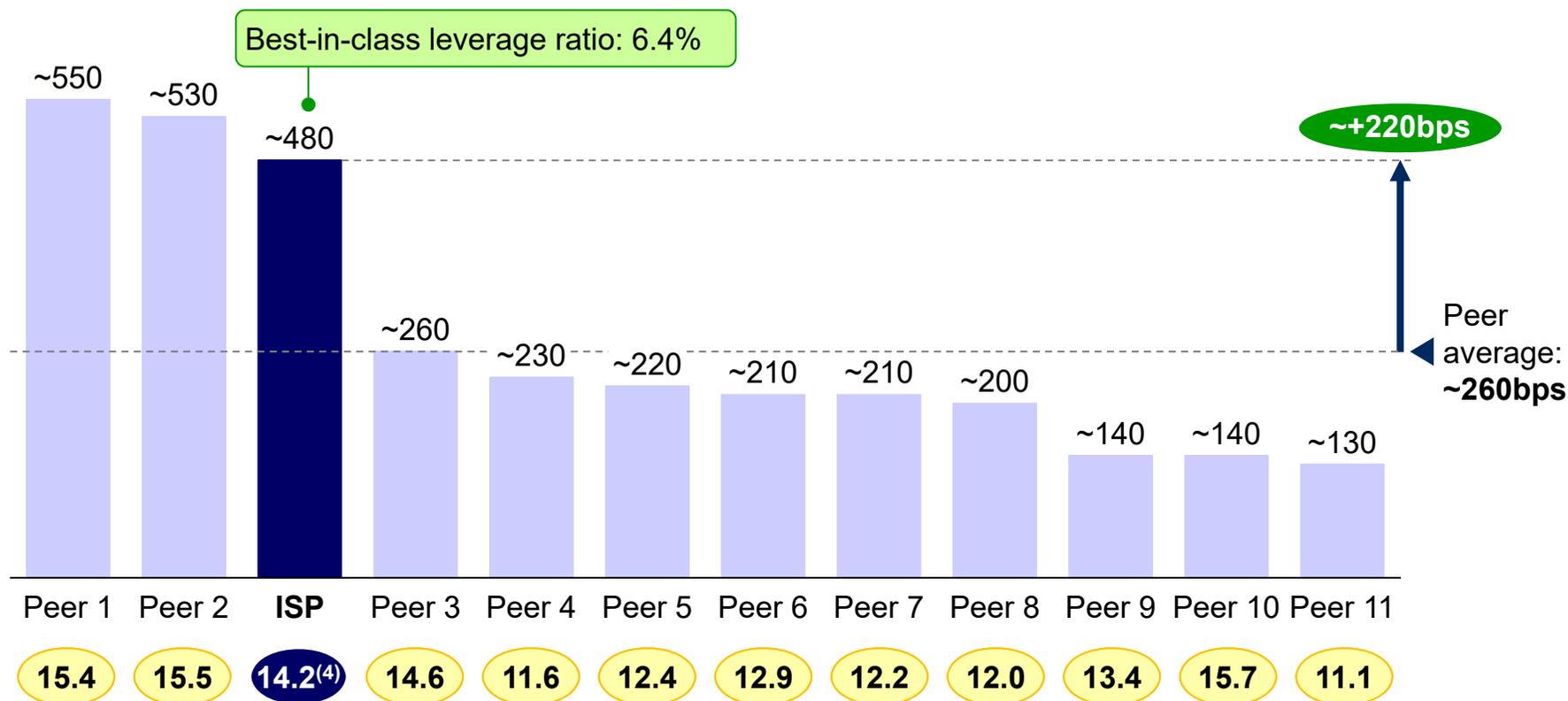
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# Best-in-Class Excess Capital

Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer<sup>(1)(2)(3)</sup>

bps

○ Fully Loaded CET1 Ratio<sup>(2)</sup>, %



**ISP is a clear winner of the EBA stress test**

(1) Calculated as the difference between the Fully Loaded CET1 ratio vs requirements SREP + Combined Buffer (the counter-cyclical buffer is estimated); figures may not add up exactly due to rounding differences; only top European banks that have communicated their SREP requirement

(2) Sample: BBVA, BNP Paribas, Deutsche Bank, ING Group, Nordea and Santander (30.9.19 data); BPCE, Commerzbank, Crédit Agricole Group, Société Générale and UniCredit (30.6.19 data). Source: Investors' Presentations, Press Releases, Conference Calls, Financial Statements

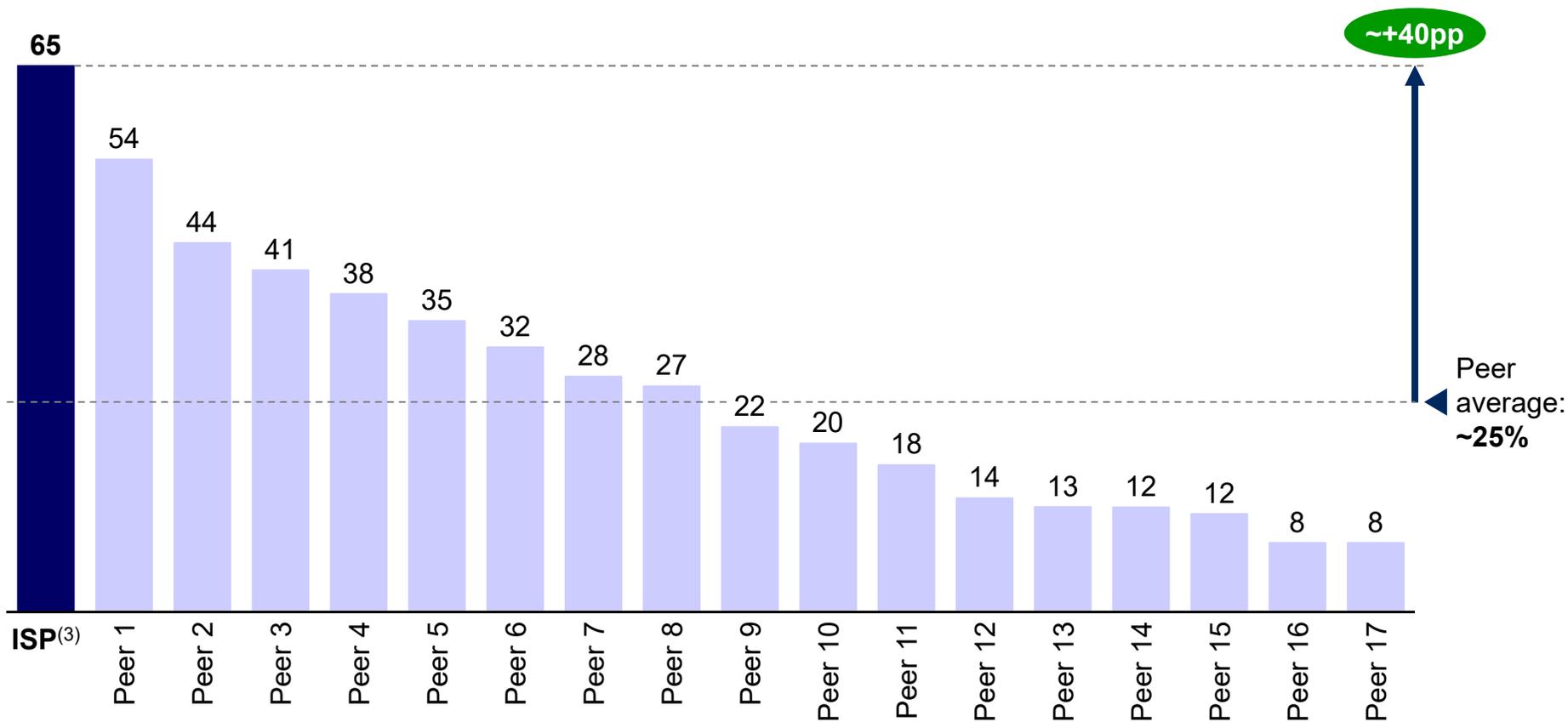
(3) Including estimated benefit from the Danish Compromise. Estimated average benefits for the French banks equal to ~20bps

(4) Pro-forma fully loaded Basel 3 (30.9.19 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected distribution of 9M19 Net income of insurance companies – exceeding reserves already distributed in 1Q19 – and the expected absorption of DTA on losses carried forward)

# Best-in-Class Risk Profile in Terms of Financial Illiquid Assets

Fully Loaded CET1<sup>(1)</sup>/Total financial illiquid assets<sup>(2)</sup>

%

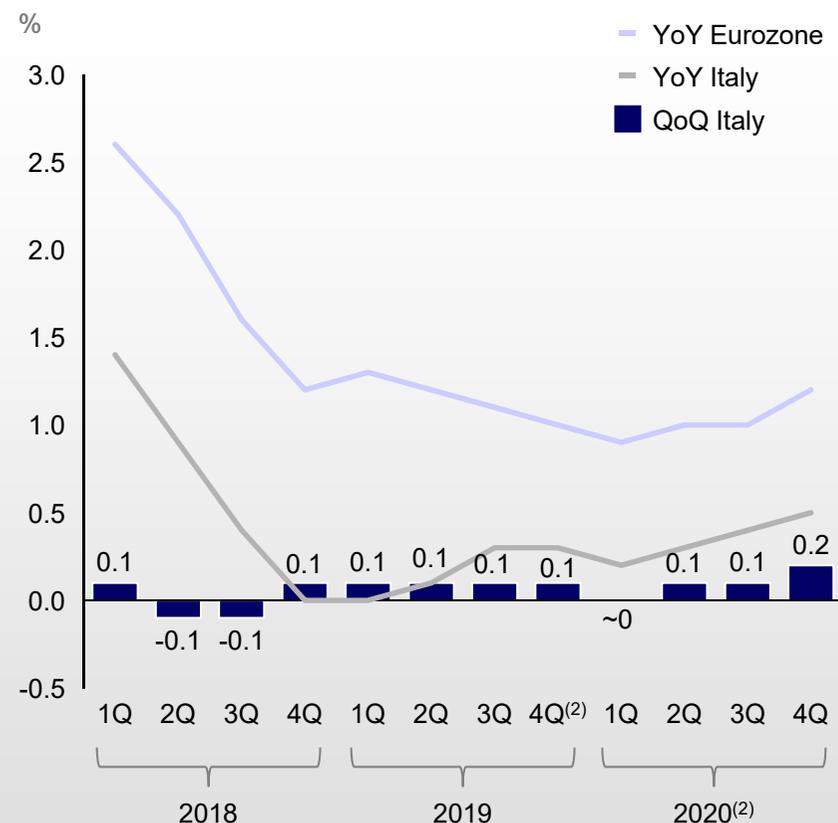


**€197bn in total financial liquid assets with LCR and NSFR well above 100%**

(1) Fully Loaded CET1. Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, ING Group, Lloyds Banking Group, Nordea, Santander, Standard Chartered and UBS (30.9.19 data); BPCE, Commerzbank, Crédit Agricole Group, Société Générale and UniCredit (30.6.19 data)  
 (2) Total illiquid assets include Net NPL, Level 2 assets and Level 3 assets. Sample: BBVA, Barclays, Deutsche Bank, Credit Suisse, Nordea, HSBC, ING Group, Santander, Standard Chartered and UBS (Net NPL 30.9.19 data); BNP Paribas, BPCE, Commerzbank, Crédit Agricole Group, Lloyds Banking Group, Société Générale and UniCredit (Net NPL 30.6.19 data); Level 2 assets and Level 3 assets 30.6.19 data  
 (3) 60% including the effect of Real Estate and Art, Culture and Historical Heritage portfolio revaluation

# Italian Economy: Solid Fundamentals Have Absorbed the Impact of the Slowdown and Will Facilitate a Recovery

## Italian GDP growth



## Strong fundamentals confirm the resilience of the Italian economy in a period of sluggish GDP growth

### Households

- **Wealth of Italian households** at €10.7tn, of which €4.4tn in financial assets
- **Low level of indebtedness**

### Corporates

- **Manufacturing companies** stronger than pre-crisis level:
  - Profitability: Gross operating margin at ~9.3%
  - Capitalisation: Equity/Total liabilities at ~40%
- **Italian companies well-positioned to cope with a domestic economic slowdown:**
  - **Export-oriented companies**, highly diversified in terms of industry and size, have become powerhouses over the past few years (trade surplus, net of energy, was above €80bn in 2018, roughly in line with the 2017 record high). Italian export growth has outperformed the German one by 2.2pp since September 2018
  - **Domestic-oriented companies** will benefit from resilient consumption driven by expansionary fiscal policy

### Government

- Stock of **assets owned by Public Sector entities** of ~€1.0tn<sup>(1)</sup>:
  - ~€0.6tn of financial assets
  - ~€0.3tn of Real Estate
  - ~€0.1tn of other non-financial assets

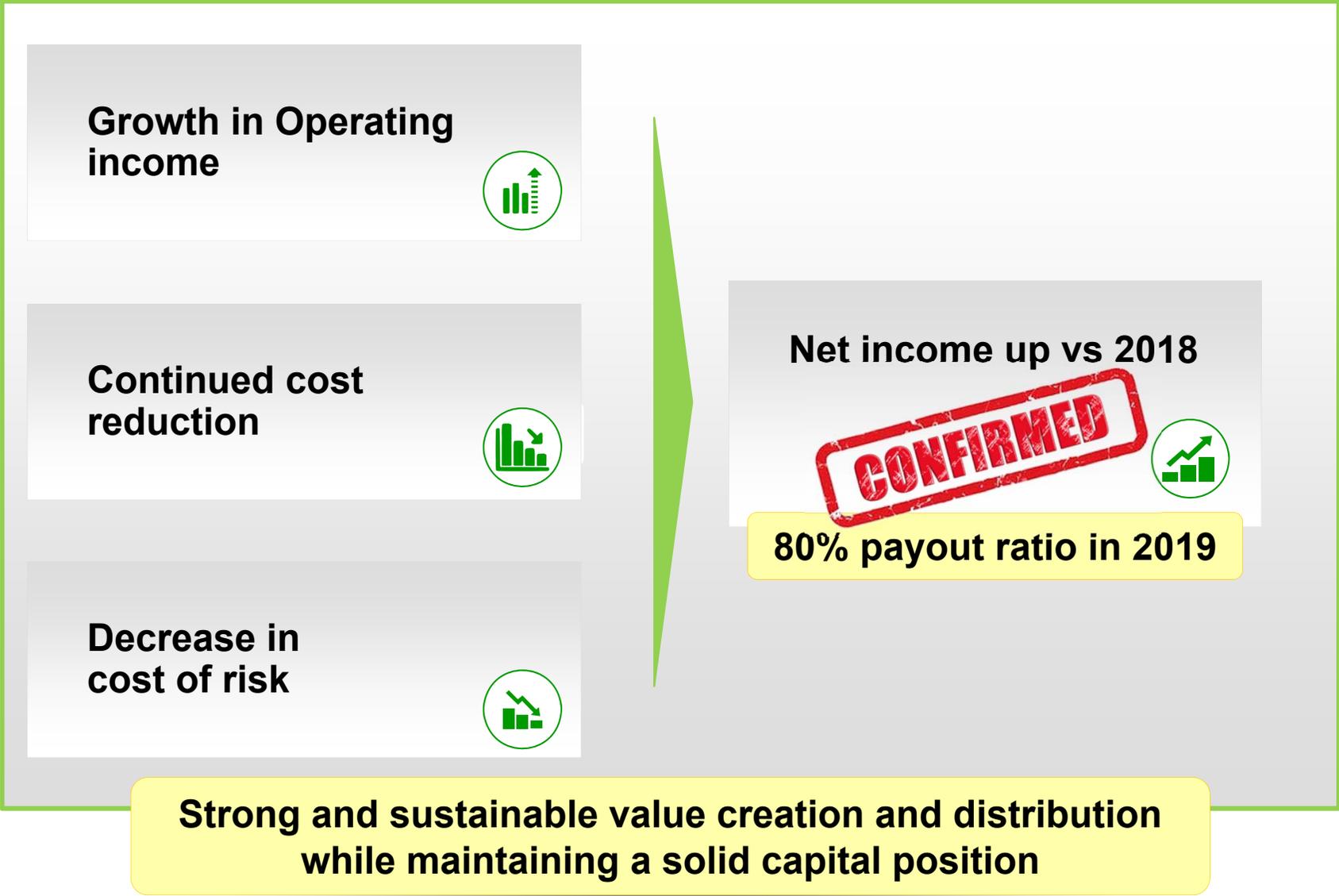
- **Unemployment** fell below 10% beginning in May, for the first time since early 2012
- **Gross disposable income** of households increased +0.9% QoQ in 2Q19, following a +0.3% in 1Q19
- **Trade surplus** reached as high as €32.3bn in the first 8 months of 2019 (€59.1bn net of energy)
- Recovery in **residential real estate transactions** ongoing since 2015 (+3.9% YoY in 2Q19)

(1) Not including infrastructure, natural resources, cultural heritage

(2) Source: Consensus Forecasts

Source: Bank of Italy; ISTAT; "Analisi dei Settori Industriali" Intesa Sanpaolo - Prometeia May 2019; GDP forecast of Consensus Economics, Consensus Forecast, September 2019

# ISP Outlook for 2019



# ISP Delivered Excellent Performance in the First Nine Months

**~€3,310m Net income, the best 9M result since 2008 (82% of €4,050m FY18 Net income already achieved)**

**The best Q3 Net income since 2007 and the best-ever Q3 for Commissions**

**Strong decrease in Operating costs (-2.5% vs 9M18<sup>(1)</sup>) with Cost/Income down to 49.8%**

**The lowest-ever 9M Gross NPL inflow: LLPs down 17.7% vs 9M18, with increased NPL coverage (54.8% vs 53.6% at 30.9.18)**

