INTESA SANPAOLO

PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2010

▪ **Operating income:**	**€4,052m for the third quarter, +0.7% (2010 second quarter: €4,024m); €12,312m for the first 9 months, -7.1% (2009 first 9 months: €13,255m).**
▪ **Operating costs:**	**€2,263m for the third quarter, -1.7% (2010 second quarter: €2,302m); €6,819m for the first 9 months, -1.7% (2009 first 9 months: €6,936).**
▪ **Operating margin:**	**€1,789m for the third quarter, +3.9% (2010 second quarter: €1,722m); €5,493m for the first 9 months, -13.1% (2009 first 9 months: €6,319m).**
▪ **Income before tax from continuing operations:**	**€1,047m for the third quarter, +32.7% (2010 second quarter: €789m); €2,983m for the first 9 months, -13.2% (2009 first 9 months: €3,437m).**
▪ **Net income:**	**€510m for the third quarter (2010 second quarter: €1,002m); €2,200m for the first 9 months, -2.7% (2009 first 9 months: €2,262m).**
▪ **Adjusted(*) net income:**	**€633m for the third quarter, + 26.3% (2010 second quarter: €501m); €1,844m for the first 9 months, -12.7% (2009 first 9 months: €2,113m).**
▪ **Capital ratios:**	**as at 30 September 2010, Tier 1 ratio at 8.9%.**

Torino, Milano, 9 November 2010 – At its meeting held today the Management Board of Intesa Sanpaolo, chaired by Andrea Beltratti, approved the consolidated interim statement as at 30 September 2010 (1).

During the first nine months of 2010 Intesa Sanpaolo maintained the same course of action aimed at **prioritising sustainable profitability** founded on strategic decisions concerning not only **revenues** and **costs** but also **liquidity, solidity and a well-contained risk profile**. These decisions have shaped the Group's management policy particularly in the context of the crisis in international financial markets that started in the second half of 2007 and deepened in the second quarter of 2010 amid tensions in the euro zone.

Consequently, in the third quarter of 2010 **management policies for the medium term -** combined with some **signs of recovery in the cycle** particularly reflected in the Group's **customer loans,** which at the end of September showed an **increase** over those at the end of June (after the growth during the March-to-June period) and were in line with the closing figure for the same quarter last year (after four quarters of year-on-year decline), as first evidence of a trend to be further confirmed in the coming quarters - have enabled Intesa Sanpaolo to register the following:

- an **increase in operating income,** up from the previous quarter, brought about by an improvement in net interest income, with euribor rates rising though remaining at their historical lows, and a recovery in trading profits;
- a **decline in operating costs**, down from the previous quarter and reduced in the first nine months of 2010 compared to the same period last year, confirming the trend in place in Intesa Sanpaolo since the merger;
- **lower loan adjustments**, down from the previous quarter and dropping significantly in the first nine months of 2010 against the same period of 2009; and
- an **increase in operating margin and income before tax from continuing operations** compared to the previous quarter.

This has delivered robust profitability with the Intesa Sanpaolo Group's **consolidated net income** for the third quarter of 2010 at 510 million euro, compared with 1,002 million euro in the second quarter of 2010 (-49.1%), which had included a 648 million euro net capital gain on the sale of the securities services business. Net income for the first nine months of 2010 was 2,200 million euro, down 2.7% from 2,262 million euro in the same period of 2009. This decline was due to domestic retail operations - which were impacted by historically low euribor rates and net interest income - for which a re-launching of profitability is being addressed by the new Business Plan. Net income was resilient in Public Finance while it increased across all the other Business Units.

Consolidated adjusted net income - excluding the main non-recurring items (*) **-** was 633 million euro for the third quarter of 2010, compared to the 501 million euro of the second quarter of 2010 (+26.3%). Adjusted net income for the first nine months of 2010 was 1,844 million euro, down 12.7% from 2,113 million euro for the same period of 2009.

(*) Methodological note on calculation of adjusted net income on page 13.

(1) Methodological note on the scope of consolidation on page 13.

The income statement for the third quarter of 2010

The consolidated income statement for the third quarter of 2010 (2) registered **operating income** of 4,052 million euro, up 0.7% from 4,024 million euro in the second quarter of 2010 and down 9.9% from 4,497 million euro in the third quarter of 2009.

As part of it, in the third quarter of 2010 **net interest income** was 2,470 million euro, up 0.3% from 2,462 million euro in the second quarter of 2010, in a context of recovering customer loans at the end of the quarter (+1.1% compared to 30 June 2010) and euribor rates which increased slightly between the second and the third quarter of 2010 after the continued and sharp decline started in the fourth quarter of 2008 though remaining at their historical lows. A decline of 4.6% was registered against the 2,590 million euro of the third quarter of 2009 mainly attributable to the 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 an economic environment marked by a lingering high uncertainty further confirmed by euro-zone tensions in the second quarter of the year - although attentive pricing and partial hedging against lowering interest rates were implemented.

Net fee and commissions amounted to 1,333 million euro, down 5.5% from 1,410 million euro in the second quarter of 2010 and unchanged versus the third quarter of 2009. Compared with the previous quarter, commissions on commercial banking activities increased by 1.6% and commissions on management, dealing and consultancy activities (which include portfolio management, distribution of insurance products, dealing and placement of securities, etc.) fell by 9.8% (with those on dealing and placement of securities and distribution of insurance products down 38.1% and 7.4% respectively and those on portfolio management up 0.3%). Compared to the same period in 2009, commissions on commercial banking activities declined by 3% and those on management, dealing and consultancy activities increased by 1.4% (with those on dealing and placement of securities and distribution of insurance products down 14.1% and 8.4% respectively and those on portfolio management up 16%).

