INTESA SANPAOLO

2008 Third-Quarter Results

11 November 2008

Foreword

- **For comparison purposes, 2007 data and 2008 first and second quarter data have been restated to take into account the changes in the scope of consolidation**
  - **the consolidation line by line of P&L results of Pravex-Bank and Intesa Sanpaolo Servizi Transazionali (former MPS Finance Banca Mobiliare)**
  - **the recording of the economic effects connected with discontinued operations in its specific caption (including Carifano)**

- **In accordance with the recent IAS 39 amendment adopted by the European Union which permits the reclassification of Financial assets held for trading and/or available for sale into other categories, Intesa Sanpaolo, on the basis of a clear change in the Company's intention as a result of unusual events, reclassified €4,072m Financial assets held for trading into Loans & Receivables, €125m Financial assets held for trading into Financial assets available for sale and €6,156m Financial assets available for sale into Loans & Receivables, in order to reflect management intent to hold them for the foreseeable future, and for which current and foreseeable future market conditions do not allow for active management. If this reclassification had not been made the income statement for 3Q08 would have included €141m(1) as negative impact from fair value measurement and €9m(1) of lower Net Interest Income, while the Shareholders' equity for 3Q08 would have included €212m(1) as negative direct impact**

(1) Before tax data

The priorities that we have concentrated on in recent months have been reinforcing the solidity of the Group and the sustainability of its revenues

- **Intesa Sanpaolo is today one of the most solid international banking Groups in terms of risk, liquidity, leverage and capital base profile**
- **In the first 9 months of 2008, Intesa Sanpaolo has delivered a solid operating performance despite the unprecedented market conditions and the impact of some negative non-recurring items**
- **The integration project has been further accelerated to bring forward synergies and efficiency improvements**

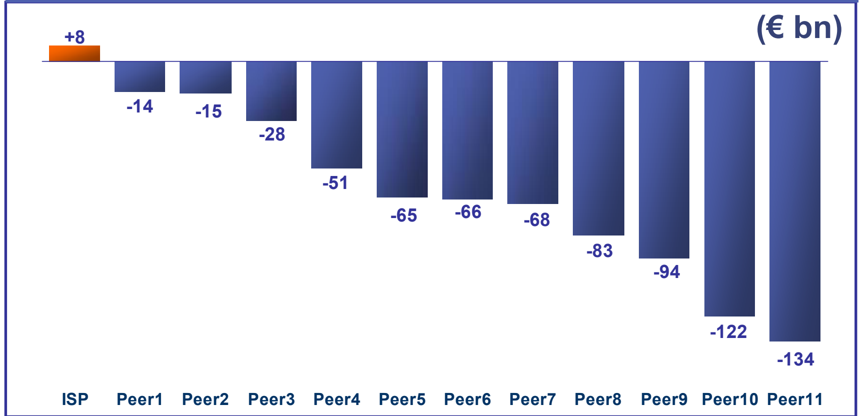
ISP is one of the most solid international banking Groups in terms of risk, liquidity, leverage and capital base profile

- **Excellent liquidity**
  - **Direct Customer Deposits > Loans to Customers**
  - **€11bn positive Net interbank position**
  - **~€32bn Eligible Assets with Central banks as at 31.10.08 (and additional ~€16bn by 31.12.08)**
- **Low risk profile**
  - **83% of revenues from retail operations**
  - **Limited and well-diversified exposure to Central-Eastern European countries**
  - **Net Doubtful Loans/Net Loans stable at 0.9%**
  - **Provisions and net adjustments/Operating Margin: 25.3%**
- **Contained leverage and adequate Capital base**
  - **Tangible Net Shareholders' equity/Tangible Total Assets one of the best among peers**
  - **Much lower leverage than peers**
  - **Pro forma(1) Core Tier 1 ratio: 7.5-8.0%**
  - **Pro forma(1) Tier 1 ratio: 8.3-8.8%**

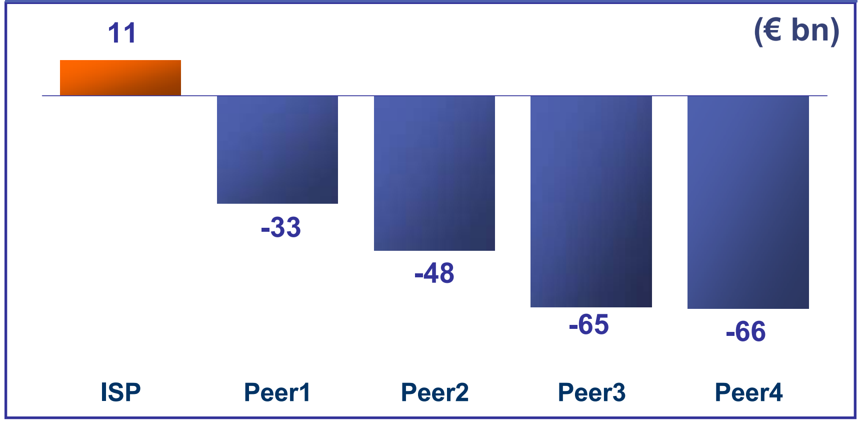
(1) Including estimated benefits from Basel 2 Advanced (subject to the Bank of Italy approval) and from goodwill release for potential capital management actions on non-core assets with a total book value of ~€8bn, of which ~€4bn deducted from Core Tier 1

ISP is one of the most solid international banking Groups
Excellent liquidity profile

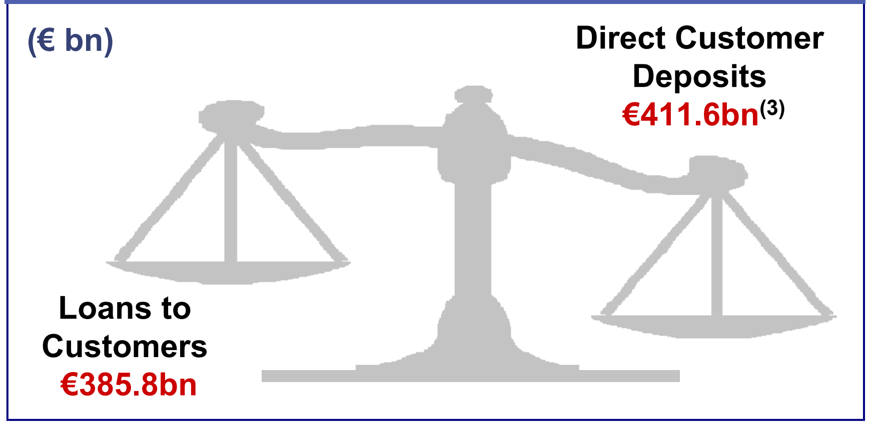
Net interbank position as at 30.06.08(1)



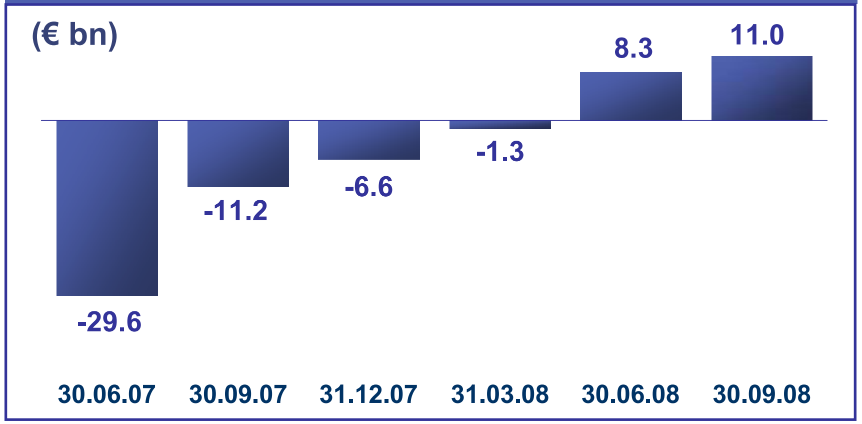
Net interbank position as at 30.09.08(2)



Direct Customer Deposits > Loans to Customers as at 30.09.08



Net interbank position trend



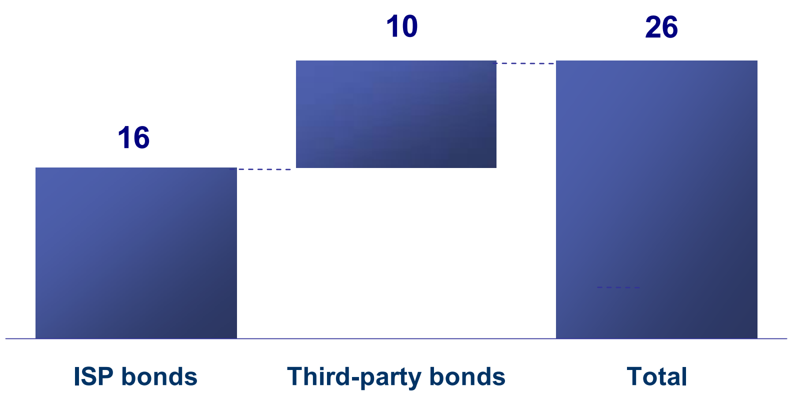
(1) Sample: Barclays, BBVA, BNP Paribas, Commerzbank, Fortis, ING, Lloyds TSB, RBS, Santander, SocGen and UniCredit
(2) Sample (reduced due to unavailable or not meaningful data as at 30.09.08): BBVA, Santander, Deutsche Bank and Commerzbank
(3) Excluding ~€22bn financial liabilities from insurance business

ISP is one of the most solid international banking Groups
Excellent liquidity profile

- **Stable and well-diversified sources of funding**
- **70% of Direct Customer Deposits from retail activity**
- **Broad availability of Eligible Assets with Central Banks not yet allocated (~€32bn as at 31.10.08 net of haircut). A plan to further enlarge Eligible Assets is underway (~€16bn by 31.12.08 and additional ~€6bn in 2009)**
- **Strong medium/long-term funding capacity with retail customers: retail placements in 9M08 are almost equal to the total 2009 funding maturities**

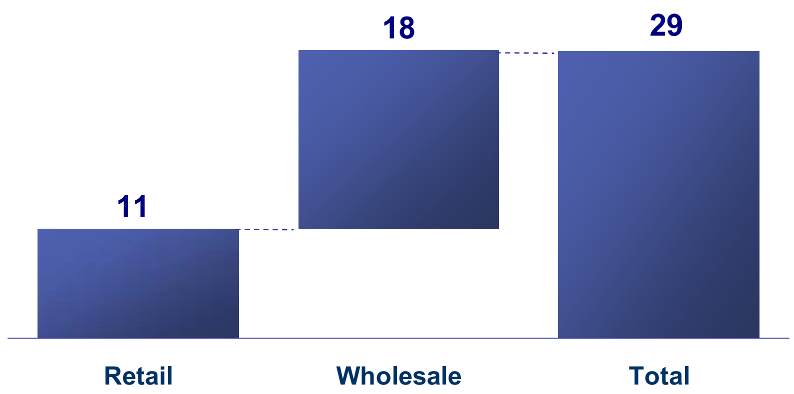
Medium/Long-term Funding
9M08 retail placements

(€ bn)



Medium/Long-term Funding
2009 total maturities

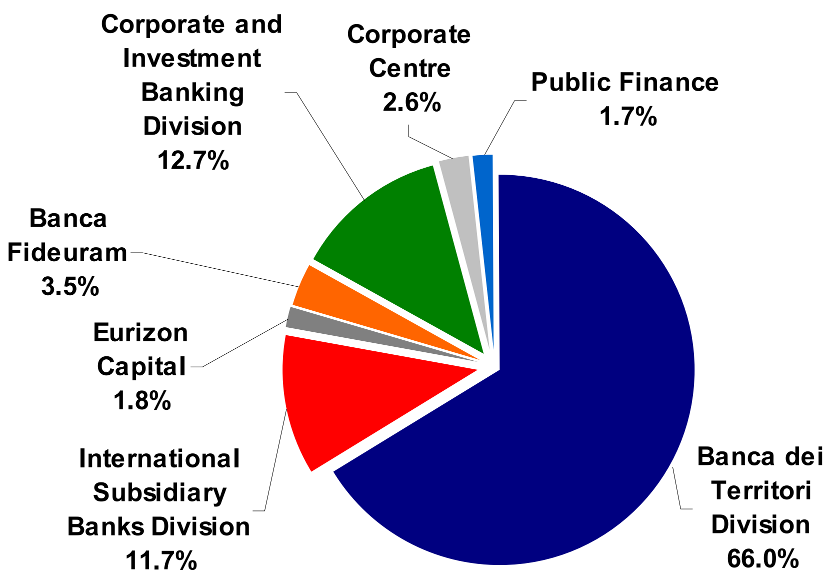
(€ bn)



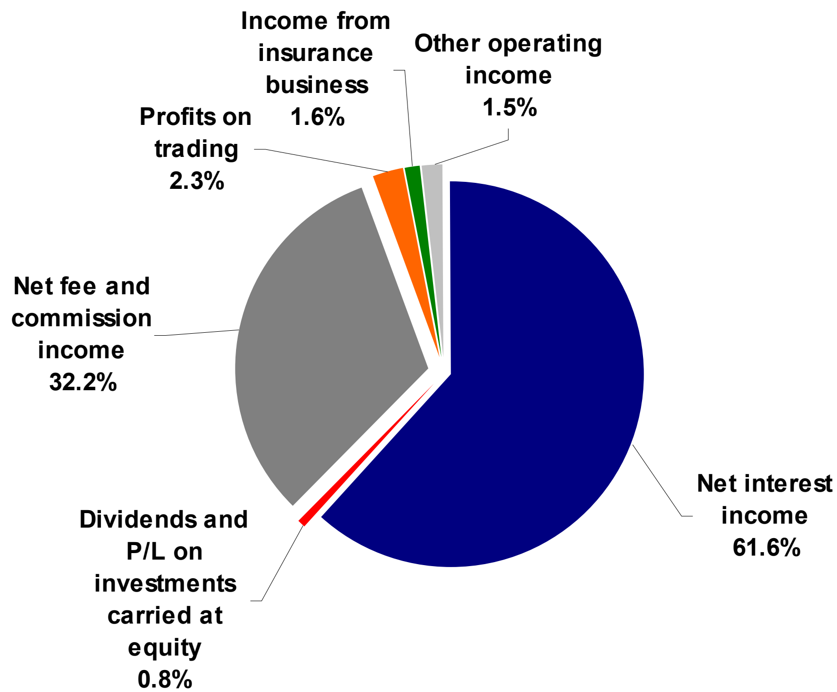
ISP is one of the most solid international banking Groups
Low risk profile: 83% of revenues from retail activity(1)

9M08 Operating Income

Breakdown by business area



Breakdown by revenues



- **The Intesa Sanpaolo Group is mainly focused on retail operations with limited and well-diversified exposure to Central-Eastern Europe: ~12% of revenues come from the International Subsidiary Banks Division**

(1) Retail = Banca dei Territori Division, International Subsidiary Banks Division, Eurizon Capital and Banca Fideuram

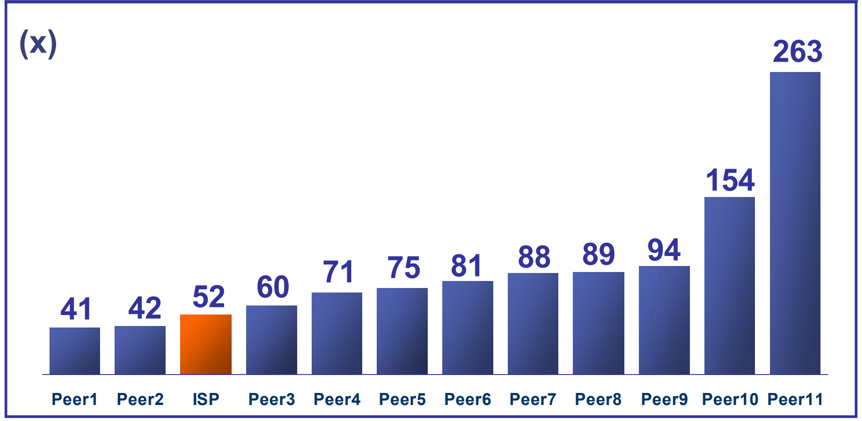
ISP is one of the most solid international banking Groups
Low risk profile: limited and well-diversified exposure to Central-Eastern Europe