**~€7bn NPL deleveraging since 30.9.18, at no cost to shareholders;  
the lowest NPL stock and NPL ratios since 2009**

**~80% of targeted 2018-2021 NPL deleveraging already achieved**

**Common Equity<sup>(2)</sup> ratio up at 14.2%**

**Strong commitment to Corporate Social Responsibility through a variety of concrete initiatives**

(1) Data restated for IFRS16, the full line-by-line consolidation of Autostrade Lombarde, and the reclassification of Risanamento Operating income entirely to "Other operating income (expenses)", placement fees for certificates from "Profits on financial assets and liabilities at fair value" to "Net fee and commission income", expenses for employees transferred to Tersia (Intrum deal) to "Other administrative expenses", and international subsidiaries charges concerning the banking industry from "Other operating income (expenses)" to "Levies and other charges concerning the banking industry (net of tax)" and to "Taxes on income"

(2) Pro-forma fully loaded Basel 3 (30.9.19 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected distribution of 9M19 Net income of insurance companies – exceeding reserves already distributed in 1Q19 – and the expected absorption of DTA on losses carried forward)



# 9M19 Results

Detailed Information

## Key P&L and Balance Sheet Figures

€ m

	9M19		30.9.19
Operating income	13,582	Loans to Customers	395,193
Operating costs	(6,758)	Customer Financial Assets <sup>(1)</sup>	951,245
Cost/Income ratio	49.8%	of which Direct Deposits from Banking Business	426,662
Operating margin	6,824	of which Direct Deposits from Insurance Business and Technical Reserves	164,416
Gross income (loss)	5,347	of which Indirect Customer Deposits	523,707
Net income	3,310	- Assets under Management	351,663
		- Assets under Administration	172,044
		RWA	298,393

+0.4% vs 31.12.18

Note: figures may not add up exactly due to rounding

(1) Net of duplications between Direct Deposits and Indirect Customer Deposits

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**Detailed Consolidated P&L Results**

**Liquidity, Funding and Capital Base**

**Asset Quality**

**Divisional Results and Other Information**

# 9M19 vs 9M18: €3,310m Net Income, Best 9M Result since 2008

€ m

	9M18 pro-forma <sup>(1)</sup>	9M19	Δ%	
Net interest income	5,535	5,258	(5.0)	
Net fee and commission income	6,001	5,865	(2.3)	
Income from insurance business	846	876	3.5	
Profits on financial assets and liabilities at fair value	1,265	1,569	24.0	
Other operating income (expenses)	44	14	(68.2)	
<b>Operating income</b>	<b>13,691</b>	<b>13,582</b>	<b>(0.8)</b>	+1.2% excluding NTV positive impact booked in 1Q18 <sup>(3)</sup>
Personnel expenses	(4,294)	(4,226)	(1.6)	
Other administrative expenses	(1,866)	(1,759)	(5.7)	
Adjustments to property, equipment and intangible assets	(770)	(773)	0.4	
<b>Operating costs</b>	<b>(6,930)</b>	<b>(6,758)</b>	<b>(2.5)</b>	+5.0% excluding NTV positive impact booked in 1Q18 <sup>(3)</sup>
<b>Operating margin</b>	<b>6,761</b>	<b>6,824</b>	<b>0.9</b>	
Net adjustments to loans	(1,696)	(1,396)	(17.7)	
Net provisions and net impairment losses on other assets	(111)	(86)	(22.5)	
Other income (expenses)	(1)	5	n.m.	
Income (Loss) from discontinued operations	0	0	n.m.	+14.0% excluding NTV positive impact booked in 1Q18 <sup>(3)</sup>
<b>Gross income (loss)</b>	<b>4,953</b>	<b>5,347</b>	<b>8.0</b>	
Taxes on income	(1,477)	(1,521)	3.0	
Charges (net of tax) for integration and exit incentives	(66)	(79)	19.7	
Effect of purchase price allocation (net of tax)	(108)	(106)	(1.9)	
Levies and other charges concerning the banking industry (net of tax)	(309)	(338) <sup>(2)</sup>	9.4	
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.	
Minority interests	19	7	(63.2)	
<b>Net income</b>	<b>3,012</b>	<b>3,310</b>	<b>9.9</b>	

Note: figures may not add up exactly due to rounding

(1) Data restated for IFRS16, the full line-by-line consolidation of Autostrade Lombarde, and the reclassification of Risanamento operating income entirely to "Other operating income (expenses)", placement fees for certificates from "Profits on financial assets and liabilities at fair value" to "Net fee and commission income", expenses for employees transferred to Tersia (Intrum deal) to "Other administrative expenses", and international subsidiaries charges concerning the banking industry from "Other operating income (expenses)" to "Levies and other charges concerning the banking industry (net of tax)" and to "Taxes on income"

(2) €484m pre-tax of which charges for the Resolution Fund: €229m pre-tax (€158m net of tax), charges for the Deposit Guarantee Scheme: €142m pre-tax (€98m net of tax) and €87m pre-tax (€59m net of tax) for the additional contribution to the National Resolution Fund

(3) €264m pre-tax positive impact (€246m net of tax) deriving from the sale of the NTV stake

## Q3 vs Q2: More than €1bn Net Income, Best Q3 Result since 2007

€ m

	2Q19	3Q19	Δ%
Net interest income	1,761	1,741	(1.1)
Net fee and commission income	1,989	1,990	0.1
Income from insurance business	284	301	6.0
Profits on financial assets and liabilities at fair value	633	479	(24.3)
Other operating income (expenses)	10	5	(50.0)
<b>Operating income</b>	<b>4,677</b>	<b>4,516</b>	<b>(3.4)</b>
Personnel expenses	(1,418)	(1,421)	0.2
Other administrative expenses	(596)	(606)	1.7
Adjustments to property, equipment and intangible assets	(252)	(261)	3.6
<b>Operating costs</b>	<b>(2,266)</b>	<b>(2,288)</b>	<b>1.0</b>
<b>Operating margin</b>	<b>2,411</b>	<b>2,228</b>	<b>(7.6)</b>
Net adjustments to loans	(554)	(473)	(14.6)
Net provisions and net impairment losses on other assets	(37)	(19)	(48.6)
Other income (expenses)	1	(2)	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>1,821</b>	<b>1,734</b>	<b>(4.8)</b>
Taxes on income	(449)	(536)	19.4
Charges (net of tax) for integration and exit incentives	(30)	(27)	(10.0)
Effect of purchase price allocation (net of tax)	(29)	(37) <sup>(1)</sup>	27.6
Levies and other charges concerning the banking industry (net of tax)	(96)	(96) <sup>(1)</sup>	0.0
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(1)	6	n.m.
<b>Net income</b>	<b>1,216</b>	<b>1,044</b>	<b>(14.1)</b>

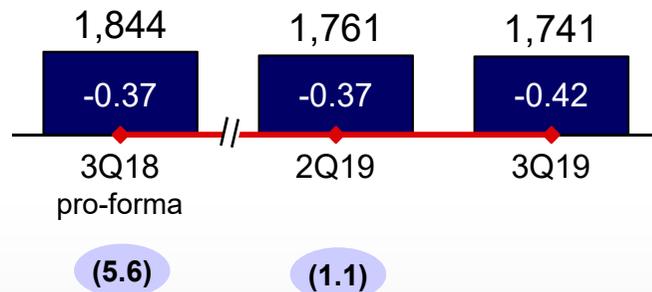
Note: figures may not add up exactly due to rounding  
 (1) €140m pre-tax

# Net Interest Income: Impacted by All-Time Low Interest Rates and NPL Stock Reduction

## Quarterly Analysis

€ m

—◆— Euribor 1M; %  
 % Δ 3Q19 vs 3Q18 and 2Q19

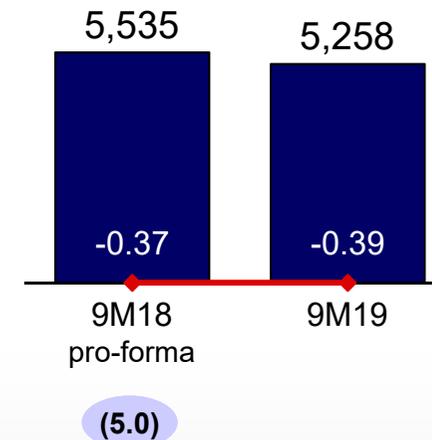


- Average Performing loans to customers up ~1% vs 2Q19
- 4.4% growth in average Direct deposits from banking business vs 3Q18

## Yearly Analysis

€ m

—◆— Euribor 1M; %  
 % Δ 9M19 vs 9M18

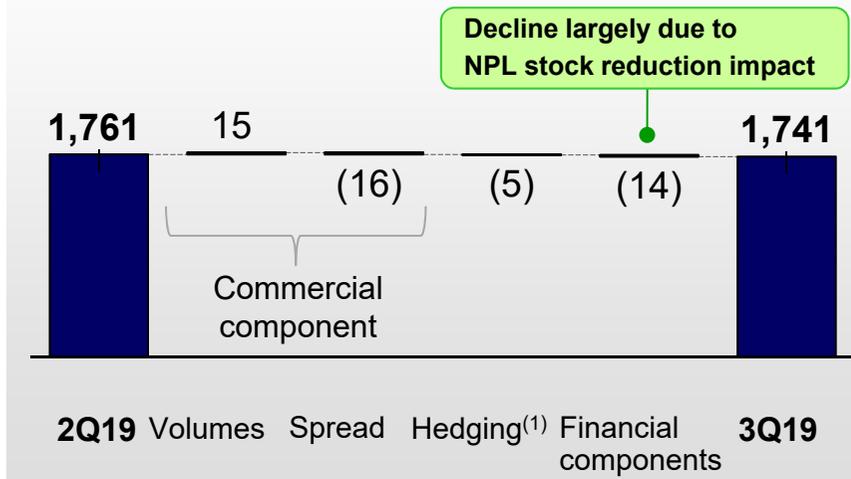


- Decrease due to NPL stock reduction, the reimbursement of an acquisition financing loan in September 2018 and lower contribution from core deposit hedging
- 2.9% growth in average Direct deposits from banking business

# Net Interest Income: Impacted by All-Time Low Interest Rates and NPL Stock Reduction

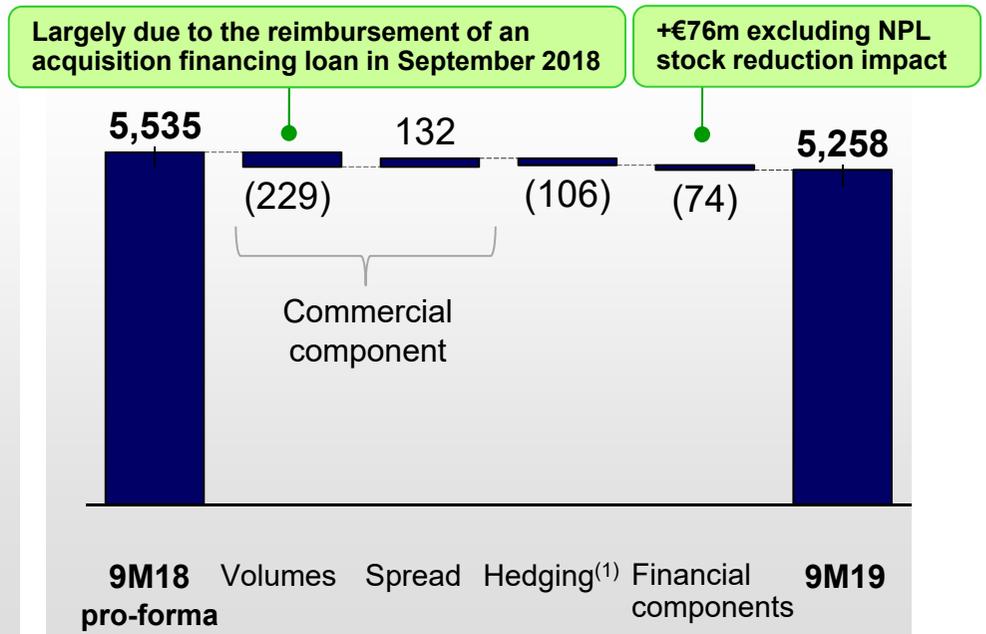
## Quarterly Analysis

€ m



## Yearly Analysis

€ m



Note: figures may not add up exactly due to rounding

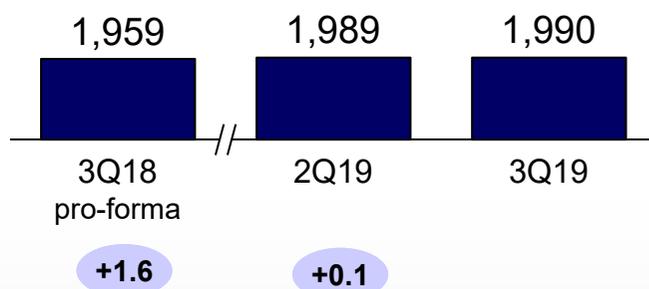
(1) €149m benefit from hedging on core deposits in 9M19, of which €44m in 3Q19

# Net Fee and Commission Income: Best Q3 Ever

## Quarterly Analysis

€ m

% Δ 3Q19 vs 3Q18 and 2Q19

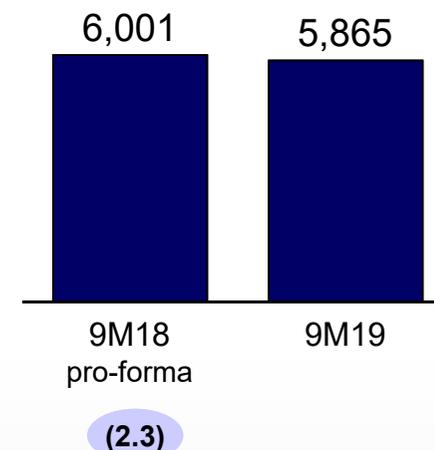


- 3Q19 is the best-ever third quarter
- Slight increase vs 2Q19 despite the usual seasonal business slowdown in summer
- Increase vs 3Q18 mainly due to commissions from Management, dealing and consultancy activities (+4.0%; +€46m)
- +€2.5bn in AuM net inflows in 3Q19

## Yearly Analysis

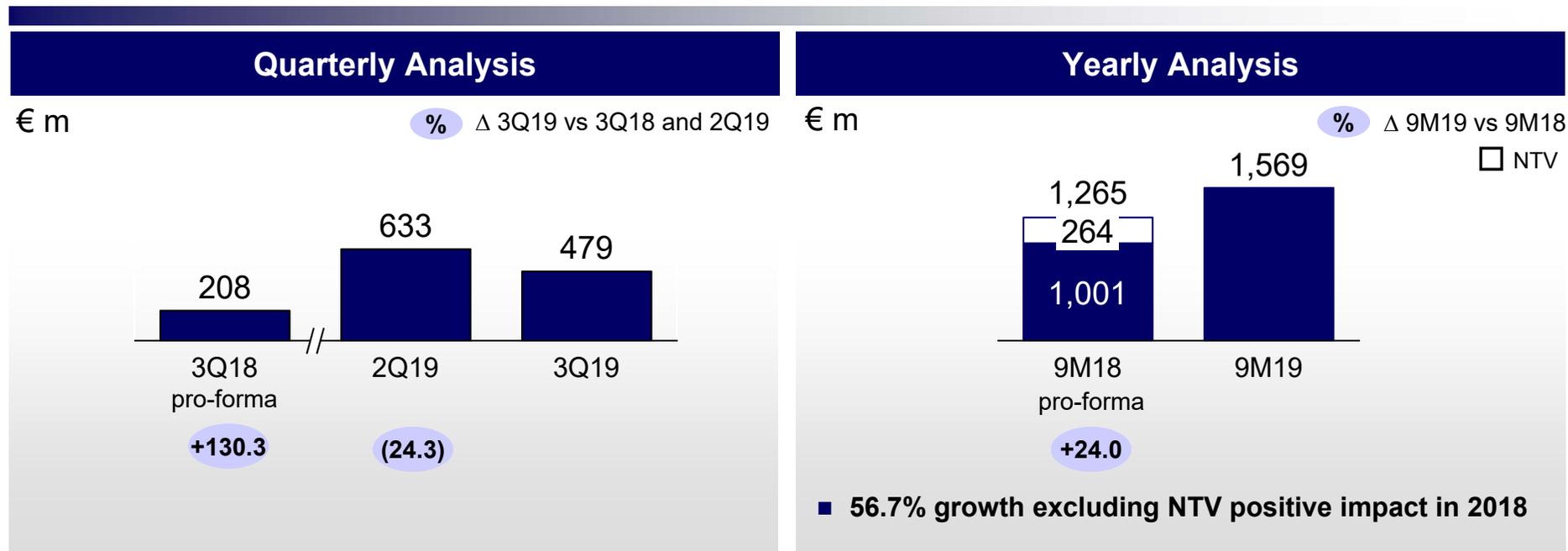
€ m

% Δ 9M19 vs 9M18



- Decline largely due to impact on commissions from Management, dealing and consultancy activities (-3.9%; -€141m) stemming from difficult market conditions

# Profits on Financial Assets and Liabilities at Fair Value: Excellent Performance



### Contributions by Activity

	3Q18 pro-forma	2Q19	3Q19	9M18 pro-forma	9M19
Customers	52	136	117	277	395
Capital markets	60	65	13	442 <sup>(1)</sup>	159
Trading and Treasury	97	426	344	541	986
Structured credit products	(1)	7	5	4	28