Profits on trading amounted to 126 million euro (with a positive contribution of 8 million euro from proprietary trading and treasury activities and 27 million euro from structured credit products). Profits on trading were a negative 3 million euro in the second quarter of 2010 (with a negative contribution of 114 million euro from proprietary trading and treasury activities, of which around 100 million euro due to unrealised capital losses on Italian government bonds, and a positive contribution of 10 million euro from structured credit products). Trading activities had yielded a profit of 447 million euro in the third quarter of 2009 (which had registered a 114 million euro capital gain on the sale of the Natixis and Banca Generali stakes, included in financial assets available for sale, and positive contributions of 90 million euro from proprietary trading and treasury and 39 million euro from 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 positive pre-tax impact of 39 million euro.

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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 financial assets held for trading of 3,297 million euro into loans and receivables and of 194 million euro into financial assets available for sale. If this reclassification had not been made, the profits/losses on trading for the third quarter of 2010 would have recorded a positive pre-tax impact of 39 million euro (with a positive impact of 100 million euro in the first nine months of 2010 and 72 million euro in full-year 2009 and a negative impact of 459 million euro in full-year 2008). The Group also reclassified financial assets available for sale of 6,649 million euro into loans and receivables. Had these reclassifications not been made, a negative pre-tax impact of 1,219 million euro would have been recorded directly in the shareholders' equity as at 30 September 2010 (with a negative impact of 13 million euro in the third quarter of 2010 and 609 million euro in the first nine months of 2010).

Income from insurance business was 119 million euro compared to the 128 million euro of the second quarter of 2010 and the 116 million euro of the same period last year.

Operating costs amounted to 2,263 million euro, down 1.7% from the 2,302 million euro of the second quarter of 2010. Administrative expenses decreased by 4.5%, adjustments were down 2.7% while personnel expenses were unchanged. A 1.9% drop was registered against the 2,307 million euro of the third quarter of 2009, due to the decline in personnel expenses (-1.7%) and adjustments (-13.3%) and the slight increase in administrative expenses (+0.3%).

As a result, **operating margin** totalled 1,789 million euro, up 3.9% from 1,722 million euro in the previous quarter and down 18.3% from 2,190 million euro in the same period last year. The cost/income ratio was 55.8% in the third quarter of 2010 versus 57.2% in the second quarter of 2010 and 51.3% in the third quarter of 2009.

No **goodwill impairment** was recorded in the period, as was the case with the second quarter of 2010 and the third quarter of 2009.

Net **provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 742 million euro against the 934 million euro of the second quarter of 2010 and the 885 million euro of the third quarter of 2009. Net provisions for risks and charges amounted to 30 million euro against the 98 million euro of the previous quarter and the 66 million euro of the same period of 2009. Net adjustments to loans totalled 711 million euro compared to 798 million euro in the second quarter of 2010 and 823 million euro in the third quarter of 2009. Net impairment losses on other assets were one million euro against losses of 38 million euro in the previous quarter and a net write-back of 4 million euro in the third quarter of 2009.

Profits/losses on investments held to maturity and on other investments registered a nil balance against profits of one million euro in the second quarter of 2010 and 13 million euro in the third quarter of 2009.

Income before tax from continuing operations amounted to 1,047 million euro, up 32.7% from the 789 million euro posted in the three months to 30 June 2010 and down 20.6% from the 1,318 million euro of the third quarter of 2009.

Consolidated net income was 510 million euro - in comparison with the 1,002 million euro (-49.1%) of the second quarter of 2010 (which had included a net capital gain of 648 million euro on the sale of the securities services business) and the 674 million euro of the third quarter of 2009 (-24.3%) - after accounting for:

- taxes of 404 million euro;
- integration charges (net of tax) of 11 million euro;
- charges from purchase cost allocation (net of tax) of 103 million euro;
- a nil balance in income/loss after tax from discontinued operations;
- minority interests of 19 million euro.

Excluding the main non-recurring items, net income for the third quarter of 2010 was 633 million euro, up 26.3% from 501 million euro in the second quarter of 2010 and down 22.4% from 816 million euro in the third quarter of 2009.

The income statement for the first nine months of 2010

The consolidated income statement for the first nine months of 2010 registered **operating income** of 12,312 million euro, down 7.1% from 13,255 million euro in the first nine months of 2009.

As part of this, in the first nine months of 2010 **net interest income** amounted to 7,346 million euro, down 8.5% from 8,031 million euro for the same period of 2009, a decrease also due to the negative impact of 178 million euro resulting from the elimination of overdraft charges effective as of the third quarter of 2009.

Net fee and commission income, 4,152 million euro, registered a 7.6% increase from 3,860 million euro in the first nine months of 2009. Commissions on commercial banking activities were up 4.5% (an increase also due to 56 million euro resulting from the introduction of the commitment fee) and those on management, dealing and consultancy activities (which include portfolio management, distribution of insurance products, placement of securities, etc.) rose by 11.5%.

Profits on trading for the period were 341 million euro (including a negative contribution of 104 million euro from proprietary trading and treasury activities and a positive contribution of 64 million euro from structured credit products) against 993 million euro profits on trading in the same period last year (that had recorded a 114 million euro capital gain on the sale of the Natixis and Banca Generali stakes, a 182 million euro positive contribution from proprietary trading and treasury and a 36 million euro negative contribution from 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 positive pre-tax impact of 100 million euro.

Income from insurance business amounted to 413 million euro against the 304 million euro of the first nine months of 2009.

Operating costs amounted to 6,819 million euro, down 1.7% from 6,936 million euro in the first nine months of 2009 with decreases in personnel expenses (-0.7%), administrative expenses (-2%) and adjustments (-9%).

