INTESA SANPAOLO

PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AS AT 31 DECEMBER 2009

- **Net income: 543 million euro for fourth-quarter 2009; 2,805 million euro for year 2009, +9.9% compared to 2,553 million euro in 2008.**
- **Adjusted(*) net income: 403 million euro for fourth-quarter 2009; 2,591 million euro for year 2009, -28.4% compared to 3,620 million euro in 2008.**
- **Proposed dividend distribution of one billion euro: 8 euro cents per ordinary share and 9.1 euro cents per savings share.**
- **Income before tax from continuing operations: 916 million euro for fourth-quarter 2009; 4,328 million euro for year 2009, +28.9% compared to 3,358 million euro in 2008.**
- **Operating margin: 1,727 million euro for fourth-quarter 2009; 8,021 million euro for year 2009, +0.4% compared to 7,990 million euro in 2008.**
- **Operating income: 4,273 million euro for fourth-quarter 2009; 17,480 million euro for year 2009, -2% compared to 17,841 million euro in 2008.**
- **Operating costs: 2,546 million euro for fourth-quarter 2009; 9,459 million euro for year 2009, -4% compared to 9,851 million euro in 2008.**
- **Capital ratios as at 31 December 2009 after dividend distribution: Tier 1 ratio at 8.4%.**

Torino, Milano, 19 March 2010 – At its meeting held today the Intesa Sanpaolo Management Board, chaired by Enrico Salza, approved the drafts of Intesa Sanpaolo financial statements, both parent company and consolidated, for year ended 31 December 2009 (1).

During the course of 2009 the Intesa Sanpaolo Group continued to implement the course of action which characterised its management policy - above all in the context of the international financial market crisis that started in the second half of 2007 - **prioritising sustainable profitability** driven by strategic decisions concerning not only **revenues** and **costs** but also **liquidity, solidity and a low risk profile**.

Consequently, in 2009, **management policies for the medium term** have enabled the Group to remain steadily profitable quarter after quarter and generate, in comparison with 2008, the following:

- **resilient revenues,** despite the combined negative impact of the progressive fall in Euribor rates, to their all-time low reducing net interest income, and elimination of overdraft charges, while the continued focus on long-lasting relationships with customers led to a growth in average volumes of direct **deposits**, +8.6%, and **loans**, +1.1%, as well as a **gradual recovery of commissions**;
- **decreasing operating costs** for the third consecutive year since the merger that resulted in Intesa Sanpaolo; and
- **contained loan adjustments** which, though rising significantly, remained within expected levels.

This has delivered robust **consolidated net income** of 543 million euro in the fourth quarter, compared with 674 million euro in the third quarter (-19.4%), 513 million euro in the second quarter and 1,075 million euro in the first quarter (benefiting from a 511 million release of deferred taxes), with a net income of 2,805 million euro in full-year 2009, up 9.9% against 2,553 million euro in 2008.

Consolidated adjusted net income - taking out the main non-recurring items (*) **-** was 403 million euro for the fourth quarter of 2009, with respect to the 816 million euro of the third quarter (-50.6%), the 728 million euro of the second quarter and the 644 million euro of the first quarter. Thus 2,591 million euro was reported for full-year 2009 against the 3,620 million euro of 2008 (-28.4%).

In the framework of a sustainable **dividend** policy stemming from sustainable profitability, the Management Board of today resolved to propose a one billion euro dividend distribution at the next Shareholders' Meeting, paying out 8 euro cents on ordinary shares and 9.1 euro cents on savings shares.

(*) Methodological note on calculation of the adjusted net income on page 12.
(1) Methodological note on the scope of consolidation on page 12.

The proposed dividend distribution will be submitted at the ordinary Shareholders' Meeting called for 28-30 April 2010, with a total pay-out of 1,032,803,230 euro resulting from an 8 euro cent dividend on each of the 11,849,332,367 ordinary shares and a 9.1 euro cent dividend on each of the 932,490,561 savings shares. Dividend payment, if approved at the Shareholders' Meeting, will take place starting from 27 May 2010 (with coupon presentation on 24 May). The ratio between the dividend per share and the Intesa Sanpaolo stock price on 18 March last returned a dividend yield of 2.7% for ordinary shares and 4.1% for savings shares.

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Other items on the agenda of the Shareholders' Meeting will be the determination of the number of Supervisory Board members, their appointment and amount of remuneration as well as the election of its Chairman and Deputy Chairmen for financial years 2010/2011/2012.

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The income statement for the fourth quarter of 2009

The consolidated income statement for the fourth quarter of 2009 (2) registered **operating income** of 4,273 million euro, down 4.7% from 4,483 million euro in the third quarter of 2009 and up 9.7% from 3,895 million euro in the fourth quarter of 2008.

As part of this, in the fourth quarter of 2009 **net interest income** was 2,487 million euro, down 3.7% from 2,582 million euro in the third quarter of 2009 and down 13.1% from 2,862 million euro in the fourth quarter of 2008. The decline was mainly driven by the continued substantial fall in euribor rates, which weighed heavily on net interest income - following the Group's strategy aimed at prioritising a stronger liquidity position in a still highly uncertain economic environment - although attentive pricing and partial hedging against lowering interest rates were implemented. The drop against the fourth quarter of 2008 was also due to the elimination of overdraft charges - effective as of the third quarter of 2009 - which impacted some 100 million euro.

Net fee and commission income amounted to 1,497 million euro. That was up 12.8% from 1,327 million euro in the third quarter of 2009 and up 20.4% from 1,243 million euro in the fourth quarter of 2008. Compared to the third quarter of the year, commissions on commercial banking activities increased by 3% and commissions on management, dealing and consultancy activities (which include portfolio management, distribution of insurance products, dealing and placement of securities, etc.) rose by 29.9% with those on dealing and placement of securities up 83.3% and those on portfolio management up 27.1% (also benefitting from some 60 million performance commissions). Compared to the same period in 2008, commissions on commercial banking activities rose by 11.8% (also as a result of approximately 30 million deriving from the introduction of the commitment fee) and commissions on management, dealing and consultancy activities were up by 44.4% with those on dealing and placement of securities more than doubled, those on distribution of insurance products up 35.4% and those on portfolio management up 25.7%.

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(2) During the preparation of the interim statement as at 30 September 2008, in the wake of the global financial crisis certain amendments to international accounting standards were introduced and adopted by the European Commission. In short, in accordance with these amendments it is possible to reclassify - in specific circumstances considered to be rare - unquoted financial instruments, or no longer quoted, in an active market and no longer held for trading or available for sale: in particular, out of the category "fair value through profit and loss" into the categories "available-for-sale" or "the held-to-maturity" or "loans and receivables" and out of the category "available-for-sale" into the category "loans and receivables". The Group, largely basing on the prices as at 1 July 2008, reclassified 4,004 million euro financial assets held for trading into loans and receivables and 216 million euro financial assets held for trading into financial assets available for sale. Without this reclassification, the profits/losses on trading for the fourth quarter of 2009 would have recorded 8 million euro as negative pre-tax impact (72 million as positive impact in full-year 2009 and 459 million as negative impact in full-year 2008). The Group also reclassified 6,425 million euro financial assets available for sale into loans and receivables. Had these reclassifications not been made, the shareholders' equity would have recorded 610 million euro as negative pre-tax direct impact as at 31 December 2009 (67 million as negative impact in the fourth quarter of 2009 and 252 million as positive impact in full-year 2009).