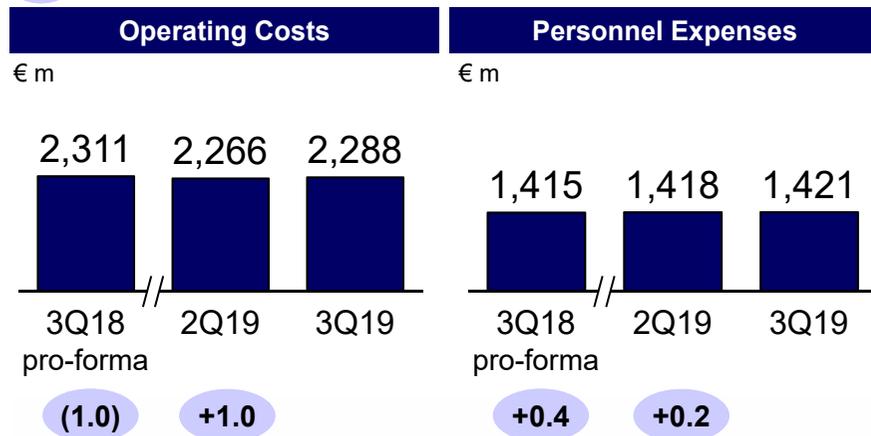
Note: figures may not add up exactly due to rounding

(1) Including €264m positive impact deriving from the sale of the NTV stake

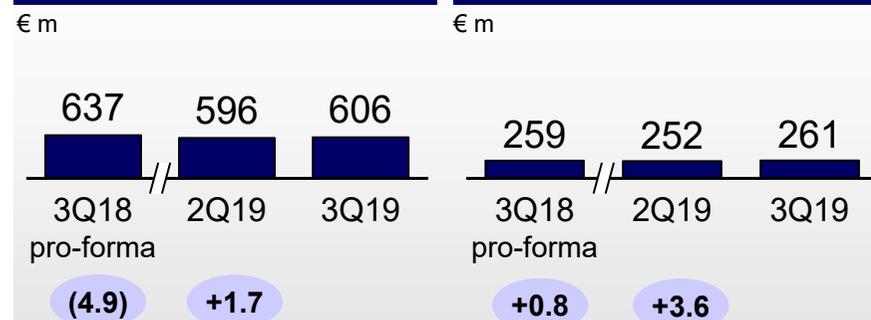
# Operating Costs: 2.5% Reduction on a Yearly Basis

## Quarterly Analysis

%  $\Delta$  3Q19 vs 3Q18 and 2Q19



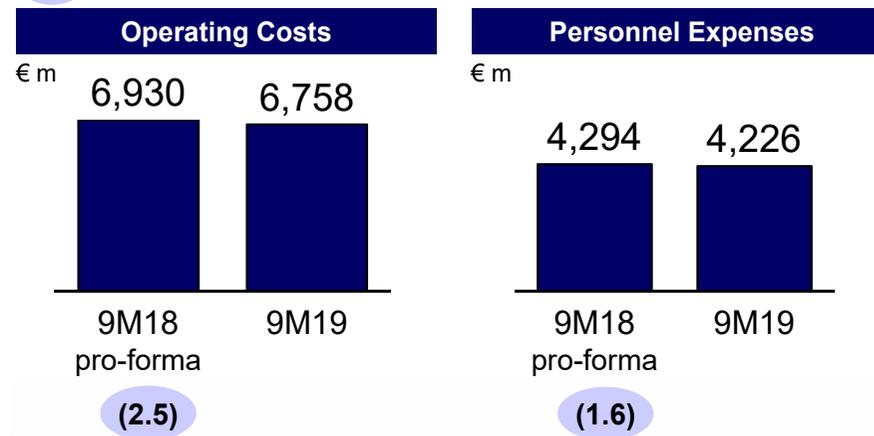
### Other Administrative Expenses



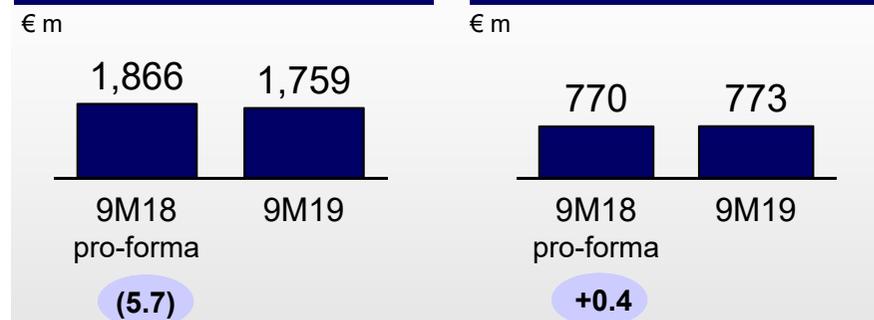
- 1.0% reduction in Operating costs vs 3Q18
- Operating costs up vs 2Q19 due to investments and incentives to trigger growth
- ~1,500 headcount reduction in Q3

## Yearly Analysis

%  $\Delta$  9M19 vs 9M18



### Other Administrative Expenses



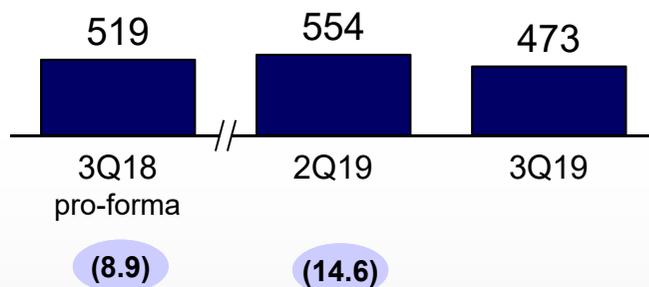
- Strong reduction (-5.7%) in Other administrative expenses
- Cost/Income ratio at 49.8% (vs 53.0% in FY18 pro-forma)
- ~3,500 headcount reduction

# Net Adjustments to Loans: Significant Annual Reduction Coupled with a Strong Decrease in NPL Stock and Gross Inflow

## Quarterly Analysis

€ m

%  $\Delta$  3Q19 vs 3Q18 and 2Q19

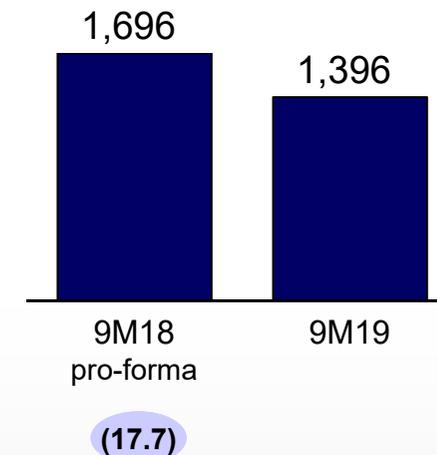


- Strong decrease vs 2Q19 and 3Q18
- Sixteenth consecutive quarterly reduction in NPL stock

## Yearly Analysis

€ m

%  $\Delta$  9M19 vs 9M18



- Lowest Net adjustments to loans since 2007 with increased NPL coverage up to 54.8% (vs 53.6% as at 30.9.18)
- The lowest-ever 9M gross NPL inflow
- Annualised cost of credit down to 47bps (vs 61bps in FY18 and 57bps in 9M18)
- ~€7bn NPL deleveraging on a yearly basis (~€33bn since the peak of 30.9.15)

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Detailed Consolidated P&L Results

**Liquidity, Funding and Capital Base**

Asset Quality

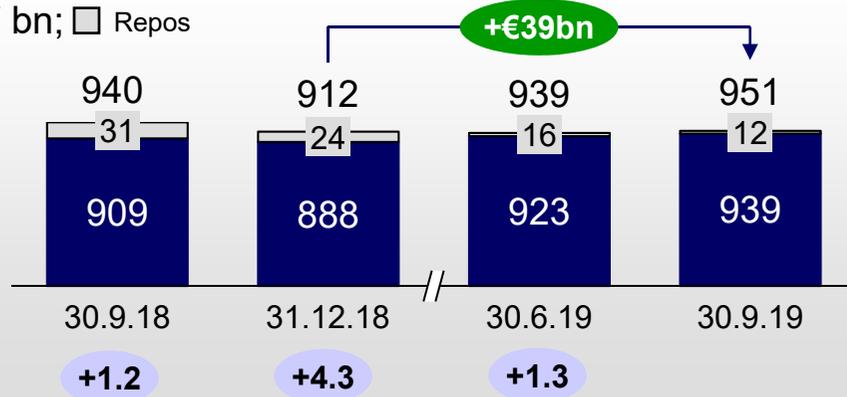
Divisional Results and Other Information

# Strong Growth in Customer Financial Assets

% Δ 30.9.19 vs 30.9.18, 31.12.18 and 30.6.19

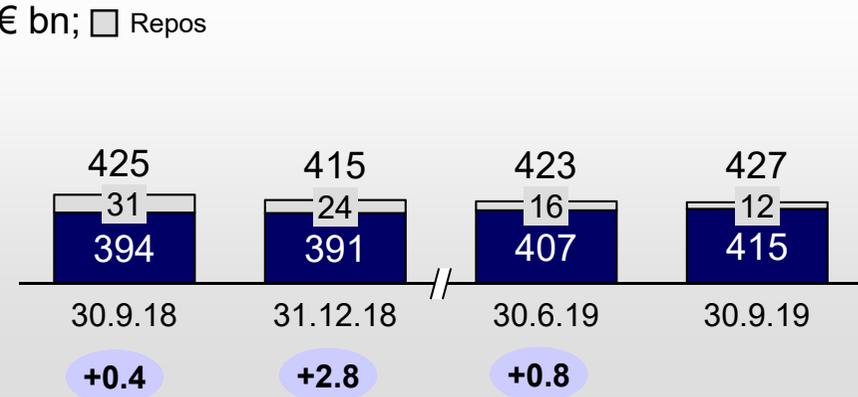
## Customer Financial Assets<sup>(1)</sup>

€ bn; □ Repos



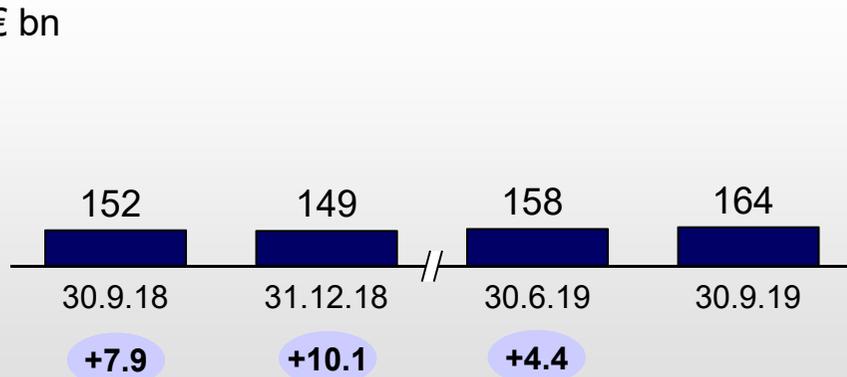
## Direct Deposits from Banking Business

€ bn; □ Repos



## Direct Deposits from Insurance Business and Technical Reserves

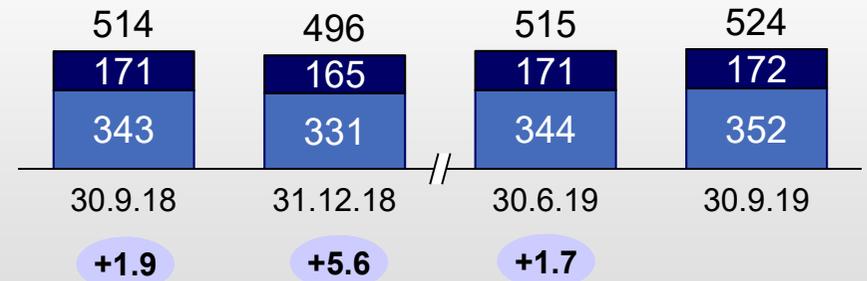
€ bn



## Indirect Customer Deposits

€ bn

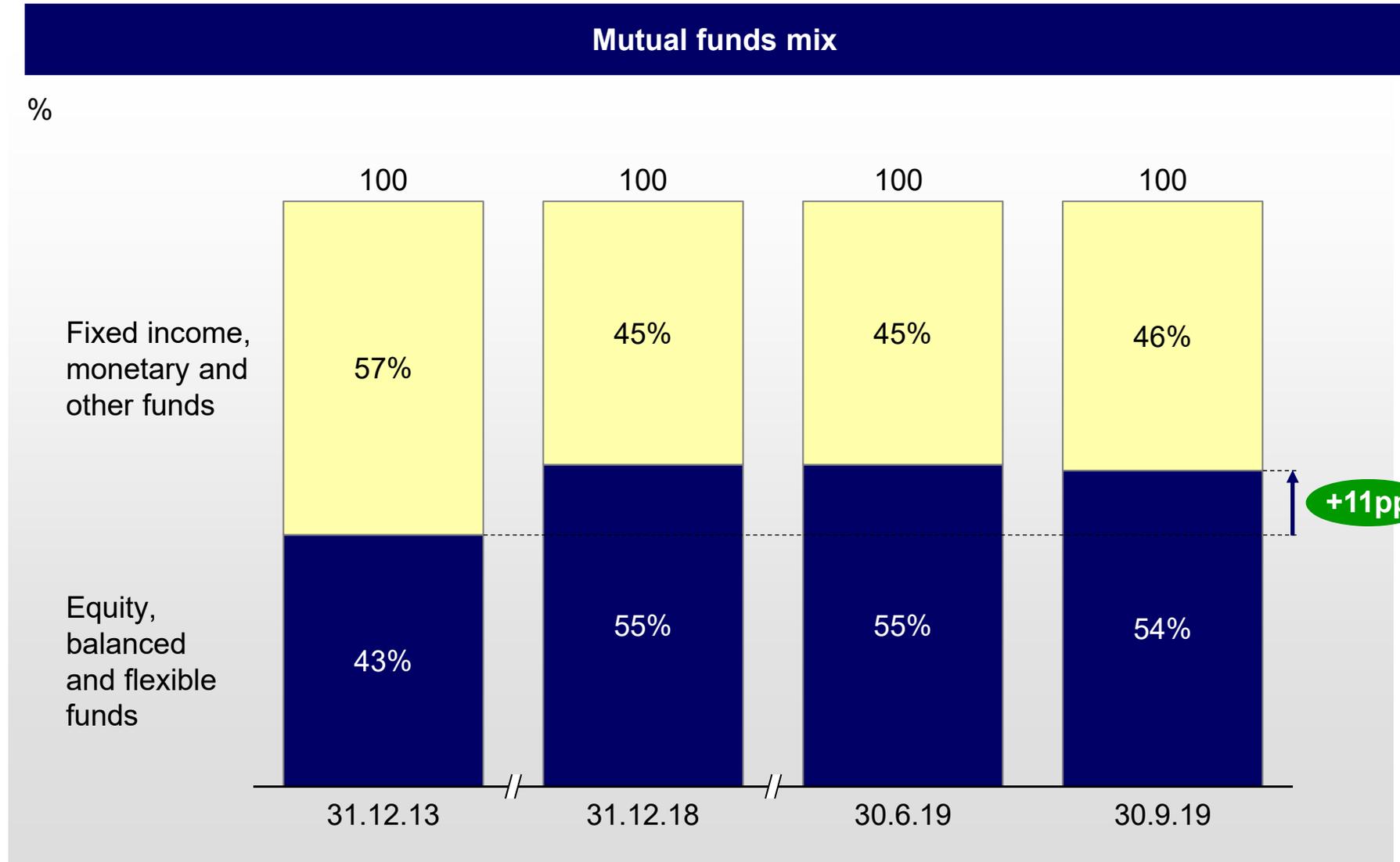
■ Assets under adm.  
■ Assets under mgt.