Consequently, **operating margin** was 5,493 million euro, down 13.1% from the 6,319 million euro of the same period in 2009, with the cost/income ratio at 55.4% compared to 52.3% in the first nine months of 2009.

As with the first nine months of 2009, no **goodwill impairment** was recorded in the period.

Net **provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 2,521 million euro declining by 13.4% from the 2,910 million euro of the first nine months of 2009. Net provisions for risks and charges were 214 million euro compared to 198 million euro in the first nine months of 2009. Net adjustments to loans were 2,263 million euro compared to 2,637 million euro in the first nine months of 2009. Net impairment losses on other assets were 44 million euro compared to 75 million euro in the same period last year.

Profits/losses on investments held to maturity and on other investments were a positive 11 million euro compared to profits of 28 million euro for the same period last year.

Income before tax from continuing operations posted 2,983 million euro, down 13.2% from the 3,437 million euro of the first nine months of 2009.

Consolidated net income amounted to 2,200 million euro - down 2.7% against the 2,262 million euro of the same period last year (which had benefited from a 511 million euro release of deferred taxes) - after accounting for:

- taxes of 1,066 million euro (which benefited from an 86 million euro release of deferred taxes);
- integration charges (net of tax) of 54 million euro;
- charges from purchase cost allocation (net of tax) of 296 million euro;
- income after tax from discontinued operations of 691 million euro, which included a net capital gain of 648 million euro on the sale of the securities services business;
- minority interests of 58 million euro.

Excluding the main non-recurring items, net income for the first nine months of 2010 was 1,844 million euro, down 12.7% from the 2,113 million euro of the first nine months of 2009.

<u>Balance sheet as at 30 September 2010</u>

As regards the consolidated balance sheet figures, as at 30 September 2010 **loans to customers** amounted to 379 billion euro, up 1.1% from the figure as at 30 June 2010, up 0.9% from year-end 2009 and in line with 30 September 2009 (down 5.3% taking into account average volumes instead of those at the end of the period). Total **non-performing loans** (doubtful, substandard, restructured and past due) - net of adjustments - amounted to 20,836 million euro, in line with the 20,822 million euro as at 30 June 2010 and up 1.9% compared to the 20,456 million euro as at 31 December 2009. In detail, doubtful loans increased to 6,634 from 6,275 million euro as at 30 June 2010 and 5,365 million euro as at 31 December 2009; the ratio to total loans was 1.8% (1.7% as at 30 June 2010 and 1.4% as at year-end 2009) and the coverage ratio was 66% (66% as at 30 June 2010 and 67% as at year-end 2009). Total coverage was 124% taking into account **collateral and guarantees** to doubtful loans in addition to specific provisions. Substandard loans decreased to 9,663 from 9,686 million euro in June 2010 and 10,375 million euro as at year-end 2009. Restructured loans amounted to 3,339 compared to 3,577 million euro in June 2010 and 2,293 million euro as at year-end 2009. Loans past due shrank to 1,200 from 1,284 million euro in June 2010 and 2,423 million euro in December 2009 (the drop compared to year-end 2009 was also due to the significant decrease in loans overdue by 90 days following the adoption of internal models for residential mortgages in the calculation of capital requirements effective as of June 2010).

Customer financial assets were 843 billion euro (after netting referred to items included in both direct and indirect customer deposits), up 0.5% from 30 June 2010, up 2.6% from 31 December 2009 and up 2.1% from 30 September 2009. Under customer financial assets, **direct customer deposits** amounted to 435 billion euro, down 1% from 30 June 2010, up 2.3% from 31 December 2009 and up 1.6% from 30 September 2009 while indirect customer deposits amounted to 434 billion euro, up 2% from 30 June 2010, up 2.3% from year-end 2009 and up 2% from September 2009. **Assets under management** totalled 240 billion euro, up 1.4% from 30 June 2010, up 3.4% from year-end 2009 and up 4.7% from September 2009. As for bancassurance, in the first nine months of 2010 new business for life policies amounted to 10.3 billion euro (13.7% higher than the first nine months of 2009). Assets under administration and in custody amounted to 194 billion euro, up 2.8% from 30 June 2010, up 0.9% from 31 December 2009 and down 1.2% from 30 September 2009.

Capital ratios as at 30 September 2010 stood at 7.7% for the Core Tier 1 ratio (7.1% at year-end 2009), 8.9% for the Tier 1 ratio (8.4% at year-end 2009) and 12.5% for the total capital ratio (11.8% at year-end 2009), applying the Basel 2 Foundation approach and internal models to residential mortgages. This calculation took into account the dividend accrued in the period for year 2010 (assuming the nine-month quota of the one billion euro dividend paid out in 2010 for 2009).

Pro-forma capital ratios should exceed 9.4% for the Core Tier 1 ratio, 10.6% for the Tier 1 ratio and 14.2% for the total capital ratio including the effects detailed below:

- sale of Cassa di Risparmio della Spezia and 96 branches to the Crédit Agricole group (expected positive impact of about 20 basis points on the Core Tier 1 ratio),
- acquisition of control of Banca Monte Parma (expected negative impact of 7 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),
- remaining capital management actions - partial or full disposals, partnerships, listings, etc. - planned on non-core assets (expected positive impact of at least 50 basis points on the Core Tier 1 ratio),
- further 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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According to information available so far, the estimated impact on the Group's capital ratios from **fully phased-in Basel 3** - applying the parameters set for 2019 to the financial statements as at 30 September 2010, taking into account the disposals/acquisitions in their finalisation stage and excluding the aforementioned capital management actions **-** is approximately the following:

- 2.4 billion euro in total deductions from common equity assuming that savings shares and the equity investment in the Bank of Italy are deducted and considering the expected deferred tax assets (DTAs) absorption before the full phasing-in of Basel 3,
- an additional 10.6 billion euro of risk-weighted assets (RWAs), fully offset by expected benefits from the evolution of internal models subject to approval of the Bank of Italy;

with an ensuing total impact on the Core Tier 1 ratio of around 68 basis points (the actual impact is subject to the implementation of relevant regulations).