Profits on trading posted 129 million euro (including a 10 million positive effect on structured credit products), impacted by a year-end slowdown and rather unfavourable market conditions, against 447 million euro in the previous quarter (which included a 114 million capital gain from the disposal of stakes in Natixis and Banca Generali and a 39 million positive effect on structured credit products) and a loss of 354 million euro in the fourth quarter of 2008 (which registered a negative impact of 376 million on structured credit products). Without the IAS reclassification of financial assets held for trading into loans and receivables and financial assets available for sale, trading profits would have recorded a negative pre-tax impact of 8 million euro.

Income from insurance business was 133 million euro compared to the 116 million euro of third quarter of 2009 and the 171 million euro of the same period last year.

Operating costs amounted to 2,546 million euro, up 10.7% from the 2,299 million euro of the previous quarter, due to the year-end seasonal effect, as a result of increases in personnel expenses, up 4.7%, administrative expenses, up 19.5%, and adjustments, up 21.7%. A 4.7% drop was registered against the 2,672 million euro of the fourth quarter of 2008, due to a reduction in administrative expenses (-12.6% despite higher taxes from the intra-group VAT) and adjustments (-9.4%) while personnel expenses were slightly up (+1.6 %).

As a result, **operating margin** totalled 1,727 million euro, down 20.9% from 2,184 million euro in the previous quarter and up 41.2% from 1,223 million euro in the same period last year. The cost/income ratio was 59.6% in fourth quarter 2009, 51.3% in third quarter 2009 and 68.6% in fourth quarter 2008.

No **goodwill impairment** was recorded in the period, as was the case with the third quarter of 2009 while a 1,065 million euro goodwill impairment was registered in the fourth quarter of 2008.

Net **provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 1,328 million euro against the 885 million euro of the third quarter of 2009 and the 2,061 million euro of the fourth quarter of 2008. Net provisions for risks and charges amounted to 99 million euro against 66 million euro in the previous quarter and 164 million euro in the fourth quarter of 2008. Net adjustments to loans totalled 1,069 million euro compared to 823 million euro in the third quarter of 2009 and 999 million euro in the fourth quarter of 2008. Net impairment losses on other assets amounted to 160 million euro, against the net recovery of 4 million euro of the previous quarter and net losses of 898 million euro in the fourth quarter of 2008.

Profits/losses on investments held to maturity and on other investments were a positive 517 million euro (due to capital gains of 439 million [3] on the disposal of Findomestic and 70 million on that of Esaote), against 13 million euro profits recorded in the previous quarter and 208 million euro losses in the fourth quarter of 2008 (which included a 326 million impairment).

Income before tax from continuing operations amounted to 916 million euro compared to the 1,312 million euro posted in the three months to 30 September 2009 (-30.2%) and a loss of 2,111 million euro in the fourth quarter of 2008.

Consolidated net income was 543 million euro - compared with 674 million euro in the third quarter of 2009 (-19.4%) and a negative balance of 1,228 million euro in the fourth quarter of 2008 - after accounting for:

- taxes of 169 million euro;
- integration charges (net of tax) of 84 million euro;
- charges from purchase cost allocation (net of tax) of 90 million euro;
- income after tax from discontinued operations of 27 million euro;
- minority interests of 57 million euro.

Excluding the main non-recurring items, net income was 403 million euro for the fourth quarter of 2009, 816 million euro for the third quarter of 2009 and 219 million euro for the fourth quarter of 2008.

(3) The figure is made up of 282 million euro from the sale of the first 25% stake and 157 euro million from the valuation at fair value of the remaining 25% based on the bottom end of the range set in the contract which envisages its sale in 2011-2013.

The income statement for year 2009

The consolidated income statement for 2009 registered **operating income** of 17,480 million euro, down 2% from 17,841 million euro in 2008.

As part of this, in 2009 **net interest income** amounted to 10,486 million euro, down 9% from 11,518 million euro for 2008 (also due to the negative impact of around 190 million from the elimination of overdraft charges).

Net fee and commission income was 5,341 million euro, down 6.3% from 5,698 million euro in 2008. Commissions on commercial banking activities were nearly unchanged (-0.5%, registering a benefit of around 70 million from the introduction of the commitment fee) and those on management, dealing and consultancy activities (which include portfolio management, distribution of insurance products, dealing and placement of securities, etc.) fell 11.2%.

Profits on trading were 1,122 million euro - including a 185 million euro positive impact of proprietary trading and treasury and a 26 million euro negative impact on structured credit products - compared to a loss of 53 million euro in 2008 (which reflected negative impacts of 144 million on proprietary trading and treasury and 612 million on structured credit products due to the financial market crisis). Without the IAS reclassification of financial assets held for trading into loans and receivables and financial assets available for sale, trading profits for 2009 would have recorded a positive pre-tax impact of 72 million euro.

Income from insurance business amounted to 437 million euro against the 400 million euro of 2008.

Operating costs amounted to 9,459 million euro, down 4% from 9,851 million euro in 2008. In detail: personnel expenses fell 2.2%, administrative expenses were down 4.2% despite higher taxes from the intra-group VAT, and adjustments dropped 15.5%.

Consequently, **operating margin** was 8,021 million euro, up 0.4% compared to the 7,990 million euro of 2008, with the cost/income ratio at 54.1% down from 55.2% in 2008.

No **goodwill impairment** was recorded in 2009 against a 1,065 million euro goodwill impairment registered in 2008.

Net **provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 4,238 million euro compared to the 3,833 million euro of 2008. Net provisions for risks and charges were 297 million euro compared to 318 million euro in 2008. Net adjustments to loans were 3,706 million euro compared to 2,566 million euro in 2008. Net impairment losses on other assets were 235 million euro compared to 949 million euro in 2008.

Profits/losses on investments held to maturity and on other investments were a positive 545 million euro (including capital gains of 439 million made on the disposal of Findomestic and 70 million on that of Esaote) compared to 266 million euro profits for 2008 (which included a 268 million capital gain on the disposal of Agos, an 89 million capital gain on that of Centrale dei Bilanci and a 326 million impairment).

Income before tax from continuing operations posted 4,328 million euro, up 28.9% compared to the 3,358 million euro of 2008.

Consolidated net income amounted to 2,805 million euro, up 9.9% against 2,553 million euro in 2008 (which included a total 2,778 million impairment, net of related tax savings, while benefiting from 1,629 million from deferred taxes and around 930 million net capital gain on disposal of 198 branches) after accounting for:

- taxes of 960 million euro, which benefited from a 511 million euro release of deferred taxes in the first quarter relating to detaxation of intangibles with a finite life and brand name;
- integration charges (net of tax) of 214 million euro;
- charges from purchase cost allocation (net of tax) of 385 million euro;
- income after tax from discontinued operations of 169 million euro which included net capital gains of 63 million euro from the disposal of CR Orvieto and 17 branches;
- minority interests of 133 million euro.