■ €21bn increase in AuM in 9M

Note: figures may not add up exactly due to rounding  
(1) Net of duplications between Direct Deposits and Indirect Customer Deposits

# Mutual Funds Mix

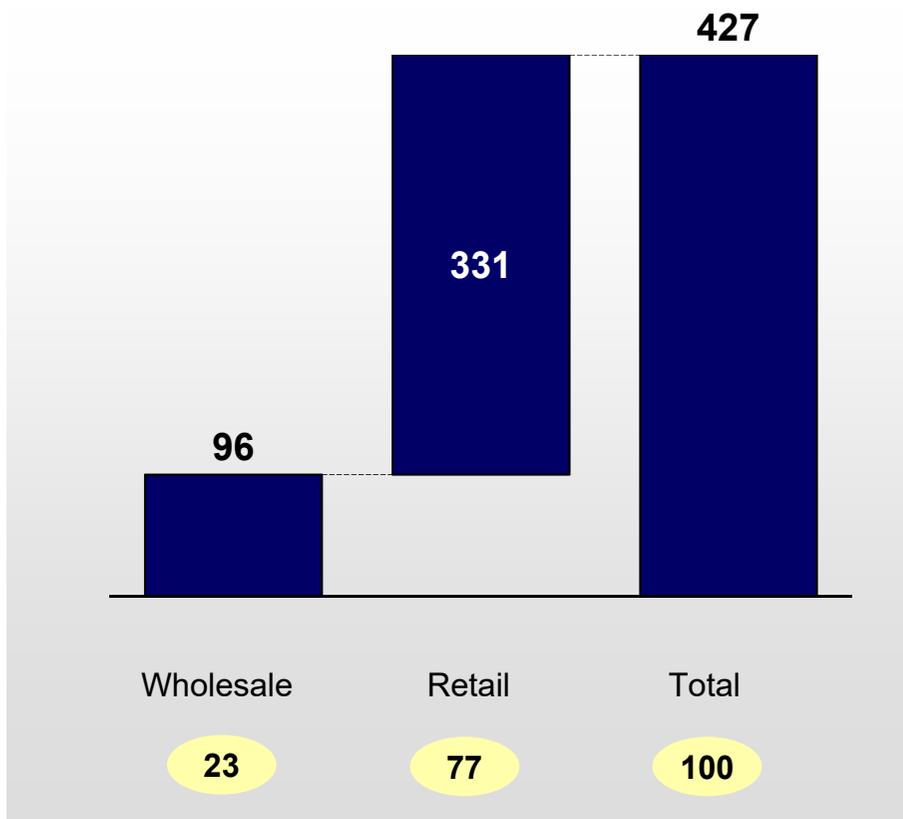


# Funding Mix

## Breakdown of Direct Deposits from Banking Business

€ bn; 30.9.19

% Percentage of total



	Wholesale	Retail
■ Current accounts and deposits	8	301
■ Repos and securities lending	12	-
■ Senior bonds	39	9 <sup>(1)</sup>
■ Covered bonds	12	-
■ Short-term institutional funding	15 <sup>(2)</sup>	-
■ Subordinated liabilities	8	2
■ Other deposits	2	18 <sup>(3)</sup>

Placed with Private Banking clients

**Retail funding represents 77% of Direct deposits from banking business**

Note: figures may not add up exactly due to rounding

(1) 41% placed with Private Banking clients

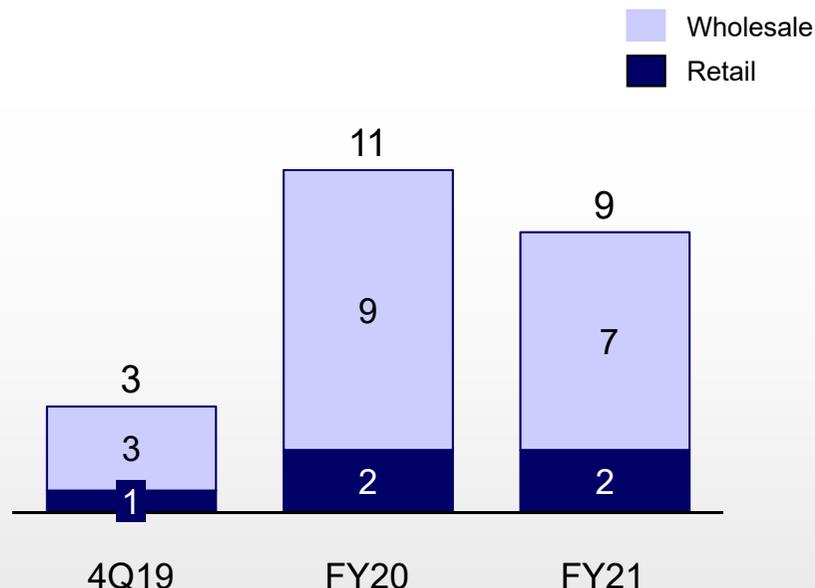
(2) Including €4bn in EMTN puttable and €11bn in Certificates of deposit + Commercial papers

(3) Including Certificates

# Strong Funding Capability: Broad Access to International Markets

## 2019-2021 MLT Maturities

€ bn



## ISP Main Wholesale Issues

### 2018

- \$2.5bn senior unsecured, JPY46.6bn (~€354m) senior unsecured, €2.25bn senior unsecured and €1bn covered bonds placed. On average 89% demand from foreign investors; targets exceeded by 137%
  - January: \$2.5bn triple-tranche senior unsecured issue split between \$1bn 5y, \$1bn 10y and \$500m 30y
  - February: inaugural senior unsecured Tokyo Pro-Bond for a total of JPY46.6bn (~€354m), the first Pro-Bond transaction for an Italian issuer, split between 3y-5y-10y-15y tranches
  - March: €1.25bn 10y senior unsecured issue
  - July: €1bn 7y covered bonds backed by residential mortgages
  - August: €1bn 5y senior unsecured issue

### 2019

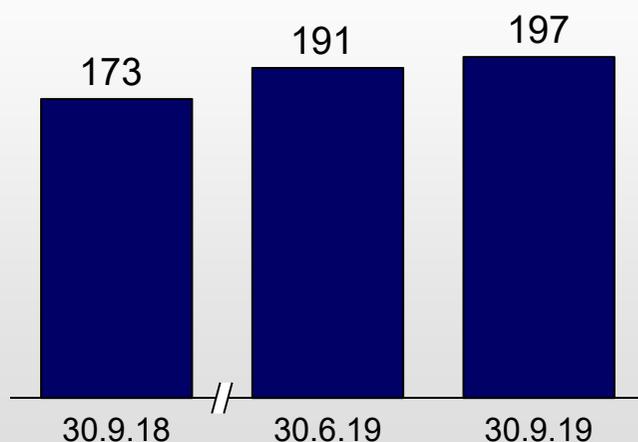
- €1bn covered bonds, JPY13.2bn (~€105m) senior unsecured, €2.25bn senior unsecured, CHF250m senior unsecured and \$2bn senior unsecured placed. On average 93% demand from foreign investors; targets exceeded by 128%
  - February: €1bn covered bonds backed by residential mortgages
  - March: second senior unsecured Tokyo Pro-Bond transaction for a total of JPY13.2bn (~€105m) split between 3y and 15y tranches
  - June: €2.25bn dual tranche 5/10y senior unsecured issue
  - September: inaugural CHF250m 5y senior unsecured issue and \$2bn triple-tranche senior unsecured issue split between \$750m 5y, \$750m 10y and \$500m 30y

Note: figures may not add up exactly due to rounding

# High Liquidity: LCR and NSFR Well Above Regulatory Requirements

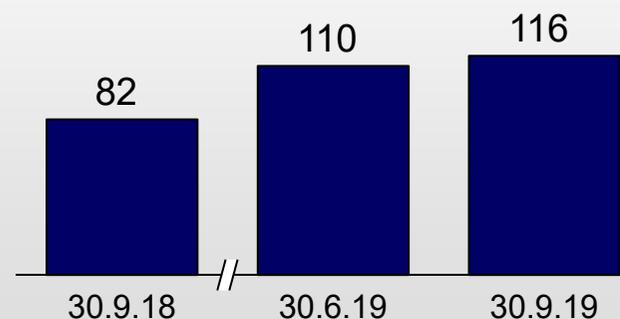
## Liquid assets<sup>(1)</sup>

€ bn



## Unencumbered eligible assets with Central Banks<sup>(2)</sup> (net of haircuts)

€ bn



- TLTRO II: €60.5bn<sup>(3)</sup>
- Loan to Deposit ratio<sup>(4)</sup> at 93%

(1) Stock of own-account eligible assets (including assets used as collateral and excluding eligible assets received as collateral) and cash & deposits with Central Banks

(2) Eligible assets freely available (excluding assets used as collateral and including eligible assets received as collateral) and cash & deposits with Central Banks

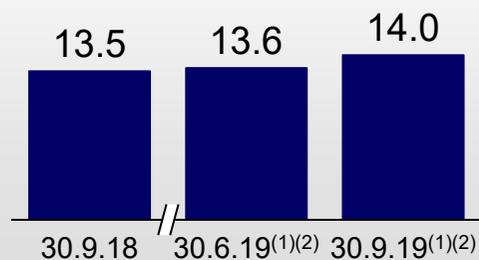
(3) In June 2016: ~€36bn against a repayment of the €27.6bn borrowed under TLTRO I, in September 2016: ~€5bn, in December 2016: ~€3.5bn and in March 2017: €12bn. Including the TLTRO II taken by the two former Venetian banks (~€7.1bn split between ~€6.8bn in June 2016 and €300m in December 2016). In 2Q18: ~€2.5bn mandatory early repayment related to the two former Venetian Banks

(4) Loans to Customers/Direct Deposits from Banking Business

# Solid and Increased Capital Base

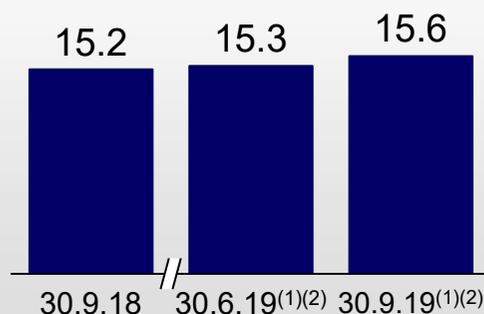
## Phased-in Common Equity Ratio

%



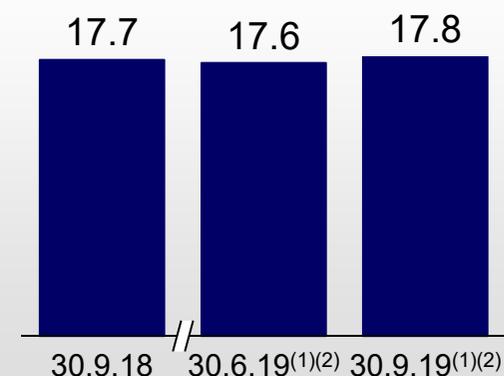
## Phased-in Tier 1 Ratio

%



## Phased-in Total Capital Ratio

%



- **14.2% pro-forma fully loaded Common Equity ratio<sup>(3)</sup>**
- **6.4% leverage ratio**

(1) Considering the impact from TRIM and IFRS16 in 1Q19 (~20bps) and IFRS9 FTA + IAS19 phasing-in (impact of ~20bps in 1Q19)

(2) After the deduction of accrued dividends - equal to 80% of the Net income for the period - and coupons accrued on the Additional Tier 1 issues

(3) Pro-forma fully loaded Basel 3 (30.9.19 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward and the expected distribution of 9M19 Net income of insurance companies exceeding reserves already distributed in the first quarter)

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Detailed Consolidated P&L Results

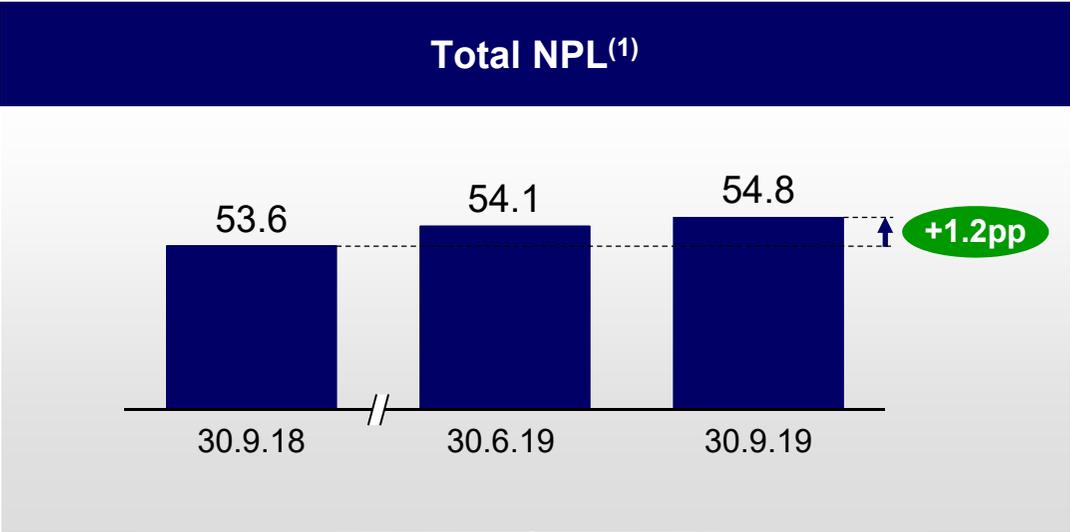
Liquidity, Funding and Capital Base

**Asset Quality**

Divisional Results and Other Information

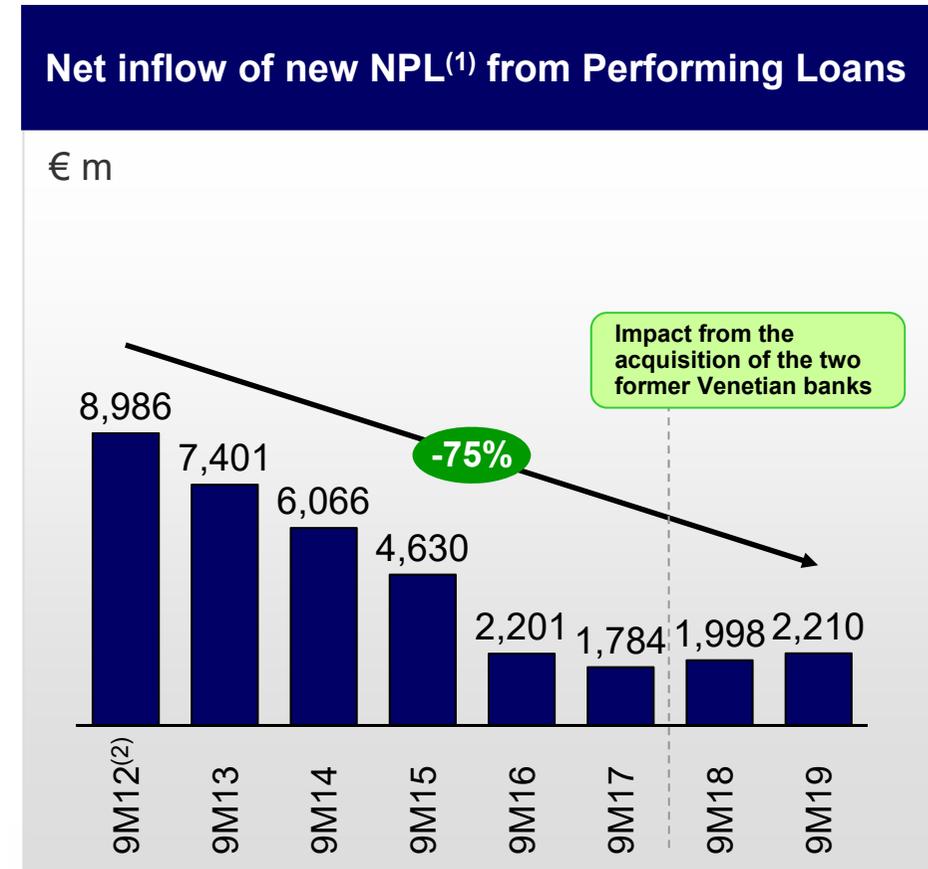
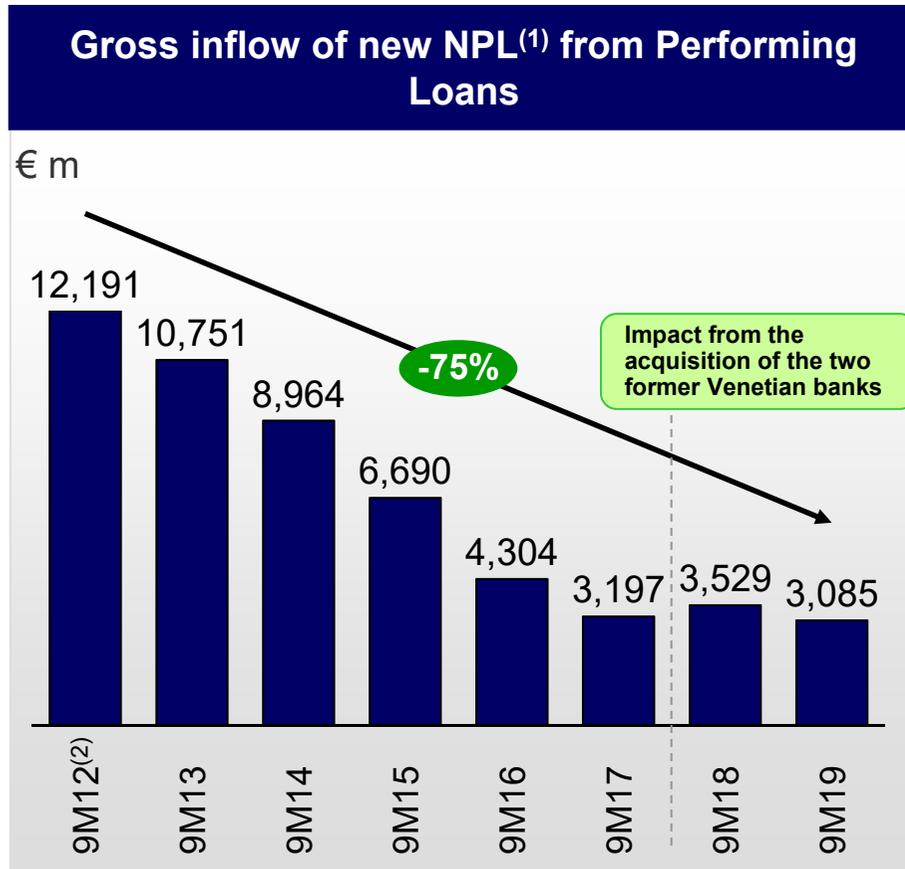
# Non-performing Loans: Sizeable and Increased Coverage

Cash coverage; %



(1) Bad Loans (Sofferenze), Unlikely to pay (Inadempienze probabili) and Past Due (Scaduti e sconfinanti)