(Figures as at 30.09.08)	Hungary	Slovakia	Slovenia	Croatia	Serbia	Bosnia	Albania	Romania	Russian F.	Ukraine	Total Central-Eastern Europe	Egypt	Total
Oper. Income (€ m)	402	339	74	354	173	17	29	28	101	84	1,600	68	1,668
% incidence on the Group	***2.8%***	***2.4%***	***0.5%***	***2.5%***	***1.2%***	***0.1%***	***0.2%***	***0.2%***	***0.7%***	***0.6%***	***11.2%***	***0.5%***	***11.7%***
Pre-tax Income (€ m)	153	159	28	166	78	1	16	8	20	2	631	36	667
% incidence on the Group	***2.7%***	***2.8%***	***0.5%***	***2.9%***	***1.4%***	***0.0%***	***0.3%***	***0.1%***	***0.4%***	***0.0%***	***11.1%***	***0.6%***	***11.7%***
Customer Deposit (€ bn)	6.2	8.4	1.3	6.3	2.0	0.3	0.9	0.2	0.8	0.6	27.0	3.6	30.6
% incidence on the Group	***1.4%***	***1.9%***	***0.3%***	***1.5%***	***0.5%***	***0.1%***	***0.2%***	***0.0%***	***0.2%***	***0.1%***	***6.2%***	***0.8%***	***7.1%***
Customer Loans (€ bn)	9.3	5.4	2.0	6.2	1.7	0.4	0.3	0.5	1.5	0.6	27.9	1.5	29.4
% incidence on the Group	***2.4%***	***1.4%***	***0.5%***	***1.6%***	***0.4%***	***0.1%***	***0.1%***	***0.1%***	***0.4%***	***0.2%***	***7.2%***	***0.4%***	***7.6%***
Total Assets (€ bn)	11.5	9.9	2.5	9.6	3.0	0.5	1.0	0.7	1.9	0.9	41.4	4.5	45.9
% incidence on the Group	***2.3%***	***1.5%***	***0.6%***	***1.9%***	***0.6%***	***0.1%***	***0.1%***	***0.1%***	***0.3%***	***0.2%***	***7.8%***	***0.7%***	***8.5%***
Shareholder's Equity (€ m)	890	770	233	1,027	565	37	78	148	155	95	3,997	289	4,286
% incidence on the Group	***1.8%***	***1.5%***	***0.5%***	***2.0%***	***1.1%***	***0.1%***	***0.2%***	***0.3%***	***0.3%***	***0.2%***	***7.9%***	***0.6%***	***8.4%***

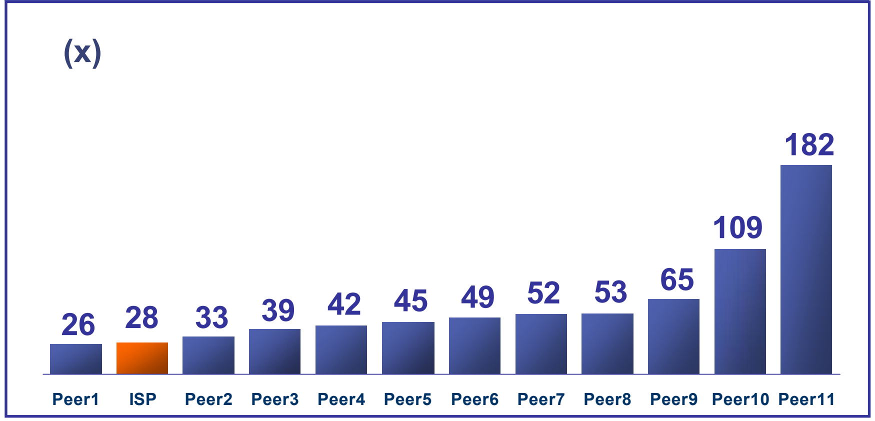
- **Net shareholders' equity in any one country is never greater than 2% of Group Net shareholders' equity**
- **Well-balanced Direct Customer Deposits/Loans to Customers ratio**
- **Presence in Russian F. and Ukraine focused on small businesses and individuals**

ISP is one of the most solid international banking Groups
Leverage contained and lower than peers

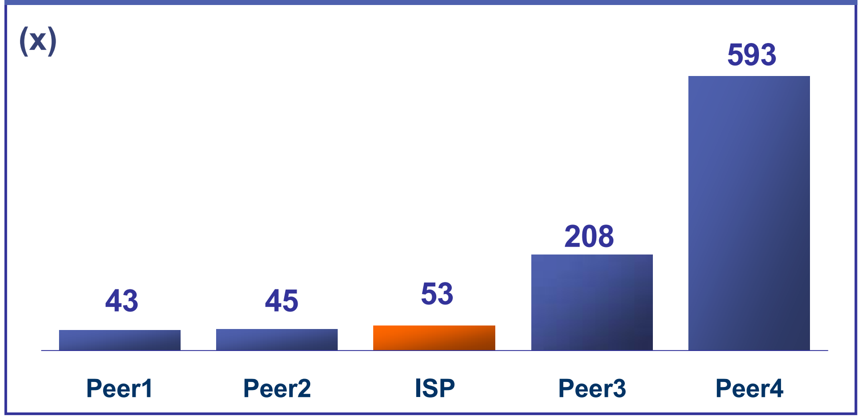
Economic Leverage as at 30.06.08(1)
(Net Total Assets/Operating Margin)



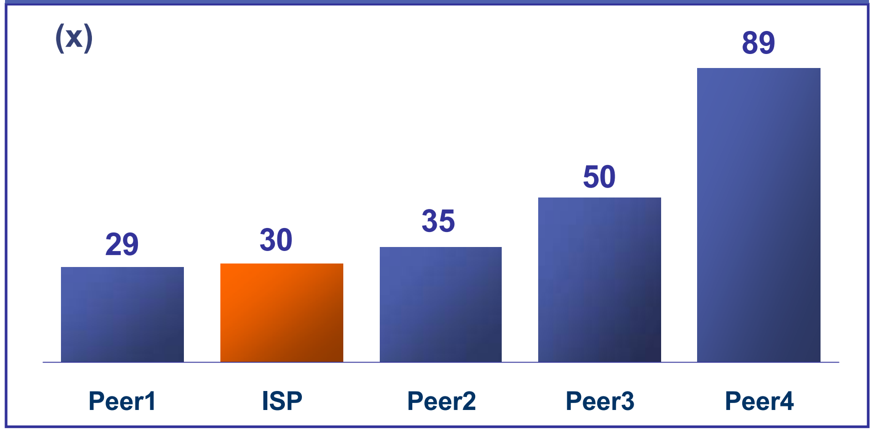
Capital Leverage as at 30.06.08(1)
(Tangible Total Assets/Tangible Net Shareholders' equity(2))



Economic Leverage as at 30.09.08(3)
(Net Total Assets/Operating Margin)



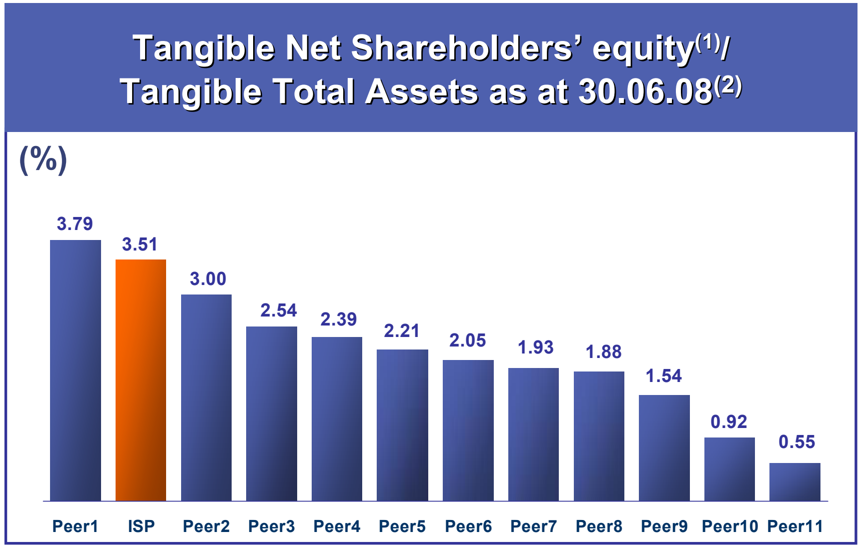
Capital Leverage as at 30.09.08(3)
(Tangible Total Assets/Tangible Net Shareholders' equity(2))

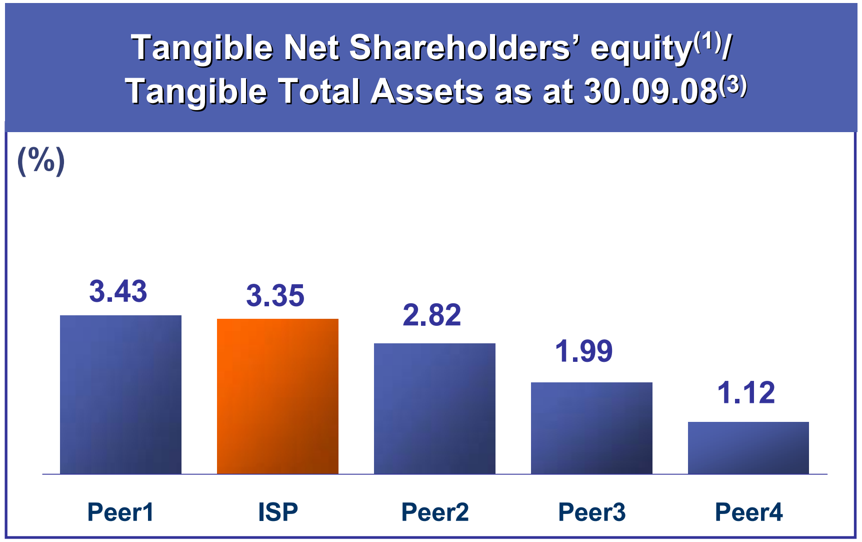


(1) Sample: Barclays, BBVA, BNP Paribas, Commerzbank, Fortis, ING, Lloyds TSB, RBS, Santander, SocGen and UniCredit
(2) Excluding Net income for the period
(3) Sample (reduced due to unavailable or not meaningful data as at 30.09.08): BBVA, Santander, Deutsche Bank and Commerzbank

ISP is one of the most solid international banking Groups

Capital base more than adequate and undergoing further strengthening



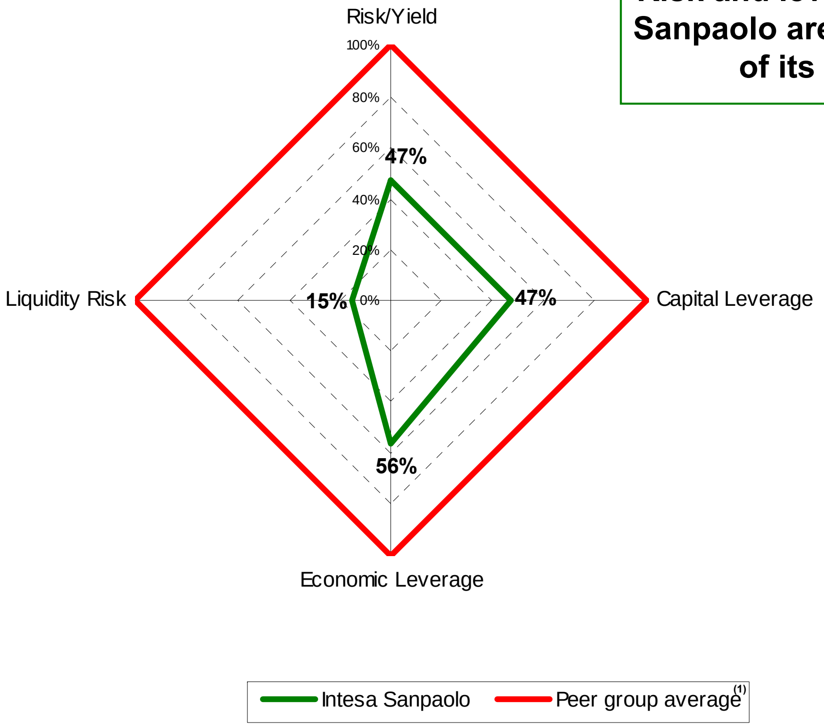


(1) Excluding Net income for the period
(2) Sample: Barclays, BBVA, BNP Paribas, Commerzbank, Fortis, ING, Lloyds TSB, RBS, Santander, SocGen and UniCredit
(3) Sample (reduced due to unavailable or not meaningful data as at 30.09.08): BBVA, Santander, Deutsche Bank and Commerzbank

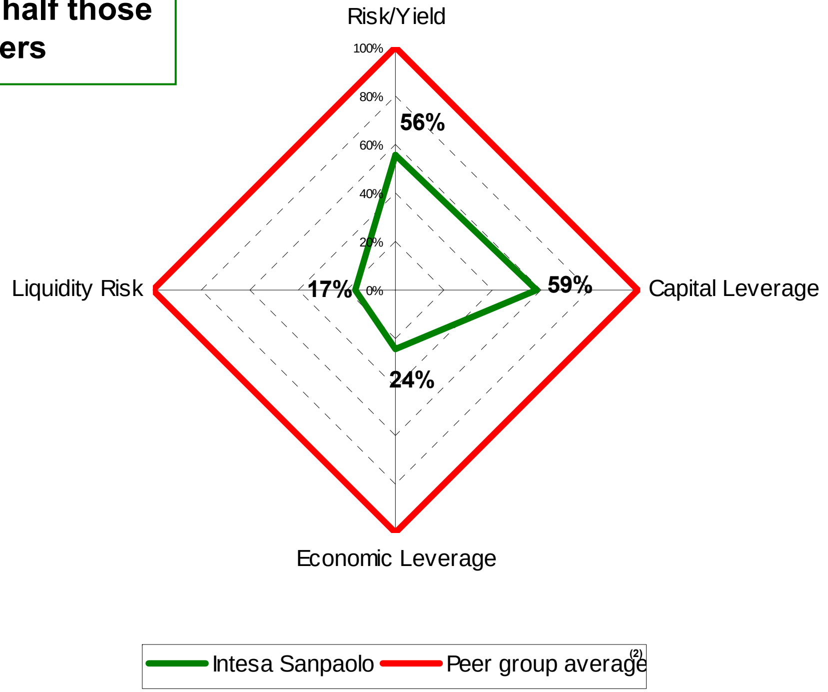
ISP is one of the most solid international banking Groups in terms of risk, liquidity and leverage profile

Risk and leverage indices of Intesa Sanpaolo are on average half those of its European peers

(Figures as at 30.06.08)



(Figures as at 30.09.08)



Legend
Risk/Yield: Provisions and net adjustments/Operating margin
Liquidity Risk: Net interbank position/Net total assets
Economic Leverage: Net total assets/Operating margin
Capital Leverage: Tangible total assets/Tangible Net shareholders' equity

Note: Base 100% = average of main comparable European banking groups
(1) Sample: Barclays, BBVA, BNP Paribas, Commerzbank, Fortis, ING, Lloyds TSB, RBS, Santander, SocGen and UniCredit
(2) Sample (reduced due to unavailable or not meaningful data as at 30.09.08): BBVA, Santander, Deutsche Bank and Commerzbank

ISP is one of the most solid international banking Groups

Capital base more than adequate and undergoing further strengthening (1/2)

- For its risk, liquidity and leverage profile, ISP's level of capital base indicated by the 2009 Business Plan (6% Core Tier 1, Basel 1) should be adequate
- However the gravity of the financial crisis has caused the market to request higher capital ratios
- Capital management actions already planned and the benefits expected from Basel 2 Advanced will lead to a significant further strengthening of the capital base but, as envisaged in the 2007-2009 Business Plan, this will be realised in the course of 2009
- In order to avoid the perception that the Intesa Sanpaolo Group could be inadequately capitalised, a decision has been made to rapidly strengthen its capital ratios. In light of this, upon proposing the allocation of Net income, the Management Board will propose not to proceed with the distribution of cash dividends for 2008 (as concerns dividends for 2009, a decision will be made when next year's income statement and balance sheet performance starts to emerge)

ISP is one of the most solid international banking Groups

Capital base more than adequate and undergoing further strengthening (2/2)

	Capital ratios as at 30.09.08 Basel 2 (Standardised)	Estimated Basel 2 Advanced benefits[1]	Estimated Basel 2 Advanced ratios[1]	Possible goodwill release for capital management actions[2]	Pro forma capital ratios
Core Tier 1 ratio	6.2%	0.4-0.7%	6.6-6.9%	0.9-1.1%	7.5-8.0%
Tier 1 ratio	6.9%	0.5-0.8%	7.4-7.7%	0.9-1.1%	8.3-8.8%
Total Capital ratio	10.0%	0.7-1.2%	10.7-11.2%	0.9-1.1%	11.6-12.3%
RWA (€bn)	398.2				

- **The Italian Government may propose an initiative aimed at further strengthening all capital ratios across the banking system, with non-dilutive effects to shareholders**
- **Potential further significant benefits coming from the stake in the Bank of Italy[3]**

(1) Subject to the Bank of Italy approval
(2) Capital management actions on non-core assets with a total book value of ~€8bn, of which ~€4bn deducted from Core Tier 1
(3) The stake held by the Intesa Sanpaolo Group is 42.26% with a book value of €629m

In the first 9 months of 2008, ISP has delivered solid operating performance in spite of unprecedented market conditions

- **9M08 Net Income ~€3.8bn (+13.9% vs 9M07 adjusted[(1)])**
- **Adjusted Operating Margin[(2)] up 7.4% vs 9M07**
- **Significant reduction in Operating costs (-3.3% vs 9M07[(3)])**
- **Sound asset quality confirmed**
  - **Net Doubtful Loans/Loans to customers stable at 0.9%**
  - **More than €2.4bn reserves on Performing Loans**
  - **In 3Q08, provisions on Lehman (€239m) and Icelandic banks (€60m) amounted to 75% of their total exposures**
- **Continuous enlargement of customer base: ~136,000 new customers on a net basis in Italy in 9M08**