Excluding the main non-recurring items, net income was 2,591 million euro against the 3,620 million euro of 2008 (-28.4%).

Balance sheet as at 31 December 2009

As regards the consolidated balance sheet figures, as at 31 December 2009 **loans to customers** amounted to 374 billion euro, down 5.2% from year-end 2008 (up 1.1% taking into account average volumes instead of those at the end of period). Total **non-performing loans** (doubtful, substandard, restructured and past due) - net of adjustments - amounted to 20,445 million euro, up 77.4% compared to the 11,524 million euro as at 31 December 2008. In detail, doubtful loans increased from 3,968 to 5,365 million euro; the ratio to total loans was 1.4 % (1% as at year-end 2008) and the coverage ratio was 67% (70% as at year-end 2008). Total coverage was 124% taking into account **collateral and guarantees** to doubtful loans in addition to specific provisions. Substandard loans increased from 5,291 to 10,370 million euro (also due to prudent classifications of loans in the second quarter, which however have high collateral coverage and thus required limited provisioning, and a loan of 427 million euro classified as substandard in the fourth quarter, secured by a 402 million euro cash collateral from other banks participating in the facility and carrying an actual risk of only 25 million euro for Intesa Sanpaolo). Restructured loans rose from 399 to 2,293 million euro (mainly as a result of a single loan classified as restructured in the second quarter which did not require provisioning). Loans past due increased from 1,866 to 2,417 million euro (due to a regulatory change which in the fourth quarter led to allocate to this category loans overdue by 90 days of 910 million euro net).

Customer financial assets were 813 billion euro (after netting referred to items included in both direct and indirect customer deposits), up 1% from 31 December 2008. Under customer financial assets, **direct customer deposits** amounted to 422 billion euro, down 0.2% from year-end 2008, while indirect customer deposits amounted to 417 billion euro, up 2.4% from year-end 2008. **Assets under management** totalled 226 billion euro, up 5.6% from year-end 2008. As for bancassurance, in 2009 new business for life policies amounted to 12.2 billion euro (85.3% higher than 2008). Assets under administration and in custody amounted to 191 billion euro, down 1.1% from 31 December 2008.

Capital ratios as at 31 December 2009 have been calculated taking into account the proposed distribution of 1 billion euro dividends and applying the Basel 2 Foundation approach and result in 7.1% for the Core Tier 1 ratio (6.3% at year-end 2008), 8.4% for the Tier 1 ratio (7.1% at year-end 2008) and 11.8% for the total capital ratio (10.2% at year-end 2008).

Pro-forma capital ratios should exceed 9.1% for the Core Tier 1 ratio, 10.4% for the Tier 1 ratio and 13.8% for the total capital ratio. These levels do not take into account the benefit expected from the sale of 150-200 branches to Crédit Agricole, terms and conditions of which shall be finalised by 30 June 2010, and include the effects detailed below:

- sale of the securities services business in the finalisation stage (expected positive impact of 37 basis points on the Core Tier 1 ratio),
- purchase of 50% of Intesa Vita in the finalisation stage (expected negative impact of 8 basis points on the Core Tier 1 ratio),
- purchase of 50 branches in the finalisation stage (expected negative impact of 9 basis points on the Core Tier 1 ratio),
- sale of the remaining 25% stake in Findomestic (valuation based on the bottom end of the range set in the contract, with an expected positive impact of 7 basis points on the Core Tier 1 ratio),
- application of Basel 2 Advanced (expected positive impact - subject to the Bank of Italy's approval and estimated on the basis of the current economic situation - of about 25 basis points for the Core Tier 1 ratio mostly achievable in 2010),
- further capital management actions - including disposals, either partial or full, partnerships, listings, etc. - on non-core assets, which are expected to take place in the short term (expected positive impact of at least 50 basis points on the Core Tier 1 ratio),
- additional capital management actions available if necessary (expected positive impact of at least 100 basis points on the Core Tier 1 ratio).

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The strategic decisions taken by **Intesa Sanpaolo** ensured that the Group confirmed its position as one of the **most solid international banking Groups,** above all in the context of the recent international financial market crisis, while building on its key strengths which include, in addition to asset quality and level of capital ratios commented upon previously:

- an **excellent liquidity profile**
  - balanced net interbank position,
  - broad availability of eligible assets with Central Banks not yet allocated, corresponding to liquidity of 70 billion euro at year-end 2009,
  - customer deposits outweighing customer loans,
  - stable and well-diversified sources of funding,
  - 70% of direct customer deposits (inclusive of securities issued) generated from retail operations;
- **low leverage and an adequate capital base**
  - much lower leverage than other main European banking groups,
  - the best ratio of tangible net shareholders' equity to tangible assets among the main European banking groups;
- a **low risk profile**
  - 65% of revenues from retail operations in Italy,
  - less than 1% of revenues from proprietary trading, treasury and structured credit products,
  - limited and well-diversified exposure to Central and Eastern Europe, with customer loans in the region accounting for only 7% of the Group's total loan book and customer deposits well balanced against customer loans.

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As fully detailed when disclosing results for 2007 and 2008, Intesa Sanpaolo is only indirectly exposed to the US subprime mortgage crisis through structured credit products which were negatively affected by the dramatic decline in prices from the fourth quarter of 2007 - with impacts on profits on trading mainly in terms of write-downs - to the first quarter of 2009 inclusive, whilst starting recovering as of the second quarter of 2009 with positive effects on profits on trading, as commented upon previously in the income statement section. The Group had a **gross and net risk exposure** to structured credit products with underlying **US subprime** of 35 million euro as at 31 December 2009. Full and detailed information concerning structured credit products held by the Group, with particular reference to its exposure in the financial crisis, is included, as usual, in the note to the consolidated financial statements approved by the Management Board as well as in the specific slides of the presentation of results made available to the market.

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As at 31 December 2009, the Intesa Sanpaolo Group's **operating structure** had a total network of 7,884 branches - of which 5,991 in Italy and 1,893 abroad - with 103,718 employees, 5,072 lower than at 31 December 2008.

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Breakdown of results by business area

The **Banca dei Territori** Division comprises:

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

Operations with individual and SME customers are performed through the Parent Company Intesa Sanpaolo and the network banks (Banca di Credito Sardo, Banca di Trento e Bolzano, Banco di Napoli, Carifirenze, Casse del Centro, Cassa dei Risparmi di Forlì e della Romagna, Cassa di Risparmio del Veneto, Cassa di Risparmio in Bologna, Cassa di Risparmio di Venezia, Cassa di Risparmio del Friuli Venezia Giulia and Banca dell'Adriatico). Intesa Sanpaolo Private Banking is the Group company which serves private customers. To serve non-profit entities Banca Prossima was set up, operational since November 2007 through the Group's branches, with regional centres and a team of specialists. This Division also includes product companies, namely Mediocredito Italiano, the Group company specialised in industrial credit, the insurance companies EurizonVita, Sud Polo Vita, Intesa Vita and Intesa Previdenza, the fiduciary service company SIREFID and Moneta, a company operating in the consumer credit business and through its subsidiary Setefi in electronic payment systems.