# Non-performing Loans: Lowest-ever Gross 9M Inflow



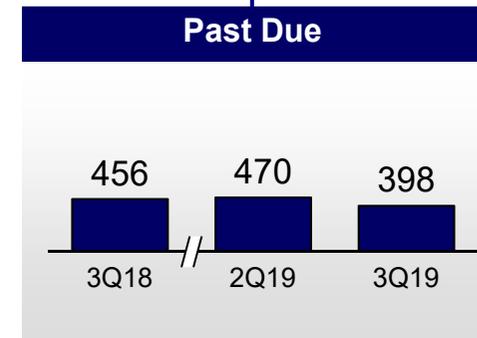
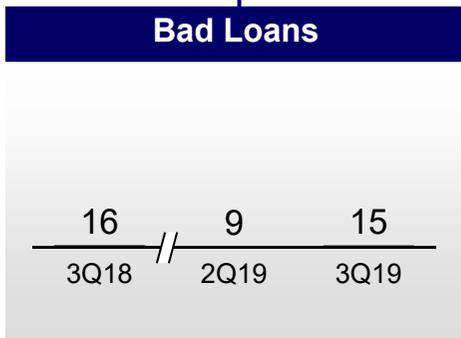
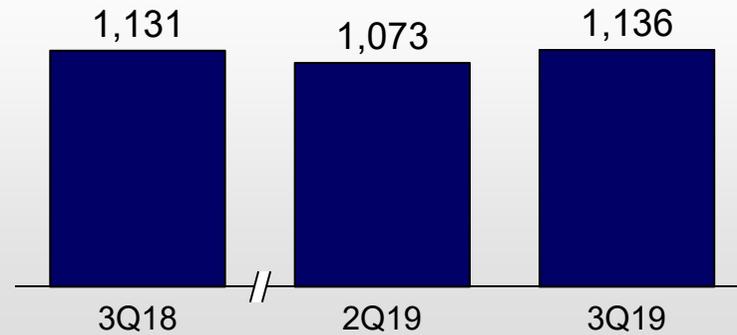
(1) Bad Loans (Sofferenze), Unlikely to pay (Inadempienze probabili) and Past Due (Scaduti e sconfinanti)

(2) 2012 figures recalculated to take into consideration the regulatory changes to Past Due classification criteria introduced by the Bank of Italy (90 days since 2012 vs 180 days up until 31.12.11)

# Non-performing Loans: Quarterly Gross Inflow

€ m

## Gross inflow of new NPL<sup>(1)</sup> from Performing Loans



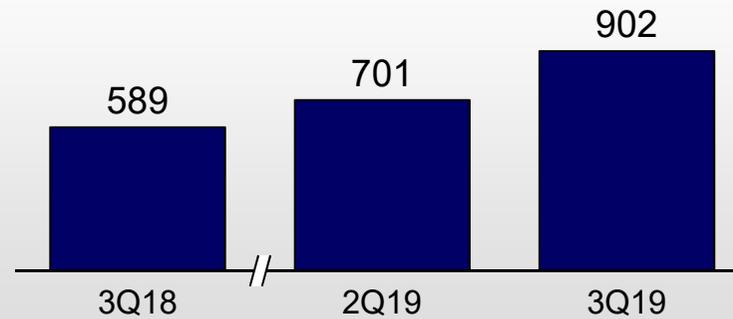
Note: figures may not add up exactly due to rounding

(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

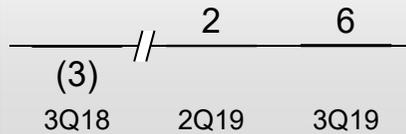
# Non-performing Loans: Quarterly Net Inflow

€ m

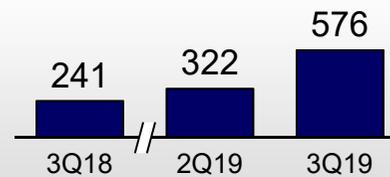
## Net inflow of new NPL<sup>(1)</sup> from Performing Loans



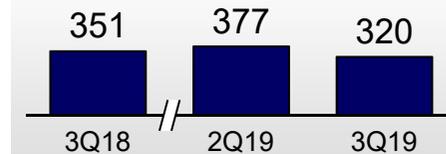
### Bad Loans



### Unlikely to Pay



### Past Due

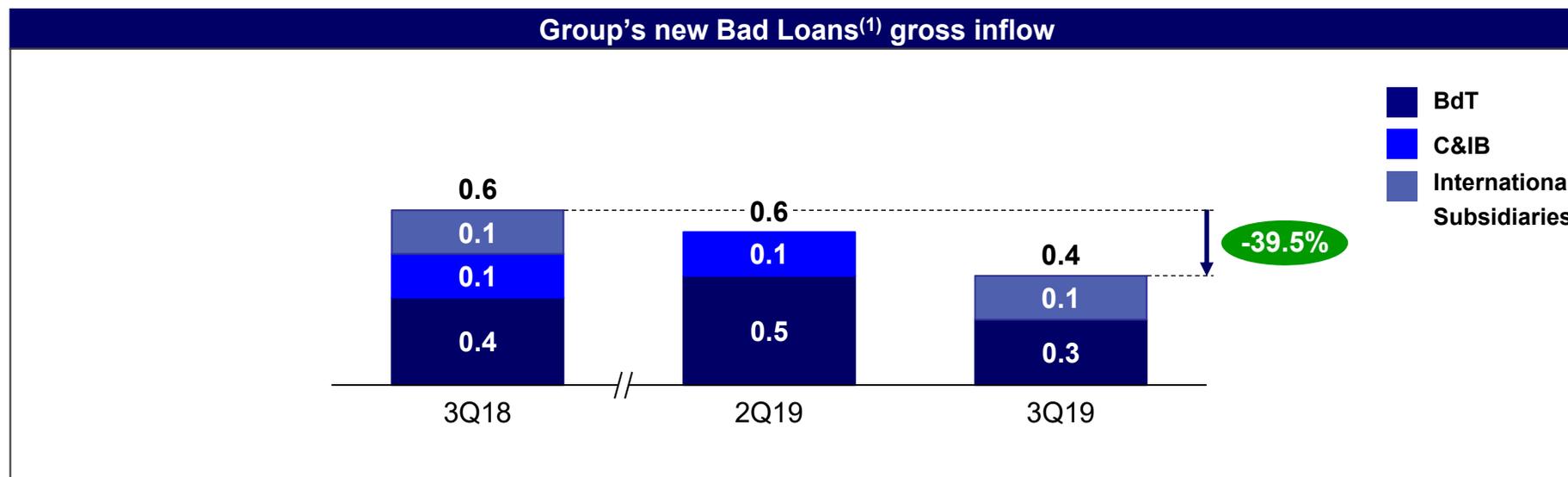


Note: figures may not add up exactly due to rounding

(1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)

# New Bad Loans: Strong Decrease in Gross Inflow

€ bn



## BdT's new Bad Loans<sup>(1)</sup> gross inflow

	3Q18	2Q19	3Q19
<b>Total</b>	<b>0.4</b>	<b>0.5</b>	<b>0.3</b>
Mediocredito Italiano <sup>(2)</sup>	-	0.1	-
Households	0.1	0.1	0.1
SMEs	0.3	0.3	0.2

## C&IB's new Bad Loans<sup>(1)</sup> gross inflow

	3Q18	2Q19	3Q19
<b>Total</b>	<b>0.1</b>	<b>0.1</b>	<b>-</b>
Banca IMI <sup>(3)</sup>	-	-	-
Global Corporate	0.1	0.1	-
International	-	-	-
Financial Institutions	-	-	-

Note: figures may not add up exactly due to rounding

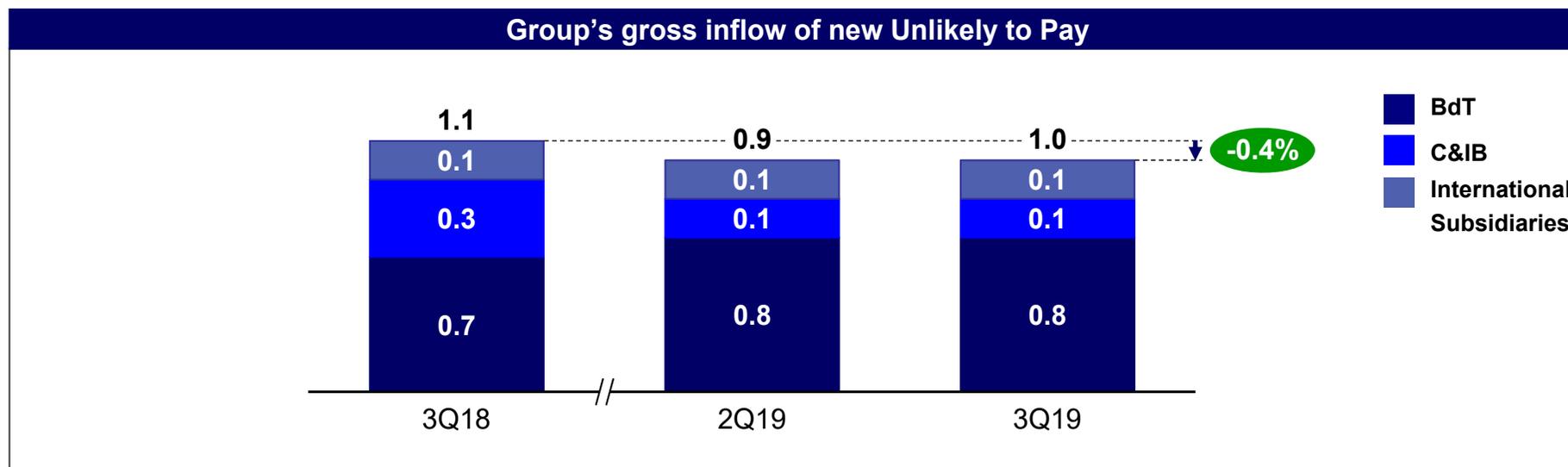
(1) Sofferenze

(2) Industrial Credit, Factoring and Leasing

(3) Capital Markets and Investment Banking

# New Unlikely to Pay: Decrease in Gross Inflow vs 3Q18

€ bn



## BdT's gross inflow of new Unlikely to Pay

	3Q18	2Q19	3Q19
<b>Total</b>	<b>0.7</b>	<b>0.8</b>	<b>0.8</b>
Mediocredito Italiano <sup>(1)</sup>	0.1	0.1	0.2
Households	0.2	0.2	0.2
SMEs	0.4	0.4	0.4

## C&IB's gross inflow of new Unlikely to Pay

	3Q18	2Q19	3Q19
<b>Total</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>
Banca IMI <sup>(2)</sup>	-	-	-
Global Corporate	0.3	0.1	0.1
International	-	-	-
Financial Institutions	-	-	-

Note: figures may not add up exactly due to rounding

(1) Industrial Credit, Factoring and Leasing

(2) Capital Markets and Investment Banking

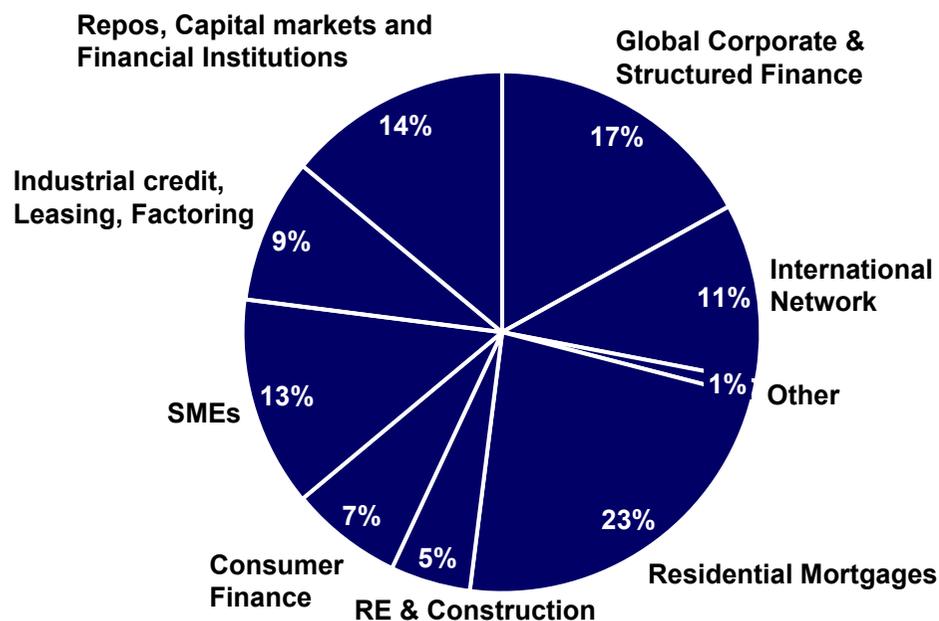
# Non-performing Loans: Sixteenth Consecutive Quarterly Decline in Stock with ~€7bn Annual Gross Reduction

Gross NPL				Net NPL			
€ bn	30.9.18	30.6.19	30.9.19	€ bn	30.9.18	30.6.19	30.9.19
Bad Loans	22.2	20.7	19.9	Bad Loans	7.4	7.1	6.9
- of which forborne	2.6	2.6	2.6	- of which forborne	1.0	1.0	1.0
Unlikely to pay	15.6	13.6	11.2	Unlikely to pay	10.0	8.6	7.0
- of which forborne	7.4	6.0	4.5	- of which forborne	4.9	4.0	3.0
Past Due	0.6	0.5	0.5	Past Due	0.5	0.4	0.4
- of which forborne	-	-	-	- of which forborne	-	-	-
<b>Total</b>	<b>38.4</b>	<b>34.8</b>	<b>31.6</b>	<b>Total</b>	<b>17.8</b>	<b>16.0</b>	<b>14.3</b>

- ~80% of 2018-2021 Business Plan NPL deleveraging target already achieved
- ~€33bn deleveraging since the peak of 30.9.15 (~€7bn since 30.9.18), leading to the lowest NPL stock since 2009

# Loans to Customers: A Well-diversified Portfolio

## Breakdown by business area (data as at 30.9.19)



### ■ Low risk profile of residential mortgage portfolio

- Instalment/available income ratio at 30%
- Average Loan-to-Value equal to 55%
- Original average maturity equal to ~23 years
- Residual average life equal to ~18 years

## Breakdown by economic business sector

	30.9.19
<b>Loans of the Italian banks and companies of the Group</b>	
Households	28.8%
Public Administration	2.0%
Financial companies	11.6%
Non-financial companies	32.0%
<i>of which:</i>	
SERVICES	6.2%
DISTRIBUTION	5.3%
REAL ESTATE	3.4%
UTILITIES	2.5%
CONSTRUCTION	1.9%
METALS AND METAL PRODUCTS	1.7%
AGRICULTURE	1.5%
FOOD AND DRINK	1.3%
TRANSPORT	1.2%
MECHANICAL	1.0%
INTERMEDIATE INDUSTRIAL PRODUCTS	0.9%
FASHION	0.8%
ELECTROTECHNICAL AND ELECTRONIC	0.6%
TRANSPORTATION MEANS	0.5%
HOLDING AND OTHER	0.5%
ENERGY AND EXTRACTION	0.3%
BASE AND INTERMEDIATE CHEMICALS	0.3%
MATERIALS FOR CONSTRUCTION	0.3%
INFRASTRUCTURE	0.3%
PUBLISHING AND PRINTING	0.3%
NON-CLASSIFIED UNITS	0.3%
FURNITURE	0.2%
PHARMACEUTICAL	0.2%
OTHER CONSUMPTION GOODS	0.2%
MASS CONSUMPTION GOODS	0.1%
WHITE GOODS	0.1%
Rest of the world	11.0%
Loans of international banks and companies of the Group	11.1%
Non-performing loans	3.6%
<b>TOTAL</b>	<b>100.0%</b>

Note: figures may not add up exactly due to rounding

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Detailed Consolidated P&L Results

Liquidity, Funding and Capital Base

Asset Quality

**Divisional Results and Other Information**

# Divisional Financial Highlights

Data as at 30.9.19

	Divisions							Total
	Banca dei Territori	Corporate & Investment Banking	International Subsidiary Banks <sup>(1)</sup>	Private Banking <sup>(2)</sup>	Asset Management <sup>(3)</sup>	Insurance <sup>(4)</sup>	Corporate Centre / Others <sup>(5)</sup>	
<b>Operating Income (€ m)</b>	<b>6,664</b>	<b>3,218</b>	<b>1,485</b>	<b>1,444</b>	<b>558</b>	<b>837</b>	<b>(624)</b>	<b>13,582</b>
<b>Operating Margin (€ m)</b>	<b>2,929</b>	<b>2,454</b>	<b>764</b>	<b>996</b>	<b>450</b>	<b>692</b>	<b>(1,461)</b>	<b>6,824</b>
<b>Net Income (€ m)</b>	<b>1,310</b>	<b>1,532</b>	<b>564</b>	<b>673</b>	<b>344</b>	<b>495</b>	<b>(1,608)</b>	<b>3,310</b>
<b>Cost/Income (%)</b>	<b>56.0</b>	<b>23.7</b>	<b>48.6</b>	<b>31.0</b>	<b>19.4</b>	<b>17.3</b>	<b>n.m.</b>	<b>49.8</b>
<b>RWA (€ bn)</b>	<b>87.7</b>	<b>90.9</b>	<b>33.6</b>	<b>8.9</b>	<b>1.2</b>	<b>0.0</b>	<b>76.1</b>	<b>298.4</b>
<b>Direct Deposits from Banking Business (€ bn)</b>	<b>194.9</b>	<b>103.9</b>	<b>42.8</b>	<b>37.7</b>	<b>0.0</b>	<b>0.0</b>	<b>47.4</b>	<b>426.7</b>
<b>Loans to Customers (€ bn)</b>	<b>203.3</b>	<b>117.5</b>	<b>33.6</b>	<b>9.5</b>	<b>0.2</b>	<b>0.0</b>	<b>31.1</b>	<b>395.2</b>

Note: figures may not add up exactly due to rounding

(1) Excluding the Russian subsidiary Banca Intesa included in C&I

(2) Fideuram, Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Bank (Suisse) Morval, and Siref Fiduciaria

(3) Eurizon

(4) Fideuram Vita, Intesa Sanpaolo Assicura, Intesa Sanpaolo Life and Intesa Sanpaolo Vita