(1) Excluding Profits on trading, non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR) (€277m in 2Q07), income from Rovelli settlement (IMI-SIR; €67m in 2Q08 and €59m in 3Q08), integration charges, amortisation of acquisition cost, provisions on Lehman (€239m in 3Q08) and on Icelandic banks (€60m in 3Q08), Income from discontinued operations and capital gains on Agos (€268m in 2Q08) and IMMIT disposals (€189m in 3Q08) and capital gain on the stake in Borsa Italiana (€169m in 3Q07)

(2) Excluding Profits on trading, non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR) and income from Rovelli settlement (IMI-SIR)

(3) Excluding non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR)

Key Aggregates

Sound growth in Direct Customer Deposits and Loans to Customers

(€ m)	30.09.07 Restated	30.09.08	Δ%
Total Assets	**613,604**	**633,848**	**3.3**
Loans to Customers	**345,308**	**385,795**	**11.7**
Direct Customer Deposits	**386,381**	**433,446**	**12.2**
Indirect Customer Deposits	**684,326**	**623,713**	**(8.9)**
of which Assets under Management	***274,228***	***235,601***	***(14.1)***
of which Assets under Administration	***410,098***	***388,112***	***(5.4)***
Customer Financial Assets(1)	**1,042,143**	**1,031,611**	**(1.0)**

+9.4% average customer volumes
+9.3% excluding reclassified financial assets for IAS 39 amendment

- **Customer Financial Assets decrease due to performance effect**

Note: 30.09.07 figures restated to reflect the scope of consolidation as at 30.09.08
(1) Net of duplications between Direct Customer Deposits and Assets under Management

P&L Analysis: 9M08 vs 9M07

Increase in adjusted revenues and strong cost reduction

(€ m)	9M07 Restated	9M08	Δ%
Net interest income	7,807	8,790	12.6
Dividends and P/L on investments carried at equity	219	108	(50.7)
Net fee and commission income	5,038	4,598	(8.7)
Profits (Losses) on trading	1,125	329	(70.8)
Income from insurance business	409	229	(44.0)
Other operating income (expenses)	140	219	56.4
Operating income	**14,738**	**14,273**	**(3.2)**
Personnel expenses	(4,235)	(4,318)	2.0
Other administrative expenses	(2,366)	(2,361)	(0.2)
Adjustments to property, equipment and intangible assets	(635)	(587)	(7.6)
Operating costs	**(7,236)**	**(7,266)**	**0.4**
Operating margin	**7,502**	**7,007**	**(6.6)**
Net provisions for risks and charges	(280)	(154)	(45.0)
Net adjustments to loans	(1,021)	(1,570)	53.8
Net impairment losses on other assets	(19)	(51)	n.m.
Profits (Losses) on HTM and on other investments	44	474	n.m.
Income before tax from continuing operations	**6,226**	**5,706**	**(8.4)**
Taxes on income from continuing operations	(2,093)	(1,806)	(13.7)
Merger and restructuring related charges (net of tax)	(480)	(475)	(1.0)
Effect of purchase cost allocation (net of tax)	(409)	(437)	6.8
Income (Loss) after tax from discontinued operations	3,786	929	(75.5)
Minority interests	(284)	(139)	(51.1)
Net income	**6,746**	**3,778**	**(44.0)**

+1.5% excluding Profits on trading and income from IMI-SIR settlement

-3.3% excluding recoveries on TFR

+7.4% excluding Profits on trading, income from IMI-SIR settlement and recoveries on TFR

+5.4% excluding Profits on trading and main non-recurring items

+13.9% excluding Profits on trading and main non-recurring items

Figures may not add up exactly due to rounding differences
Note: 9M07 figures restated to reflect the scope of consolidation for 9M08

9M08 vs 9M07 Net Income

Double-digit growth excluding Profits on trading and main non-recurring items

9M07 Net Income[1] (post-tax data) (€ m)			9M08 Net Income[1] (post-tax data) (€ m)		
9M07 Net Income		6,746	9M08 Net Income		3,778
+ Integration charges		480	+ Integration charges		475
+ Amortisation of acquisition cost		409	+ Amortisation of acquisition cost		437
			+ Lehman provisions		172
			+ Icelandic banks provisions		51
- Income (Loss) from discontinued operations		3,786	- Income (Loss) from discontinued operations		929
of which			of which		
Capital gain on Crédit Agricole agreement	3,575		Capital gain on 198 Antitrust branches	933	
- Recoveries on TFR		185	- Capital gain on Agos disposal		262
- Capital gain on Borsa Italiana stake		160	- Capital gain on IMMIT disposal		79
			- Income from Rovelli settlement (IMI-SIR)		92
Net Income excluding non-recurring items		3,504	Net Income excluding non-recurring items		3,551
- Profits on trading (excluding Borsa Italiana)		690	- Profits on trading (excluding Lehman)		346
Net Income adjusted		2,814	Net Income adjusted		3,205

+1.3%

+13.9%

(1) Tax estimated for Profits on trading

3Q08 P&L Analysis
Positive results in an unprecedented market environment

- **3Q08 results wholly satisfactory, especially considering**
  - **~€300m negative impact from international banks' bankruptcy (Lehman and Icelandic banks[1])**
  - **financial market crisis (~€300m decrease in Profits on trading vs 3Q07)**
  - **significant reductions in Assets under Management across the sector in Italy (more than €200m decrease in commissions from dealing and placement vs 3Q07)**
  - **introduction of more restrictive mechanism for the recognition of Substandard Loans which has resulted in a step up in Net adjustments to loans ~€50m**
  - **temporary operating slowdown from the implementation of the most demanding phase of the IT system migration**

(1) Lehman impact equal to €239m before tax (of which €6m was included in Profits on trading, €195m in Net Adjustments to Loans and €38m in Net Impairment losses on other assets). Icelandic banks impact equal to €60m before tax (of which €1m was included in Profits on trading and €59m in Net Adjustments to Loans)

P&L Analysis: 3Q08 vs 3Q07

Excellent Net interest income growth and strong cost reduction

(€ m)	3Q07 Restated	3Q08	Δ%
Net interest income	2,635	3,046	15.6
Dividends and P/L on investments carried at equity	63	13	(79.4)
Net fee and commission income	1,634	1,405	(14.0)
Profits (Losses) on trading	321	41	(87.2)
Income from insurance business	109	43	(60.6)
Other operating income	60	85	41.7
Operating income	**4,822**	**4,633**	**(3.9)**
Personnel expenses	(1,495)	(1,408)	(5.8)
Other administrative expenses	(790)	(799)	1.1
Adjustments to property, equipment and intangible assets	(217)	(200)	(7.8)
Operating costs	**(2,502)**	**(2,407)**	**(3.8)**
Operating margin	**2,320**	**2,226**	**(4.1)**
Net provisions for risks and charges	(76)	(76)	0.0
Net adjustments to loans	(312)	(855)	n.m.
Net impairment losses on assets	3	(40)	n.m.
Profits (Losses) on HTM and on other investments	(1)	177	n.m.
Income before tax from continuing operations	**1,934**	**1,432**	**(26.0)**
Taxes on income from continuing operations	(589)	(491)	(16.6)
Merger and restructuring related charges (net of tax)	(400)	(86)	(78.5)
Effect of purchase cost allocation (net of tax)	(136)	(151)	11.0
Income (Loss) after tax from discontinued operations	743	(4)	n.m.
Minority interests	(92)	(27)	(70.7)
Net income	**1,460**	**673**	**(53.9)**

+0.7%
excluding Profits on trading and income from IMI-SIR settlement

+6.4%
excluding Profits on trading, income from IMI-SIR settlement

-11.0%
excluding Profits on trading and main non-recurring items

-2.6%
excluding Profits on trading and main non-recurring items

Figures may not add up exactly due to rounding differences
Note: 3Q07 figures restated to reflect the scope of consolidation for 3Q08

3Q08 vs 3Q07 Net Income

Maintained at more than €1bn excluding main non-recurring items

3Q07 Net Income[(1)] (post-tax data)

(€ m)

3Q07 Net Income		**1,460**
+ Integration charges		400
+ Amortisation of acquisition cost		136
- Income (Loss) from discontinued operations		743
of which		
Capital gain on Crédit Agricole agreement	708	
- Capital gain on Borsa Italiana stake		160
Net Income excluding non-recurring items		**1,093**
- Profits on trading (excluding Borsa Italiana)		126
Net Income adjusted		**967**

3Q08 Net Income[(1)] (post-tax data)

(€ m)

3Q08 Net Income	**673**
+ Integration charges	86
+ Amortisation of acquisition cost	151
+ Lehman provisions	172
+ Icelandic banks provisions	51
- Income (Loss) from discontinued operations	(4)
- Income from Rovelli settlement (IMI-SIR)	43
- Capital gain on IMMIT disposal	79
Net Income excluding non-recurring items	**1,015**
- Profits on trading (excluding Lehman)	73
Net Income adjusted	**942**

-7.1%

-2.6%

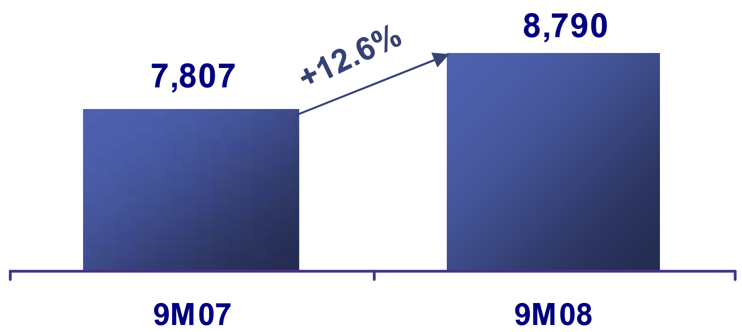
(1) Tax estimated for Profits on trading

Net Interest Income

Excellent yearly growth and acceleration of positive trend

Yearly Analysis

(€ m)



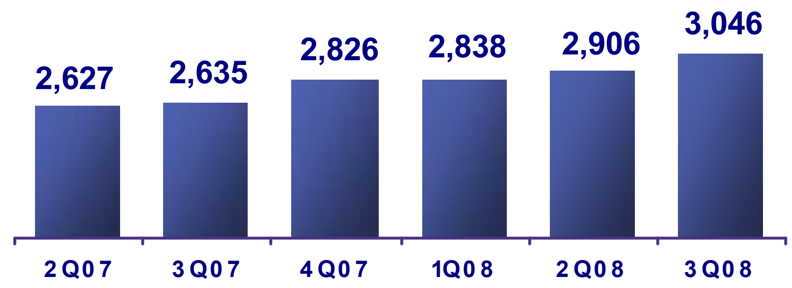
- Double-digit growth mainly driven by the increase in intermediated volumes with customers (average loans +9.4%) and mark-down improvement
- Selective growth in corporate loans focused on customers with a lower probability of default and on export

Loans to Customers- Average volumes

	Δ%	Δ € bn
Retail Italy	+5.7	+6.9
SMEs	+4.4	+3.4
Corporate	+19.4	+12.0
Public Finance	+7.5	+2.2
International Subsidiary Banks Division	+27.8	+5.6

Quarterly Analysis

(€ m)

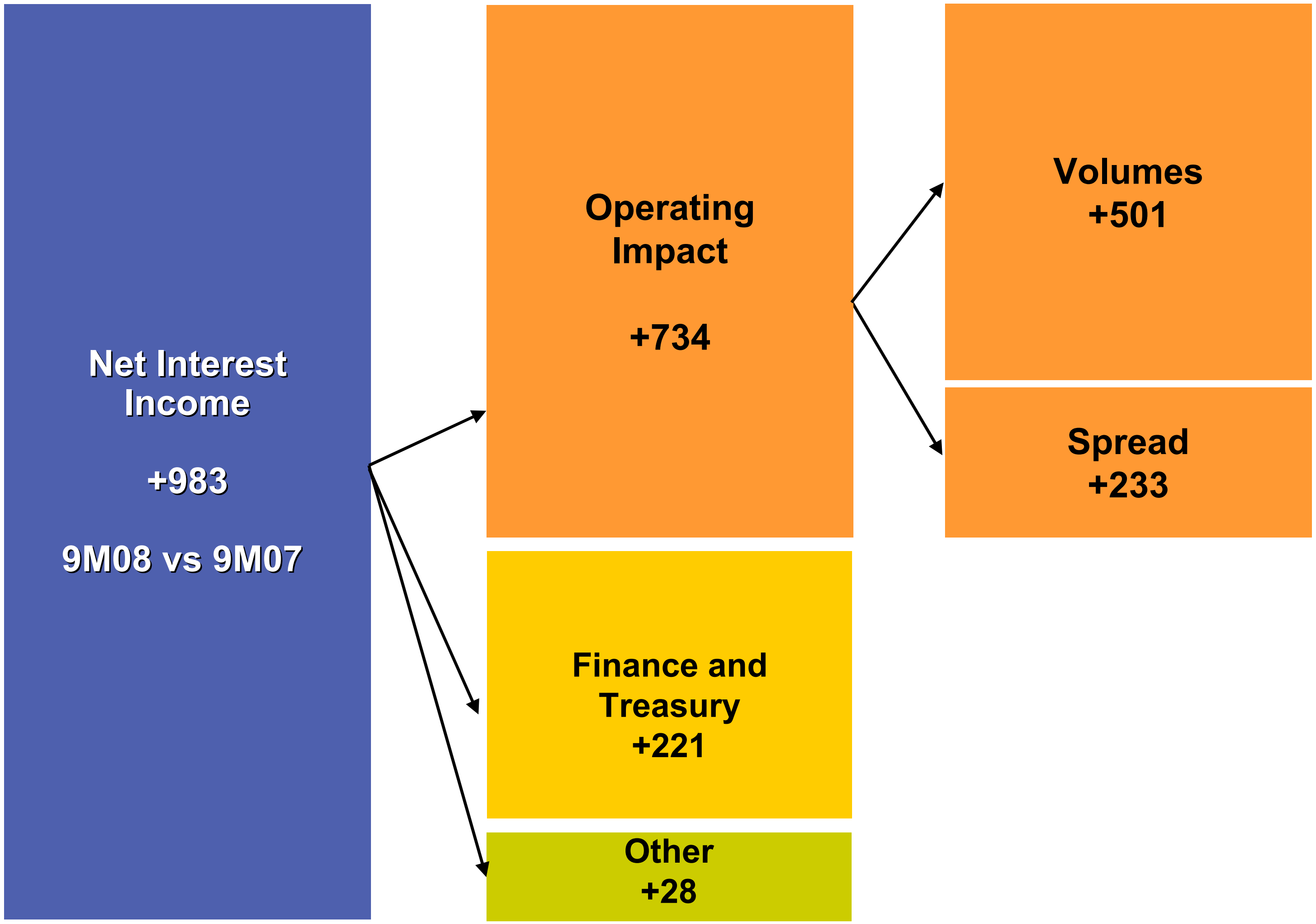


- 3Q08 the best quarter ever recorded at more than €3bn
- 4.8% increase in 3Q08 vs 2Q08 mainly due to the increase in intermediated volumes with customers and to mark-up improvement
- Confirmation of sustainable value creation delivered by selective lending policy adopted in recent years (e.g. in SME segment)
- Re-pricing activity still underway with the target of improving the mark-up

Net Interest Income: 9M08 vs 9M07

67% of growth from customer related activity

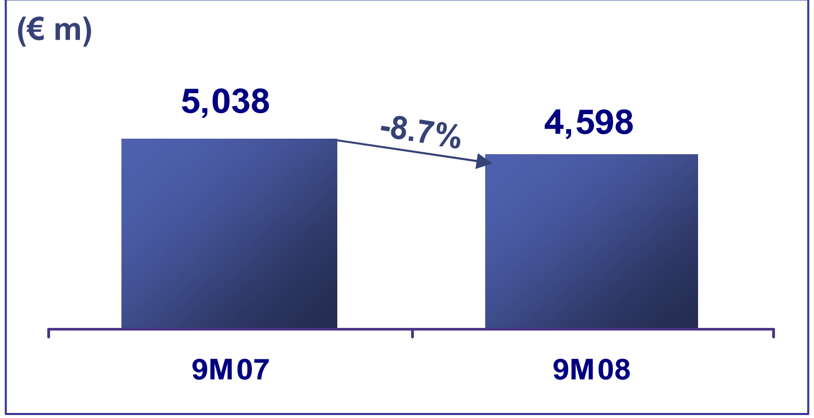
(€ m)