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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,** even amid recently renewed tensions on international financial markets, while continuing to build on its key strengths which include, in addition to asset quality and the level of capital ratios commented upon previously:

● an **excellent liquidity profile** with
  - a well-balanced net interbank position,
  - a broad availability of eligible assets with Central Banks not yet utilised, corresponding to liquidity of 59 billion euro as at 30 September 2010,
  - 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,
  - remaining 2010 maturities of medium-long term funding that are largely retail (around 7 out of about 8 billion euro),
  - no strict requirement for the Group to access the wholesale market for the rest of the current year;

● **low leverage and an adequate capital base** with
  - a much lower leverage than other major European banking groups,
  - one of the best ratios of tangible net shareholders' equity to tangible assets among the major European banking groups;

● a **low risk profile** with
  - the Group's securities portfolio at the end of September 2010 including bonds issued by the central and local governments of Greece for 811 million euro, Spain for 680 million euro, Ireland for 284 million euro and Portugal for 67 million euro.

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As fully detailed when disclosing the results for 2007, 2008 and 2009, 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 an impact on profits on trading mainly in terms of write-downs - to the first quarter of 2009 inclusive, with recovery starting 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 26 million euro as at 30 September 2010. Full and detailed information concerning structured credit products held by the Group is included, as usual, in the Interim Statement as at 30 September 2010 approved by the Management Board as well as in the specific slides of the results presentation made available to the market.

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As at 30 September 2010, the Intesa Sanpaolo Group's **operating structure** had a total network of 7,669 branches - of which 5,877 in Italy and 1,792 abroad - with 102,435 employees, 1,020 lower than at 31 December 2009.

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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, 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 in November 2007 operating through the Group's branches, with regional centres and a team of specialists. The Banca dei Territori Division also includes product companies, namely Mediocredito Italiano, the Group company which specialises in industrial credit, the insurance companies EurizonVita, Sud Polo Vita, Intesa Vita, Centrovita Assicurazioni and Intesa Sanpaolo Previdenza, the fiduciary service company SIREFID and Moneta, a company operating in the consumer credit business and through its subsidiary Setefi in the electronic payment systems.

In the third quarter of 2010, the Banca dei Territori Division registered:
- operating income of 2,377 million euro, down 2.9% compared with 2,449 million euro in the second quarter of 2010;
- operating costs of 1,472 million euro, up 0.4% from 1,466 million euro in the second quarter of 2010;
- operating margin of 905 million euro, down 7.9% compared to 982 million euro in the previous quarter;
- a cost/income ratio of 61.9% versus 59.9% in the second quarter of 2010;
- net provisions and adjustments of 437 million euro compared to 564 million euro in the previous quarter;
- income before tax from continuing operations of 467 million euro, up 11.4% from 419 million euro in the second quarter of 2010;
- net income of 207 million euro, up 22.5% from 169 million euro in the second quarter of 2010.

In the first nine months of 2010, the Banca dei Territori Division registered:
- operating income of 7,312 million euro, down 2.8% compared to 7,520 million euro in the first nine months of 2009, accounting for 59% of the consolidated operating income (57% in the same period last year);
- operating costs down 0.4% to 4,354 million euro from 4,371 million euro in the first nine months of 2009;
- operating margin of 2,958 million euro, down 6.1% compared to 3,149 million euro in the first nine months of 2009;
- a cost/income ratio of 59.5% versus 58.1% in the same period of 2009;
- net provisions and adjustments of 1,496 million euro compared to 1,352 million euro in the same period of 2009;
- income before tax from continuing operations of 1,462 million euro, a decrease of 18.6% from 1,797 million euro in the first nine months of 2009;
- net income of 657 million euro declining 16.1% from 783 million euro in the first nine months of 2009.

Eurizon Capital, the company specialised in providing collective and individual asset management products to the Group's internal banking networks, is developing ever more effective synergies with the Banca dei Territori Division. The company is also focused on strengthening its presence in the "open architecture" segment through specific distribution agreements with other networks and institutional investors. Eurizon Capital controls 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% stake in a Chinese asset management company, Penghua Fund Management.

In the third quarter of 2010, Eurizon Capital registered:
- operating income of 67 million euro, down 4.7% from 70 million euro in the second quarter of 2010;
- operating costs of 33 million euro, up 4.8% from 31 million euro in the previous quarter;
- operating margin of 34 million euro, down 12.4% from 39 million euro in the previous quarter;
- a cost/income ratio of 49% versus 44.6% in the second quarter of 2010;
- income before tax from continuing operations of 34 million euro, down 12.7% from 38 million euro in the second quarter of 2010;
- net income of 16 million euro, down 25.5% from 21 million euro in the second quarter of 2010.

In the first nine months of 2010, Eurizon Capital registered:
- operating income of 203 million euro, up 6.8% from 190 million euro in the first nine months of 2009 and accounting for 2% of the Group's consolidated figure (1% in the first nine months of 2009);
- operating costs of 97 million euro, up 5.4% from 92 million euro in the first nine months of 2009;
- operating margin of 106 million euro, up 8.2% compared to 98 million euro in the same period last year;
- a cost/income ratio improving to 47.8% from 48.4% in the first nine months of 2009;
- income before tax from continuing operations of 105 million euro, up 7.1% from 98 million euro in the first nine months of 2009;
- net income of 52 million euro, up 26.8% from 41 million euro in the first nine months of 2009.