In December 2008, the Bank approved a project for a further organisational strengthening of this Division with the aim of improving the effectiveness of local commercial actions, while maintaining strict cost control. Following the reorganisation, the territorial structure comprises 8 Regional Departments coordinating 22 Areas / Network Banks, designed to ensure optimum geographical coverage, homogeneous size in terms of number of branches and staff allocation as well as adequate decision-making autonomy.

In the fourth quarter of 2009, the Banca dei Territori Division registered:

- operating income of 2,576 million euro, up 2.5% compared with 2,513 million euro in the third quarter of 2009;
- operating costs of 1,633 million euro, up 8.7% from 1,503 million euro in the third quarter of 2009;
- operating margin of 943 million euro, down 6.6% compared to 1,010 million euro in the previous quarter;
- a cost/income ratio of 63.4% versus 59.8% in the third quarter of 2009;
- net provisions and adjustments of 752 million euro compared to 447 million euro in the previous quarter;
- profits on investments held to maturity and on other investments of 421 million euro;
- income before tax from continuing operations of 608 million euro, up 7.9% against 564 million euro in the third quarter of 2009;
- net income of 330 million euro, up 53.4% from 215 million euro in the third quarter of 2009.

In full-year 2009, the Banca dei Territori Division registered:

- operating income of 10,418 million euro (down 13.3% compared to 12,017 million euro in 2008) accounting for 60% of the consolidated operating income (67% in 2008);
- operating costs of 6,116 million euro, down 4.2% from 6,382 million euro in 2008;
- operating margin of 4,302 million euro, down 23.7% compared to 5,635 million euro in 2008;
- a cost/income ratio of 58.7% versus 53.1% in 2008;
- net provisions and adjustments of 2,174 million euro compared to 1,850 million euro in 2008;
- profits on investments held to maturity and on other investments of 421 million euro;
- income before tax from continuing operations of 2,546 million euro, a decrease of 32.6% from 3,776 million euro in 2008;
- net income of 1,212 million euro, down 10.8% from 1,359 million euro in 2008.

Eurizon Capital, the company specialised in providing collective and individual asset management products to the Group's internal banking networks, is developing synergies with the Banca dei Territori Division. The company is also focused on strengthening its presence in the "open architecture" segment through specific distribution agreements with other networks and institutional investors. Eurizon Capital controls the subsidiaries Eurizon Capital (Luxembourg) and Eurizon A.I., which promote and manage, respectively, funds incorporated under Luxembourg law and alternative funds, and owns a 49.9% stake in a Chinese asset management company, Penghua Fund Management.

In the fourth quarter of 2009, Eurizon Capital registered:
- operating income of 132 million euro, doubling the 62 million euro in the third quarter of 2009;
- operating costs of 46 million euro, up 51.8% from 30 million euro in the previous quarter;
- operating margin of 86 million euro, nearly three times the figure for the previous quarter (31 million);
- a cost/income ratio of 34.8% improving from the 48.4% ratio in the third quarter of 2009;
- income before tax from continuing operations of 82 million euro, nearly three times higher that the 30 million euro of third quarter of 2009;
- net income of 53 million euro, a fourfold increase from 12 million euro in the third quarter of 2009.

In full-year 2009, Eurizon Capital registered:
- operating income of 323 million euro, down 10.3% from 360 million euro in 2008 and accounting for 2% of the Group's consolidated figure (the same as in 2008);
- operating costs of 138 million euro, down 5.5% from 146 million euro in 2008;
- operating margin of 185 million euro, down 13.6% compared to 214 million euro in 2008;
- a cost/income ratio of 42.7% versus 40.6% in 2008;
- income before tax from continuing operations of 181 million euro, up 54.7% from 117 million euro in the previous year which had been impacted by a 95 million euro goodwill impairment;
- net income of 95 million euro, against a negative 205 million euro in 2008 which had also been impacted by a 255 million euro impairment to intangible assets.

The **Corporate & Investment Banking** Division includes:
- Large & International Corporate, which presides over relations with large corporates in Italy (mainly with a turnover exceeding 500 million euro) and foreign corporate customers;
- Mid Corporate, dedicated to Italian corporate customers with a turnover exceeding 150 million euro and mainly up to 500 million euro;
- Global Services, responsible for foreign branches, representative offices and international subsidiaries specialised in corporate banking (Société Européenne de Banque, Intesa Sanpaolo Bank Ireland and ZAO Banca Intesa, which was merged into KMB Bank, the other Group subsidiary in the Russian Federation, with effect as of 1 January 2010 and falls now within the scope of the International Subsidiary Bank Division) and for providing specialised assistance and support to Italian corporate internationalisation and export;
- Financial Institutions, responsible for relations with Italian and foreign financial institutions, management of transactional services related to payment systems, custody and settlement of securities as custodian and correspondent bank including the securities service business the sale of which is currently under finalisation;
- Banca IMI, which is in charge of carrying out investment banking activity, that is the creation of products of structured finance and M&A consultancy services to the Group's clients, and the capital markets activities for the Group's clients and institutional operators in market making activities;
- Merchant Banking, which operates in the private equity area also through Private Equity International (PEI) and IMI Investimenti companies.

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

In the fourth quarter of 2009, the Corporate & Investment Banking Division registered:
- operating income of 861 million euro, down 11.6% from 974 million euro in the previous quarter;
- operating costs of 239 million euro, up 16.9% from 205 million euro in the previous quarter;
- operating margin of 622 million euro, down 19.2% from 769 million euro in the previous quarter;
- a cost/income ratio of 27.8% versus 21% in the previous quarter;
- net provisions and adjustments of 271 million euro, up 51.4% from 179 million euro in previous quarter;
- profits on investments held to maturity and on other investments of 71 million euro;
- income before tax from continuing operations of 421 million euro, down 28.7% from 591 million euro in the previous quarter;
- net income of 347 million euro, a 10.4% decrease compared to 388 million euro in the previous quarter.

In full-year 2009, the Corporate & Investment Banking Division registered:
- operating income of 3,551 million euro, up 66.1% from 2,138 million euro in 2008, accounting for 20% of the Group's consolidated figure (the contribution was 12% in 2008);
- operating costs of 852 million euro, down 1.5% from 865 million euro in 2008;
- operating margin of 2,699 million euro, doubling the 1,273 million euro of 2008;
- a cost/income ratio of 24% improving versus a ratio of 40.5% in 2008;
- net provisions and adjustments of 999 million euro compared to 504 million euro in 2008;
- profits on investments held to maturity and on other investments of 72 million euro;
- income before tax from continuing operations of 1,770 million euro, over three times the figure for 2008, 526 million euro, which had also been impacted by a 265 million euro impairment to merchant banking equity investments;
- net income of 1,273 million euro from 208 million euro in 2008.