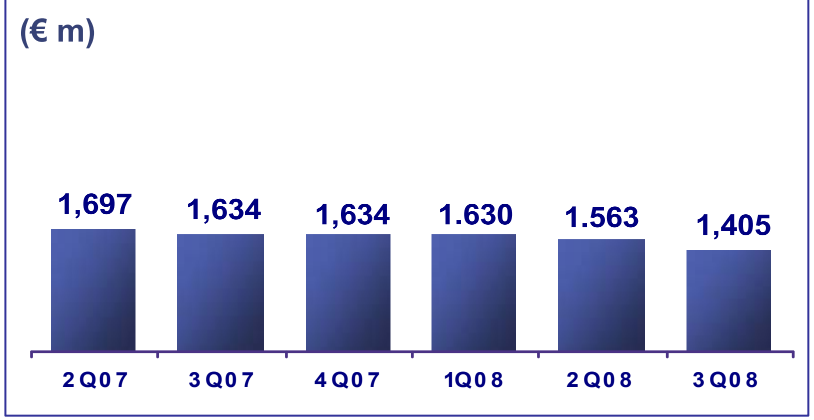
Net Fee and Commission Income

Decline mainly due to Assets under Management

Yearly Analysis



Quarterly Analysis



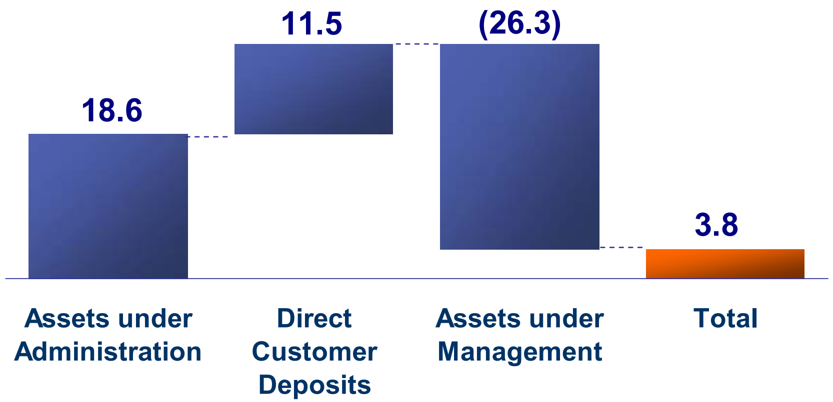
- Slight decrease in commissions from Commercial banking activities (€-28m; -1.8%) arising from the reduction in commissions from Current Accounts, due to higher placement of lower-cost products, only partially offset by the growth in total commissions from Guarantees given, Credit/debit cards and Collection and payment services
- €387m decrease (-14.1%) in commissions from Management, dealing and consultancy activities (e.g. portfolio management, insurance products, placement of securities) due to the adverse market trend and customer risk aversion

- In 3Q08 commercial policy still focused on increasing Direct Customer Deposits (+€14.4bn 30.09.08 vs 30.06.08, +€40.3bn vs 31.03.08)
- 3Q08 decrease vs 2Q08 mainly due to lower placement of products with up-front fees and to lower commissions from AuM
- 3Q08 performance also affected by activities related to the unification of IT systems and seasonal factors over the summer

High-growth potential due to sound relationship with existing customer base and strong ability to attract new customers

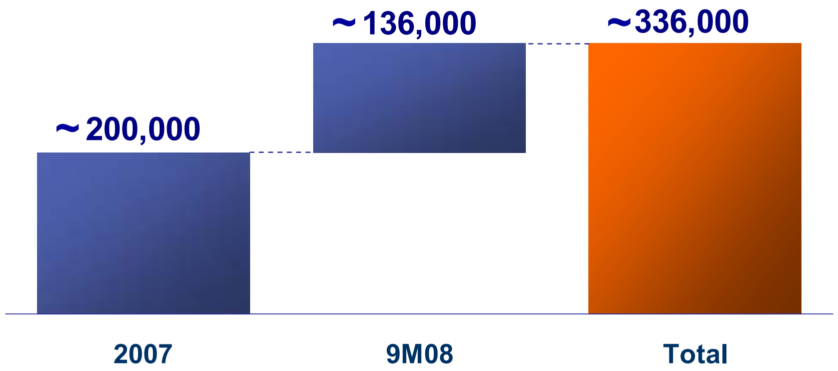
9M08 Customers' financial assets net flows in Italy(1)

(€ bn)



New customers on a net basis in Italy(2)

(No.)

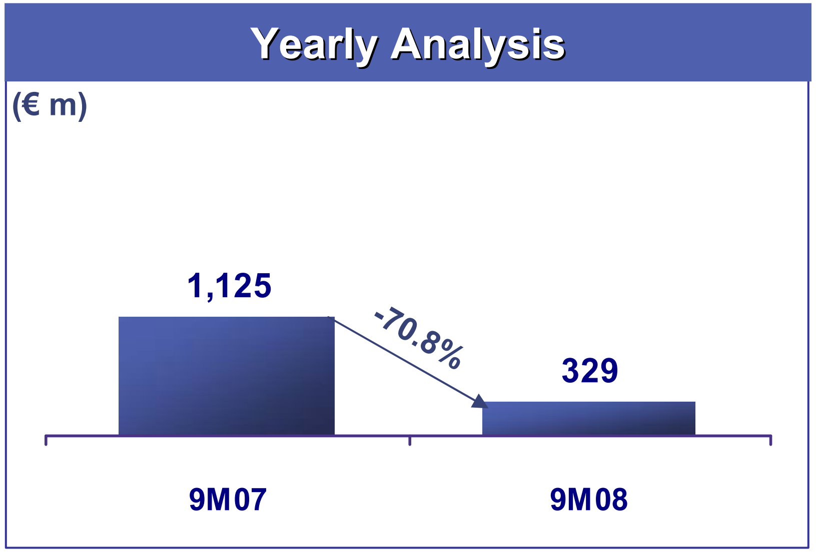


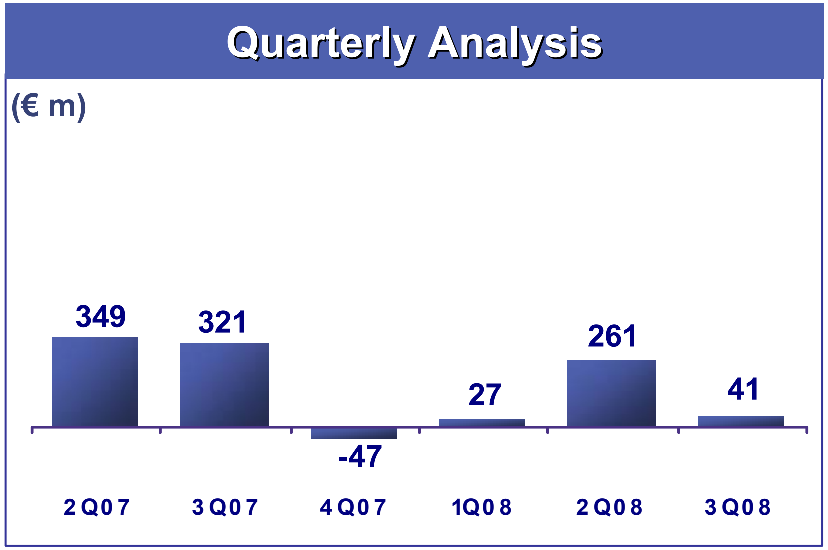
- **Positive net flow of customers' financial assets in Italy(1) in 9M08 (+€3.8bn)**
- **Potential growth of commissions ensuing from the switch back of Assets under Administration retained within the Group (more than €388bn) into Assets under Management**
- **Strong increase in new customers on a net basis in 9M08 despite migration of IT systems (~670,000 man/day effort, of which more than 150,000 for network employees)**
- **In 4Q08 and in 2009 the number of commercial staff is to be increased by ~3,700 people as envisaged in the 2007-2009 BP**

(1) Banca dei Territori Division + Banca Fideuram
(2) Banca dei Territori Division

Profits on Trading

Positive result despite the unprecedented financial crisis





- Reduction due to the impact of the unprecedented financial market crisis and the decrease in Financial assets held for trading (-€13.8bn; -22% 30.09.08 vs 30.09.07)
- 9M08 Profits include €93m dividends from Financial assets available for sale (€118m in 9M07)
- 3Q08 Profits affected by the rapid and deep deterioration of the financial crisis

Analysis of Profits on Trading
3Q08 affected by deterioration of the financial crisis

(€ m)	3Q07	4Q07	1Q08	2Q08	3Q08(1)
Total	**321**	**-47**	**27**	**261**	**41**
of which:					
Customers	129	138	135	154	101
Capital markets & Financial assets AFS	245	142	40	156	16
Proprietary Trading and Treasury (excluding structured credit products)	61	53	-28	34	-43
Structured credit products (see next page and appendix)	-114	-380	-120	-83	-33

- **Good performance of customer related activity in 3Q08 despite seasonal factors over the summer**

(1) Without IAS reclassification the income statement for 3Q08 would have included €141m as negative impact, of which €107m on Structured credit products

Structured credit products
High quality portfolio

■ US subprime €12m

Net exposure(*) (€m)	31.12.07	30.09.08
US Subprime	-49	12
"Contagion" area	572	222
Monoline	61	27
Super senior Corporate Risk	2,414	2,451
European ABS/CDO	2,224	2,090
Other	1,195	905

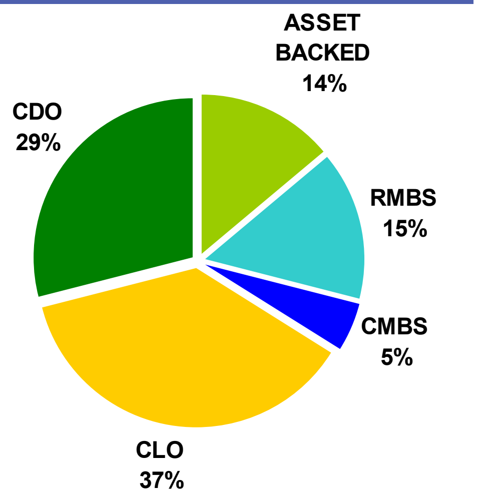
■ 98% Investment Grade

Rating	%
Super senior	54%
AAA	31%
AA	6%
A	6%
BBB and other	3%

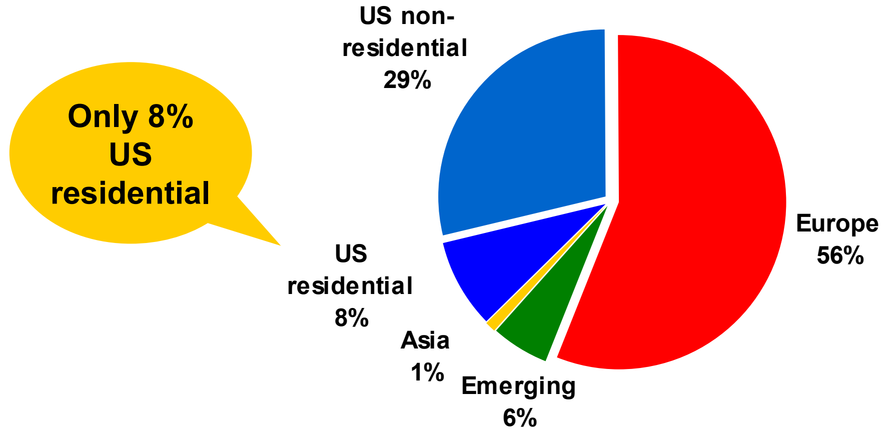
■ 75% Vintage ≤ 2005

Vintage	%
Before 2005	46%
2005	29%
2006	17%
2007	8%

Products



Geographical area



■ **Fair value sensitivity of structured credit products book: -€12m(1) for +25bps of credit spreads**

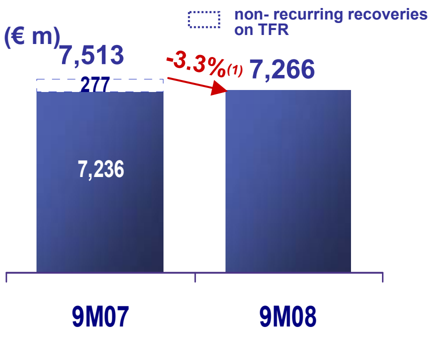
(*) As for "long" positions, 69% valued through mark-to-model (100% of unfunded positions, 19% of funded positions, 100% of monoline risk and of non-monoline packages) and 31% through comparable approach (81% funded positions). As for "short" positions, 59% valued through mark-to-model (100% unfunded "short" positions, see page on Structured credit products: Other (3/4)) and 41% valued through effective market quotes (100% of ABX and CMBX-CDS hedges and 100% of "short" positions of funds)

(1) -€26m if part of the Structured credit products had not been reclassified into Loans & Receivables for a total amount equal to €2,330m of nominal value and to €2,204m of net exposure, leading to a total benefit in income statement for 3Q08 equal to €107m before tax

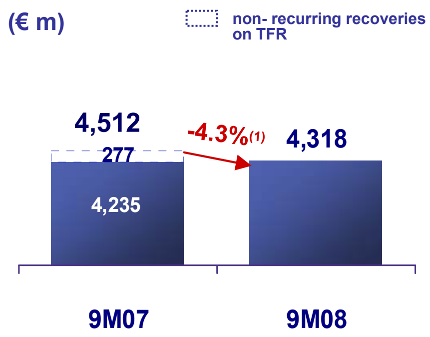
Operating Costs (1/3)
Excellent cost reduction confirmed

Yearly Analysis

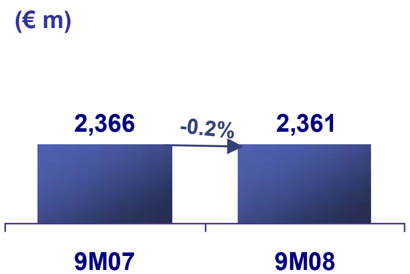
Operating Costs



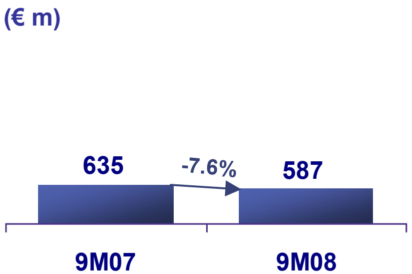
Personnel Expenses



Other Administrative Expenses



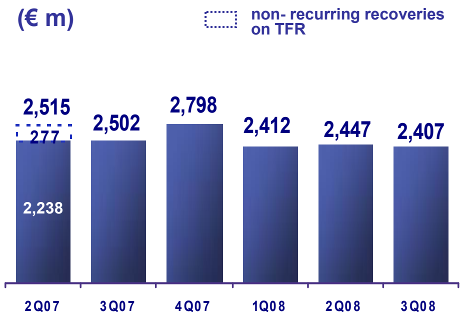
Adjustments



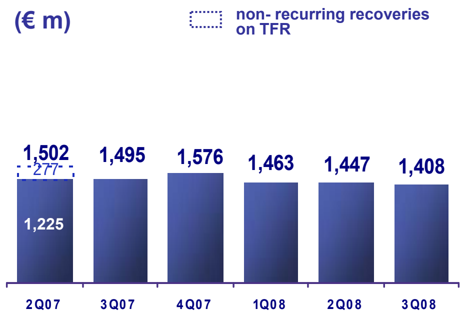
- Excellent cost reduction benefiting solely from ~45% of merger synergies, notwithstanding growth-related investments, mainly abroad (International Subsidiary Banks Division Operating Costs: +14.3%; +€111m)
- Operating Costs down 5.3% in Italy(1)
- Cost/Income ratio at 50.9% (vs 53.2% as at 31.12.07(1))

Quarterly Analysis

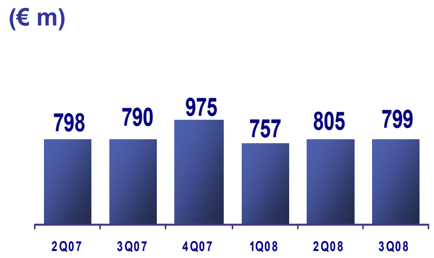
Operating Costs



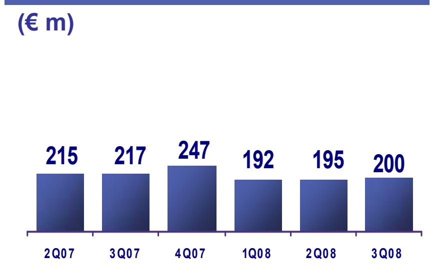
Personnel Expenses



Other Administrative Expenses



Adjustments

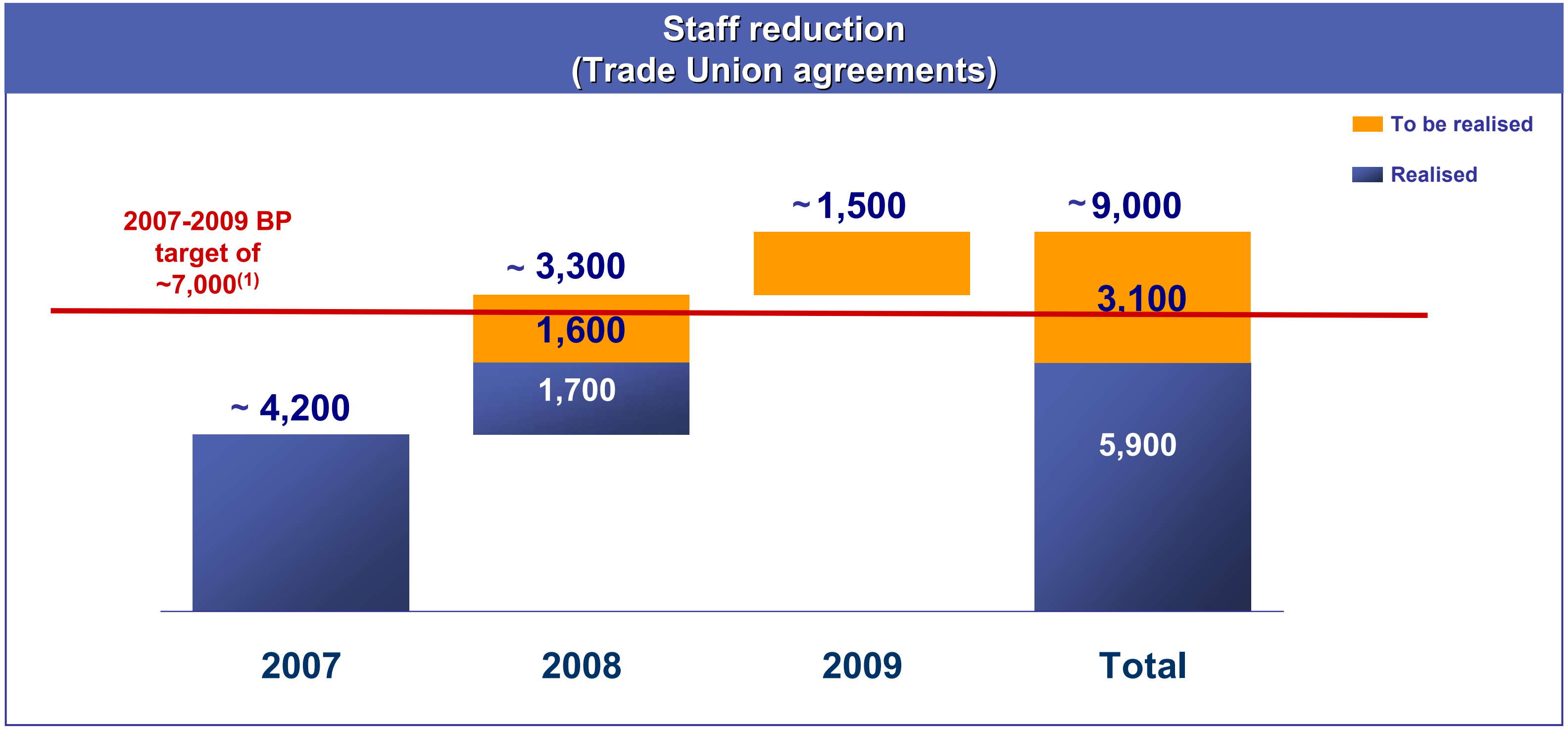


- 3Q08 Operating Costs down 1.6% vs 2Q08 due to Personnel expenses reduction

(1) Excluding non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR) (€277m in 2Q07)