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 Italia, 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 which specialise in corporate banking (Société Européenne de Banque, Intesa Sanpaolo Bank Ireland) and for providing specialist assistance in support of the internationalisation of Italian corporates and the development of export;
- Financial Institutions, responsible for relations with Italian and foreign financial institutions, management of transactional services related to payment systems as well as custody and settlement of securities as a custodian and correspondent bank for local customers;
- Banca IMI, which is in charge of investment banking operations, that is the creation of products of structured finance and M&A consultancy services to the Group's clients, and 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 third quarter of 2010, the Corporate & Investment Banking Division registered:
- operating income of 777 million euro, down 6.9% from 834 million euro in the previous quarter;
- operating costs of 226 million euro, up 2% from 222 million euro in the previous quarter;
- operating margin of 550 million euro, down 10.2% from 612 million euro in the second quarter of 2010;
- a cost/income ratio of 29.1% versus 26.6% in the second quarter of 2010;
- net provisions and adjustments of 123 million euro from 108 million euro in the second quarter of 2010;
- income before tax from continuing operations of 428 million euro, down 14.4% from 500 million euro in the previous quarter;
- net income of 284 million euro, a 20.9% decrease compared to 359 million euro in the second quarter of 2010.

In the first nine months of 2010, the Corporate & Investment Banking Division registered:
- operating income of 2,561 million euro, down 7.9% from 2,781 million euro in the same period in 2009, accounting for 21% of the Group's consolidated figure (the same as in the corresponding period of 2009);
- operating costs of 656 million euro, up 1.2% from 648 million euro in the same period in 2009;
- operating margin of 1,905 million euro, down 10.7% from 2,133 million euro in the first nine months of 2009;
- a cost/income ratio of 25.6% versus 23.3% in the first nine months of 2009;
- net provisions and adjustments of 333 million euro, more than halved compared to 787 million euro in the same period in 2009;
- profits on investments held to maturity and on other investments were a negative 4 million euro compared to a nil balance in the same period in 2009;
- income before tax from continuing operations of 1,568 million euro, up 16.6% from 1,345 million euro in the same period in 2009;
- net income of 1,061 million euro, a 16.3% increase on the 912 million euro of the first nine months of 2009.

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 fostering cooperation between the public and private sectors and supporting initiatives and investment projects in large infrastructure, healthcare, research and public utilities in general. Public finance activities are performed through Banca Infrastrutture Innovazione e Sviluppo.

In the third quarter of 2010, Public Finance registered:
- operating income of 81 million euro, down 4.2% compared with 85 million euro in the second quarter of 2010;
- operating costs of 17 million euro, down 11.1% from 19 million euro in the previous quarter;
- operating margin of 64 million euro, down 2.1% from 65 million euro in the second quarter of 2010;
- a cost/income ratio improving to 21.1% from 22.7% in the second quarter of 2010;
- net provisions and adjustments of 5 million euro, half the figure of 10 million euro for the second quarter of 2010;
- income before tax from continuing operations of 59 million euro, up 5.9% from 56 million euro in the second quarter in 2010;
- net income of 38 million euro, up 9.4% from 34 million euro of the previous quarter.

In the first nine months of 2010, Public Finance registered:
- operating income of 240 million euro, representing 2% of the Group's consolidated operating income (the same as in the first nine months of 2009), a 26.6% decrease from 327 million euro in the same period in 2009 due to the tightening of spreads;
- operating costs of 56 million euro, down 6.7% from 60 million euro in the same period in 2009;
- operating margin of 184 million euro, down 31.1% from 267 million euro in the first nine months of 2009;
- a cost/income ratio of 23.3% versus 18.3% in the same period of 2009;
- net provisions and adjustments of 18 million euro against 80 million euro in the first nine months of 2009;
- income before tax from continuing operations of 166 million euro, down 11.2% from 187 million euro in the first nine months of 2009;
- net income of 103 million euro, the same as in the first nine months of 2009.

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, Intesa Sanpaolo Bank Romania and Banca CR Firenze 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 include the subsidiaries: Banca Intesa in the Russian Federation, Pravex-Bank in Ukraine and Bank of Alexandria in Egypt.

In the third quarter of 2010, the International Subsidiary Banks Division registered:

- operating income of 573 million euro, up 0.8% from 568 million euro in the second quarter of 2010;
- operating costs of 281 million euro, down 2.6% from 289 million euro in the previous quarter;
- operating margin of 291 million euro, up 4.3% from 279 million euro in the previous quarter;
- a cost/income ratio improving to 49.1% from 50.8% in the second quarter of 2010;
- net provisions and adjustments of 136 million euro against 143 million euro in the previous quarter;
- income before tax from continuing operations of 157 million euro, up 14.4% compared to 137 million euro in the previous quarter;
- net income of 116 million euro, up 24.5% compared to 93 million euro in the second quarter of 2010.

In the first nine months of 2010, the International Subsidiary Banks Division registered:

- operating income of 1,698 million euro, up 1.4% compared to 1,674 million euro in the corresponding period of 2009 and accounted for 14% of the Group's consolidated figure (13% in the first nine months of 2009);
- operating costs of 852 million euro, down 1.4% from 864 million euro in the first nine months of 2009;
- operating margin of 846 million euro, up 4.4% from 810 million euro in the corresponding period of 2009;
- a cost/income ratio improving to 50.2% from 51.6% in the first nine months of 2009;
- net provisions and adjustments of 410 million euro compared to 479 million euro in the corresponding period of 2009;
- income before tax from continuing operations of 438 million euro, up 31.9% from the 332 million euro of the same period in 2009;
- net income of 324 million euro, up 27.1% compared to 255 million euro of the same period last year.