Public Finance provides services to government, public entities, local authorities, public utilities, general contractors, public and private healthcare structures and develops activities related to lending and day-to-day banking operations, project financing, securitisations and financial advisory, with the aim of promoting cooperation between public and private entities and supporting initiatives and investment projects in large infrastructures, healthcare, research and public utilities in general. Public finance activities are performed through Banca Infrastrutture Innovazione e Sviluppo.

In the fourth quarter of 2009, Public Finance registered:
- operating income of 71 million euro, down 21.1% compared with 90 million euro in the third quarter of 2009;
- operating costs of 22 million euro, a 14.7% increase from 19 million euro in the previous quarter partially due to non-recurring costs charged in the fourth quarter;
- operating margin of 49 million euro, down 30.8% from 71 million euro in the third quarter of 2009;
- a cost/income ratio of 31% versus 21.1% in the third quarter of 2009;
- net provisions and adjustments of 48 million euro, compared to net recovery of one million euro in the third quarter of 2009, also due to conservative provisions for risks and charges and an increase in the reserve on performing loans;
- income before tax from continuing operations of one million euro from 72 million euro of the previous quarter;
- net income of 12 million euro from 40 million euro of the previous quarter.

In full-year 2009, Public Finance registered:
- operating income of 398 million euro, up 12.7% compared to 353 million euro in 2008, representing 2% of the Group's consolidated operating income (the same as in 2008);
- operating costs of 81 million euro, in line with 80 million euro in 2008;
- operating margin of 317 million euro, up 16.1% from 273 million euro in 2008;
- a cost/income ratio of 20.4% improving from 22.7% in 2008;
- net provisions and adjustments of 127 million euro against 131 million euro in 2008;
- income before tax from continuing operations of 190 million euro, up 33.8% from 142 million euro in 2008;
- net income of 116 million euro, doubling the 59 million euro of 2008.

The **International Subsidiary Banks** Division is responsible for activities in foreign markets where the Group is operational through commercial banking subsidiaries and associates. The Division provides guidelines, coordination and support to subsidiaries abroad mainly active in retail banking. It is responsible for defining the Group's development strategy related to its direct presence abroad, as well as exploring and analysing new growth opportunities in markets where the Group already has a presence, and in new markets. This Division also coordinates operations of international subsidiary banks and their relations with the Parent Company's head office departments and the Corporate & Investment Banking Division's branches and offices abroad. The Division is made up of the three following Departments which are in charge of the different geographical areas where it operates: i) the SEE Banking Area which includes the banking subsidiaries in South-Eastern Europe, Privredna Banka Zagreb in Croatia, Banca Intesa Beograd in Serbia, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Intesa Sanpaolo Bank Albania and Intesa Sanpaolo Bank Romania; ii) the CEE Banking Area which includes the banking subsidiaries in Central-Eastern Europe, Banka Koper in Slovenia, VUB Banka in Slovakia, CIB Bank in Hungary; iii) the CIS and South Mediterranean Banking Areas which includes the subsidiaries KMB Bank in the Russian Federation (its name has been changed to Banca Intesa effective as of 1 January 2010 following the merger with ZAO Banca Intesa), Pravex-Bank in Ukraine and Bank of Alexandria in Egypt.

In the fourth quarter of 2009, International Subsidiary Banks Division registered:
- operating income of 572 million euro, up 3.6% from 552 million euro in the third quarter of 2009;
- operating costs of 283 million euro, up 2.1% from 277 million euro in the previous quarter;
- operating margin of 289 million euro, up 5.1% from 275 million euro in the previous quarter;
- a cost/income ratio of 49.5% versus 50.2% in the third quarter of 2009;
- net provisions and adjustments of 173 million euro against 155 million euro in the previous quarter;
- income before tax from continuing operations of 117 million euro, down 3.5% compared to 121 million euro in the previous quarter;
- net income of 111 million euro, up 22.3% compared to 91 million euro in the third quarter of 2009.

In full-year 2009, the International Subsidiary Banks Division registered:
- operating income of 2,215 million euro, down 3.2% compared to 2,288 million euro in 2008 (excluding foreign exchange effects, operating income rose by 3.1%) and accounted for 13% of the Group's consolidated figure (the same as in 2008);
- operating costs of 1,137 million euro, down 7.3% compared to 1,226 million euro in 2008;
- operating margin of 1,078 million euro, up 1.5% from 1,062 million euro in 2008 (excluding foreign exchange effects, operating margin was up 7.4%);
- a cost/income ratio of 51.3% versus 53.6% in 2008;
- net provisions and adjustments of 638 million euro compared to 351 million euro in 2008;
- income before tax from continuing operations of 443 million euro, up 34.2% from 330 million euro in 2008 which was impacted by a 390 million euro goodwill impairment to Pravex-Bank;
- net income of 364 million euro, nearly doubling the 187 million euro of 2008.

Banca Fideuram, through its network of private bankers, performs asset gathering activities serving customers with a medium to high savings potential. In the fourth quarter of 2009, Banca Fideuram registered:

- operating income of 168 million euro, up 14.9% from 146 million euro in the third quarter of 2009;
- operating costs of 84 million euro, in line with the third quarter of 2009;
- operating margin of 84 million euro, up 36.2% from 62 million euro in the previous quarter;
- a cost/income ratio of 50% versus 57.5% in the third quarter of 2009;
- net provisions and adjustments of 15 million euro;
- income before tax from continuing operations of 70 million euro, up 34% from 52 million euro in the third quarter of 2009;
- net income of 26 million euro, up 34.5% from 20 million euro in the third quarter of 2009; excluding charges from purchase cost allocation, net income for the fourth quarter would be at 47 million euro.

In full-year 2009, Banca Fideuram registered:

- operating income of 611 million euro, down 1.6% from 621 million euro in 2008 contributing 3% to the Group's consolidated figure (the same as in 2008);
- operating costs of 328 million euro, in line with the 327 million euro in 2008;
- operating margin of 283 million euro, down 3.7% from 294 million euro in 2008;
- a cost/income ratio of 53.7% versus 52.7% in 2008;
- net provisions and adjustments of 43 million euro from 49 million euro in 2008;
- income before tax from continuing operations of 240 million euro. In 2008 this caption was a negative 335 million euro, impacted by a 580 million euro goodwill impairment;
- net income of 93 million euro versus a 2008 net income which was a negative 720 million euro also impacted by a 302 million euro impairment to intangible assets. Excluding charges from purchase cost allocation, net income for 2009 would be at 178 million euro.

The 2010 outlook

The macroeconomic scenario for 2010 foresees a trend of gradual improvement with progressive positive effects on the banking industry and on Intesa Sanpaolo. During the year, the Group will continue on the same course of action aiming at maintaining sustainable growth in the medium term: developing long-term relationships with customers, optimising efficiency - finetuning cost control and investments - and monitoring asset quality, liquidity and capital base.

There are expectations for some improvement in the Group's operating income, reflecting a recovery in net fee and commission income and defence of net interest income, and a decrease in operating costs compared with 2009 even after the faster-than-planned cost reduction of the fourth quarter of the year. Cost of credit is expected slightly down compared to 2009. Therefore, recurring profitability should improve with respect to 2009. Taking into account integration charges markedly decreasing and capital gains from the capital management actions currently being finalised, net income for the year is expected to exceed that recorded in 2009.