(5) Treasury Department, Central Structures and consolidation adjustments

## Banca dei Territori: 9M19 vs 9M18

€ m

	9M18 pro-forma	9M19	Δ%
Net interest income	3,504	3,292	(6.1)
Net fee and commission income	3,404	3,302	(3.0)
Income from insurance business	0	2	n.m.
Profits on financial assets and liabilities at fair value	56	53	(5.4)
Other operating income (expenses)	36	15	(58.3)
<b>Operating income</b>	<b>7,000</b>	<b>6,664</b>	<b>(4.8)</b>
Personnel expenses	(2,491)	(2,363)	(5.1)
Other administrative expenses	(1,491)	(1,362)	(8.7)
Adjustments to property, equipment and intangible assets	(7)	(10)	42.9
<b>Operating costs</b>	<b>(3,989)</b>	<b>(3,735)</b>	<b>(6.4)</b>
<b>Operating margin</b>	<b>3,011</b>	<b>2,929</b>	<b>(2.7)</b>
Net adjustments to loans	(1,114)	(817)	(26.7)
Net provisions and net impairment losses on other assets	(57)	(34)	(40.4)
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>1,840</b>	<b>2,078</b>	<b>12.9</b>
Taxes on income	(675)	(752)	11.4
Charges (net of tax) for integration and exit incentives	(8)	(15)	87.5
Effect of purchase price allocation (net of tax)	(2)	(1)	(50.0)
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>1,155</b>	<b>1,310</b>	<b>13.4</b>

Note: figures may not add up exactly due to rounding

## Banca dei Territori: Q3 vs Q2

€ m

	2Q19	3Q19	Δ%
Net interest income	1,097	1,098	0.1
Net fee and commission income	1,097	1,128	2.9
Income from insurance business	0	1	336.8
Profits on financial assets and liabilities at fair value	16	19	21.8
Other operating income (expenses)	5	6	19.3
<b>Operating income</b>	<b>2,216</b>	<b>2,253</b>	<b>1.7</b>
Personnel expenses	(793)	(788)	(0.7)
Other administrative expenses	(455)	(459)	1.0
Adjustments to property, equipment and intangible assets	(3)	(4)	9.4
<b>Operating costs</b>	<b>(1,251)</b>	<b>(1,250)</b>	<b>(0.1)</b>
<b>Operating margin</b>	<b>965</b>	<b>1,003</b>	<b>4.0</b>
Net adjustments to loans	(347)	(246)	(29.1)
Net provisions and net impairment losses on other assets	(15)	(12)	(24.0)
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>602</b>	<b>746</b>	<b>23.8</b>
Taxes on income	(218)	(270)	23.8
Charges (net of tax) for integration and exit incentives	(4)	(4)	5.4
Effect of purchase price allocation (net of tax)	(1)	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>380</b>	<b>471</b>	<b>24.2</b>

Note: figures may not add up exactly due to rounding

# Corporate and Investment Banking: 9M19 vs 9M18

€ m

	9M18 pro-forma	9M19	Δ%
Net interest income	1,248	1,322	5.9
Net fee and commission income	739	698	(5.5)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	938	1,196	27.5
Other operating income (expenses)	11	2	(81.8)
<b>Operating income</b>	<b>2,936</b>	<b>3,218</b>	<b>9.6</b>
Personnel expenses	(298)	(306)	2.7
Other administrative expenses	(438)	(435)	(0.7)
Adjustments to property, equipment and intangible assets	(23)	(23)	0.0
<b>Operating costs</b>	<b>(759)</b>	<b>(764)</b>	<b>0.7</b>
<b>Operating margin</b>	<b>2,177</b>	<b>2,454</b>	<b>12.7</b>
Net adjustments to loans	(43)	(175)	n.m.
Net provisions and net impairment losses on other assets	(7)	(13)	85.7
Other income (expenses)	2	3	50.0
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>2,129</b>	<b>2,269</b>	<b>6.6</b>
Taxes on income	(612)	(733)	19.8
Charges (net of tax) for integration and exit incentives	(4)	(4)	0.0
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>1,513</b>	<b>1,532</b>	<b>1.3</b>

+20.4% excluding NTV positive impact booked in 1Q18<sup>(1)</sup>

+28.3% excluding NTV positive impact booked in 1Q18<sup>(1)</sup>

+21.7% excluding NTV positive impact booked in 1Q18<sup>(1)</sup>

+20.9% excluding NTV positive impact booked in 1Q18<sup>(1)</sup>

Note: figures may not add up exactly due to rounding

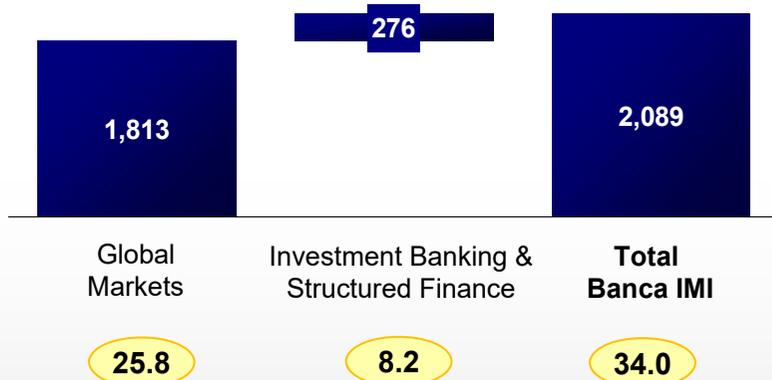
(1) €264m pre-tax positive impact (€246m net of tax) deriving from the sale of the NTV stake

# Banca IMI: A Significant Contribution to Group Results

9M19 Results

## Banca IMI Operating Income<sup>(1)</sup>

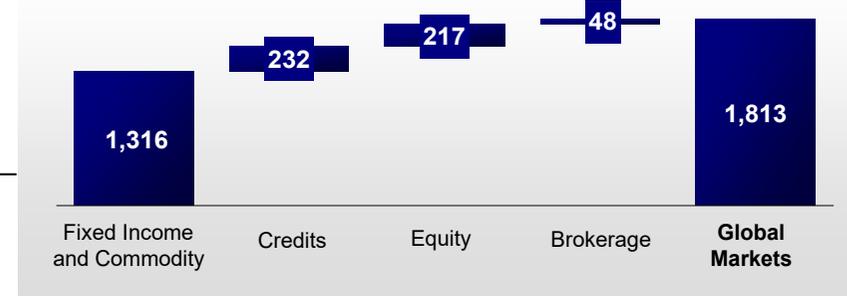
€ m RWA (€ bn)



- 41% of Operating income is customer driven
- 9M average VaR at €146m
- Cost/Income ratio at 16.4%
- 9M Net income at €1,117m

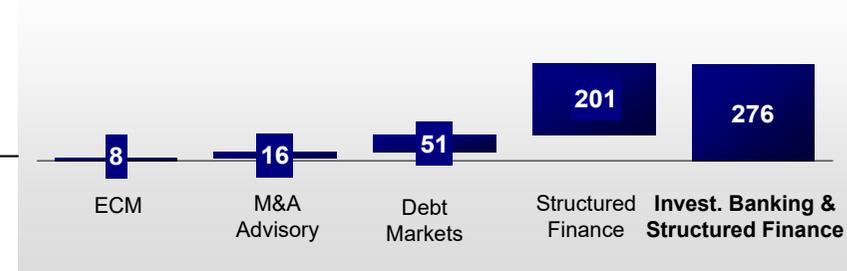
## of which: Global Markets

€ m



## of which: Investment Banking & Structured Finance

€ m



Note: figures may not add up exactly due to rounding  
 (1) Banca IMI S.p.A. and its subsidiaries

## Corporate and Investment Banking: Q3 vs Q2

€ m

	2Q19	3Q19	Δ%
Net interest income	437	448	2.7
Net fee and commission income	243	234	(3.6)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	556	457	(17.9)
Other operating income (expenses)	2	0	(99.8)
<b>Operating income</b>	<b>1,238</b>	<b>1,140</b>	<b>(8.0)</b>
Personnel expenses	(101)	(104)	3.6
Other administrative expenses	(143)	(148)	3.8
Adjustments to property, equipment and intangible assets	(8)	(8)	1.9
<b>Operating costs</b>	<b>(251)</b>	<b>(260)</b>	<b>3.6</b>
<b>Operating margin</b>	<b>987</b>	<b>879</b>	<b>(10.9)</b>
Net adjustments to loans	(69)	(65)	(5.8)
Net provisions and net impairment losses on other assets	(1)	(1)	(38.5)
Other income (expenses)	3	0	(100.0)
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>920</b>	<b>814</b>	<b>(11.6)</b>
Taxes on income	(299)	(262)	(12.4)
Charges (net of tax) for integration and exit incentives	(2)	(1)	(11.9)
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>619</b>	<b>550</b>	<b>(11.2)</b>

Note: figures may not add up exactly due to rounding

## International Subsidiary Banks: 9M19 vs 9M18

€ m

	9M18 pro-forma	9M19	Δ%
Net interest income	977	1,030	5.4
Net fee and commission income	390	397	1.8
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	141	85	(39.7)
Other operating income (expenses)	(23)	(27)	17.4
<b>Operating income</b>	<b>1,485</b>	<b>1,485</b>	<b>0.0</b>
Personnel expenses	(394)	(397)	0.8
Other administrative expenses	(244)	(245)	0.4
Adjustments to property, equipment and intangible assets	(84)	(79)	(6.0)
<b>Operating costs</b>	<b>(722)</b>	<b>(721)</b>	<b>(0.1)</b>
<b>Operating margin</b>	<b>763</b>	<b>764</b>	<b>0.1</b>
Net adjustments to loans	(61)	(36)	(41.0)
Net provisions and net impairment losses on other assets	(12)	0	n.m.
Other income (expenses)	5	5	0.0
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>695</b>	<b>733</b>	<b>5.5</b>
Taxes on income	(142)	(142)	0.0
Charges (net of tax) for integration and exit incentives	(15)	(27)	80.0
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	3	0	(100.0)
<b>Net income</b>	<b>541</b>	<b>564</b>	<b>4.3</b>

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa included in C&IB

## International Subsidiary Banks: Q3 vs Q2

€ m

	2Q19	3Q19	Δ%
Net interest income	342	350	2.4
Net fee and commission income	135	134	(1.0)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	37	26	(29.8)
Other operating income (expenses)	(10)	(11)	(5.1)
<b>Operating income</b>	<b>504</b>	<b>499</b>	<b>(0.9)</b>
Personnel expenses	(132)	(134)	1.5
Other administrative expenses	(82)	(82)	(0.1)
Adjustments to property, equipment and intangible assets	(26)	(27)	2.2
<b>Operating costs</b>	<b>(241)</b>	<b>(243)</b>	<b>1.0</b>
<b>Operating margin</b>	<b>263</b>	<b>256</b>	<b>(2.6)</b>
Net adjustments to loans	(21)	(9)	(55.3)
Net provisions and net impairment losses on other assets	(7)	4	n.m.
Other income (expenses)	3	1	(65.4)
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>238</b>	<b>252</b>	<b>5.6</b>
Taxes on income	(41)	(46)	11.0
Charges (net of tax) for integration and exit incentives	(8)	(12)	62.5
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(0)	(0)	9.2
<b>Net income</b>	<b>189</b>	<b>193</b>	<b>2.1</b>

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa included in C&IB

## Private Banking: 9M19 vs 9M18

€ m

	9M18 pro-forma	9M19	Δ%
Net interest income	116	132	13.8
Net fee and commission income	1,270	1,276	0.5
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	19	33	73.7
Other operating income (expenses)	5	3	(40.0)
<b>Operating income</b>	<b>1,410</b>	<b>1,444</b>	<b>2.4</b>
Personnel expenses	(251)	(264)	5.2
Other administrative expenses	(141)	(142)	0.7
Adjustments to property, equipment and intangible assets	(34)	(42)	23.5
<b>Operating costs</b>	<b>(426)</b>	<b>(448)</b>	<b>5.2</b>
<b>Operating margin</b>	<b>984</b>	<b>996</b>	<b>1.2</b>
Net adjustments to loans	(2)	(1)	(50.0)
Net provisions and net impairment losses on other assets	(12)	(38)	n.m.
Other income (expenses)	11	9	(18.2)
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>981</b>	<b>966</b>	<b>(1.5)</b>
Taxes on income	(294)	(278)	(5.4)
Charges (net of tax) for integration and exit incentives	(17)	(14)	(17.6)
Effect of purchase price allocation (net of tax)	0	(1)	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>670</b>	<b>673</b>	<b>0.4</b>

Note: figures may not add up exactly due to rounding

## Private Banking: Q3 vs Q2

€ m

	2Q19	3Q19	Δ%
Net interest income	45	43	(4.4)
Net fee and commission income	422	433	2.6
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	5	5	(9.4)
Other operating income (expenses)	2	1	(57.1)
<b>Operating income</b>	<b>474</b>	<b>482</b>	<b>1.6</b>
Personnel expenses	(83)	(92)	10.9
Other administrative expenses	(44)	(53)	21.7
Adjustments to property, equipment and intangible assets	(14)	(15)	5.0
<b>Operating costs</b>	<b>(141)</b>	<b>(160)</b>	<b>13.7</b>
<b>Operating margin</b>	<b>334</b>	<b>322</b>	<b>(3.5)</b>
Net adjustments to loans	0	2	n.m.
Net provisions and net impairment losses on other assets	(6)	(15)	140.6
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>328</b>	<b>308</b>	<b>(5.9)</b>
Taxes on income	(90)	(95)	6.3
Charges (net of tax) for integration and exit incentives	(5)	(4)	(14.8)
Effect of purchase price allocation (net of tax)	(0)	(0)	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>232</b>	<b>208</b>	<b>(10.4)</b>

Note: figures may not add up exactly due to rounding

## Asset Management: 9M19 vs 9M18

€ m

	9M18 pro-forma	9M19	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	532	527	(0.9)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	(8)	5	n.m.
Other operating income (expenses)	21	26	23.8
<b>Operating income</b>	<b>545</b>	<b>558</b>	<b>2.4</b>
Personnel expenses	(54)	(55)	1.9
Other administrative expenses	(55)	(49)	(10.9)
Adjustments to property, equipment and intangible assets	(4)	(4)	0.0
<b>Operating costs</b>	<b>(113)</b>	<b>(108)</b>	<b>(4.4)</b>
<b>Operating margin</b>	<b>432</b>	<b>450</b>	<b>4.2</b>
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	0	0	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>432</b>	<b>450</b>	<b>4.2</b>
Taxes on income	(83)	(106)	27.7
Charges (net of tax) for integration and exit incentives	0	0	n.m.
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(7)	0	n.m.
<b>Net income</b>	<b>342</b>	<b>344</b>	<b>0.6</b>

Note: figures may not add up exactly due to rounding

## Asset Management: Q3 vs Q2

€ m

	2Q19	3Q19	Δ%
Net interest income	0	0	14.1
Net fee and commission income	175	185	5.5
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	1	1	96.5
Other operating income (expenses)	7	9	14.9
<b>Operating income</b>	<b>183</b>	<b>195</b>	<b>6.2</b>
Personnel expenses	(17)	(19)	10.8
Other administrative expenses	(17)	(16)	(3.1)
Adjustments to property, equipment and intangible assets	(1)	(1)	2.0
<b>Operating costs</b>	<b>(35)</b>	<b>(37)</b>	<b>3.9</b>
<b>Operating margin</b>	<b>148</b>	<b>158</b>	<b>6.7</b>
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	0	(0)	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>148</b>	<b>158</b>	<b>6.7</b>
Taxes on income	(39)	(39)	0.8
Charges (net of tax) for integration and exit incentives	0	(0)	n.m.
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(0)	(0)	n.m.
<b>Net income</b>	<b>109</b>	<b>118</b>	<b>8.7</b>

Note: figures may not add up exactly due to rounding

## Insurance: 9M19 vs 9M18

€ m

	9M18 pro-forma	9M19	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	0	0	n.m.
Income from insurance business	893	845	(5.4)
Profits on financial assets and liabilities at fair value	0	0	n.m.
Other operating income (expenses)	(8)	(8)	0.0
<b>Operating income</b>	<b>885</b>	<b>837</b>	<b>(5.4)</b>
Personnel expenses	(58)	(64)	10.3
Other administrative expenses	(67)	(73)	9.0
Adjustments to property, equipment and intangible assets	(6)	(8)	33.3
<b>Operating costs</b>	<b>(131)</b>	<b>(145)</b>	<b>10.7</b>
<b>Operating margin</b>	<b>754</b>	<b>692</b>	<b>(8.2)</b>
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(3)	(2)	(33.3)
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>751</b>	<b>690</b>	<b>(8.1)</b>
Taxes on income	(197)	(182)	(7.6)
Charges (net of tax) for integration and exit incentives	(2)	(1)	(50.0)
Effect of purchase price allocation (net of tax)	(12)	(12)	0.0
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>540</b>	<b>495</b>	<b>(8.3)</b>

Note: figures may not add up exactly due to rounding

## Insurance: Q3 vs Q2

€ m

	2Q19	3Q19	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	0	0	n.m.
Income from insurance business	281	299	6.2
Profits on financial assets and liabilities at fair value	0	0	n.m.
Other operating income (expenses)	(3)	(3)	19.5
<b>Operating income</b>	<b>278</b>	<b>296</b>	<b>6.5</b>
Personnel expenses	(21)	(22)	5.7
Other administrative expenses	(25)	(27)	7.7
Adjustments to property, equipment and intangible assets	(3)	(3)	(1.6)
<b>Operating costs</b>	<b>(49)</b>	<b>(52)</b>	<b>6.3</b>
<b>Operating margin</b>	<b>229</b>	<b>244</b>	<b>6.5</b>
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(1)	(1)	56.6
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
<b>Gross income (loss)</b>	<b>228</b>	<b>243</b>	<b>6.4</b>
Taxes on income	(57)	(68)	18.7
Charges (net of tax) for integration and exit incentives	(0)	(0)	2.3
Effect of purchase price allocation (net of tax)	(4)	(4)	2.9
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
<b>Net income</b>	<b>167</b>	<b>170</b>	<b>2.2</b>