Banca Fideuram, through its network of private bankers, performs asset gathering activities serving customers with a medium to high savings potential. In the third quarter of 2010, Banca Fideuram registered:

- operating income of 182 million euro, in line with the second quarter of 2010;
- operating costs of 84 million euro, down 4.3% compared to 87 million euro in the second quarter of 2010;
- operating margin of 98 million euro, up 3.8% from 95 million euro in the previous quarter;
- a cost/income ratio improving to 46% from 48% in the second quarter of 2010;
- net provisions and adjustments of 15 million euro compared to 33 million euro in the second quarter of 2010;
- income before tax from continuing operations of 83 million euro, up 33.8% from 62 million euro in the second quarter of 2010;
- net income of 41 million euro compared to 14 million euro in the second quarter 2010; excluding the effect of purchase price allocation, net income for the period would be 64 million euro versus 38 million euro in the second of 2010.

In the first nine months of 2010, Banca Fideuram registered:

- operating income of 573 million euro, up 10% from 521 million euro in the first nine months of 2009 contributing 5% to the Group's consolidated figure (4% in the first nine months of 2009);
- operating costs of 255 million euro, down 2.7% compared with 262 million euro in the first nine months of 2009;
- operating margin of 318 million euro, up 22.8% from 259 million euro in the same period in 2009;
- a cost/income ratio improving to 44.5% from 50.3% in the same period in 2009;
- net provisions and adjustments of 59 million euro compared to 40 million euro in the same period in 2009;
- income before tax from continuing operations of 259 million euro, up 18.3% from 219 million euro in the first nine months of 2009;
- net income of 114 million euro, up 9.6% compared to 104 million euro in the corresponding period of 2009; excluding the effect of purchase price allocation, net income for the period would be 185 million euro versus 173 million euro in the first nine months of 2009.

The 2010 outlook

In the final part of the year the Group remains focused on the priority of assuring sustainable profitability in the medium term by developing long-lasting client relationships, fine-tuning cost control and investments while at the same time monitoring asset quality, liquidity and the capital base.

Also in light of the results generated over the first nine months of 2010, the Group is expected to register an improvement in net income for the year, compared to 2009, due in particular to a reduction in operating costs, in the cost of credit and integration charges as well as to the contribution of non-recurring items.

* * *

For consistency purposes, the income statement data for 2009 were restated mainly due to two transactions:
1. the disposal of the securities services business, in respect of which a sale-and-purchase agreement was entered into in December 2009: for the first three quarters of 2009 relevant items were deconsolidated line by line and their contribution in terms of net income was recorded under income after tax from discontinued operations;
2. the acquisition of 50 branches from Banca Monte dei Paschi di Siena which entered the scope of full consolidation in the income statement of the third quarter of 2010. For 2009 and for the first two quarters of 2010 relevant items were consolidated line by line and their contribution to net income was recorded under minority interests.

Still for consistency purposes, the balance sheet data were restated:
1. for the first three quarters of 2009 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;
2. for the first quarter of 2010 and the four quarters of 2009 consolidating line by line the items related to the acquisition of 50 branches from Banca Monte dei Paschi di Siena finalised in June 2010;
3. for the first two quarters of 2010 and the four quarters of 2009 consolidating line by line the items related to the purchase from the Generali Group of the remaining 50% of Intesa Vita not owned by the Intesa Sanpaolo Group, finalised in September 2010.

Moreover the income statement and balance sheet data relating to the Business Units were restated:
1. for 2009 taking into account the allotment of the Banca CR Firenze Group results, including Casse del Centro, to the relevant Business Units (previously they were entirely attributed to Banca dei Territori Division);
2. for the first two quarters of 2010 and for 2009 to include the contribution to Banca Fideuram of the Fideuram Vita business line spun off from Eurizon Vita and consequently from the Banca dei Territori Division.

* * *

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

in the first quarter 2010: 1) an 86 million euro fiscal benefit from the release of deferred taxes relating to goodwill detaxation with some subsidiaries, recorded under taxes on income from continuing operations, 2) 23 million euro integration charges and related tax savings resulting in net integration charges of 16 million euro, and 3) 92 million euro charges from purchase cost allocation, net of tax;

in the second quarter 2010: 1) a 19 million euro extraordinary tax pertaining to the first half of 2010 and relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 2) 664 million euro capital gains made on the sale of the securities services business and related taxes, which resulted in a net capital gain of 648 million euro under income after tax from discontinued operations, 3) 41 million euro integration charges and related tax savings, which resulted in net integration charges of 27 million euro, and 4) 101 million euro charges from purchase cost allocation, net of tax;

in the third quarter 2010: 1) a 9 million euro extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 2) 13 million euro integration charges and related tax savings, which resulted in net integration charges of 11 million euro, and 3) 103 million euro charges from purchase cost allocation, net of tax;

in the first quarter 2009: 1) a 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) 60 million euro integration charges and related tax savings, which resulted in net integration charges of 38 million euro, and 2) 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 recorded under other operating income and related taxes, 2) 439 million euro capital gains from the disposal of Findomestic and 70 million euro from that of Esaote registered under profits on investments held to maturity, and related taxes, 3) 131 million euro integration charges and related tax savings, which resulted in net integration charges of 84 million euro, 4) 90 million euro charges from purchase cost allocation, net of tax, and 5) 60 million euro attributable to minority shareholders out of the aforementioned 439 million euro Findomestic capital gain recorded under minority interests.