Guidelines of the 2010-2012 Management Plan for impairment test purposes

Before approving the drafts of the financial statements, the Management Board has approved both the impairment process on intangible assets and goodwill and its compliance with IAS/IFRS requirements also on the basis of the Plan prepared by the Management for the purpose of carrying out the impairment test. The Plan's guidelines confirm the target of sustainable profitability for the Group for the medium term summarised in a progressive improvement in the cost-income ratio, in recurring profitability and in net income, through:

- full unlocking of the significant revenue growth potential of core businesses;
- investment in growth and innovation with adequate cost management;
- asset quality control, getting ready for the recovery;
- steady Group solidity in terms of capital adequacy and liquidity level;
- innovation and simplification as key elements of success over the three-year period.

* * *

For consistency purposes, the income statement data for 2008 were restated mainly due to two transactions:
1. the acquisition of control of Pravex-Bank which entered the scope of full consolidation in the income statement of the third quarter of 2008. For the first two quarters of 2008 the relevant items were consolidated line by line and their contribution to net income was recorded under minority interests;
2. the ongoing disposal of the securities services business, in respect of which a sale-and-purchase agreement was entered into in December 2009: in 2008 - as well as in the first three quarters of 2009 – relevant items were deconsolidated line by line and their contribution to net income was recorded under income after tax from discontinued operations.

Still for consistency purposes, the balance sheet data for the first quarter of 2008 were restated consolidating line by line the items relating to Pravex-Bank, the control of which was acquired in June 2008, while for the four quarters of 2008 - as well as for the first three quarters of 2009 - they were restated deconsolidating line by line the items relating to the securities services business and registering their contribution under assets/liabilities relating to non-current assets held for sale and discontinued operations.

* * *

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

in the first quarter 2009: 1) 511 million euro fiscal benefit from the release of deferred taxes relating to detaxation of intangibles with a finite life and brand name, recorded under taxes on income from continuing operations, 2) 68 million euro integration charges and related tax savings, which resulted in net integration charges of 48 million euro, 3) 95 million euro charges from purchase cost allocation, net of tax and 4) 83 million euro capital gains made on the disposal of CR Orvieto and 17 branches and related taxes, which resulted in a net capital gain of 63 million euro under income after tax from discontinued operations;

in the second quarter 2009: 1) 72 million euro net impairment losses on other assets, 2) 60 million euro integration charges and related tax savings, which resulted in net integration charges of 38 million euro, and 3) 102 million euro charges from purchase cost allocation, net of tax;

in the third quarter 2009: 1) 61 million euro integration charges and related tax savings, which resulted in net integration charges of 44 million euro, and 2) 98 million euro charges from purchase cost allocation, net of tax;

in the fourth quarter 2009: 1) 51 million euro from the IMI-SIR settlement registered under the caption other operating income and related taxes, 2) 160 million euro net impairment losses on other assets, 3) capital gains of 439 million euro from the disposal of Findomestic and 70 million euro from that of Esaote registered under profits on investments held to maturity, and related taxes, 4) 130 million euro integration charges and related tax savings, which resulted in net integration charges of 84 million euro, 5) 90 million euro charges from purchase cost allocation, net of tax, and 6) 60 million euro attributable to minority shareholders out of the aforementioned 439 million euro Findomestic capital gain recorded under minority interests;

the first quarter 2008: 1) 444 million euro integration charges and related tax savings, which resulted in net integration charges of 321 million euro, 2) 131 million euro charges from purchase cost allocation, net of tax, and 3) 1,372 million euro capital gains deriving from the sale of 198 branches and related taxes, which resulted in a net capital gain of 953 million euro under income after tax from discontinued operations;

in the second quarter 2008: 1) 67 million euro from the IMI-SIR settlement registered under the caption other operating income and related taxes, 2) 268 million euro capital gain made on the disposal of Agos under profits on investments held to maturity and related taxes, 3) 98 million euro integration charges and related tax savings, which resulted in net integration charges of 68 million euro, 4) 153 million euro charges from purchase cost allocation, net of tax, and 5) 20 million euro adjustments, net of tax savings, related to the disposal of 198 branches under income after tax from discontinued operations;

in the third quarter 2008: 1) 59 million euro from the IMI-SIR settlement registered under the caption other operating income and related taxes, 2) 122 million euro integration charges and related tax savings, which resulted in net integration charges of 86 million euro, and 3) 148 million euro charges from purchase cost allocation, net of tax;

in the fourth quarter 2008: 1) 102 million euro expenses on expired bank drafts under other operating income/expenses and related tax savings, 2) 1,065 million euro goodwill impairment, 908 million euro net impairment losses on other assets, 326 million euro impairment under profits on investments held to maturity, and related tax savings, 3) 89 million euro capital gain on the disposal of Centrale dei Bilanci under profits on investments held to maturity and related taxes, 4) 1,629 million euro fiscal benefit from deferred taxes under taxes on income from continuing operations, 5) 254 million euro integration charges and related tax savings which resulted in net integration charges of 182 million euro, and 6) 656 million euro charges from purchase cost allocation net of tax (including 751 million intangible assets impairment and related tax savings, which resulted in net charges of 521 million).

* * *

In order to present more complete information on the results generated in 2009, the reclassified consolidated income statement and the reclassified consolidated balance sheet included in the Report on operations approved by the Management Board are attached. Please note that the reclassified consolidated income statement and the reclassified consolidated balance sheet are not subject to auditing by the Auditing company. It is hereby notified that the drafts of Intesa Sanpaolo financial statements, both parent company and consolidated, for the year ended 31 December 2009 will be available for shareholders and the market within 26 March 2010 and be submitted for approval at the Supervisory Board meeting called for 12 April 2010 and to the auditing firm in charge of auditing the Annual Report.

* * *

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

* * *

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

- the Group's ability to successfully integrate the employees, products, services and systems of mergers and acquisitions;
- the impact of regulatory decisions and changes in the regulatory environment;
- the impact of political and economic developments in Italy and other countries in which the Group operates;
- the impact of fluctuations in currency exchange and interest rates;
- the Group's ability to achieve the expected return on the investments and capital expenditures it has made in Italy and in foreign countries; and
- the Group's ability to finalise capital management actions on its non-core assets (including disposals, either full or partial, partnerships, listings, etc.).