Note: figures may not add up exactly due to rounding

# Quarterly P&L

€ m

	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19
	<b>pro-forma<sup>(1)</sup></b>						
<b>Net interest income</b>	1,853	1,838	1,844	1,736	1,756	1,761	1,741
<b>Net fee and commission income</b>	2,027	2,015	1,959	2,029	1,886	1,989	1,990
<b>Income from insurance business</b>	294	281	271	238	291	284	301
<b>Profits on financial assets and liabilities at fair value</b>	609	448	208	204	457	633	479
<b>Other operating income (expenses)</b>	30	25	(11)	(11)	(1)	10	5
<b>Operating income</b>	<b>4,813</b>	<b>4,607</b>	<b>4,271</b>	<b>4,196</b>	<b>4,389</b>	<b>4,677</b>	<b>4,516</b>
<b>Personnel expenses</b>	(1,432)	(1,447)	(1,415)	(1,519)	(1,387)	(1,418)	(1,421)
<b>Other administrative expenses</b>	(620)	(609)	(637)	(753)	(557)	(596)	(606)
<b>Adjustments to property, equipment and intangible assets</b>	(257)	(254)	(259)	(287)	(260)	(252)	(261)
<b>Operating costs</b>	<b>(2,309)</b>	<b>(2,310)</b>	<b>(2,311)</b>	<b>(2,559)</b>	<b>(2,204)</b>	<b>(2,266)</b>	<b>(2,288)</b>
<b>Operating margin</b>	<b>2,504</b>	<b>2,297</b>	<b>1,960</b>	<b>1,637</b>	<b>2,185</b>	<b>2,411</b>	<b>2,228</b>
<b>Net adjustments to loans</b>	(483)	(694)	(519)	(698)	(369)	(554)	(473)
<b>Net provisions and net impairment losses on other assets</b>	(51)	(35)	(25)	(76)	(30)	(37)	(19)
<b>Other income (expenses)</b>	(2)	3	(2)	507	6	1	(2)
<b>Income (Loss) from discontinued operations</b>	1	(1)	0	0	0	0	0
<b>Gross income (loss)</b>	<b>1,969</b>	<b>1,570</b>	<b>1,414</b>	<b>1,370</b>	<b>1,792</b>	<b>1,821</b>	<b>1,734</b>
<b>Taxes on income</b>	(541)	(504)	(432)	(173)	(536)	(449)	(536)
<b>Charges (net of tax) for integration and exit incentives</b>	(19)	(16)	(31)	(54)	(22)	(30)	(27)
<b>Effect of purchase price allocation (net of tax)</b>	(44)	(26)	(38)	(49)	(40)	(29)	(37)
<b>Levies and other charges concerning the banking industry (net of tax)</b>	(126)	(93)	(90)	(69)	(146)	(96)	(96)
<b>Impairment (net of tax) of goodwill and other intangible assets</b>	0	0	0	0	0	0	0
<b>Minority interests</b>	13	(4)	10	13	2	(1)	6
<b>Net income</b>	<b>1,252</b>	<b>927</b>	<b>833</b>	<b>1,038</b>	<b>1,050</b>	<b>1,216</b>	<b>1,044</b>

Note: figures may not add up exactly due to rounding

(1) Data restated for IFRS16, the full line-by-line consolidation of Autostrade Lombarde, and the reclassification of Risanamento operating income entirely to "Other operating income (expenses)", placement fees for certificates from "Profits on financial assets and liabilities at fair value" to "Net fee and commission income", expenses for employees transferred to Tersia (Intrum deal) to "Other administrative expenses", and international subsidiaries charges concerning the banking industry from "Other operating income (expenses)" to "Levies and other charges concerning the banking industry (net of tax)" and to "Taxes on income"

# Net Fee and Commission Income: Quarterly Development Breakdown

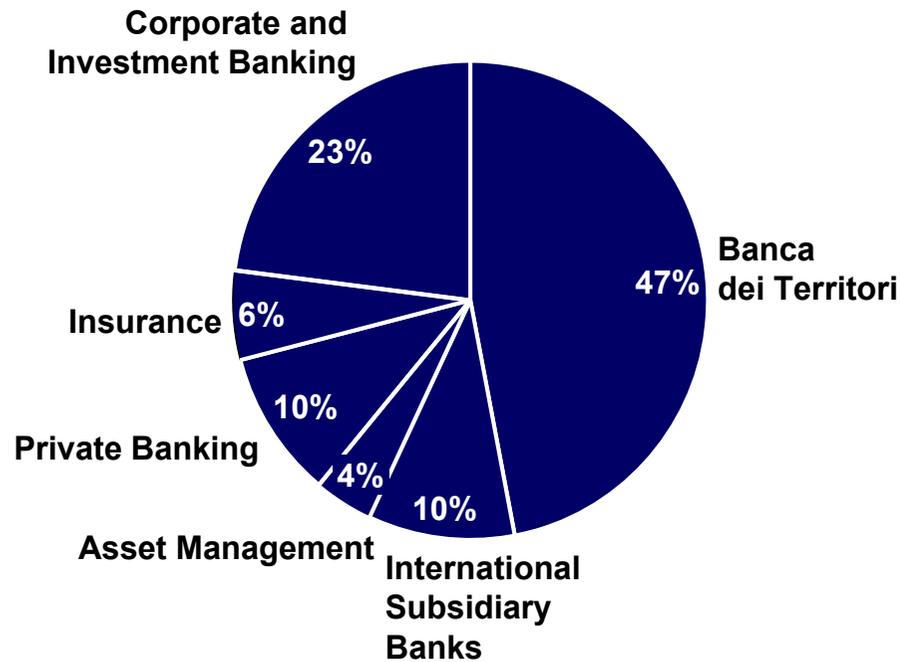
€ m

Net Fee and Commission Income							
	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19
	pro-forma						
Guarantees given / received	60	72	76	63	55	56	58
Collection and payment services	92	117	108	127	110	119	114
Current accounts	319	313	308	320	308	306	304
Credit and debit cards	92	109	118	125	107	118	125
<b>Commercial banking activities</b>	<b>563</b>	<b>611</b>	<b>610</b>	<b>635</b>	<b>580</b>	<b>599</b>	<b>601</b>
Dealing and placement of securities	221	215	147	163	180	195	190
Currency dealing	12	13	12	13	12	12	13
Portfolio management	596	569	570	569	542	561	571
Distribution of insurance products	378	378	364	342	326	361	363
Other	51	44	54	53	50	51	56
<b>Management, dealing and consultancy activities</b>	<b>1,258</b>	<b>1,219</b>	<b>1,147</b>	<b>1,140</b>	<b>1,110</b>	<b>1,180</b>	<b>1,193</b>
Other net fee and commission income	206	185	202	254	196	210	196
<b>Net fee and commission income</b>	<b>2,027</b>	<b>2,015</b>	<b>1,959</b>	<b>2,029</b>	<b>1,886</b>	<b>1,989</b>	<b>1,990</b>

Note: figures may not add up exactly due to rounding

# Market Leadership in Italy

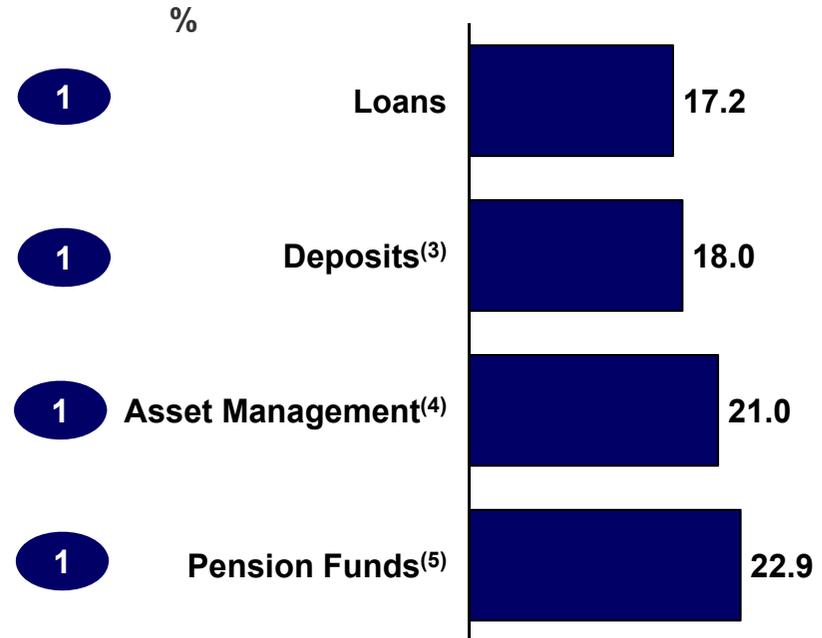
## 9M19 Operating Income Breakdown by business area<sup>(1)</sup>



## Leader in Italy

### Ranking

### Market share<sup>(2)</sup>



Note: figures may not add up exactly due to rounding

(1) Excluding Corporate Centre

(2) Data as at 30.9.19

(3) Including bonds

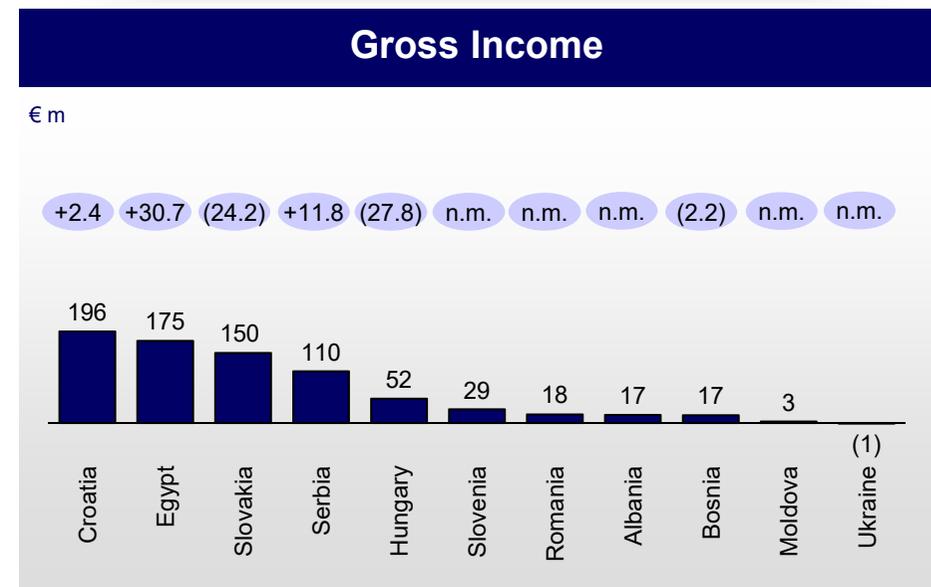
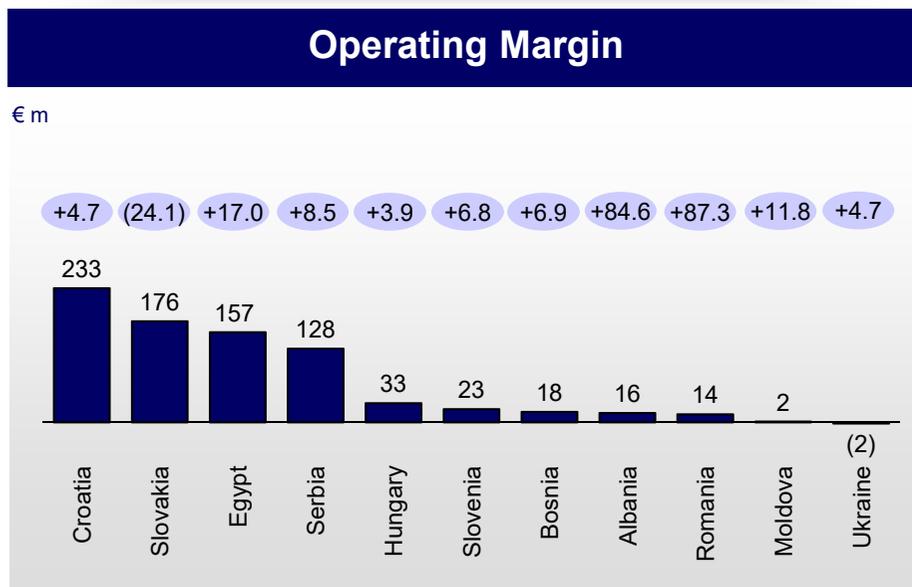
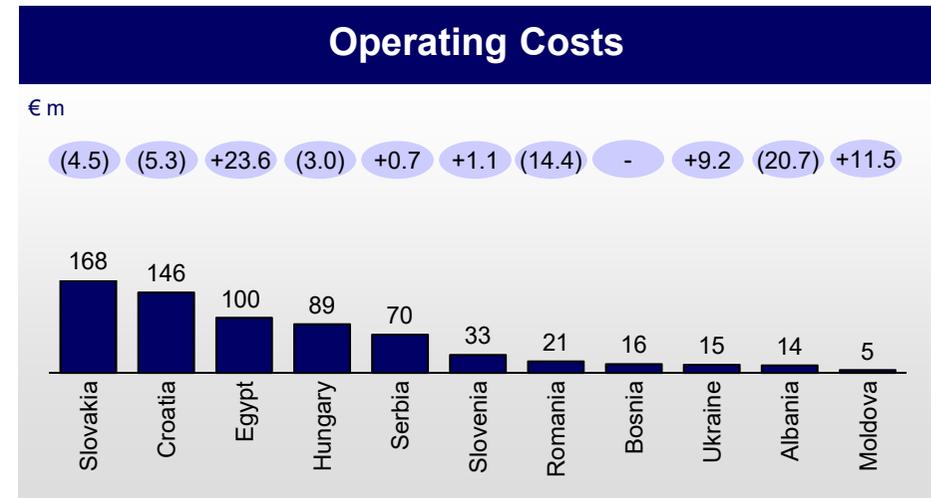
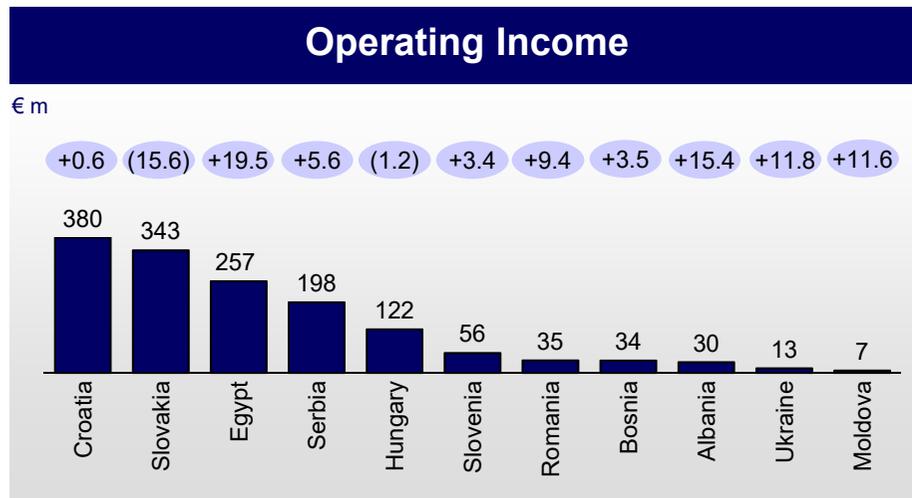
(4) Mutual funds; data as at 30.6.19

(5) Data as at 30.6.19

# International Subsidiary Banks: Key P&L Data by Country

Data as at 30.9.19

(Δ% vs 9M18 pro-forma)



Note: excluding the Russian subsidiary Banca Intesa included in C&IB

# International Subsidiary Banks by Country: 8.5% of the Group's Total Loans

Data as at 30.9.19

												
Hungary	Slovakia	Slovenia	Croatia	Bosnia	Serbia	Albania	Romania	Moldova	Ukraine	Total CEE	Egypt	Total