Operating Costs (2/3)

Cost reduction ahead of the 2007-2009 BP target



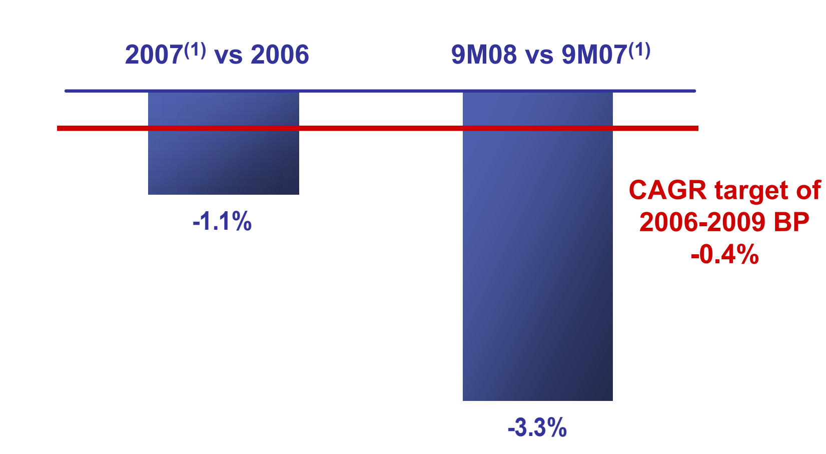
- A plan underway to recruit ~1,800 apprentices following Trade Union agreements, of which ~650 already in service
- Charges related to staff reduction have been almost entirely recorded in 2007 and in the first nine months of 2008

Note: Figures over and above the full replacement of staff exits
(1) Including ~500 from the CR Firenze Group

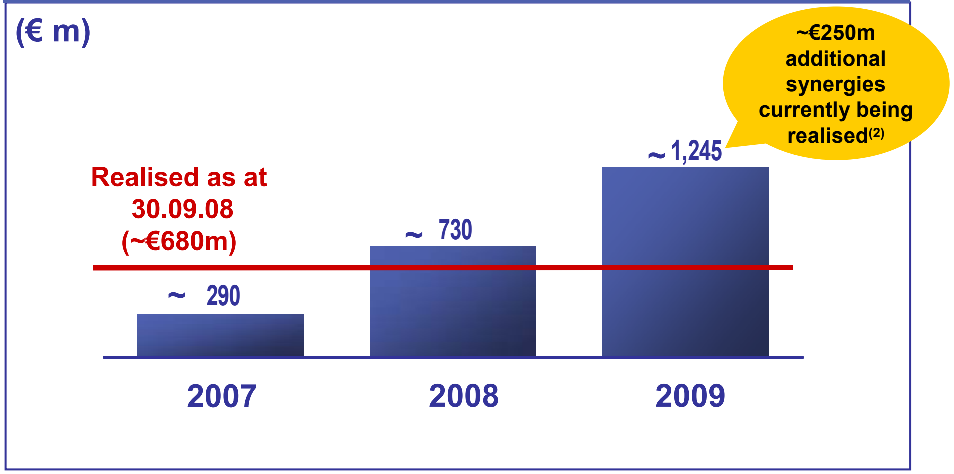
Operating Costs (3/3)

Only 45% of the cost synergies included in the Group's results

Reduction in Operating Costs vs 2007-2009 BP target



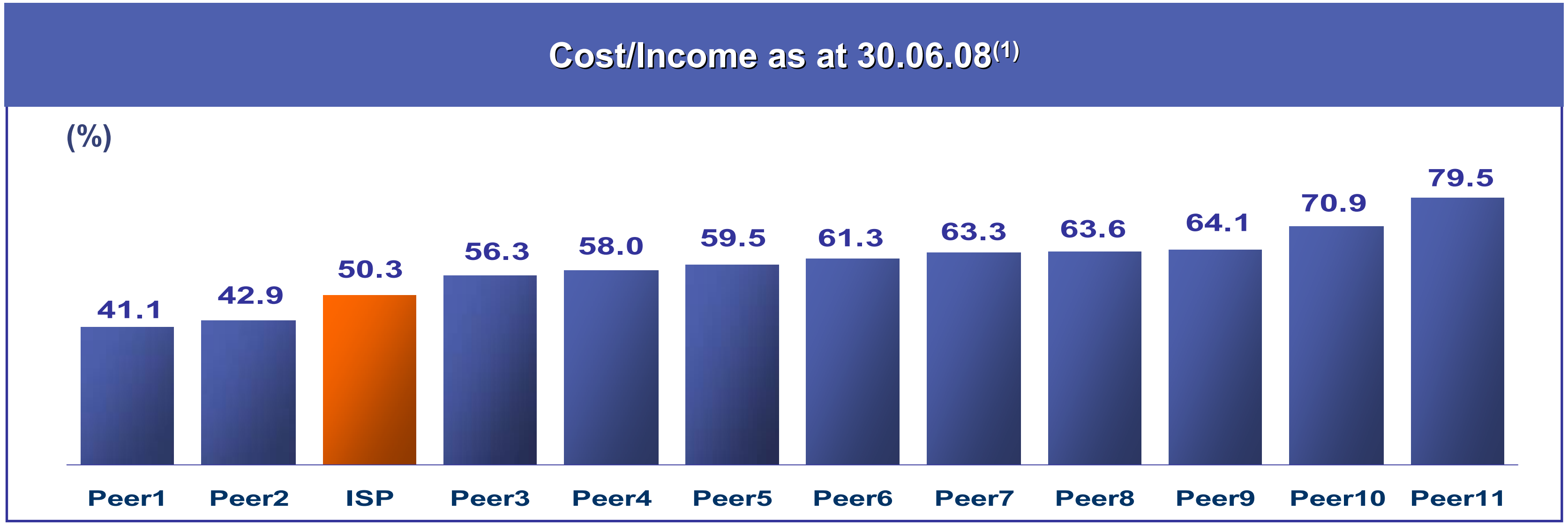
Cumulative cost synergies envisaged in the 2007-2009 BP (before tax)



- **As at 30.09.08, ~€680m cumulative synergies realised, of which:**
  - **~€290m in 2007, ~€260m in 1H08 and ~€130m in 3Q08**
- **Only ~€200m of total integration charges to be passed in 4Q08 and in 2009**
- **Ongoing growth-related investments (staff abroad increased by ~1,400 people and the foreign network by 109 branches compared with 30.09.07)**

(1) Excluding non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR) (€277m in 2Q07)
(2) Including CR Firenze

ISP has one of the best Cost/Income ratios of its international peer group

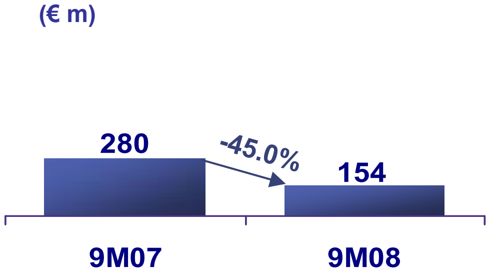


(1) Sample: Barclays, BBVA, BNP Paribas, Commerzbank, Fortis, ING, Lloyds TSB, RBS, Santander, SocGen and UniCredit

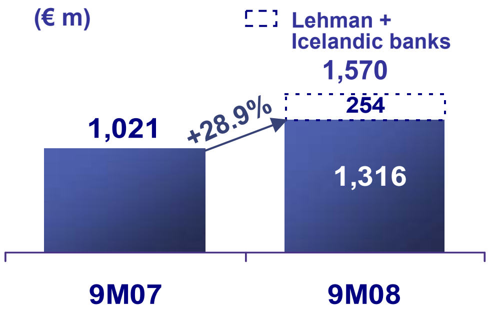
Provisions for Risks and Charges and Adjustments to Loans
Sound risk management policy in a difficult macroeconomic environment

Yearly Analysis

Net Provisions for risks and charges



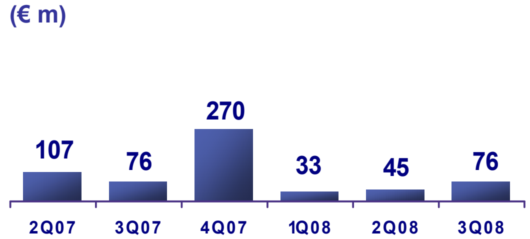
Net Adjustments to Loans



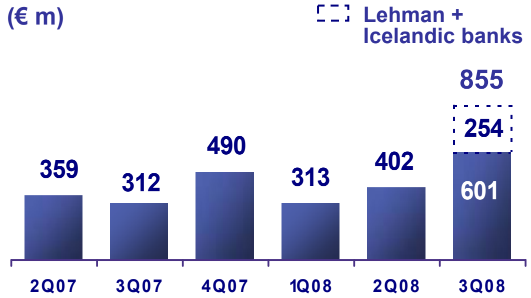
- Strong decrease in Provisions for risks and charges after high provisions in 2007
- Increase in Net Adjustments to Loans mostly for Lehman (€195m) and Icelandic banks (€59m)
- 9M08 Net Adjustments to Loans/Loans at 45bps (annualised) excluding Lehman and Icelandic banks

Quarterly Analysis

Net Provisions for risks and charges



Net Adjustments to Loans

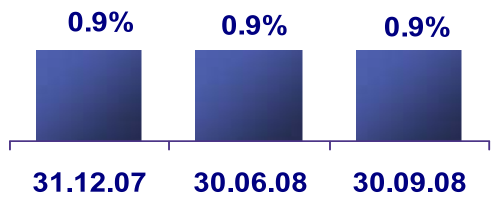


- 3Q08 Net Provisions for risks and charges in line with 3Q07
- €58m increase in Performing Loans reserves in 3Q08
- Increase in 3Q08 Net Adjustments to Loans vs 2Q08 also due to Lehman and Icelandic banks

Non Performing Loans

Net Doubtful Loans/Net Loans stable at 0.9%

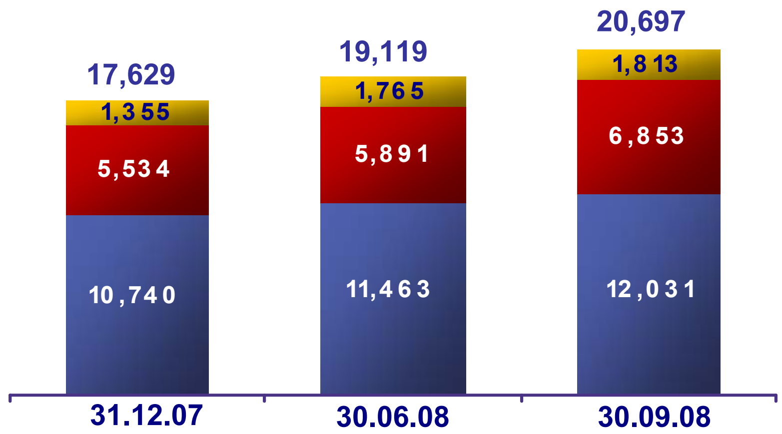
Net Doubtful Loans/Net Loans



- Doubtful Loans Coverage stable at 71%
- More than €2.4bn reserves on Performing Loans
- Increase in Gross Doubtful Loans as at 30.09.08 vs 30.06.08 mostly due to Lehman
- 9M08 new Doubtful Loans flow in Italy in line with 9M07, primarily in the Banca dei Territori Division in particular in small businesses and SMEs
- Increase in Substandard Loan flows in particular in small businesses and SMEs, primarily in sectors structurally more exposed to the cycle trend (construction, distribution, metals, services and fashion) that represent only 24% of the Group loans

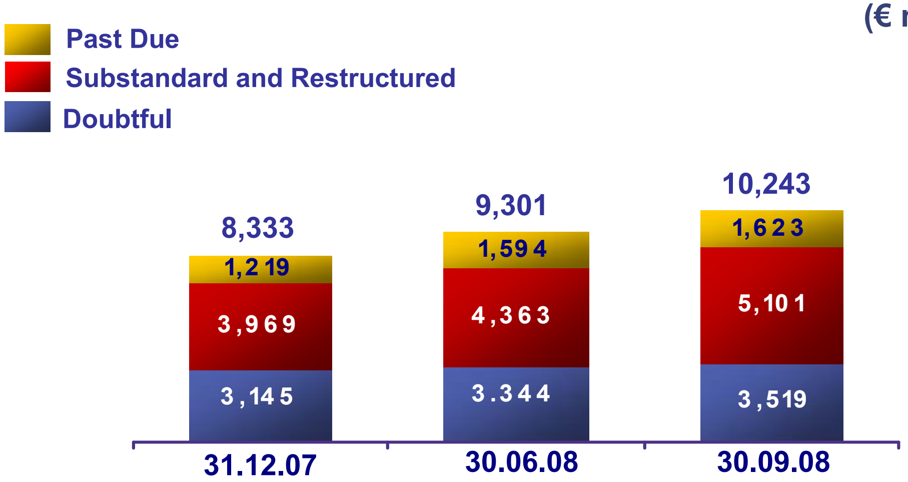
Gross Non Performing Loans

(€ m)



Net Non Performing Loans

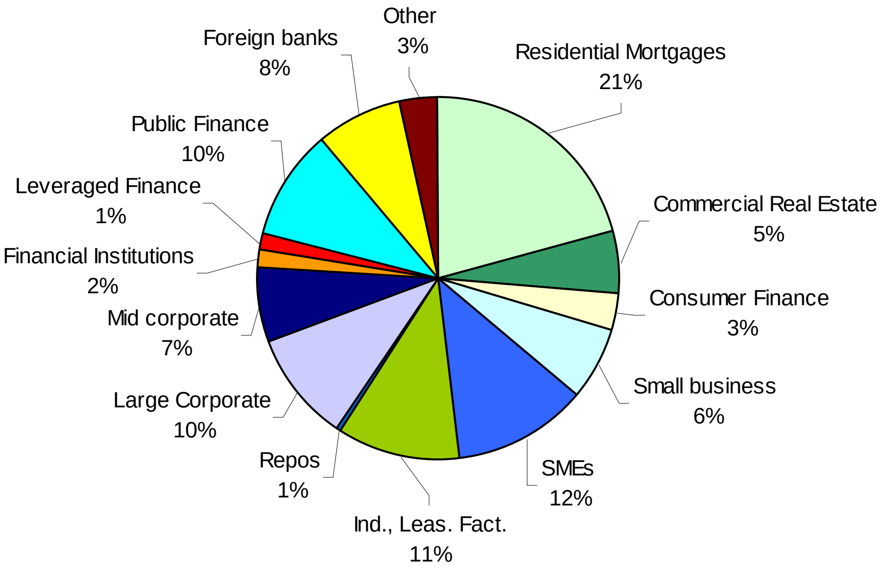
(€ m)



Loans to Customers breakdown

Well-diversified portfolio

Breakdown by business area



- Low risk profile of residential mortgage portfolio
  - Instalment/available income ratio at 33%
  - Loan-to-Value average equal to 46%
  - Average life upon granting equal to ~20 years