The foregoing factors should not be construed as exhaustive. 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. All forward-looking statements included herein are based on information available to Intesa Sanpaolo as of the date hereof. Intesa Sanpaolo undertakes no obligation to update publicly or revise any forward-looking 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 Intesa Sanpaolo or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

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Gruppo Intesa Sanpaolo

Reclassified consolidated statement of income

(in millions of euro)

	2009	2008	Changes amount	%
Net interest income	10,486	11,518	-1,032	-9.0
Dividends and profits (losses) on investments carried at equity	46	138	-92	-66.7
Net fee and commission income	5,341	5,698	-357	-6.3
Profits (Losses) on trading	1,122	-53	1,175	
Income from insurance business	437	400	37	9.3
Other operating income (expenses)	48	140	-92	-65.7
Operating income	17,480	17,841	-361	-2.0
Personnel expenses	-5,587	-5,713	-126	-2.2
Other administrative expenses	-3,192	-3,333	-141	-4.2
Adjustments to property, equipment and intangible assets	-680	-805	-125	-15.5
Operating costs	-9,459	-9,851	-392	-4.0
Operating margin	8,021	7,990	31	0.4
Goodwill impairment	-	-1,065	-1,065	
Net provisions for risks and charges	-297	-318	-21	-6.6
Net adjustments to loans	-3,706	-2,566	1,140	44.4
Net impairment losses on other assets	-235	-949	-714	-75.2
Profits (Losses) on investments held to maturity and on other investments	545	266	279	
Income (Loss) before tax from continuing operations	4,328	3,358	970	28.9
Taxes on income from continuing operations	-960	-108	852	
Merger and restructuring-related charges (net of tax)	-214	-657	-443	-67.4
Effect of purchase price allocation (net of tax)	-385	-1,088	-703	-64.6
Income (Loss) after tax from discontinued operations	169	1,195	-1,026	-85.9
Minority interests	-133	-147	-14	-9.5
Net income	2,805	2,553	252	9.9

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

Gruppo Intesa Sanpaolo

Quarterly development of the reclassified consolidated statement of income

(in millions of euro)

	2009				2008				
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter	Average of the quarters
Net interest income	2,487	2,582	2,758	2,659	2,862	3,020	2,866	2,770	2,880
Dividends and profits (losses) on investments carried at equity	-2	18	36	-6	30	13	29	66	35
Net fee and commission income	1,497	1,327	1,301	1,216	1,243	1,361	1,515	1,579	1,425
Profits (Losses) on trading	129	447	439	107	-354	17	244	40	-13
Income from insurance business	133	116	124	64	171	43	107	79	100
Other operating income (expenses)	29	-7	5	21	-57	78	84	35	35
Operating income	4,273	4,483	4,663	4,061	3,895	4,532	4,845	4,569	4,460
Personnel expenses	-1,456	-1,390	-1,351	-1,390	-1,433	-1,397	-1,432	-1,451	-1,428
Other administrative expenses	-888	-743	-810	-751	-1,016	-779	-790	-748	-833
Adjustments to property, equipment and intangible assets	-202	-166	-156	-156	-223	-198	-193	-191	-201
Operating costs	-2,546	-2,299	-2,317	-2,297	-2,672	-2,374	-2,415	-2,390	-2,463
Operating margin	1,727	2,184	2,346	1,764	1,223	2,158	2,430	2,179	1,998
Goodwill impairment	-	-	-	-	-1,065	-	-	-	-266
Net provisions for risks and charges	-99	-66	-63	-69	-164	-76	-45	-33	-80
Net adjustments to loans	-1,069	-823	-1,081	-733	-999	-854	-401	-312	-642
Net impairment losses on other assets	-160	4	-72	-7	-898	-40	-3	-8	-237
Profits (Losses) on investments held to maturity and on other investments	517	13	15	-	-208	177	284	13	67
Income (Loss) before tax from continuing operations	916	1,312	1,145	955	-2,111	1,365	2,265	1,839	840
Taxes on income from continuing operations	-169	-498	-476	183	1,633	-473	-682	-586	-27
Merger and restructuring-related charges (net of tax)	-84	-44	-38	-48	-182	-86	-68	-321	-164
Effect of purchase price allocation (net of tax)	-90	-98	-102	-95	-656	-148	-153	-131	-272
Income (Loss) after tax from discontinued operations	27	21	16	105	96	43	37	1,019	299
Minority interests	-57	-19	-32	-25	-8	-27	-41	-71	-37
Net income	543	674	513	1,075	-1,228	674	1,358	1,749	638

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

Gruppo Intesa Sanpaolo

Reclassified consolidated balance sheet

(in millions of euro)

Assets	31.12.2009	31.12.2008	Changes amount	Changes %
Financial assets held for trading	69,825	61,060	8,765	14.4
Financial assets designated at fair value through profit and loss	21,965	19,720	2,245	11.4
Financial assets available for sale	35,895	29,274	6,621	22.6
Investments held to maturity	4,561	5,572	-1,011	-18.1
Due from banks	43,242	48,766	-5,524	-11.3
Loans to customers	374,033	394,672	-20,639	-5.2
Investments in associates and companies subject to joint control	3,059	2,775	284	10.2
Property, equipment and intangible assets	31,080	31,859	-779	-2.4
Tax assets	7,320	7,466	-146	-2.0
Non-current assets held for sale and discontinued operations	6,552	10,211	-3,659	-35.8
Other assets	27,312	24,758	2,554	10.3
Total Assets	624,844	636,133	-11,289	-1.8

Liabilities and Shareholders' Equity	31.12.2009	31.12.2008	Changes amount	Changes %
Due to banks	43,369	49,415	-6,046	-12.2
Due to customers and securities issued	396,057	397,517	-1,460	-0.4
Financial liabilities held for trading	42,249	45,845	-3,596	-7.8
Financial liabilities designated at fair value through profit and loss	25,887	25,119	768	3.1
Tax liabilities	2,965	4,427	-1,462	-33.0
Liabilities associated with non-current assets held for sale and discontinued operations	9,723	11,897	-2,174	-18.3
Other liabilities	22,447	26,157	-3,710	-14.2
Technical reserves	23,582	20,248	3,334	16.5
Allowances for specific purpose	4,794	5,454	-660	-12.1
Share capital	6,647	6,647	-	-
Reserves	43,659	41,166	2,493	6.1
Valuation reserves	-430	-1,412	-982	-69.5
Minority interests	1,090	1,100	-10	-0.9
Net income	2,805	2,553	252	9.9
Total Liabilities and Shareholders' Equity	624,844	636,133	-11,289	-1.8

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

Gruppo Intesa Sanpaolo

Quarterly development of the Reclassified consolidated balance sheet

(in millions of euro)

Assets	2009				2008			
	31/12	30/9	30/6	31/3	31/12	30/9	30/6	31/3
Financial assets held for trading	69,825	77,644	74,744	78,833	61,060	49,526	54,848	53,268
Financial assets designated at fair value through profit and loss	21,965	21,927	20,958	20,218	19,720	20,479	20,915	20,499
Financial assets available for sale	35,895	36,119	33,118	32,680	29,274	30,877	37,076	38,941
Investments held to maturity	4,561	4,772	5,241	5,461	5,572	5,763	5,976	5,709
Due from banks	43,242	42,468	45,123	41,561	48,766	68,773	64,692	63,436
Loans to customers	374,033	377,384	385,889	386,595	394,672	382,272	370,284	358,641
Investments in associates and companies subject to joint control	3,059	2,984	2,909	2,889	2,775	2,819	2,751	2,786
Property, equipment and intangible assets	31,080	31,009	31,234	31,582	31,859	34,397	34,298	32,745
Tax assets	7,320	6,819	7,233	7,414	7,466	4,124	4,123	3,731
Non-current assets held for sale and discontinued operations	6,552	7,247	6,643	8,101	10,211	12,882	12,410	12,323
Other assets	27,312	23,235	25,350	23,970	24,758	22,203	20,599	16,972
Total Assets	624,844	631,608	638,442	639,304	636,133	634,115	627,972	609,051