Oper. Income (€ m)	122	343	56	380	34	198	30	35	7	13	1,218	257	1,475
<i>% of Group total</i>	<i>0.9%</i>	<i>2.5%</i>	<i>0.4%</i>	<i>2.8%</i>	<i>0.3%</i>	<i>1.5%</i>	<i>0.2%</i>	<i>0.3%</i>	<i>0.0%</i>	<i>0.1%</i>	<i>9.0%</i>	<i>1.9%</i>	<i>10.9%</i>
Net income (€ m)	28	91	21	146	14	82	13	17	3	(1)	415	121	536
<i>% of Group total</i>	<i>0.9%</i>	<i>2.8%</i>	<i>0.6%</i>	<i>4.4%</i>	<i>0.4%</i>	<i>2.5%</i>	<i>0.4%</i>	<i>0.5%</i>	<i>0.1%</i>	<i>n.m.</i>	<i>12.5%</i>	<i>3.7%</i>	<i>16.2%</i>
Customer Deposits (€ bn)	4.1	15.2	2.2	9.0	0.8	3.9	1.2	0.9	0.1	0.1	37.7	4.9	42.5
<i>% of Group total</i>	<i>1.0%</i>	<i>3.6%</i>	<i>0.5%</i>	<i>2.1%</i>	<i>0.2%</i>	<i>0.9%</i>	<i>0.3%</i>	<i>0.2%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>8.8%</i>	<i>1.1%</i>	<i>10.0%</i>
Customer Loans (€ bn)	3.1	14.5	1.8	6.7	0.8	3.3	0.4	0.9	0.0	0.0	31.4	2.2	33.6
<i>% of Group total</i>	<i>0.8%</i>	<i>3.7%</i>	<i>0.5%</i>	<i>1.7%</i>	<i>0.2%</i>	<i>0.8%</i>	<i>0.1%</i>	<i>0.2%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>7.9%</i>	<i>0.6%</i>	<i>8.5%</i>
Total Assets (€ bn)	5.9	17.6	2.6	11.8	1.2	5.5	1.5	1.3	0.2	0.2	47.9	5.8	53.7
<i>% of Group total</i>	<i>0.7%</i>	<i>2.1%</i>	<i>0.3%</i>	<i>1.4%</i>	<i>0.1%</i>	<i>0.7%</i>	<i>0.2%</i>	<i>0.2%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>5.6%</i>	<i>0.7%</i>	<i>6.3%</i>
Book value (€ m)	696	1,503	294	1,651	153	904	177	191	38	74	5,681	520	6,201
- goodwill/intangibles	31	96	4	24	3	38	4	3	2	2	207	8	215

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa included in C&IB

# International Subsidiary Banks by Country: Loan Breakdown and Coverage

Data as at 30.9.19

											Total CEE		Total
	Hungary	Slovakia	Slovenia	Croatia	Bosnia	Serbia	Albania	Romania	Moldova	Ukraine		Egypt	
<b>Performing loans (€ bn)</b>	3.0	14.3	1.8	6.5	0.8	3.2	0.4	0.8	0.0	0.0	<b>30.9</b>	2.2	<b>33.0</b>
<b>of which:</b>													
<b>Retail local currency</b>	37%	58%	42%	35%	32%	23%	21%	12%	59%	19%	<b>44%</b>	57%	<b>45%</b>
<b>Retail foreign currency</b>	0%	0%	0%	19%	16%	28%	14%	20%	0%	3%	<b>8%</b>	0%	<b>8%</b>
<b>Corporate local currency</b>	24%	37%	57%	20%	10%	5%	13%	34%	20%	48%	<b>29%</b>	26%	<b>29%</b>
<b>Corporate foreign currency</b>	39%	5%	0%	25%	42%	45%	53%	34%	22%	31%	<b>19%</b>	17%	<b>18%</b>
<b>Bad loans<sup>(1)</sup> (€ m)</b>	14	107	5	49	4	32	6	11	1	0	<b>229</b>	0	<b>229</b>
<b>Unlikely to pay<sup>(2)</sup> (€ m)</b>	47	60	24	141	6	25	9	6	2	0	<b>320</b>	44	<b>364</b>
<b>Performing loans coverage</b>	1.1%	0.8%	0.8%	1.8%	1.8%	1.3%	2.2%	1.7%	8.3%	2.0%	<b>1.1%</b>	1.5%	<b>1.2%</b>
<b>Bad loans<sup>(1)</sup> coverage</b>	75%	67%	83%	79%	83%	67%	57%	67%	50%	n.m.	<b>72%</b>	100%	<b>74%</b>
<b>Unlikely to pay<sup>(2)</sup> coverage</b>	46%	47%	37%	40%	45%	57%	31%	57%	33%	n.m.	<b>44%</b>	47%	<b>44%</b>
<b>Annualised cost of credit<sup>(3)</sup> (bps)</b>	n.m.	28	n.m.	51	29	73	n.m.	n.m.	n.m.	n.m.	<b>21</b>	n.m.	<b>14</b>

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa included in C&IB

(1) *Sofferenze*

(2) Including Past due

(3) Net adjustments to loans/Net customer loans

# Common Equity Ratio as at 30.9.19: from Phased-in to Pro-forma Fully Loaded

	~€ bn	~bps
<b>Direct-deduction relevant items</b>		
DTA on losses carried forward <sup>(1)</sup>	1.5	50
IFRS9 transitional adjustment	(2.5)	(83)
<b>Total</b>	<b>(1.1)</b>	<b>(33)</b>
<b>Cap relevant items<sup>(*)</sup>(2)</b>		
<b>Total</b>	<b>0.0</b>	<b>14</b>
(*) as a memo, constituents of deductions subject to cap:		
- Other DTA <sup>(3)</sup>	1.3	
- Investments in banking and financial companies	0.8	
<b>RWA from 100% weighted DTA<sup>(4)</sup></b>	<b>(8.1)</b>	<b>39</b>
<b>Total estimated impact</b>		<b>20</b>
<b>Pro-forma fully loaded Common Equity ratio</b>		<b>14.2%</b>

Note: figures may not add up exactly due to rounding

(1) Considering the expected absorption of DTA on losses carried forward (€1.5bn as at 30.9.19)

(2) Following the application of the Danish Compromise, insurance investments are risk weighted instead of being deducted from capital. In the amount of insurance investments, the expected distribution of 9M19 Net income of insurance companies exceeding reserves already distributed in the first quarter is considered, which for the sake of simplicity is left included in the benefit allocated to this caption

(3) Other DTA: mostly related to provisions for risks and charges, considering the total absorption of DTA related to IFSR9 FTA (€1.1bn as at 30.9.19) and DTA related to the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of operations of the two former Venetian banks (€0.4bn as at 30.9.19). DTA related to goodwill realignment and adjustments to loans are excluded due to their treatment as credits to tax authorities

(4) Considering the total absorption of DTA convertible into tax credit related to goodwill realignment (€5.0bn as at 30.9.19) and adjustments to loans (€3.2bn as at 30.9.19)

# Total Exposure<sup>(1)</sup> by Main Countries

€ m

	DEBT SECURITIES					Total	LOANS
	Banking Business				Insurance Business <sup>(2)</sup>		
	AC	FVTOCI	FVTPL	Total			
<b>EU Countries</b>	<b>19,666</b>	<b>56,824</b>	<b>7,310</b>	<b>83,800</b>	<b>65,302</b>	<b>149,102</b>	<b>391,167</b>
Austria	45	79	40	164	4	168	545
Belgium	1,496	667	165	2,328	187	2,515	910
Bulgaria					82	82	25
Croatia	77	1,292	140	1,509	109	1,618	6,759
Cyprus							310
Czech Republic	88			88		88	651
Denmark		27	14	41	20	61	116
Estonia							4
Finland		110	42	152	37	189	145
France	1,061	5,413	299	6,773	3,061	9,834	9,967
Germany	879	2,202	-465	2,616	1,166	3,782	7,074
Greece	12		12	24		24	747
Hungary	170	1,352	80	1,602	11	1,613	2,781
Ireland	890	1,068	388	2,346	120	2,466	368
Italy	12,327	26,806	4,955	44,088	55,530	99,618	310,829
Latvia		8		8		8	38
Lithuania		5		5		5	9
Luxembourg	192	277	200	669	2	671	4,614
Malta							234
The Netherlands	414	741	371	1,526	782	2,308	2,194
Poland	41	76	-12	105	30	135	987
Portugal	408	368	45	821	8	829	178
Romania		296	4	300	212	512	1,053
Slovakia		527	29	556		556	12,528
Slovenia	1	236		237		237	1,768
Spain	1,231	14,635	795	16,661	2,577	19,238	2,119
Sweden		178	147	325	2	327	205
United Kingdom	334	461	61	856	1,362	2,218	24,009
<b>Albania</b>	<b>479</b>	<b>7</b>	<b>1</b>	<b>487</b>		<b>487</b>	<b>408</b>
<b>Egypt</b>		<b>1,282</b>		<b>1,282</b>	<b>45</b>	<b>1,327</b>	<b>2,532</b>
<b>Japan</b>		<b>1,647</b>	<b>938</b>	<b>2,585</b>	<b>85</b>	<b>2,670</b>	<b>1,190</b>
<b>Russia</b>		<b>167</b>	<b>2</b>	<b>169</b>	<b>95</b>	<b>264</b>	<b>6,178</b>
<b>Serbia</b>		<b>774</b>	<b>4</b>	<b>778</b>		<b>778</b>	<b>3,601</b>
<b>U.S.A.</b>	<b>457</b>	<b>6,304</b>	<b>91</b>	<b>6,852</b>	<b>2,654</b>	<b>9,506</b>	<b>5,318</b>
<b>Other Countries</b>	<b>1,002</b>	<b>3,586</b>	<b>1,342</b>	<b>5,930</b>	<b>3,282</b>	<b>9,212</b>	<b>20,899</b>
<b>Total</b>	<b>21,604</b>	<b>70,591</b>	<b>9,688</b>	<b>101,883</b>	<b>71,463</b>	<b>173,346</b>	<b>431,293</b>

Note: management accounts. Figures may not add up exactly due to rounding

(1) Exposure to sovereign risks (central and local governments), banks and other customers. Book Value of Debt Securities and Net Loans as at 30.9.19

(2) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

# Exposure to Sovereign Risks<sup>(1)</sup> by Main Countries

€ m

	DEBT SECURITIES							LOANS
	Banking Business				Insurance Business <sup>(3)</sup>	Total	FVTOCI/AFS Reserve <sup>(4)</sup>	
	AC	FVTOCI	FVTPL <sup>(2)</sup>	Total				
<b>EU Countries</b>	<b>12,478</b>	<b>49,294</b>	<b>3,845</b>	<b>65,617</b>	<b>57,155</b>	<b>122,772</b>	<b>748</b>	<b>13,139</b>
Austria		5	40	45	2	47		
Belgium	547	592	96	1,235	4	1,239	-3	
Bulgaria					63	63	1	
Croatia		1,292	140	1,432	98	1,530	11	1,022
Cyprus								
Czech Republic								
Denmark		9	11	20		20		
Estonia								
Finland		30	42	72	3	75		
France	781	4,122	-33	4,870	1,580	6,450	7	5
Germany	259	1,431	-638	1,052	461	1,513	-2	
Greece			12	12		12		
Hungary		1,332	80	1,412	11	1,423	8	112
Ireland	540	472	8	1,020	111	1,131		
Italy	8,642	24,118	3,067	35,827	52,727	88,554	695	11,556
Latvia		8		8		8		38
Lithuania		5		5		5		
Luxembourg								
Malta								
The Netherlands	263	306	140	709	123	832		
Poland	41	34	-12	63	18	81	-1	
Portugal	376	358	-5	729		729	2	
Romania		296	4	300	212	512		8
Slovakia		406	29	435		435		133
Slovenia		228		228		228	2	206
Spain	1,029	14,241	693	15,963	1,640	17,603	31	59
Sweden			139	139		139		
United Kingdom		9	32	41	102	143	-3	
<b>Albania</b>	<b>479</b>	<b>7</b>	<b>1</b>	<b>487</b>		<b>487</b>		<b>1</b>
<b>Egypt</b>		<b>1,271</b>		<b>1,271</b>	<b>45</b>	<b>1,316</b>	<b>11</b>	
<b>Japan</b>		<b>1,618</b>	<b>902</b>	<b>2,520</b>		<b>2,520</b>	<b>3</b>	
<b>Russia</b>		<b>146</b>	<b>2</b>	<b>148</b>		<b>148</b>	<b>-4</b>	
<b>Serbia</b>		<b>774</b>	<b>4</b>	<b>778</b>		<b>778</b>	<b>15</b>	<b>99</b>
<b>U.S.A.</b>	<b>16</b>	<b>5,429</b>	<b>-348</b>	<b>5,097</b>	<b>9</b>	<b>5,106</b>	<b>-46</b>	
<b>Other Countries</b>	<b>861</b>	<b>2,263</b>	<b>1,149</b>	<b>4,273</b>	<b>1,355</b>	<b>5,628</b>	<b>-5</b>	<b>3,366</b>
<b>Total</b>	<b>13,834</b>	<b>60,802</b>	<b>5,555</b>	<b>80,191</b>	<b>58,564</b>	<b>138,755</b>	<b>722</b>	<b>16,605</b>

**Banking Business Government bond  
duration: 5.4 years  
Adjusted duration due to hedging: 0.7 years**

Note: management accounts. Figures may not add up exactly due to rounding

(1) Exposure to central and local governments. Book Value of Debt Securities and Net Loans as at 30.9.19

(2) Taking into account cash short positions

(3) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

(4) Net of tax and allocation to insurance products under separate management

# Exposure to Banks by Main Countries<sup>(1)</sup>

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business <sup>(2)</sup>	Total	
	AC	FVTOCI	FVTPL	Total			
<b>EU Countries</b>	<b>1,701</b>	<b>4,303</b>	<b>1,247</b>	<b>7,251</b>	<b>3,366</b>	<b>10,617</b>	<b>32,909</b>
Austria	35	41		76		76	291
Belgium		47	68	115	51	166	582
Bulgaria							62
Croatia							
Cyprus							
Czech Republic							1
Denmark		8	-1	7		7	64
Estonia							
Finland		27		27		27	93
France	176	765	232	1,173	750	1,923	8,263
Germany	18	495	125	638	113	751	3,621
Greece							727
Hungary	145	20		165		165	30
Ireland		75	6	81		81	20
Italy	966	1,547	556	3,069	1,428	4,497	7,052
Latvia							
Lithuania							
Luxembourg	60	175	181	416		416	1,626
Malta							203
The Netherlands	73	204	18	295	230	525	298
Poland		42		42		42	49
Portugal		10		10		10	2
Romania							64
Slovakia		121		121		121	
Slovenia		8		8		8	1
Spain	132	343	46	521	286	807	413
Sweden		126	7	133		133	9
United Kingdom	96	249	9	354	508	862	9,438
<b>Albania</b>							<b>25</b>
<b>Egypt</b>							<b>191</b>
<b>Japan</b>		<b>10</b>		<b>10</b>	<b>54</b>	<b>64</b>	<b>46</b>
<b>Russia</b>		<b>21</b>		<b>21</b>		<b>21</b>	<b>100</b>
<b>Serbia</b>							<b>128</b>
<b>U.S.A.</b>	<b>243</b>	<b>361</b>	<b>344</b>	<b>948</b>	<b>1,175</b>	<b>2,123</b>	<b>998</b>
<b>Other Countries</b>	<b>65</b>	<b>1,076</b>	<b>122</b>	<b>1,263</b>	<b>780</b>	<b>2,043</b>	<b>4,806</b>
<b>Total</b>	<b>2,009</b>	<b>5,771</b>	<b>1,713</b>	<b>9,493</b>	<b>5,375</b>	<b>14,868</b>	<b>39,203</b>

Note: management accounts. Figures may not add up exactly due to rounding

(1) Book Value of Debt Securities and Net Loans as at 30.9.19

(2) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

# Exposure to Other Customers by Main Countries<sup>(1)</sup>

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business <sup>(2)</sup>	Total	
	AC	FVTOCI	FVTPL	Total			
<b>EU Countries</b>	<b>5,487</b>	<b>3,227</b>	<b>2,218</b>	<b>10,932</b>	<b>4,781</b>	<b>15,713</b>	<b>345,119</b>
Austria	10	33		43	2	45	254
Belgium	949	28	1	978	132	1,110	328
Bulgaria					19	19	25
Croatia	77			77	11	88	5,675
Cyprus							310
Czech Republic	88			88		88	650
Denmark		10	4	14	20	34	52
Estonia							4
Finland		53		53	34	87	52
France	104	526	100	730	731	1,461	1,699
Germany	602	276	48	926	592	1,518	3,453
Greece	12			12		12	20
Hungary	25			25		25	2,639
Ireland	350	521	374	1,245	9	1,254	348
Italy	2,719	1,141	1,332	5,192	1,375	6,567	292,221
Latvia							
Lithuania							9
Luxembourg	132	102	19	253	2	255	2,988
Malta							31
The Netherlands	78	231	213	522	429	951	1,896
Poland					12	12	938
Portugal	32		50	82	8	90	176
Romania							981
Slovakia							12,395
Slovenia	1			1		1	1,561
Spain	70	51	56	177	651	828	1,647
Sweden		52	1	53	2	55	196
United Kingdom	238	203	20	461	752	1,213	14,571
<b>Albania</b>							<b>382</b>
<b>Egypt</b>		<b>11</b>		<b>11</b>		<b>11</b>	<b>2,341</b>
<b>Japan</b>		<b>19</b>	<b>36</b>	<b>55</b>	<b>31</b>	<b>86</b>	<b>1,144</b>
<b>Russia</b>					<b>95</b>	<b>95</b>	<b>6,078</b>
<b>Serbia</b>							<b>3,374</b>
<b>U.S.A.</b>	<b>198</b>	<b>514</b>	<b>95</b>	<b>807</b>	<b>1,470</b>	<b>2,277</b>	<b>4,320</b>
<b>Other Countries</b>	<b>76</b>	<b>247</b>	<b>71</b>	<b>394</b>	<b>1,147</b>	<b>1,541</b>	<b>12,727</b>
<b>Total</b>	<b>5,761</b>	<b>4,018</b>	<b>2,420</b>	<b>12,199</b>	<b>7,524</b>	<b>19,723</b>	<b>375,485</b>

Note: management accounts. Figures may not add up exactly due to rounding

(1) Book Value of Debt Securities and Net Loans as at 30.9.19

(2) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

## Disclaimer

**“The manager responsible for preparing the company’s financial reports, Fabrizio Dabbene, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting records”.**

\* \* \*

This presentation includes certain forward looking statements, projections, objectives and estimates reflecting the current views of the management of the Company with respect to 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 the Company’s future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Company 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 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 the Company as of the date hereof. The Company undertakes no obligation to update publicly or revise any forward-looking statement, 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 the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.