* * *

In order to present more complete information regarding the results generated in the first nine months of 2010, the reclassified consolidated income statement and the reclassified consolidated balance sheet included in the interim statement approved by the Management Board are attached. Please note that these statements and the interim statement have not been reviewed by the Auditing company.

* * *

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

(millions of euro)

	30.09.2010	30.09.2009	Changes	
			amount	%
Net interest income	7,346	8,031	-685	-8.5
Dividends and profits (losses) on investments carried at equity	42	48	-6	-12.5
Net fee and commission income	4,152	3,860	292	7.6
Profits (Losses) on trading	341	993	-652	-65.7
Income from insurance business	413	304	109	35.9
Other operating income (expenses)	18	19	-1	-5.3
Operating income	12,312	13,255	-943	-7.1
Personnel expenses	-4,116	-4,144	-28	-0.7
Other administrative expenses	-2,268	-2,314	-46	-2.0
Adjustments to property, equipment and intangible assets	-435	-478	-43	-9.0
Operating costs	-6,819	-6,936	-117	-1.7
Operating margin	5,493	6,319	-826	-13.1
Goodwill impairment	-	-	-	-
Net provisions for risks and charges	-214	-198	16	8.1
Net adjustments to loans	-2,263	-2,637	-374	-14.2
Net impairment losses on other assets	-44	-75	-31	-41.3
Profits (Losses) on investments held to maturity and on other investments	11	28	-17	-60.7
Income (Loss) before tax from continuing operations	2,983	3,437	-454	-13.2
Taxes on income from continuing operations	-1,066	-800	266	33.3
Merger and restructuring-related charges (net of tax)	-54	-130	-76	-58.5
Effect of purchase price allocation (net of tax)	-296	-295	1	0.3
Income (Loss) after tax from discontinued operations	691	142	549	
Minority interests	-58	-92	-34	-37.0
Net income	2,200	2,262	-62	-2.7
Basic EPS - euro	0.17	0.18		
Diluted EPS - euro	0.17	0.18		

Figures restated where required by international accounting standards and, where necessary, considering the changes in the scope of consolidation.

Gruppo Intesa Sanpaolo

Quarterly development of the reclassified consolidated statement of income

(millions of euro)

	2010			2009			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net interest income	2,470	2,462	2,414	2,494	2,590	2,769	2,672
Dividends and profits (losses) on investments carried at equity	8	27	7	-2	18	36	-6
Net fee and commission income	1,333	1,410	1,409	1,504	1,333	1,306	1,221
Profits (Losses) on trading	126	-3	218	129	447	439	107
Income from insurance business	119	128	166	133	116	124	64
Other operating income (expenses)	-4	-	22	29	-7	5	21
Operating income	4,052	4,024	4,236	4,287	4,497	4,679	4,079
Personnel expenses	-1,371	-1,371	-1,374	-1,460	-1,395	-1,355	-1,394
Other administrative expenses	-748	-783	-737	-892	-746	-814	-754
Adjustments to property, equipment and intangible assets	-144	-148	-143	-202	-166	-156	-156
Operating costs	-2,263	-2,302	-2,254	-2,554	-2,307	-2,325	-2,304
Operating margin	1,789	1,722	1,982	1,733	2,190	2,354	1,775
Goodwill impairment	-	-	-	-	-	-	-
Net provisions for risks and charges	-30	-98	-86	-99	-66	-63	-69
Net adjustments to loans	-711	-798	-754	-1,069	-823	-1,081	-733
Net impairment losses on other assets	-1	-38	-5	-160	4	-72	-7
Profits (Losses) on investments held to maturity and on other investments	-	1	10	517	13	15	-
Income (Loss) before tax from continuing operations	1,047	789	1,147	922	1,318	1,153	966
Taxes on income from continuing operations	-404	-309	-353	-171	-500	-479	179
Merger and restructuring-related charges (net of tax)	-11	-27	-16	-84	-44	-38	-48
Effect of purchase price allocation (net of tax)	-103	-101	-92	-90	-98	-102	-95
Income (Loss) after tax from discontinued operations	-	663	28	27	21	16	105
Minority interests	-19	-13	-26	-61	-23	-37	-32
Net income	510	1,002	688	543	674	513	1,075

Figures restated where required by international accounting standards and, where necessary, considering the changes in the scope of consolidation.

Gruppo Intesa Sanpaolo

Reclassified consolidated balance sheet

(millions of euro)

Assets	30.09.2010	31.12.2009	Changes	
			amount	%
Financial assets held for trading	90,517	70,900	19,617	27.7
Financial assets designated at fair value through profit and loss	33,252	31,982	1,270	4.0
Financial assets available for sale	60,307	50,943	9,364	18.4
Investments held to maturity	4,205	4,561	-356	-7.8
Due from banks	45,175	43,260	1,915	4.4
Loans to customers	378,832	375,454	3,378	0.9
Investments in associates and companies subject to joint control	2,364	2,334	30	1.3
Property, equipment and intangible assets	30,963	31,198	-235	-0.8
Tax assets	7,839	7,374	465	6.3
Non-current assets held for sale and discontinued operations	48	6,552	-6,504	-99.3
Other assets	23,876	27,786	-3,910	-14.1
Total Assets	677,378	652,344	25,034	3.8

Liabilities and Shareholders' Equity	30.09.2010	31.12.2009	Changes	
			amount	%
Due to banks	47,242	44,043	3,199	7.3
Due to customers and securities issued	408,476	397,008	11,468	2.9
Financial liabilities held for trading	58,140	42,264	15,876	37.6
Financial liabilities designated at fair value through profit and loss	26,357	28,151	-1,794	-6.4
Tax liabilities	3,050	3,225	-175	-5.4
Liabilities associated with non-current assets held for sale and discontinued operations	-	9,723	-9,723	
Other liabilities	26,015	22,727	3,288	14.5
Technical reserves	49,585	46,026	3,559	7.7
Allowances for specific purpose	4,567	4,799	-232	-4.8
Share capital	6,647	6,647	-	-
Reserves	45,265	43,659	1,606	3.7
Valuation reserves	-1,134	-430	704	
Minority interests	968	1,697	-729	-43.0
Net income	2,200	2,805	-605	-21.6
Total Liabilities and Shareholders' Equity	677,378	652,344	25,034	3.8

Figures restated where required by international accounting standards and, where necessary, considering the changes in the scope of consolidation and discontinued operations.