Breakdown by economic activity sectors

Loans of the Italian banks and companies of the Group	
Households	**24.2%**
Public Administration	**3.8%**
Financial companies	**2.9%**
Non-financial companies *of which:*	**52.5%**
AGRICULTURE	1.4%
FOOD AND DRINK	1.8%
OTHER CONSUMPTION GOODS	0.3%
BASE AND INTERMEDIATE CHEMICALS	0.6%
CONSTRUCTION AND MATERIALS FOR CONSTR.	7.2%
DISTRIBUTION	6.8%
PUBLISHING AND PRINTING	0.5%
WHITE GOODS	0.2%
ELECTROTECHNICAL AND ELECTRONIC	1.2%
ENERGY AND EXTRACTION	1.1%
PHARMACEUTICAL	0.3%
HOLDING, FINANCIAL COMPANIES AND OTHER	10.0%
INTERMEDIATE INDUSTRIAL PRODUCTS	1.5%
MASS CONSUMPTION GOODS	0.1%
MECHANICAL	1.8%
METALS AND METAL PRODUCTS	2.7%
TRANSPORTATION MEANS	1.8%
FURNITURE	0.4%
SERVICES	5.5%
FASHION	1.6%
TRANSPORT	2.6%
UTILITIES	3.0%
Rest of the world	**6.6%**
Loans of the foreign banks and companies of the Group	**9.0%**
Doubtful Loans	**0.9%**
TOTAL	**100.0%**

Note: Figures as at 30.09.08

Divisional Financial Highlights

83% of revenues from retail activity

(Figures as at 30.09.08)	Banca dei Territori	Corporate & Investment Banking	Public Finance	International Subsidiary Banks	Eurizon Capital	Banca Fideuram	Corporate Centre / Others	Total
Operating Income (€ m)	9,426	1,808	239	1,668	259	503	370	14,273
Operating Margin (€ m)	4,619	1,127	172	781	146	256	(94)	7,007
Cost/Income (%)	51.0	37.7	28.0	53.2	43.6	49.1	n.m.	50.9
RWA (€ bn)	180.4	125.7	14.4	33.8	1.4	4.7	37.9	398.2
Allocated Capital(1) (€ bn)	11.7	7.5	0.9	2.0	0.1	0.3	2.3	24.9
Pre-tax ROE(2) (%)	40.4	14.9	7.4	42.5	177.7	86.3	15.7	30.8
Direct Customer Deposits (€ bn)	222.6	90.9	8.5	29.8	n.m.	6.7	74.9	433.4
Loans to Customers (€ bn)	218.5	95.5	38.4	29.4	n.m.	1.6	2.4	385.8
EVA ® (€ m)	1,662	55	(52)	282	96	134	(590)	1,587

€501m excluding Proprietary trading, Lehman and Icelandic banks

€20m excluding Lehman

Note: Retail activity = Banca dei Territori + International Subsidiaries Banks + Eurizon Capital + Banca Fideuram
Figures may not add up exactly due to rounding differences
(1) Allocated capital = 6% RWA + insurance risk, allocated capital for Eurizon Capital and Banca Fideuram = 6% RWA + business risk
(2) Income before tax from continuing operations/Allocated Capital (annualised figure)

Banca dei Territori

Successful completion of the unification of IT systems in July

(€ m)	9M07 Restated(1)	9M08	Δ%
Net interest income	5,706	6,033	5.7
Dividends and P/L on investments carried at equity	84	42	(50.0)
Net fee and commission income	3,179	2,947	(7.3)
Profits (Losses) on trading	181	108	(40.3)
Income from insurance business	417	234	(43.9)
Other operating income (expenses)	52	62	19.2
Operating income	**9,619**	**9,426**	**(2.0)**
Personnel expenses	(2,951)	(2,769)	(6.2)
Other administrative expenses	(1,995)	(1,991)	(0.2)
Adjustments to property, equipment and intangible assets	(52)	(47)	(9.6)
Operating costs	**(4,998)**	**(4,807)**	**(3.8)**
Operating margin	**4,621**	**4,619**	**(0.0)**
Net provisions for risks and charges	(88)	(71)	(19.3)
Net adjustments to loans	(794)	(992)	24.9
Net impairment losses on other assets	0	(19)	n.m.
Profits (Losses) on HTM and on other investments	4	0	n.m.
Income before tax from continuing operations	**3,743**	**3,537**	**(5.5)**

	9M07	9M08
Cost / Income (%)	**52.0**	**51.0**
Pre-tax ROE (%)	**45.2**	**40.4**
EVA ® (€ m)	**1,660**	**1,662**

+0.7% excluding Profits on trading and Income from Insurance Business

+6.3% excluding Profits on trading and Income from Insurance Business

+1.6% excluding Profits on trading and Income from Insurance Business

- ~136,000 new customers on a net basis and €3.3bn net new customer financial assets in 9M08
- Growth in Net interest income due to the improvement in mark-down and to the selective increase in average intermediated volumes with customers (Loans +5.2%)
- Decline in commissions due to larger distribution of low cost current accounts and lower contribution from AuM (performance effect and customer risk aversion)
- Operating Costs down 3.8% mainly due to Personnel expenses
- Increase in provisions mostly due to SMEs/ Industrial credit
- Cost/income down to 51%

Figures may not add up exactly due to rounding differences
(1) 9M07 figures restated to reflect the scope of consolidation for 9M08. Data includes the entire CR Firenze Group

Eurizon Capital

Good performance despite the difficult market environment

(€ m)	9M07 Restated[1]	9M08	Δ%
Net interest income	7	5	(28.6)
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	273	243	(11.0)
Profits (Losses) on trading	5	9	80.0
Other operating income (expenses)	3	2	(33.3)
Operating income	**288**	**259**	**(10.1)**
Personnel expenses	(45)	(44)	(2.2)
Other administrative expenses	(80)	(67)	(16.3)
Adjustments to property, equipment and intangible assets	(3)	(2)	(33.3)
Operating costs	**(128)**	**(113)**	**(11.7)**
Operating margin	**160**	**146**	**(8.8)**
Net provisions for risks and charges	(3)	(1)	(66.7)
Net adjustments to loans	0	0	n.m.
Net impairment losses on other assets	0	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**157**	**145**	**(7.6)**

	9M07	9M08
Cost / Income (%)	**44.4**	**43.6**
Pre-tax ROE (%)	**207.8**	**177.7**
EVA ® (€ m)	**100**	**96**

- **Leading asset manager in Italy with ~€145.4bn of AuM**
- **Operating income down due to the decrease in managed assets (~€35bn in 9M08)**
- **Strong cost reduction (-11.7%) without benefiting yet from cost synergies of the reorganisation of IT and back-office activities**
- **New asset management products for the retail network which started only in June (Fondi Focus, 21 funds selected by the network for their simplicity)**
- **13% increase in Operating margin and Pre-tax income[2] in 3Q08 vs 2Q08**
- **Cost/Income down to 43.6%**

Figures may not add up exactly due to rounding differences
(1) 9M07 figures restated to reflect the scope of consolidation for 9M08
(2) Income before tax from continuing operations

Corporate and Investment Banking (1/2)

Excellent Net interest income growth and strong cost reduction

(€ m)	9M07 Restated(1)	9M08	Δ%
Net interest income	797	1,021	28.1
Dividends and P/L on investments carried at equity	13	9	(30.8)
Net fee and commission income	727	701	(3.6)
Profits (Losses) on trading	638	32	(95.0)
Other operating income (expenses)	44	45	2.3
Operating income	**2,219**	**1,808**	**(18.5)**
Personnel expenses	(263)	(249)	(5.3)
Other administrative expenses	(427)	(423)	(0.9)
Adjustments to property, equipment and intangible assets	(11)	(9)	(18.2)
Operating costs	**(701)**	**(681)**	**(2.9)**
Operating margin	**1,518**	**1,127**	**(25.8)**
Goodwill impairment	(2)	(2)	0.0
Net provisions for risks and charges	(5)	(2)	(60.0)
Net adjustments to loans	(134)	(266)	98.5
Net impairment losses on other assets	(6)	(22)	n.m.
Profits (Losses) on HTM and on other investments	0	7	n.m.
Income before tax from continuing operations	**1,371**	**842**	**(38.6)**

	9M07	9M08
Cost / Income (%)	31.6	37.7
Pre-tax ROE (%)	25.7	14.9
EVA® (€ m)	459	55

+12.3% Excluding Profits on trading

+24.4% Excluding Profits on trading

+30.3% Excluding Profits on trading and Lehman and Icelandic banks

€501m excluding Proprietary trading, Lehman and Icelandic banks

- **Excellent increase in Net interest income sustained by strong and selective development in intermediated volumes with customers**
- **Commission decrease mainly due to Investment Banking and Financial Institutions**
- **Strong reduction in Operating costs (-2.9%)**
- **Increase in Net adjustments to loans due to Lehman and Icelandic banks (€145m)**
- **Cost/Income at 29.9% excluding Proprietary trading activity, 0.5p.p. improvement vs 9M07**

Figures may not add up exactly due to rounding differences

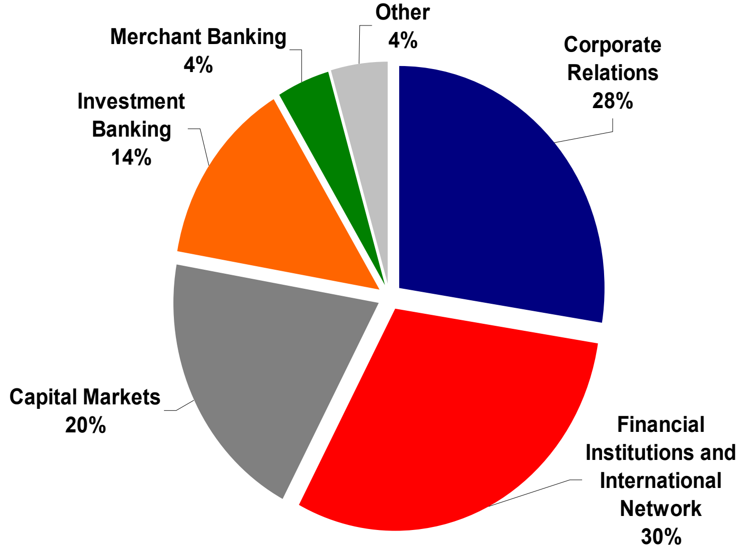
(1) 9M07 figures restated to reflect the scope of consolidation for 9M08. Data includes results of Proprietary trading

Corporate and Investment Banking (2/2)
Limited risk exposure confirmed

Income before tax from continuing operations
(excluding Lehman and Icelandic banks)

(€ m)	9M07	9M08	Δ% 9M08/ 9M07
Corporate Relations	350	388	11.1
Financial Institutions and International Network	392	424	8.4
Capital Markets	219	283	29.0
Investment Banking	171	191	11.5
Merchant Banking	222	61	(72.4)
Other	60	61	0.7
Total excluding Proprietary trading	1,414	1,409	(0.4)
Proprietary trading	(43)	(414)	n.m.
TOTAL	**1,371**	**995**	**(27.5)**

% Breakdown as at 30.09.08
(excluding Lehman, Icelandic banks and Proprietary trading)



Figures may not add up exactly due to rounding differences

Public Finance

Double-digit growth of Operating income

(€ m)	9M07 Restated[1]	9M08	Δ%
Net interest income	150	203	35.3
Dividends and P/L on investments carried at equity	0	0	n.m.
Net fee and commission income	38	41	7.9
Profits (Losses) on trading	25	(5)	n.m.
Other operating income (expenses)	6	0	n.m.
Operating income	**219**	**239**	**9.1**
Personnel expenses	(27)	(24)	(11.1)
Other administrative expenses	(43)	(43)	0.0
Adjustments to property, equipment and intangible assets	0	0	n.m.
Operating costs	**(70)**	**(67)**	**(4.3)**
Operating margin	**149**	**172**	**15.4**
Net provisions for risks and charges	(1)	1	n.m.
Net adjustments to loans	(8)	(125)	n.m.
Net impairment losses on other assets	(6)	0	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**134**	**48**	**(64.2)**
Cost / Income (%)	**32.0**	**28.0**	
Pre-tax ROE (%)	**22.0**	**7.4**	
EVA® (€ m)	**22**	**-52**	

+25.8% Excluding Profits on trading

+42.7% Excluding Profits on trading

+39.4% Excluding Profits on trading and Lehman

€20m Excluding Lehman

- 35.3% growth in Net interest income due to the increase in average customer loans (+7.5%) and higher spreads
- Strong growth in Net fee and commission income (+7.9%) also due to the increase in Collection and payment services activity
- 4.3% reduction in Operating costs due to lower Personnel expenses mostly from merger integration
- Increase in Net adjustments to loans mostly due to Lehman (€99m)
- Cost/Income at 28.0%, 4p.p. down

Figures may not add up exactly due to rounding differences
(1) 9M07 figures restated to reflect the scope of consolidation for 9M08

International Subsidiary Banks
Strong increase in recurring revenues confirmed

(€ m)	9M07 Restated[1]	9M08	Δ%
Net interest income	874	1,049	20.0
Dividends and P/L on investments carried at equity	1	2	n.m.
Net fee and commission income	403	464	15.1
Profits (Losses) on trading	219	158	(27.9)
Other operating income (expenses)	(3)	(5)	66.7
Operating income	**1,494**	**1,668**	**11.6**
Personnel expenses	(398)	(454)	14.1
Other administrative expenses	(284)	(326)	14.8
Adjustments to property, equipment and intangible assets	(94)	(107)	13.8
Operating costs	**(776)**	**(887)**	**14.3**
Operating margin	**718**	**781**	**8.8**
Net provisions for risks and charges	(7)	(5)	(28.6)
Net adjustments to loans	(117)	(134)	14.5
Net impairment losses on other assets	(1)	(3)	n.m.
Profits (Losses) on HTM and on other investments	4	6	50.0
Income before tax from continuing operations	**597**	**645**	**8.0**

	9M07	9M08
Cost / Income (%)	**51.9**	**53.2**
Pre-tax ROE (%)	**50.5**	**42.5**
EVA® (€ m)	**301**	**282**

+18.4% Excluding Profits on trading

+24.8% Excluding Profits on trading

+28.8% Excluding Profits on trading

- Sustained growth in customer revenue lines
  - Strong increase in Net interest income mainly driven by the sizeable increase in average customer volumes (Loans +28% and Deposits +17%)
  - Strong growth in Net fee and commission income driven by commissions from Current accounts, Financing and Guarantees given, Payments and AuM
- Increase in Operating costs mainly due to the planned expansion of commercial network (+109 branches) and staff (~+1,400 employees)
- Cost/Income ratio at 53.2%

Figures may not add up exactly due to rounding differences
(1) 9M07 figures restated to reflect the scope of consolidation for 9M08

Banca Fideuram

Operating performance affected by the negative market trend

(€ m)	9M07 Restated[1]	9M08	Δ%
Net interest income	92	117	27.2
Dividends and P/L on investments carried at equity	1	0	n.m.
Net fee and commission income	441	373	(15.4)
Profits (Losses) on trading	7	8	14.3
Other operating income (expenses)	2	5	n.m.
Operating income	**543**	**503**	**(7.4)**
Personnel expenses	(105)	(95)	(9.5)
Other administrative expenses	(137)	(141)	2.9
Adjustments to property, equipment and intangible assets	(12)	(11)	(8.3)
Operating costs	**(254)**	**(247)**	**(2.8)**
Operating margin	**289**	**256**	**(11.4)**
Net provisions for risks and charges	(27)	(30)	11.1
Net adjustments to loans	1	0	n.m.
Net impairment losses on other assets	0	(3)	n.m.
Profits (Losses) on HTM and on other investments	0	0	n.m.
Income before tax from continuing operations	**263**	**223**	**(15.2)**

	9M07	9M08
Cost / Income (%)	**46.8**	**49.1**
Pre-tax ROE (%)	**101.9**	**86.3**
EVA ® (€ m)	**176**	**134**

- **€404m positive net inflow of customer financial assets driven by strong growth in Assets under Administration**
- **Decrease in customer financial assets to €63bn (-8.1% vs 31.12.07) entirely due to the negative impact of the financial markets**
- **Strong growth in Net interest income due to the increase in average intermediated volumes and to the increase in collection from customers (+€1.1bn vs 9M07) and higher asset profitability**
- **Decline in commissions mainly due to the reduction of average AuM volumes**
- **4,255 Private bankers**

Figures may not add up exactly due to rounding differences
(1) 9M07 figures restated to reflect the scope of consolidation for 9M08

Conclusions

- **Solid 9M08 operating performance despite the unprecedented market conditions**
  - **Net income ~€3.8bn**
  - **3.3%(1) cost reduction**
- **Solid risk profile**
  - **Net doubtful loans/Loans to Customers stable at 0.9% and more than €2.4bn of reserves for Performing Loans**
  - **Limited and well-diversified exposure to Central-Eastern European countries**
- **Excellent liquidity profile**
  - **Direct Customer Deposits > Loans to Customers**
  - **Net interbank position broadly positive**
  - **Broad availability of Eligible Assets with Central Banks**
- **Capital base strengthened: 6.2% Core Tier 1 Basel 2 Standardised and 6.6-6.9%(2) Core Tier 1 Basel 2 Advanced (estimated) with further significant benefits from capital management actions underway on non-core assets with a total book value of ~€8bn, of which ~€4bn deducted from Core Tier 1**

(1) Excluding non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR)
(2) Benefits from Basel 2 Foundation and Advanced subject to the Bank of Italy approval