Liabilities and Shareholders' Equity	2009				2008			
	31/12	30/9	30/6	31/3	31/12	30/9	30/6	31/3
Due to banks	43,369	43,539	46,961	46,607	49,415	62,303	61,031	69,468
Due to customers and securities issued	396,057	398,789	407,217	402,446	397,517	399,009	384,660	358,742
Financial liabilities held for trading	42,249	45,318	41,309	48,696	45,845	27,931	29,809	29,967
Financial liabilities designated at fair value through profit and loss	25,887	26,424	25,922	25,151	25,119	25,837	26,512	26,905
Tax liabilities	2,965	3,076	2,900	4,531	4,427	3,949	3,992	4,882
Liabilities associated with non-current assets held for sale and discontinued operations	9,723	9,702	10,210	10,771	11,897	12,641	12,870	12,670
Other liabilities	22,447	23,982	26,048	25,287	26,157	23,369	29,193	26,329
Technical reserves	23,582	22,510	20,803	19,799	20,248	21,151	21,783	22,540
Allowances for specific purpose	4,794	5,210	5,228	5,438	5,454	6,050	6,517	6,587
Share capital	6,647	6,647	6,647	6,647	6,647	6,647	6,647	6,647
Reserves	43,659	43,612	43,548	43,697	41,166	41,098	41,109	41,154
Valuation reserves	-430	-589	-1,041	-1,905	-1,412	-714	-299	-49
Minority interests	1,090	1,126	1,102	1,064	1,100	1,063	1,041	1,460
Net income	2,805	2,262	1,588	1,075	2,553	3,781	3,107	1,749
Total Liabilities and Shareholders' Equity	624,844	631,608	638,442	639,304	636,133	634,115	627,972	609,051

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

Gruppo Intesa Sanpaolo

Breakdown of financial highlights and financial ratios by business area

Income statement (in millions of euro)	Banca dei Territori		Corporate and Investment Banking		Public Finance		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Operating income	10,418	12,017	3,551	2,138	398	353	2,215	2,288	323	360	611	621
Operating costs	-6,116	-6,382	-852	-865	-81	-80	-1,137	-1,226	-138	-146	-328	-327
Operating margin	4,302	5,635	2,699	1,273	317	273	1,078	1,062	185	214	283	294
Net income	1,212	1,359	1,273	208	116	59	364	187	95	-205	93	-720

Balance sheet (in millions of euro)	Banca dei Territori		Corporate and Investment Banking		Public Finance		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Loans to customers	184,561	192,950	101,527	112,435	40,890	38,830	29,511	29,847	171	-	1,982	1,802
Direct customer deposits	225,489	218,225	93,215	83,405	6,203	5,205	27,583	28,212	3	-	7,502	6,583

Profitability ratios (%)	Banca dei Territori		Corporate and Investment Banking		Public Finance		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Cost / Income	58.7	53.1	24.0	40.5	20.4	22.7	51.3	53.6	42.7	40.6	53.7	52.7
ROE [(a)]	12.0	13.2	16.3	2.5	11.7	6.1	19.0	9.5	190.0	n.s.	30.0	n.s.
Economic Value Added (EVA) (in millions of euro)	758	1,530	508	-505	21	-34	105	280	127	149	147	151

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

[(a)] Ratio between Net income and Allocated capital.

Intesa Sanpaolo S.p.a.

Reclassified statement of income

(in millions of euro)

	2009	2008	Changes amount	Changes %
Net interest income	3,530	4,250	-720	-16.9
Dividends	1,349	1,185	164	13.8
Net fee and commission income	2,113	2,294	-181	-7.9
Profits (Losses) on trading	326	-823	1,149	
Other operating income (expenses)	391	301	90	29.9
Operating income	7,709	7,207	502	7.0
Personnel expenses	-2,316	-2,367	-51	-2.2
Other administrative expenses	-1,844	-2,025	-181	-8.9
Adjustments to property, equipment and intangibles assets	-191	-252	-61	-24.2
Operating costs	-4,351	-4,644	-293	-6.3
Operating margin	3,358	2,563	795	31.0
Net provisions for risks and charges	-146	-214	-68	-31.8
Net adjustments to loans	-1,345	-931	414	44.5
Net impairment losses on other assets	-68	-324	-256	-79.0
Profits (Losses) on investments held to maturity and on other investments	28	-950	978	
Income (Loss) before tax from continuing operations	1,827	144	1,683	
Taxes on income from continuing operations	114	557	-443	-79.5
Merger and restructuring-related charges (net of taxes)	-127	-334	-207	-62.0
Effect of purchase price allocation (net of tax)	-72	-204	-132	-64.7
Income (Loss) after tax from discontinued operations	101	892	-791	-88.7
Net income	1,843	1,055	788	74.7

Figures restated on a consistent basis.

Intesa Sanpaolo S.p.a.

Reclassified balance sheet

(in millions of euro)

Assets	31.12.2009	31.12.2008	Changes	
			amount	%
Financial assets held for trading	29,653	22,614	7,039	31.1
Financial assets designated at fair value	333	340	-7	-2.1
Financial assets available for sale	11,995	7,129	4,866	68.3
Investments held to maturity	1,305	2,097	-792	-37.8
Due from banks	116,067	108,675	7,392	6.8
Loans to customers	178,550	194,416	-15,866	-8.2
Equity investments	42,327	41,928	399	1.0
Property, equipment and intangible assets	11,646	11,688	-42	-0.4
Tax assets	4,132	4,146	-14	-0.3
Non-current assets held for sale and discontinued operations	6,450	4,291	2,159	50.3
Other assets	19,189	15,563	3,626	23.3
Total Assets	421,647	412,887	8,760	2.1

Liabilities and Shareholders' Equity	31.12.2009	31.12.2008	Changes	
			amount	%
Due to banks	93,160	78,615	14,545	18.5
Due to customers and securities issued	250,456	250,697	-241	-0.1
Financial liabilities held for trading	10,463	15,861	-5,398	-34.0
Financial liabilities designated at fair value	-	-	-	-
Tax liabilities	707	2,123	-1,416	-66.7
Liabilities associated with non-current assets held for sale and discontinued operations	5,721	4,035	1,686	41.8
Other liabilities	11,018	12,962	-1,944	-15.0
Allowances for specific purpose	2,337	2,920	-583	-20.0
Share capital	6,647	6,647	-	-
Reserves	38,309	37,323	986	2.6
Valuation reserves	986	649	337	51.9
Net income	1,843	1,055	788	74.7
Total Liabilities and Shareholders' Equity	421,647	412,887	8,760	2.1

Figures restated on a consistent basis.