Gruppo Intesa Sanpaolo

Quarterly development of the reclassified consolidated balance sheet

(millions of euro)

Assets	2010			2009			
	30/9	30/6	31/3	31/12	30/9	30/6	31/3
Financial assets held for trading	90,517	98,472	83,979	70,900	78,889	75,780	79,846
Financial assets designated at fair value through profit and loss	33,252	32,973	33,431	31,982	31,818	30,473	29,583
Financial assets available for sale	60,307	54,960	55,369	50,943	50,206	45,602	44,209
Investments held to maturity	4,205	4,307	4,341	4,561	4,772	5,241	5,461
Due from banks	45,175	48,618	47,909	43,260	42,666	45,570	41,898
Loans to customers	378,832	374,867	370,916	375,454	378,788	387,292	388,012
Investments in associates and companies subject to joint control	2,364	2,352	2,332	2,334	2,265	2,256	2,262
Property, equipment and intangible assets	30,963	31,155	31,050	31,198	31,127	31,352	31,700
Tax assets	7,839	8,112	7,550	7,374	6,890	7,365	7,608
Non-current assets held for sale and discontinued operations	48	35	7,741	6,552	7,247	6,643	8,101
Other assets	23,876	26,315	27,570	27,786	23,730	25,863	24,460
Total Assets	677,378	682,166	672,188	652,344	658,398	663,437	663,140

Liabilities and Shareholders' Equity	2010			2009			
	30/9	30/6	31/3	31/12	30/9	30/6	31/3
Due to banks	47,242	49,542	45,367	44,043	44,315	47,737	47,383
Due to customers and securities issued	408,476	412,996	405,127	397,008	399,509	407,944	403,226
Financial liabilities held for trading	58,140	56,413	48,350	42,264	45,329	41,320	48,707
Financial liabilities designated at fair value through profit and loss	26,357	26,430	27,692	28,151	28,629	27,970	26,921
Tax liabilities	3,050	2,874	3,785	3,225	3,347	3,191	4,859
Liabilities associated with non-current assets held for sale and discontinued operations	-	-	9,375	9,723	9,702	10,210	10,771
Other liabilities	26,015	26,505	24,685	22,727	24,233	26,382	25,587
Technical reserves	49,585	48,612	47,947	46,026	44,461	41,073	39,157
Allowances for specific purpose	4,567	4,620	4,799	4,799	5,214	5,232	5,442
Share capital	6,647	6,647	6,647	6,647	6,647	6,647	6,647
Reserves	45,265	45,317	46,358	43,659	43,614	43,548	43,697
Valuation reserves	-1,134	-1,120	-339	-430	-589	-1,041	-1,905
Minority interests	968	1,640	1,707	1,697	1,725	1,636	1,573
Net income	2,200	1,690	688	2,805	2,262	1,588	1,075
Total Liabilities and Shareholders' Equity	677,378	682,166	672,188	652,344	658,398	663,437	663,140

Figures restated where required by international accounting standards and, 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 (millions of euro)	Banca dei Territori		Corporate and Investment Banking		Public Finance		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009	30.09.2010	30.09.2009	30.09.2010	30.09.2009	30.09.2010	30.09.2009	30.09.2010	30.09.2009
Operating income	7,312	7,520	2,561	2,781	240	327	1,698	1,674	203	190	573	521
Operating costs	-4,354	-4,371	-656	-648	-56	-60	-852	-864	-97	-92	-255	-262
Operating margin	2,958	3,149	1,905	2,133	184	267	846	810	106	98	318	259
Net income	657	783	1,061	912	103	103	324	255	52	41	114	104

Balance sheet (millions of euro)	Banca dei Territori		Corporate and Investment Banking		Public Finance		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009	30.09.2010	31.12.2009	30.09.2010	31.12.2009	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Loans to customers	177,541	178,239	110,202	107,616	42,629	41,186	30,510	29,644	113	171	2,739	1,982
Direct customer deposits	217,351	220,955	108,428	94,900	5,045	6,461	29,943	28,564	20	3	11,851	13,604

Profitability ratios (%)	Banca dei Territori		Corporate and Investment Banking		Public Finance		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009	30.09.2010	30.09.2009	30.09.2010	30.09.2009	30.09.2010	30.09.2009	30.09.2010	30.09.2009
Cost / Income	59.5	58.1	25.6	23.3	23.3	18.3	50.2	51.6	47.8	48.4	44.5	50.3
ROE [a]	9.1	10.6	17.9	14.5	12.9	14.0	21.0	17.5	117.8	78.3	39.2	34.3
Economic Value Added (EVA) (in millions of euro)	246	437	462	298	26	33	125	60	76	66	159	141

Figures restated where required by international accounting standards and, where necessary, considering the changes in the scope of consolidation and in business unit constituents and discontinued operations.

[a] Ratio between Net income and Allocated capital. Figure for the period is annualised.