Appendix

Quarterly P&L Analysis

Excellent Net interest income progression

(€ m)	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08
	Restated						
Net interest income	2,545	2,627	2,635	2,826	2,838	2,906	3,046
Dividends and P/L on investments carried at equity	50	106	63	86	66	29	13
Net fee and commission income	1,707	1,697	1,634	1,634	1,630	1,563	1,405
Profits (Losses) on trading	455	349	321 (3)	(47)	27	261	41
Income from insurance business	121	179	109	99	79	107	43
Other operating income (expenses)	54	26	60	31	43	91	85
Operating income	**4,932**	**4,984**	**4,822**	**4,629**	**4,683**	**4,957**	**4,633**
Personnel expenses	(1,515)	(1,225) (2)	(1,495)	(1,576)	(1,463)	(1,447)	(1,408)
Other administrative expenses	(778)	(798)	(790)	(975)	(757)	(805)	(799)
Adjustments to property, equipment and intangible assets	(203)	(215)	(217)	(247)	(192)	(195)	(200)
Operating costs	**(2,496)**	**(2,238)**	**(2,502)**	**(2,798)**	**(2,412)**	**(2,447)**	**(2,407)**
Operating margin	**2,436**	**2,746**	**2,320**	**1,831**	**2,271**	**2,510**	**2,226**
Net provisions for risks and charges	(97)	(107)	(76)	(270)	(33)	(45)	(76)
Net adjustments to loans	(350)	(359)	(312)	(490)	(313)	(402)	(855) (8)
Net impairment losses on other assets	(2)	(20)	3	(52)	(8)	(3)	(40)
Profits (Losses) on HTM and on other investments	37	8	(1)	58	13	284 (7)	177 (9)
Income before tax from continuing operations	**2,024**	**2,268**	**1,934**	**1,077**	**1,930**	**2,344**	**1,432**
Taxes on income from continuing operations	(725)	(779)	(589)	(789) (5)	(611)	(704)	(491)
Merger and restructuring related charges (net of tax)	(14)	(66)	(400)	(125)	(321)	(68)	(86)
Effect of purchase cost allocation (net of tax)	(136)	(137)	(136)	399	(133)	(153)	(151)
Income (Loss) after tax from discontinued operations	2,916 (1)	127	743 (4)	(5)	954 (6)	(21)	(4)
Minority interests	(99)	(93)	(92)	(53)	(71)	(41)	(27)
Net income	**3,966**	**1,320**	**1,460**	**504**	**1,748**	**1,357**	**673**

Note: 2007 figures restated to reflect the scope of consolidation for 3Q08

(1) Including €2,803m capital gain on the Crédit Agricole transaction

(2) Including €277m non-recurring recoveries on the allowance for Employee Termination Indemnities (TFR)

(3) Including €169m capital gain related to Borsa Italiana

(4) Including €708m capital gain on the Crédit Agricole transaction

(5) Including non-recurring ~€296m for 2008 Finance Law tax rate reduction with positive effect in 2008 and ~€90m from different dividend taxation vs 2006 introduced by the 2008 Finance Law

(6) Including €953m capital gain for the sale of 198 branches related to Antitrust decision

(7) Including €268m capital gain for the disposal of Agos

(8) Including €254m provisions on Lehman and on Icelandic banks

(9) Including €189m capital gain for the disposal of IMMIT

3Q08 vs 2Q08 Net Income

Maintained at more than €1bn excluding main non-recurring items

2Q08 Net Income(1) (post-tax data) (€ m)		
2Q08 Net Income		**1,357**
+ Integration charges		68
+ Amortisation of acquisition cost		153
- Income (Loss) from discontinued operations		(21)
of which		
Capital gain on 198 Antitrust branches	(20)	
- Capital gain on Agos disposal		262
- Income from Rovelli settlement (IMI-SIR)		49
Net Income excluding non-recurring items		**1,288**
- Profits on trading		251
Net Income adjusted		**1,037**

3Q08 Net Income(1) (post-tax data) (€ m)		
3Q08 Net Income	**673**	
+ Integration charges	86	
+ Amortisation of acquisition cost	151	
+ Lehman provisions	172	
+ Icelandic banks provisions	51	
- Income (Loss) from discontinued operations	(4)	
- Capital gain on IMMIT disposal	79	
- Income from Rovelli settlement (IMI-SIR)	43	
Net Income excluding non-recurring items	**1,015**	-21.2%
- Profits on trading (excluding Lehman)	73	
Net Income adjusted	**942**	-9.2%

(1) Tax estimated for Profits on trading

P&L Analysis: 3Q08 vs 2Q08

Strong growth in Net interest income

(€ m)	2Q08 Restated	3Q08	Δ%
Net interest income	2,906	3,046	4.8
Dividends and P/L on investments carried at equity	29	13	(55.2)
Net fee and commission income	1,563	1,405	(10.1)
Profits (Losses) on trading	261	41	(84.3)
Income from insurance business	107	43	(59.8)
Other operating income	91	85	(6.6)
Operating income	**4,957**	**4,633**	**(6.5)**
Personnel expenses	(1,447)	(1,408)	(2.7)
Other administrative expenses	(805)	(799)	(0.7)
Adjustments to property, equipment and intangible assets	(195)	(200)	2.6
Operating costs	**(2,447)**	**(2,407)**	**(1.6)**
Operating margin	**2,510**	**2,226**	**(11.3)**
Net provisions for risks and charges	(45)	(76)	68.9
Net adjustments to loans	(402)	(855)	n.m.
Net impairment losses on assets	(3)	(40)	n.m.
Profits (Losses) on HTM and on other investments	284	177	(37.7)
Income before tax from continuing operations	**2,344**	**1,432**	**(38.9)**
Taxes on income from continuing operations	(704)	(491)	(30.3)
Merger and restructuring related charges (net of tax)	(68)	(86)	26.5
Effect of purchase cost allocation (net of tax)	(153)	(151)	(1.3)
Income (Loss) after tax from discontinued operations	(21)	(4)	(81.0)
Minority interests	(41)	(27)	(34.1)
Net income	**1,357**	**673**	**(50.4)**

-2.1% excluding Profits on trading and income from IMI-SIR settlement

-2.6% excluding Profits on trading and income from IMI-SIR settlement

-17.9% excluding Profits on trading and main non-recurring items

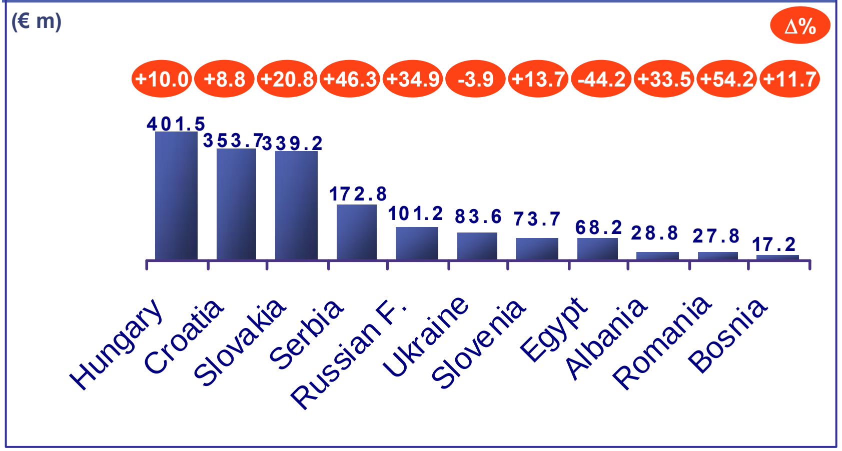
-9.2% excluding Profits on trading and main non-recurring items

Figures may not add up exactly due to rounding differences
Note: 2Q08 figures restated to reflect the scope of consolidation for 3Q08

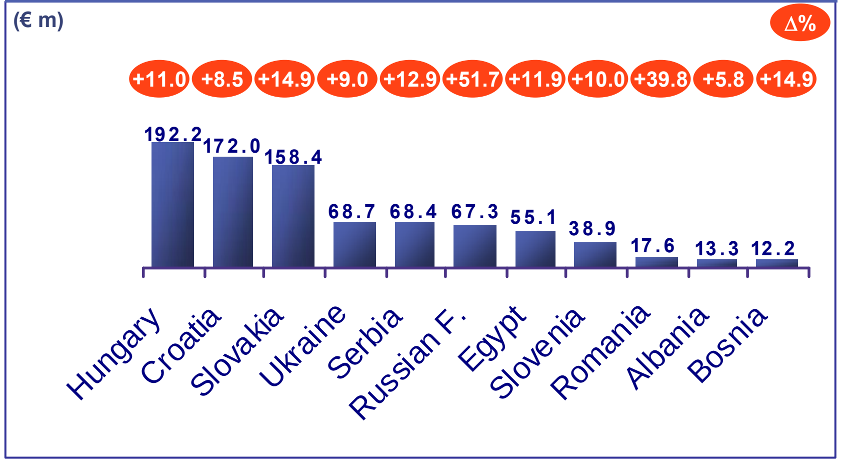
International Subsidiary Banks

Figures by Country 9M08 vs 9M07

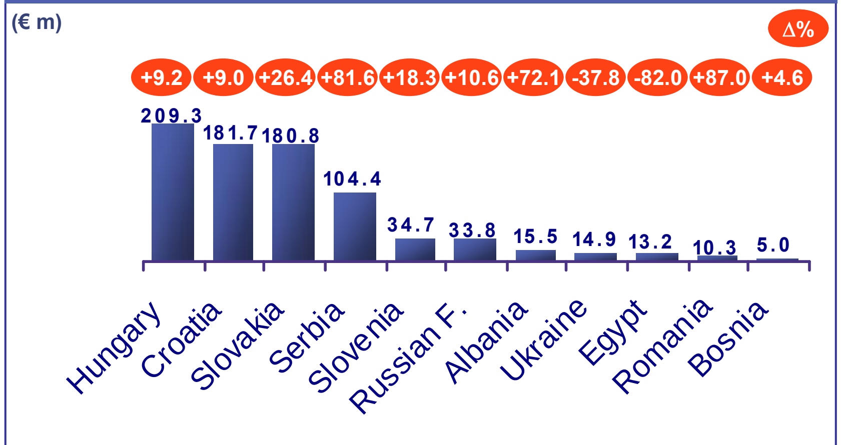
Operating Income



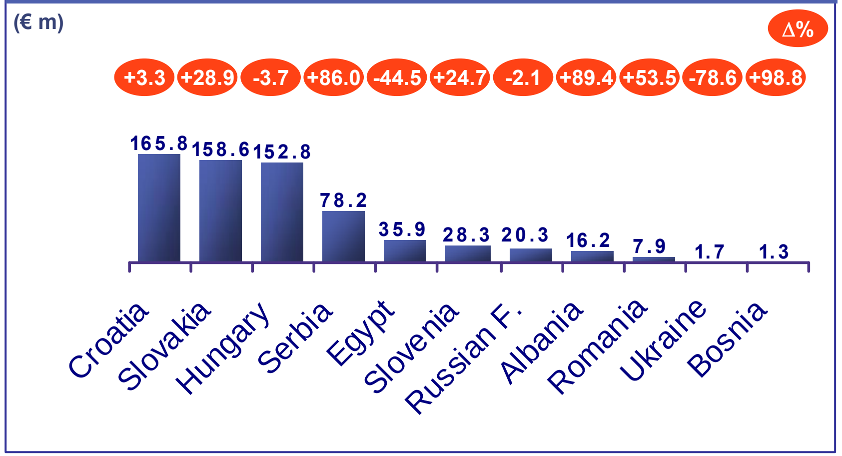
Operating Costs



Operating Margin



Pre-Tax Income(1)



- **Egypt performance affected by the decrease in Profits on trading**

(1) *Income before tax from continuing operations*

Structured credit products: US Subprime

No material exposure

(€m)	Position as at 30.09.08			30.09.08 income statement Profits (Losses) on trading			
Product	Nominal value	Risk exposure (including write-downs and write-backs)[(1)]	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	Total income statement 9M08	Total income statement of which 3Q08
Funded ABS[(2)]	18	**1**	-17	-1	-4	-5	-1
Funded CDOs	26	**2**	-24		-5	-5	
Unfunded super senior CDOs[(3)]	203	**24**	-179		-18	-18	
Other[(4)]	9	**6**	-3				
"Long" positions	256	**33**	-223	-1	-27	-28	-1
ABX hedges	-8	**21**	-29	154	-131	23	2
"Short" positions	-8	**21**	-29	154	-131	23	2
Net position[(5)]	"long" 264	**"long" 12**	-252	153	-158	-5	1

Note: By US subprime exposure, Intesa Sanpaolo means products - cash investments (securities and funded CDOs) and derivative positions (unfunded CDOs) - with collateral mainly made up of non-prime US residential mortgages (i.e. Home Equity Loans, residential mortgages with B&C ratings and similar products) granted in the years 2005/06/07, irrespective of the FICO score and the Loan-to-Value ratio. Others have been collateralised with US residential mortgages granted before 2005 with a FICO score under 629 and Loan-to-Value over 90% (as at 30.09.08, unchanged with respect to our disclosure dated 30.06.08, the weight of this second product class is immaterial in the Intesa Sanpaolo Group portfolio). The risk on these investments was managed and reduced via "short" positions on ABX indices

(1) The column "Risk exposure" sets out: for securities, fair value; for derivatives, the nominal value of the contract, net of capital gains and losses recorded at the date of reference. Such amounts correspond, for "long" positions, to the maximum potential loss (in the event of 100% default and recovery rate of 0). For "short" positions, on the other hand, they indicate the maximum potential gain (in the same scenario in terms of default and recovery level)

(2) The ABS funded component has a AAA rating for 32%, a BBB rating for 41%, a BB rating for 24% and a C rating for the remaining 3%. The original LTV ratio is at 91%, while the 30-60-90 day average delinquency is 5%, 3% and 10% respectively. Cumulated loss on the collateral is at 20.7%. These positions are in part listed on active markets (ABX indices hedges) and are therefore valued using market quotes. In part they are non-listed on active markets (funded and unfunded super senior ABS-CDOs) and are thus valued using the comparable approach or the mark-to-model approach

(3) With mezzanine collateral. Including a position with underlying assets made up of approximately one third of subprime mortgages. This table includes the sole portion represented by subprime mortgages, whereas the residual exposure is reported in the "contagion" area

(4) Risk position of the Romulus vehicle (fully consolidated entity). Romulus is an asset-backed commercial paper conduit vehicle, set up to offer customers an alternative financial channel via access to the international commercial paper market. As at 30.09.08, the portfolio of investments included €304m of nominal value of financial assets, reclassified in Loans & Receivables, with a benefit on Shareholders' equity for 3Q08 equal to €12m before tax. Of the €304m, €9m was attributable to the US subprime segment, €17m to the "contagion" area (see page on "Contagion" area (2/4), Multisector CDOs), and €278m to other structured credit products (see page on Other (4/4)). Negative fair value measurements were recorded after the reclassification, on securities for an amount of €45m, of which -€3m (with a benefit of €1m) recorded on positions included in the subprime segment, -€4m (with a benefit of €2m) on positions attributed to the so-called "contagion" area (see page on "Contagion" area (2/4), Multisector CDOs), -€38m (with a benefit of €9m) on securities which fall under other structured credit products (see page on Other (4/4))

(5) The net nominal exposure of €264m as at 30.09.08 compares with €169m reported as at 30.06.08; the increase is mainly due to "short" positions closed on ABX indices in 3Q08

Structured credit products: Monoline (1/2)

No material exposure

No direct exposure but only indirect positions connected to hedging derivatives purchased from monoline insurers to buy protection on the default risk of assets held by the Group, which therefore only generate counterparty risk(1). Such hedging derivatives fall into two categories of activity performed by Intesa Sanpaolo: packages(2) and fully hedged(3) credit derivative transactions

Monoline

- **Net counterparty risk exposure totalled €27m as at 30.09.08 (€61m as at 31.12.07)**
- **9M08 income statement impact(4) -€30m (2007 -€25m)**

- **71% vs MBIA**
- **29% vs other monoline with rating between AAA and BBB**

(1) *For the sake of completeness, please note that there is also another form of exposure to monoline insurers, which does not generate particular risk situations. It stems from the investment in securities for which the monoline insurer provides a credit enhancement to the issuing vehicle, for the purpose of making the issue "eligible" for certain types of investors through the achievement of a certain rating (normally AAA). Such securities, wholly held by Banca Infrastrutture Innovazione e Sviluppo, with a nominal value as at 30.09.08 of approximately €590m (€1,273m as at 31.12.07) are made up by 68% of ABS with underlying Italian health receivables, and the remaining portion by infrastructure financing. The positions were granted on the basis of the creditworthiness of the underlying borrower and, therefore, irrespective of the credit enhancement offered by the monoline insurer. It must be noted that, as of today, no deterioration in the creditworthiness of the single issuers/borrowers has arisen to require any particular action such as the allocation of prudent provisions. In this respect, it must be noted that all issues are Investment Grade and that ABS with underlying Italian health receivables are also assisted by delegated regional payment*

(2) *Both the security and the connected derivative have been valued with the mark-to-model methodologies, also considering any available prices, if lower; such valuations did not have any impact on Profits (Losses) on trading, with the exception of those with the reference to the counterparty risk component, mostly due to transactions in which the hedge was stipulated with monoline insurers, for which a credit risk adjustment has been calculated, determined on the basis of the cost of protection CDS on the default of the monoline insurer, with nominal value equal to the current and potential future exposure (so-called "add-on") and expiry equal to the average residual life of the underlying assets. Even though packages do not lead to market risk connected with the nature of the underlying asset, for the sake of completeness, please note that, assets which are part of packages include, for €169m nominal value as at 30.09.08, securities with US RMBS collateral with a significant subprime content (equal to 30%)*

(3) *Intesa Sanpaolo's activities in fully hedged derivatives are made up of the simultaneous purchase and sale of protection on the same reference entity (underlying asset) with two different counterparties. Also in this case activities do not result in exposure to the market risk generated by the underlying asset, but with the sole counterparty risk generated by the "short" position in the protection purchase, further mitigated by the fact that Intesa Sanpaolo has a right of substitution of the monoline insurer, which is, however conservatively not considered in the valuation*

(4) *Write-downs*

Structured credit products: Monoline (2/2)
No material exposure

(€m)	Position as at 30.09.08					30.09.08 income statement Profits (Losses) on trading	
	Nominal value of the underlying asset	Fair value of the underlying asset	Credit risk exposure to monoline insurers (fair value of the CDS) *pre* write-down	**Credit risk exposure to monoline insurers (fair value of the CDS) *post* write-down**	Fair value cumulated write-downs of the hedge from monoline insurers	Fair value write-down of the hedge from monoline insurers	
						9M08	of which 3Q08
Positions in Packages:							
US RMBS with a significant Subprime content	169	109	60	**25**	-35	-22	5
Other underlying assets						-1	1
Sub-Total	169	109	60	**25**	-35	-23	6
Positions in other derivatives:							
Other underlying assets	210	194	16	**2**	-14	-7	-2
Total	379	304	76	27	-49	-30	4

Structured credit products: “Contagion” area (1/4)

Good quality of structures

- **Multisector CDOs**: such products are almost entirely present in unfunded super senior CDOs, with collateral represented by US RMBS, European ABS, CMBS, HY CBO and Consumer ABS

Multisector CDOs
- €210m “long” positions as at 30.09.08, including €41m CMBX-CDS index hedging (€393m as at 31.12.07), against which there are investments in funds with “short” positions on the US credit market of €213m (€115m as at 31.12.07)
- 9M08 income statement impact(1) -€2m (2007 -€17m)

- *Collateral*: 58% US RMBS (for 61% *vintage* prior to 2005 and an average 4.9% exposure to subprime); 21.1% European ABS; 9% CMBS; 4% HY CBO; 1.1% Consumer ABS
- Rating: 54% AAA and 46% BB
- Average Attachment point 26%
- Written down by 27% of the nominal value on the basis of the mark-to-model

- **Alt-A – Alternative A Loans**: ABS (securities) with underlying US residential mortgages normally of high quality but characterised by penalising factors, mostly incomplete documentation, which do not permit their classification in standard prime contracts

Alt-A
- Net risk exposure totalled €80m as at 30.09.08 (€93m as at 31.12.07)
- 9M08 income statement impact(1) -€2m (2007 -€28m)

- 100% AAA Rating
- 100% 2005 Vintage
- No Agency component: 70% average original LTV, 0.9% cumulated loss, 30-60-90 day average delinquency is 4.5%, 1.8% and 4% respectively

- **TruPS – Trust Preferred Securities of REITs (Real Estate Investment Trust)**: financial instruments similar to preferred shares issued by real estate-trustees to finance residential or commercial initiatives present almost entirely in Unfunded super senior CDOs

TruPS
- Net risk exposure totalled €97m as at 30.09.08 (€146m as at 31.12.07)
- 9M08 income statement impact(1) -€47m (2007 -€85m)

- Rating positions unfunded AA and A+, funded AAA
- Average Attachment point 42%
- Written down by 58% of the nominal value on the basis of the mark-to-model

- **Prime CMOs**: securities issued with guarantee mostly represented by loans assisted by mortgages on US residential buildings

Prime CMOs
- Net risk exposure totalled €48m as at 30.09.08 (€55m as at 31.12.07)
- 9M08 income statement impact(1) -€3m (2007 -€1m)

- 100% AAA Rating
- 100% 2005 Vintage
- 65% average original LTV
- 0.7% cumulated loss
- 30-60-90 day average delinquency is 0.5%, 0.2% and 0.5% respectively

(1) Including realised gains/losses and write-downs/write-backs

Structured credit products: "Contagion" area (2/4)

Multisector CDOs

(€m)	Position as at 30.09.08			30.09.08 income statement Profits (Losses) on trading			
						Total income statement	
Product	Nominal value	Risk exposure (including write-downs and write-backs)	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	9M08	of which 3Q08
Unfunded super senior CDOs	347	**238**	-109	1	-50	-49	-18
Other (funded)(1)	17	**13**	-4				
"Long" positions	364	**251**	-113	1	-50	-49	-18
CMBX - CDS hedges	50	**41**	9	3	5	8	6
"Short" positions of funds	142	**213**	71		39	39	22
Net position(2)	"long" 314	**"long" 210**	-33	4	-6	-2	10

(1) Risk position of the Romulus vehicle (fully consolidated entity)
(2) Nominal value and risk exposure figures do not include amounts of "short" positions of funds

Structured credit products: "Contagion" area (3/4)

Alt-A

(€m)	Position as at 30.09.08			30.09.08 income statement Profits (Losses) on trading			
Product	Nominal value	Risk exposure (including write-downs and write-backs)	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	Total income statement 9M08	Total income statement of which 3Q08
Alt-A Agency(1)	46	**45**	-1		-1	-1	
Alt-A No Agency(2)	43	**35**	-8		-1	-1	
Other(3)	9						
"Long" positions	98	**80**	-9		-2	-2	

(1) Exposure entirely reclassified into Loans & Receivables with an income statement benefit for 3Q08 equal to €1m before tax
(2) Exposure entirely reclassified into Loans & Receivables with an income statement benefit for 3Q08 equal to €4m before tax
(3) Risk position classified in securities available for sale, belonging to the Parent company, coming from the Romulus vehicle, transferred at fair value in 2008

Structured credit products:“Contagion” area (4/4)

TruPS and Prime CMOs

TruPS

(€m)	Position as at 30.09.08			30.09.08 income statement Profits (Losses) on trading			
Product	Nominal value	Risk exposure (including write-downs and write-backs)	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	Total income statement 9M08	of which 3Q08
Funded CDOs	4	**2**	-2		-2	-2	-2
Unfunded super senior CDOs	227	**95**	-132		-45	-45	-5
"Long" positions	231	97	-134		-47	-47	-7

Prime CMOs

(€m)	Position as at 30.09.08			30.09.08 income statement Profits (Losses) on trading			
Product	Nominal value	Risk exposure (including write-downs and write-backs)	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	Total income statement 9M08	of which 3Q08
CMOs (Prime)(1)	52	**48**	-4		-3	-3	
"Long" positions	52	48	-4		-3	-3	

(1) Exposure entirely reclassified into Loans & Receivables with an income statement benefit for 3Q08 equal to €8m before tax

Structured credit products: Other (1/4)

High quality of structures

The effects of the crisis that affected the US financial markets spread progressively, initially involving instruments with collateral made up of US non-subprime residential mortgages and subsequently the whole structured credit product segment, including products with non-US underlying assets.

Details of different types of products related to this segment are provided below. In particular, non-monoline packages, funded ABS/CDOs, unfunded super senior Multisector CDOs not comprised in the "contagion" area, Super Senior Corporate Risk and Other unfunded positions:

- **Non-monoline packages: assets with specific hedges stipulated with primary international banks[(1)]**

Packages

- Net exposure to counterparty risk €239m as at 30.09.08 (€454m as at 31.12.07)
- 9M08 income statement impact[(2)] -€12m (2007 -€5m)

- Hedges from banks generally with a AA rating (in one case AAA and in one case A rating) mostly object of specific collateral agreements
- Valued using the mark-to-model approach

- **Unfunded super senior Multisector CDOs: this component includes super senior positions with High-Grade, widely diversified collateral or characterised by high credit quality RMBS and therefore not included in the "contagion" area**

Unfunded super senior Multisector CDOs not included in the "contagion" area

- Net risk exposure €741m as at 30.09.08 (€743m as at 31.12.07)
- 9M08 income statement impact[(3)] -€14m (2007 -€16m)

- 28% collateral in CMBS, 40% corporate loans, 21.8% average US RMBS and 2.9% average subprime
- 100% AAA Rating
- 89% Vintage prior to 2005
- 17.6% average Attachment point
- Valued using the mark-to-model approach

(1) Underlying assets were mostly made up of CLOs and ABS CDOs with a limited portion of US subprime (equal to approximately 24.5%)
(2) Write-downs
(3) Including realised gains/losses and write-downs/write-backs

Structured credit products: Other (2/4)

High quality of structures

- **European funded ABS/CDOs**: portfolio with collateral diversified in RMBS/CMBS, CLOs, CDOs and ABS of receivables (Credit Card, Leasing, Personal Loans, etc)

European funded ABS/CDOs

- Net risk exposure €2,090m as at 30.09.08 (€2,224m as at 31.12.07)
- 9M08 income statement impact(1) -€62m (2007 -€78m)

- Rating: 79% AAA, 19% AA/A, 2% BBB/BB
- Valued on the basis of comparable approach for 83%, mark-to-model for 17%

- Collateral: 35% RMBS (of which 48% Italy)
  21.4% CLO
  16.1% CDO
  11.3% CMBS (of which 44% Offices, 27% Retail/Shopping Centres, 10% Mixed Use, 8% Nursing Homes, 6% Residential, 4% Industrial)
  16.2% ABS of receivables

- **US funded ABS/CDOs**: portfolio includes securities with US underlying assets, with collateral mostly represented by Credit Card. It is also present a CMBS component with underlying 100% Small Commercial Loans with 100% AAA rating

US funded ABS/CDOs

- Net risk exposure €81m as at 30.09.08 (€139m as at 31.12.07)
- 9M08 income statement impact(1) -€9m (2007 -€15m)

- Collateral: 60% Credit Card, 25% CMBS, 15% High Yield CLO
- Rating: 40% AAA, 41% AA/A, 19% BBB/BB
- Valued on the basis of comparable approach for 85%, mark-to-model for 15%

- **Funded ABS/CDOs ascribable to the Romulus vehicle**: securities classified as available for sale with mainly US underlying assets (Credit Card, Leveraged Loans, Student Loans)

US funded ABS/CDOs Romulus

- Net risk exposure €240m as at 30.09.08 (€263m as at 31.12.07)

- Rating: 96% AAA, 4% AA/A
- Valued on the basis of comparable approach for 57%, mark-to-model for 43%

(1) Including realised gains/losses and write-downs/write-backs

Structured credit products: Other (3/4)

High quality of structures

- **Unfunded super senior Corporate Risk CDOs**: super senior in this category is mostly characterised by collateral subject to corporate risk

Unfunded super senior Corporate Risk CDOs
- Net risk exposure €2,451m as at 30.09.08 (€2,414m as at 31.12.07)
- 9M08 income statement impact(1) -€32m (2007 -€71m)

- 37% average Attachment point

- Collateral: 34.9% US (74% CLOs)
  35.5% Europe (44% consumer credit Italy and 38.5% CLOs)
  29.6% Emerging Markets (Bonds and Project Finance)
- Valued using the mark-to-model approach

- **Other unfunded positions**: portfolio with a "short" balance of unfunded CDOs with mainly European underlying assets

Other unfunded positions
- Net risk exposure -€396m as at 30.09.08 (-€404m as at 31.12.07)
- 9M08 income statement impact(1) -€19m (2007 +€2m)

- Almost entirely on mezzanine tranches
- Valued using the mark-to-model approach

(1) Including realised gains/losses and write-downs/write-backs

Structured credit products: Other (4/4)

(€m)	Position as at 30.09.08					30.09.08 income statement Profits (Losses) on trading	
						Fair value write-down of the hedge from primary International banks	
Product	Nominal value of the underlying asset	Fair value of the underlying asset	Credit risk exposure to primary International banks (fair value of the CDS) *pre* write-down	Credit risk exposure to primary International banks (fair value of the CDS) *post* write-down	Fair value cumulated write-downs of the hedge from primary international banks	9M08	of which 3Q08
Non-monoline packages[(1)]	1,547	1,290	257	239	-18[(2)]	-12	-9

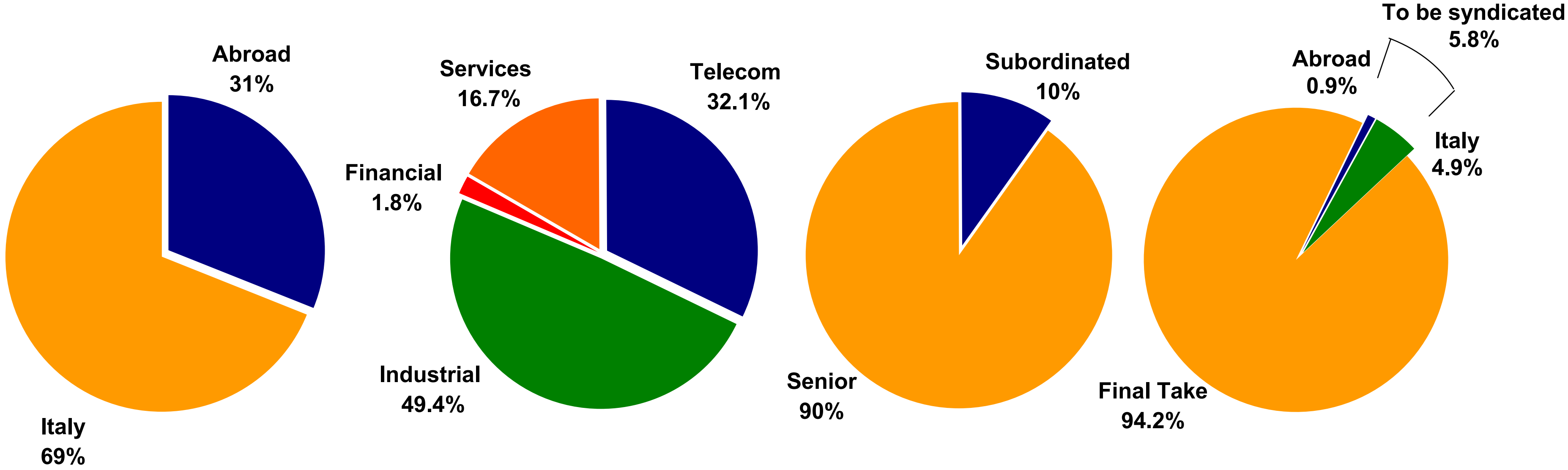
(€m)	Position as at 30.09.08			30.09.08 income statement Profits (Losses) on trading			
						Total income statement	
Product	Nominal value	Fair value	Cumulated write-downs and write-backs	Realised gains/losses	Write-downs and write-backs	9M08	of which 3Q08
Funded ABS/CDO[(3)]	2,328[(4)]	2,171	-157	-5	-66[(5)]	-71[(3)]	-4[(3)]
Unfunded super senior multisector CDOs and corporate risk[(6)]	2,945	2,796	-149		-65	-65	-29
Other[(7)]	278	240	-38				

(1) Underlying assets were mostly made up of CLOs and ABS CDOs with a limited portion of US subprime (equal to approximately 24.5%)
(2) According to systematic adjustments made on the entire derivatives universe to incorporate in the fair value the credit risk, in this particular case de minimus, of the counterparty (so-called credit risk adjustment), even considering that the operations are mainly object of specific collateral agreement
(3) US component reclassified into Loans & Receivables for an amount equal to €71m of nominal value and to €68m of net exposure, with an income statement benefit for 3Q08 equal to €1m before tax; EU component belonging to the Intesa Sanpaolo Group reclassified into Loans & Receivables for an amount equal to €1,474m of nominal value and to €1,332m of net exposure, with an income statement benefit for 3Q08 equal to €91m before tax; EU component belonging to Banca IMI reclassified into Loans & Receivables for an amount equal to €340m of nominal value and to €326m of net exposure, with an income statement benefit for 3Q08 equal to €2m before tax
(4) Of which €671m belonging to Banca IMI and €9m belonging to CR Firenze
(5) Of which -€14m ascribable to Banca IMI
(6) Including a portfolio with a "short" balance of unfunded CDOs of -€383m of nominal value and -€396m of fair value
(7) Risk position of the Romulus vehicle (fully consolidated entity)

Leveraged Finance(*)
Contained, high quality exposure

No. Transactions	Amount(1)
100	€4,927m

Breakdown



(*) Group financing to parties controlled by private equity funds
(1) Outstanding commitment

Disclaimer

“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 presentation corresponds to the document results, books and accounting records”.

* * *

This presentation contains certain forward looking statements and forecasts reflecting Intesa Sanpaolo management’s current views with respect to certain future events. 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 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 the merger of Banca Intesa S.p.A. and Sanpaolo IMI S.p.A. as well as other recent 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; and
- the Group’s ability to achieve the expected return on the investments and capital expenditures it has made it Italy and in foreign countries.

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, which speak only as of the date hereof. Accordingly, there can be no assurance that the Group will achieve its projected results.